



# **What is sold by sales personnel?**

*An empirical study on the retail sales environment in Finland*

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| <b>Abstract:</b><br><br><p>This research was designed to find out whether different kind of technological manufacturers have an impact on the sales of their products in the retail store industry in Finland. This research is significant for any kind of manufacturers of technical appliances and in particular those selling their products in the Finnish retail store industry. Its players range from storeowners to merchandisers and business executives. The aim of the research was to determine whether the educating and encouraging of salespeople in the retail industry has a difference on what is sold. This research is highly reflected on the consumer buying behavior in Finland as well as consumer brand loyalty, supply chain management and consumer past experiences. In order to find out the main changes of consumer behavior the author has collected data from a wide range of literature e.g. academic sources and journals that represent the theory part of the research. According to the research done, interviews were conducted and compiled per oral form. Finally, the author was able to compare and contrast results of the theory and the empirical findings into a conclusion.</p> |  |
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## FOREWORD

The researcher would like to thank the commissioning company Lojaali Interactive for the help given during this writing process. The patients, help and guidance was highly appreciated by the researcher. The researcher would also like to thank the respondents of the interviews for taking their time to answer the questions, it is highly appreciated by the researcher. The researcher is thankful for the answers that the respondents could give. The researcher would also like to thank Mr. Sveinn Eldon for the patients and guiding in the writing process and for being the first teacher the researcher has had that has appreciated the researcher's opinions and point of views. Finally the researcher would like to thank Mr. Michael Hagström for taking the time to go through the grammar of the degree thesis on a Saturday evening in November.

## 1. INTRODUCTION

Lojaali Interactive is a digital marketing company that is specialized in creating loyal customers to its clients. The company was founded in 2006 in Helsinki. The company has since then grown to become one of the pioneers in its own field and is today the employer of 12 employee's. Lojaali Interactive runs marketing and loyalty marketing campaigns for both B2B and B2C in the Nordic and Baltic countries. The expertise of the company lies in its complete service for developing customer loyalty solutions. The service includes planning, design, content, implementation (mostly web and mobile), hosting, management, and reporting. With a strong focus on a few concepts the company is able to serve its customers with an unrivaled tailored solution.

The idea for this thesis came from the researcher and the company Lojaali Interactive Oy that is commissioning this final thesis. The objective was to find out if companies that market consumer packaged goods through external retail channels were able to affect the amount of their goods sold in the retail shops. Also a general update in the consumer buying behavior was requested. Many of Lojaali Interactive Oy's customers are selling their products in the retail sales stores and because of this it is of high importance to find out how the products are presented and sold in the business. It is also in the interest of the researcher as well as the company Lojaali Interactive Oy to find out the possible changes that has happened in the retail sales industry of technological appliances.

In the theoretical part some relevant theory for this thesis is discussed. The theoretical part represents the secondary data in this final thesis. Essential theory on consumer behavior is discussed since through the classic theories of consumer buying behavior today's buying behavior can be explained. Relevant theories on marketing and the retail sales environment are discussed in the theory part to give the reader a clear view of the situation in this business. Brands and brand loyalty are also relevant topics for this thesis, since they directly affect what the customer wants and what is sold by the sales personnel. It is important to present what factors make customers loyal to a certain brand, how they stay loyal and what factors can break this loyalty. In this empirical research, the researcher decided to use the research method of interviewing. The

primary data collected is the answers given in the interviews. Two sales persons with long carriers and experience in the retail sales environment were interviewed in order to get a view on how the industry has been before and how it is now. The answers given by the respondents were analyzed with thought on the theory, which represents the secondary data of this final thesis.

## 2. THEORETICAL FRAMEWORK

This final thesis consists of four main parts, the introduction, the theoretical part, the interviews and analysis and discussion of the results. The introduction and the theoretical part describes the background for the research, the facts that were needed. It includes theory on the retail sales environment in Finland and consumer behavior as well as discusses brand loyalty and consumer loyalty especially in the mobile phone business as factors that affect the buying decisions. After the theoretical part, the reasons for the choice of research method is explained as well as how the interviews were conducted. Finally there will be analysis and conclusion on the findings of the study.

In order to get an updated view on the current situation in the retail store industry in Finland, the researcher has decided to do an empirical study for this degree thesis. The primary data will be collected by interviewing two represents in the Finnish retail store industry. These respondents have many years of expertise in the field and are somewhat considered as specialists in the sales industry and in the retail market. These respondents were interviewed in order to get a clear view of the current situation and to get all the necessary information needed. The researcher has created a questionnaire with structured questions, with the aim to open a conversation about the subject that is both open and straight-forward

### 2.1 Aim of the study

The aim of the study is to find out the reasons to why consumers make certain buying decisions when buying mobile phones in certain retail sales stores in Finland. How vital is the recommendations of the sales personnel versus the advertising and the image of the product in the consumer buying decision process? This information is relevant to companies selling their products in the retail sales environment.

In this final thesis is discussed many theories that relate to consumer buying behavior. The basis for the theory is consumer preference, what the consumer prefers. This thesis is about the reasons to purchase decisions, these purchases are done by the customer

entering the store to buy a mobile phone. This thesis also looks at the preferences of the sales personnel, reasons why the sales personnel is selling their preferred product. The interview results demonstrate both consumer behavior and the behavior of the sales personnel. Behavior analyses are also therefore reflected on the sales personnel as well as the consumers.

## 2.2 Research questions and hypotheses

In a research it is important to remember that the research questions drive the whole research project and the choice of methods and theoretical frame (Eriksson & Kovalainen, 2011. page 27).

- Can the manufacturers affect what is sold to customers in a retail store in Finland
- What factors effect consumer preferences?
- How big is the effect of the sales personnel's recommendations versus past experiences?
- Can the sales person overlap the effects that the media has on the consumer's image of a certain brand?

The hypotheses behind this thesis is that there are factors that affect what the customer is buying and what is being sold to the customer. In this thesis the researcher aims to find out if these factors exist, what they are and how they affect consumer behavior.

Factors affecting sales personnel preferences are to some extent the same that effect consumer buying behavior; personal user experience, preference of brands, style preferences and so forth. Many salespersons take into account the specific needs of the customer and benefits of the product.

These days many different brands have products that are very similar and the preference will mostly be affected by personal factors. The product manufacturer has an interest in selling more of their products through the retailers that also sell competing products, while the retailers want to optimize their sales and gross margins and inventory. Finding out new ways for product manufacturers to promote their products over competing ones

is key to generating increased sales. The retailer is in a key position and the product manufacturer need to find out other factors that will increase sales, outside of the personal preferences.

### 2.3 Scope of the study

The researcher had to limit the scope of the study to a certain kind of retail store industry, the electronics stores in Finland. The reasons for the limitations are time limits and the limitations of a final thesis. Even though the timeframe and the scope of the study were limiting the researcher came to the conclusion within the research process that only within the electronics stores in Finland there is a wide range of different products and buyers. That is why the study of the electronics stores gives a wide view of the selling of different kind of products. The aim of the interviews was to get a personal view of the respondents on the current situation of the retail store chains these respondents work in.

