

# **Customer profiling for Company X**

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<p>Abstract</p> <p>The purpose of this thesis was to study the main characteristics of customers of Company X's Eastern-Finland premises and to find reasons why some of the shopping precincts customers do not visit the Company X. The goal was to divide the respondents into groups based on the basic segmentation model of Company X and analyze the information learned from each segment group's geographic-, demographic- and psychological variables. Also specific characteristics of non-customer members of the company were introduced.</p> <p>The research was conducted by generating a questionnaire for visitors of the shopping precinct. The data was analyzed with Webropol and Excel and utilized to describe the characteristics of the respondents and to reveal the reasons why some of the consumers visiting the shopping precinct are not visiting the Company X. For the theoretical part of the study the focus was on marketing related topics of consumer segmentation, consumer behavior and customer profiling. The information for the theory part was acquired from literature and online materials, such as articles, web pages and E-books found on the Savonia UAS online collections.</p> <p>The result of the study revealed that the customers of the shopping precinct hesitate to visit the Company X mostly due the fact that they do not have a need which the company could fulfill. Special offers and discount sales present the most common triggers for visiting the company. The results also indicated that customers experience the current store structure complicated and unpleasant for fast visits; subsequently customers wish effort-less shopping experience. The results showed that most of the customers live within 250 kilometers from the company's premises and majority of customers are 18-to-34-year-old females.</p>			
Keywords Marketing, customer segmentation, customer behavior, customer profiling			

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Appendix 1 Questions of the questionnaire

Appendix 2 Other factors mentioned in the questions fourteen and twenty-one

## 1 INTRODUCTION

This thesis topic was found from the web page of Savonia UAS. The basis for choosing a thesis topic focused on marketing related subject was the personal interest of marketing, which had raised my attention during the International business studies.

The research part of the thesis was done for an anonymous Company X. The Company X have recognized that most of the visitors of the shopping precinct do not visit the company, therefore one of the objectives of the research was to discover the reasons why some of the visitors of the shopping precinct do not visit the Company X on their shopping trip. The second objective was to find out the main characteristics of the customers of the Company X.

The research questions:

1. What are the main characteristics of the customers of Company X's Eastern-Finland premises?
2. What would make the visitors of shopping precinct visit the Company X?

The focus of this study is solely on private consumers of the company's Eastern-Finland premises. Furthermore, the emphasis of this study was on Company X's near area's consumers, who live approximately within 250 kilometers from the company's premises. The research method utilized in the study was quantitative survey. The research question number two was studied by open-ended questions within the survey, since the unstructured questions offer more authentic views on the matter than the structured ones (Malhotra 2010, 171).

The research was implemented by a questionnaire for visitors of the shopping precinct. The questionnaire was available in the shopping precinct between 9<sup>th</sup> of June and 15<sup>th</sup> of July 2014. Furthermore, the respondents had a possibility to attend a small lottery of Company X's gift cards after responding to the questions. Option for anonymous responding was also offered.

In this paper some of the main reasons why consumers do not visit the Company X's Eastern-Finland premises are identified and discussed. In addition, the characteristics of customers of the Company X are categorized according to certain segments of Company X and the main customer characteristics and buying behaviors within the certain segments are described. Additionally, also the characteristics of the persons

who are not customer members of the company are defined, since also the specific characteristics of this certain subgroup are important for the Company X's operations.

The focus of theoretical part of the thesis is on marketing related topics that emphasize the consumers, such as segmentation, consumer behavior and consumer profiling, since these theory concepts are closely related to the research conducted for the Company X. Moreover, the factors which shape the consumer behavior effect also on the consumers buying behavior and the consumer characteristics utilized on market segmentation can be examined on consumer profiling process. That is to say, these three theory concepts link strongly to each other.

The remaining of the report is divided into five main sections; first main section introduces the theory related to the thesis topic and two following main sections introduce the research objectives, implementation and the results of the research. On the conclusion the main research outcomes are introduced. The last section of this thesis focuses on the overall thesis process and the learning outcomes and introduces further research possibilities. The references utilized in this report are found from the end of the report before the two appendices, which present the questions asked in the questionnaire and the fewer times mentioned factors in the survey's questions fourteen and twenty one.

## 1.1 The business field

The Company X is one of the leading international retailer brands in home furnishing market. In addition, the company is engaged on both private and business customers and it has multiple stores around the world. In addition, this European company is known for the affordable home products which are a result of creative and innovative designing. Since the Company X desires to be anonymous the company cannot be introduced more detailed.

The competition level is high on home furnishing market, since there are many large international players in this business field. In addition, the increased popularity of digital retail channels and the decrease in housing market influences negatively to home furnishing market, since consumers are less willing to spend money on housing and home decorating. (Richardson Taylor 2012.)

One of the growing trends in product sales and naturally also in home ware sector seems to be the increased utilization of online sales channels. Consumers seek ef-

fortless shopping experience, without standing on the waiting line. The home ware sector has responded satisfactory to this trend. In addition, some of the sector's companies have multichannel sales system, which enables customers to browse and purchase the products easily and effortlessly online, but they also have chance to visit the store and actually see and feel the products and utilize the expertise of the store staff if needed, and of course buy the products also from the stores. (Richardson Taylor 2012.)

## 2 CUSTOMER PROFILING AND RELATED CONCEPTS

This main chapter focuses on the definition and benefits of customer profiling and related theory concepts; consumer behavior and market segmentation. Moreover, the factors affecting on consumer behavior, the consumer buying roles, structure of buyer decision process and factors affecting on consumers store loyalty are introduced.

This chapter also presents the definition of market segmentation, marketing mixes of four P's and four C's, the phases of market segmentation and examples of consumer variables utilized on market segmentation.

### 2.1 Customer profiling

The customer profiling can be shortly defined as information collection of individuals or groups of consumers (Bidgoli 2004, 407). The customer profiles consists information of the target consumers geographic-, demographic- and psychographic variables, which enable the company to understand these consumers and their buying and spending behavior better than before. (Kauffman Foundation 2007.)

However, the profiles are often created solely based on demographic variables of a customer; hence by adding geographic- and psychographic variables the marketers will gain more information on their customer groups. Furthermore, the customer behavior based profiling is more important for a company than solely demographic profiling, since behavior defines how the customer acts; how often the customer actually visit the store or how large sums of money the customer spends on the store and what services the customer utilizes. (Novo 2014.) Additionally, by taking into account the customer behaviour and the descriptive profile the company actually perceive which services the customer use or which customer groups are the most profitable ones or most actively doing purchases in the store.

### 2.2 Study of consumer behavior

Consumer behavior study focuses on persons' complicated process of choosing, purchasing and using of services or products in order to satisfy the occurred desires and wants. Moreover, the consumers possess several roles, which influence on their behavior and attitudes towards buying products and services. (Solomon 2006, 6.)

The consumer market is significantly larger today than twenty or thirty years before, which creates a challenge for marketers, since distinguishing who, what, how, when,



where and why buys is no longer possible to understand without consumer research (Kotler & Armstrong & Saunders & Wong 1999, 229). Understanding the consumer behavior is important for businesses since the level of competition is high and the consumers are more conscious of what they are buying and how their purchase decision affect to society and environment. (Sheth & Mittal 2004, 4.)

### 2.3 Factors of consumer behavior

The image (IMAGE 1) below presents the different factors, which shape the consumer behavior. The consumer personal behavior is the base influencer of consumer behavior. Furthermore, the cultural, social, personal and psychological characteristics combined, influence on how a consumer reacts and responds to certain situations. (Kotler et al. 1999, 230; Ylikoski 2001, 82.)

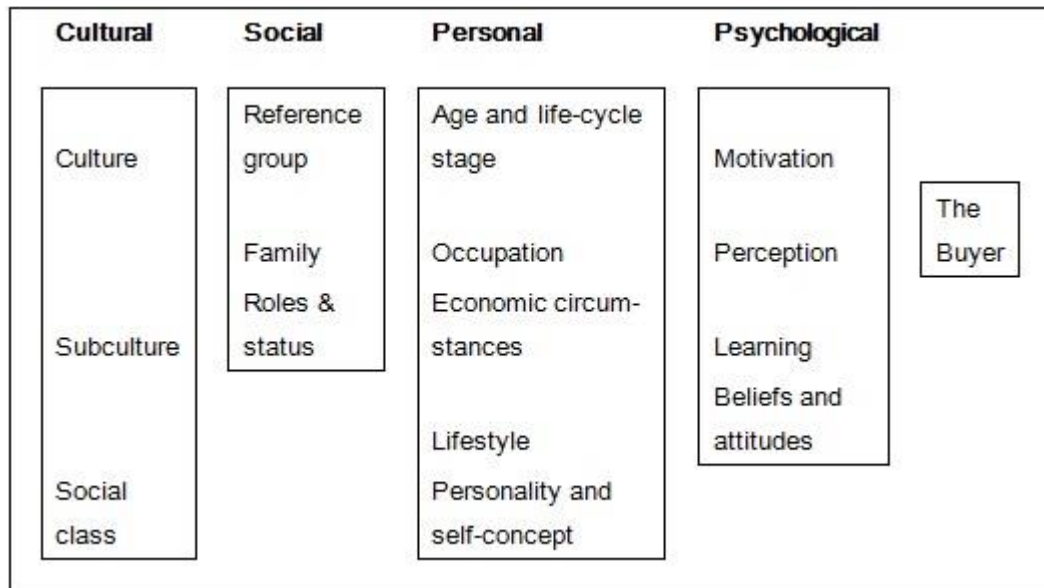


IMAGE 1. Factors determining the consumer behavior. (Influenced by Kotler et al. 1999, 231)

#### *Cultural and social factors*

The culture influences greatly on individual's behavior, since it shapes and defines the individuals' norms, deepest values, beliefs and perception of ethics, that guides the person's overall behavior. Moreover, the culture consist a group of people who share similar environment and language. The persons with different backgrounds form distinct subgroups within the culture. The subculture is defined as a group of people who share similar life values, -situation and experience within a cultural group. Moreover, a subgroup could be for instance an age group or a generation, a geo-

graphic area, religion or a racial group which clearly separates from the main cultural group. In marketing, subgroups are noticed and for instance products are targeted for certain age based subgroups. (Manning et al. 2013, 187; Kotler & Keller & Goodman & Hansen 2009, 224,231; Ylikoski 2001, 82.)

The social class is defined as a group of persons with similar behavior, interest and values. Furthermore, a Finnish persons' social class is challenging to categorize solely face-to-face, since despite the low social class the Scandinavian consumers put effort on their looks by trying to look as a person from upper social class. Moreover, the definition of social class is not solely based on persons' wealth, for instance education, income, occupation, dress and pattern of speech as well impacts on the definition. (Kotler et al.1999, 233-234, 265.) Since a person's social class and the class characteristics also influence on individual's behavior, the social class is often considered on the study of consumer buying behavior (Kotler et al. 2009, 227).

In addition to cultural factors, the individual's behavior is affected by a multiple social factors, such as family, roles, status and varying groups (Kotler et al. 1999, 235; Manning & Ahearne & Reece 2013, 186). The groups that effect on a consumer behavior are membership-, reference- and inspirational groups. As the name of the membership group indicates the consumer is a member of it. Moreover, the membership groups influences directly to the consumer and comprises the primary groups, such as family and friends, and secondary groups, such as professional unions. Furthermore, the secondary groups are usually very formal in terms of communication and an individual is not constantly in contact with this group category. In addition, the primary groups, such as family and friends are less informal and the individual normally interacts regularly with this group category. (Kotler et al.1999, 235.)

Additionally, the reference group is a group which member the individual could be. Moreover, this group offers direct or indirect standard of comparison for an individual, since it is a person or persons that a consumer compares her or himself to and absorbs behavior from. The direct comparison occurs in face to face situations, for example, when a person sees another person in a store. (Kotler et al. 1999, 235.)

We tend to observe the reference groups' model, which also effects on our buying behavior, since we tend to purchase products which meet the norms of the reference group. In addition, the inspirational groups are clusters which member the individual is not, but wishes to belong to the group. The inspirational group can stimulate the individual to achieve or develop skills, for instance; an individual desires to work for

certain company, but lack of required skills. The person develops the needed skills the desired job in mind. (Kotler et al.1999, 235-236; Manning et al. 2013, 187.)

Two different families exist in a consumer's life; the birth family, meaning the family which raises the person and transmits such as, behavior model, politics, beliefs and perception of love and wealth. The second family is the one that person formulates with a partner and their children. Furthermore, the person's role inside the family unit, such as a husband, a dad or a mother and the size and age of a family's effect on the consumer behavior, since the vital needs and wants of the family unit differ based on number of children or for instance, age of the family members or stage of the family. (Kotler et al.1999, 236.) In addition, the family members have varying roles, for instance dad, daughter or a big brother. The roles that individual possess are related to the group a person belongs, for instance a big brother may have captain's role in football team. This indicates that consumers can possess several roles within different groups. In addition, the personal status indicates the level of appreciation the role receives from other persons. (Kotler et al. 1999, 237-238.)

#### *The personal factors*

The personal factors that effect on consumer behavior are for instance, age and lifecycle, occupation, person's economic situation, lifestyle and personality and so on (Kotler et al. 1999, 238). Lifestyle is the way how person lives the life, the attitudes, interests and actions and how he or she interacts with others. Whereas age is a significant personal factor, which has huge effect on consumer buying behavior, since individuals have constantly varying needs and wants to fulfil while aging. Furthermore, as a child the person can mostly only effect on parents buying behavior, but after growing up the person will individually choose what to purchase. In addition, the lifecycle stage is age related term, for instance, a family's lifecycle is determined by the age of the family, meaning the stage of life where the family is. (Kotler et al.1999, 239-245.)

For marketers the consumers economic situations is important factor to know since consumers with high income level have more resources to purchase expensive products, whereas the consumers with lower income are often more price sensitive, since they do not have as much excess money as the persons with higher income. Moreover, consumers' occupation might have effect on what kind of products they need, for instance at work, therefore marketers should in some cases take into account the consumers occupation. (Kotler et al.1999, 239-245.)

Personality is a person's specific and unique feature which guides the behavior. In addition, the personality effects on how a person reacts or responds to certain situations and for instance, how eagerly the person communicates with others. (Kotler et al.1999, 243-245.)

