

MK 322 Retail Management

Chapter 15: Retail Communications Mix

By Ajarn Suwalya K.



The future of shopping: what's in store? |
The Economist

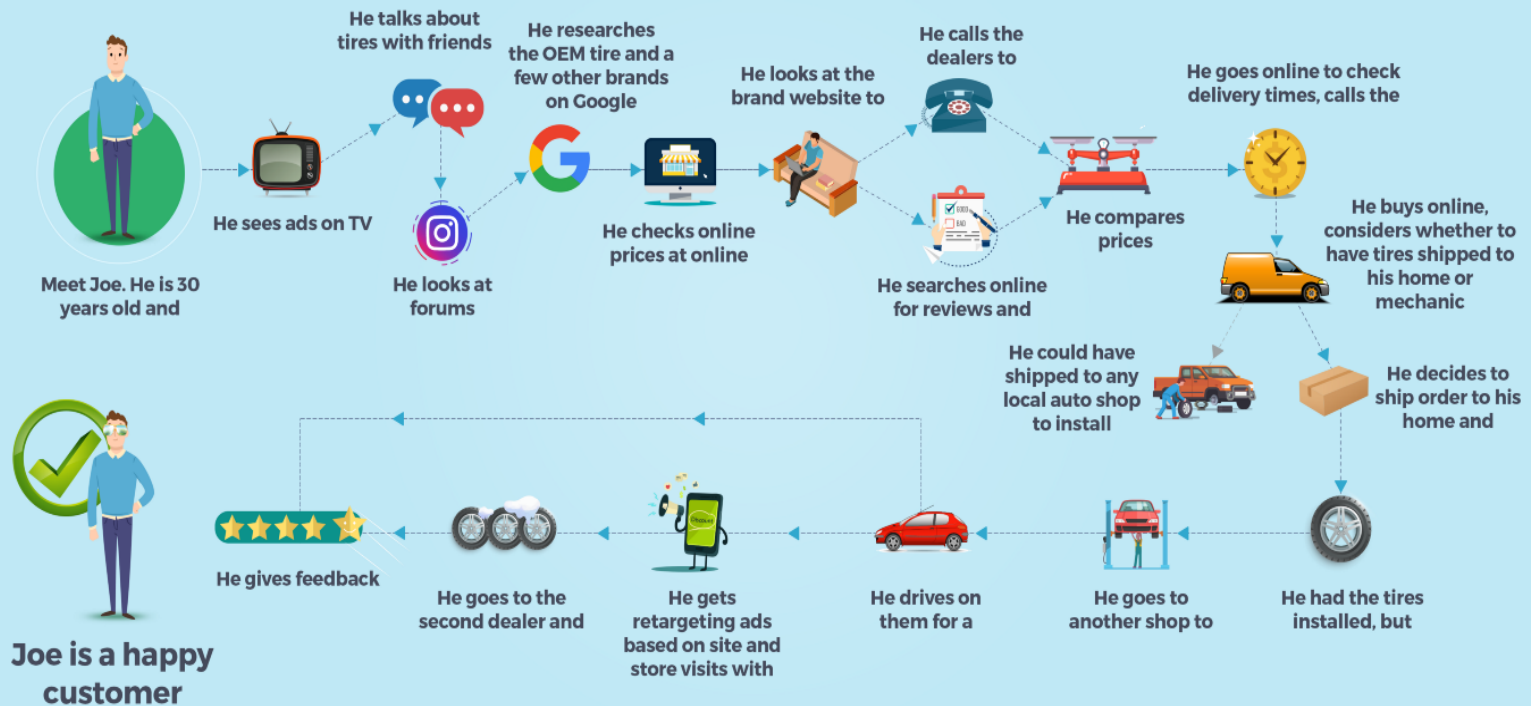
The Economist · 270K views · 1 month ago



Retail Customer Journey



Understanding your customer journey in the Age of the Customer



Retail Customer Journey



shoptelligence

Integrated program to increase sales & revenue per buyer

Furniture Manufacturer

Dynamic Social Media Ads:
Increase customer acquisition



Website & Wish List Integration:
Generate leads & drive engagement



Send to Store & Social Media Sharing:
Generate more leads to dealers



Furniture Retailer/Dealer

Website Integration:
Drive engagement and store traffic



Send to Store & Social Media Sharing:
Drive store traffic with qualified leads



Kiosk Integration:
Seamless web to store experience via site visit lookup, increase order value



Email & Open-to-buy Nurturing: Increase return purchasers

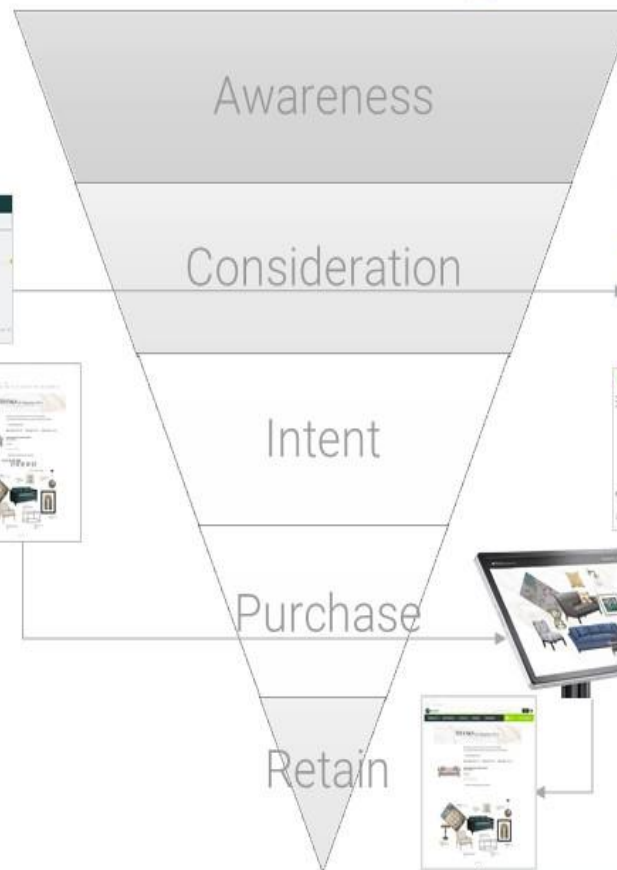
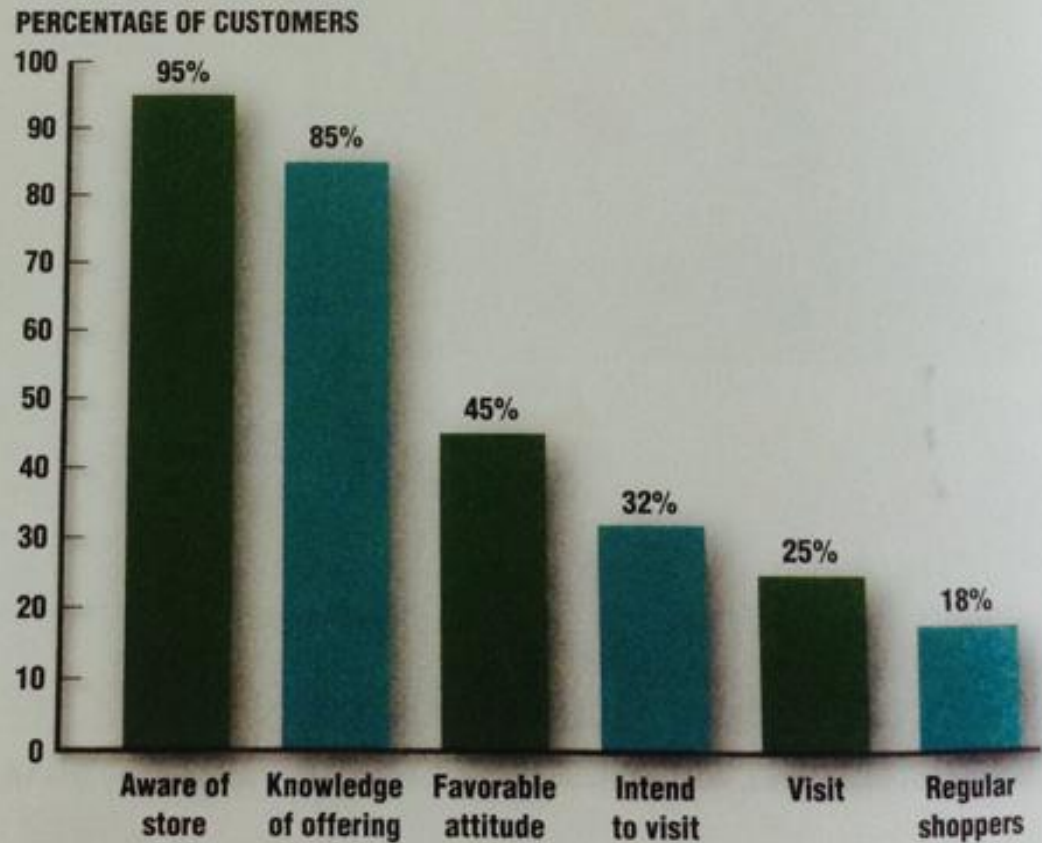