Furthermore there are a wide range of different types of retail stores in different kind of fields of business and the variety of these stores makes it hard to compare them amongst each other so this study can only be seen as a study of the electronic retail stores environment in Finland.

## 3. RETAIL SALES INDUSTRY

Workplaces can be seen as a competitive area from the point of view of organizational behavior (Oster, 1994. Page, 116). The retail industry and the stores as workplaces are organizations to some extent.

The electronics and household appliances in the category of retail stores sales were 9 % of the total turnover of retail stores in 2007 (Tilastokeskus, 2008)

The sales of household appliances grew from the year 2010 to 2011 with 10, 5 per cent. Despite the uncertainty in the economic situation, the electronics field in the whole sales environment is growing well. ([www.kotek.fi](http://www.kotek.fi))

In the retail shops, the sales personnel are professionals in their own field, but with own preferences. In the same way as a consumer that walks in to the store to buy the product, the sales person is a customer to the retail sales channel. When the sales personal sell products, it means that the stock values decrease, which in the end results as a purchase order towards the retail sales channel.

### 3.1 Supply chain management

What makes the sales distribution channel interesting and relevant is that it includes some factors that might have an effect on the sales numbers before the salespersons. There are three parties that have an impact on what is being promoted and in the end sold. The first part is the company that owns, produces and markets the physical product. They are the first that have a say in the sales-process. The second part of the chain is a distributor or a wholesaler: in a retail sales environment it is the one that distributes the products to the stores. The third part the stores and their sales personnel's that sell the products.

As an example I have used the selling event chain of a mobile phone brand:

A mobile phone manufacturer wants to increase the sales on the retail sales industry in Finland. Mobile phones are ordered through the wholesalers. Both the wholesaler and the product manufacturer, want to increase sales; the manufacturer want to increase sales of the mobile phone to the wholesalers and further to the retails shops, the wholesaler want to increase the sales of the purchased mobile phones to the retail shops.

These mobile phones will be distributed to all of the stores of the store chain. Now the store chain has its warehouses full with mobile phones and one way to increase the sales is to make a campaign concerning the sales of the mobile phones. This will happen by adjusting the price slightly lower and "attractive" price, marketing the phone campaign and telling the sales personnel's that they should emphasize the campaign od the phones to the customers.

When a consumer walks in to a retail shop, they have possible read or heard about the campaign and wants to buy the mobile phone that has the sales campaign. If the consumer has not heard or read about the campaign, they probably will, after telling the

sales person that the consumer is looking for a mobile phone. The two first parties might also try to increase the sales further on by offering some kind of motivator of to the sales personnel for selling the campaign-mobile phones.

## 4. SELLING

One of the keys to selling is asking customers what they want. (Olkinuora. 2012)

Asking questions and letting the customer talk is one of the key aspects of selling. The customer gets the feeling that the seller is taking into consideration that the customer's preferences are being heard. A good salesman will try to sell the same thing but with a pitch that meets the requirements the customer has just requested.

### 4.1 Sales motivation

Organizational behavior studies have proved that a person who feels positively about their work is less absent, more motivated and performs better than a person who feels negatively about their work. (Robbins, Judge & Campbell, 2010, page 23) although it is proven that job satisfaction is more of an attitude than a feeling, in this study it might indicate positive outcome in sales numbers if a manufacturer decides to reward the sales personnel for selling more of that particular manufacturers products.

In a sales environment, there are different types of sales personnel; the one's that can always be counted on good results, the one's that sell on an average well not brilliantly good.

When a company want to improve sales, the focus should not be put on the best sellers, since they can only do a little better than what they are already doing because of time limits, opportunity costs and possible breaks. If the effort is put on the sales personnel that sell somewhat good, they can do significantly better since there are no outside factors limiting the sales from before, as there is in the case of the best sellers. The one's that sell the most cannot usually sell more they already do because of different constraints, time limitations and opportunity costs of serving one customer instead of another.

A company that sells their products in the retail environment is fully depended on the quality of the service that the retail salespeople can give the customers. In a company's

own store the company has more influence of the quality and knowledge of the customer service. When in a retail sales the company does not have a full control.

It should be more in the interest of the company manufacturing the products sold in the retail store's to look into the service given in a retail sales environment, since it could make a significant interest in the sales number. These kind of sales boost campaigns are down by Lojaali Interactive.

## 5. CONSUMER BUYING BEHAVIOR

In order to find out why certain products are sold more than others, it is important to discuss the reasons why consumers buy, how they act in a buying process and what are the reasons for this. Some of the key concepts of consumer behavior are discussed in the chapter. These classical theories will help in explaining not only why the end consumers buys but also why the sales personnel decide to sell a product. The consumer preferences as well as the sales personnel preferences are based on similar factors that make the purchase decision or selling decision.

Consumers use products to help them define their identities in different settings. We can think of consumers as role players who need different products to help them play their various parts (Solomon 2009. Page 67)

An important aspect of consumer behavior is consumer segmentation. It means that consumers are segmented through various different reasons; age, gender, work as well as psychological and lifestyle characteristics. (Solomon 2009. Page 67)

A consumer's *reference group* is either a real or an imaginary group that effects consumer's decisions in everyday life. The members of the reference groups can be friends, family or casual acquaintances. Solomon, 2009. Page 430) Reference groups are especially important when it comes to brands which is a subject that will also be mentioned later in the thesis.

*"Our self-image is defined in part by the social group or groups you consider yourself to be part of"* (Jeremy Bulmer. Forbes, 2012)

One of the theories within the buying behavior relating to motivation and values is the expectancy theory. This means that a consumer acquires a certain product in the expectation of achieving certain goals with it (Solomon, 2009. page 157). If the segmentation theory and expectancy theory is combined, this can be explained for example when a young person buys an iPhone because most of the people surrounding consumer has an iPhone, he expects somewhat to be a part of a certain group of people, in this case, people who have an iPhone. In this way the consumer's two needs in the buying process are satisfied, belonging to a certain group and the possibly getting what is expected.

According to Michael Solomon (Pearson, 2009) there are a few key steps that are followed through when the customer is thinking of making a purchase decision.