### *Psychological factors*

The psychological factors consist of motivation, processing of information and learning. These three factors also influence on the persons behaviour; the motivation is the reason behind biological or psychological need of something. Biological need reflects to hunger and thirst and other needs that support body function, whereas the psychological needs arise from the feeling of belonging, admiration or appreciation. According to Sigmund Freud, humans are not conscious of the deepest most real reasons that arises the specific need. For instance, person might think that he or she buys an expensive furniture because of the high quality, however, according to Sigmund Freud's theory the real reason behind the purchase might be something else than the quality, for instance, strengthening of own status. (Kotler et al.1999, 239-245.)

Consumers learn constantly new facts about themselves, the surrounding world and about the people and products around them. Moreover, learning refers to changes in behavior after experiencing something, for instance, a person purchases a new product, which proves to be suitable for use, and for that reason the person repeats the same purchase in the future. (Kotler et al. 1999, 249.)

## 2.4 The consumer buying roles

Individuals living with a family or living without it have several consumer roles. Naturally, one consumer is capable of possessing several roles, for instance within a family. The following present the five main consumer buying roles, which an individual can possess (Sheth & Mittal 2004, 12).

1. The initiator, the person who makes the initial proposal or decision whether to purchase or not, or where to purchase the product.
2. The influencer, a person who somehow influence on the buying decision, for example a salesperson.
3. The decider, the person who makes the final decision of buying the product.
4. The buyer, the person whose money is used to purchase the product.

5. The user, the person who actually uses the product. (McPheat 2009; Kotler et al. 1999, 237.)

The earlier introduced consumer buying roles reveal that behind the buying decision can be several different persons, whose recommendation, opinion and needs and wants effect on what the buyer actually chooses to purchase. Therefore these roles also effect on the buyer decision process.

## 2.5 The structure of the buyer decision process

According to Maslow's pyramid model of hierarchy of needs (IMAGE 2), the humans tend to focus first on the primary needs that consists the factors which maintain life, such as thirst and hunger. Furthermore, when these specific desires are fulfilled the humans focus on their safety and security that form the second lowest level of the hierarchy pyramid. These needs make the human avoid and prevent dangerous situations which may threat their health or life. The middle level of the pyramid consist the social needs, which refers to humans search of friendship, need to belong to group and desire of proximity and recognition from other people. When these social needs are fulfilled the next important need is the esteem, feeling of being special or worthy. Moreover, we tend to measure our personal worth on how others perceive us, since people desire acceptability. According to Maslow's pyramid model of hierarchy the need located on the top of the pyramid has minimum strength compared to the needs underneath it. Moreover, the self-actualization need refers to need to "be all that you can be", utilizing the full individual potential of being something.

This hierarchy model of need aids the businesses to understand consumer behavior in terms of buying behavior process. (Manning et al. 2013, 185-186.)

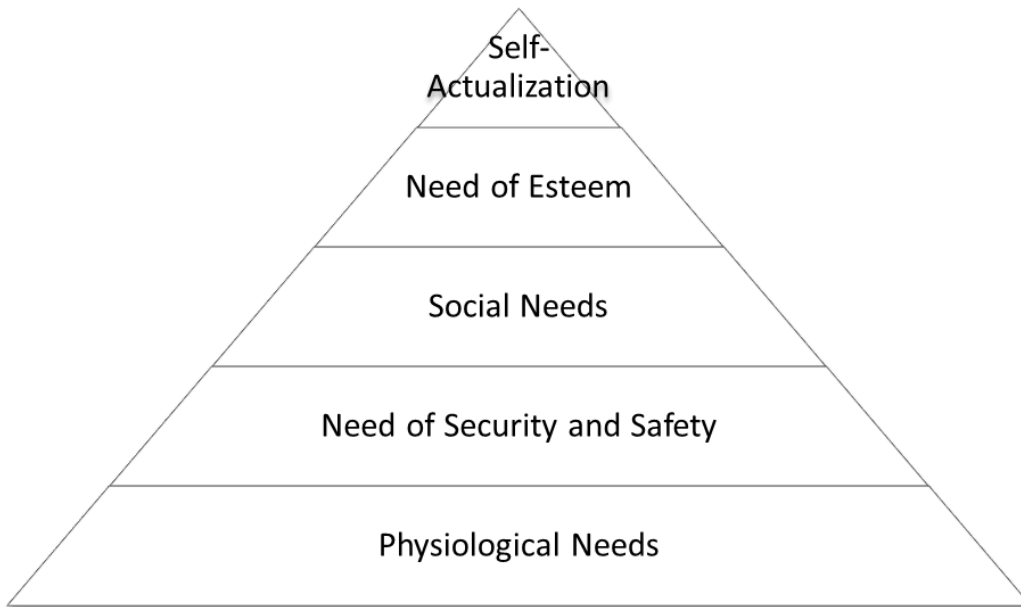


IMAGE 2. Maslow's Hierarchy of Needs (Influenced by Manning & Ahearne & Reece 2013, 185)

No matter what product or service a consumer is planning to purchase, the hierarchy of needs stays similar. The structure of purchase process is demonstrated on the (IMAGE 3). Moreover, satisfying an occurred need is the first priority for consumers. (Ylikoski 2001, 78; Kotler et al. 1999, 254.)

When the vital needs, such as hunger or thirst are satisfied the consumer focuses on satisfying the no vital desires (Ylikoski 2001, 78). Moreover, the desire or need may have internal or external source; the internal is always caused by persons own need or desire which is recognized, like earlier mentioned hunger, whereas the external is caused by some inducements outside the person's body, for instance, appealing TV-commercial or new mat spotted from a friends' living room, that may trigger a need for a certain product or service. (Kotler et al. 1999, 254.)

The image (IMAGE 3) presents the five phases of the buying decision process. Once the need or desire is recognized, information search of the alternatives begins. Furthermore, numerous information sources effect on the consumer, for instance, public sources, such as social media, experiential sources, such as own experience of the product and commercial sources, which refer to advertising and packaging of a product or service. In addition, information can be acknowledged from personal sources, such as spokesperson's opinions and recommendations, which generally impact on several stages of the buyer decision process. Furthermore, spoke person is commonly a consumer's friend or family member. Depending on the consumer, the personal

source could also be a famous blogger or a celebrity that recommends the certain product. (Kotler et al. 1999, 254-260.)

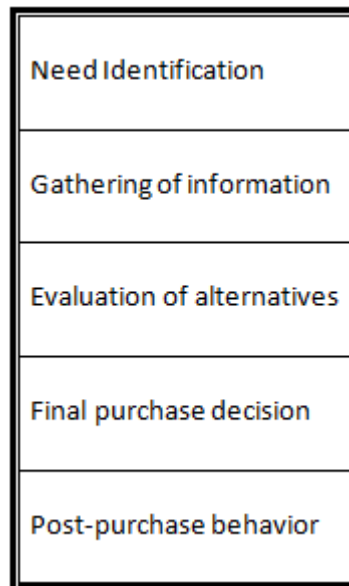


IMAGE 3. Buying decision process (Influenced by Jobber & Lancaster 2009, 81)

The third phase of the buyer decision process consist evaluation of the alternatives, the product attributes. Moreover, the compared alternatives vary by product group or service, but for instance for home decoration the product attributes could be such as, environmental friendliness, material, brand, domesticity and appearance. By evaluating the product attributes a consumers finds the product or service which suits best for the purpose. In addition, evaluation of the alternatives leads to final purchase decision, which means that the consumer has found the suitable alternative by combining the occurred need, information search and evaluation of the found alternatives. Once the new product is purchased the post-purchase phase begins; the consumer actually recognizes is the purchased product suitable or necessary. If the product does not satisfy the consumer or it is unnecessary the consumer often returns it and begins searching for new alternative or substitute product. (Kotler et al. 1999, 254-260.)

Since all occurring needs are not important or real needs, the consumer might realize that the occurred need is redundant and based solely to conception originated for instance from an appealing advertising (Kotler et al.1999, 254-260). Additionally, the time and complexity of the purchase decision effect on consumer's buying behavior, since the decisions easiness is dependent on the simplicity of the planned purchase, time of the purchase, available information and price of the product or service planned on purchase. Meaning that on occasion short of time the consumer might skip some phases of the buyer decision process. In addition, if the consumer already

has a certain familiar product which has satisfied the occurred need perfectly, the consumer might skip all the buyer decision process phases and without considering other alternatives and purchase the familiar product. (Ylikoski 2001 78; Kotler et al.1999.)

## 2.6 Store loyalty

The companies try to maintain the existing customers and find new ones, therefore the environment where the services and products are sold and offered for the consumer should please the visitor and correspond the needs and wants of the consumer. Moreover, the consumer's loyalty for a certain store is dependent on two main factors; what and how. Furthermore, the first factor category defines what the consumer plans to purchase before entering a store and what purchases are actually done before departing the store. (Sheth et al. 2004, 405.) The following present the what –factors of the store loyalty.

Firstly, the product quality is important since the consumer normally pays attention to it. The high quality products offer feeling of certainty, which increases the possibility of revisiting the store and purchasing more from the certain store. For a wider scale this means possible increased sales for the store. In addition to quality, consumers seek extensive assortment, since it is easier for consumers if several product groups or services are available in one store. Moreover, consumers tend to pursuit low prices; discounts and special offers attract consumers to purchase. However, the consumers usually seek a combination of value and affordable price rather than lowest possible price on merchandise. Exclusive brand availability on limited amount of stores increases customer store loyalty, since the certain graved brand is available only in the certain store or chain. (Sheth & Mittal 2004, 406-409)

As mentioned earlier the second effecting feature of store loyalty is the how –factor, which simply consists of consumer's satisfaction towards the shopping experience. The following presents the how –factors of the store loyalty:

Consumers tend to seek easy and effortless shopping experience, therefore simplicity of selecting and comparing products in the store, circulating in the store and the available information of products effects on consumers' willingness to revisit the store. If a shopping trip in certain store is problematic and time consuming the consumer might skip it or find supplement store where visiting is more effortless. In addition, consumers value availability of quality customer service and flexible returning policy. Since, customers expect their shopping experience to be effortless, the location of the store and easiness of parking and entering the store are important



measures of convenience. In addition, a clear store structure supports the customer's effortless shopping experience. Furthermore, after founding the desired products the customers expects quick check-out and easy exit from the store. The location is a significant factor for companies since it effect on consumer's process of choosing the store. Moreover, the location determines the area from where consumers are visiting the store regularly. In addition, the personalization consist the staff working in the store and their behavior towards the consumer. Respectable and effective customer service effects positively on consumer's willingness to revisit the store, since customers expect that service staff is there to serve them. (Sheth & Mittal 2004, 406-409)

## 2.7 Market segmentation

A group of consumers with similar wants and needs are defined as a market segment. These groups are recognized and the most attractive segments are targeted by marketers. The target market is defined as a group of persons that a company desires to have as its customers (Ward 2014). Furthermore, segmentation enables companies to sell clearly differentiated products which meet the target markets' preferences. Marketing a product or service to defined segments with distinctive marketing mixes is more efficient than utilizing similar marketing mix to large group of varying customers (Ylikoski 2001, 46-47; Kotler et al. 2009, 334.)

### *Marketing mix*

The marketing mix or four P's is a marketing tool, which takes into account the offered product or service and consumers differing characteristics by identifying the tools and methods needed to reach these customer to increase the company's sales. Furthermore, the marketing mix moulds from four different categories or variables; product, price, place and promotion. The four P's are more precisely described as follows: 1. the offered product or service. This consist almost everything related to the product, for instance the design, special features, brand, packaging, size colour and possible warranty and return policy and so on. 2. The price, the final sales price of the product. 3. The place, the distribution channel of the product. 4. The promotion, the targeted promotional efforts that are done to increase the product or service sales. (Schiffman & Kanuk & Hansen 2008, 7-8.)

Additionally, the model four P's has several new variations, for instance, four C's which emphasises more the consumer. The model of four C consist consumer, cost, convenience and communications. The consumer reflects to the actual client of the

company and the needs and wants the client holds. The communication naturally refers to interaction with the customer and costs to the price the client is ready to pay for the product. Moreover, the convenience refers to the ease of purchase and the location where products are sold. (Kar 2011.)

### *The phases of market segmentation*

The process of the consumer segmentation begins with the market defining. Secondly, the defined market is divided into market segments. Moreover, the market segmentation is possible to implement based on one or several customer characteristics which clearly separate the similar consumers into different segment groups. The common segmentation characteristics utilized in the process are for instance, age, usage rate, income, geographic location and gender. (Jobber & Lancaster 2009, 19-20.)

Thirdly, after dividing the market segments, the efficiency of segmentation is evaluated by considering consistency of the segmentation, meaning that the consumers of one segment should have relevant number of similar main characteristics. Moreover, the segmentation should also be measurable; information of the size of the segments should be available. The segments should be effortless to contact, actionable and responsive, indicating that the company is able to reach effortlessly the chosen segments for promoting practices, the company is able to create unique marketing mixes for the segments and the market segments should react better to unique marketing mix compared to a generic one. (Rao 2009.)

Moreover, the fourth phase of segmentation process consists of defining the segment profiles, which means that descriptive profiles are created based on consumers' behaviors and known segmentation variables. The fifth phase of market segmentation consists of analyzing the attractiveness of chosen segments by utilizing earlier determined standards of attractiveness (Goyat 2011). On the phase six, based on the results gained the company chooses the most suitable or potential segment(s) as target market(s) and creates marketing mix based on the target market features. (Fripp 2012.)

## 2.8 Segmentation variables

Segmentation would be impossible to manage without clearly defined segmentation variables that represent the customer's demographic-, psychographic-, and geographic characteristics and customers' needs and wants (Ylikoski 2001, 49-50).

### *Demographic segmentation variables*

Demographic characteristics refer to customer's education, income level, age, gender or size of family, occupation, nationality and many more. In demographic segmentation the consumers are divided into groups based on the earlier mentioned demographic characteristics. Furthermore, the demographic segmentation groups are the most commonly used ones in marketing, since based on demographic characteristics it is possible to correspondingly define consumers' needs and wants, for instance, income effects on consumers buying power and is a critical factor in markets. Furthermore, the wealthy persons have excessive selection of diverse alternatives, for instance, when considering home design or home ware products, whereas less fortunate persons have limited amount of options to select from, since the higher the income the higher the number of options to choose from is; the wealth permits expensive purchases and widens the purchase possibilities. Furthermore, the gender commonly defines what products the consumer might purchase, since certain products are designed for men or women only. (Kotler et al. 2009, 342-346.)

Another demographic variable is age, which is a slowly changing characteristic of a consumer. Furthermore, in marketing the consumer's age has tremendous impact on consumers' wants and abilities; since consumer's age defines the needs and wants and ability of purchase, for instance small children have limited possibility to purchase products by themselves, since the parents do the final buying decision. (Kotler et al. 2009, 345.)

