

# Improving personal selling at Kultakulma



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## Improving personal selling at Kultakulma

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The purpose of this study is to analyze the personal selling at Kultakulma, a jewellery retailer in Sello shopping center and give suggestions for improvement. The theoretical frame of this study is personal selling and especially in retail environment. A Qualitative research method was used and the sources of data are books, previous studies, an interview with the shop manager and sales people, and observation. The theory section consists of marketing and marketing communication, marketing communication tools and further it concentrates on personal selling.

The study found different areas of development in the personal selling after studying the personal selling at Kultakulma with the theory knowledge as a base. Mainly the improvements are needed and suggestions made in areas such as training and information sharing.

Keywords Marketing, Marketing communication, Retailing, Personal selling, Jewellery

Mathangini Kamalanathan

### Improving personal selling at Kultakulma

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Tämän opinnäytetyön tavoitteena on tutkia myyntiä Kultakulma nimisessä kultasepäntiikissä ja analysoida sitä teorian pohjalta sekä antaa ohjeita sen kehittämiseen. Työn teoreettinen viitekehys koostuu markkinoinnista, vähittäismyynnistä ja markkinointiviestinnästä vähittäismyynnissä ja pääpaino on myynnissä. Työ on tehty kvalitatiivisena tutkimuksena ja sen aineistona on käytetty kirjoja, lehtiä, aikaisempia tutkimuksia, haastatteluja ja observointia.

Työn tuloksena löytyi monia osa-alueita, joita kehittämällä voidaan tehostaa myyntiä. Olennaisina kehitysalueina näkyvät koulutus ja tiedonvälitys tiikissä.

Avainsanat Markkinointi, Markkinointi viestintä, vähittäismyynti, myynti, korut

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## 1 Introduction

### 1.1 Scope of the study

This research seeks to evaluate the personal selling at Kultakulma, a jewellery retailer, and to understand ways to develop the personal selling at the shop. The central emphasis in the theory framework is on earlier studies and books that centre on personal selling from a retailing point of view. Also aspects of the jewellery field have been taken into notice.

### 1.2 Choice of the research context

The choice of the research arose from the researchers work experience as a salesperson. There was identified a need to further study and develop the personal selling in the shop, as it is a central factor affecting success of the shop. Also there was a need for a more profound knowledge on the personal selling in retailing, in order to make developments.

### 1.3 Purpose of the study

The Purpose of the study is to use theoretical knowledge to analyze the personal selling in the shop and then based on that make suggestions for improvements. The central issue is providing solutions that are tailor-made to this shop in particular and are made with a good understanding of the shop as well as the field.

## 2 Theoretical background

### 2.1 Marketing

According to Kotler & Keller (2009, 45) "Marketing is about identifying and meeting human and social needs. The key idea can be shortened into sentence meeting needs profitably." Marketing has been defined according to them as an organizational function and a set of processes for creating, communicating, and delivering value to the customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

#### 2.1.1 Marketed products

Marketing professionals market 10 types of entities: goods, services, events, experiences, persons, places, properties, organizations, information and ideas. Physical goods constitute a large amount of most countries' productions and marketing efforts. These are for example

fresh or canned and packed food products or machines and cars. As economies advance a growing proportion of their activities focuses on services. Services include for example the work of bankers, airlines, accountants, engineers and doctors. Marketers promote also time-based events such as trade shows, artistic performances, and company anniversaries. Disney theme parks are a good example of experiential marketing. Marketing experiences means the way a company can create, stage and market experiences by combining several services and goods. Celebrity marketing is a major business. Artists, CEOs, high-profile lawyers and financiers, and other professionals all acquire help from celebrity marketers. Also cities, states, regions, and countries compete actively to attract tourists, factories, company headquarters, and new residents. Also organizations intensely work to build a strong and positive image in the minds of their target publics. (Kotler & Keller 2009, 46-47)

#### 2.1.2 Marketers

A marketer means someone who seeks a response, attention, a purchase, a vote, a donation from another party, called the prospect. If both parties are seeking to sell something to each other can these both be called as marketers. (Kotler & Keller 2009, 47)

#### 2.1.3 Market

Traditionally a market was a physical place, where the buyers and sellers gathered to exchange goods. According to Kotler & Keller (2009, 48) economists describe a market as a collection of buyers and sellers who transact over a particular product or product class. (Kotler & Keller 2009, 48)

#### 2.1.4 Needs wants, and demands

Needs are basic human necessities such as air, food, water, clothing and shelters, which people need to survive. People also have strong needs for leisure, education, and entertainment. These needs become wants when they are directed to specific items that might satisfy the need. Wants are outlined by the society. Demands thus are wants for specific products, supported by a capability to pay. Companies should measure besides that how many people want to buy their products, but also how many people are actually willing and able to buy them. (Kotler & Keller 2009, 52)

#### 2.1.5 Target markets, positioning, and segmentation

A market cannot often gratify everyone, as not everyone likes the same product. Therefore, marketing professionals start by dividing the market into segments. They identify and profile

distinct groups of buyers who might favour or require varying product and service mixes by examining demographic, psychographic and behavioural differences among buyers. (Kotler & Keller 2009, 53)

#### 2.1.6 Offerings and brands

Companies address needs by a value proposition, a set of benefits they offer to customers in order to satisfy their needs. The intangible value proposition is made tangible by an offering, which can be a combination of products, services, information and experiences.

A brand is an offering from a source that is known. All companies attempt to build a strong, positive, and unique brand image. (Kotler & Keller 2009, 53)

#### 2.1.7 Value and satisfaction

The offering will be successful if it delivers value and satisfaction to the target customers. The customer chooses between different offerings, based on which he/she perceives to deliver the most value. Value is primarily a combination of quality, service and price, called the customer value triad. Value is a central marketing concept as marketing can be thought of as identification, creation, communication, delivery and monitoring of customer value. Satisfaction is a person's judgment on how the products performance matches expectations. With matching performance the customer is satisfied, if performance does not match the expectations the person is dissatisfied, and if performance exceeds expectations, the customer is pleased. (Kotler & Keller 2009, 53-54)

#### 2.1.8 Marketing channels

To reach the market, marketing people use three kinds of marketing channels. Communications channels deliver and receive messages from target customers and include newspaper, magazines, radio, television, mail, telephone, billboards, posters, internet et cetera. Beyond these companies can communicate through the appearance of their retail stores, the form of their websites and many other media. Dialogue channels such as e-mail, blogs, and toll-free numbers are increasing their share among the familiar monologue channels such as advertisements. Marketing people also use distribution channels to display, sell or deliver the physical product or services to the buyer or user. These include distributors, wholesalers, retailers and agents. Apart from these the marketer may use service channels to complete transactions with potential buyers. (Kotler & Keller 2009, 53-54)

### 2.1.9 Supply chain and competition

The supply chain is a longer channel from raw materials to components to final products that are carried to final customers. According to Kotler & Keller (2009, 54) each company retains only a certain percentage of the value generated by the supply chain's value delivery system, thus when a company acquires competitors or expands upstream or downstream, its aim is to acquire a higher percentage of supply chain value. Competition includes all the real as well as the potential rival offerings and substitutes a buyer might consider. In this the company has to also take into consideration that besides the competitor's offerings also substitute products may be competing over the same customer.

### 2.1.10 Marketing environment

There can be identified two environments in the marketing setting. The task environment includes the group of actors involved in producing, distributing and promoting the offering. These are the company, its suppliers, distributors, dealers and the target customers. The broad environment can be further divided into demographic environment, economic environment, physical environment, technological environment, political-legal environment and social-cultural environment. Marketing people should pay attention to the trends and developments in these environments and make the needed adjustments accordingly to their marketing strategies. (Kotler & Keller 2009, 54-55)

### 2.1.11 Marketing programme

Marketing people build a marketing plan to achieve company's desired objectives. The marketing program is a mix of different marketing tools that are available and the company identifies as effective in the target market. According to Kotler, McCarthy classified these tools into four broad groups that he called the four P's of marketing: product, price, place, promotion. (Figure 1) Marketing mix decisions must be made in order to influence the trade channels as well as the final customers. (Kotler 2003, 15-17)

### 2.1.12 Marketing planning process

The marketing process consists of analyzing marketing opportunities, researching and selecting target markets, designing marketing strategies, planning marketing programs, and organizing, implementing and controlling the marketing effort. (Kotler 2003, 112)

The first measure is to analyze the market opportunities. This should be done by identifying potential opportunities according to market experience and core competencies. To evaluate

company's opportunities it needs a reliable marketing research and information system. Once the market opportunities have been analyzed it is possible to select target markets. In modern marketing the target market is divided into segments, evaluating each segment, and targeting them according to the company's capabilities. Secondly marketing strategy should be developed and a positioning strategy made. Once this has been done product positioning, new-product development, testing and launching should be executed. In the next phase planning the marketing program, decisions on marketing expenditures should be made as well as the marketing mix (Figure 1) and marketing allocation. Marketing expenditures should be analyzed from an objective point of view. Typically companies develop their marketing budget according to a percentage of the sales target. Also the marketing budget should be divided among the different marketing mix tools: product, price, place and promotion. The distribution of the marketing budget to different products, channels, promotion media and sales areas should be made. The last phase is to organize the resources and then further implement and control the marketing plan. Typically in smaller companies all marketing activities can be executed by one person, as in larger ones there can be several marketing people involved. Besides implementing the plan it is important to be prepared for surprises and have feedback and control. There are three different types of control: annual plan control, profitability control and strategic control. (Kotler 2003, 112-114)

#### 2.1.13 Marketing plan

Each product line or brand should develop a marketing plan, in order to achieve its objectives. A marketing plan is one of the most essential elements of the marketing process. A marketing plan consists of the following elements: executive summary and table of contents, current marketing situation, opportunity and issue analysis, objectives, marketing strategy, action programs, financial projections and implementation controls. (Kotler 2003, 115-116)

#### 2.2 Marketing communication

Marketing communications has been long understood to be the same as advertising. Only over the past two decades the term has developed into being more than advertising and promotion. Marketing communication is moreover a way how an organization presents itself and its brands to consumers. (Egan 2007, 1)

Marketing communications is "the means by which a supplier of goods, services, values and/or ideas represent themselves to their target audience with the goal of simulating dialogue or other relationships." (Egan 2007, 1-2)