### 5.1 The purchase decision process

Before a purchase decision is done the consumer goes through a decision making process. This process consists of four parts. In figure 1.0 the purchase decision making is demonstrated according to Solomon's theory. (Pearson, 2009. Page 356-359)

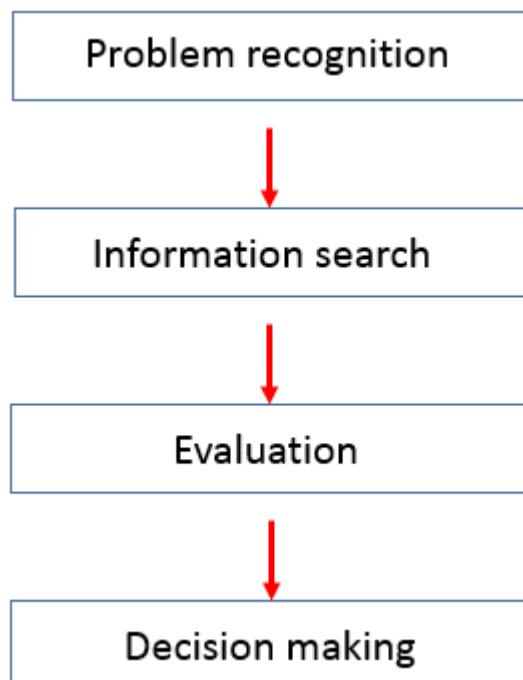


Figure 1.0 according to Solomon's theory (Solomon, 2009. Page 356-359)

## 5.2 Problem recognition

A problem arises in one of two ways. The *actual state* means that the problem recognition refers to a state where a consumer runs out of something because of a change in situation, for example runs out of gas on a highway. The *ideal state* is when a consumer is not pleased with the situation and wants it to change, for example that they are not pleased with the image their car is reflecting and wants to change the situation through a purchase (Solomon, 2009. Page 354). Both of these problem recognitions reflect a problem that can be solved by a purchase of some kind.

## 5.3 The information search phase

When a problem is recognized and the consumer has figured out a possible solution to this problem and decided to act in order to solve the problem, the consumer starts to search for information. The most common sources are the surrounding people, they are consulted on past experiences and preferences within the desired products field. (Solomon, 2009. page 356)

One information method has though become more common by time. The internet search engines are used to find information on the products available (Solomon, 2009. Page 356). From a retail stores point of view, this means that customers are more aware of the product they want, the features of it and the price it can be purchased in. This creates a challenge for the sales personnel, the customer is no longer as dependent on the sales personnel as before. Of course, there are still consumer segments that are not interested in the possibilities of the internet and more interested in the social, human contact of a sales person advising in the purchase situation.

The internet is a possibility for retail stores if it is used correctly. Many search engines can be paid to show certain ads when certain words are used in the search engine (Solomon, 2009. page 357). This can be proved by searching the most common products in the most common search engines, the first results are ads from different companies selling that product. Many retail stores have learned this, since a few search engines have retail store ads in the search results.

Though searching for information has become easier in many ways it has been proven that information search is not done as much as it would be possible, at least if the searching is done through physically walking into different stores. An Australian study has proven that consumers walk into one or two stores to look for options even if there would be more stores to walk in to. (Solomon, 2009. Page 357). Whatever the cause to this is, from a retail sales point of view this is possibly a good thing. It means that the consumer is ready to make the purchase in the first or the second place they arrive too.

Within the field of information search should also be mentioned the information that is taken in by consumers though it might not be something they were looking for. The media, in all its forms, is a significant factor when consumers form their opinion. The media, especially in printed form, is much dependent on its users, this is why consumers should engage more in media criticism. Consumers should be aware that negative and positive features of products are exaggerated from time to time. If a manufacturer is presented positively in the printed media, it should not be taking its position for granted. Tables might turn and a minor down curve in the market rates might be blown out of proportions in the media. The power of any Medias cannot be underestimated any longer, a good example of this is the Nokia versus Apple situation. Nokia was for many years the favored mobile phone manufacturer, and Apple an underdog. Anybody who has followed the news will know that the tables have most definitely turned, but that does not mean that it is going badly for Nokia, it is not doing as good as before, but it is still one of the biggest mobile phone manufacturers in the world. This is why the consumers should always take into account that the statements of the Media are a few opinions and not necessarily the whole truth.

## 5.4 The evaluation phase

The evaluation of the purchase decision includes mostly evaluation of a risk of some kind. The consumer is taking a risk in purchasing a product instead of another. This risk is called opportunity cost. The cost of buying one product instead of another. (Solomon, 2009. Page 362)

The following table 1.1 constitutes the different risks a consumer considers when making a purchase decision.

|                           |   |
|---------------------------|---|
| <b>MONETARY RISK</b>      | Those with relatively little income or wealth most vulnerable. The risk capital consists of money or property           |
| <b>FUNCTIONAL RISK</b>    | Practical consumers are the most sensitive. Risks regarding performing the function needed.                             |
| <b>PHYSICAL RISK</b>      | Those who are elderly or ill are the most vulnerable. Risks regarding physical damage or health                         |
| <b>SOCIAL RISK</b>        | Insecure and sensitive people are the most vulnerable. Risk consists of harming self-esteem or self-confidence          |
| <b>PSYCHOLOGICAL RISK</b> | Those lacking self-respect and attractiveness to peers are most sensitive. Risk of harming self-affiliation and status. |

When a consumer is choosing a product, the consumer is evaluating between different risks and possibilities with the purchase. The risks are used for evaluating the purchase decision. The word 'risk' might sound as an over-statement in the evaluation process but the risk table above shows that the different risks are not always life-threatening or dangerous. The risks relate to social statuses and self-confidence. Evaluating between different products consists of a few alternatives that the consumer is seriously considering.

## 6. CONSUMERISM AND MATERIALISM

“He who dies with the most toys, wins” (Solomon, 2009. Page 186). This is an example of extreme consumerism and materialism.

Consumerism is a social and economic order that encourages the purchase of goods and services in ever-greater amounts (Wikipedia)

The electronics industry is in its own worldwide scale, since the effects of the worldwide news, trends and brand images are effecting the consumer buying behavior like never before. A consumer that is making a purchasing decision within this category cannot be considered as a Finnish customer but as a customer of a global product. Within the years of 15-45, the consumers have their own opinions on the products influenced by the surrounding people but also by the global media.

### 6.1 Global consumerism

Consumers today are more aware of what is available on the market, and at what price. Online commerce gives consumers the access to consumption communities, where consumers can find product information and product recommendations. The online services also provides the consumers access to buying things that are sold at a distance from the consumer (Solomon, 2009. Page 67).

Nowadays there aren't many things that a consumer cannot buy, if it wants, the access to online services has become a serious competitor for the retail shops. This creates challenge to the manufacturers of the products; their products are available online, but is it a pro or a con? When consumers buy products from the product manufacturers own site, there are usually no whole sales or retail shops taking their share of the price in between, but there is neither no human customer service.

Both the sales personnel and the end-consumers are effected by global consumerism; the end-consumer is able to buy products online and will not necessarily walk into a physical store, the sales personnel's should be aware of this, and try to give good advice and show the consumers that when they do walk into the store that they are served well.

## 7. BRANDS

It is universally accepted that brands are a company's most valuable asset; yet there is no universally accepted method of measuring that value (Jeremy Bullmore. Forbes, 2012)

Some of the brands that were known 50 years ago, such as Campbell soup, are still known. Why? It seems that choosing a well-known brand seems still like a good choice. A brand is well-known because it is well-known. (Solomon, 2009. Page 377)

Some consumers use a certain brand because their reference group consists of that particular brands users. *A brand community* is a group of consumers who share a set of social relationships set based on a usage or interest in a specific product or brand. (Solomon, 2009. Page 434)

Reference groups has the most influence on what a consumer is buying. A reference group contains of a real or imaginary group of people that the consumer wishes to relate to. This people are family, friends or casual acquaintances (Solomon, 2009. Page 433)

How a product becomes a brand, has never been proven, but it is certain the outcome is a result of a working product, a good marketing plan and some sorts of reference groups promotion of the product. In a retail sales environment, the reference group might be the sales people amongst each other. If one sales person would start recommending to all the sales people a particular type of product, this could affect the whole working environment to start using one particular product. The challenge is to find the most influential person in the group.

