

CONSUMER BEHAVIOUR AND DECISION MAKING PROCESSES

Case: AS TKM King

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Abstract <p>In the beginning of the year 2014, AS TKM King (specialized in shoe retail) commissioned a survey to map the brand position of their two shoe-store brands "SHU" and "ABC King". The thesis was ordered to provide background information about the latest findings in consumer behavior and neuroscience field. The main research question of the thesis was – which are the motivations and factors that influence the consumer decision making process, based on a theory and real life examples? The thesis is based on the qualitative research method, which is useful for developing consumer and marketing insights.</p> <p>The first part of the thesis provides theoretical basis, to understand the background of neuroscience and consumer decision making processes. This section aims to give marketing managers a thorough overview of the findings in the field of cognitive neuroscience, and how these findings can be used for creating effective marketing messages. The second part connects the theory to the real world through research. The research involves observations in three stores of "ABC King" and in-depth interviews with five participants.</p> <p>The results of the research revealed that "ABC King" communicates almost exclusively through visual and auditory stimulation, leaving out aroma, touch, and flavors. Brands communicating through a multisensory platform have the greatest likelihood of creating a strong brand-related awareness. Taking into account the pre-existing theory and interview results, there could be ways of creating more effective marketing strategies by using the "5D" branding.</p>		
Keywords: cognitive neuroscience, consumer behavior, sensory branding, limbic map, marketing, observation, depth interviews.		
Miscellaneous:		

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1 Introduction

The topic was chosen together with AS TKM King to support the Survey they ordered in the beginning of year 2014 – for finding out the brand position of their two shoe-store brands “ABC King” and “SHU” in the Estonian market. In order to better understand the results, and to take actions for improving them, AS TKM King ordered this thesis to provide the latest info about the brand related experiences and consumer behaviour.

The discoveries made in the neuroscience field combined with marketing tools create good grounds for improving the reputation of a brand together with the sales results. However from an evaluation of the 200 world`s most valuable brands (Lindström 2010, 153), we can see that very few (10% at this time) companies take advantage of these opportunities. This study will help an actual company to become closer to the theory and results of using neuroscience in marketing.

In order to understand consumer behaviour, the topic is first reviewed from the perspective of cognitive psychology and decision making processes. The second part provides information based on real-life experiences. The conclusion will combine the practical findings together with the theory, and gives suggestions for future marketing strategies.

1.1 Overview of AS TKM King

Based on the annual report of Tallinna Kaubamaja Group 2013, AS TKM King was founded in 2013 by merging two companies acquired by the Tallinna Kaubamaja group in 2008 – Suurtüki NK OÜ (founded in 1995) and AS ABC King (founded in 1993).

The company, specialized in footwear retail, operates two retail chains – ABC King and Shu, with a market share of ca 30% of the country`s footwear retail market (NG Investments web page 2014)

The Company has 9 stores of “ABC King”, and 17 stores of “Shu”. While “Shu” is orientated to target below average and average income consumers, “ABC King” has a mission of “being number one shoe store in Estonia”, offering a wide selection of brands with a higher quality and price ratio (www.abcking.ee, www.shushop.eu).

1.2 Previous studies made on similar subjects

There are many interesting studies made on similar subjects, covering different areas (neuropsychology, consumer behavior, sensory branding) and bringing examples from a variety of fields (fashion industry, retail industry, fast-moving consumer goods and etc).

From the decision making process the author would like to point out Professor Daniel Kahnemann (awarded with the Nobel Prize in Economics in 2000) with the book “Thinking, Fast and Slow” (2012). This book creates a profound understanding of how individuals make their daily decisions. Connecting economics with psyche, Kahnemann creates a new concept of “behavioral economics”. The theory is supported by numerous descriptions of research, as well as practical tasks that will help the reader to adopt the information.

Similar, but with more humorous attach, “Predictably Irrational: The Hidden Forces That Shape Our Decisions” (2011), Dan Ariely explains how people, who think about themselves as rational beings, are mostly irrational in their choices and actions. When the previous book represents the scientific approach, this book will help to bring the science closer to the readers, going through different aspects of their daily lives. The book includes examples of how individuals compare prices and choose one product over the other.

Going deeper to the perception of prices, a book by William Poundstone “Priceless: The Myth of Fair Value (and How to Take Advantage of It)” (2012) will explain how people perceive the connections between price and value of the products/services.

The book gives numerous examples of how marketers influence the consumer decisions through emotions, sub-consciousness and contextualizing.

Paco Underhill and Martin Lindström have published a series of books that will help connect previous info with brand related experiences. “Why We Buy: The Science of Shopping” (1999) by Paco Underhill – explains the struggle among marketers and merchants in order to increase the control over consumers; “Buyology – Truth and Lies About Why We Buy” (2010) by Martin Lindstrom, foreword by Paco Underhill – explains, based on scientific studies and neurochemical processes of the brain, how people react to certain marketing stimuli; “Brand Sense” (2010) by Martin Lindstrom, explains from the sensory branding point of view, how senses affect the purchasing decisions.

The latest findings in brain research, psychology and marketing is gathered under a study lead by Professor Hans-Georg Häusel, called the “Limbic Map”. The map gives an insight into conscious and unconscious motivational structures, helping marketers to segment their audience by neuropsychological factors.