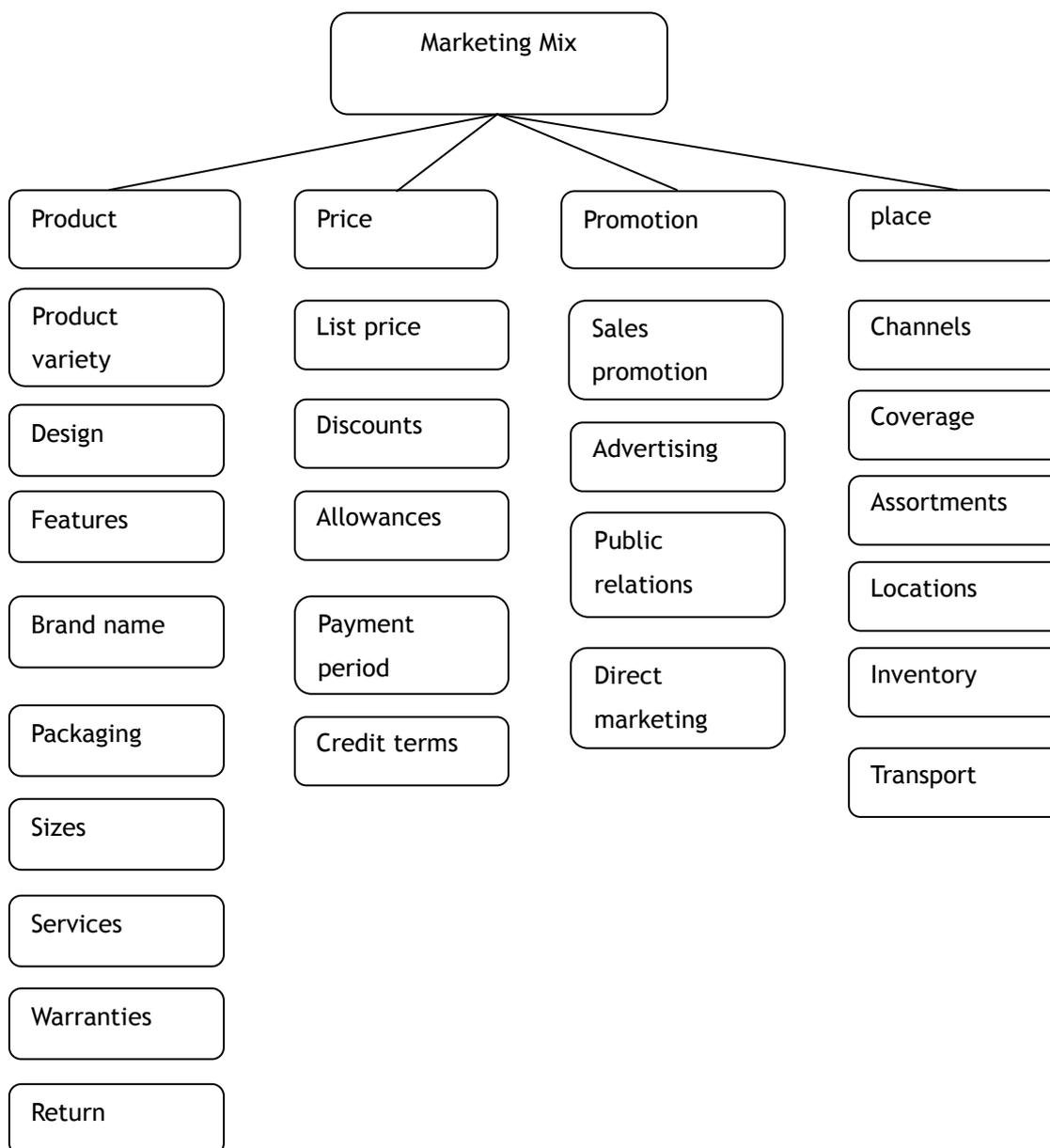


FIGURE 1 Marketing mix (Kotler 2003, 16) (Modified)

By this can be understood that the organization can be commercial or non-commercial and the marketing communication can be an attempt to establish dialogue. The communication's construct should be designed so that it reflects the communication objectives and informs, differentiates, reminds, reassures and/or persuades its target audience to take action. It is also essential to understand that the marketing communication is developing and changing according to the wider environment that influences it and directly according to media development, budgetary demands, and consumer attitude. (Egan 2007, 1-2)

### 2.2.1 Mass communication or targeted communication

Mass communication has dominated communications until the last quarter of the twentieth century; the change to this domination came from two different directions. Philosophically the change came from the development of relationship marketing and technologically from the ability to target individual customers, the so called one-to-one marketing. (Egan 2007, 13)

### 2.2.2 Selective or integrated marketing communication

The development of marketing communication also developed integrated marketing communication, which is a unique way to use the different promotional tools, so that synergy is created. The essential principle of integrated marketing communication (IMC) is that it challenges the organization to take into consideration the total impact of all of its marketing communication activities at any one time. This impacts the marketing communication planning as it makes it possible to acknowledge that all of the organization's communication have a possibility to influence all stages of the customer planning process. The integrated marketing communication means that all the brand messages should be in accordance with each other, even the ones that do not traditionally belong to marketing communications. This creates a great challenge to the organization as it has to be also aware of the messages that non-marketers send and the marketing department should be conscious of all marketing communication tools existing for them, even though they do not belong to their specialization field. (Egan 2007, 14-15)

### 2.2.3 Consumer goods orientation or total market orientation

Another big change is the way how the dominance of consumer goods marketing has changed towards understanding the business-to-business sector and services sector in it's own unique manner. For example in the business-to business sector it could be noticed that there were lasting relationships between the seller and buyer, which could not be fully understood in the traditional view of marketing. Also this sector was not one that concentrated to a large extent on mass advertising, as personal selling was perceived to have more value. In the service sector the traditional P's weren't considered appropriate to the sector. Additional P's were added. Later this developed into understanding of the relationship marketing, which identified the meaning of all the relationships in the organization. (Egan 2007, 15-16)

### 2.2.4 The communications mix

According to Egan ( 2007, 17) the marketing communications mix can be understood simply as a toolbox; "The tools used in marketing communications such as advertising, sales promotion,

public relations, personal selling, direct marketing, etc. (also referred to as the promotional mix).” The way these tools are used determines the success of communications to the target audience. There has not been an agreement on what is the final combination of marketing communication tools, and not even on the definitions of each tool. (Figure 2) (Egan 2007, 17)

#### 2.2.4.1 Advertising

Any sales presentation that is not personal and is paid, by an identified sponsor can be seen as advertisement. Target audience and the message intended to submit, determines the media to be used. It is important also to understand the relevance of evaluating the success of advertising. This can be done by analyzing whether it achieved its objectives. (Scarborough, Wilson & Zimmerer 2009, 345)

There are different ways to measure advertisements effectiveness; coupons that have to be returned to receive a discount, dated coupons that show responses over a certain time frame, and finally the volume of the store traffic. The final test to show the success of the advertisement is logically the possible increase in sales. (Scarborough et al. 2009, 345)

Scarborough et al. (2009, 346) have created a 12 guidelines list using information from various sources on effective advertising. According to them it is important to plan more than one advertisement at a time, use themes, advertisements, and methods that appeal to diverse groups of people, view advertising expenditures as investments not as expenses, use a advertisement that is different from your competitor's, choose a media that is suitable for the company in question, even though it is not the leading one, consider using someone else as the spokesperson in television and radio advertisements, limit the content of each advertisement, invent ways of measuring your advertisement's effectiveness that do not depend on simply two or three customer response, not stopping the advertisement if results are not evident immediately, emphasize the benefits that the product or service provides to the customer and evaluate the cost of different advertising media, (Scarborough et al. 2009, 346)

Certain characteristics have been seen through experience to be effective in advertising and are called the Waterloo effect: uniqueness, frequency and relevance. These can be affecting together or alone. Unique advertising will be talked about through word-of-mouth or media chatter, frequency stores the ad in memory, but relevancy is the most effective. If the advertisement is relevant to a need and the consumer wants to satisfy this need, interest will be paid to the advertisement. (Egan 2007, 204-205)

Advertising	Sales promotion	Public relations	<b>Personal Selling</b>	Direct marketing
Public presentation (Standardized offering, authenticity)	Communication	Authentic	Personal contact	Non public (to specific person)
Persistent (repeating ads, possibility to compare to other ads)	Incentive (give value to the customer)	“Ability to catch buyers off guard”	Permits all kind of relationships (from selling relationship to friendship)	Customized ( Can be prepared to appeal a certain person)
Improved Expressiveness (artful use of print, color and sound)	Invitation (to do the transaction now)	Dramatizing (a company or product)	Response (Obligation towards buying after hearing sales talk)	“Up-to-date” (Message can be prepared promptly)
Impersonality (monologue)				Interactive (message can be altered according to response)

FIGURE 2 Promotional tools ( Kotler 2003, 580-581)

There are different types of advertising. (Figure 3) In advertising the ability to attract and hold attention is important. This can be done through the manner and composition of the advertisement. Advertising problems means the reason why a company is advertising. This is derived from advertising objectives. It is crucial to understand selling the product. Effective creativity combines the commercial aspects with the creative aspects. The success is in the right mix of practical properties and emotional character. The target audience determines the media used. (Egan 2007, 204-205)

#### 2.2.4.2 Public relations

Public relations can be defined in many ways, but the main aspect of it is to promote the goodwill of the company as a whole. It shows the nature of the company and its management of reputation. It simply means the efforts made in order to establish and maintain good relationships, mutual understanding, sympathy and goodwill with publics, audiences and stakeholders. Publicity is the term for free media coverage of news about the company and its products, which is established through public relations work. Publics are not the primary target group, the people to whom the company sells its products, rather than influencing opinions. Relations towards this type of public are essential to the success of the company. (De Pelsmacker et al. 2007, 291-292)

<p><b>Sender</b>            Manufacturer            Collective            Retailer            Co-operative            Idea</p>	<p><b>Message</b>            Informational            Transformational            Institutional            Selective vs. generic            Theme vs. action</p>
<p><b>Receiver</b>            Consumer            Business-to business                - Industrial                - trade</p>	<p><b>Media</b>            Audiovisual            Print            Point-of-purchase            Direct</p>

FIGURE 3. Types of Advertising (De Pelsmacker, Geuens, Van den Bergh 2007, 193)

One central characteristic of public relations is that it is a two-way form of communication. The company learns from the public and directs information towards them. Public relations is a key element in integrated marketing communication, as it is linked to several other activities such as creation and maintenance of corporate image and identity, improving the company's status as a good corporate citizen, maintaining good relations with the media, attendance at trade exhibitions and preservation of the internal communications. Public relations are not the same as marketing communication as it concentrates on the long-term relations instead of short-term profits. (De Pelsmacker et al. 2007, 291-292)

Strengths of public relations are good citizenship, ability to give advice on important trends, ability to reach difficult-to-reach audiences, being more objective, cost effective, usability in crises management. Weaknesses are the difficulty to measure effectiveness, lack of control, and journalist acting as gatekeepers. (De Pelsmacker et al. 2007, 293-295)

#### 2.2.4.3 Sales promotion

Sales promotions unlike other tools in the marketing communications mix are used to promote sales in a short-term manner. They are directed to increase sales among existing customers, but also by adding temporary customers with product offers. The main characteristics are that sales promotion is limited to a certain time or space and offers better return of money and influence to make an immediate response. At the same time short-term sales promotions can be used also strategically. Generally sales promotions are often seen as a threat to long-term image, as they might reflect a cheap impression. (De Pelsmacker et al. 2007, 354)

As the number of brands and products offered has increased, it is difficult to differentiate products, thus more and more sales promotions are used to influence customers into buying products. Also consumers are less brand-loyal and more price conscious at least towards fast-selling products. The retail environment hosts most of the buying decisions and more and more buying choices are made in an impulse manner, thus in-shop communication and incentives are a more attractive way of persuading customers. Also many products often compete for the same shelf space, thus making retailers key group of actors in deciding on the amount of attention products receive. Distribution channel is increasing its share in the promotional activities that manufacturers execute. (De Pelsmacker et al. 2007, 355)

Several types of promotions can be distinguished based on the initiator. (Figure 4) The initiator can be either the manufacturer or the retailer. Promotions can also be directed towards three different audiences: distributors, sales force and the end consumer. Usually retailers target the end consumers as a manufacturer can target all three target groups. (De Pelsmacker et al. 2007, 356)

The inspiration of sales promotions is to influence customers to try new products and brands. This can be achieved for example through trial promotions, which are particularly important when launching a new brand or a new item in an existing product line. Also when a retailer opens a new store, trial promotions can be essential in increasing the shop passage. Other objectives and target groups for consumer promotions are to reinforce another communication tool, to increase market size, to reward loyal customers or to formulate existing customers loyal. (De Pelsmacker et al. 2007, 357)

#### 2.2.4.4 Direct marketing

Direct marketing has changed its focus through the years and its definitions with it. In general direct marketing means contacting customers and potential customers with the intention of receiving an immediate response. Direct means using media such as dealers, retailers and sales staff. Immediate response means contacting through coupons, by phone or by a visit to the shop or retailer. Databases play a key role in enabling to contact the customers and the potential customers. They also help in creating a long-lasting relationship with the customer, as their information is stored. (De Pelsmacker et al. 2007, 383-384)