EXHIBIT 15-3
Communication
Objectives and Stages
in Consumer's
Decision-Making
Process



Integrated Marketing Communications



The AIDA Buyer's Journey



Integrated Marketing Communications (IMC) Program

- IMC program: successful retailers utilize IMC program in which they integrate a variety of communication elements to deliver a comprehensive, consistent message to all customers over time, across all elements of their retail mix and across all delivery channels

Integrated Marketing Communications (IMC) Program

EXHIBIT 15-1

Elements of an Integrated Marketing Communication Strategy

Media/Characteristics	Personalization	Interactivity	Message Control	Information	Cost per Exposure
Traditional Media					
• Mass advertising	None	None	High	Low	Very low
• Sales promotions	Depends	Depends	High	Low	Low
• In-store marketing/ design elements	Depends	Depends	High	Depends	Low
• Personal selling	High	High	Medium	High	Very high
• Public relations	None	None	Depends	Medium	Low
New Media					
• Online	Depends	Depends	High	High	Depends
• Social media	High	High	Depends	Depends	Low

Traditional Media Elements



Mass Media Advertising

- Advertising entails the placement of announcements and persuasive messages purchased by retailers and other organizations that seek to inform and/or persuade members of a particular target market or audience about their products, organizations or ideas
- Mass advertisement is typically used to generate awareness in the need recognition stage of the buying process because of its low cost per exposure and control retailers have over content and timing of the communication

Newspapers

- A freestanding insert (FSI) also called preprint is an advertisement printed at the retailer's expense and distributed as an insert in the newspaper

EXPECT MORE. PAY LESS.

SAVE OVER \$11
\$18
Our lowest price of the season! Butterfly chair by Room Essentials in teal, green, black, berry and floral print. Collapsible, with carrying case. Seasonal merchandise, no rain checks.
Reg. 29.99

PRICED RIGHT COLLEGE READY

SPECIAL PURCHASE \$89
Dry-erase-door refrigerator by Emirson. Includes marker and eraser. 2.8 cu. ft. Also in pink. Quantities limited, no rain checks.

SALE \$15
Storage ottoman by Room Essentials® in several solid colors or floral print.

SALE \$3
30"x54" bath towel by Room Essentials. Coordinating hand towels, washcloths and bath rugs on sale.
Reg. 3.99

26" LCD/DVD COMBO

SAVE OVER \$50
\$299
Magnavox 26" 60Hz 720p LCD/DVD combo HDTV. 4-in-1 HDTV, DVD player, PC monitor and gaming monitor. M26MD5508. • 19" TV/DVD, reg. 349.99, sale \$229

SALE 799
225-thread-count sheet set by Room Essentials. Full, queen and king sheet sets and pillowcases on sale. Seasonal merchandise, no rain checks. Colors may vary by store.

LOOKING FOR MORE LOW PRICES? FIND OUR SUNDAY AD ONLINE, ANY TIME AT TARGET.COM/WEEKLYAD.

When customers see this ad, it highlights the deals that are being offered at Target.

Magazines

- Magazines offer both print and online advertising or have transitioned to online only
- This change in the business model for some magazines from print to online (or both) enables retailers to reach potential customers at a lower cost per exposure
- Retailers tend to use it for image advertising, but due to lead time, difficult to coordinate with special events and sales



Direct Mail

- Direct mail includes brochure, catalog, advertisement, or other printed marketing material delivered directly to the consumer through the mail or a private delivery company
- With the advent of loyalty and CRM programs, retailers are now able to personalize their direct mail to all customers, to a subset of customers according to their previous purchase or even personalized basis to individual customers

Television

- Retailers use TV for image advertising, to take advantage of the high production quality and the opportunity to communicate through both visual images and sound
- TV can demonstrate product usage
- Is an excellent medium for car, furniture, and consumer electronic dealers



Radio

- Many retailers use radio advertising because messages can be easily targeted to a specific segment of the market
- Audiences can be loyal in a talk radio format
- The cost in developing and broadcasting radio commercials is low



Sales Promotions



Sales Promotions

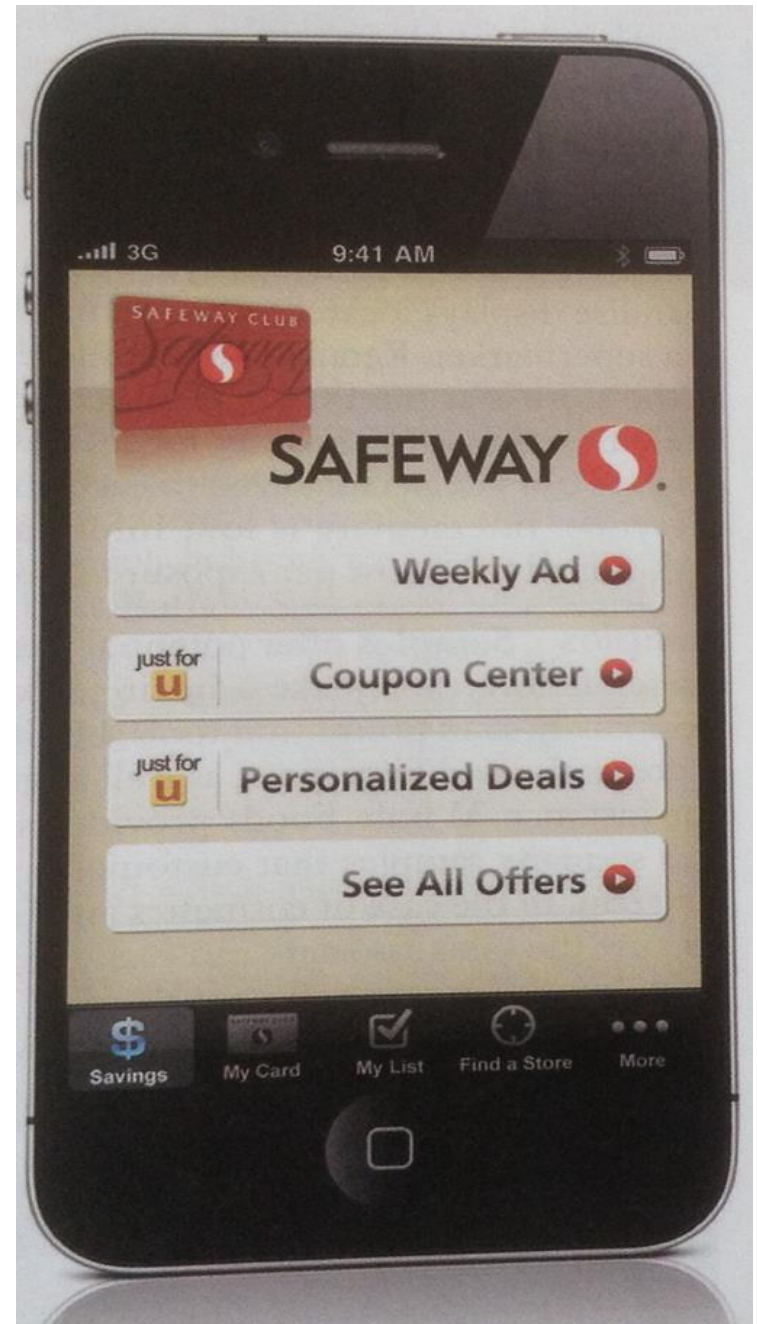
- Sales promotions are special incentives or excitement-building programs that encourage consumers to purchase a particular product or service
- Part of long term CRM programs
- The ability to control the message is high and cost per exposure is low even though they provide relatively little information