Last but not least a book of “Qualitative Consumer and Marketing Research” (2013) by Russel Belk, Robert V. Kozinets and Eileen Fischer, gives up-to-date information about the recent trends in marketing research. This volume helps to conduct and analyse relevant information about the phenomena on the market, using the latest findings in neuroscience.

Going through this material should give a profound understanding of the consumer decision making process, and how these processes can be affected by marketing stimuli. It also helps to understand the importance of conducting relevant, up-to-date information about the market and the target group(s), in order to choose and create effective marketing strategies.

1.3 Research approach, strategy and problem

The thesis is based on a theory of mixed method research, whereas AS TKM King ordered a survey to collect quantitative data and qualitative research (this thesis), in order to seek a deeper understanding of the brand position of their branded shoe-store chain "ABC King". From the quantitative research they will be able to see the current trends and results of their actions taken after the previous survey. The qualitative part will provide in depth understanding of how the brand loyalty is created from a neuroscience perspective, as well as information that will either support the survey results or bring some new aspects to the table.

Qualitative marketing research is useful for developing consumer and marketing insights for building and strengthening the brand differentiation (Belk, Fischer & Kozinets 2013, 159). The research is exploratory by means that it is used when the researcher does not know what to expect, wants to define the problem or develop an entirely new approach. It is also used for going deeper to explore the nuances of the problem or topic at hand. (Mora 2010, no page). According to Creswell (2007, 1) Qualitative research is highly appreciated because of its similarity to the everyday lives, where trends are often supported by individual stories.

The main question of this research is: Which are the motivations and factors that influence consumer decision making process, based on a theory and real life examples?

The qualitative research in this study will be carried out using traditions of neo-positivism - a tradition that tries to explain factors of a specific phenomenon, or the consequences that may arise when a particular phenomenon occurs. It is often used in the fields of consumer research and marketing. (Belk et al. 2013, 25)

The research will be conducted using two methods:

- Observations in the points of sales;
- Depth interviews;

The point-of-sale e.g. POS is where buying decisions are made, therefore it holds the most important marketing opportunities. The observational method was chosen to understand which marketing messages/tools are used in the ABC King stores for influencing consumer`s purchasing decisions. The observations will be carried out following the knowledge gained from the theoretical basis.

The biggest benefit of observational method is allowing to get contextualised and “in situation” information. The biggest limitation according to this study is, that while the researcher can see, hear and smell the context, he or she cannot see into the consumers` heads, to understand why they act the way they do. (Belk et al. 2013, 90-91). Other limitations of observational methods are that it is time consuming, give less responses compared to survey results, and the results always reflect the knowledge and the experiences of the researcher.

The depth interviews were chosen to support the survey with additional data. When the survey answers AS TKM King, where their current brand loyalty and reputation lies, depth interviews will give more in-depth information about which are the reasons for this outcome. The interviews will also support the observations by bringing out some (consumers`) issues and needs that the observations cannot spot due to its limitations.

The two most important benefits of depth interviews in accordance with this study are (Page 2010, 19):

- giving a deeper and broader understanding of the subject(s) at hand;
- allowing to develop new understandings and theories besides the pre-existing theory;

The biggest limitations to depth interviews are (Op. cit. 19):

- the interviews are time consuming and give less responses compared to surveys;
- the interviews require a big number of skills;

- the coding of the interviews always reflect the beliefs and experiences of the researcher;

However difficult or limited the two methods are, they will carry the purpose that was set in the first hand – to understand the key factors and trigger behind the consumer decision making processes based on the real life experiences.

The outcomes of the research will be combined with the theory under the conclusion paragraph. The combination of the quantitative and qualitative information will be carried out by AS TKM King.

2 Consumer decision making process

Discoveries in cognitive neuroscience field offer a chance to get an insight to consumers' heads. Investigating how humans (and primates) use their brains in complex behaviours, helps to understand how the biology and the neurochemistry of the brain enables people to carry out everyday tasks, such as using computers, or choosing what goes into the shopping basket. The emerging consensus of how the brain works has the power to give tremendous insight into how consumers respond to marketing messages.

Psychologist and economists believed for very long that people are being rational while judgment and decision making (including purchasing). Instead, studies (see also appendix 1 – “Experimental psychology” and appendix 2 – “Brain imaging”) show that most of the decisions are made using fast thinking (Kahnemann 2011, 21), which is based on emotions triggered by memories and past experiences (Häusel 2011, 14-22). In the light of marketing it means that knowledge about the key indicators behind the emotions are needed, in order to influence them through advertising.

Another essential finding is that up to 80% of the communication with the outside world is nonverbal e.g. sensory. Nevertheless, the advertising industry still communicates almost exclusively in two (visual and auditory) senses, leaving out aroma, touch and flavours (Lindström 2010, 10).

Studies in the consumer behaviour field lead to the understanding that some of the traditional marketing tools may not work in a way that we have hoped so far. Different case studies show that commercials and marketing campaigns can even lead to negative associations (see Nokia ringtone test in Appendix 2) and very often they may have no influence at all, if the branding campaign is talking in a language of a different target group.