In demographic segmentation, the most reliable and advantageous outcome is reached when several demographic variables are taken into account on the segmentation process, since multiple different demographic characteristics observed in a segment offers the company wider knowledge of the customers.

### *Psychographic segmentation variables*

Psychographic segmentation variables refer to preferences, tastes and buying habits of consumers. In addition, these characteristics form buying motives and effect on what purchases the consumers chooses to obligate. By utilising the psychographic segmentation characteristics the recognized demographic consumer segments can be for instance, added with information of the buying habits, varying values, lifestyle or personal characteristics of a consumer. (Kotler et al. 2009, 349.)

### *Geographic segmentation variables*

The geographic characteristics refer to population density, area's climate and consumers' location, which can be specified by state, town or even by neighborhood (Grimsley 2014; Goyat 2011). A company can operate several different geographic areas and focus on each distinctive region's local preferences (Kotler et al. 2009, 341).

The climate is vital variable in geographic segmentation, since it effects on the consumers' tastes, and needs, as an example consumers living in Greenland do not usually need deck chairs, since the temperature is too low for sunbathing, therefore it might be useless to market such products in Greenland.

### *Behavioural segmentation variables*

This category refers to variables concerning customer behaviour, such as: Usage frequency, customer's loyalty to a brand, buying readiness and benefits sought. (Goyat 2011). The usage frequency determines how often the customer uses a product. Marketers categorize the usage frequency by classifying customer into light, medium and heavy –categories. (Kotler et al. 2009, 351-353.)

Moreover, customer's loyalty refers to brand loyalty, which means that a customer possible favors certain brand(s). To categorize the intensities of brand loyalty the customers are divided into four different groups based on the level of their brand loyalty: 1. Hard-core loyals' purchases focus on one certain brand 2. Split loyals are focused on two or three brands 3. Shifting loyals are persons whose brand loyalty shifts from one brand towards another 4. Switchers do not sense loyalty towards any brand. Additionally, the buyer-readiness discusses the different levels of readiness to buy a product and the benefits sought reveal the main benefits that customers seek from the product. (Kotler et al. 2009, 352-353.)

### 3 INFORMATION OF THE RESEARCH

This main chapter defines the objectives of the study and introduces the implementation, sampling and collection methods utilized on the study. Moreover, the analyzing methods and research schedule are presented.

#### 3.1 Objectives of the study

The Company X has recognized that large part of the visitors of the shopping precinct does not visit the company premises on their shopping trip. Therefore the factors effecting on consumers' willingness to visit the Company X was studied. The objectives of the study were to find out the main characteristics of Company X's near area's consumers and discover the reasons why some of the visitors of the shopping precinct do not visit the Company X on their shopping trip. The intension is to provide more knowledge of these subjects to the Company X. The Company X desired to know more, for instance, of consumers' behavior; spending of money and number of visits in the shopping precinct and in the Company X and use of Company X's services. In addition, the customer profiling process required also information of consumer's variables, such as age, gender, income level and family size and so on.

#### 3.2 Implementation of the research

The features of the information desired acquired utilization of quantitative method. Moreover, the research question: "What would make the visitors of shopping precinct visit Company X?" was implemented by two different open-ended questions; questions number fourteen and twenty one (APPENDIX 1), since the unstructured questions offer authentic views on the matter. Additionally, the open ended questions do not steer the responds to any direction. However, since the qualitative questions offers only insight to the issue it is important to remember that it helps the researcher to understand the phenomena, but the answers do not present the overall populations thoughts. Furthermore, the quantitative method is used commonly on studies which demand some kind of statistical analysis, as in this case. The objective of quantitative results is to gather information, which can be compared and generalized on larger population, for instance, in market researches. (Malhotra 2010, 171.)

### 3.2.1 Sampling and collection methods

The survey method can be defined as a gathering of detailed information of a population group by asking verbal or written questions from a chosen sample group. The general structural objective of a questionnaire is that questions are designed in accordance with the objectives of the research; the questions must be relevant and appropriate and encourage the respondent to answer. Secondly the questions must be designed in a way that answers are in desired form to avoid analyzing errors. (Malhotra 2010, 335) The advantages of the survey method are prompt answers and high reliability level, since the fixed-alternative questions reduce possible problems with interpreting the responds. (Malhotra 2010, 335, 211).

However, since the answering options are beforehand defined some respondents may be unable to indicate desired information or refuse to answer, for instance consumers may experience sharing income information unpleasant. (Malhotra 2010, 211). Since survey method of personal interviews demands presence of an interviewee, the gathering of research information was chosen to be completed with questionnaire on paper, since the research questions and available resources together suited best for this method as stated before. Moreover, the respondents had a possibility for impersonal participation, since giving contact information was optional.

The collection of research material was conducted as a questionnaire for consumers who visited the shopping precinct between 9<sup>th</sup> of June and 15<sup>th</sup> of July 2014. The task of copying the answer sheets was on responsibility of Company X, since the researcher did not have such resources. Emptying the return boxes was first planned to be on responsibility of the researcher. However, since the opening of the returning boxes required use of certain tools the Company X decided to handle the emptying without the researcher. Furthermore, to notice possible problems concerning the questionnaire's question structures, the researcher accompanied the representative of Company X on the first box emptying. Only minor problems with question twelve and fifteen (APPENDIX 1) were noticed that time.

After the desired amount of answers were gathered the process of collecting research material were ended. The original plan was to keep the questionnaire available for three months, but since the desired amount of 500 responds was achieved earlier the questionnaire was available a shorter time.

The total number of all responds was 601 and as mentioned earlier, the desired overall number of respondents was 500, but since some of the answerers had responded twice on the questionnaire and some of the respondent had responded only two or three first questions, only 555 of answer papers were accepted as a part of the research. Furthermore 73 of these papers lacked the question thirteen, since some error had happen on copy process of the answer sheets.

The respondents were random persons, which had time and interest to fill in the questionnaire. In addition, the respondents had a possibility to attend a small lottery of gift cards, by giving their contact information in the end of the questionnaire paper. The purpose of the lottery was to work as an incentive that draws more consumers to give their response. Since the information was needed only for the lottery, the personal information was removed after implementing a small lottery of gift cards and destroyed properly afterwards.

### 3.2.2 Questionnaire form

This study was done for anonymous Company X. Moreover, the questionnaire paper consist multiple questions with Company X's name and the name of the shopping precinct, therefore modifying the questionnaire suitable for publication will not be done. Additionally, the structure of questionnaire and specific questions will be described detailed within this chapter and the questions are listed in the end of this thesis (APPENDIX 1).

In the beginning of the questionnaire was a prompt description of the survey's connection to thesis work and what company utilizes the results. It was mentioned that leaving personal information was optional and that the information was used only for the lottery. Furthermore, it was emphasized that only the properly filled questionnaires could take part to the lottery. Finally, the estimated response time was mentioned.

Since the Company X desired to gain information related to consumers characteristics and possible connection to consumer buying behavior; the factors affecting on consumers' willingness to visit the Company X and information of visits and spending of money in the shopping precinct and in the company, the questions presented in the questionnaire were focused on these matters. In addition, the factors affecting on consumers decision to visit the shopping precinct and in the Company X, and factors affecting on consumers buying decision of home products were asked in the ques-

tionnaire, since the information of these matters increased the knowledge of the consumers behavior and characteristics and fulfilled customer profiling.

The questionnaire consisted two pages, the size of a page was A4 and the overall number of questions was twenty-one. Some of the questions were connected to each other, for instance, if a respondent chose the alternative “no” in question nine (APPENDIX 1) the respondent were instructed to skip the next question about children’s ages. Furthermore, the questionnaire was conducted in Finnish, since the research’s central group consisted of Finns, more precisely Finnish persons located in the same city as the Company X or approximately within 250 kilometers from the Company X and the shopping precinct premises.

Two answering points were constructed on the opposite sides of the shopping precinct’s first floor. One was located near children’s playing spot and second within an area where people were able to sit near the other playing spot for children. The locations of answering spots were decided by the management of the shopping precinct.

The questionnaire was planned in a way that allows the categorization of respondents based on the age and family size, but still makes possible to compare different geographic-, demographic-, psychological variables between the different groups. The questionnaire had two open-ended questions; question number fourteen and question number twenty-one (APPENDIX 1). The reason for using open-ended question structure was to ensure as honest and non-steered answers from the respondents as possible.

The questionnaire consisted of three different themes; basic information, running errands today and running errands generally. The aim of the questionnaire’s first theme’s first question was to identify the consumers’ geographic variable, the location. The other questions of the first section focused mainly on the respondents’ demographic variables, such as age, gender, education and income level. Moreover the respondent’s life situation and family size was asked, since these characteristics often effect on the consumer buying behavior, spending of money and needs and wants.

The second main theme “running errands today” focused on questions concerning the current shopping trip. In question twelve the respondent were instructed in writing to number the most affected reasons from one to five, so that the number one was the most affected reason and number two the secondly effected reason and so on.



The alternatives were location, comfortableness, opening hours, product range, necessary purchase, special offers/campaigns, restaurant services, affordable prices and finally other reason, what?

The question number thirteen (APPENDIX 1) consisted two open ended alternatives; A. Company X and B. the shopping precinct. This question thirteen was one of the questions that originated from specific information need of Company X. Moreover, the question number fourteen was open ended, since it concerns personal behavior and attitude the idea was not to steer the respondent to any direction. However, analyzing an open ended question responds is more demanding than analyzing the structured ones, therefore extra effort was needed on the analyzing process.

The third theme of the questionnaire: Running errands generally, concentrated on general information of respondents buying behavior. The question number fifteen focused on the factors that the consumer considers on purchasing home products, the alternatives were: appearance of the product, promotion of the product, price, brand, ecologic choice, necessity, domesticity, material of the product, own earlier experience of the product, friends or family member's recommendation, expert's recommendation and other reason, what?. Similarly as in question twelve, the respondent was instructed in written to number the five most effecting alternatives from one to five, so that the number one is the most effecting, number two second effecting and so on. The open ended option, "other reason, what?" was added as one of the alternatives, since all the possible factors that effect on buying behavior could not be mentioned in the questionnaire.

The following questions were asked to monitor the buying behavior of the consumer. In questions sixteen to nineteen (APPENDIX 1) the respondent were asked to estimate how many times he or she visits the shopping precinct and the Company X within a year. Moreover, the question number eighteen was asked to find out the common amounts of money spend per visit in the Company X. In addition, also the last time of visiting Company X was asked in question nineteen, which had A. and B. alternatives, the A. was "less than a month" and the alternative B. "Over a month", which was meant to be chosen if more than one month had passed since the customer's last visit, therefore the alternative B. had open end for the number of months since last visit.

If the respondent does never visit in the Company X, he or she were instructed in written to skip the next few questions and move straight to the last question, number

twenty-one. This question was designed especially for persons who do not usually or ever visit in the Company X. The original idea of this question was to find out reasons/motives that would make these customers visit in the Company X or visit there more often.

However, surprisingly this question turned to be a channel for majority of respondents to express the factors which would make them want to visit in the Company X, despite the frequency of yearly visits. Furthermore, also issues that avert customers of visiting the Company X were mentioned. The number of answers on this question was unexpectedly large ( $N \Rightarrow 115$ ). Narrowing the accepted respondent group only to who never visits the company did not seem reasonable, therefore every respond was acknowledged, since all customers opinions are valuable for the Company X.

### 3.2.3 Analyzing methods and schedule of the research

The objective of the analysis of qualitative information is to examine the results and find important themes from the gathered information. Moreover, the analysis of qualitative data is more researcher-oriented than the analysis of quantitative data, which is commonly done by utilizing different mathematical functions and computer programs. (Malhotra 2010, 196)

The questionnaire consisted quantitative and open-ended questions, therefore several different analyzing methods were also needed. The all quantitative responds were inserted into Webropol program, which enabled comparing the varying respondent groups as a whole and on smaller groups. Furthermore, the responds of the open-ended question fourteen and twenty- one (APPENDIX 1) were gathered on Excel, categorized and popular themes were searched and highlighted. The quantitative data was analyzed with Excel functions and Webropol program's functions, such as professional statistics; cross tabulation, descriptive statistics and statistical testing with Mann-Whitney and Kruskal-Wallis. The significance level used in the study is p-value equal or less than 0, 05.

Before starting the research the research schedule was planned according to the desired graduation time and company's schedule, the spring was reserved for planning the questionnaire and searching for theory. Moreover, the questionnaire was available approximately a month in the shopping precinct during the summer vacation and as planned the main time for the thesis writing process was the semester. The studying of theory for the questionnaire was started in the spring, but the main writing

phase of theory began on august. The gathered research material was analyzed on the autumn and the writing process of the research results began also on autumn.

## 4 RESEARCH RESULTS

The consumer segmentation model of Company X focuses on the family size and age of the consumers. Moreover, the company's segments mentioned in this study are "eighteen to thirty four years old singles and couples living without children" "thirty five to fifty four years old singles and couples living with children" and "over fifty five years old singles and couples living without children". On this chapter, results of the research are explained and the geographic, demographic, psychographic and behavioral variables are compared between the respondents from the certain segment groups and all respondents of the survey. "All respondents" –group consist also the respondents who do not belong to any of the segment groups of the Company X. Moreover, the segment groups contain persons with and without membership. Additionally the specific characteristics of the persons without customer membership are revealed, but firstly, the reliability of the research is discussed.

### 4.1 Reliability of the research

In general, the total number of respond collected were 601 whereas the total number of the accepted responds was 555, which indicate that approximately 92% of the questionnaire papers were accepted as a part of the research. The reliability of the answers was monitored for instance by checking manually that there were no double responds from same person. Moreover, since the respondents had a possibility to participate on lottery by writing their contact information in the end of the second page of the questionnaire the double participants were possible to be eliminated before the analyzing phase of the research.

The dismissed questionnaire papers lacked significant number of answers or were double responds from same persons. These papers were dismissed, since the double responds would have affected negatively on the reliability of the research and the papers with only two or three answers would not have offered enough further information for the research.

The responds were inserted into Webropol program by first creating duplicate online version of the paper questionnaire in guidance of the research teacher of the thesis and secondly filling the online questionnaire several times according to the answers given on paper questionnaires. The consistency of this research phase was ensured by carefully filling the online questionnaire.