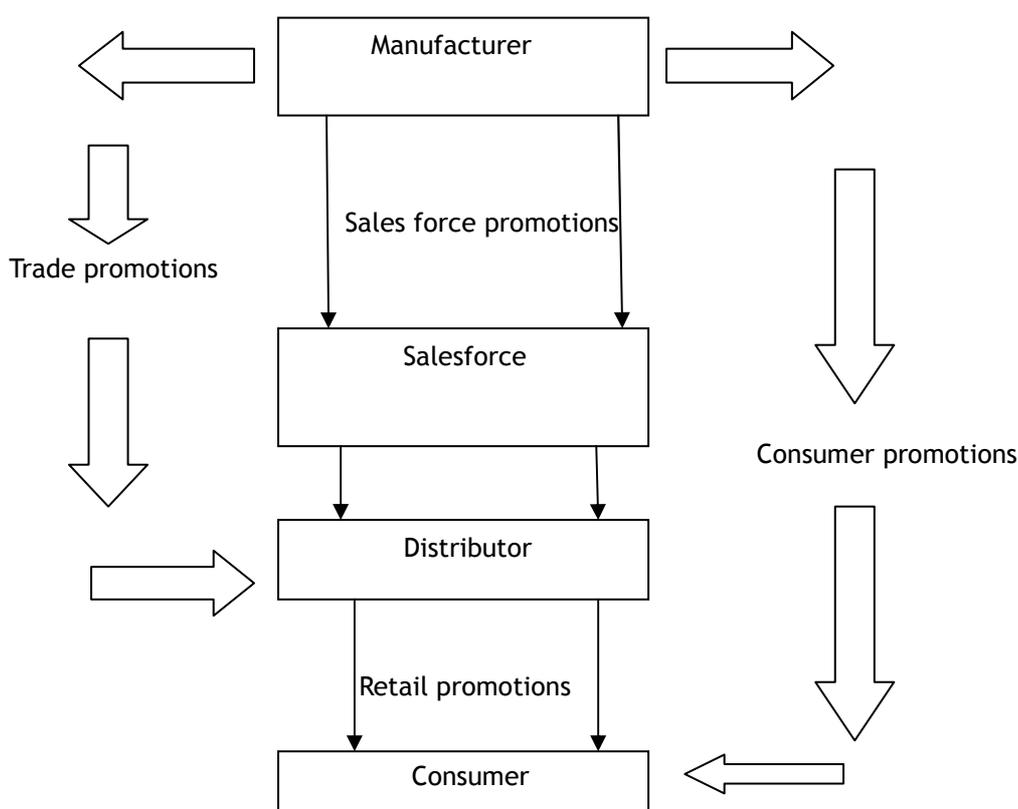


FIGURE 4 Basic forms of sales promotions (De Pelsmacker et al. 2007, 356)

The success of direct marketing is on the philosophy of creating a good relationship with the customer. This means having close and personal contact with the customer, knowing everyone's needs and wants, providing them with the best solutions to their problems and giving excellent after-sales service. Direct marketing is less expensive than for example television advertisement campaigns and thus it is more accessible to different types of companies. It is also flexible and easy to target media. As the number of brands has increased, brand loyalty has become more relevant, thus emphasis is on creating long lasting relationships with the customer. Direct marketing has added value to this type of marketing activities, in contrast to traditional mass marketing. New technologies such as e-mail have

further helped in making direct marketing campaigns more flexible and much cheaper. The differences between mass media and direct media can be seen through their characteristics. As mass media segments, recalls, recognizes and measures image, is one-way communications and targets market share, direct media is individualizing, measurement is made by response (per client), is targeted two-way communications and centres in customer share. (De Pelsmacker et al. 2007, 383-384)

Direct marketing can be used for different purposes such as to make direct sales, as sales or distribution support or to improve the relationship with the customer. There are also different media and tools available for direct marketing. These can be divided into addressable such as new interactive media, direct mail, catalogues and telemarketing and non-addressable such as direct-response print advertising, direct-response television and radio advertising and teletext. (De Pelsmacker et al. 2007, 385,389)

### 2.3 Personal selling in marketing and marketing communication

Personal selling is a two-way face-to-face communications used to inform, give demonstrations to, maintain or establish a long-term relationship with, or persuade specific members of a particular audience. Unlike other marketing communication tools personal selling always involves interaction with the customer and face-to-face contact. Depending on target groups there can be different forms of personal selling such as trade selling, missionary selling, retail selling, business-to business selling, professional selling and direct selling. (De Pelsmacker et al. 2007, 464-465)

Selling is the instrument of growth and sustainability in a company and can be defined as a set of objectives in the business or marketing plan. Selling is part of the marketing mix and traditionally seen as the subsidiary functioning within the promotional mix. In present competitive environment this is misleading as many companies spend more resources and employ more people in selling than in any other marketing communications activity. In some cases the sales budget can exceed all marketing activities added. (Donaldson 2007, 4)

The relationship between the promotional tools should be coordinated. The proposal of integrated marketing communications was initiated by Shultz, Tannenbaum and Lauterborn in 1992. According to the integrated marketing communications viewpoint the sales force must be kept well informed of any new sales promotions, direct marketing and advertising campaigns. Sometimes the promotional efforts made have been unproductive because of the lack of information sharing with the sales force. (Jobber & Lancaster 2006, 29)

Personal selling and marketing in general has changed through years. The traditional negative way of thinking about personal selling as a way to manipulate a customer into buying something not needed, has now become more customer-oriented and focuses on building a long-term relationship with the customer. It is changing from transactions based methods into relationship-based methods. Many marketers start as sales representatives and companies prefer recruiting new people through those sales representative positions because it is an ideal way to become acquainted with the customers and the market, which is essential to marketing communicators and for all other marketing functions. (De Pelsmacker et al. 2007, 464)

## 2.4 Retailing

Retailing is selling goods and services to the final customer for customer's own personal use. Retailers play a central role in moving products through the supply chain. (Figure 5) It also plays a key role in marketing as it helps in targeting certain products to a certain group of consumers. Retailers provide a range of services and benefits like for example, selling product in a convenient location and selling goods in quantities that match personal use. Retailing originates from a French word, meaning to cut up and refers to one of the central retailing activities of buying in large quantities and selling in smaller ones. It should be remembered that also a wholesaler buys in larger quantities and sells them in smaller, thus it is the type of customer that differentiates the retailer from distributive traders. Retailing applies also to the selling of service goods. Also companies that provide services such as haircutting are retailers as they sell to the final customers. (Varley & Rafiq 2004, 3-4)

### 2.4.1 Types of retail ownership

Retailers can be divided into different types of retailers according to their types of ownership. Different classifications exist. According to Levy & Weitz (2009, 62) the major classifications are Independent single-shop establishments, corporate chains, and franchises. According to Varley & Rafiq (2004, 20) most retail organizations can be divided into one of the four categories: the independent retailer, the large multiple retailer, and the retail conglomerate.

Independent, single store establishments are usually owner managed, which means direct contact with the customer. This feature helps small stores to react quickly to customer needs and

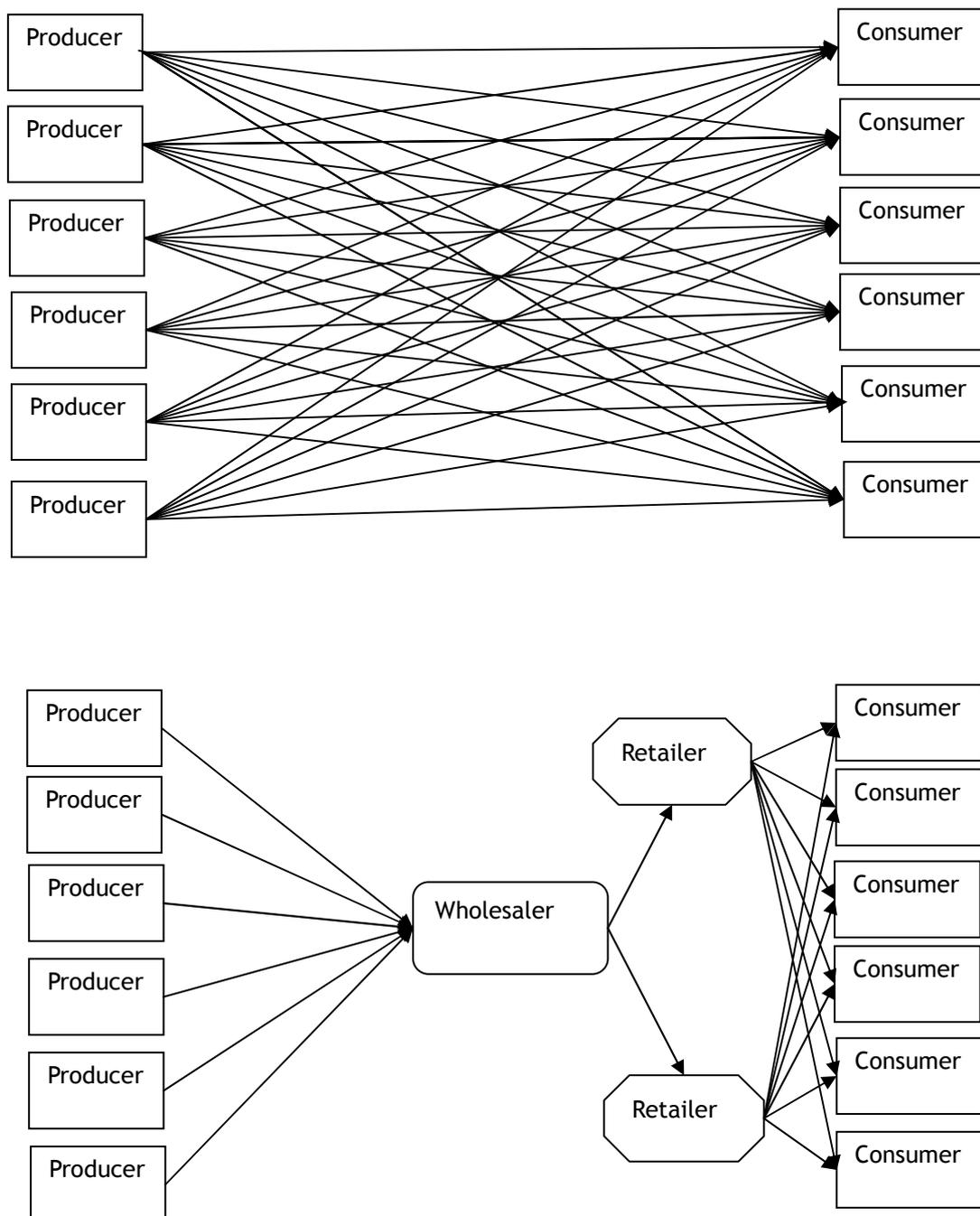


FIGURE 5. Marketing intermediary efficiency (Varley & Rafiq 2004, 6)

also allows them to be more flexible to market changes. Single store retailers can alter their offerings to suit their customers, but corporate chains can more effectively offer lower prices and advertise. Also corporate chains have the possibility of specialized management for the different fields of management, but usually the small stores rely on the owner-manager's decisions in many of the management areas. Corporate retail chains are retailers who have

many retail units under one ownership and have often centralized their decision-making. Retail chains can have from two to thousands of stores. (Levy & Weitz 2009, 63)

“Franchising is a contractual agreement between franchisor and franchisee that allows the franchisee to operate a retail outlet using a name and format developed and supported by the franchisor.” Franchising tries to have the advantages of the owner-managed business and the efficiency of centralized decision-making of the chain stores. (Levy & Weitz 2009, 62-64)

#### 2.4.2 Types of retailers

Many large retailers have grown using a specific format. The format used for doing business can also be thought of being a part of the successful strategy that the company uses. Understanding different formats of retailing helps in creating a successful retail strategy. (Varley & Rafiq 2004, 23-24)