The theoretical part of this paper will focus on the key findings of the cognitive neuroscience field and consumer behaviour, explaining how these findings can be used for creating successful marketing strategies.

2.1 Fast and slow thinking

In ancient Greece, a philosopher Plato compared the human soul with a chariot pulled by two horses. One horse was a symbol of “reason” and the other horse a symbol of “emotion” (Miljkovic 2010, 274). Similarly, neuropsychology divides the brain into two sections called System 1 and System 2, which respectively produce fast and slow thinking. Kahnemann (2011, 21) explains that when people think of themselves, they identify with system 2 – the conscious reasoning self. Although System 2 believes itself to be where the action is, the true hero is System 1.

System 1 is automatic, quick and almost effortless while generating responses to fronted challenges. However, System 1 is also responsible for many biases, as it has a limited capacity for the amount of information being processed. While making decisions, System 1 overweights some aspects of the information that evoke connections such as memories and/or prior experiences, while underweighting others. When an appropriate response is not accessible, another response is produced – sometimes answering a question that is only partially related to the one that was asked. Some examples of the automatic activities that are attributed to System 1 (Kahnemann 2011, 21):

- Detect that one object is more distant than the other;
- Orient to the source of a sudden sound;
- Complete common phrases like “bread and...”;
- Drive a car on an empty road;
- Answer to $2 \times 2 =$

When System 1 fails to solve more complex situations, System 2 takes over. System 2 is in control of effortful mental activities like complex computations. While system 1 is involuntary – a person cannot refrain from understanding simple sentences in his/her language – a system 2 is voluntary. The highly diverse operations of System 2 require attention and are disrupted when attention is drawn away (as well, as when the person finds the exercise to be too complex and gives up). Some examples of System 2 in use (Op. cit. 22):

- Focus on the voice of a particular person in a crowded and noisy room;
- Look for a woman with white hair;
- Maintain a faster walking speed that is natural to you;
- Count the occurrences of letter “a” from this chapter;
- Compare two washing machines for overall value.

An interesting phenomenon explaining the biases of people’s judgment is called “framing”. Neuroscientists have shown great interest in “framing effects”, running studies in which the brain activity of the test subjects is measured while the participants are asked to choose between some options. A test illustrating the framing effects can be found in Appendix 1.

In the studies the participants are usually presented with two equal options and asked to choose one of them (for example keep 20 dollars and lose 30, or lose 30 dollars, keep 20). In the majority of the cases the subjects choose the options with positive wording (in this example “keep”). This is because words like “KEEP” or “LOSE”, have a high emotional loading, and activate the brain area called amygdala, which is involved in the decision making process of System 1. By joining the results of choices with the mapping of neural activities, the studies illustrate how emotions, evoked by a single word, can “leak” into the final choice.

To conclude, System 1 makes most of our everyday decisions in recurring situations (including shopping), or in case quick reactions are needed (a danger occurs). System 2 takes over, when System 1 fails to solve the problem. Also, when solving the task

seems to take too much effort (comparing two products for overall value), System 1 comes back to make a decision based on automatic associative processes – shortly put emotions.

The emotions, including all our basic values and motives, differ a wide range – being influenced by a person's upbringing as well as their cultural environment, education, experiences, etc. Although every person has his/her own individual story, a group of scientists from Germany (lead by professor Häusel) have discovered that there are some patterns and motives that can be grouped together in a model called a "Limbic Map". The map helps marketers to understand consumer behaviour from the neuropsychological point of view, and is described shortly in the next paragraph.

2.2 "Limbic Map"

The "Limbic Map" combines the latest findings in brain research with consumer research. The map positions the basic values and motives of individuals into three categories (see Figure 1) based on expert assessments and psychologists (Häusel 2011, 44-51). The three categories are called Stimulant, Dominance and Balance.

The category called "Stimulant" is needed for evolving and is influenced by playful emotions like creativity, curiousness, fun, pleasure and humor. These emotions are vital for growing from an infant to an adult. When a person has grown-up, they play an important role in discovering new things.

The second category called "Dominance" is needed for maintaining order and discipline, but also for attaining a certain position among other. This section gathers key words like power, pride, honor, ambition, logic and functionality.

The third category is called Balance, and is needed for being safe. Security related terms like trust, friendship, family, loyalty, nature and home can be found in this category.

Depending on the situation, the brain uses different motives and indicators, but according to the persons individuality some of the motives are used more often than the others. The “Limbic Map” places the motivational factors on emotional fields (see on Figure 1) and enables to classify the consumers into seven categories, which can be seen in Figure 2.