Coupons

- Coupons offer a discount of price of specific items when they are purchased
- Coupons are issued by manufacturers and retailers in newspapers, on products, on the shelf, at the cash register, over the internet, on mobile devices and through the mail
- Some retailers link coupons to their loyalty programs

Coupons

When customers sign up for its loyalty card, they also agree to let Safeway track their purchases. With this information, Safeway can offer coupons that are likely to appeal to each customer.



Rebates

- Rebates provide another form of discounts for consumers
- The manufacturer instead of the retailer, issues the refund portion of the purchase price returned to the buyer in form of cash
- Some retailers offer "instant rebates" that can be redeemed at point-of-purchase

Premiums

- A premium offers an item for free or at a bargain price to reward some type of behavior such as buying, sampling or testing
- Such rewards build goodwill among consumers, who often perceive high value in them
- A premium can be distributed in a variety of ways for ie. Toys in cereal boxes, free perfume offers that Victoria Secret mails to customers



In-Store Marketing/Design Elements



Point-of-Purchase (POP) Displays

- Point-of-purchase (POP) displays are merchandise displays located at the point of purchase, such as the checkout counter in a supermarket
- Retailers have long recognized that the most valuable real estate in store is at the POP
- Interactivity is low, cost per exposure is low

Point-of-Purchase (POP) Displays



Point-of-Purchase (POP) Displays



Point-of-purchase displays stimulate impulse purchases while customers are waiting to pay for their purchases.

Samples

- Samples offer potential customers the opportunity to try a product or service before they make a buying decision
- Distribution samples is one of the most costly sales promotion tools, but it is also one of the most effective
- Retailers of cosmetics and fragrances, as well as grocery stores, frequently employ sampling

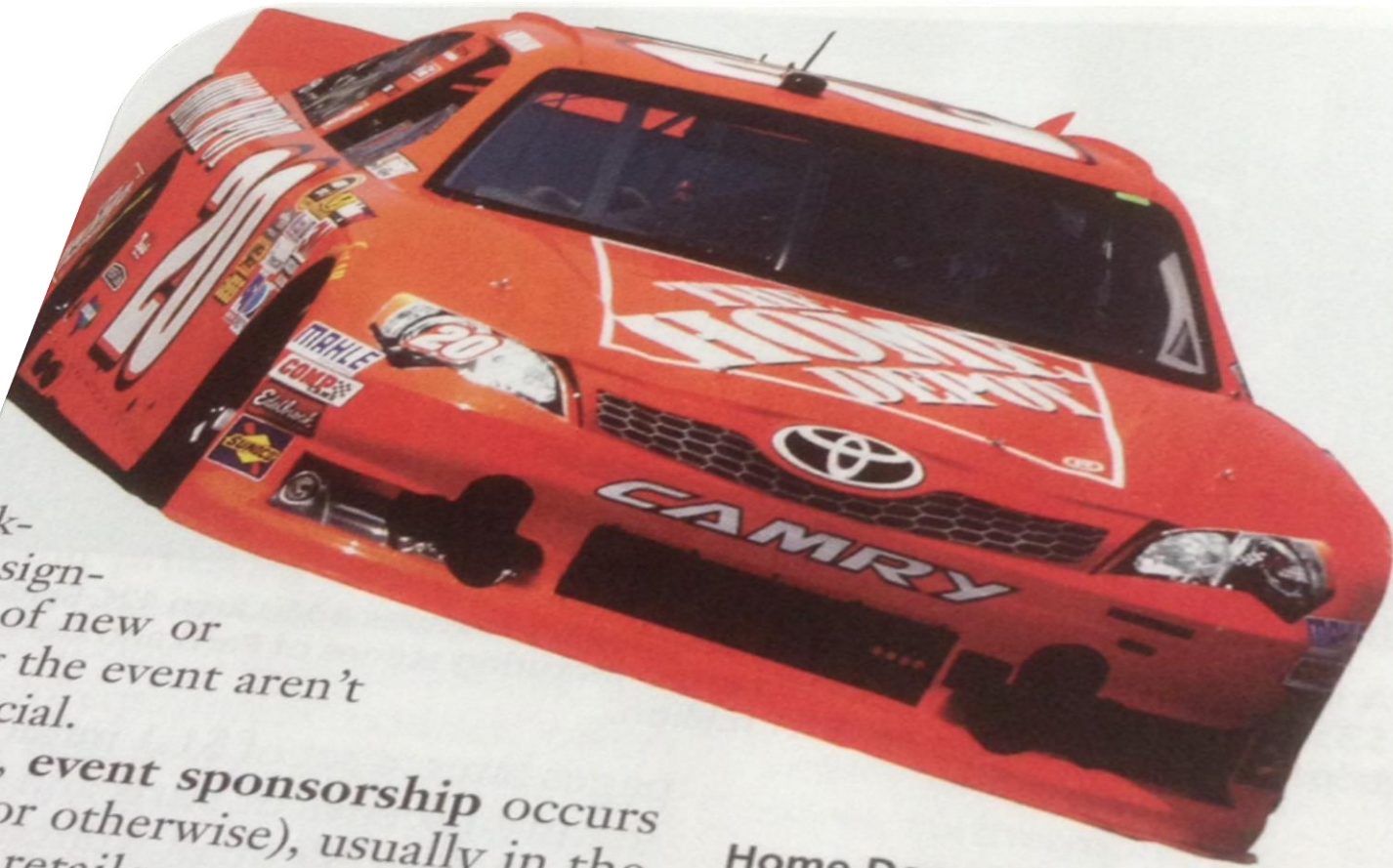
Samples



Special Events

- A special event is a sales promotion program comprising a number of sales techniques built around a seasonal, cultural, sporting musical or some other type of activity
- Special events can generate excitement and traffic in the store
- Event Sponsorship occurs when retailers support various activities (financially or otherwise), usually in the cultural or sports and entertainment center

Special Events



ook-
ok sign-
ws of new or
ring the event aren't
eneficial.

stores, **event sponsorship** occurs
ially or otherwise), usually in the
me retailers sponsor sporting

Home Depot is a
proud sponsor of NASCAR.