### 7.1 Brand loyalty or brand habit?

According to Michael Solomon, brand loyalty exists for one of two reasons; the consumer is lazy, and is purchasing a product that requires least amount of effort, which is usually the product the consumer has used many times before. Or the consumer is a "Tried-and-true-consumer". This means that the consumer always not only chooses the product but also has a positive tone about it, remembers to mention how good it is (Solomon, 2009. Page 377).

The lazy consumer can more easily choose another product, if it is more comfortable for the lazy consumer. The "Tried-and-true-consumer" is willing to change the store if the

product does not exist in the one that the consumer is in. Then again the more committed user gets upset if the brand changes the quality, the logo or any other typical feature tied to the specific brand. This was proven in the 1980's when Coca-Cola changed their recipe. Demonstrations and boycotts were set up, since the "Tried-and-true-consumers" felt like they had been cheated (Solomon, 2009. Page, 377)

Brand loyalty is when a consumer always buys the same brands products no matter what kind they are. Consumers want to keep the choices limited, can be a hard task for sales personnel to pass through. When a consumer has a preferred brand it is hard to change that preference. Consumers usually like comfort ability and things staying the same, that way they don't have to put thought into the buying decisions.  
([www.wikipedia.com](http://www.wikipedia.com))

Although brand loyalty is a known factor, consumers are known for changing brands, *brand switching*. The reasons for this might not be that the consumers are not satisfied with the product they are using. The reasons might simply be boredom or the want to try new things. *Variety seeking* has many reasons and can be hard to predict but it is known that it exists (Solomon, 2009. Page 358).

"The global megabrands today can't take their dominance for granted. A new generation of brands are gaining power in countries such as China and India and it is only a matter of time before they set their sights on global consumers"  
([brunswickgroup.com](http://brunswickgroup.com)). The electronics industry is in its own worldwide scale, since the effects of worldwide news, trends and brand images are effecting the consumer buying behavior like never before. A consumer that is making a purchasing decision within the category of modern electronic appliances shouldn't be considered as a Finnish customer, but as a customer of a global business. This does not only apply for products that are brands, it also applies to retail store chains that have for a long time been the only place consumers can access certain products.

The information available on brands and branding is endless, and we know the impacts of them. Although there is plenty of studies and sources saying brands affect consumer buying decisions, many customers buy the most affordable product.

Even if a company own a strong brand, the more well-known the brand becomes, the more the brand has to be careful. There are several ethical choices that brands have to make in today's business and these choices effect consumers buying behavior.

## 7.2 Electronic industry

Smartphone sales have increased in the year 2011 a staggering 84.1 per cent in comparison to the year 2010 ([www.kotek.fi](http://www.kotek.fi))

The brand influence that was discussed in the earlier chapter is very much seen in the business of any kind of digital communication equipment such as smartphones, tablets and computers. This particular area of business is creating counterparty relations within this business field. Apple has used brand loyalty and counterparty relations as one of their sales strategy. They have created an "us versus them" situation where everyone else who is not an Apple user is conservative, boring and somewhat gray. (Roger Dooley, 17/7/2012. [Forbes.com](http://Forbes.com))

Even if Apples strategy has worked well there are brands that have used this positioning as an advantage. As an example can be used Lenovo, that refuse to make computers in any other color than black. Lenovo brands consider themselves as serious, "less-ridiculous" than Apple and they emphasize high-performance levels. From a marketing and sales point of view it has worked, since it is describing the features of Lenovo computers and laptops. Lenovo has always been the choice of the executive and high-performance areas of business, and with this strategy it certainly will gain further more of that position. In other words, Lenovo has used Apples strategy of "Us versus them" against Apple, in giving the impression of high-performance computers.

## 8. CUSTOMER RELATIONSHIP MANAGEMENT

The assumable difference between selling good in relation to selling services is misleading. The companies that sell goods should set their mind into thinking like the companies that are selling services. (Storbacka & Lehtinen, 2005. Page 21.)

A sense for details is becoming increasingly crucial in handling the customer relationships in a successful way. (Storbacka & Lehtinen, 2005. Page 56.)

The challenge in the increasing amount of customer relationship management is the competition that arises with it. Benchmarking practiced by the customer is increasing rapidly (Storbacka & Lehtinen, 2005. Page 56) So if a firm has not acquired customer relationship management, it should involve in it rapidly, and even increasingly better than the competitors.

### 8.1 Customer loyalty systems and sales channel motivation

Customer loyalty marketing has probably been around since people started trading goods. The modern customer loyalty schemes have similarities with airline miles programs that have been around for 20-30 years. Loyalty programs are now a commonly used system that strives to motivate customer loyalty marketing to a certain company or brand. The most common customer loyalty marketing strategies are all kinds of store credit cards, flight miles, customer clubs and such. The point is that the customer ( or a salesperson at an external retailer) has some kind of validation of being very valuable to the company.

What it means for the company itself is that the company has valuable information about the consumers, which makes the company able to contact the customers if they want to inform them about reduced prices or other campaigns. Through a customer loyalty system the company can also get statistical information about when consumers buy and to what campaigns the consumers are taking part of. ([www.wikipedia.com](http://www.wikipedia.com))

Customer loyalty marketing has proven to have an impact on the choice of the products in a purchase decision situation. ( Lojaali Academy, June 2012)

Customer loyalty systems, or sales channel motivations can be used in a retail sales environment in order to increase sales of certain products.

## 9. QUALITATIVE RESEARCH

The researcher has decided to use a qualitative research method for this degree thesis. The research has been conducted through interviewing respondents and analyzing the responses. The interview responses represent the primary data of this research which is reflected on the secondary data collected for the theoretical framework.

“By using a qualitative researcher methodology, researchers want to collect richer information and get more detailed picture of issues, cases or events” (Arora and Stoner 2009)

### 9.1 Data collection method

The data for this final thesis has been collected through primary data and secondary data. Secondary data is collected from various academic books and articles both in printed form and from online sources.

Interviews have been conducted with thought on the secondary data so that all data collected through the interviews can be reflected on the secondary data. In other words, the primary data has been reflected on the secondary data and conclusions and analysis has been done on the basis of the information collected.

As the primary data, the author chose to use the quantitative research method-technique, interviewing.

### 9.2 Compiling the interviews

According to Silverman (Eriksson & Kovalainen, 2011: 86-98) There are three types of interview studies, that are according to the type of information hoped to find from the interview. This interview was done according to Silverman’s model ‘Emotionalist’ which is an interview type that aims in finding respondents perceptions, understandings and viewpoints on a specific event or process of organizational change. (Eriksson & Kovalainen, 2011. page 79) This means that the interviewer was recording the interview and making conclusions on the information given by the respondent rather than for example making conclusions on how the respondent was giving them.