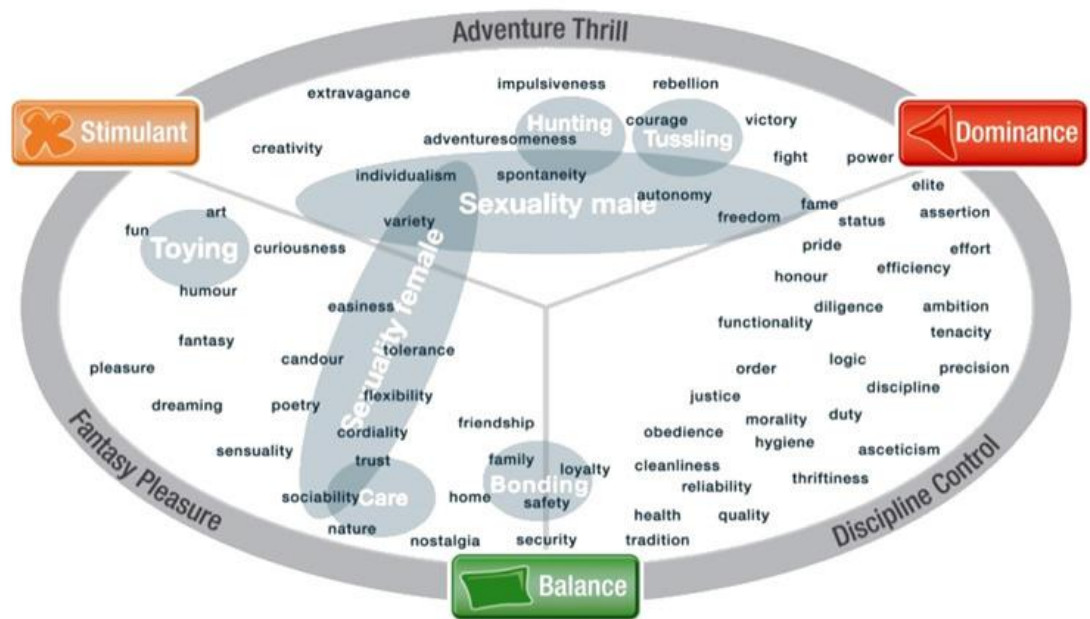


Figure 1. “Limbic Map” with the emotional fields. (Häusel, 2011, 48)

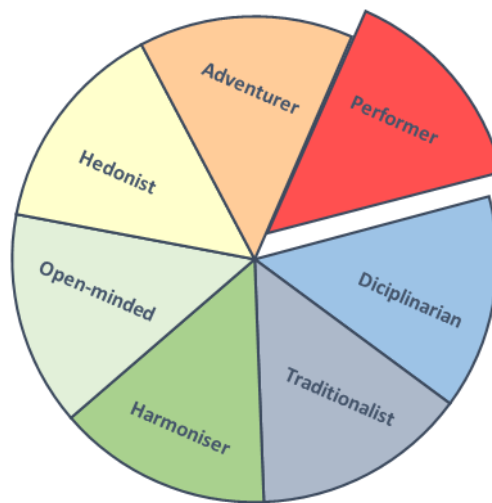


Figure 2. Seven consumer types according to emotional fields. (Häusel, 2011, 61)

As seen on the Figure 2, the seven types of consumers according to the emotional fields are:

- Performer – a consumer, who is utmost interested in power, fame and status. This type of person values freedom and therefore drives with a fast and expensive car (for example “Ferrari”). He or she wants to be special and wears expensive clothes following the latest fashion.
- Disciplinarian – a consumer who is interested in discipline and logic. He or she values efficiency and functionality, therefore has loyalty towards certain brands and products.
- Traditionalist – a type, who values traditions and morality. He or she is interested in things which promise safety (for example a Volvo car). This type of a person is also highly concerned about health and hygiene, therefore is a perfect target for washing and cleaning products.
- Harmonizer – a person, who values above all family, friendship and home. He or she is fond of natural and ecological products. A perfect target for gardening tools and nostalgic home décor.
- Open-minded- a candor, warm and social person, who is interested in poetry. He or she is flexible and has high tolerance regarding the outer world. A perfect target for bookstores and theaters.

- Hedonist – a fun-loving and curious person who likes to try new things. This type is willing to try out new and crazy things that become fashionable.
- Adventurer – is a spontaneous person who likes to travel and take risks. A perfect target for bungee Jumping and hunting gear.

All individuals share values and motivations from three main categories, but some values are usually stronger, creating the persons profile. Regarding the profile it is easier to tune the marketing message in a way that it addresses the right person.

2.3 Sensory branding

The emotional fields in the last chapter make it possible to understand which are the motives and values that thrive certain customer types to a purchase decision. If the company wanted to sell gardening products, the main customer target would be the “Harmonizer”, who values above all nature, home, family and nostalgia. If the product is a Ferrari car, the target group will be the “Performer”, who is interested in power, fame, status and freedom.

Sensory marketing can be used for creating subconscious triggers and emotional connections with different consumer types. (Krishna 2012, 322). The studies made by behavioral psychologists’ show that up to 80% of the communication formed with the outside world is nonverbal e.g. sensory (Lindström 2012, 10).

Journal of Product & Brand Management has published an experiment run by a branding expert Martin Lindström (2005, 84-87), where a team of 60 researchers undertook a quantitative and qualitative study in 13 countries over an 18-month period. The study set out to determine the role the senses play in brand selections.

The results revealed that 99% of all brand communication focuses on only two of the senses – sight and sound. Emotional connections are effectively made with a synergy of all five senses, and those brands that are communicating from a multi-sensory brand platform (also called 5D branding) have the greatest likelihood of forming

emotional connections between consumers and their product. See Figure 3, illustrating how senses evoke certain motives and emotions that are responsible for the consumer behaviour.