Personal Selling

- Personal selling is a communication process in which sales associates help customers satisfy their needs through face-to-face exchanges of information
- Sales people can personalize every message to fit the customers' needs and provide as much information as needed



Public Relations

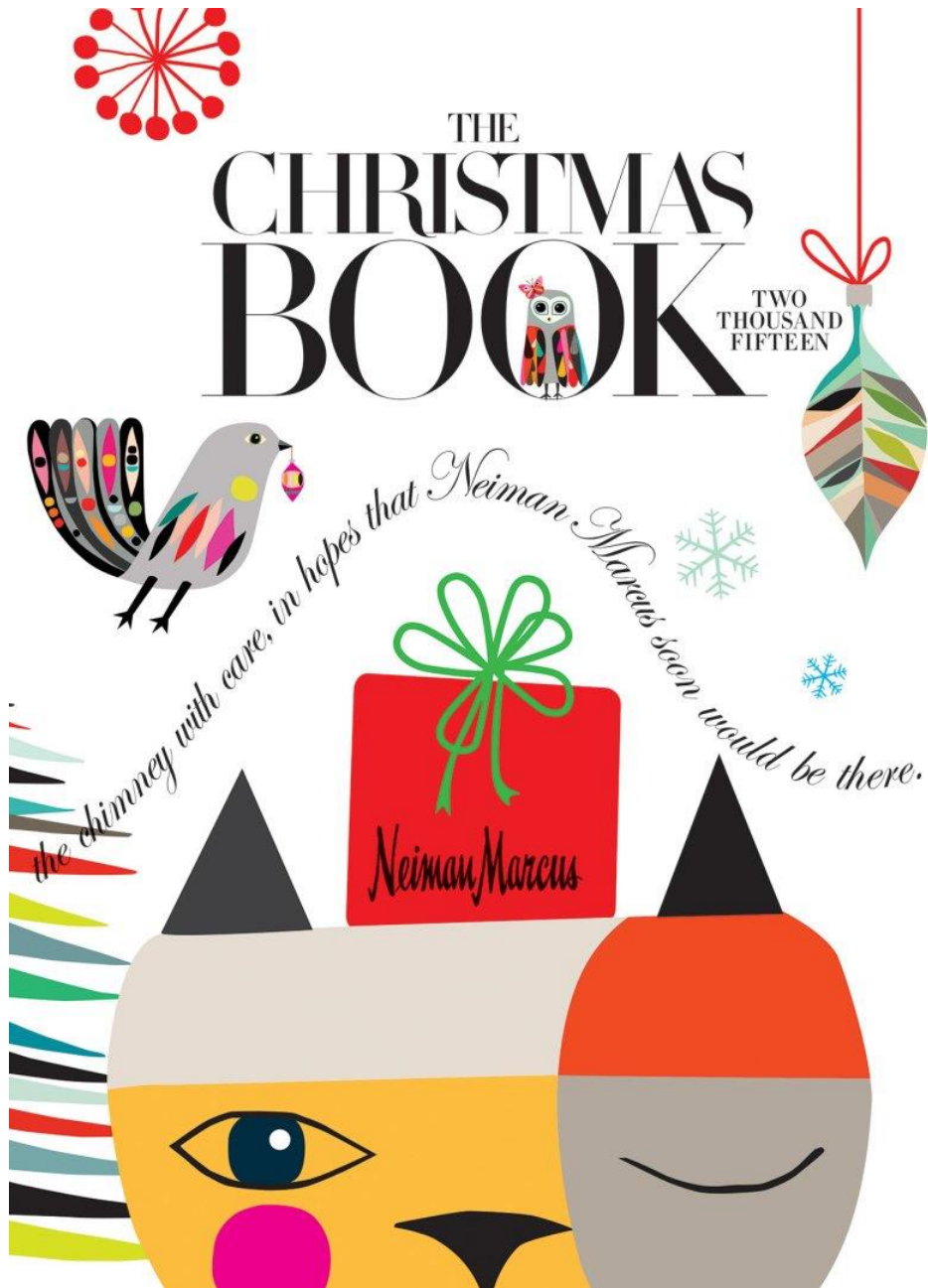
- Public Relations (PR) involved managing communications and relationship to achieve various objectives, such as building and maintaining a positive image of the retailer, handling or heading off unfavorable stories or events

Public Relations

- Neiman Marcus and Its Christmas Catalog is the nation's best known retail catalog



A recent Neiman Marcus Christmas catalog features a McLaren 12C Spider for \$354,000, and his-and-hers watches, featuring scenes of Paris and Geneva, and trips to each location for \$1.1 million.



Celebrate Big, Love Even Bigger | Holiday 2021 Campaign | Neiman Marcus

Neiman Marcus · 5.4K views · 5 months ago



Public Relations

- Macy's and Cause-Related Marketing
- Starting in 2011, Macy's partnered with many charities in a successful campaign
- In addition to providing a benefit for society, its Shop for a cause related campaign generates a lot of publicity

Public Relations

- Macy's and Cause-Related Marketing

#MacysGoesRed

Color your world red and we'll donate \$2 to Go Red for Women®, up to \$250,000. Post it, pin it, tweet it and tag it with #MacysGoesRed and you can share the magic of giving with Macy's.

Macy's

Follow Board

34 Pins

22,898 Followers



Share something red with #MacysGoesRed and we'll donate \$2 to the American Heart Association's Go Red For Women® movement, up to \$250,000.

COLOR YOUR WORLD RED

17 repins 7 likes

Uploaded by Macy's



Share something red with #MacysGoesRed and we'll donate \$2 to the American Heart Association's Go Red For Women® movement, up to \$250,000.

31 repins 6 likes

Uploaded by Macy's



#MacysGoesRed #red #dress #inspiration

39 repins 12 likes



#MacysGoesRed #ribbon #red #inspiration

24 repins 6 likes

Retailers and Product Placement

- When retailers and vendors use product placement, they pay to have their product included in nontraditional situations, such as a scene in a movie or television program

Retailers and Product Placement



Subway pays to have its products featured in nontraditional situations, such as when contestants on *The Biggest Loser* run from one restaurant to another.





SUBWAY

PRODUCT PLACEMENT IN KDRAMAS



SUBWAY



chicken & beer



Online Media



Websites

- Retailers are increasing emphasis on communicating with customers via website
- Used to **build brand image**, inform customers of store locations, special events, and the availability of merchandise in local stores; and sell merchandise and service
- Retailers actively using search engine marketing to improve the **visibility of their websites on searches**

E-mail

- E-mail involves sending messages over the internet to specific individuals
- The increased use of customer databases has enabled retailers to track consumers over time and across purchase situations
- As a result e-mail can be highly personal and message very controlled

THE POWER OF MOBILE COMMUNICATIONS

In 2019,

69% of people would
rather use their phone
than approach an
in-store employee

With the spread of COVID-19, mobile communications
are more important than ever



Mobile Communications

- Mobile communications are delivered through wireless handheld devices, such as cellular telephones and m-commerce or mobile commerce can involve completing a transaction via the cell phone
- Smartphones offer kind of mobile computer, apps,
- Gps technology
- Very powerful tool



CENTRAL.CO.TH

CENTRAL APP

NO.1 OMNICHANNEL PLATFORM

2M
2 ล้าน ยอดดาวน์โหลด
ภายใน 3 เดือน

+5,000
มากกว่า 5,000 แอปพลิเคชัน
บนแอปพลิเคชัน

2M
กว่า 2 ล้านผู้ใช้งานแอพ
ที่ลงทะเบียนแล้ว

อุปสงค์ส่วนเกินที่จ้องมอง
และหาว่าร้าน

บริการส่งด่วนพิเศษ

โปรโมชั่นที่ดังที่สุด

รับสินค้าที่ค้างภายใน 1 ชม.