Department stores are the oldest type of large shops. The format was established in early nineteenth century as a way of offering personal and home furnishing goods in the same shop. Department stores are multi-level shops that are divided into different departments according to different product categories. Usually department stores offer a wide range of products. They are still popular and are the focus for many shopping centres. (Varley & Rafiq 2004, 24)

Variety stores were established as a shop concept at the beginning of the twentieth century. Variety stores include a variety of goods, including food and non-food items. This format combines large product choice with low prices. (Varley & Rafiq 2004, 25)

Specialty stores are shops, which have been concentrating on one product, product range or segment of customers. Usually these are small in size. Some shops cannot be clearly defined, as these shops are for example large multi-level stores that offer certain product range. Specialty stores can be also shops offering services. (Varley & Rafiq 2004, 26)

Category killers are shops usually situated outside the town. The product range is restricted but has a large selection of products within the classification. Key elements are for example inexpensive locations, one-level format and value-driven price offer. (Varley & Rafiq 2004, 26-27)

Convenience stores have not been officially defined but there are some characteristics that often apply to this type of shops. They have self service, a certain selling area, parking and open 7 days, for long hours, a wide range of goods and a limited brand choice; they sell

groceries, confectionary, tobacco, newspaper, toiletries, over-the-counter medicines, alcohol and stationary. They can also offer video rental, toys, take-away foods, film processing and petrol. (Nielsen 2001) (Varley & Rafiq 2004, 28)

Supermarkets have been a successful form of retailing. Self service was an unique advantage, which allowed faster shopping. The customer was able to also familiarize with the product before buying it. Nowadays supermarkets dominate, and they have grown into super-shops that change according to changing life-styles. Supermarkets usually have expanded their product offering into products such as clothing, furnishing and home entertainment as well. (Varley & Rafiq 2004, 28)

A Warehouse club is a retail outlet with a limited range of grocery and domestic products, some home-oriented goods and some clothing goods. The distinctive difference is the requirement of membership in order to buy from there. (Varley & Rafiq 2004, 29)

There are also catalogue shops, discount stores, factory outlets and charity shops. Besides these there are also different types of non-shop retailers. They offer customers a way of shopping that does not include a shop. These shopping options are for example mail order, direct selling, personal retailing, technology-based retailing, vending, telesales, television shopping and internet retailing. Another way to analyze retailers is to view the level of specialization instead of the utilization of a shop. (Varley & Rafiq 2004, 29-33)

## 2.5 Retail marketing communication

According to Levy and Weitz (2009, 447-459) marketing communication methods can be divided according to whether the method is paid, unpaid, personal or impersonal. (Figure 6) Examples of paid impersonal communication are advertising, sales promotions, shop atmosphere, and web-sites. Paid personal communications are personal selling, e-mail, direct mail and mobile-commerce. A form of paid impersonal communications is often publicity such as newspaper or television coverage. Unpaid personal communication consists of word-of-mouth communication between customers and social shopping.

### 2.5.1 Developing the retail marketing communication program

There are four phases in developing and implementing a marketing communication program: establishing objectives, determining the budget, allocating the budget, and implementing and evaluating the marketing communication mix. (Levy & Weitz 2009, 457)

	<b>IMPERSONAL</b>	<b>PERSONAL</b>
<b>PAID</b>	Advertising Sales promotion Store atmosphere Web site Community building	Personal selling E-mail Direct mail M-commerce
<b>UNPAID</b>	Publicity	Word of mouth

FIGURE 6. Methods of communication (Levy & Weitz 2009, 448)

Retailers define objectives in order to direct their marketing communication and to help the people implement the program established. Objectives also help in later evaluating the success of the program. There can be either short-term objectives or long-term objectives. Communication objectives are specific objectives related to the retail communication mix's effect on the customer's decision-making process. To effectively implement and evaluate the marketing communication program it is important to have clear objectives, and they should be presented in quantitative terms. It is important to define the target audience of the program, the degree of change expected and the time period during which the change will happen. There can be some conflicts between approaches used by retailers and vendors. as for example long-term versus short-term objectives, product versus location, geographic coverage and span of merchandise. Even though retailers and vendors may have different targets they also work together to develop mutually beneficial results. (Levy & Weitz 2009, 459)

The second step is to develop a communication budget. The economically correct way would be a marginal analysis, but retailers usually do not have enough information to perform it completely. The marginal analysis is based on the idea that company should increase communicational expenditures as long as each additional currency spent brings more than its value additional contribution. The marginal analysis is often difficult because managers do not know the relationship between the communication expenses and sales. There are also other methods used by retailers. (Levy & Weitz 2009, 459-461)

The third phase in the process is to allocate the budget, which means that the retailer allocates the budget to specific communication elements, merchandise categories, geographic regions or long- and short-term objectives. According to studies allocation plays a key role, as the same communication objectives can be reached by reducing the budget but allocating it more effectively. Different methods can be used in order to make these decisions. (Levy & Weitz 2009, 463)

The final phase is to implement and evaluate the marketing communication program. This means for example planning the advertising program and taking decisions on which media to use. It is also important to evaluate the results of the marketing communication program. (Levy & Weitz 2009, 463-465)

### 2.5.2 Advertising

Advertising is a paid form of communication by which a retailer can inform or persuade either existing or potential customers regarding it, and the products and services that it provides. Newspapers, magazines, radio, television and direct mail are the most frequently used advertising media by retailers according to Varley and Rafiq (2004, 237). Also the internet has increasingly begun to be a support in promotional campaigns. The purpose of advertising is mainly to inform the potential customer of the benefits of the retailer's offerings and develop the customer's preference towards the retailer.

Two types of retail advertising can be identified; institutional and promotional. Institutional advertising intend to reinforce retailers image and positioning in the market, focuses on a retailer as an organization and tries to develop the retail brand. Its objective is to improve long-term performance. Promotional advertising tries to improve short-term performance by focusing on the products being sold or prices offered. It is important that also promotional advertising supports the retail brand. Traditionally retail advertising has been product-oriented, whereas advertising intended towards retail brand development is a recent trend. (Varley & Rafiq 2004, 237)

Retailers do not act alone in advertising to customers rather than the majority of expenditure of advertising to consumers is being executed by manufacturers. However the communication objectives and strategies of advertising can differ between the two parties and cause conflicts. Retailers' advertising tends to be more short-term and seeks to increase sales by publicizing promotions and shop initiatives, as manufacture advertising is more long-term oriented and intends to develop the brand image. Retail advertising often intends to increase shop visits rather than sales of some certain product, manufacture advertising intends to increase a product's sales, irrespective, where it is purchased. Also retailers use local media

while manufacturers prefer national media. Retailers also have extended product ranges thus making it more complicated to concentrate on a certain product. Manufacturers instead have the possibility to focus on particular a product. Despite these differences co-operative advertising between the manufacturer or wholesaler and the retailer exists. However through cooperative advertising the retailer loses flexibility and there might not be consistency in the image. Also grants offered by the manufacturer for advertising are not always for the most profitable products. There can also be cooperative advertising between two or more retailers, where they jointly fund the advertisement. These agreements often occur between non-competing small retailers, retailers located in shopping centres or franchisees under a common brand name. A major advantage of cooperation between retailers is that it gives them more power to bargain in purchasing advertising. (Varley & Rafiq 2004, 237-238)

### 2.5.3 Sales promotions

Sales promotions are incentives to create interest to try the products and increase sales. A limited time period encourages for immediate response as the given incentives add value to the retailer's products. The most frequently used methods are coupons, premiums, contests and sweepstakes, loyalty schemes, product demonstrations, referral gifts, samples, and buy-one-get one free offers. (Varley & Rafiq 2004, 240-241)

### 2.5.4 Shop atmosphere

The shop design, layout, signs, displays, décor, lighting, use of music and smell create a shop atmosphere and an image in the customer's mind. By this way the shop tells its customers about its price level, fashionability of its products and service level. Visual presentation plays a key role in influencing the final stages of a customer's decision making as the customer is already in the shop. A good presentation can increase impulse buying and help in making the customer comfortable enough to browse the whole shop. Point-of-purchase decisions play a key role in influencing customers in the final stages of decision making, as then customers will make final decisions or change brands. Point-of-purchase materials are such as posters, banners, products displays, coupon dispensers, and computerized interactive displays. Point-of-purchase displays are often given by manufacturers to attract customers. From a retailer's point of view they are not always in accordance to their image. Also having many point-of-purchase displays may give the impression of the shop being disorderly. (Varley & Rafiq 2004, 243)

### 2.5.5 Website and community building

Retailers are increasing their focus on communicating with customers through their web-sites. Retailers use web-sites to develop their brand image, inform customers on locations, special events and the availability of products as well as for selling products and services. Some retailers host web-sites that provide an opportunity for customers to interact with other people with similar interests and to learn about products that support their hobbies. Visitors in such sites can also ask questions and comments on issues, products and services. As an example can be mentioned wedding-oriented sites. (Levy & Weitz 2009, 449-450)

### 2.5.6 Public relations

Public relations mean creating interest and goodwill among customers, investors, employees, suppliers and the local community. A major instrument for generating interest is placing information on the retailer and its products in media without paying for the time or space directly. This can be done in form of a press release or a favourable editorial comment. Publicity in this form has more creditability as it is unpaid and thus regarded as an independent view. At the same time timing and depth of coverage and the way the articles are written, are out retailer's control. Public relations can also lower the impact caused by negative articles. (Varley & Rafiq 2004, 240)

### 2.5.7 E-mail

E-mail is another way to communicate to the customer and is paid communication. E-mail can also be customized according to a specific customer like other electronic communications such as web-sites and mobile-commerce. This customizing feature changes e-mail towards communications delivered by salespeople, at the same time if the same message is delivered to numerous recipients electronically it resembles more advertising. Retailers can use e-mail to inform customers of new merchandise and special promotions confirm the receipt of an order, and indicate when and order has been shipped. (Levy & Weitz 2009, 451)

### 2.5.8 Direct mail

By direct mail is meant printed marketing material shipped directly to the customer by mail or private delivery company. These can for example be brochures, catalogues or advertisements. Direct mail has been used as a form of communication as long as mail has existed. Mail can be customized according to different needs, it can be sent to all customers or to a small number of customers or as personalized to individual customer. Data collected helps in directing the mail. Even though direct mail is relatively expensive per customer and

has a relatively low response rate, it is still widely used by many retailers, as customers respond favourably to a personal message. (Levy & Weitz 2009, 451-452)

#### 2.5.9 Mobile-commerce

As technology and customers become more sophisticated more retailers are expanding their e-mail communication towards mobile-commerce. This form of communication involves communicating with and selling to customers through wireless devices such as cellular phones and personal digital assistants. Retailers can for example send coupons directly to cellular-phones or customers can buy products instantly using text messages. This method can be used also in other than merchandise sales. (Levy & Weitz 2009, 452)

#### 2.5.10 Word of mouth

Retailers also communicate to their customers through word of mouth, meaning communication between people about the retailer. One new method in this form of communication is social shopping, meaning that consumers can share their shopping experience with others through the internet. According to some studies reviews on sites can be a major influence for customers to buy the product. At times different forms of communication in this variety of sites present ethical issues as it might be difficult for customers to differentiate unpaid communication from paid communication. Some retailers allow customers to review products on their own web-sites, which hold a risk of the review being negative. Negative review can influence other customers negatively but it can also have a positive effect. Customers reading the review may feel that they have seen information from various perspectives, and thus justify their purchase, if the review is not a overwhelmingly negative one. At the same time also a negative review can add legitimacy to the information given. (Levy & Weitz 2009, 453-454)

#### 2.6 Personal selling

The importance of personal selling differs among retailers based on the type of merchandise offered. A retailer offering low-risk, low-priced goods needs to only employ personnel to manage small enquiries and to complete the transaction. Typical information shared will be on current reductions, special offers and guarantees or possible methods of payment. In shops selling high-priced or more complex items, the consumer has to come across a salesperson to relate as well as to gain expert information. Gilbert (1999, 132) has identified situations where it is important to have trained staff. These situations are where the item has to be modified according to customer's requirements, where the product is technically complex,

where the product is expensive in relation to the consumer's income, and where flexible pricing is practised and negotiation over price takes place.

