

A Study on “Consumer Relational mode of shopping at Shopper’s Stop’

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Abstract

Relational shoppers on the other hand consider today’s transaction to be one in a long series of many future purchases. They are looking less for a product than for a store in which to buy it. Their only fear is of making a poor choice.

Relational shoppers will purchase as soon as they have confidence.

In this research paper we will be analyzing on how can Shoppers’s stop increase its sales in consideration to feedback given by the consumers as per the primary research been done.

Nowadays, every retail store is looking at increasing the sales with different promotional strategies. Few strategies will be recommended from this research paper.

So, Will your store and your staff give them this confidence they seek?

Key words: Consumer, purchase pattern, relational shoppers, promotional strategy

Introduction

India is the fifth largest preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India’s retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities. Healthy economic growth, changing demographic profile, increasing disposable incomes, urbanization, changing consumer tastes and preferences are the other factors driving growth in the organized retail market in India.

With the growing marketing industry in India the consumers are looking at a right strategy of an economical pay for their products and should be of a best quality.

On this context the customer buying behavior would depend on the most influential factors that impact them on their confidence of buying the product.

There are two modes the consumer would be influential. As marketer they should be aware of the Transactional mode and a relational mode of shopping.

Transactional Shoppers are focused only on today's transaction and give little thought to the possibility of future purchases.

Their only fear is of paying more than they had to pay. Transactional shoppers are looking for price and value.

They enjoy the process of comparing and negotiating and will likely shop at several stores before making their decision to purchase.

Transactional shoppers do their own research so they won’t need the help of an expert. Consumer Reports are published primarily for the transactional shopper.

Because they enjoy the process, transactional shoppers don’t consider their time spent shopping to be part of the purchase price.

Relational Shoppers consider today's transaction to be one in a long series of many future purchases. They are looking less for a product than for a store in which to buy it.

Their only fear is of making a poor choice. Relational shoppers will purchase as soon as they have confidence. Will your store and your staff give them this confidence they seek?

They don't enjoy the process of shopping and negotiating.

Relational shoppers are looking principally for an expert they can trust.

They consider their time to be part of the purchase price.

Confident that they have found "the right place to buy," relational shoppers are very likely to become repeat customers.

As was stated earlier, every person has a transactional mode and a relational mode of shopping, so don't be surprised when you see yourself in both descriptions. You, like all other shoppers, are extremely transactional in certain product and service categories and wholly relational in others. Due to the fact that shoppers in transactional mode will shop all over town and love to negotiate, merchants often wrongfully conclude that most shoppers stay in transactional mode. But in truth, more purchases are quietly made by customers in relational mode.

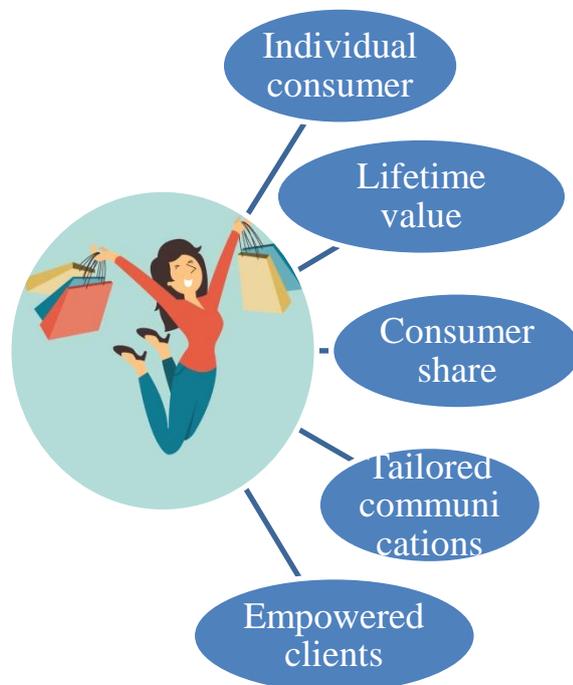
Objective of Relational Shoppers

- ✓ To ascertain on the consumer choices.
- ✓ To deliver consumer satisfaction
- ✓ To ensure higher sales in shoppers stop.