The questions of the questionnaire were designed to be as prompt as possible to avoid misunderstanding of the questions. Moreover, even though the questionnaire was conducted without constant supervision of the researcher the amount of inappropriate responds was significantly less than expected, less than ten papers. In addition, the questionnaire was conducted on the holiday season, which could have affected decreasingly on the amount of responds of the local and near area consumers. However, only 55 of the respondents were outside the sphere of 250 kilometers from the Company X premises.

The amount of respondents vary by question, therefore the segment group of over 55 years old living without children is poorly presented in certain questions, which indicates that the generalization should possible not be done without consideration, since the sample might not indicate truthfully the real distribution on the matter within larger population group. The confidence of the total results is more accurate than the sliced results concerning the certain segment groups, therefore the overall results of the questions could be generalized with a more superior confidence to larger extent than the specific results concerning specific segment groups.

#### 4.2 Background information of the respondents

The first question of the survey (APPENDIX 1) is demonstrated in the (FIGURE 1). Slightly more than half of the respondents were locals. Moreover, more than one third of the respondents were living within 250 kilometers distance from the shopping precinct.

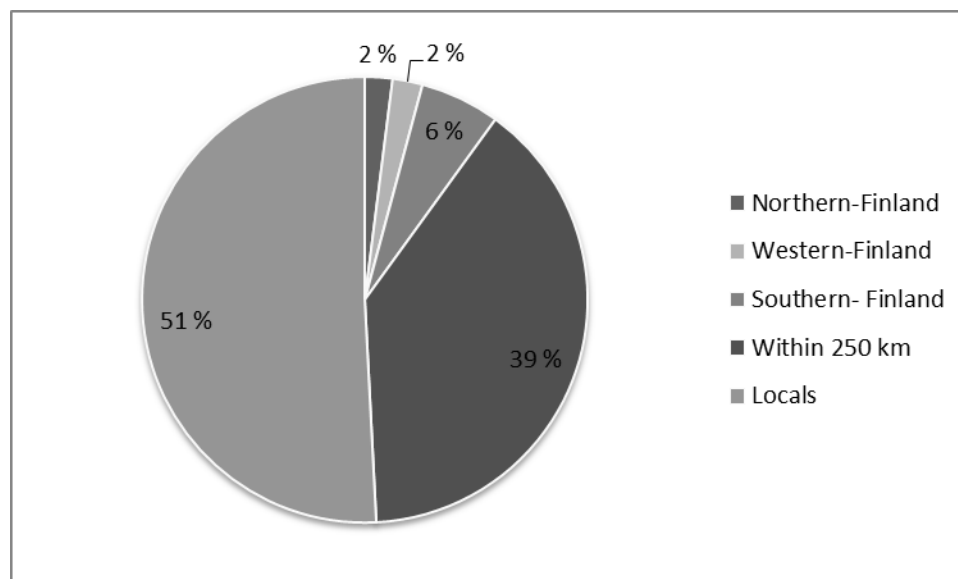


FIGURE 1. Distribution of place of residence (N=550)

Since a clear majority (90%) of the all respondents were from the desired area; living within 250 kilometers from the shopping precinct, the main focus group was reached

through the questionnaire. Furthermore, the questionnaire was available on holiday season; therefore one of the prime concerns was that the portion of persons living in the near area would be considerably low. However, as the results indicate, the holiday season did not tremendously effect on the respondent group's geographic disperse.

### Gender

The results of the second question (APPENDIX 1) are demonstrated in the bar chart (FIGURE 2) below, almost three fourths of the respondents were females and less than one fourth was males. The total number of all respondent in the question number two was 541.

The distribution of gender among the persons from the segment group of 18 to 34 years old living without children (n=188) indicates similar distribution of gender as the overall group of respondents and the females (75%) possess a considerably large group of the respondents ( $p \geq 0,05$ ). However, the result is not statistically significant. Moreover, as demonstrated in the (FIGURE 2), clear majority of the respondents from the segment group of 35 to 54 years old living with children (n=114) were females (70%) ( $p \geq 0,05$ ). The amount of males was only 30 % which indicates that only thirty-four respondents from total of 114 respondents were males within the respondent group of 35 to 54 years old living with children. In addition, the number of respondents from the group of over 55 years old living without children was only 65 persons, nonetheless the percentage of men was highest in this respondent group, however, the general distribution of gender follows the same trend as the other respondent groups.

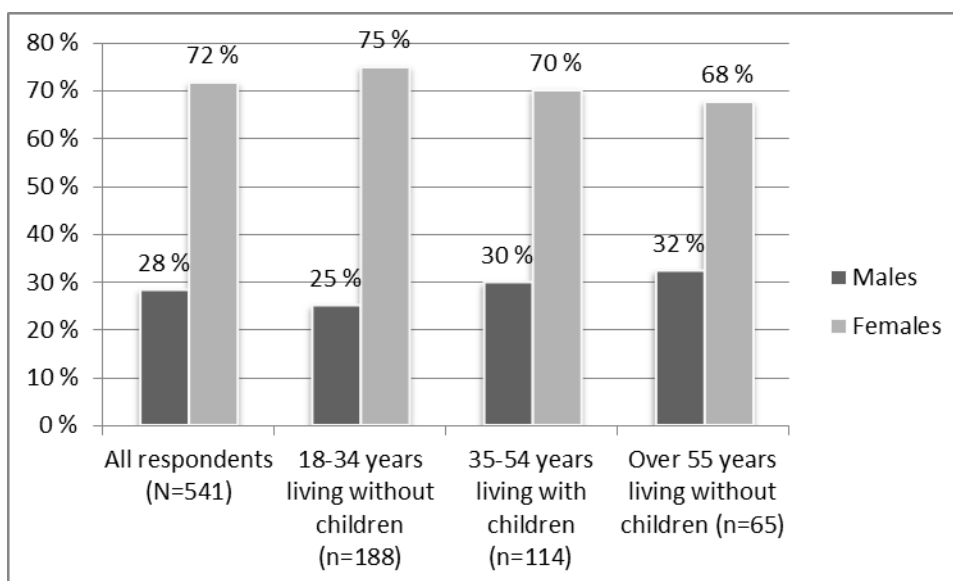


FIGURE 2. Distribution of gender among respondents (N=541)

As a conclusion, the distribution of gender of all segment groups followed the overall respondents' distribution model of gender. The males were a clear minority in every segment group. No tremendous differences occurred between the segments. The results indicate that most of the respondents visiting the shopping precinct and the Company X were females.

### *Age*

The results of the question three (APPENDIX 1) are demonstrated in the (FIGURE 3) below. Approximately half of the respondents were eighteen to thirty-four years-old and it is possible to interpret that the majority of the customers of the Company X are 18 to 54 years old. The total number of respondents in the question was 549. Moreover, the persons under 18 years are not one of the main customer groups of Company X, but this answer option was added, since the scene of questionnaire was the shopping precinct, which has also under aged customers.

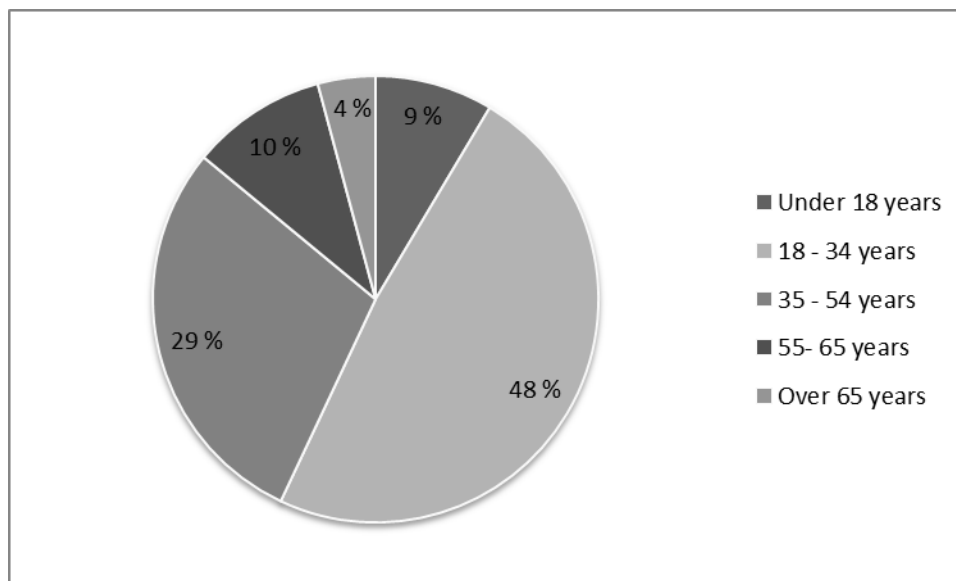


FIGURE 3. Distribution of age among respondents (N=549)

### *Marital status*

The survey's question number four (APPENDIX 1) presented the respondents' marital status, which also gives general information of the number of adults living in the family. Furthermore, as shown on (FIGURE 4) totals of 64% of respondents were living together with their partner or were married, which reflects that a slight minority 36% of respondents were singles, on other words, they were living without a partner. The marital status of persons from the respondent group of 18 to 34 years old living without children (n=191) differed from the overall results, since; approximately 52 %

of the respondents from this group were single, comprising a majority of the whole group. The secondly common marital status was cohabitation (36%) and the married persons (12%) were a clear minority within the respondent group.

The majority of the persons of the group 35 to 54 years old living without children are married (78%). The singles (8%) and persons living with a partner (14%) present clear minority. These results are not surprising, since one of this group's main variables are children. Having children ordinarily indicates that the person lives with a partner or is married to someone. Therefore compared to overall respondent group this segment consists more married persons and persons living with a partner than any other segment observed in this research.

As presented on the figure (FIGURE 4) below the respondent group of persons over 55 years old living without children (n=65) also have majority (60%) of married persons. Moreover, about one fourth of the respondents from this group are singles, whereas a minority (15%) of the respondents from this segment group is living with a partner.

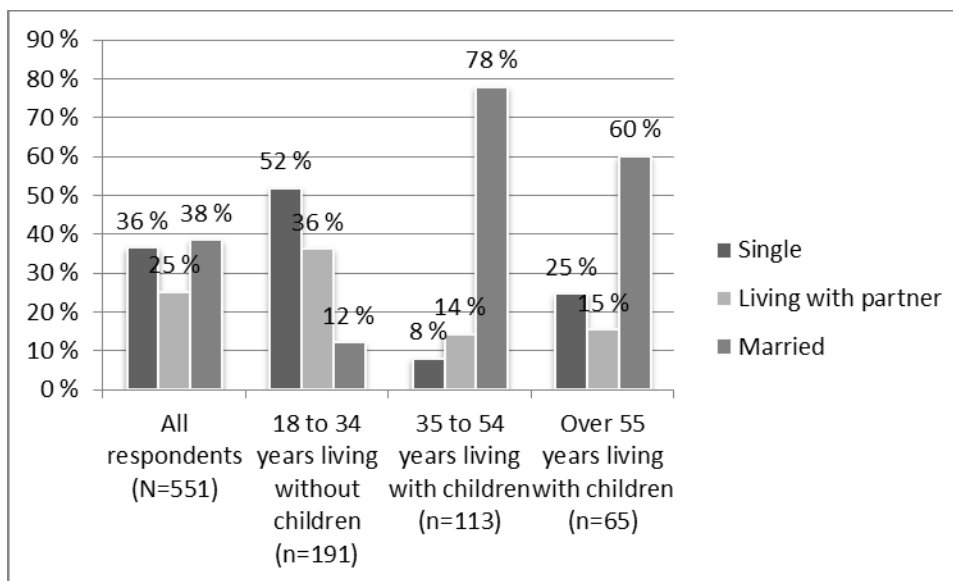


FIGURE 4. Marital status of respondents (N=551)

As a conclusion, of the overall respondent group the married persons (38%) and singles (36%) possess together a clear majority. However, on the respondent group of 18 to 34 years old living without children the persons living single are a clear majority (52%) and the persons living together with a partner possess a significantly larger part (36%) ( $p < 0,01$ ) of the group than on the overall results. In addition, the amount of married persons (12%) is the smallest within this respondent group than in any other group observed in this research.



Furthermore, a clear majority of respondents from the respondent group of 35-54 years old living with children, and over 55 years old living without children are married. Moreover, in the former group the amount of married respondents was 78% of the total of 113 respondents. The results can be explained with the fact that the observed segment group of 18 to 34 years old are living without children, which commonly increases the possibility of being single, whereas the chosen segment group of 35 to 54 years old are living with children, which naturally increases the possibility of being married or living with a partner.

### *Education level*

In the questionnaire the education was asked in the question number five (APPENDIX 1). The figure (FIGURE 5) below presents the distribution of education levels within all the respondents (N=548). As shown in the earlier mentioned figure a clear minority of respondents have elementary level education, whereas the largest amount of respondents are at the moment studying in vocational school or in high school or have already graduated from those schools. The University students or graduates present slightly less than one third of the respondents.

Furthermore, the educational background of respondents from the segment group of 18 to 34 years old living without children (n=191) follows the similar educational trend than the whole respondent group. Clear majority (67%) of the respondents belonging to the segment is studying or has already graduated from vocational school or high school. Furthermore, the elementary school is the lowest level of education; therefore it is not surprising that approximately 95% of this respondent group had at least secondary level education. Third level education; 28% of the total segment were university students or graduates.

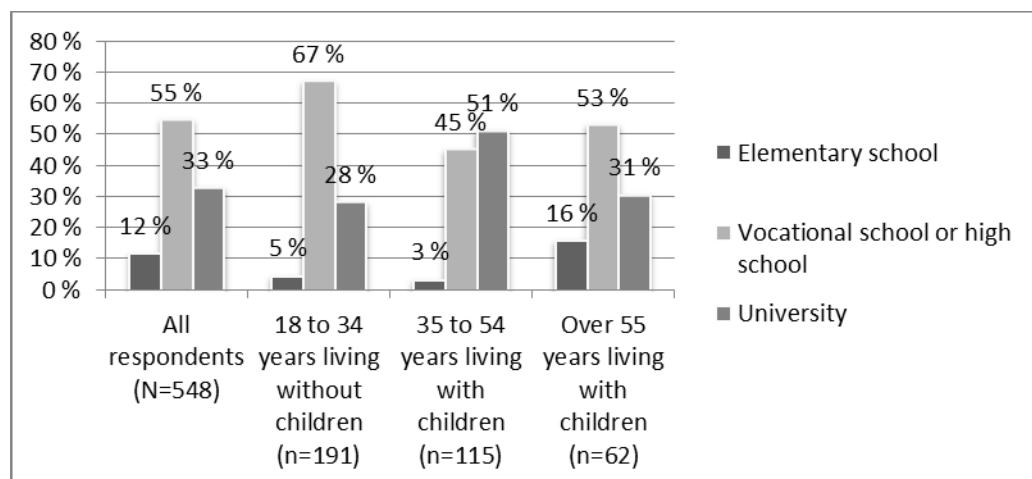


FIGURE 5. Education level of respondents (N=548)

As shown in the bar chart (FIGURE 5) the elementary school graduates possess a noticeable minority (3%) of 35 to 54 years old living with children ( $n=115$ ) whereas, the university students present approximately half (51%) of the respondent group ( $p<0,05$ ), which is a considerably high amount compared to the overall results from this question. Moreover, vocational school or high school students and graduates (45%) are the second largest respondent group within the respondent group of 35 to 54 years old living with children.