According to Gilbert (1999, 133) the intention of personal selling is to obtain a sale even in situations where the customer has entered the shop in order to acquire information, stimulate sales and impulse buying, complete a transaction successfully with the customer, depart the customer well informed and satisfied even if the transaction has not occurred, and create good relations with the customer. Also service plays a key role as the one-to-one contact with the customer is the source of information for judging the company.

Further Gilbert (1999, 134) has stated that high-service retail should always ensure that customers feel that they are the centre of attention. The salesperson's commitment to excel in selling should be at the same time supported by compliments, incentives, rewards and training. Training should include merchandise manufacture, buying and control as well as selling techniques. According to Gilbert a salesperson can only be convincing in selling, if he/she understands the product and its benefits fully.

#### 2.6.1 The selling process

According to Varley and Rafiq (2004, 244) there are basic phases in selling process such as greeting and approaching the customers, determining customer needs, presenting and demonstrating merchandise, answering objections, closing the sale and giving suggestions. Gilbert (1999, 134) presents 7 phases in this process (Figure 7), which are preparing, anticipating, approaching, presenting, managing concerns, building obligation and commitment and further establishing affinity and relationship. This process emphasizes the need to listen to the customer in order to provide the right offer and arguments. The advantage of personal selling is in the adaptability of communication to the customer's specific needs.

Preparation means that before the actual contact with the customer the salesperson should be made fully aware of the issues such as product features, benefits, options, prices, stock levels, delivery schedules, guarantees and return policies. Before any selling activity and appropriate reward method should be in place and appropriate training given. (McGoldrick 2002, 504)

Opening the sales conversation plays a vital role in selling and according to McGoldrick (2002, 505) more potential sales are lost at the initial state than in any other. Shoppers prefer avoiding discussion while window shopping and thus the opening approach of salespeople play a key role in continuing the conversation. Researchers have also explored the use of touch in

the initial contact phase. Also it should be taken into account that at busy times customers might find it difficult to make a contact with salespeople.

1. Preparing through skills and knowledge
2. Anticipating and identifying a prospective sale
3. Method of approaching the potential customer and task
4. Presenting features and benefits
5. Dealing with customer concerns
6. Building obligation and commitment
7. Establishing affinity and relationship

FIGURE 7. Retail selling process (Gilbert 1999, 134)

After opening the conversation the next phase is to give a presentation of the product and its benefits. While selling the product it is important to be aware of the benefits that the customer requires. McGoldrick (2002, 506) refers to a study made by Ramsey and Sohi (1997) which emphasises the importance of listening to the customer. The listening skill can also be trained and measured. While listening, the salesperson is also expected to react as well as to the words, also to the emotions of the shopper. A wide variety of interpersonal skills are needed in order to obtain satisfaction-inducing response from the selling staff.

It is important for the salesperson to understand the customer's needs. Typically salespeople divide customers based on their purchase intention and the amount of assistance needed. In many cases dividing might be made on the basis of first impressions, which may actually weaken the salesperson's efforts. Having listened to the customer a intelligent salesperson should also be able to indentify the customer's decision style and criteria besides their needs. (McGoldrick 2002, 506)

When presenting solutions the salesperson's challenge is in meeting the requirements of the customer as quickly and precisely as possible even in situations, where customers have highly

specific and set ideas on what they want. In other situations the customer's criteria might be ill-defined and require maximum skill in understanding and solving the problem. Customers should be encouraged to touch or try the products in order to enhance involvement and assist the decision. A common error is to present too many options and confuse the customers instead of withdrawing items of less appeal. (McGoldrick 2002, 506-507)

At some stage it is likely that the customer present objections and arguments on why not to buy the product. The intentions may be in delaying the decision, In order to seek reassurance and/ or express doubts. According to McGoldrick (2002, 507) these usually relate to the product, the shop, the after-sales service or the price. Proficiency is required in order to identify the motive and the nature of the objection and respond appropriately. It is important not to engage in direct argument, but to give reassurance and correct information without offending. Here the credibility of the salesperson plays a vital role.

A positive effort is required in order to close the sale. There are many techniques to do this. As an example McGoldrick (2002, 507) suggests summarizing the product benefits of two or more solutions or presenting an additional inducement such as gift wrapping or free delivery. Timing play key role and closing the sales should not be hurried, or excessively delayed.

At the conclusion of the sale it is not unusual to present complementary items. This may be seen either positively or negatively by the customer. The purchase suggestion should be well in accordance to the shopper's needs instead of giving a feel of forcing into further sales. (McGoldrick 2002, 508)

As the salesperson acts as the contact between the company and the customer, it is rational that the salesperson ensures effective follow-up activities. The delivery staff etc. should not be accused of broken promises. Long-term follow-up activities can also be helpful and increase customer satisfaction. (McGoldrick 2002, 508)

### 2.6.2 The importance of personal selling

According to Brown & Lam (2008, 243) in retail setting interactions between customers and sales personnel plays likely an essential role in customer perceptions of the shopping and consumption experience. They refer to Magi (2003) and Schneider & Bowen (1995). Service providers are often seen as the organization they represent from the customer's point of view and the attitude they express may leave a lasting impression in the customer's mind. This impression affects their satisfaction, repeat buying and financial performance.

Retail salespeople often act as a critical link between the retailers and their customers. Through buyer-seller interactions salespeople have an effect on how the customers experience shopping and have an impact on their emotions. (Lee & Dubinsky 2003, 21) According to Sun, Tai & Tsai (2009, 360) in present multimedia age, personal selling has become an increasingly important communication tool in relationship marketing.

### 2.6.3 Salespeople and their influence on customers

In a personal sales conversation the salesperson's recommendation usually affects the customer's purchase decision for one of several product alternatives. (Bauer-Sachse & Gierl 2009, 190) According to Lee and Dubinsky (2003, 32) retail managers should pay close attention to examine customer emotions that emerge during the customer's interactions with the salespeople. In order to foster positive emotions they should focus on recruiting and selecting trustworthy, empathetic, friendly, enthusiastic and professional-looking sales personnel.

Past studies have shown that empathy can have beneficial influence on the perception of service quality, sales performance and successful selling. Emphatic helping, in other words a service skill may have an influential impact on customer emotions (Beatty, Mayer & Coleman 1996) and further lead to customer loyalty. If customers perceive a salesperson acts trustworthy they are likely to think the behaviour is praiseworthy, thus creating positive emotions. Customers' perceptions of a salesperson's competencies with the products, information or service delivery (Beatty et al. 1996) will affect the way they feel about the salesperson. When interacting with a salesperson possessing good expertise, customers are likely to feel fulfilled, pleased and comfortable. Friendliness is also important as it is crucial in increasing satisfaction. Also the amount of salespeople's enthusiasm is positively related to buyer satisfaction. By this is meant the way a salesperson is animated, motivated and excited. (Lee & Dubinsky 2003, 21-36)

According to Lee & Dubinsky (2003, 21-36) retail managers should focus on adequate product or service knowledge, information about the company policies related to customers, and details about overall work behaviour. Sales personnel should be managing customer's concerns as they were their own. In order to do this sales personnel should be given training in order to develop listening skills.

Retailers should be well aware of their customer base's demographics, interests, values and opinions in order to hire retail salespeople who are similar to the customer base. Fostering positive customer emotions in buyer seller interactions can lead to satisfied customers and further build a long-term or ongoing relationship with customers. Managers should be aware

of the relationships their customers have with the shop and its sales people. (Lee & Dubinsky 2003, 32-33)

#### 2.6.4 Salespeople's appearance

According to Kim, Won Ju & Johnson (2009, 407) most retailers require their employees to dress according to a certain dress code or at least give some general guidelines for appearance. The reason behind this is the need to give a consistent look, help customers identify the salespeople in the shop and because employee appearance is one strategy for appealing to customers. Understanding the extent customers are influenced by sales personnel's appearance is important information and can be utilized in training and development of personnel.

According to a study made by Kim, Won Ju & Johnson (2009, 412) customers note a variety of appearance signs, while interacting with the sales personnel. Customers regarded the match of the salesperson's dress to the shop image to have an important effect on thoughts towards the shop. From this point of view training should ensure not just discussion on the type of dress to be worn at work, but also about the co-ordination of dress items and managing other non-verbal signs in order to have an positive influence on customers.

#### 2.6.5 The importance of employee satisfaction

Brown & Lam (2008, 243-255) researched relationships linking employee satisfaction to customer responses. According to them managers should take careful notice of the effects that employee satisfaction have on customer responses. Brown & Lam (2008) refer to Pfeffer (1998) in stating that managers should realize that satisfied, motivated and committed front-line employees, who work in direct contact with the customers, form a powerful team for delivery of service quality and customer satisfaction and that such workforce can be the company's most valuable asset in establishing a loyal customer base. Policies and actions that clarify role expectations and provide material and psychological support for employees play an essential role.

### 2.7 Research papers on the subject area

In this section the research papers on the subject area are summarized in to a table stating the topic of the study and the researchers as well as information of the publications. (Figure 8)

Name	Researcher	Year/ Journal	Summary
Sales associate's appearance: Links to customer emotions, store image and purchases	Jae-Eun Kim, Hae Won Ju & Kim K.P Johnson	2009 Journal of Retailing and Consumer Services	Examined whether consumers emotions were linked to sales associate's appearance. Participants were asked to answer a questionnaire after a shopping trip. Participants noted being influenced by associate's appearance. Appearance clues varied on whether the question was about emotions, store image, or their purchases.
Can a positive mood counterbalance weak arguments in personal sales conversations?	Silke Bambauer-Sachse & Heribert Gierl	2009 Journal of Retailing and Consumer Services	Theoretical model developed and empirical study conducted. Results show that mood has effects in the customer's perception of the strength of the arguments provided by salespeople on the product.
Influence of salesperson characteristics and customer emotion on retail dyadic relationships	Sanghyun Lee & Alan J. Dubinsky	2003 International Review of Retail, Distribution and Consumer Research	Examines potential signs of customers' emotions that arise during interaction with retail sales personnel and the consequences of those emotions. Conceptual model implies that retail managers should examine closely customer emotions during sales process and recruit trustworthy, empathetic, friendly, enthusiastic and professional looking sales personnel.
A Meta- Analysis of Relationships Linking employee satisfaction to customer Responses	Steven P. Brown & Son K. Lam	2008	A meta Analysis of relationships linking employee satisfaction to customer satisfaction and the way service quality is seen. Studies that link employee data with customer data. Estimation of data shows that customer's opinion of service quality intervene the relationship between employee work satisfaction and customer satisfaction.

The role of interdependent self-construal in consumers' susceptibility to retail salespersons' influence: A hierarchical approach	Tao Sun, Zixue Tai & Ke-Chuan Tsai	2009	Paper develops a hierarchical model that examines the effect of interdependent self-contractual on consumers' susceptibility to salesperson's influence. The practical implication is that salespeople can be trained in adaptive selling programs to spot relationship oriented customers and to understand the role of certain factors in buyer seller relationships and purchase decisions.
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FIGURE 8. Research papers on the subject area

## 2.8 Framework

The theoretical framework (Figure 9) of this study moves from marketing and marketing communication into retail marketing communication and concentrates on personal selling. The focus areas in personal selling are the selling process, salespeople, salespersons' appearance and employee satisfaction.

## 3 Research approach

### 3.1 Method

A qualitative research method was chosen because it gives deeper analysis on the present situation in the shop from the personal selling point of view. It was also more efficient, when considering the researcher's own work experience and observation in the shop. The study was conducted through interviewing the shop manager and the shop personnel as well as through observation. The interviews were conducted in the backroom of the shop and the form was open discussion. There were ready made questions, but the type of interview was open discussion as the topics were discussed further according to the answers made. The observation was participating observation as the researcher worked at the shop while the observation was made.