Research Methodology

This is an empirical study with a sample size of 50 where we will understand the consumer awareness of the shoppers stop, buying intention and consumer satisfaction. Also recommendations of how to improve for better sales.

CONSUMER SATISFACTION THROUGH RELATIONAL MODE – MODEL



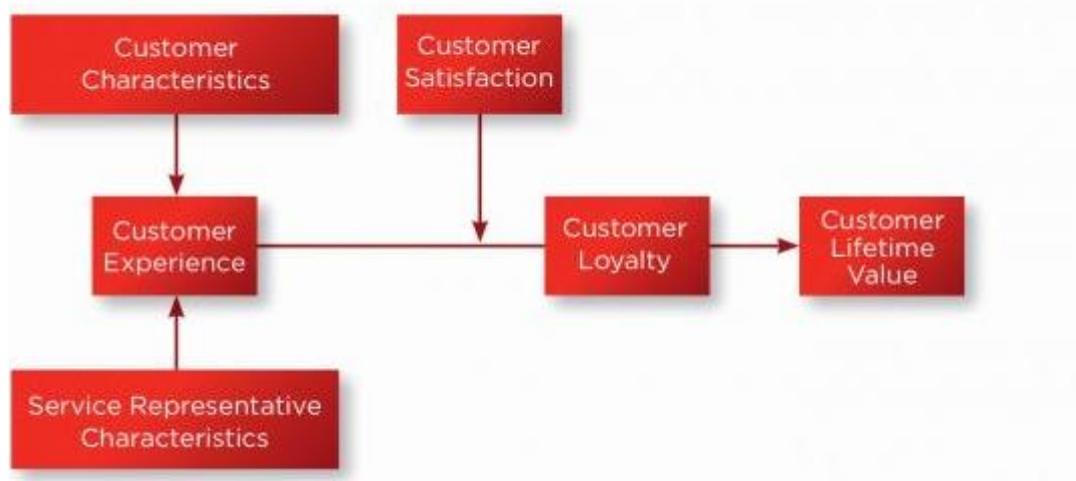
Individual Consumer

An individual who buys the products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements. Any time someone goes to a store and purchases a toy, shirt, beverage, or anything else, they are making that decision as a consumer.

Lifetime Value

The total gain expressed on a net present value basis that a business anticipates from having an enduring commercial relationship with a client over time. When a product or service has a high customer lifetime value, a business might be justified in spending more on marketing it. Also called lifetime proceeds.

Predicting Customer Lifetime Value



Consumer Share

Share of customer refers to the percentage of an individual customer’s purchase of a product that is a single brand.

Tailored Communications

Designing campaigns customized to consumer profiles can seem daunting and costly as the wants, needs, and interests of consumers vary greatly. Message targeting involves defining a subgroup of a population based on common characteristics and providing information in a manner consistent with those characteristics. This approach assumes that if group members possess enough similar characteristics and motivations, they will be influenced by the same message. Knowledge of the subgroup’s characteristics, obtained through the process of audience segmentation, allows message developers to allocate campaign resources economically and strategically by targeting their relevant audience.

Empowered Clients

Today’s consumers are treated as Clients. These consumers would feel unhappy and disliked if they are shown an utmost importance for the products or services they buy. As a store the consumers feeling when they leave the shop should be empowered with few of these ways. They feel helpless when they encounter a problem that needs urgent attention. Making an effort to empower your consumers is an excellent way to enable them to do things for themselves. By empowering your clients now, they will be able to solve problems successfully on their own in the future.

There are few choices that can be implemented to empower clients.

Give your clients access to information 24 hours a day. Create a website that includes contact information, info about services and products, business achievements, samples and an FAQ. Also, include an area where clients can send their questions and concerns.

Answer all queries as soon as possible or within three days. Many clients aren't patient and dislike having to wait a week before they receive an answer. Satisfy your customer's questions by answering them to the best of your capabilities. Don't answer queries with vague answers.

Techniques of Sales Promotion

Sales Promotion: Sales promotion is an important instrument in marketing lubricates the marketing efforts. The Sales promotion has become a necessity and not merely luxury or a fashion it is not expenditure; it is an investment which can pay rich dividends. It is an integral part of the marketing effort.