ส่งต่อการชำระเงินแบบต่างๆ

เริ่มต้นด้วยบัญชีสมาชิก The 1

5 หมวดหมู่ที่ยอดขายดีที่สุด

	สกินแคร์	23%
	อุปกรณ์ทำอาหาร	11%
	เครื่องใช้ไฟฟ้าขนาดเล็ก	10%
	เครื่องสำอาง	8%
	แฟชั่น	7%

สินค้าขายดีที่มียอดขายสูงสุด

	ความงาม
	บ้าน
	แฟชั่น

สินค้าขายดีที่มียอดออเดอร์สูงสุด

	ความงาม
	บ้าน
	แฟชั่น

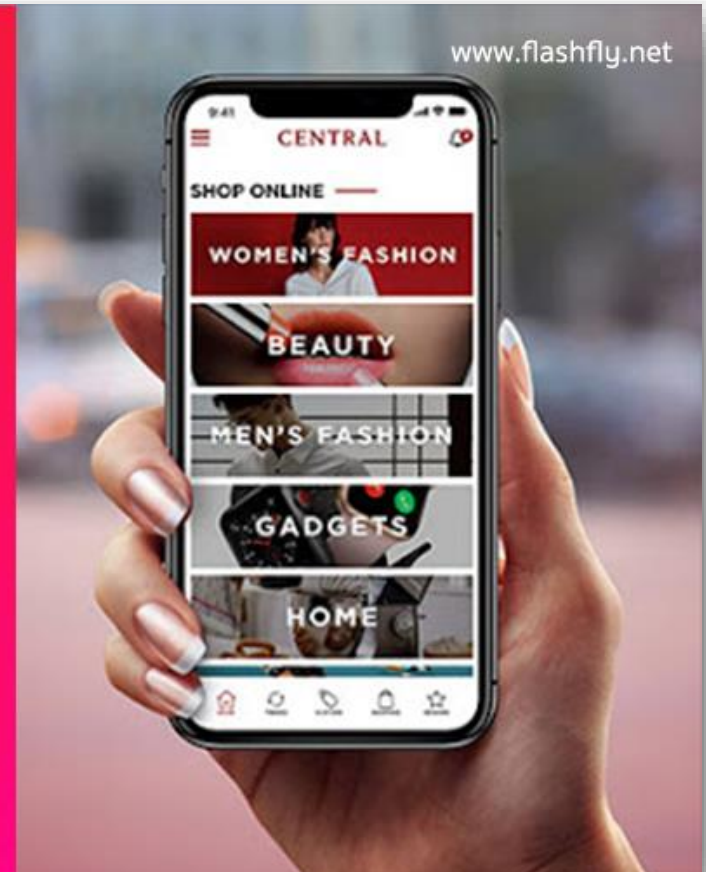
แบรนด์พิเศษ

Aēsop diptyque
KIKO LANCEL marimekko
PANDORA Scarleto

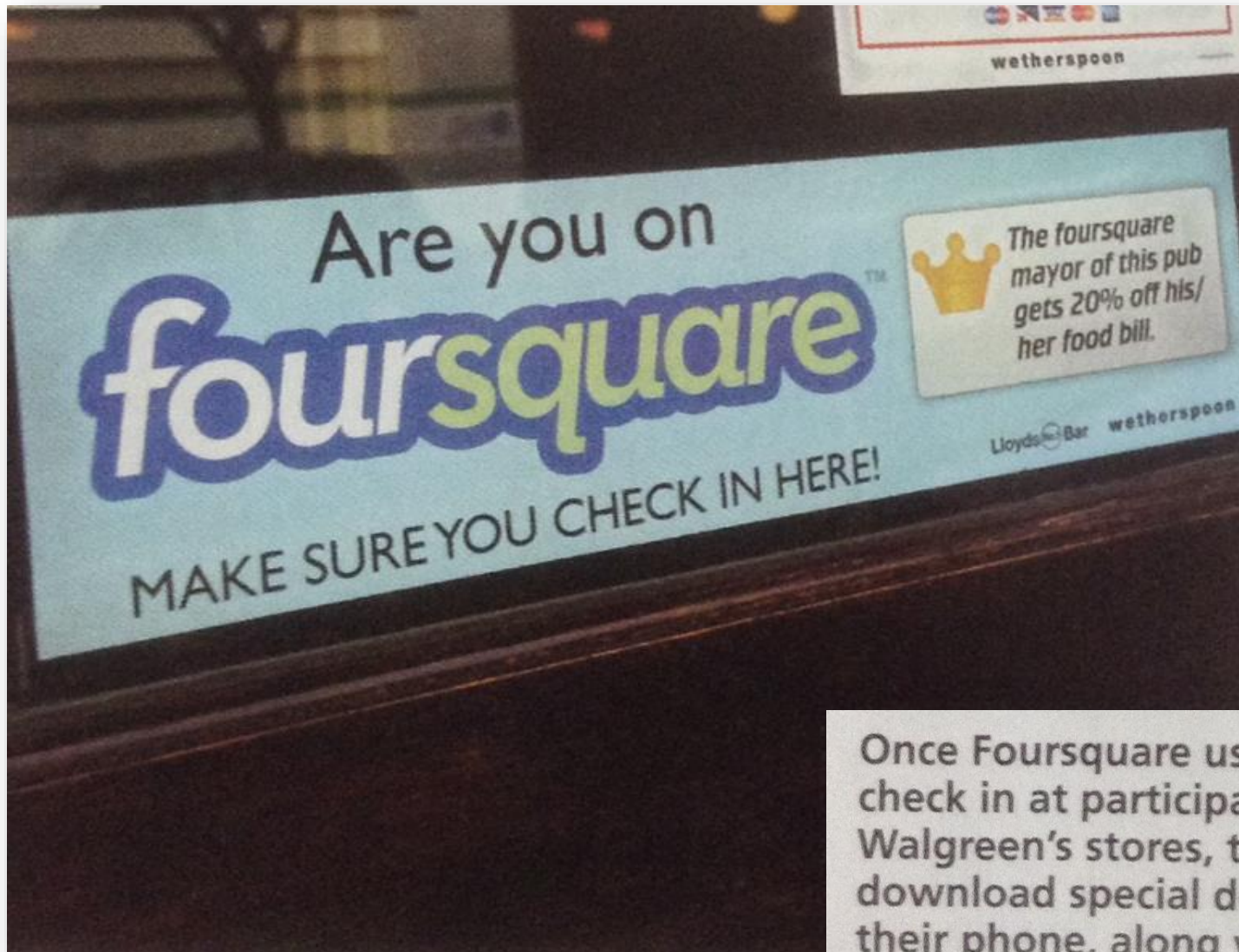
ถือป 3 สาขา ที่ลูกค้าใช้บริการ CLICK & COLLECT

1. เซ็นทรัลลาดพร้าว
2. เซ็นทรัลชิดลม
3. เซ็นทรัลบางนา

*ข้อมูล ณ วันที่ 31 พฤษภาคม 2564



Mobile Communications



Once Foursquare users check in at participating Walgreen's stores, they can download special deals to their phone, along with a scannable barcode.