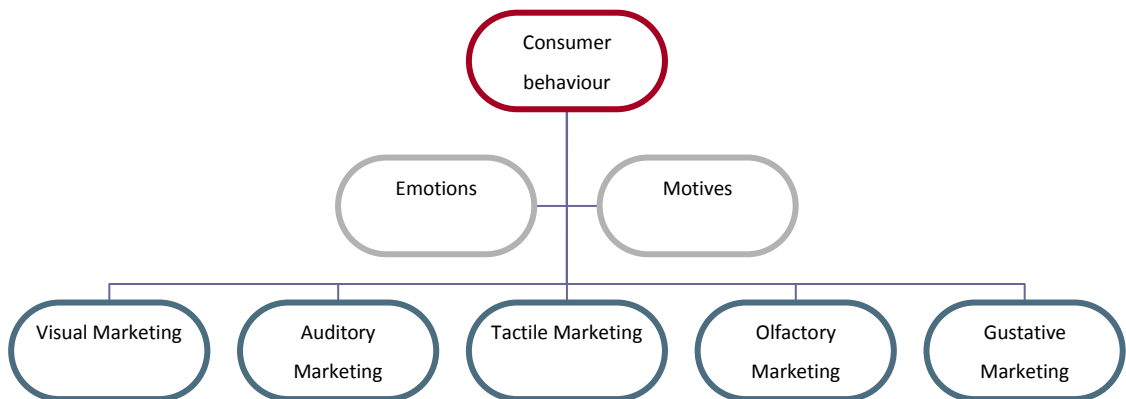


Figure 3. A conceptual framework of 5D marketing. (Krishna 2012, 335)

All the senses that are shown in the Figure 3, and their possible influences to the consumer behaviour, are explained in the next sections.

Visual marketing

The human brain uptakes images faster than the person sees. It captures every movement, color and image. Studies show that 83% of the sensory information people receive is visual. (Lindström 2010, 85). According to Häusel (Gruppe Nymphenburg homepage), colors play an important role in the limbic sense. Every emotional field response to certain colors that can be seen in Figure 4.

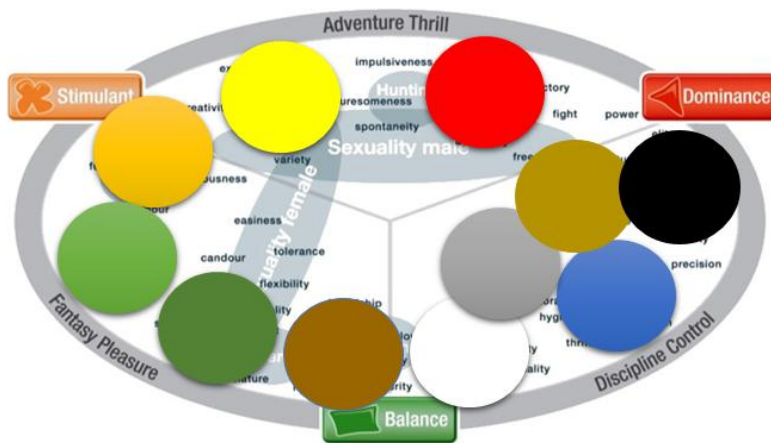


Figure 4. Colours connected to emotion fields. (Gruppe Nymphenburg homepage)

In marketing, sight has been and still is the most commonly used sense. Companies work hard for creating a distinguishable image of their products (for example Nescafe`s red mug and Coca-Cola glass bottle). Distinctive colors and shapes create the most solid foundation for advertising across different channels. However, taken into account the enormous quantities of visual information sent towards people through advertising, the brain`s natural filtering system has kicked in to block unnecessary data. This stated, seems that although distinctive design generates successful brands, it is more and more important to use all of the five senses as a holistic scheme for advertising.

Auditory marketing

Sound is directly connected to our emotional circuits and is essential for building the mood and creating the atmosphere. In a study published by the Journal of Consumer Research, Millman R. E. (1985), demonstrated how the pace of music playing in the stores affects consumers` behavior: the slower the music, the more they spent time for shopping. Victoria`s Secret, for example, uses classical music for creating the prestige and exclusive atmosphere. Another study by Alpert J. and Alpert M. (1988, 485-491) concluded that a happy music produces happy mood. Many branded stores, mostly with the younger focus-group, use pop-music for consumer arousal. Familiar music, compared to unfamiliar, might end up by the consumers spending

less time in the environment, but perceive themselves to have spent more time. (Yalch & Spangenberg 2000, 141).

To conclude, sound plays an important role in the consumer mood setting, and creating the atmosphere the marketer wishes to connect with his/her brand. The ambient sounds in retail stores should not be arbitrary, but carry a certain marketing purpose.

Tactile marketing

Personal descriptions often use haptic characteristics, for example: “Laura is a warm person”. Touch is also the first sense to develop in the womb and the last sense that decreases with age. (Krishna 2012, 335)

A study carried out by Martin Lindström revealed that 50% of the respondents placed the emphasis of feel higher than the looks. How a brand feels has a great influence on the quality people attribute to the product. (Lindström 2010, 91-92). Although people like to feel products, studies have revealed that the products are less liked after another client had touched it. Another test revealed that physical warmth generates interpersonal warmth, therefore a warm cup of coffee associates with warmer service (Krishna 2012, 335).