The interviewed personnel were one salesperson with a very broad experience in the field since year the 1985, one goldsmith with 15 years of experience in the field, one watch-smith with 5 years of experience in the field and two part-time workers of which one has a few years experience in the field as a summer worker and another has only a little experience in the field.

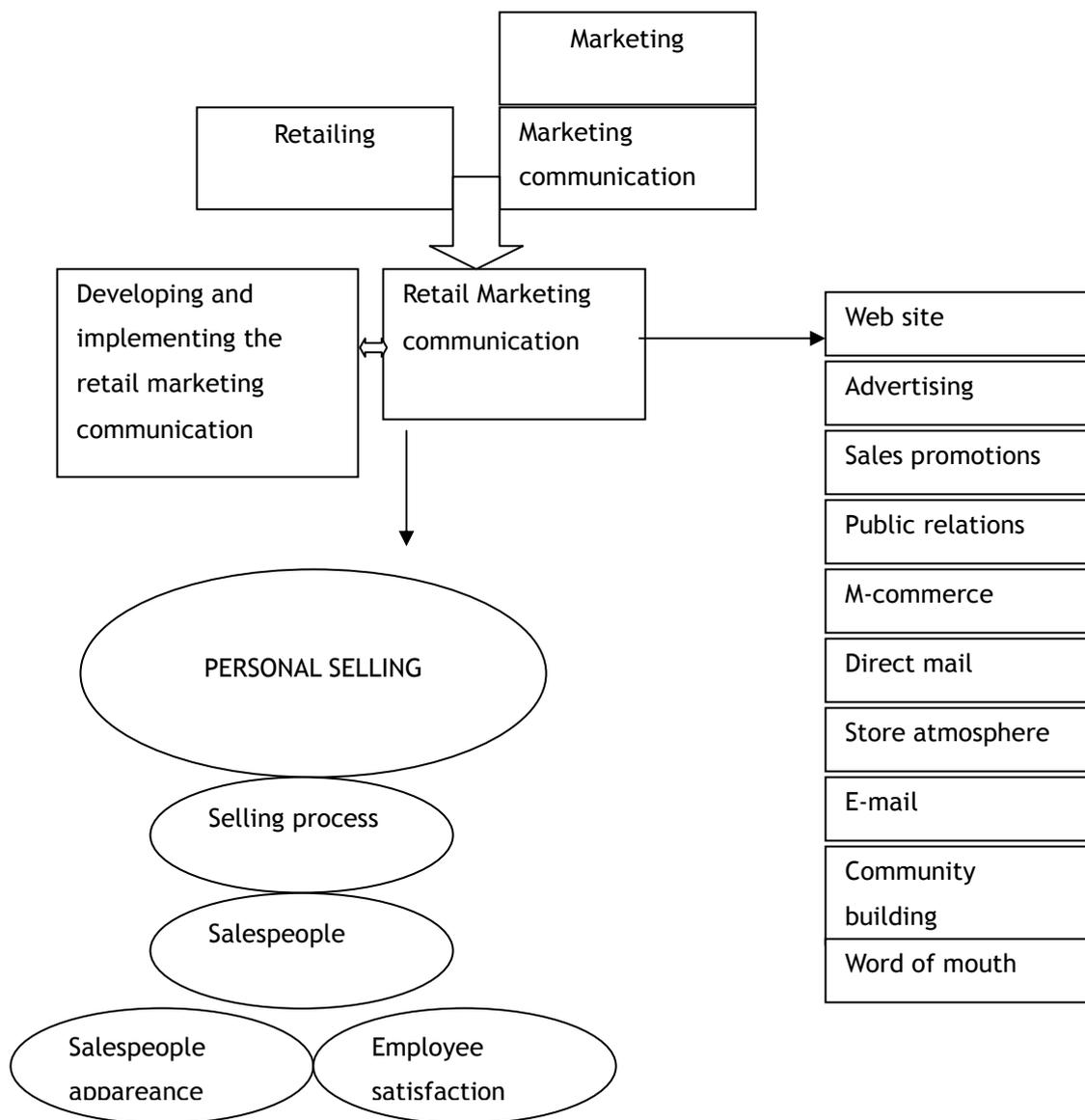


FIGURE 9. Framework of the study

### 3.2 Qualitative research

According to lecture material by Pirnes (2009) a researcher conducting qualitative research should possess qualifications such as being able to ask good questions, be a good listener, be adaptive, have a good understanding of the issues studied and be unbiased. Further according to the material sources of information for qualitative study may come from six different sources such as documents, archival records, interviews, direct observation, participant observation and physical part.

### 3.3 Reliability and validity

According to Hirsijärvi, Remes & Sajavaara (2006, 216-217) reliability means the repeatability of the research results, in other words the capability to give results that are not random and can be achieved again. Validity means the research method's and measurement method's capability to measure the needed subject. For example questions in a questionnaire could have been understood incorrectly. There are different ways to evaluate the validity. According to Hirsijärvi et al. (2006 217) these terms have had different interpretations in qualitative studies. The origin of these terms came from quantitative studies and can be linked to it and thus the use of these terms is been avoided. At the same time all studies should be evaluated in terms of reliability and accuracy in some way even though the terms reliability and validity are not used.

### 3.4 Earlier studies

One of the most central studies from this research's point of view is a study conducted by Mayithreyi Kamalanathan in 2003. This study has been done of the same store Kulta & Kuva, which later transformed into Kultakulma. Qualitative research is made and the topic is marketing management strategy for the retailer Kulta & Kuva. The purpose of the study is to find aspects of the strategic retail marketing management and the tools to implement them in practice. The case study method is applied. The study evaluates the jewellery and clock business of the retailer Kulta & Kuva and also gives strategies for improvements based on the theory of retail marketing management. The results present that the business objectives of the shop will be gained in future through concentrating on a narrow market segment and differentiation of products and services. Further suggestions have been given on how marketing management could be implemented. As future research topics retail marketing management and merchandise management are presented. Also quantitative researches have been suggested. This study was made for Laurea University of Applied Sciences. (Kamalanathan 2003)

Sari Kujala made a study in the year 2001 of the competitive and branding strategy of a retail chain. Kujala researched Kultakönni Oy using information gained through working experience and secondary sources of information. An empirical study was conducted through interviewing the case company's personnel and owners and studying the written information collected from the shop. The study is qualitative. The results show that the internal and external analysis gives the basis to recognize the company's potentials and based on these strategic decisions are made and then further implemented on an operational level. As a competitive advantage for the company factors such as location, customer service, image and products were recognized. This study was made for Helsinki School of Economics, now part of the Aalto University. (Kujala 2001)

Laura Nummela and Mari Tunturi conducted a study on Lapponia Jewelry in 2008 for Laurea University of Applied Sciences. The topic is Improving retail communications at Lapponia Jewelry. The thesis studies through qualitative research retailer relationships in Lapponia Jewelry and suggests development ideas. The empirical study presents that retailers value communication and business-to-business information exchange; they also see product training as an important part of retailer support. (Nummela & Tunturi 2008)

Eliisa Sorsa studied concept stores in her master's thesis named Concept stores as an strategic brand management tool for luxury and premium fashion firms. The objective of this research is to understand the concept stores strategic brand management instrument and premium fashion companies in European context. The primary data for the empirical study was mainly collected through interviewing the key informants on the case study of Hanna Sarèn/Ultimate Design Oy. According to Sorsa the research findings confirm that the concept store of the luxury fashion company has a powerful role as an enhancer of the brand image by building credibility and prestige to the brand. (Sorsa 2008)

## 4 Empirical study

### 4.1 Company introduction

Kultakulma was first established in 1994 as *Maxin kello ja kulta* inside the *Maxi* retail shop, which offers food, household products and clothes. In 2003 the shop was temporarily moved to the firstly finished part of *Sello* shopping center above *Maxi* and *Citymarket* and was named *Kulta & Kuva*. In 2005 after the completion of the second part of the *Sello* shopping centre the shop moved to its present location inside the *Sello* shopping center and was named *Kultakulma*. At this time the jewellery business and the photo business were separated into two different shops and the management of the staff and business was divided.

Besides these shops the owner also has a store called Klaukkalan kuva ja kello which was established in 1979 and was the first shop of Eero Karppinen. (Karppinen, interview 3 February & 12 April 2010)

Kultakulma can be identified as a specialist retailer as it offers a small number of different product categories. Mainly the shop offers jewellery and watches but also a variety of gift products and wall and table clocks. Different jewellery and watch products are offered and different brands represented both small company brands as well as large international brands. The shop also offers a variety of services such as watch repairing and engraving. Small jewellery repairs are undertaken in the shop but mainly they are outsourced to a goldsmith working independently.

The shop is big in size compared to other jewellery retailers and has an advantage of being capable to offer more products. Also the location inside the Sello shopping center is an advantage. There are two similar shops located in Sello and two on the other side of the road, which present high competition for customers. Also one of the shops is a branch of a known jewellery chain. Kultakulma's major advantage is its familiarity as it has been located in the area from 1994, although the advantages of this may have been changing with the large quantity of changes in the area.

Kultakulma has 9 staff members, of which some are employed part-time. The wife of the owner works as the shop manager and is mainly responsible for the shop. The shop does not have any written action plans or marketing strategies instead the plans are made by the owner and the shop manager on the basis of need and experience. Management in the shop is mainly conducted by the shop manager but the shop staff are given possibility to participate, give suggestions and feedback. The responsibilities are divided so that the watch-smiths are mainly responsible for watch repairs and engraving services in addition to sales and other staff members perform only small watch services such as battery changing and strap adjustments. All staff members are also responsible for the shop upkeep in addition to being sales personnel. When products arrive to the shop a large amount of work is needed to have them checked, labelled, added to the storage system and then finally set on display. This work is mainly done in the opening hours. (Karppinen, interview 3 February & 12 April 2010)

#### 4.2 Introduction to business sector

As a business sector the watchmaker and jewellery field in Finland is small but prosperous in tradition. A majority of companies in the trade are very small and even when the number of employees in each organization is low the number of people employed in the whole business

sector is about 3000. This includes also the people employed in manufacturing and wholesale. There are around 700 retailers in the trade and their turnover is around 200 MEUR. (www.suomenkultaseppienliitto.fi 2010)

With the luxury market slowing due to the economic crisis, it is important to meet the needs and satisfy the expectations of consumers. Present jewellery market is more complex because of increasing market segmentation. Jewellery shoppers are segmented based on different needs. For example there are men shoppers, women shoppers, fine jewellery shoppers, costume jewellery shoppers, gift purchases and self purchases. These segments overlap making it important for retailers to concentrate on specific segments, instead of the whole market. This should be done in accordance of the type of customers that are frequently visiting the shop. According to Sanguanpiyapan & Jasper (2010) there are five strong non-functional motives for jewellery shopping, which are salesperson interaction, pleasure in shopping, learning about new trends, role-playing, and diversion. Further the key to success for jewellery retailers is to understand their customer's different personalities and present products, prices and shopping experiences that suit them.

#### 4.3 Personal Selling in the jewellery field

According to Haapanen (2007, 6-10) service has become an important competing factor in speciality retailing and in particular in watch and jewellery shops, which sell high value products. According to Mr. Veijo Ratsula, chief executive of the board of The Finnish Goldsmith Association in 2007, one central problem in the field is that customers experience of being underestimated. Customers come into the shop already sometimes shy and the salesperson might have been working in the field for long and feel without acknowledging it superior to the customer. Also according to Mr Ratsula consumers visit jewellery shops seldom and the environment is often new to them. Shops with large quantity of products might also confuse customers. Mr. Ratsula also points out the importance of listening to customers. Some salespeople falsely believe that they can judge customers' ability to pay by looking at them. According to Mr. Ratsula such talent does not exist and he emphasises the need to be humble towards the customer. He says that even though the sales person takes control of the situation and presents choices the customer has to experience that he/she has been heard and the sales process is being done in his/hers terms.