A structured questionnaire is considered ‘qualitative’ when the responses given by the participants are open ended. (Eriksson & Kovalainen, 2011. Page 81)

The in-depth interviews were made in order to reflect on the theory that was collected by secondary data from articles, journals and academic writings. The secondary data helped in compelling the right questions for the interviews. The interviewer asked for permission to record the interviews, the permissions were given by the respondents.

The interviewer scheduled the in-depth interviews by calling the respondent and booking a time for the interview. The first of the two interview were done face to face, the second interview was done over the phone. Both of the interviews were recorded at the same time as the interviewer was writing down key concepts that occurred in the interview. After the interview, the recorded materials were documented in a written form.

The interview questions were straight forward but the tone was kept objective so that the question asked was not affecting the answer of the question. The interviewer also gave the respondents time between each question asked so that if the respondent had some additional information to tell, this made it possible. This is something that should be taken in consideration when wanting to have in-depth answers.

The two companies from the electronics and household appliance retail store industries were chosen since they are two of the biggest in their own industry. The respondents from each of the company were chosen since they had been working for several years in the business and could be seen as somewhat experts in their own field. This made it possible to get good in-depth interview answers.

The electronics and household appliance retail stores include many different categories of products. These categories ensure that many different types of consumer segments visit the store. These kind of retail store therefore represent the consumer behavior of any type of different consumer groups. Since the salespeople communicate with different kind of consumers, they have a knowledge about what are the most important factors affecting different types of consumer's behavior.

The questions in the interview were open ended since it allowed the respondent to answer as freely as possible. This was seen as a positive factor since it ensured that the respondent could give answers that included new information that the interviewer might not have thought to ask. It also gave the interview a more relaxed feeling which can be a factor that increases honesty in interview situations.

The minus side on open end questions is that the two respondents might answer the questions differently, which is usually seen as a source of new information, although it makes the interviews more challenging to compare since the answers given might not reflect on each other.

The primary data in this final thesis is the answers given in the interviews. The aim of the interviews were to get information on the retail sales industry from a sales personnel's point of view, consumer buying behavior, the impacts of supply chain management in the Finnish retail industry and the impacts of brands and brand loyalty on selling. All these key points were factors affecting what is sold to the customer in the retail-sales industry in Finland.

### 9.3 Challenges

When using the interview as a research method it is important that the interviewer remains as objective as possible, not only because the interviewer does not want to lead the respondent into answering something in particular but also because new information might not be found if the interview is not objective enough. It was furthermore the interviewers aim to stay objective since the interviewer hoped that in this way, new information might be found as well as new views on the subject researched. It can be said that the newest and most relevant findings are done when the respondent feels that they can answer as freely as possible. This is especially important when the interview has open answers.

One of the challenges in using interviewing as a qualitative research method is that it is very time-consuming. The writing of the written documentation of the interview takes time and also the interpretation and analysis of it.

## 10. RESULTS AND DISCUSSION

### ***What are the factors that affect what products are being sold to the customer?***

The represent of Company X said that *“As a salesman it is a good idea to ask of preferences and past experiences, because even if you are good in selling and persuading people, nothing speaks louder than the product experiences in the past.”*

As mentioned in the theoretical part of the thesis, one of the keys to selling is asking the customers what they want. (Olkinuora. 2012) The Company X respondent indicates that this is a typical thing for the sellers in this particular store. As mentioned in the theory

part, one of the best selling strategies is asking the customer about their needs and wants, and this is also done in company X. As discussed in the theory part, past experiences have a big impact on the consumers buying behavior. The impact of past experiences should be taken seriously, therefore it can be said that one of the keys to selling more in the future, is to perform well now. If the product has functioned well in the past, the consumers usually feel that it will do so in the future as well. Listening to the customers might seem as something self-clear, but it helps in making the customer feel like their opinion is taken into consideration and the sales person will know in what product category the customer's preference falls into.

As described in the figure 1.0 (Solomon 2009) there are different phases in making the purchase decision. From the point of view of a sales person, the problem recognition phase has already occurred when the consumer enters the store. The consumer has already felt a need of an *actual state* or an *ideal state* and felt that he/she wants to solve this problem or need by making a purchase, and that is why the consumer has entered the store (Solomon 2009. Page 688). In some cases it can also be that the consumer has decided to do an impulsive purchase or is about to make an impulsive purchase and in that case the sales person can help the consumer to recognize and find a solution to the problem or need.

Also as discussed in the theory part (Figure 1.0, Solomon 2009) the second part of the process in making a purchase decision is the information search. It was also concluded in the theory part that the consumer behavior has changed since the customers were able to get information from various sources but now even more so when many customers have access to online sources that are filled with whatever information the customer might be in need of and more. The access to increasingly more information sources, plus customer past experiences are a solid combination of customer knowledge; these are what make customers prefer a certain kind of product type. These facts indicate that it is increasingly complicated to change customer's preferences and the choice of product. This is somewhat relative to the product type, there are still areas of business where the customer's need the expertise of the sales people.

*"I have had this product (washing machine) and I liked it, but it was a bit noisy". Then you know that the certain type of product, the size, shape, features and other things are preferable as long as it is a bit less noisy.*" Company X respondents indicates that the

consumer was relatively happy with the product from before but that it had one feature the consumer did not like. In these kind of situations where a product is in a higher price range and the product [washing machine] is bought for a longer period of time, (the average washing machine needs to last for years without high reparation costs (Consumer agency, 16/11/2011) it is a product that the consumers still prefer to buy from a retail shop. It can be said that since it is not a highly technological equipment, it is a product which is not shown much in the media and it is more of a house holding product. But nevertheless, the washing machine purchase is done carefully not only because of the reasons mentioned before but also out of practical reasons, it is a big object that needs to be carefully transported and installed. In this case the sales personnel's opinion might be highly valuable and the sales personnel is able to influence on the purchase. Also if the retail shop offers free transportation and installation, it might be a reason to choose that specific retail shop and the products that retail shop is recommending.

The best recommendation sales personnel can give is a personal recommendation; the sales person says that he/she is using this particular product and it is working well. In this case, the information search phase in Michael Solomon's consumer purchase decision theory (Solomon, 2009. Page 356-359) is when the consumer walks to the store to find more information and the information can be given in the form of personal preferences and recommendation of the sales personnel.