Based on the results of the research, approximately 53% of the respondents from the segment group of over 55 years old living without children ( $n=62$ ) have graduated from vocational school or from high school, indicating that they do not have third level education. The portion of persons studying or graduated from a university is 31% of total of 62 respondents, which means 19 persons from group of 62 respondents. Moreover, as in every other segment group the elementary school graduates (16%) possess the smallest group.

As a conclusion, the overall results accent is on the vocational school and high school student and graduates (55%) of 548 respondents, whereas, the elementary school graduates possess the clear minority (12%) of all respondents. Moreover, the university students and graduates were the second largest respondent group (33%) within all respondents. The significant differences compared to the overall respondent group were found from the deviation of the university and vocational school and high school students and graduates. Furthermore, approximately half of respondents 35-54 years old with children were university students and graduates ( $p<0, 01$ ). This respondent group's educational level differs greatly from the other segments.

Moreover, the segment group over 55 years old living without children, followed mainly the overall respondent's educational trend. However, this group presented the highest percentage of respondents with only elementary level education.

Since the number of respondents from this group was considerably smaller than the number of respondents from other segments, we cannot draw an airtight conclusion whether the situation actually is similar on larger population group as the results indicate ( $p\geq 0,05$ ).

#### *Life situation*

The question number six (APPENDIX 1) was asked to determine the possible differences between segments and to discover new unknown information of the main life

situations of customers of Company X. The bar chart (FIGURE 6) presents the overall distribution of respondents' life situation by segment group (N=544).

The results revealed that almost one third of the respondents are students and approximately 47% are employed. These two are the main life situations within all the respondent groups. Unemployed persons present the thirdly largest group of respondents. Furthermore, the unemployment is usually a changing life situation; therefore the persons belonging to this group might already be members of other life situation groups. Moreover, question six (APPENDIX 1) presented an answer option "other, what?" which gained answers mostly from house wife's and persons on maternity leave. Only two persons diverged by stating "military service" as their life situation. Moreover, a clear majority of the respondents from the respondent group of 35 to 54 years living with children are employed (80%) and the other life situations are distributed as follows: student (5%), entrepreneur (5%), unemployed (3%) and retired (3%).

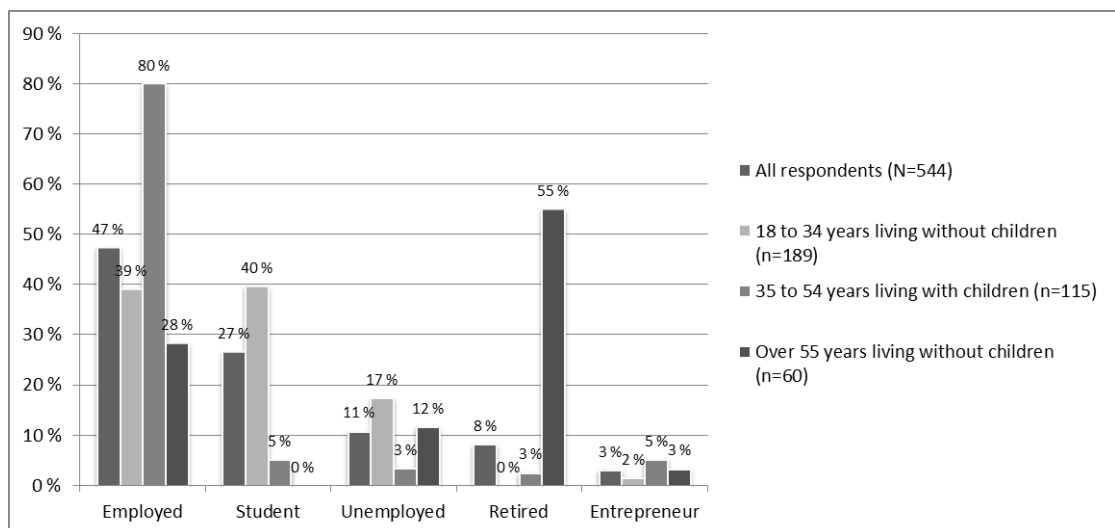


FIGURE 6. Respondents' life-situations (N=544)

In the respondent group of 18 to 34 years old living without children (n=189) majority of the respondents are either students (40%) or employed persons (39%). The thirdly common life situation is "unemployed" possessing 17% of the respondents from the group of 18 to 34 year old living without children. As presented on (FIGURE 6) below more than half (55%) of the respondents of over 55 years living without children are retired, as a contrast none of the respondents from the segment studies and only 3% of the group are entrepreneurs. The second common life situation group was employed persons, which possess almost one third (28%) of this segment.

As a conclusion, based on all the responds it is possible to say that employed persons, student and unemployed were the most common life situations within the par-

ticipants. In the group of 18 to 34 years old living without children the students possess significantly large group of respondents together with the employed respondents ( $p < 0,01$ ). In addition, these two are the main life situations within the segment.

Furthermore, in the respondent group of 35 years to 54 years old living with children the clear main life situation was employed (80%) ( $p < 0,01$ ), which indicates that majority of the respondents are working and their income level might be higher compared to the other segments. Naturally more than half of the respondents of the segment over 55 years old living without children are retired. The result is expected, since this segment group possesses the age groups which have possibility for age centered pension.

### *Income level*

The question number seven (APPENDIX 1) focused on revealing the yearly gross income of the household of the respondent. Firstly, approximately 20% of the respondents refused to reveal their households yearly gross income level. However, based on the results gained it is possible to interpret that almost half of the respondent households earn maximum of 35 000 € per year (gross). Households with relatively high yearly income (55 100 € or more) seem to hold a fairly small customer group of Company X, additionally, the largest consumer group constructs from households with small to medium income. The higher the income level, the smaller the amount of respondents.

Furthermore, the figure (FIGURE 7) presents the yearly gross income of the respondents from the segment group of 18 to 34 years old living without children. As demonstrated in the bar chart (FIGURE 7), the deviation of income follows similar pattern as the total yearly gross income of all respondents. However, in this segment group the low income level less than 15 000 € per year is more emphasized. The result can be explained partly with the fact that almost one fourth of the respondents from this segment group are students, which usually have lower income level than average workers. Correspondingly the general level of income is less than 35 000€ per year within the respondent group of 18 to 34 years old living without children. About 16% of 209 respondents did not want to announce their yearly income level.

As shown on the (FIGURE 7) the yearly gross income level of the respondent group of 35 to 54 years old living with children group varies mainly between 35 100 € to over 75 000 € per year ( $p = < 0,01$ ). In addition, this segment group has the highest

average income among all the respondent groups. Moreover, this respondent group of 35 to 54 years old living with children possess majority (80%) of employed persons, based on the results it is possible to interpret that the large number of workers within this segment reflects on the high income level. Furthermore, approximately 20 % of the respondents of this group did not want to announce their yearly gross income level. The bar chart (FIGURE 7) below presents the distribution of yearly income of the respondent group of over 55 year old living without children. Firstly, approximately 17 % of the respondents from the segment group of over 55 year old living without children refused to announce their household's yearly gross income level. Again, this segment group hold only 63 respondents in this question, therefore generalizing the results concerning this group should be done carefully.

The main yearly gross income level of the respondents within this segment are within 15 000 € and 55 000 € per year, which is less than on the previous segment of 34 to 55 years old living with children, but still noticeable higher than the yearly gross income level of the segment 18 to 34 years old living without children. This segment group is between those two extremities.

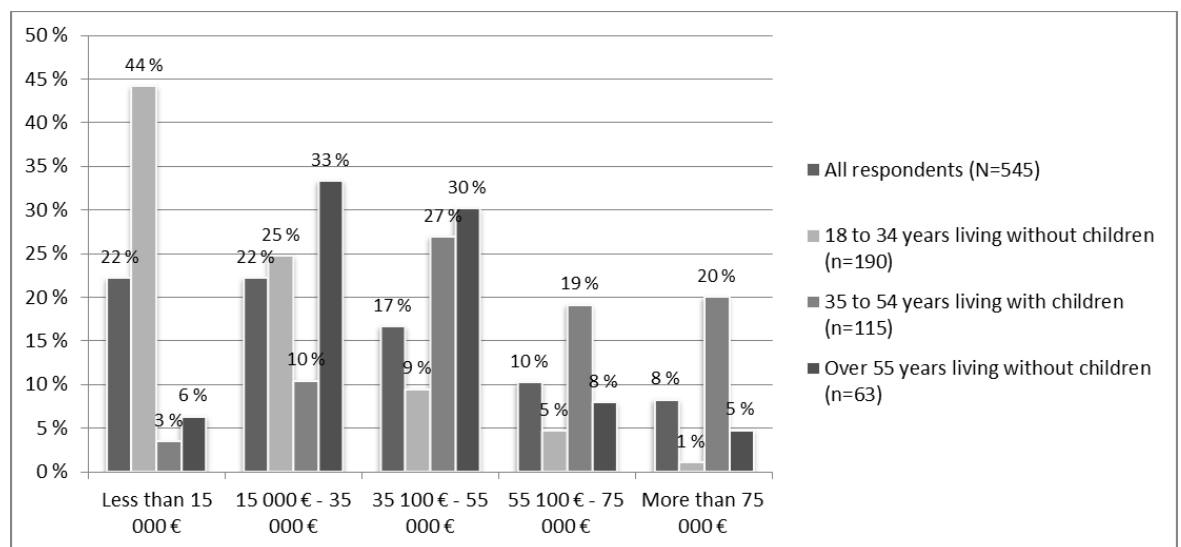


FIGURE 7. Distribution of yearly gross income (N=545)

As a conclusion, since the amount of respondents from the segment group of 18 to 34 years old living without children possesses the highest number of respondents in this question number seven, that segment group has effected most on the general results of the question.

The highest household income level (55 100 € to over 75 000 € gross per year) was found from the respondent group of 35 to 54 years old living with children. This respondent group holds also majority of employed persons, which might explain the results. In addition, the second highest yearly gross income level (15 000 € to less

than 55 000 €) was found from the respondent group of over 55 years old living without children and the respondent group of 18 to 34 years old living without children holds the lowest households gross income level with earnings less than 35 000 € per year. Moreover, students were one of the main life situation groups within the segment and combined to the fact that approximately half of the respondents from this segment group were living single, the result is understandable.

### *Customer membership status*

In question number eight (APPENDIX 1), the respondent's membership status was asked. As demonstrated on the figure (FIGURE 8) clearly more than half of all the respondents of this question are customer member of the Company X.

The trend continues with the respondents of the respondent group of 18-34 years old living without children.

Moreover, a clear majority (76%) of the respondents of group 35-54 years old living with children have Company X's customer membership. Compared to the group of 18 to 34 years living with children, this respondent group has smaller percentage amount of non-members

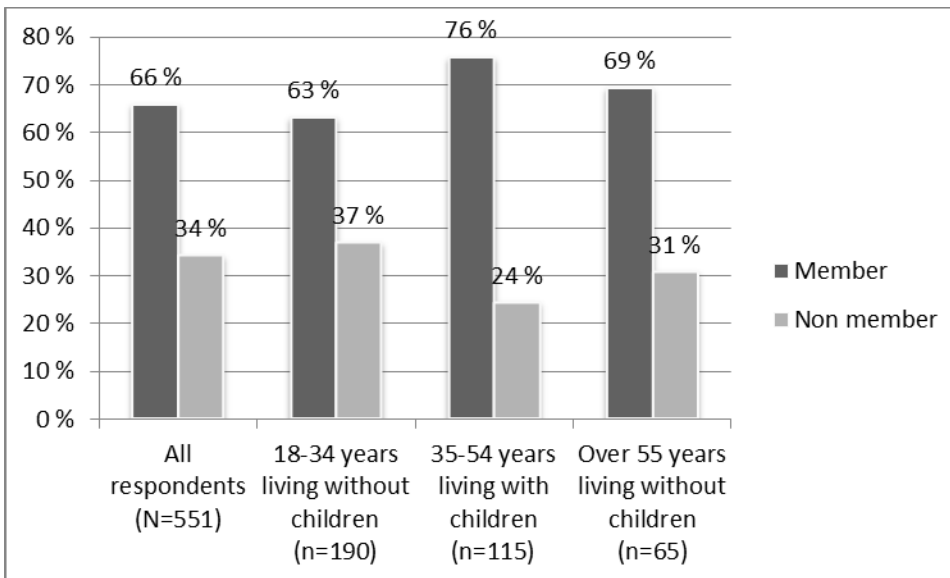


FIGURE 8. Number of customer members among the respondent groups

The total number of respondents within the segment group of over 55 years old living without children was only 65, which indicates that the results should only be carefully generalized to a larger population group. However, based on the results of the research approximately 69% of the respondents within this respondents group are already customer members of the Company X, whereas, approximately 31 % of the respondents are not members of the Company X.

As a conclusion, the general amount of non-customer members of the respondents was approximately more than one third, except on the respondent group of 35 to 54 years old living with children the amount of non-members is smaller. These results do not reveal the overall number of the non-members of Company X visiting the shopping precinct, since the questionnaire was conducted with Company X's name on it, which might automatically decrease the amount of persons without interest towards Company X to answer the questionnaire. Therefore, it is possible to interpret that at least one third of the visitors of shopping precinct do not hold the customer membership of Company X.

#### *Households and Children*

The question nine (APPENDIX 1) focused on dividing the respondents into two different groups: "households with children" and to "households without children". The figure (FIGURE 10) below presents the overall distribution of households with children and households without children within all respondents. The households without children possess more than half (59%) of the respondents and as a contrast 41% of respondents live with children. As shown on the below (FIGURE 10) there is no clear difference between these two respondent groups, therefore we cannot generalize that majority of customers of Company X lives without children or with children.