FEW TECHNIQUES

- 1 Dealer Promotion
- 2 Consumer Promotion
- 3 Sales-Force Promotion
- 4 Internal organizations Promotion
- 5 Industrial Promotion

Dealer promotion:

- a) *Advertising Material:* The advertising materials prepared by the company such as store signs, banners, shelf signs, boards, etc., should be distributed to sub - dealers for better display.
- b) *Store demonstrations:* A personal demonstration is good to introduce a new product as the peculiar advantage can be highlighted and the consumer's doubts can be cleared. A good demonstration with a great deal of action will draw heavy crowds into the store will attract attention to the product.
- c) *Special displays and shows:* These are seasonal in character but could be arranged in an elaborate manner and for all the product of a company. Usually, these are arranged along with trade fairs and exhibitions.
- d) *Dealer contests:* This is an indirect way of increasing sales. It is conducted by the manufacture at a wholesale or retail level. Such contests may take the form of window display, internal store display, sales contests, etc. The winners are rewarded either in cash or in some other interesting forms. This certainly involves financial commitments.
- e) *Dealer premia:* The dealer is offered a gift every time he purchases a given number of units of the company's brands. The scheme is also financial in nature as the dealer is given cash/kind discount for such purchases.

Consumer Promotion

The consumer or user promotion techniques are the various devices directly used to motivate and stimulate the consumer towards larger purchases. The techniques may be executed by house to house visits of the customers or by visiting their offices, or by distributing them to the shops of the middleman. Some important consumer/user promotion techniques are:

- a) *Coupons:* Coupons (a chit of stated value) are given directly to the consumer. The consumer may receive a price reduction of the stated value of the coupon at the time of purchase.
- b) *Price - off offer' (also known as 'bargain offer', 'Price Pace') :* This offer is intended to stimulate the sales during a slump season. In this method the customer is offered a reduction

from the printed price list. It is also used when a substitute or competing product enters the market.

c) *Money refund offer*: An offer, usually stated on the manufacturers will return, within a stated period, part or all of the purchaser's money if he is not completely satisfied with the product.

d) *Samples*: In the hope of converting a prospect into a customer, a sample (small quantity of the product) may be given. This helps the consumer to verify the real quality of the product. Sampling is a fast method of demand creation, because one knows the result as soon as the consumer has had time to use the sample and buy the brand.

e) *Trading Stamps*: A premium in the form of stamps is given by the seller to consumers while selling goods. The number and value of stamps that the buyer receives depend on the purchase. These stamps are redeemable through premium catalogues at the stamp redemption centers.

g) *Factory - in - pack- Premium*: These are popular in the case of Baby Food and Tinned Food items. The premium item is packed with the product in the box itself or it may be appended to the outside box (spoons, cups, measuring glass, etc.) Such premia are inexpensive since they go along with the product.

Sales Force Promotion

This may also be termed 'sales force sales promotion'. A significant amount of a company's sales promotional efforts is aimed at the company's own sales force. The idea behind such activity is to make the salesman's efforts more effective. Sales promotion at this level may include contests, premiums, visual aids be used in sales presentations.

a) *Sales meeting*: producers often organize annual meetings for the sales-force, for giving them necessary information about any new product to be introduced, new sales plans and techniques, and the new sales programme of the producer.

b) *Sales rally*: Large companies organize sales rallies for internal and travelling salesman, supervisors and other sales employees engaged in sales activity.

c) *Sales letter*: Sales letters are used to know the problem of buyers. On the basis of which the sales programme could be made more effective keeping in view of the changing needs of consumers.

d) *Bonus*: Bonus is paid to salesman from the portion of profit of the firm every year to motivate him for better efforts.

f) *Gift*: In addition to bonus, gifts are also being given to the salesman in special occasions, like Diwali, New Year, etc.

Internal Organisation Promotion

Promotion of internal organization is concerned with the steps to be taken for making a sound promotional programme. According to gross and Houghten, the elements are:

a) *Approval of promotional philosophy*: The success of a promotional programme depends largely on the philosophy and attitude of the top management. Therefore, the approval of the top management is necessary for undertaking a promotional programme.

b) *Product development for marketing*: The success of a sales promotion programme also depends on the quality of the product. The modern consumer is largely quality conscious. He compares the product with that of other product before making a final decision to purchase the product of a new seller. Therefore, before introducing the promotion techniques in a

market, the reactions of the distributors, middleman, and consumer, are known in advance, by establishing contacts with them.

c) *Cooperation with sales department:* For the successful implementation of sales promotion programme, cooperation of sales department is essential. Gross and Haughton have suggested the following activities that are to be undertaken with the cooperation of sales department. - Organization of contests for salesmen - Formation of sales slogans - Organization of sales rallies - Organizing of sales exhibitions - Training to sales personnel.