Social Media



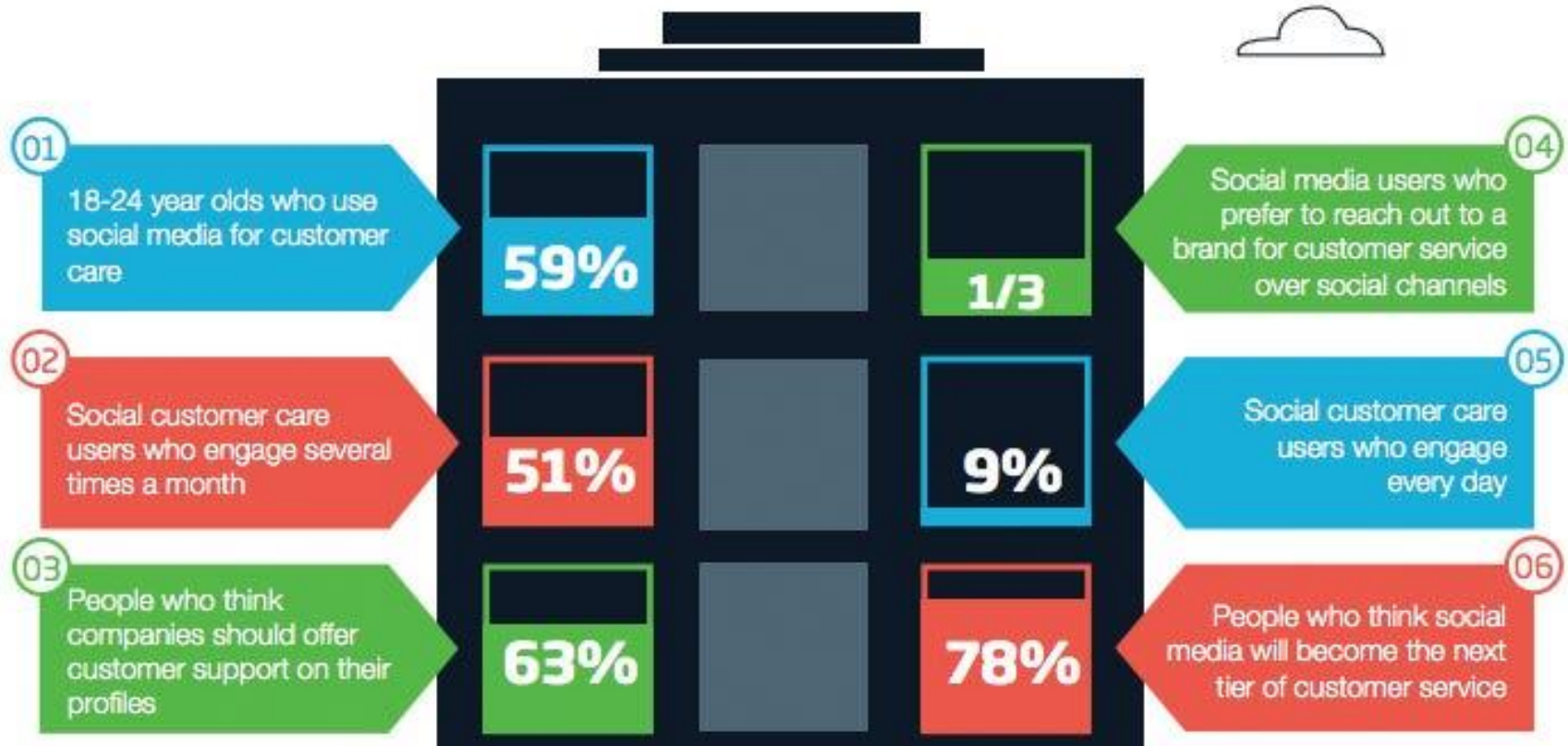
Social Media

- Social media include various forms of electronic communications, which users can create online communities in which they share ideas, information, their personal messages and other contents (e.g. Videos)
- Major facilitators of social media are YouTube, Facebook and Twitter
- Feedback very important, for ie. Sentiment mining is the process whereby retailers can tap into a variety of online chat formats to collect consumer comments

Social Media

- Social Media does not only allow retailers to respond to unhappy customers but also to monitor trends and respond to customer demands
- Various examples of social media indicate they can be personal and interactive
- Retailer can control its message, but customers message cannot be controlled

Consumers Demand Social Customer Service



[Source: Retailers Respond Slowly on Social Media \(businessinsider.com\)](http://businessinsider.com)

YouTube

- On this video-sharing platform, users upload, share, view and comment on videos
- This medium gives retailers a chance to express themselves in a different way than they have before
- Provides an effective way for hosting contests and instructional vdo
- Home Depot attracted more than 18,000 subscribers and 41 million views



YouTube



Home Depot fosters its identity with instructional do-it-yourself videos on YouTube.

Facebook

- This social media platform with more than 1 billion active users gives company a forum to interact with fans
- Macy's Facebook has long been a promising communications outlet, so it has been the first to adopt to facebook format



Facebook



Facebook



Retailers like PCC Natural Markets use Facebook to communicate with customers and create a sense of community.

Blogs

- Blog or weblog, is an individual blogger or a group of users regularly post their opinions and various topical information on the webpage
- A well-received blog can communicate trends, announce special events and create word of mouth
- By nature, blogs are supposed to be transparent and contain authors' honest observations, which can help customers determine their trust and loyalty levels



Twitter

- Twitter is a microblog- a short version of a blog – in which users are limited to 140-character messages
- Where a retailer may use Facebook to encourage discussions of their brand, promotions or even ask their "friends" to post videos, they are more likely to use Twitter to announce up-to-date or fast changing information to excite customers
- Twitter is actively used by small and large retailers



Twitter



Penske and other retailers use Twitter to address customer questions.

Communication Programs Build Brand Images and Customer Loyalty



Brand Images

- Roles of communication in building brand images include
 - Brands
 - Value of Brand Image
 - Building Brand Equity
- 



Brands

- A brand is "a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers"
- This type of brand informs consumers of the type of merchandise and services provided by this particular named retailer



Value of Brand Image

- **Brands provide value** to customers and retailers
- For customers they provide **information in advance about shopping experience** that they are likely to face when they patronize this retailer
- Also effects **customers' confidence** in their decision to buy
- Enhance **customers' satisfaction** with merchandise and services

Value of Brand Image

- The value of a brand image provides retailers is referred to as brand equity
- **A brand with good equity, also known as a strong brand name, influences customers' decision processes, often by encouraging their repeat visits, which in turn leads to greater loyalty**
- Strong brand names enable retailers to **increase their margins** because customers will tolerate higher prices
- Retailers with strong brand names can **leverage their brands to introduce new retail concepts with only a limited amount of marketing effort**

Value of Brand Image

[illegible]

Building Brand Equity

- Brand Awareness refers to potential customer's ability to recognize or recall that the brand name is a particular type of retailer or product/service
- Thus brand awareness is the strength of the link between the brand name and the type or service in the minds of customers