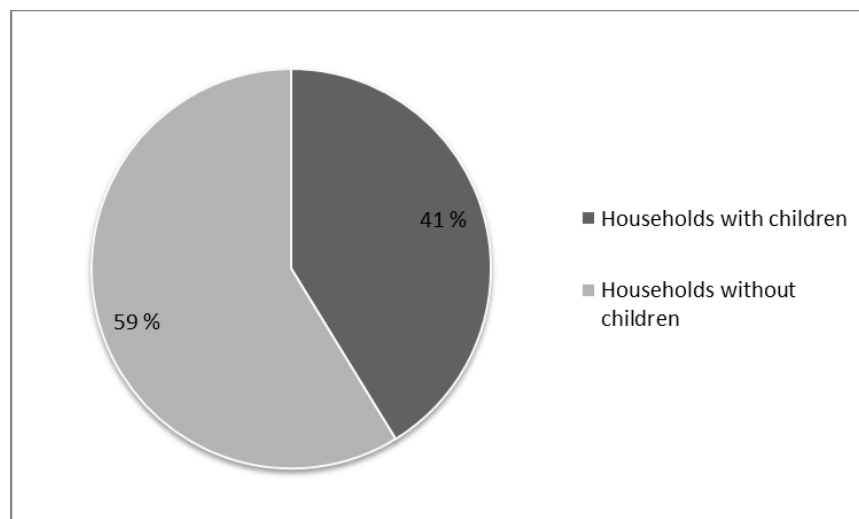


FIGURE 10. Households and children (N=543)

The bar chart (FIGURE 11) below demonstrates the distribution of age of respondents' children. Furthermore, a slightly less than 50% of all the respondents live in a household with children (n=224). The two most common children's' age groups are 6 to 12 (46%) years and 13 to 18 years old (43%) among the respondents.

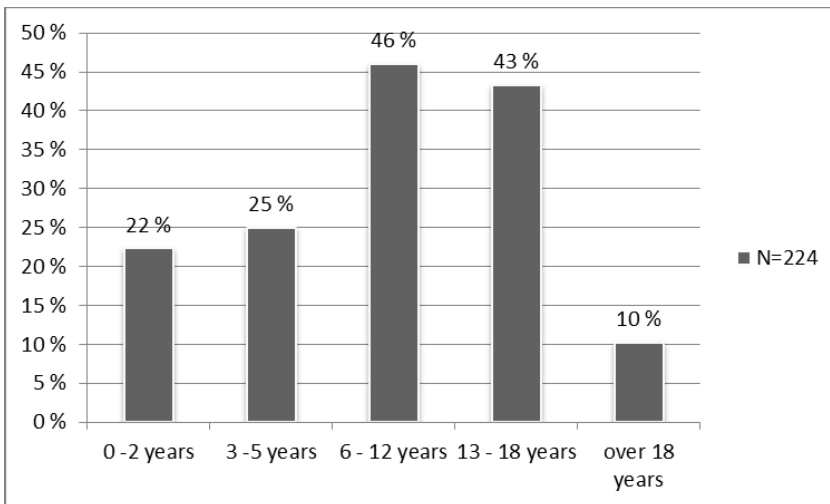


FIGURE 11. Distribution of children's age (N=224)

The bar chart below (FIGURE 12) presents the respondent group of 35 to 54 years living with children and the distribution of the most common children's age groups. As demonstrated on below, the most common children ages for this segment group are between 6 to 12 and 13 to 18 years.

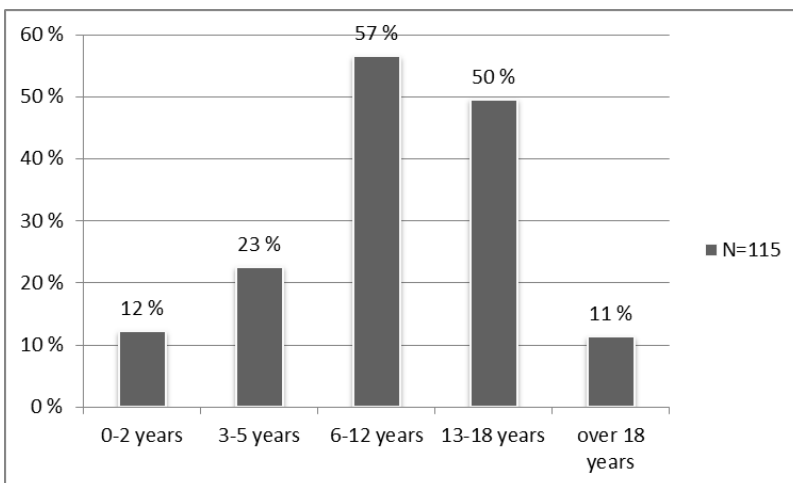


FIGURE 12. Children's ages 35-54 years living with children (N=115)

### 4.3 Running Errands Today

The results from the question number eleven (APPENDIX 1) are presented next page in a bar chart (FIGURE, 13) which indicates that majority of respondents was primarily visiting the other stores of the shopping precinct. In addition, the results introduced in this chapter consists both; visitors of shopping precinct and visitors of the Company X.



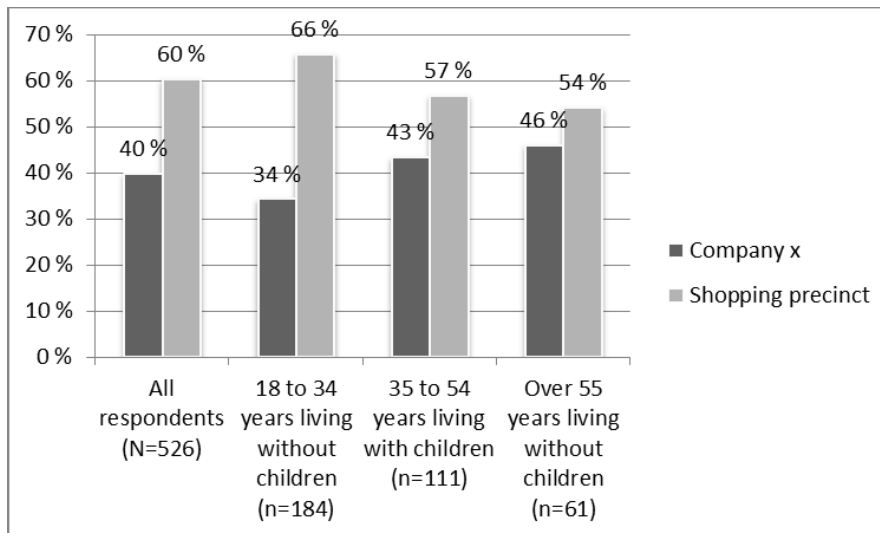


FIGURE 13. The primary visit place among the respondent groups (N=526)

The all respondent groups indicate the same behavioral trend than the overall results of this question. The result is understandable since the Company X is only one of many the stores or restaurants available in the shopping precinct. The respondent group of over 55 years old living without children, possessed the smallest difference between the prior visit targets. As a conclusion, the overall number of respondents to this question was 526 persons. The all segment groups indicated that the most common primary visit target was the shopping precincts other stores and restaurants. Moreover the total results indicate that less than half of all the visitors of the shopping precinct came primarily to visit the Company X.

#### *Factors affecting behind the visit of area of shopping precinct*

In the question twelve (APPENDIX 1) the respondent ranked the most effected alternatives from pre-determined options based on which of the options described best their motive to visit Company X or the shopping precinct. The figure (FIGURE 14) on next page presents the distribution of the pre-determined alternatives ranked as number one. As shown in the (FIGURE 14) within all respondents (N=433) the most common reason for the visit was “necessary purchase” (n=124), which indicates that the shopping trips were most commonly executed due to an actual need of something. The second primary reason was the product range (n=87) and thirdly most effective reason was the location of the premises (n=73). Moreover, the overall results indicate that the fourth most effected reason was the restaurant services (n=33).

The respondent group of 18 to 34 years living without children and 35 to 54 years living with children follows exactly similar trend with the three options most frequently ranked as number one. Again, the necessary purchase was the most frequently ef-

affected reason, which indicates that the persons did not come to the shopping precinct or Company X, without a clear mission of buying a certain item.

Furthermore, the segment group follows also the general results of this question. The respondent group of over 55 years old living without children, had the smallest number of respondents in this question. However, the results still indicate the similar trend as the general results. Although this group differs slightly from the others with the fourth common prior reason; the restaurant services of the shopping precincts area and special offers/campaigns gained identical amount of number one rankings.

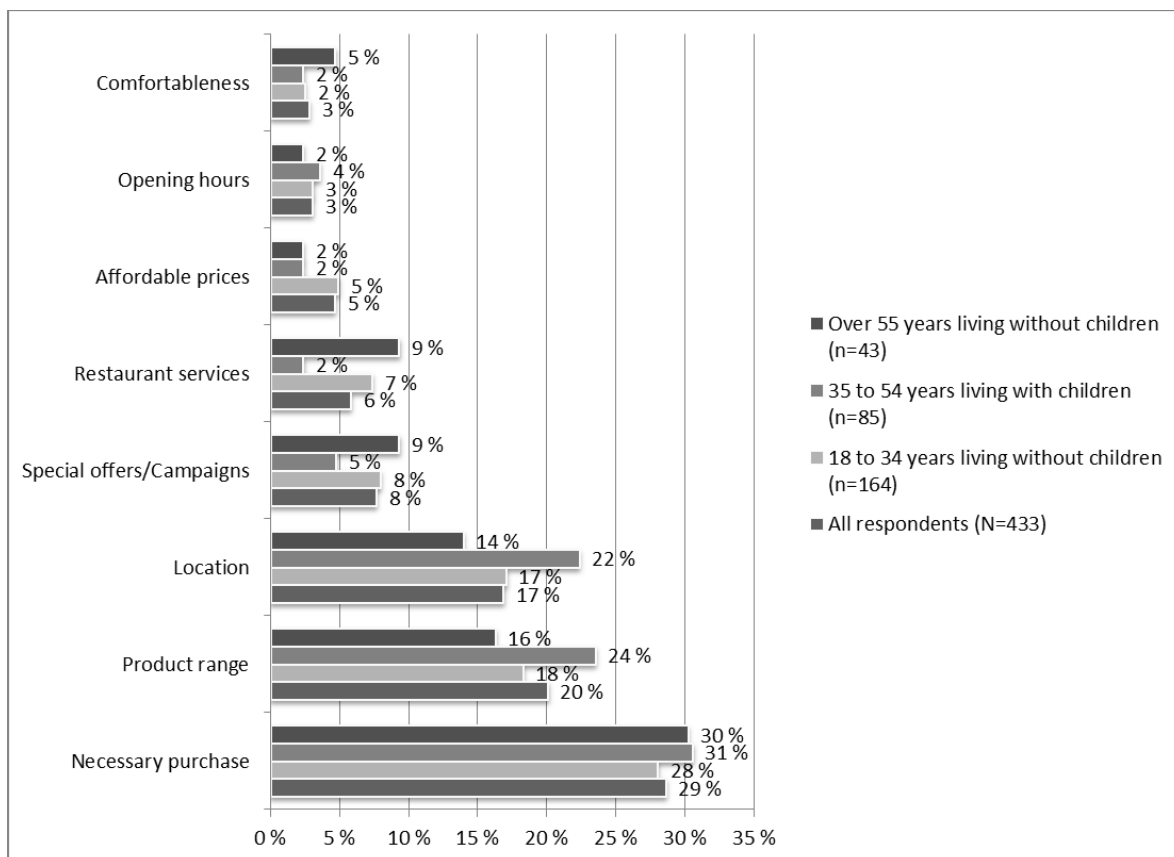


FIGURE 14. The most chosen reason number 1 (N=433)

As a conclusion, all the segment groups ranked the prior reason for the visit similarly. The most common prior reason for the visit was necessary purchase (n=124), which indicates that largest group of the respondents of this question came to the shopping precincts area to purchase a certain item. The second prior reason was the product range (n=87) and third location (n=73). Moreover, the fourth most common prior reasons within all respondents were the special offers and campaigns (n=33).

#### *Spending of money today*

The question thirteen (N=462) (APPENDIX 1) was asked since the results can be utilized on customer profiling process and the Company X wanted to know how much

money the consumers planned to spend in Company X and as in contrast to shopping precincts other stores and restaurants. The most common response for Company X was 0€ and for the other facilities of the shopping precinct 50 €. Median of money planned to spend on Company X was 20 € and on the shopping precinct 50€.

In the segment group of 18 to 34 years living without children (n=172) the most common amount of money planned to spend on the facilities of Company X was again 0€ and on the other facilities 50€. Furthermore, the median amount of money planned to spend on the Company X was 15€ and on shopping precinct 30€.

The respondents from the segment group of 35 to 54 years old living with children (n=90); the most common amount of money planned to spend on Company X was 50€ and on shopping precinct 50€. The median amount of money planned to spend was 50€ both on the Company X and the shopping precinct.

The respondent group of over 55 years old living without children (n=50) planned to spend on the Company X most commonly 0€ and on the shopping precinct 100€. The median amount of money planned to spend on the Company X within this respondent group was 35€ and on the shopping precinct 50€.

As a conclusion, the majority of the respondents groups generally planned to spend less money on the Company X than on the shopping precinct. The respondent group of 35 to 54 living with children planned to spend the commonly the highest amount of money on Company X. Whereas, the respondent group of over 55 years living without children commonly planned to spend the largest amount of money to the shopping precinct compared to the other respondent groups. Furthermore, the respondent groups of 18 to 34 years old living without children and over 55 years old living without children most commonly planned to spend 0€ on the Company X.

#### 4.4 Reasons affecting on consumers' willingness to visit the Company X

The respondents in question fourteen and twenty one (APPENDIX 1) indicated similar trends. Unlike the question fourteen the question twenty-one was primarily designed for persons who do not usually visit the Company X's local premises, nonetheless also persons who did mention to visit the store regularly had accidentally or on purpose answered this question, even though the survey had ended on their behalf before this final question.

The following main factors present the most commonly mentioned reasons which effect on the consumer's willingness to visit Company X. Furthermore, the factors are collected from the questionnaires and categorized according on the customer membership status of the respondents, since no clear differences between the different segments were found in this question. The following factors are the most often mentioned factors which effect on the willingness to visit the Company X. Moreover, the number of responds is presented in brackets after the factor.