Company Y says the same things about past experiences and the brand loyalty that can be reflected from it. *"Usually if a customer has used the brand Miele before, they probably want to use it again."*

With past experiences comes brand loyalty, this is because one of the reasons to brand loyalty is the desire to have comfort and security, the thought that it has worked in the past is a key factor in thinking the same kind will work in the future. According to Michael Solomon's theory presented in the theory part, it can be said that the Miele consumers belong to the lazy brand loyal consumer segment. A washing machine might be very damaging if not working correctly, for both the clothes and the surroundings, so comfort and security will seem as crucial motivators in making a purchase decision. Miele itself probably does not represent the youthful values that the laptop or mobile phone industry brands are known for, probably because of the fact that the washing

machine belong to a more modest product segment, but nevertheless security is much more appreciated in the washing machine product segment. From the respondents answer it could be interpreted that Miele laundry washing machines represent something psychological, such as security or health. If certain products belong to a higher price range, they might represent a high-class value. There might be a certain kind of image around the users of Miele and in that case it might be something that some consumers want to be connected with.

As discussed in the theory part, customer loyalty is a non-stable factor. Especially lazy consumers can be willing to change brands if it means comfort (Solomon, 2009. Page 358). In a case where the store has temporarily run out of Miele washing machines, the lazy consumer might switch to another brand instead of having to go to another store. In this case the sales personnel's expertise is required in order to be able to sell something else so that the retail shop has in the store so that the consumer will not be lost because of lacking stock values.

*“But all customers are not like this, it [choice of product] depends on the product field and what variety of products there are within that field and what the customer knows about the product from before”.* The Company Y respondent concluded that it is a matter of product type and that all customers are not looking for a specific brand. This might still indicate brand loyalty, not for the product but for the retail store, some retail stores are brands as well. It could be analyzed that some consumers do only know where they want to buy a certain product, not what product in that product category they want to buy. This can indicate that some consumers are brand loyal to the retail store and the sales personnel there and that they trust that they do not have to know features of the products because they trust that the sales personnel knows. This can be the case especially with more elderly customers and products that are highly technological or in some way complicated to understand. The respondent also said it is a matter of what the consumer knows about the product from before, this refers too past experiences or recommendations from the segment group. The consumer might know many things but they might not know anything at all.

***Do you get any kind of guidance from whole sellers where they tell you that for example Nokia Lumia 900 has been ordered in large quantities to Finland, and that***

***you should enhance the selling of Nokia Lumia 900 because the warehouses are full of them?***

Company X stated: *“That is not usually the case, people cannot be fooled, and there are so many people that know what they want.”*

Both respondents answered relatively similarly to this question. The response was that they do not get any guidance from somewhere in the supply chain management on what to sell and when to sell it. Company X respondent said that many consumers know what they want when they enter the store. The fact that consumers know what they want can mean many things; the consumers have already searched for information, they are brand loyal to some products, they have gotten recommendations from the preference group or that they have decided to buy something that they have used before and decided that they want to use that particular type of product also in the future.

Company Y stated: *No not really [get any recommendations]. The customer might have seen our sales in a magazine and then they come and want what is on sale. But no, it is not a good idea to try to sell to the customer something that they don't want.* This can be analyzed that the whole sale and the product manufacturer does not have a big impact on what is sold to the customers. Both of the respondents answer indicate that selling goods and giving good service goes before selling some specific type of product.

Company X implied that more than caring about what the whole seller wants to be sold the company X cares about selling in general and giving good customer service. *“If we have sold the customer something that they have not wanted, they both come back with it after a week and return it, or even worse, they will never come back.”* From this answer it can be interpreted that the company X is more interested in taking care of their customers and giving good service than selling certain goods.

Company X mentioned that some products might be discounted. *If the product in matter might fall in a certain category, then discount products might be mentioned in that specific category.* This means a few things, first that the sales personnel will ask what the preferences are and make an estimate of those preferences in what product category the desired product may fall into. Several products might meet the customer preferences and if within this category there is a discount on some products, the sales personnel might mention the discount, since saving money is seen as a benefit for the customer. Secondly, the answers indicate that the sales personnel in the retail stores care more

about giving good customer service and helping the consumer find the right product, than caring about the sales from the whole seller's point of view. It can be said from these answers that the consumer is still the one making the decision and that it is not the intention of the sales personnel to persuade the consumers into buying something they did not want.

This means that it is not worth the risk of annoying the customer by trying to sell something the customer did not at least in the beginning intend to buy. From these answers it can definitely be interpreted that the power is still in the hands of the consumer. Consumers are more aware of the products available and they cannot be fooled, and furthermore it is not even in the interest of the retail stores to persuade the customer into buying something they don't want, since this will backfire as lost costumers in the future.

As mentioned in the theory part, the decision making process begins usually before the customer enters the store and because of this the information search has also been conducted. The sales person does not know how much the customer knows about the product from before. This strengthens the fact that it is crucial to ask the customers questions about preferences before starting the sales pitch, because the customer might then reveal that they for example already gained some additional information on a different product range than the salesperson has suggested and that the consumer already has a vision of the possible product to purchase.

The answers to this question were straight forward and very similar. They speak of good customer service but also of the competition within the retail sales business. The sales personnel and the retail store does not want to lose consumers. When this is looked at from a sales channel motivation point of view, it can be said that there are consumers that are not the targets for sales channel motivation campaigns. But as mentioned before, many products might fall in the same category and are therefore very similar in the eyes of the consumer. Whenever a consumer is looking for help and there are a few options to choose from that will give the same outcome in product performance, it will give the sales personnel a chance to recommend a certain product. But the emphasis is clearly on giving good customer service and guaranteeing that the customer walks out of the store being happy with their purchase.

***Can customer loyalty be seen as a factor in the purchase decision?***

The Company X respondent states *“The customer might say that they have owned all models of the iPhone. In this case it would be bad to promote anything else than products from Apple”*

As discussed in the secondary data, brand loyalty is something that is a significant factor, especially when it comes to Apple users and non-Apple users. In most cases Apple users belong to the “Tried-and-true-consumers” as mentioned in the theoretical part. But Apple as a brand is special in that sense that they have also become a product for the lazy customers. In the same way as Campbell soups have been around for 50 years (Solomon, 2009) Apple products have become well-known because they are well-known. Apple is not only a trendy brand for the “Tried-and-true-customers” it is also a brand for the lazy; many consumers have an Apple, which makes even more consumers want an Apple since it is a comfortable choice.

It is interesting that the respondent for company X mentions Apple when answering this question, it speaks of the thoughts around the brand Apple.

Company Y states: *Some products definitely have their loyal customers. In the case of mobile phones this is shown very clearly. When a salesperson asks about the customer’s preferences, the customer might say that they have owned all models of the iPhone. In this case it would be bad to promote anything else than products from Apple.* There are a few points on branding that can be mentioned as affecters of the consumer behavior. First of all both respondents answers were related to Apple when answering the questions on customer loyalty. This shows how highly branded Apple’s products are. It definitely means that Apple has a great brand and marketing strategy that effects consumers buying decisions. It might be the “us versus them” counterparty strategy that was mentioned in the theory part (Roger Dooley, 17/7/2012. Forbes.com). this strategy has created very high brand loyalty values amongst Apple users and from the respondents answers it can be interpreted that it is something that is shown for the sales personnel in the retail sales industry.