Large shopping centres are altering consumer's shopping styles and shop concepts. In a shopping centre it is easier to enter the shop. According to Mr. Ratsula this has created different kinds of shops, where besides the traditional settings glass cabinets allow customers to freely browse the shop. The salesperson is asked, when needed. Yet Mr. Ratsula finds that in typical precious-metal shops, service should not be forgotten. (Haapanen 2007 6-10)

#### 4.4 Personal selling at Kultakulma

##### 4.4.1 Sales process

At present personal selling at Kultakulma is executed by the sales people formed of watch-smiths and full-time and part-time sales personnel. Some of the full-time sales people have field education such as gold-smith or watch-smith education, others have many years experience in the field. Part-time sales personnel are students who have no or little previous experience in the field. (Interview with the store personnel 2010)

The selling process is starting from the moment a customer enters the shop. The need to welcome the customer is found important and then customers are further enquired if they need assistance. Some prefer simply greeting the customer; some ask directly whether they need assistance. The personal selling process includes services such as gift wrapping, strap adjustment and some other supporting services according to the products sold. For example, when a person buys a watch, it should be set to the right time and date, a guarantee card written, the watch packed in its own box, the strap adjusted if needed and then further gift wrapped, if required by the customer. (Interview with the store personnel 2010)

A unified sales process is not in use. According to the sales personnel specific directions are not given but a common method is to approach the customers as soon as they enter the shop. Some sales people think that this method has emerged from seeing others at work and from directions given while at work, but no specific instructions on the way the customers should be approached has been given. The general opinion is that there is not a specific system in use and some salespeople see this as a problem as it presents the challenge of not giving customers a unified service level. Also the interviewed salespeople think that there is variation between the knowledge level and actions of the personnel. (Interview with the store personnel 2010)

Commonly the importance of personal selling is understood well and the salespeople understand the central role of selling in this kind of shop. The most problems are seen in lack of a general policy on the selling process and especially some of the salespeople think closing sales is a challenge. This is a common problem, which is seen affecting the sales process. In general the salespeople think that there is usually positive feed-back from customers even though some negative comments have been given. The problems have arisen from the service delivery and some salespeople also pointed out feedback from customers who have thought

that they have not received expertise service earlier and are pleased to receive it now. (Interview with the store personnel 2010)

According to Varley and Rafiq (2004, 244) and Gilbert (1999, 134) there are phases that can be identified in the selling process. According to Gilbert these are preparing, anticipating, approaching, presenting, managing concerns, building obligation and commitment and further establishing affinity and relationship. Presently at Kultakulma there is no common selling process evident. These phases do become evident through different stages of the customer service process but no coherent process is existing and also not all the phases of the process are evident in the sales process of Kultakulma. (Interview with the store personnel 2010)

#### 4.4.1.1 Preparation

Preparation means that before the actual contact with the customer the salesperson should be fully aware of the product features, benefits, options, prices, stock levels, delivery schedules, guarantees, returns policies, etc. Prior to any selling activity and appropriate reward method should be in place and appropriate training given. (McGoldrick 2002, 504)

The preparation stage is presently working very inefficiently at Kultakulma. There is no information system to present changes in products and their delivery schedules. Also the communication and information sharing inside the shop is challenging. Some of the shop personnel have a high level of experience in the field as some come to the shop without previous experience in the field. As such the product knowledge of the personnel varies among the salespeople. A key problem in communication is also the fact that some of the personnel work only part-time and some full-time. This creates challenges. The full-time personnel should be able to communicate the changes in products and their delivery schedules etc. effectively also to the part-time working personnel, who do not have as many working hours in the store as the full-time personnel. (Interview with the store personnel 2010)

The importance of product knowledge is well understood by the personnel but they identified a need for more product training in order to strengthen their knowledge. At present the interviewed personnel think that there is never too much product training but also many of them pointed out the need to have more training especially on watches. This is a common problem in the shop. Especially expensive watches and technically challenging watches would require more training and introduction. At present the questions are often asked while the sales process is already started and this gives a bad impression to the customers on the expertise and efficiency of the sales personnel. Also even more difficulties arise if there is no watch-smith present in order to help. (Interview with the store personnel 2010)

At the preparation stage the stock-level knowledge is needed as stated by McGoldrick (2002, 504). At present the changes in stock-level changes are mainly known by the personnel, who work with the product ordering and the storage. This information is communicated mainly orally to the other workers. This presents problems as not all of the staff are aware of the stock situation. Also a major issue is the altering of storage spaces. As product storage is altered from one place to another, this should be well informed to all the staff members as it gives an unprofessional image if the salespeople are unable for example to find the right package of the product they are selling. This could also be executed by the personnel better, as they at present do not share effectively information to one another when there are changes. Recently a notebook has been taken into use, in order to increase the information sharing and help in communication. (Interview with the store personnel 2010)

#### 4.4.1.2 Anticipation and approaching

The anticipation and approaching stage is challenging at Kultakulma as there is no general guidance. Some prefer simply greeting the customer and some find it important to ask whether they need assistance already in the first approach. According to Mr. Ratsula (Haapanen 2007, 9) it is easier for a customer to enter the shop in shopping centres. Also from this viewpoint many customers can be simply window shopping. According to McGoldrick (2002, 505) customers prefer avoiding discussion while window shopping. From this point of view some customers might find it disturbing that they are approached immediately. Also it is important to approach the customer in the right way in order to facilitate the continuity of the conversation (McGoldrick 2002, 505) this presents a need in Kultakulma to also develop more skilfully planned approaches so that the customer feels welcomed and is willing to engage in a conversation. (Interview with the store personnel 2010)

#### 4.4.1.3 Presentation

In the presentation stage the product features and benefits should be well presented. McGoldrick (2002, 506) refers to a study made by Ramsey and Sohi (1997) which emphasises the importance of listening to the customer. At this stage it is important to know what product is according to the customer's preferences. At Kultakulma this is well understood, the customer service level is good, and the customers are heard while giving the suggestions. As stated by Ratsula (Haapanen 2007, 9) listening to the customer is vital. The customer should experience that the sale is being executed on the customer's terms. At Kultakulma this is functioning efficiently and customers are not pushed into making a purchase. One of the interviewed sales people also mentioned feedback received from a customer, who thought it

positive that he/ she was not rushed into making a purchase decision. (Interview with the store personnel 2010)

Product knowledge plays a key role in this stage and the problems in the preparation stage are often seen in this presentation stage. The salespeople might find it difficult to present the features, as stated by one of the salespeople. For example it is sometimes difficult to justify a higher price or present effective arguments on the product. Also at Kultakulma there are some salespeople who have little experience or are a younger generation, which present a challenge in being assuring and having the authority to present certain product features. (Interview with the store personnel 2010)

#### 4.4.1.4 Dealing with concerns

According to McGoldrick (2002, 507) customers at some stage present objections about buying the product. These usually relate to the product, the shop, the after-sales service or the price. This presents a challenge at Kultakulma. Many of the interviewed salespeople think that closing sales is difficult and that they would probably need some guidance in it. In this product knowledge and preparation play a vital role as the salesperson should be able to present the product features as well as other benefits of the purchase well. Also it is important to know the possibility to give price reductions. At Kultakulma the personnel is generally aware of the price reductions they are allowed to make but there are differences between the products. After-sales services play also a key role at Kultakulma as some of the personnel might be more aware of the possibilities for example of engraving a product than others. Information sharing and preparation is needed beforehand, in order to be able to present the available services to the customers and to give the schedules of these services. According to McGoldrick (2002, 507) salesperson's credibility plays a vital role. This is evident at Kultakulma where there are part-time employees and younger employees who might not have the same level of credibility as the more experienced salespeople. (Interview with the store personnel 2010)

#### 4.4.1.5 Building relationships

As stated by McGoldrick (2002, 508) it is sensible that the salesperson ensures effective follow-up activities. At Kultakulma the challenge of this is on the structure of the work force as there are part-time workers who work for only a small amount of time in the shop. Also the part-time sales people usually do not have the possibility to make orders for example for a customer who has wished to order a certain product that is not presently available at the shop. At present the orders are made by special envelopes, which are filled in with the customer. Then they are attached to the common table space, from which the process is

further managed by the personnel, who orders it from the manufacturer. At this stage there can be challenges in interpreting the customer's wishes correctly as the person making the order might not have had contact with the customer. Also in many cases there are problems in knowing the type and amount of information required from the customer, as the person discussing with the customer might not be familiar with the process of ordering the product from the manufacturer. This problem arises also in situations where a salesperson has agreed on for example an engraving service, which then cannot be executed in the way the customer initially wished it to be done. (Interview with the store personnel 2010)

The central issue is on making sure that the person who interacts initially with the customer makes sure the process continues according to the initial promises made. One of the salespeople thinks that this varies between the salespeople and mentioned the problems in information sharing. (Interview with the store personnel 2010)

Generally there are many after-sales services conducted at Kultakulma, for example, gift packaging, strap adjusting, size adjusting, engraving services and also most of the products have a warranty. These proceed efficiently at Kultakulma but the continuity of the service level differs according to the salespeople and the products and services. For example a watch-smith is able to perform the strap adjustment usually right away as with difficult strap models the other sales people might need to proceed with it another day. Commonly there are instructions on what services are included with the products and the understanding of the importance of good service after the purchase is good. (Interview with the store personnel 2010)

#### 4.4.2 Motivation and professional satisfaction

Brown & Lam (2008) refer to Pfeffer (1998) in stating that managers should realize that satisfied, motivated and committed customer service employees form a powerful team for delivery of service quality and customer satisfaction.

At present the professional satisfaction and motivation vary between the personnel. Some of the salespeople think that the selling environment and work environment is good and that they have good motivation towards the work. At the same time some of the personnel identified many different areas of development. One central issue that the personnel thought important is feedback. Most of the interviewed personnel thought that the professional satisfaction and motivation could be increased with feedback from the organization on the performance of the salespeople. The emphasis was also on the need for discussion of the work and training. (Interview with the store personnel 2010)

The salespeople thought that the motivation does play a key role in the selling. Also some personnel thought it important that there would be more scope for them to perform in order to increase their work satisfaction and motivation. Also information sharing was not seen effective at present. The personnel also mentioned the need to have a positive environment and a team spirit in order to succeed. (Interview with the store personnel 2010)

Mainly the work satisfaction is good, but there are some central issues that would increase it and develop the performance of the salespeople. Communication plays a key role as many of the sales personnel think that they would need more feedback and information from the organization. (Interview with the store personnel 2010)

According to the shop manager the salesperson satisfaction is good at present but she recognizes that sometimes there are situations where lack of motivation is evident. She thinks that salespeople cannot always be motivated and that she understands that people have different phases in life and sometimes personal reasons. At the same time she mentioned that areas of development are in more training and information sharing. She also thinks that there might be areas of management and decision-making, in which the sales people might have different opinions and they would be willing to participate more in them. (Karpinen, interview 3 February & 12 April 2010)

#### 4.4.3 Appearance

There are no uniforms used at Kultakulma. The dress code is given simply that there should be neat and tidy clothes worn to work. There are no specific instructions on what are approved as work clothes and what not. Salespeople think the instructions understandable but many would need more specific instructions. At present the style of the dressing differ heavily based on everyone's own judgement and style. No coherent style exists. The different ages and styles of the sales people are evident on the appearance as it varies. Generally the appearance of the personnel is neat and pleasant and there are no major issues evident, but there is no coherent style and this might present challenges for example for customers in recognizing the salespeople in the store. No name tags are used and the personnel do not have any unifying accessories such as a common coat. (Interview with the store personnel 2010)

The personnel at Kultakulma think that more instructions would help and they could be more specific. One of the salespeople mentioned that she thinks her clothes approved as there has been no feedback on it and expects that feedback will be given if something is not approved.