Consumers without membership:

- Need of something from the store (32)
- Special offers or discount sales (15)
- More time to spend (9)
- Possibility for faster shopping trip in the Company X(6)
- Nothing or not interested (6)

Consumers with membership:

- Need of something from the store (58)
- A special offer or discounts (33)
- Better customer service (5)
- Changes in the store structure (5)
- More time to spend(4)

These results indicate that both the members and non-members of the Company X experience that shopping in the Company X acquires extra time, which points that shopping in the company is very time consuming, since the consumers do not think they could visit shortly in the store. Furthermore, especially the consumers with membership were unsatisfied on slow shopping process and the complicated store structure in Company X.

The consumers with membership stated most commonly that they would visit the Company X today if they would need something from the store or if there would be special offers. Moreover, some of the consumers with membership mentioned that they are unsatisfied on the level of customer service of Company X, which indicated that they would visit the company more often if the customer service would be improved. In addition to the earlier mentioned, several other issues rose up in the questions fourteen and twenty one (APPENDIX 1), the other only once or twice mentioned matters are listed in the end of the thesis (APPENDIX 2).

#### 4.5 Running errands in general

The total number of respondents (N=460) on question fifteen (APPENDIX 1) consist the respondents who visited the shopping precinct or the Company X. The bar chart (FIGURE 15) below presents the general distribution of the most effective factors within all respondent groups. The “necessity” (n=182) was ranked most commonly as the number one effective reason. Moreover, the price was ranked as number one second frequently (n=134). The appearance of the product was ranked third commonly as number one factor effecting the purchase decision of home products. The three mentioned factors presented the clear majority of the number one rankings within all respondent groups.

Results show that all the respondent groups mentioned the necessity (n=182) most commonly as the greatest effecting factor affecting their decision to purchase home products. The second common factor within all the respondents in this question was the price of the product (n=134) and the appearance of the product (n=94) was ranked third commonly as number one effecting factor of purchase decision of home products.

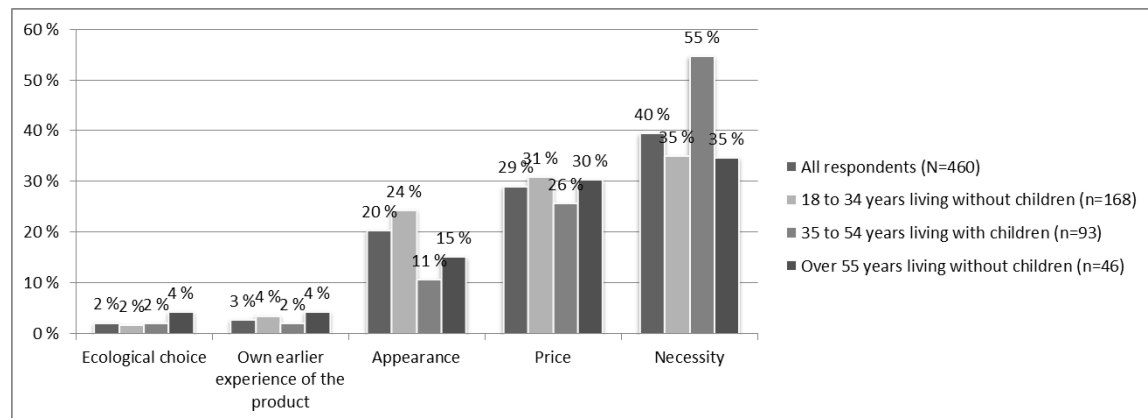


FIGURE 15. Five most common number one factors affecting the purchase decision of home products (N=460)

#### *Number of visits per year*

The questions number sixteen and seventeen (APPENDIX 1) focused on the number of visit per year in the shopping precinct and in the Company X. The overall results of this question indicated that the average number of visit in the shopping precinct within a year is approximately 14 times, whereas, in the Company X approximately 10 times per year. Moreover, the most common

number of visits within a year in the shopping precinct is 10 times and in the Company X only 2 times per year. The median of visits within a year in the shopping precinct is 8 times and in the Company X 5 times.

The respondents of segment group 18 to 34 years old living without children (n=189) most commonly visit the shopping precinct 20 times per year, whereas only 2 times per year in the Company X. Moreover, the average number of visits per year in the shopping precinct within this respondent group is approximately 17 times and average of the visits in the Company X is approximately 11 times per year. Furthermore, the median of visits per year in the shopping precinct within this respondent group was 10 times and in the Company X per year median of 6 times per year.

The respondents of the segment group of 35 to 54 years old living with children most commonly visit the shopping precinct 2 times per year and the Company X most commonly 5 times per year. Moreover, the average number of visit per year in the shopping precinct within this respondent group is approximately 11 times per year, whereas in the Company X the average number of visit is approximately 8 times per year. The median number of visits in the shopping precinct is 6 times per year and in the Company X the corresponding number is 5 times per year.

The respondents from the segment group of over 55 years old living without children (n=63) most commonly visit the shopping precinct 10 times per year and the Company X 3 times per year. Moreover the average number of visit in the shopping precinct per year is approximately 9 times and in the Company X approximately 7 times per year. The median value of visit in the shopping precinct within this respondent group is 6 times per year and in the Company X 4 times per year.

As a conclusion, these results reveal that all the respondent groups visit more often in the shopping precinct than in the Company X, which means that they do not visit the Company X every time they go to shopping precinct. Furthermore, the respondents from the segment group of 18 to 34 years old living without children visit commonly the shopping precinct most often per year and also fewest times in the Company X; only 2 times per year.

### *Spending of money*

The question eighteen (APPENDIX 1) focused on the amount of money spend commonly on the Company X per visit (n=509). The overall results indicated that the most commonly spend amount of money per shopping trip in the Company X is 50€, which is also the median value of all the responds in this question. All the respondent groups spend commonly 50€ per visit on the Company X, except the respondent group of over 55 years old living without children (n=59), which most commonly spends 100€ per visit in the Company X.

The respondents of the segment group of 18 to 34 years old living without children (n=179) spends average of approximately 46€ per visit, whereas the median value of money spend in the Company X is 30€

The respondents of the segment group of 35 to 54 years old living with children spend approximately average of 102€ per visit on the Company X and as a median of 80€. Moreover, the respondents of the segment group of over 55 years old living without children spend average of 81€ per visit on the Company X and as a median of 50€ per visit on the facilities of Company X.

### *Time passed since previous visit*

The question number nineteen (APPENDIX 1) was asked to find out the previous time of visiting the Company X. The pie chart (FIGURE 16) below presents the distribution of time passed since previous visit in the Company X. The overall results indicated that slightly less than half of the respondents had visited the Company X less than a month ago previous time. The total number of respondents in this question was 522.

Based on the results the most common time passed since the previous visit in the Company X was less than a month ago. Moreover, if more than month had passed the most commonly mentioned time since the previous visit was 2 months in the respondent group of 18 to 34 years old living without children (n=78). Moreover approximately 44% of the respondents from this segment group visited the Company X previously more than a month ago.

The most common time passed since the last visit of respondent group of 35 to 54 years old living with children was 2 months. Moreover, the median

amount of months passed since the previous visit within this group was 3 months. Approximately (n=110) 54 % of the respondents from this segment group had visited the Company X previously over a month ago.

Furthermore, the most common time passed since the previous visit in Company X of the respondent group of over 55 years old living without children was 2 months and the median of the previous visit in the Company X was 4 months. Moreover, approximately 54% of the respondent announced that the time passed since their previous visit in the Company X was over a month ago.

As a conclusion, the overall results indicate that approximately half of the total of respondents visit Company X less than once a month frequency and other half at least once per month frequency. Moreover, the most common time passed since previous visit, if more than a month had passed was 2 months. The respondent group of segment 18 to 34 years old living without children, presented the largest amount of respondents (56%) whose previous visit in the Company X had been less than a month ago. In the respondent group of over 55 years old living without children the most common time passed since the previous visit was approximately two to three months.

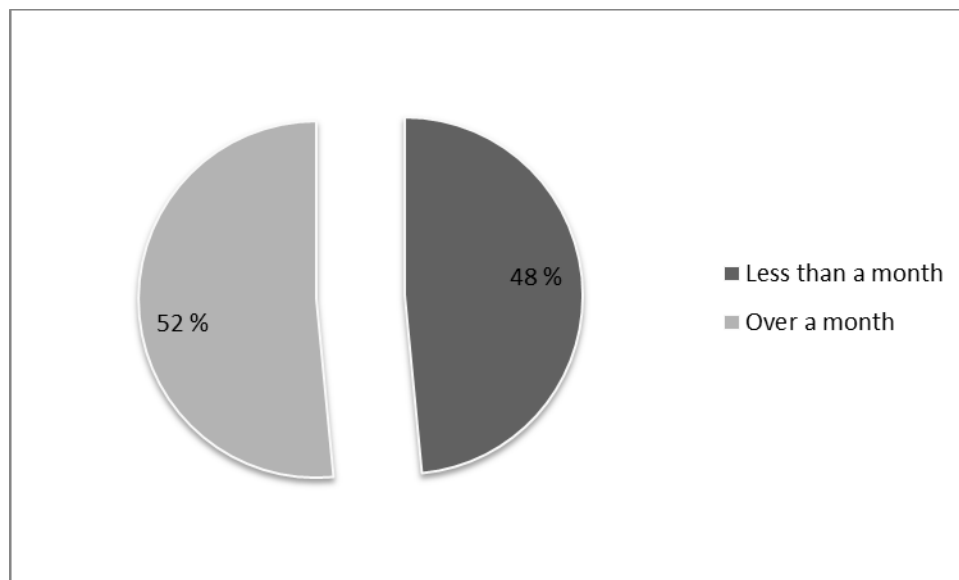


FIGURE 16. The time passed since the previous visit in Company X (N=522)



### *Facilities used in the Company X*

The overall distribution of the responds in question twenty (APPENDIX 1) among all respondents is shown on the (FIGURE 17). Based on the results it is possible to interpret that more than half of the visitors of Company X utilizes the both; store and the restaurant during their visit. Furthermore, the restaurant services alone do not draw large group of consumers to the company premises, since only 6% of 537 respondents stated using only the restaurant services.

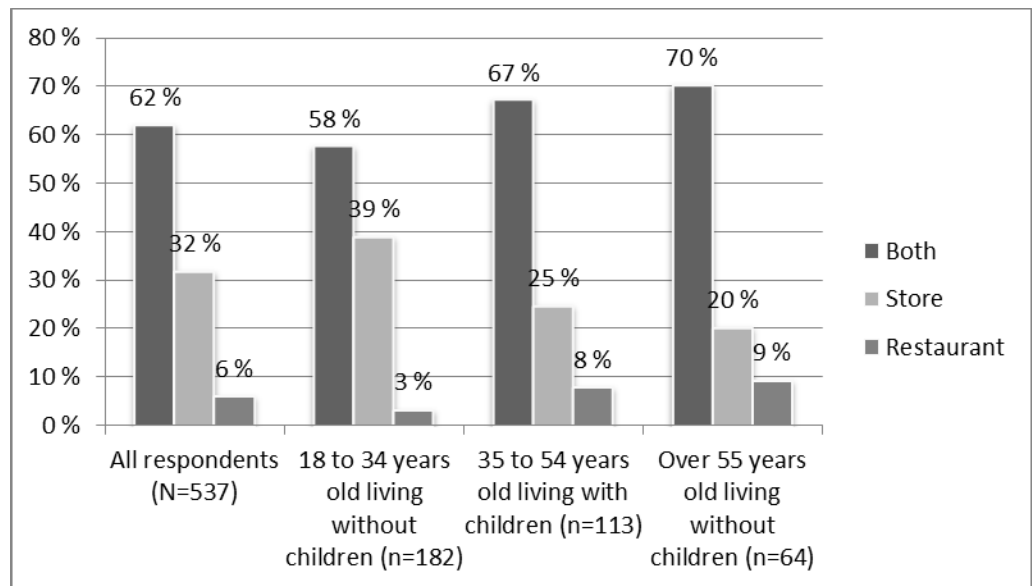


FIGURE 17. Facilities used in Company X (N=537)

When considering the segment groups, the 18 to 34 years old persons living without children visit typically the store or both. However, this respondent group differs from the overall respondents' trend by solely using the restaurant services more rarely. Moreover, respondent group 18-34 years old living without children focuses their spending per visit on the store or store and the restaurant services. The amount of persons spending solely to restaurant services is significantly smaller, only 3% of the respondent group ( $p \leq 0, 05$ ). This might indicate that shopping precincts other restaurants are more attractive for the consumers who solely desire nourishment and that visitors of Company X commonly utilize both of the available facilities. The respondent group of 35 to 54 years old living with children follows the same trend as before; utilizing both services is the most common behavior and using solely restaurant is the most uncommon act (8%). Furthermore, the respondent group of over 55-years old living without children indicates the duplicate behavior trend as the respondent group of 35 to 54 years old living with children.

As a conclusion, the results indicate that the restaurant services of Company X do not significantly attract consumers to visit the Company X ( $p \leq 0,05$ ), whereas about one third of consumers visit only the store during their visit. The most common behavior among all the respondent groups consists using the store and restaurant services of Company X.

#### 4.6 Main features of the customers without membership

The subgroup of respondents without Company X's membership consisted approximately one third ( $n=188$ ) of the total amount of respondents ( $N=555$ ). The image (TABLE 1) presents the main characteristics of the consumers without customer membership of the Company X.

Moreover, majority of the non-members were females (63% vs. 37%) and 18 to 34 years old. Approximately half (52%) of the non-members were singles and almost one third of the group was married. Moreover, the most common education was vocational school or high school (59%) and the university students and graduates possessed almost one fourth (23%) of the non-members. Furthermore, biggest group of the respondents were students (39%) and the employed (36%) persons presented the second largest group, whereas only 13% of the respondents were unemployed. The accent of income within the group was on income level less than 55 000 € gross per year, though largest portion of the group members earn less than 15 000 € gross per year (31%). Clearly more than half of the non-members of the Company X do not have children (63%) and in case the respondent does have children the children are most commonly 6 to 18 years old.