It is clear how tactile marketing can increase the sales rates of actual products, but what about retail environments? From the store atmosphere point of view, the climate is important - it should neither be too cold nor too warm. Möller and Herm suggest that brands who wish to create the association of sophistication, upper class, and glamour, should consider placing velvet fabrics on store shelves and other spaces, where they can be touched (Möller & Herm 2013, 444). The products must be placed at their original spots after they have been touched and tried by other customers. Last but not least the way that the products are packed and handed over to the consumer plays a great role in the consumer return rate. For the author of the thesis a very nice shoe-store experience in Riga ended with the products being packed into a beautiful bag made of fabric, instead of a common plastic material.

Olfactory marketing

Studies about the connection between smell and memory have proven that smell has the strongest capability of bringing up emotional memories. The limbic system is built in a way that only two synapses lie between the olfactory nerve and the amygdala, which is recognized for its role in emotions, and only three synapses between the hippocampus, which is responsible for memory (Krishna 2012, 338-339). Tests have showed that a pleasant smell can increase people's mood by 40%. (Lindström 2010, 96)

A work carried out by the Nobel prize winners in 2004, Buck and Axel, demonstrated that humans have about 1000 distinct scent receptors, compared to vision which has four distinct receptors. Since varying combinations of receptors recognise different smells, humans have the ability of recognising about 10 000 different scent combinations. However, people have difficulty in identifying scents by name, the autobiographical memories cued by olfactory information are older than the ones cued by verbal and visual information. (Krishna 2012, 339)

In a study published in 1992 by the neurologist Alar R. Hirsch, nearly a thousand adult consumers were asked to name smells that brought up nostalgic memories. The study revealed that there was a strong division between people who were born before 1930 and after 1930. The ones born before named natural smells like pine, hay, horses and meadows. The ones born later mentioned artificial smells like marker pens and baby-powder. (Lindström 2010, 96-97)

A study published in *Journal of Retailing* measured the time people spent in retail environment while it was not scented, scented with a simple smell (lemon, orange) or scented with a complex smell (orange-basil-green tea). The results showed that people spent more time and money in the simple scented environment, compared to the environment with the complex scent. The least time and money were spent in the unscented environment. (Herrmann et al. 2013, 35)

There are already quite many successful examples of scent used in the retail environment, starting with the freshly baked breads smell in the supermarkets food section and ending with the signature cologne called “Fierce” in Abercrombie & Fitch. When applying a scent in a retail store, the target group must be carefully analyzed, as depending on a person’s sex, age and cultural background, scents can arouse extremely different memories.

Gustative marketing

Taste and smell are two chemical senses that are closely linked together. Studies and experiments have revealed that when people do not like a taste of a certain food, they also dislike the scent and vice versa. (Lindström 2010, 101). Tastes associate strongly with colors: red and orange are expected to taste sweet, while green and yellow are expected to taste sour and white tends to be salty (Koch 2003, 239).

Tastes can be “branded” to taste better, as Coke and Pepsi blind test (see Appendix 1) showed. What about tastes increasing the brand related experience? While smell works over long distances, tastes have a limited capacity for effecting. Hospitality and service industries have quite well adapted taste as a marketing tool. Candy on the pillows and next to the service desk to decrease your anxiety in a long queue are already well known. Why not create a branded candy for a fashion or retail store, and give it to people together with the purchased product(s)?

Conclusion of sensory branding

Krishna (2012, 332), defines “sensory marketing” as marketing that engages the consumers ‘senses and affects their perception, judgment and behavior.” From the managerial point of view, sensory marketing can be used for creating subconscious triggers that evoke certain motives and emotions linked to the limbic fields, resulting in sales growth.

According to Lindström: (2010, 155) “The future of sensory brands will be evaluated on the following criteria:

- Is the brand taking advantage of all available sensory touch points?
- Is there a strong, consistent synergy across each of the touch points?
- To what degree does the brand reflect an innovative sensory mind-set that sets it apart from its competitors?
- To what extent does the consumer associate these sensory signals with this particular brand – and how authentic do they perceive these signals to be?
- How distinct and integrated are these signals for the consumer?”

The combination of sensory and emotional experiences is vital for creating the distinctive brand awareness.

2.4 The perception of price

As explained in the third paragraph, the perception of subjects can be very often biased by stimuli that has nothing to do with the question or task at hand. What about prices? Do individuals perceive prices in correlation with the actual value of the product and/or service?

According to economists a “starting price” is a maximum sum of money that the buyer is ready to pay, and minimum amount, that a seller is willing to sell. It is presumed that the actual price will be in the middle of those two landmarks. The psychologists look at the prices from a slightly different perspective. According to them, the purchasing price, shows the “desire” to possess something, and the sales price indicates the value for the seller of keeping the item and other aspects connected to it (including time, energy and pride). Individuals usually believe the prices to be like numbers on the ruler, the psychological perception of prices is much more diverse. (Poundstone 2012, 54)

To illustrate how psychological phenomena differs from the mathematical way people usually think about money. William Poundstone (2012, 55) brings an example of a study carried out at Harvard University:

To make students feel happy, they were given 10 dollars each. After receiving the money the test subjects were asked how much money should be given to make them twice as happy. From the mathematical point of view the answer should be 20 dollars. Answers from the students were between 35-50 dollars.