Company Y respondent continues” *In this case it would be bad to promote anything else than products from Apple. Even if the sales person would want to sell Nokia phones, it would not be wise to try to do that, since then the salesperson might not sell anything at all.”* This response generates the core issue with customer loyalty programs and sales channel motivation; it is hard to sell something that the customers do not want

to buy. Especially in the mobile phone business, the counterparty settings are strong and for some consumers it makes a big difference if they have a Nokia or an iPhone.

***What is the most usual factor affecting what the customer wants?***

*“Past experiences are the most usual”* company X respondent repeats what has been said before, the past experiences have a high value in making a purchase decision. This is effecting the consumer’s decision making, whether the experiences have been positive or negative.

Company X respondent continues: *“As a sales person, you need to be able to read the things the customer don’t say since it will also speak of what they want. If they (customers) do not mention that something was not right, it usually was satisfactory.”* These kind of assumptions require knowing your field as a salesperson and knowing your customers. If a customer has been satisfied with a product, they might want to buy a similar one, or then if they do not mention the one that they have had previously, they might want to try some new brand. The situation where a consumer wants to hear about the product selection is an excellent opportunity to show the consumers some options they might want to buy. In this case it would be good if the sales personnel would remember the preferences that the consumer has mentioned earlier and recommend some product within that product category. If this would be done, and the sales personnel would be involved in a sales channel motivation campaign, the sales personnel might remember to mention and recommend a certain product from the product category. It might be that this would be very beneficial for the product manufacturer that has conducted the sale channel motivation campaign.

*“Past experiences are the biggest influences, it is something that has an impact.”* The respondent of company Y stated the strength of consumer’s experiences in the past. This answer was fairly short, which states that it is probably the biggest reason to the choices made in the stores. From a point of view of the sales channel motivation, this is something that is hard to overcome. The experiences of the consumers are strong and if the experiences have been good, then the consumer has no reason to switch the brand.

These kind of consumer preferences are an opportunity though for the product manufacturer. The consumer has had good experiences in the past and in case the manufacturer of that product is manufacturing products in other product categories, the manufacturer should engage in some kind of activity that would also enhance the sales

of those products. For example whenever the consumer buys a product they would be asked to join a customer loyalty program, which could for example be a customer club. When the consumer joins this customer club, they get discounts or benefits for being a member. This is a chance for the manufacturer to market other products that are manufactured. Since the consumer has a positive feeling about the label in a certain product, they might buy another product from the same manufacturer. The manufacturer could increase their sales for the whole product variety, when the loyal customer from some products would start to buy all their products from the same brand. Since past experiences seem to be very important when consumers are making the purchase decisions, the best way to ensure sales and possibly increase them is to make good products that the consumer will trust and buy again. When the consumer trusts a brand and wants to buy products from the same brand again, it is good if the manufacturer is able to remind customers of other products that the manufacturer is producing.

Past experiences are also a critical factor when consumers want to avoid risk. As seen in the Table 1.1 in the theoretical part according to Michael Solomon's theory, consumers want to avoid risks when making purchase decisions. The consumers might feel that the risks are smaller when the product has been used before.

***Does the media effect the opinions of the customers?***

*"Take Nokia for instance, their Lumia phones are not that much worse than the iPhones, or it is a matter of opinion but the difference is exaggerated by the media so that they would have something to write about."* This response shows the effects of the media on products being sold. From the point of view of the respondent of company X Apple has been more effective with their marketing campaigns, than other mobile phone manufacturers, but that does not mean that the phones are clearly better than other phones. As the respondent says, it is a matter of opinion, it is all about what the consumer prefers, many mobile phones have many different features and because of this it might be hard to compare them. But the counterparty marketing strategy of Apple has seem to have had an effect on the media as well. When there is a large amount of products in a certain product range, the competition between the products has made the products somewhat equally good since all the manufacturers have developed well. This means that it is hard for the media to find differences that would make good headlines. Because of this it can be said that the features does not vary as much as the image does.

As the respondent say, the differences are exaggerated and it is in the hands of the consumer to believe or not believe the media.

Since online sources provide a whole variety of information it also means that the information is not always complete or true. As said in the theory part, search engines can be paid to show certain results (Solomon, 2009. Page 357).

*This is very much dependent on the brand. Products that are in the media are effected by the media, others are not that much.* The respondent from company Y says some products are presented in the media, and that in that case it effects their sales. The fact that the media is affecting the sales can be good and bad, from this answer can be interpreted that the respondent meant both. If the media affects the sales in a positive way it means that the media attention is increasing sales. The negative effects of the media is that it is decreasing the sales. There are examples in the media of both of these cases. If the media says negative things about a product, it might decrease the sales. So it is necessarily not a good thing for products to be mentioned in the media, some product types are not seen in the media that often and it might be that this is a good thing because if a product is presented in the media, it might not be because of positive reasons.

Of course it is crucial for product manufacturers to keep their product visible in certain types of Medias, so that consumers are able to find information about the products. For information search it is important that consumers are able to find information about the product itself and its different features. This information is mostly available in web shops and not on the newspaper sites. Many product manufacturers offer specific information about their products on their web sites so that consumers are able to find information in order to make purchase decisions.

## 11.CONCLUSION

From a research point of view it can be said that the answers given by the respondents were good, not too thorough, but the in-depth information given was satisfying. The questions reflected what was wanted to know without being misleading. Some new

views came up that the researcher had not taught about before, which is positive. The information in the theoretical part, the secondary data, was a good base for analyzing the answers given. The researcher felt that the respondents had enough information and knowledge to give during the interviews and from the responses it was possible to make conclusions and analyses.

When conducting the in-depth interviews the researcher got the impression that the mobile phone industry is one of the main topics amongst sales personnel's. The topic about mobile phones was also the topic that was presented with strong opinions and knowledge.

It can be concluded that the consumers are still in charge when it comes to making the purchasing decisions. It seems that consumers know increasingly more about products than they did a few years back but that the sales personnel also are aware of this. The sales personnel seems to be keen on finding out what the consumers know about the products from before. Not only does the knowledge that the consumers might have from before seem to be important but sales personnel also want to know what products the consumers have used before, and this seems to be something that the consumers are willingly wanting to share. Past experiences still seems to be a starting point and a measuring equipment for getting knowledge about consumer preferences. The new information that was given in the interview and the information that the researcher did not know was relevant was the fact that according to the respondent for Company x, it is also very important to try to hear what the customer does not say. The researcher understood that this could mean one of three options;

Firstly, that if the consumer does not really have any bad things to say about the product they have had before, they would probably want, if possible, the same product, or a very similar product.

The second thing that could be interpreted is that if the consumer does not mention the product the consumer has had before, they probably were not satisfied with it or they want to try something really new. If it is so that the sales personnel gets a chance to decide what he or she would promote, it can be an ideal situation for sales channel motivation programs. Since the salesperson is choosing to recommend something, the sales personnel could probably choose something that they would benefit from, if the

sales channel motivation program would include benefits for the sales personnel whenever they promoted a certain product.

The third thing that could be interpreted from the sales personnel's comments is just a general knowledge about different kinds of people. The expertise in these kind of situations is something that is usually gained with experience, the sales personnel is able to read between the lines. A really good sales personnel can read different kinds of consumers and try to interpret what the customer means with the things the customer is not saying.