The shop has no rule on wearing its own products and the personnel at present wear also jewellery and accessories according to their preferences and according to their own style and taste. The personnel did identify interest from customers towards the products they are wearing and have had positive interest towards the jewellery and accessories they are wearing. (Interview with the store personnel 2010)

According to a study made by Kim, Won Ju & Johnson (2009, 412) people pay attention to several clues, when evaluating the salespeople's appearance. The study also points out the need to make sure the salespeople's appearance is well coordinated and coherent, with non-verbal clues. From this point of view the image of Kultakulma is not clear enough to form a coherent image as some of the workforce think the directions not clear enough. At the same time the different looks of the sales people might cause very different opinions in customers' minds on the store, and this will not give a consistent profile of the shop and its strategy. Kim, Won Ju & Johnson (2009, 412) refer to Pettinger (2004, 2005) in stating that their study supports the proposition that selling personnel are an important component of a retailer's brand strategy. And management of their appearance reflects different business strategies. From this point of view the appearance clues as a way to communicate the shop image could be used more profoundly and more consideration could be given to the message that the store is communicating through the appearance of the shop personnel. (Interview with the store personnel 2010)

The shop manager thinks that use of uniforms or such would not be effective in such store and she refers to the experience she has from her previous workplaces. At the same time she understands that there might be difficulties for customers to identify the salespeople, because there are no uniforms or name signs used. Also the idea of using a unite coat is not supported by the shop manager as in her opinion there are often complaints on their style and suitability to the salespeople. She also mentioned that it would also be very expensive to use uniforms. (Karppinen, interview 3 February & 12 April 2010)

#### 4.4.4 Training

There has been no special training for the sales work at the shop. Guidance is given while at work for new staff members. In addition to this some brands have given sales tutoring and brand education, mainly this has been conducted by more valuable watch brands. Sello shopping centre has as well arranged some training events. (Interview with the store personnel 2010)

According to the salespeople there is not much training on the products. The interviewed salespeople emphasized the fact that there cannot be too much information on the products. Especially the need was seen with watches and technical functionality but also some basic sales training was in general thought useful. Even though the emphasis was on the product training some salespeople also presented the need to have training on the computer programmes used and especially more practical guidance when a new programme is taken into use. Also there was identified a need for more profound guidance on watch repairs and adjustments. (Interview with the store personnel 2010)

The shop manager also sees the need for more product training. Taking action is difficult because the shop manager thinks that the products represents' input is needed in order to make effective product training. Also the different time schedules present challenges in enabling product training. Yet training is important not only for products but also to ensure good selling skills. According to Sun, Tai & Tsai (2009, 365) salespeople can be trained to identify relationship-oriented customers and to understand the factors affecting buyer-seller relationships and purchase decisions. From this viewpoint it would be important to also give sales training in order to enhance the salespeople's personal selling skills and understanding towards the whole relationship process. This acts as an important factor in employee satisfaction and performance at Kultakulma. (Karppinen, interview 3 February & 12 April 2010)

## 5 Suggestions for improvements

In a store such as Kultakulma personal selling plays a key role as it is part of the business and acts as a major linkage between consumers and the shop. Thus the selling personal should be effective and professional. It is also important that the personnel is trained to be in addition of being a good sales person to also be a good marketer. From this study it was evident that the main areas of development centred on training and information sharing. These are important factors not only from the sales point of view but also in enhancing the satisfaction and motivation of the salespeople, which is further important for an effective customer relationship. Also the appearance of the salespeople needs changes in order to be more professional.

In addition to selling, from marketing communications viewpoint it is important that the sales person communicates the same marketing message as the other communications mix tools. This should be ensured by effective sales personnel training. The personnel should be aware of the marketing campaigns being conducted on different products and product groups. For example when there are advertisements on watches for school children, it is important that the personnel are shown the advertisements to be placed on the billboards and they should

be given additional information on those specific products. Also it is important that they receive information on how these should be presented to the customers. In this it would also be important to demonstrate how these products should be used, in order to make sure that everyone knows the unique selling features of the product in order to close the sale. This would also help in making the sales process more effective in terms of practicality. Especially this is important with products such as watches, which were identified as challenging by many of the salespeople.

According to Scarborough, Wilson & Zimmerer (2009, 343) successful salespeople are enthusiastic and alert to opportunities. In order for this to be possible the sales people should have an environment that supports their efforts. The atmosphere at the shop should be encouraging in which effective training plays a key role as it might help the store personnel to feel professional and increase their self confidence in closing sales.

To help train and educate the personnel on the products and about selling, the shop could arrange meetings to give the latest information, to share experiences over products and summarize on what there is to be performed in addition to previous. This could be done in weekly meetings or monthly. In both cases it is important that the training is not simply product information but also practical suggestions, helping guidelines, discussion and motivational guidance. Feedback plays an important role as many of the salespeople identified the need to have more positive feedback or feedback in general. This would certainly give the personnel more understanding of what is expected from them and would increase their performance level. At present the goals are not shared, thus the personnel is not utilized at its fullest. At present many of the salespeople are motivated but not ambitious in their work. Many salespeople think the motivation good but would not consider them especially enthusiastic towards their work. This can be changed with effective communication of common objectives and more specific objectives. The salespeople are in the shop to sell, and they should be aware of their objectives and their success in it.

According to the shop manager there is the problem of timing, when considering arranging training events. As the actual work-time acquire so much, it is rather difficult to gather the personal to same the place at the same time. In order to make this possible maybe a paid day could be arranged, or simply two different days arranged according to work shifts. The most beneficial way would be having meetings before the work shift or after it, where simply the day's topics are discussed and the most recent news shared this way there not much time is needed. The best structure would be having long term meetings and to support them also by weekly meetings. Issues to be discussed in these meetings could be the offers in the store, the changes made, the problems arisen and the problems solved. Also introduction to new

products should be made. The need for individual feedback was also evident among the salespeople. Thus also individual feedback discussions are important.

The shop manager thinks that it would be highly beneficial to receive more product information from the manufacturer or the product representatives. This would be important because manufacturer's share more knowledge on products and they are also familiar with the brand image they want to share. Intensive product and brand training would support sales a great deal and be beneficial for both the brand and the retailer. Selling products such as watches also requires information on the product's technical functionality and information on the material used. For this a broad training on the products is needed. Even though it might not be practical to conduct training on each product it would be important that the product representatives would introduce brand's strongest points and their product's best features. Further technical information could be given on the most valuable products such as expensive watches. In addition to watches similar training would be beneficial also with jewellery as the materials used and the methods used to manufacture them can be effective selling features. Good knowledge of the product also gives a positive image to the customer's and peace of mind, when buying the product. Salespeople also mentioned some feedback received from customers, who valued good knowledge and ability to help the customer effectively.

In addition to the product training it would be important for the shop to give common directions on how to welcome the customer. A common set of actions could be found in order to make the sales process consistent, for example when the customer returns to the shop. For this it would be beneficial to discuss with the personnel, in order to see their viewpoint as well. Even though a sales model should be made, it would be important to give scope also for every sales person's own style in order to make it more informal. This is important because the style of speaking is different for everyone and the age differences between the salespeople should be taken into account.

The visual image is also important. In order to create a formal image the personnel could have work suits. These could be simply a jacket that they could wear, when coming to work. This would give a very professional image. Also name tags or store logos on clothes would improve the level of professional image in the store. A common uniform in this shop would not be advisable but a common style of dressing would give a good constant look in the shop. While interviewing the salespeople most of the interviewed personnel considered wearing work clothes acceptable. Also it is important that the style is in accordance with the image the shop wants to convey to its customers. A more coherent style would give a more coherent and professional image of the store. Also it would make easier for customers to recognize the salespeople in the shop. Uniforms do not have to be the only solution, as unified accessories

can be taken into use. For example the salespeople can all have a black coat or vest according to their style.

## 6 Conclusions

### 6.1 Evaluating the study

This study seeks at evaluating and analysing the personal selling at Kultakulma with the help of theoretical background and research. The background of this study concentrates on journals of the field and researches conducted and their results.

This study succeeded well in focusing on understanding the personal selling of Kultakulma with interviews with the personnel. The discussions with the personnel gave insight into the overall process of selling and different viewpoints of the personnel. Also the managerial level was studied by interviewing the shop manager. This study concentrates on the personal selling with inside-out viewpoint, with emphasis on the issues relating to the process from the viewpoint of the salespeople.

The theoretical linkage to the empirical section was very evident with the knowledge of the earlier researches and theory and it was evident that the theory gave a profound understanding towards the selling process and environment, which was further studied in the empirical section.

### 6.2 Future studies

For future studies it is recommended that both the customers presently visiting the shop as well as the potential customers are surveyed. The shops' image and communication should be researched from the customer's point of view. Also the customer satisfaction towards the selling could be studied.

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## Appendices

Appendix 1 Questions for the store personnel

Appendix 2 Questions for the store manager

## APPENDIX 1

### QUESTIONS TO FACILITATE DISCUSSION

#### QUESTIONS FOR THE PERSONNEL

#### SELLING PROCESS

Which stages do you find acting in the typical sales process at Kulta Kulma

preparing

Anticipating

Approaching

Presenting

Dealing with the concerns

Building obligation and commitment

Establishing affinity and relationship

Do you find there is directions sales process?

Do you find the directions specific enough?

Do the directions work?

How do you understand the importance of personal selling?

What is working in the sales process at Kulta Kulma?

Which are the problems?

What about in your own sales process?

Do you find it is effective and efficient?

What are the problems?

Ability to close the sales ?

Do you feel that you know enough of the products?

Do you encourage to touch and try the product? Is this possible in the store?

Any feedback from customers?

#### MOTIVATION/ JOB SATISFACTION

Do you feel motivated towards work?

Could you use more motivating factors from the organization?

What are the problems in lack of motivation?

What is increasing motivation?

Do you feel the work is rewarding?

Do you find the employee satisfaction effecting personal selling?

How is it effecting at the moment?

Do you find the sales environment good?

What would you need in order to increase your job satisfaction?

Any feedback from customers?

#### APPAREANCE

What are the instructions on appearance?

Do you find they are clear enough?

Do you find you would need more instruction on the appearance?

Do you find that the appearance of the sales people at the store is in accordance to the store image?

What is working?

What is not?

Would you prefer wearing an uniform or a set of clothes directed towards the employees?

Do you find it necessary?

Would you wear the products while at work?

What is your opinion on the matter?

Have you seen it working?

Any feedback from customers?

TRAINING

Do you feel you have enough product training?

What would you need more?

Would it help the sales process?

How would you prefer it?

## APPENDIX 2

## QUESTIONS FOR RAIJA KARPPINEN THE STORE MANAGER

## SELLING PROCESS

Which stages do u find acting in the typical sales process at kulta kulma?

reparing

Anticipating

Approaching

Presenting

Dealing with the concerns

Building obligation and commitment

Establishg affinity and relationship

How do you understand the importance of personal selling ?

Do you find there is directions sales process?

Do you find the directions specific enough?

Do the directions work?

What is working in the sales process at Kulta Kulma?

Which are the problems?

What about in your own sales process?

Do you find it is effective and efficient?

What are the problems?

## MOTIVATION/ JOB SATISFACTION

Do you find the personnel motivated to work?

What are the problems in lack of motivation?

What is increasing motivation?

Do you find the employee satisfaction effecting personal selling?

How is it effecting at the moment?

Do you find the sales environment good?

What would increase job satisfaction?

How would you improve it?

#### APPEARANCE

What are the instructions on appearance?

Do you find they are clear enough?

Do you find that the appearance of the sales people at the store is in accordance to the store image?

What is working?

What is not?

Would you prefer an uniform?

Why ? or Why not?

Why not now?

Do you find it necessary?

What about wearing the products at work?

What is your opinion on the matter?

Have you seen it working?

Would you think it might work?

Any feedback from customers on any of these issues?

Feedback from personnel?