In another example, Japanese professor Tarow Indow, showed 127 students pictures of wristwatches. He asked them to rank the watches by “desirability rate”, and propose sensible prices to them. The test showed that students believed watches twice as desirable to be 8.7 times more expensive. (Poundstone 2012, 56)

Anchoring

The easiest way to “manipulate” the price perception is called “anchoring” and is connected to the fact that people are extremely sensitive to differences, but not so good at evaluating the absolute values. If a person has two similar suitcases, from which one weights 14 kilograms and the other 16 kilograms, he or she would find it easy to decide which suitcase is heavier. However, it would be almost impossible to decide (without a help of a scale), whether they fit into the 19-kilogram weight restriction of the airline. (Poundstone 2012, 17)

The best example to describe anchoring effect is an experiment carried out by Daniel Kahnemann and Amos Tversky (Kahnemann 2011, 119). They created a wheel of fortune (with a scale from 0-100), stopping only on two numbers 10 and 65. The students were recruited as test subjects and asked to write down the “fortune number”, after turning the wheel (in that case either 10 or 65). After writing down the number, students were asked two questions (quoting Kahnemann 2011, 119):

1. “Is the percentage of African nation among UN members larger or smaller than the number you just wrote?”
2. “What is your best guess of the percentage of African nations in the UN?”

The spin of a wheel of fortune cannot give any useful information about the questions at hand, and the participants should have just ignored it. However, the test results showed that they did not – the estimates of those who wrote down number 10 and 65 were 25% and 45% respectively.

The anchoring effect is common in the everyday life, and occurs when individuals consider a particular value of an unknown quantity, before estimating the quantity. The estimates stay close to the number that people considered. An example of price related anchoring in everyday life occurs, when people are given three price levels (low, medium and high), and they do not have certain preferences, the most commonly chosen price level is medium. Of course, the absolute value of “medium” is relative, depending on the prices (anchors) set on “low” and “high” level.

The studies have revealed that the influence of anchoring lasts much longer than genuinely expected (Poundstone 2012, 28). Buying a pair of expensive shoes is quite difficult for the first time, as the person compares the price to the pairs bought previously with a lower price. Buying a second pair of expensive shoes is much easier, because the person carries now an “anchor” of the first expensive pair in mind.

The price has a lot to do with the value people place on the object. A good example is a “confession” from an anonymous Broadway producer, explaining that the cheap seats do not sell, because people believe there is something wrong with them. (Poundstone 2012, 23).

2.5 The future of marketing

For creating a true relationship between two partners, both of them must be evident: they must collectively affect, define, and redefine the relationship (Fornier 1998, 343). To create a relationship between a brand and a person, the brand should not be a passive object, but an active member of the relationship.

Together with the fast growth of “viral marketing”, the phrase “Emotional Engagement” has become more important than just visibility. Until now, marketers have measured the success of their advertising campaigns in the number of contacts reached (TV rates, pass by rates, click-streams). Reaching the target group gets more and more difficult as the technology evolves, and people spread their attention

between different channels at the same time (TV, the internet, and mobile). In this fast-changing environment successful marketing means combining the three channels into one experience.

A good example of creating emotional engagement through mixed media marketing is Coca-Cola "Polar Bowl", where the brands most famous polar bears animated in real time during the Super Bowl 2012. The campaign was a big success, because not only it was viewed by 132 millions of people (through CokePolarBowl.com, Facebook and Twitter), but visitors spent average 28 minutes on the site, which is far longer than the average TV commercial. Fans were able to interact via social media – ending in 65 000 tweets during the game. (Framestore website, 2014)

While marketing messages are getting mixed in different technological devices, it is perceived that the importance of people behind the products increase at the same time. Different marketing blogs indicate that the new term instead of "selling" is "helping", and marketing becomes more "human" than ever. Quoting Estonian marketing guru Olav Osolin in a media conference "Digital Era: Marketing Trends in 2014", held in Tallinn 14.12.2013: "It is the story that matters". Marketing leader Andrew Davis endorses in his article "The Future of Branding is Human" to forget the words like "brand voice", "brand personality" and "branded interactions", and start telling the stories of the people behind the brands (Davis 2012). In other words, instead of *selling*, it becomes vital to *help people*, with the actual needs, to solve a problem, with actual measures. All of this can be concluded under the term "targeted marketing" where the purpose of marketing is to send out a message, which appeals the target group by being "on time" and "informative", or just by being "fun".

For a very long time marketers believed that the message has to be as short and sharp as possible, as people tend to quickly lose their interest. Based on the findings in cognitive psychology, it is now known that the length of the message is not as important as the way the message addresses the target group. A good example of addressing with the right message (in that case young people), is a video called

“Dumb ways to die”. It was created to warn young people from the dangers around a metro station. The video itself is three minutes long, and appeals with a good sense of humour. (Osolin 2013, Youtube 2014)

The Future of Fashion Industry

The fashion industry is quick in adapting the technological advantages to create an experience of “entertainment”. In 2002 Prada introduced dressing rooms with “smart” closets. The closets scan the customer`s individual, electronic chip-based clothing tags, and send information of the garment to the interactive touch-screens. The customer can use the screen to choose other sizes, colours and fabrics. The screens show also a video of the garment being worn on the Prada catwalk. (Lindtström 2010, 149).