It can be said that the sales personnel is not actively trying to promote certain products even if the retailer would want them to. This might be because of a few reasons; the interviews gave the impression that they would have more to lose in trying to push on some products that the customer initially has not thought of buying. This is probably partly because the sales personnel feel that they don't gain anything from trying to sell a product. It requires more effort and the sales personnel probably feels like they would have nothing to win with this effort either. Even if the consumer still seems to be in charge, the sales personnel is the closest link the product manufacturer has to affecting the consumers opinions.

The researcher would suggest that a manufacturers selling products in a retail shop, where all the competing products are as well, would need to take a different approach in increasing sales. The problem that is stated in the interviews when it comes to sales channel motivation is that the sales personnel feel like they have nothing to win in pushing forward the sales of a certain kind of product. The researcher would recommend that the manufacturers would consider on engaging in some kind of consumer loyalty program. In these kind of programs the sales personnel would be encouraged to sell more of a certain product. The sales could be increased if there would be some kind of rewards from selling well, then the sales personnel would benefit on this and they would find a reason to promote a certain product. If the sales personnel would sell a certain kind of amount of products, the sales personnel would receive a reward. The rewards would not have to be big or expensive, but something that will encourage the sales person to increase the sales little by little. Even if the amount of products sold per sales personnel would not increase with for example more than one product per month, still if there is a whole retail sales store chain involved in the

customer loyalty program with most of their sales personnel, the difference can be very significant in the end. The retail store chains employ many sales people and the effects could be substantial since so many sales people would be involved in the sales channel motivation program.

Additionally it could be a significant advantage, if product manufacturers would get the sales personnel to activate themselves in using a certain product manufacturer's products, this could be something that could be negotiated with the retail store chains management. It could be suggested that the manufacturers and retail store chains become partners and agree on a deal where the manufacturers offer mobile phones for a cheaper price to the sales personnel. If the sales personnel would all have the same brands phones, it would reflect to the customer that these sales personnel are experts in their fields, and they have all chosen the same phone. The price of the phones versus the effects of this campaign in sales has to be somewhat measured, but it could be a successful way to try to increase sales.

The researcher feels that the retail sales industry is a very interesting topic and an opportunity for product manufacturers to increase their sales in the future. There are many things that could be developed and looked at. The thing that the manufacturers need to take in consideration though is that the retail shops are also doing business and that the retail shops need to be fair to all the manufacturers that are selling their products in the stores. If one manufacturer would be emphasized more than others, some manufacturers might not look at this in a positive way and act accordingly. Even though the retail store chains buy products from the product manufacturers and in that way are their clients, the retail store chains needs to remember that it is depended on the product manufacturers that want to sell their products in that specific retail store chain. Even if the product manufacturers want to increase their sales it is good to remember that the retail stores should stay as neutral as possible and promote different products according to the consumer's preferences. It is in the interest of both parties to co-operate in a good way and to sell products. It is also in the interest of both parties to respect the consumers and their needs and wants. In the end it is the consumers that buy the products and bring in the money to the product manufacturer, whole sale and the retail shops.

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## APPENDICES

### Interview 1 –Company X

#### **1. What are the factors that affect what products are being sold to the customer?**

-As a salesman it is a good idea to ask of preferences and past experiences, because even if you are good in selling and persuading people, nothing speaks louder than the experiences in the past. If you do not ask about the customer's preferences, you will probably waste your time. When you ask what the customer wants the customer will tell you. They might say something like "I have had this product and I liked it, but it was a bit noisy" Then you know that the certain type of product, the size, shape, features and other things are preferable as long as it is a bit less noisy.

#### **2. Do you get any kind of guidance from whole sellers where they tell you that for example Nokia Lumia 900 has been ordered in large quantities to Finland, you should enhance the selling of Nokia Lumia 900 because the warehouses are full of them?**

That is not usually the case, people cannot be fooled, and there are so many people that know what they want. You either sell to the customer what they want or then they will go to another store that will sell them what they want. There might be discounts on products, these products might end up in commercials but this does not have that big effect on what the seller is promoting. If the product in matter might fall in a certain category, then discount products might be mentioned in that specific category. But I want to emphasize that it is not in our interest to promote something that is not what the customer wants. If we have sold the customer something that they have not wanted, they either come back with it after a week or return it or even worse, they will never come back.

#### **3. Can customer loyalty be seen as a factor in the purchase decision?**

Some products definitely have their loyal customers. In the case of mobile phones this is shown very clearly. When a salesperson asks about the customer's preferences, the customer might say that they have owned all models of the iPhone. In this case it would be bad to promote anything else than products from Apple. Even if the sales person

would want to sell Nokia phones, it would not be wise to try to do that, since then the salesperson might not sell anything at all.

#### **4. What is the most usual factor affecting what the customer wants?**

Past experiences are the most usual. Also, as a sales person, you need to be able to read the things the customer don't say since will also speak of what they want. If they do not mention that something was not right, it usually was satisfactory.

#### **5. Does the media effect the opinions of the customers?**

Yes, definitely. It can be seen in the fact that iPhones are sold out when new models are released. But take Nokia for instance, their Lumia phones are not that much worse than the iPhones are, or it is a matter of opinion, but the difference is exaggerated by the media so that they would have something to write about. This also applies to cars.

Differences between two car models in the same category are not big but magazines comparing cars would not have anything to write about if they would write that the differences are not that big. Nokia's problem is that they have come down from a very untouchable position. Nokia's situation is not bad, they are not making bad phones. I would say that the difference between the images are bigger than the difference between qualities.

### **Interview 2 – Company Y**

#### **What are the factors that affect what products are being sold to the customer?**

Past experiences, and preferences. We usual find out what the customer is looking for by just asking what they are looking for .It depends on the product they are looking for. For example, if the customer is buying a washing machine it is good to know what brand they have used before. Usually if a consumer has used the brand Miele before, they probably want to use it again. That is typical for Miele laundry machines that are preferred by certain customers. Usually if the customer has had a Miele before, then they want to buy it again. In this case it does not really matter what you try to offer. The comfort and past experience is the main influence for the purchase decision. In that case it is only a matter of what type of Miele they would want. But all customers are not like

this, it depends on the product field and what variety of products there are within that field and what the customer knows about the product from before

**Do you get any kind of guidance from whole sellers where they tell you that Nokia Lumia 900 has been ordered in large quantities to Finland, you should enhance the selling of Nokia Lumia 900 because the warehouses are full of them?**

No not really. The customer might have seen our sales in a magazine and then they come and want what is on sale. But no, it is not a good idea to try to sell to the customer something that they don't want.

**Can customer loyalty be seen as a factor in the purchase decision?**

Yes, definitely, like in the case of Miele users.

**What is the most usual factor affecting what the customer wants?**

Past experiences are the biggest influences, it is something that has an impact.

**Does the media effect the opinions of the customers?**

This is very much dependent on the brand. Products that are in the media are effected by the media, others are not that much.