TABLE 1. The main characteristics of the consumers without membership

THE CONSUMERS WITHOUT MEMBERSHIP
<ul style="list-style-type: none"> <li>• Majority 18 to 34 years old</li> <li>• Mostly females</li> <li>• Majority of singles</li> <li>• Vocational- and high school</li> <li>• Students or employed persons</li> <li>• Less than 55 000€ gross/year</li> <li>• Majority lives without children</li> <li>• If living with children, age of children 6-18 years</li> <li>• Store and restaurant services together</li> <li>• Most commonly 50€ per visit</li> <li>• Most commonly visits the Company X 2 times per year</li> </ul>

The reasons affected strongest to visit the area of shopping precinct were necessary purchase, product range and location. The results indicate that the Company X or the shopping precinct was visited due to a certain planned purchase. Whereas the strongest factors affecting on the respondents purchase decision of home products were necessity of the product, price and appearance of the product. The non-members of the Company X most commonly stated that they will not spend any money to Company X during their shopping trip, median amount of money spend was only 15 €, whereas on the shopping precinct they spend most commonly 50€ during the trip and the median amount of money spend was 30€.

The number of yearly visits in the shopping precinct was most commonly 2 times, similarly as in the Company X. Hence, the median of visits in the shopping precinct was 5 times and only 3 times in the Company X. If more than a month had passed since the previous visit in the Company X, the most common time since the previous visit was 2 to 3 months and median amount 5 months. The non-members of the Company X mostly utilize the both, store and restaurant services of the company. The restaurant services solely do not attract this subgroup of customers visit the Company X.

## 5 CONCLUSION

*What are the main characteristics of the customers of Company X's Eastern-Finland premises?*

The image (TABLE 2) below present the main characteristics of the customers of Company X. Based on the research findings it is possible to say that a clear majority of all the customers of the Company X's Eastern-Finland premises live within a circle of 250 kilometers from the premises. In addition, more than 50% the customers are females with a high probability. Moreover, the distribution of gender within all segment groups follows the similar trend as the overall results.

The outcomes also indicate that largest group of the customers of Company X belong to the age group of 18 to 34 years. Furthermore, the distribution of marital status of all respondents is quite even, the single and married persons present slightly larger individual groups than the couples living together. However, the married persons are a minority in the segment group 18 to 34 years old living without children, where the persons living single present a clear majority. As a contrast, mainstream of respondents from respondent groups of 35 to 54 years old living with children and older than 55 years old living without children is married.

TABLE 2. Main characteristics of the customers of the Company X

18 TO 34 YEARS, LIVING WITHOUT CHILDREN	35 TO 54 YEARS, LIVING WITH CHILDREN	OVER 55 YEARS, LIVING WITHOUT CHILDREN
<ul style="list-style-type: none"> <li>•Majority of females</li> <li>•Living mostly single</li> <li>•Vocational school/high school</li> <li>•Student or employed</li> <li>•Less than 35 000 € gross/year</li> <li>•No children</li> <li>•Utilizes both or only the store</li> <li>•most commonly 50€ per visit</li> </ul>	<ul style="list-style-type: none"> <li>•Majority of females</li> <li>•Mostly Married</li> <li>•University education</li> <li>•Employed</li> <li>•More than 55 100 € gross/year</li> <li>•6-18 years old children</li> <li>•Together store and restaurant services</li> <li>•most commonly 50€ per visit</li> </ul>	<ul style="list-style-type: none"> <li>•Majority of females</li> <li>•Mostly Married</li> <li>•Vocational school/high school</li> <li>•Retired or employed</li> <li>•15 000 € - 55 000 € gross/year</li> <li>•No children</li> <li>•Together store and restaurant services</li> <li>•most commonly 100€ per visit</li> </ul>

The overall results concerning the educational level indicate that largest group of customers of Company X are the vocational school and high school student or graduates whereas, the elementary school graduates possess the clear minority of all respond-

ents. Moreover, the university students and graduates possess the second largest respondent group within all respondents. The significant differences compared to the overall respondent group were found from the deviation of the university and vocational school and high school students and graduates. Furthermore, approximately half of the customers of segment group of 35 to 54 years old living with children are university students and graduates ( $p < 0,01$ ). Whereas, the segment group of over 55 year old persons living without children possesses the highest percentage of respondents with only elementary level education compared to the two other discussed segment groups.

Based on the total results it is acceptable to say that employed person and student are the most common life situations within the customers of Company X. In the segment group of 35 years to 54 years old living with children the clear main life situation is employed, which indicates that majority of the customers are working and their income level might be higher compared to the other segments. Moreover, the segment group of over 55 years old living without children, possesses the highest portion of retired persons. This result is expected, since this certain segment group holds the age groups which have possibility for age centered pension.

The general income level of customers of Company X is focused on around the 35 000 € gross per year. The highest overall household income level, 55 100 € to over 75 000 € gross per year was found from segment group of 35 to 54 years living with children. This segment group holds also majority of employed persons, which might explain the results. In addition, the second highest yearly gross income level 15 000 € to less than 55 000 € was found from the respondent group of over 55 years living without children. Furthermore, the respondent group of 18 to 34 years living without children holds the lowest households gross income level with earnings less than 35 000 € per year.

Moreover, students are one of the main groups within the segment, combined to the fact that approximately half of the respondents from this segment group were living single, the result is understandable. The general amount of non-customer members of the consumers visiting the shopping precinct is approximately one third among all the segment groups. In addition, the research results concerning the factors effecting on the buying behavior indicate that the customers consider generally at least the necessity, price or appearance of a home product before doing the final purchase decision. Finally, in general the most common amount of money stated to spend in the Company X was 50€ per visit within the 18 to 34 years living without children and

35 to 54 years old living with children. The group of over 55 years old living without children possess the highest general amount of money spend in the Company X per visit.

The table (TABLE 3) below presents the median and most common amount of money stated to spend in the Company X and in the shopping precinct during the certain shopping trip when answering the questionnaire. The results reveal that the respondent group of 35-54 years old living with children, present slightest variation on spending money between the Company X and the shopping precinct. The respondent groups of 18 to 34 years and over 55 years old living without children both stated most commonly that they will not spend money in the Company X during the certain visit in the shopping precinct. Moreover, generally the respondent group 18 to 34 years old living without children presented the smallest median and most common amount of money spend in the Company X and the shopping precinct.

TABLE 3. Median amount and most common amount of money spent in the Company X and the shopping precinct today

	<b>18 to 34 YEARS, LIVING WITHOUT CHILDREN</b>	<b>35 TO 54 YEARS, LIVING WITH CHILDREN</b>	<b>OVER 55 YEARS, LIVING WITHOUT CHILDREN</b>
<b>Median amount of money spent in the Company X today</b>	15€	50€	35€
<b>Median amount of money spent in the shopping precinct today</b>	30€	50€	50€
<b>Most common amount spent in the Company x today</b>	0€	50€	0€
<b>Most common amount of money spent in the shopping precinct today</b>	50€	50€	100€

Moreover, as shown on the (TABLE 4) all the segments visit more often in the shopping precinct than in the Company X, which means that they do not visit the Company X every time they go to shopping precinct. Additionally, the frequency of visits within the segments was distributed approximately evenly between options “less than a month” and “over a month” since previous visit in the Company X. If more than one month had passed since the previous visit the most common amount of months since previous visit were two in the segment group of 18 to 34 years and over 55 years old living without children. When the customers actually visit the Company X they most likely utilize both; the store and the restaurant services. The restaurant services alone do not attract large group of persons visit the Company X.

TABLE 4. Frequency of visits in the shopping precinct and in the Company X.

	<b>18 to 34 YEARS, LIVING WITHOUT CHILDREN</b>	<b>35 TO 54 YEARS, LIVING WITH CHILDREN</b>	<b>OVER 55 YEARS, LIVING WITHOUT CHILDREN</b>
<b>Previous visit in Company x less than a month ago</b>	<i>Approximately 54% of the group</i>	<i>Approximately 46% of the group</i>	<i>Approximately 46% of the group</i>
<b>If previous visit was more than a month ago</b>	<i>2 months since the previous visit</i>	<i>3 months since the previous visit</i>	<i>2 months since the previous visit</i>
<b>Number of visits in Company x</b>	<i>Most commonly 2 times per year</i>	<i>Most commonly 2 times per year</i>	<i>Most commonly 3 times per year</i>
<b>Visits in shopping precinct</b>	<i>Most commonly 20 times per year</i>	<i>Most commonly 5 times per year</i>	<i>Most commonly 10 times per year</i>

What would make the visitors of shopping precinct visit the Company X?

The results of this second research question were introduced detailed in the research results chapter. The described results support the statement of consumer purchase process, which mentions that consumer have to first identify a need which triggers the whole purchase process; the results indicated that most of the respondents experience that special need for products of Company X would make them want to visit the company. Second theme, which rose up from the responds as a compelling factor was special offers, events and campaigns. Large number of respondents mentioned that they would visit the Company X for these reasons. Thirdly, the theoretical part of the thesis discussed the factors affecting on the consumers store loyalty; the results indicate problems on effortlessness of the shopping experience. The store structure was experienced unpleasant, since it on respondents' opinion forces the customer wander through multiple departments, however, changes in the store structure would make the consumers visit the company more often. The fourth theme which rose up was lack of time, which refers that consumers experience, that if they would have more time to spend, visiting the Company X would be possible. The lack of time may also refer to thought of time consuming structure of the store. In addition, the fifth emphasized theme was the quality of Company X's customer service. Some consumers had experience the customer service behavior poor or unfriendly on their previous visits in the store and stated that positive changes in this sector would make them want to visit the Company X. The customer service is one of the how -factors effecting on the consumers store loyalty. Finally, the study revealed that the persons who had never visited the Company X lack of interest towards the company or they prefer domestic companies and therefore could not think any factor which would make them want to visit the company.

## 6 DISCUSSION

The overall aims and objectives are stated clearly in the beginning of the thesis and the results of the research part are presented systematically question by question, which permits vibrant comparison between the customer groups by each topic. The theory part of the thesis and the research results are supported with several clarifying images, tables and figures. The main objectives of the research were to find out the reasons why the customers of shopping precinct do not visit the Company X and to discover the main characteristics of the customers of the Company X. Moreover, the research results offer solutions to these questions. Since the number of responds is considerably high and several different consumer groups are presented in the study, the generalization of the results is possible to implement at least on the customers of the Company X's near area.

The method of implementation was problematic to choose, mostly since I was not sure would I be present in the city where the research was planned to be completed during the summer time, therefore I was not completely sure how much personal resources I could invest to the collecting of research material. However, after evaluating the suitable research methods, such as qualitative and quantitative; interviews and on paper questionnaire and most importantly evaluating the available research resources, the most suitable method of implementation seemed to be a questionnaire on paper, since the questionnaire could consist qualitative and quantitative questions and it was possible to implement without constant presence of the researcher. The possibility of conducting a questionnaire with electrical device was considered, but since the providing of the equipment was not possible the final decision was to conduct the questionnaire on paper. The questionnaire was planned according to the objectives received during direct meetings of the delegate of the Company X and by utilizing the customer profiling related theory knowledge.

If the research will be implemented again, the questionnaire should be planned so that the questions twelve and fifteen would be formed with Likert chart structure, since I believe that the results of these questions would have been more profound and diverse that way. I would also reconsider some of the alternatives, for instance the two different alternatives which both handle recommendation of a friend or a family member and expert's recommendation could have been combined as one alternative. Moreover, if utilizing the Likert chart the smaller individual differences would possible stand out more. In addition, I would also conduct number of face-to-face interviews in the shopping precinct for consumers to find out more detailed infor-



mation, since afterwards thought the possible interview results could have given even greater aspects into the research concerning the reason why the consumers do not visit the Company X during their visit of shopping precinct and it would have been possible to change the research plan and add the interviews as a part of the study, since in the end I was present in the city where the study was conducted. This study emphasized only the characteristics and behavior within the certain segment groups and consumers without membership, even though also the differences or special features between the two gender group, life situation and education and so on could have been studied further, since the collected research materials offer possibilities for more complex comparison between the respondents. For future studies one possibility is to focus solely on certain segment group and study the characteristics further or implement a study which focuses on behavioral differences, for instance, between female and male customers. Additionally, this study did not rise up the Internet as a one of the factors effecting on consumers buying behavior, therefore the possible influence of the Internet could be studied in the future.

In the theoretical text of the thesis I utilized mostly online references, since information is much faster to find online, for instance online books have word search which makes it more effortless to go through the books and find the specific topic(s) which you were looking for. Moreover, the same books can be found from libraries, so the information obtained from online books do not disappear, even though the online version of the book would not be available anymore.

I have not implemented corresponding research before this; since everything of the process was new to me the workload was larger than ever before during the studies of International Business. I have learned that the role of a researcher is challenging and demands constant focus on the research objectives and decision making skills. Moreover, my researcher skills have developed during the process and knowledge of the subject has widened. The overall thesis process has been long and demanded hard work, commitment and huge amount of hours of planning, studying the theory and writing the thesis. The hard work is now reflected into this paper to indicate the overall commitment to this thesis work. Moreover, I have done my best with the available personal resources and learned from the mistakes done on implementing the research.

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## Appendix 1 Questions of the questionnaire

### Background information of the respondents

1. "Your home town?"
2. "Your gender?"
3. "What is your age?"
4. "What is your marital status"
5. "Your education?"
6. "What is your current life situation?"
7. "How much is the yearly gross income of your household?"
8. "Are you a customer member of the Company X?"
9. "Do you live with children?"
10. "How old are the children that you live with?"

### Running errands today

11. "Did you came primarily to visit shopping precinct or Company X today? "
12. "Which of the following influence on your decision on primarily visit Company X, or shopping precinct?"
13. "Estimate how much money you will spend on this shopping trip?"
14. "If you are planning to visit only the shopping precinct, what would make you visit also the Company X today?"

### Running errands generally

15. "When buying home products, which of the following alternatives mostly effect on your purchase decision?"
16. "Estimate how many times per year you visit the shopping precinct?"
17. "Estimate how many times you visit the Company X per year?"
18. "How much money do you spend as an average on Company X per visit?"
19. "How long time ago you last time visited Company X?"
20. "When visiting the Company X, what services of the company do you usually utilize?"
21. "What would make you visit in the Company X?"

## Appendix 2 Other factors mentioned in the questions fourteen and twenty-one

*Consumers with membership*

- *Free furniture construction service (1)*
- *Detailed description of the materials used in the products (1)*
- *Affordable home delivery service and promoting in the area newspapers(1)*
- *Friend who would want to visit the store(1)*
- *Extra money(1)*
- *Garden furniture(1)*
- *Restaurant services(1)*
- *Children's equipment(1)*

*Consumers without membership*

- *Free tasting samples(1)*
- *Possibility of keeping children longer time in the child park(1)*
- *More fish, chicken and vegetable options in the restaurant(1)*
- *Prefer buying from domestic companies (2)*
- *Ecological products and ecological options (2)*
- *Lottery or competition(1)*