Industrial Promotion

The characteristics of industrial product are entirely different from that of the consumer product. Therefore, their sales promotion method may also differ from that of consumer products. Since the industrial products are too costly items; except for chemical product; free samples or premium methods are not used for sales promotion of industrial goods. Further, the number of customers for industrial products is limited. Therefore, contests or special selling methods are also not used. The major tools of sales promotion of industrial Products include: 1 Conventions and trade shows. 2 Advertising and promotional novelties. 3 Demonstrations. 4 Free trials. 5 Free training. 6 Credit facilities. 7 After sales services. 8 Product demonstration model kit.

Conclusion

The importance of sales promotion in modern marketing has increased mainly on account of its ability in promoting sales and preparing the ground for future expansion. The main objective of sales promotion is to attract the prospective buyer toward the product, and induce him to buy the product at the point of purchase. At the salesman's level, its object is to achieve more sales. At the dealer's level, the purpose is to sell a particular product of a manufacturer. At the consumer's level, the main idea is to enable the consumer to buy more of a product more frequently and also to introduce new uses for the product. Thus, it is a "catch-all" method and is used as an effective tool of marketing.

Findings

The below said details are the findings of the shoppers stop as per the survey done through questionnaire.

- The majority of the people coming to Orion mall are Youth who are the target consumers. Almost 60% of the consumers who walk into are not aware of the location of the shoppers stop as they are travelling from far off locations.
- There is almost 43% of commuters travel to Orion mall through metro in high numbers where there is no visibility of the location of the shoppers stop.
- Almost 76% of shoppers prefer to buy the products on the basis of variety of designs that are trendy
- There are almost 67% of consumers who are influenced on the economy standards which has made them to decide on the pricing strategy.
- Almost 54% of the Buyers are more influenced on buying when there is discount sale.
- Almost there is 53% of the buyers prefer buying branded products.
- Almost 36% of the consumers who are influenced in buying products through online and 27% like to buy in outlets.
- There are almost 57% of consumers who are under brand influence.
- Almost 60% of consumers are influenced through advertisements that are creating impact on the buying decision and there is no proper advertising of the shoppers stop.
- There are 84% of respondents who have rarely noticed any advertisement of shoppers stop in Orion mall
- The buyers look for fashion and comfort.

- Almost 61% of consumer choice depends on both Quality and Style of the branded products.
- There are many physical stores of in brands in the Orion mall.
- There is a need of building consumer relation through in-house consumer interaction and meeting to their want of design and style.
- An improvement is required by sales representative or floor incharge to have an interaction with the consumers who walk-in.

Recommendations or Suggestions

The below said details are the recommendations to shoppers stop as per the survey done through questionnaire

- There is a need of proper display through Bill boards especially in parking area and on the commuters junction.
- The Neon signs and Banners can be a part of Promotion.
- There should be proper advertisement program like:
 - First citizen program
 - Fashion events
 - Providing discount coupons
- There should be visibility of the location of the store and variety of the products through proper mode of advertisement.
- The consumers can be motivated to higher buying by ways of giving Referral bonus by the reference of different consumers.
- There can be more scope given to consumers by giving them Add on cards for recurring shopping.
- The Old consumers can be reminded of their traditional buying behavior and can be called as Class consumers.
- Since the consumers have shown their attention towards the pricing and style which can be changed over different brands the shoppers stop has more prominence of shopping.
- Social media can be used as a network of promotion whenever there is a super sale.

Conclusion

After a complete survey and observation of the Shoppers Stop in Orion mall the recommendations given can be implemented. There is also a need for adopting good promotional strategies in retaining the consumer's interest. We can also understand that the in brands of shoppers stop are available in the Orion mall. Overall there is a scope of higher sales.

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