Building Brand Equity



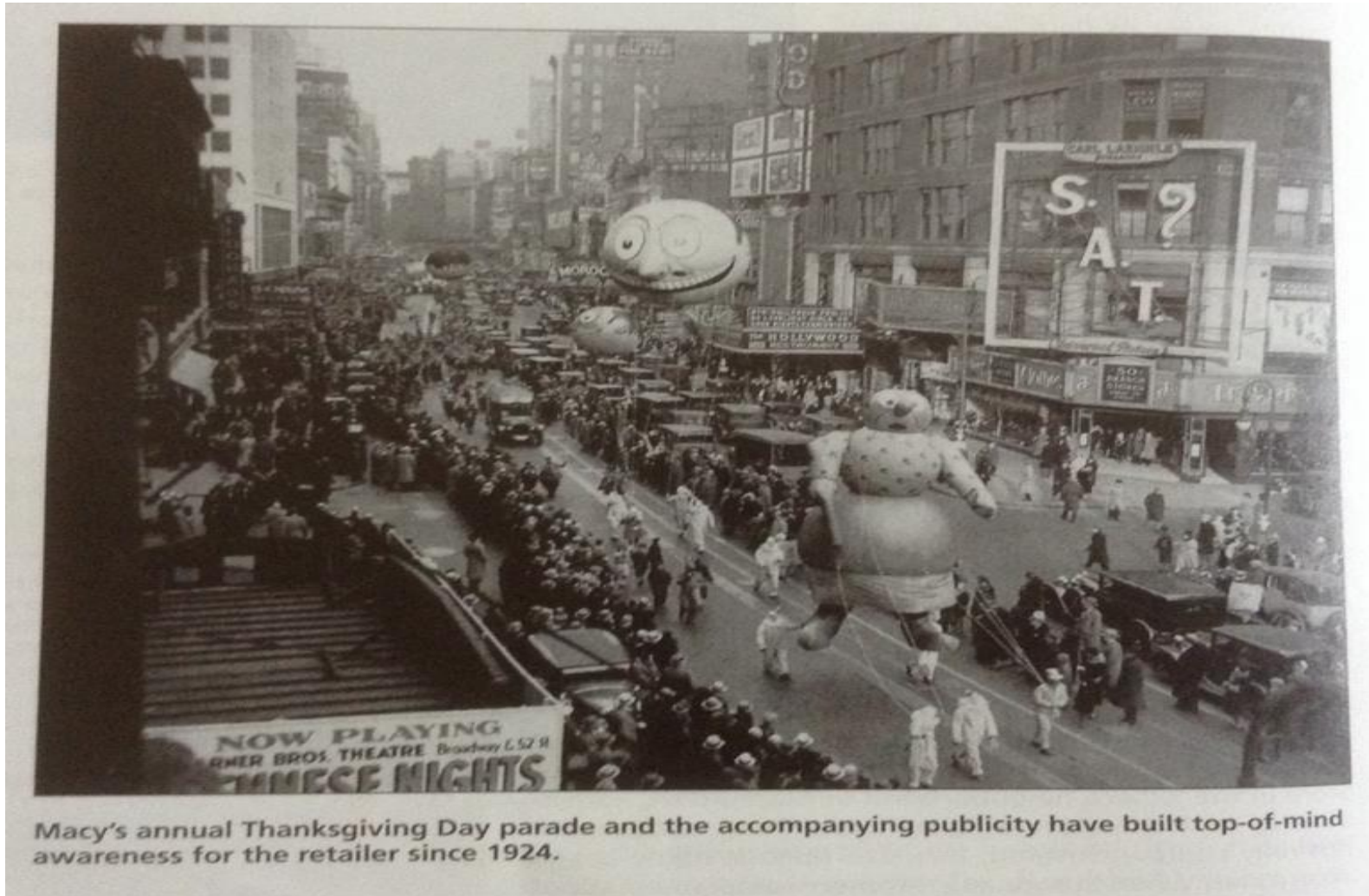
- Aided awareness occurs when customers indicate they know the brand when the name is presented to them
- Top-of-mind awareness, the highest level of awareness occurs when consumers mention a specific brand name first when they are asked about the type of retailer, a merchandise category or a type of service

Building Brand Equity

- Retailers **build top-of-mind** by having **memorable names**; repeatedly exposing their names and customers through advertising, locations, and sponsorships; and using **memorable symbols**
- Zara very little advertising but high awareness because of the large number of stores



Top-of-mind awareness

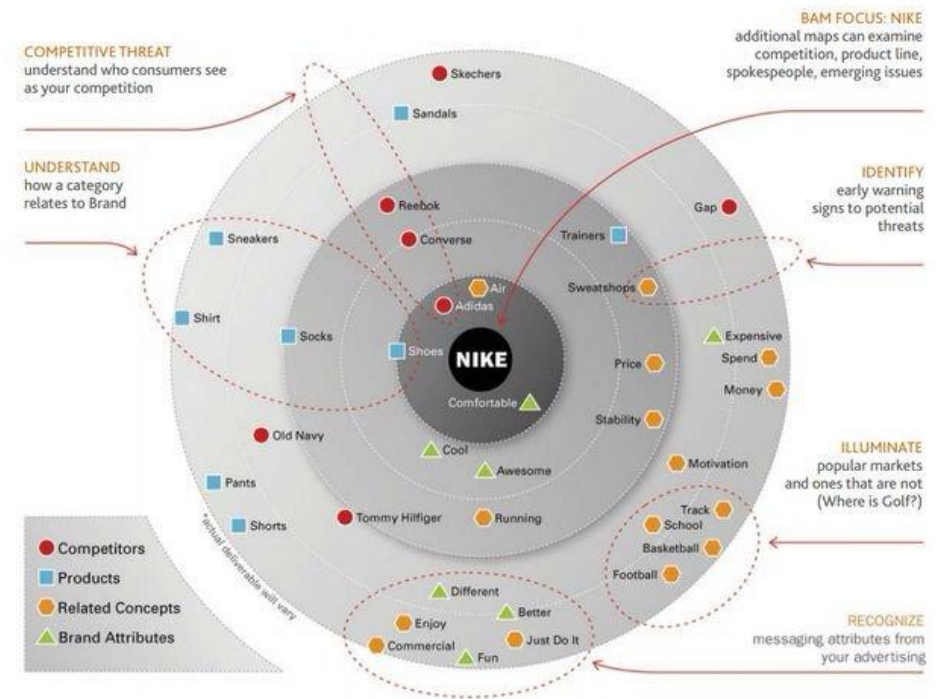




Associations

- Brand associations are anything linked or connected with the brand name in a consumer memory

Brand Association Map



Brand Associations

- Merchandise Category
- Price/Quality
- Specific Attribute or Benefit
- Lifestyle or Activity



Associations

1. *Merchandise category.* The most common association is to link the retailer to a category of merchandise. For example, Office Depot would like to have consumers associate its name with office supplies. Then, when a need for office supplies arises, consumers immediately think of Office Depot.
2. *Price/quality.* Some retailers, such as Saks Fifth Avenue, want to be associated with offering unique, high-fashion merchandise. Other retailers, such as Walmart, want associations with low prices and good value.
3. *Specific attribute or benefit.* A retailer can link its stores to attributes, such as 7-Eleven's association with providing convenience or Nordstrom's connection with offering a high level of customer service.
4. *Lifestyle or activity.* Some retailers associate their name with a specific lifestyle or activity. For example, Patagonia, a retailer offering outdoor sports equipment, is linked to an active, environmentally friendly lifestyle. Pottery Barn is associated with comfortable living in the home.

Associations



Patagonia® Denim

[Our Process](#)[Fit Guide](#)[Shop Denim](#)A man with curly hair, shirtless, and wearing blue denim jeans is rappelling down a rope. He is positioned on the left side of the frame, with his body angled towards the right. The background is a vast, rugged mountain valley with steep, rocky cliffs and dense green vegetation. The sky is filled with large, white clouds. The text "Because Denim Is Filthy Business" is overlaid in large, white, sans-serif font across the center of the image. A small play button icon is centered over the word "Is".

Because
Denim
Is Filthy
Business

Planning the Retail Communication Program



EXHIBIT 15-2

Steps in Developing a Retail Communication Program

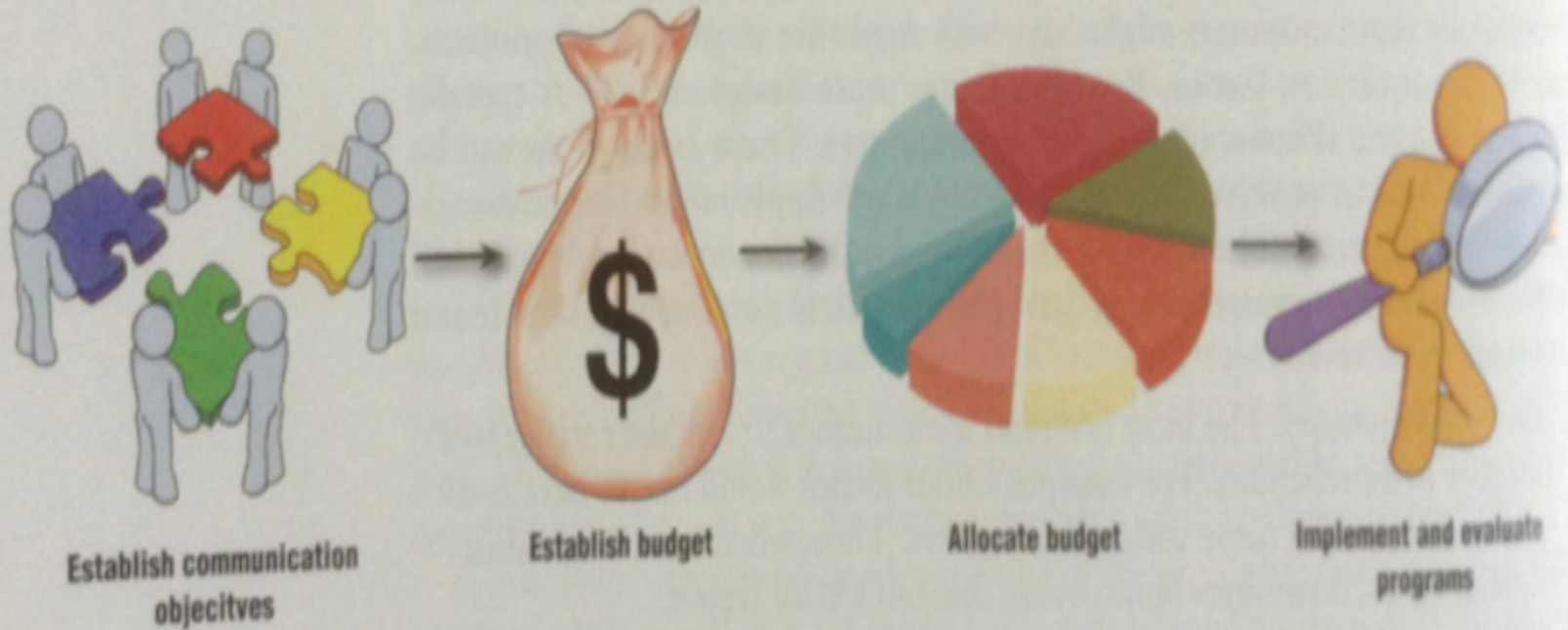
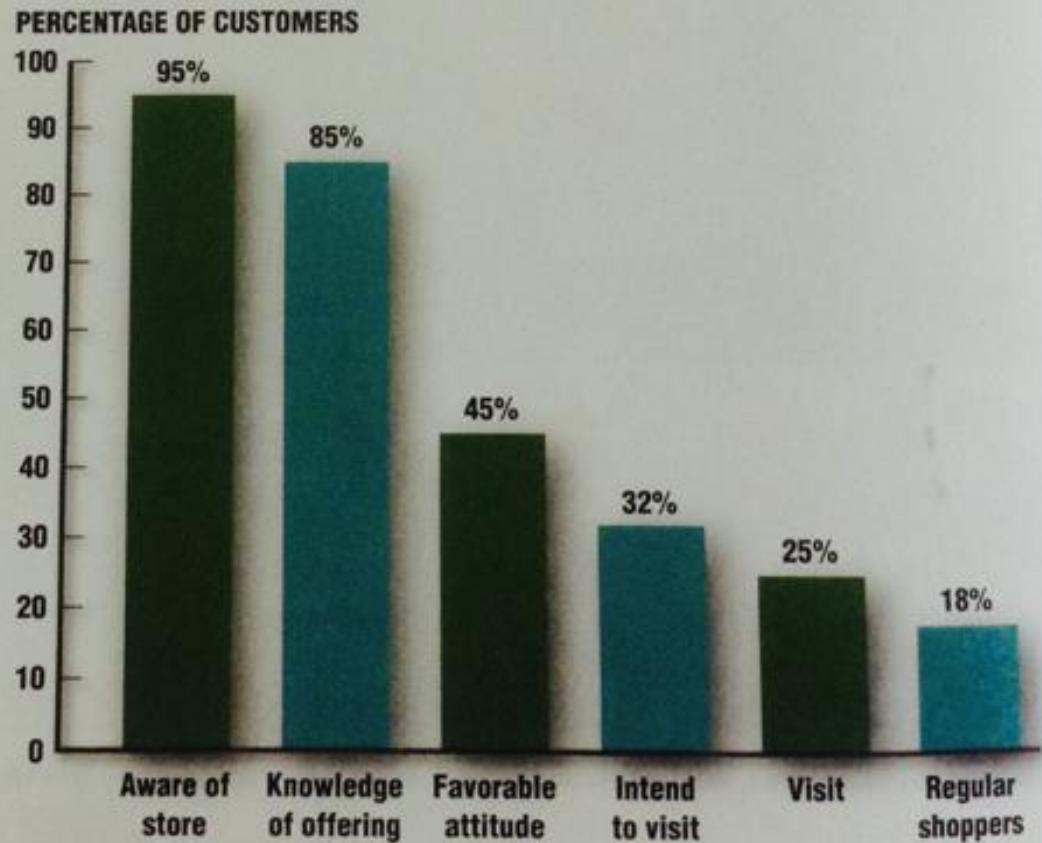




EXHIBIT 15-3
Communication
Objectives and Stages
in Consumer's
Decision-Making
Process



90-95%
of purchase
decisions happen
subconsciously

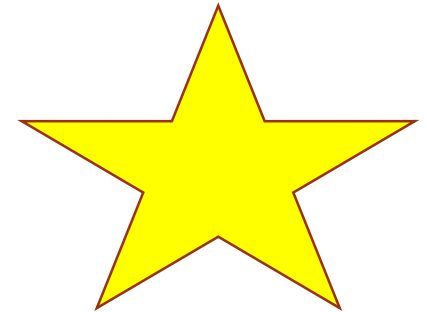




Safeway's communication objective should be to increase the number of people with a favorable attitude toward it.

EXHIBIT 5-7

Stages in the Strategic
Retail Planning Process





That's All Folks