Today, microchips are able to identify “colour clash”, informing customers if a new piece of clothing matches their existing wardrobe. Once a consumers decides to buy an item, the chip could politely inform the consumer of the best way to take care of it. (Op. cit. 150).

The fashion industry is also fast in catching up the perfume industry, using the branded senses together with the products and in retail environments.

The Future of Retail Industry

Retail industry has made “steady strides” in the sensory branding over the past decades. First, the stores started introducing music, then designers complemented the store atmosphere with layouts and décor, today the aromas are used. According to Lindström (2010, 149), the problem is, that most of this sensory progress (except Abercrombie & Fitch) is non-branded. Very few chains develop their own branded sound, aromas, and tactile-sensory bags.

Lindström (2010, 149) expects retailers to be pushed to the right sensory direction. For example, using sonic logos, which will play branded tunes when you open the package at home.

To conclude, technological advantages make it easier to escape from the marketing messages, if a person is not engaged to it. The era of “traditional marketing” is ending. Marketers need to be creative in using sensory branding as a holistic way of spreading the news.

2.6 Conclusion of the theoretical basis

Companies spend every year a remarkable amount of money on traditional advertising without knowing if the results meet their expectations. After Pepsi had started using “non-traditional” marketing tools in 2002, including live-show products placement and special events, the company stated a 30% sales growth and an enormous drop in traditional media expenditures. Creating a “holistic brand related experience” is by looking into the future more vital than ever. (Shu-Pei Tsai 2005, 433).

For a very long time, Marketing Scholars stated that a traditional market research is accurate and credible for allowing companies to make informed business decisions. However, it is now predicted that over 80% of the failures in creating new products come from conventional research methods. The traditional way is inadequate,

because it depends on the willingness and capability of the clients to describe how they feel while exposed to advertising. The bias comes from the assumption, that people are able to describe their own cognitive process, which (also explained in chapter 2.3) is mainly not true, because the cognitive processes have many subconscious components. (Asela, Burgos-Campero and Vargas-Hernandez 2013, 518).

The brain, despite being only 2% of the body mass, is responsible for all decisions and behaviors. Most of the functions people need for survival are handled by the brain at an unconscious level (about 80-97%). When the languages of different cultures vary at a large scale, the language of the brain maintains the same. (Asela et al. 2013, 518).

Combining standard behavioral methods with neurophysiological ones, has created an opportunity to deepen and expand the understanding of consumer psychology. While only few percentage of the brain functions are at a conscious level, it is clear that what marketers need to investigate is not *what* people say they think, but *how* they think.

There is a variety of motives responsible of forming the decisions, being influenced by a person's upbringing and past experiences. In order to simplify and make it possible to understand the links between motives and decisions, a group of scientists from Germany, led by professor Häusel, have created a model called the "Limbic Map". The map helps marketers to understand consumer behavior as well as creating future marketing strategies for "pushing the right buttons".

Underneath "the buttons" of every person lies an "emotional field", which is linked to the outside world through nonverbal e.g. sensory impressions. Senses are responsible for tuning the mood and bringing up memories. By using 5D branding, which includes all five senses, marketers have the tools for creating positive emotions about a brand or a product, as well as arousing (positive) past experiences.

The future of marketing is becoming more mixed than ever. Tracking the consumers from the media gets harder every day, as the attention is scattered between different channels. Marketing messages need to be appealing and engaging in every sense. Together with the growth and importance of the technological devices in our lives, the “human factor” becomes more vital than ever. Ultimately, it is not a brand that creates a new fashion collection and posts it on the Facebook wall.

3 Research method

In a highly competitive marketplace, where even tiny differences in market strategy can be critical for gaining a market share, marketing managers have increased interests in qualitative research methods such as depth interviews, ethnography, observational methods, videography, etc. The ability to follow a marketing orientation in a timely fashion requires relevant, evidence-based and practical consumer insights. (Belk et al. 2013, 159)

Understanding how consumers build their emotional, physical, and cognitive routines around their habits of consumption, can help managers to detect where the opportunities and problems lie. (Op. cit. 172)

In the research part, the author will evaluate the brand associations of ABC King from the “emotional” point of view. The author tries to find out which indicators thrive consumers to buy their shoes from “ABC King”. Taking into account the knowledge of sensory branding and decision making processes, the author will try to evaluate by observations, which audience the stores are communicating through sensory appeal, and whether there lies opportunities of including more sensory branding to the store atmosphere.

Taking into account the benefits and limitations of observational method, described in the paragraph 1.3, the author will conduct five depth interviews from the “ABC King” target audience (described by the marketing manager of AS TKM King), to explore the reasons behind the consumer decision making process, that cannot be seen while exploring the store atmosphere. The depth interviews will be supporting the observations and survey results, giving in-depth understanding why the consumers behave and think the way they do.

In order to understand the methods better, the next paragraphs will describe the paradigms of point of sale observations and depth interviews.

Observations in the point of sales

From the history of being hunters and gatherers, people have an exceptionally good memory for different rooms and objects inside it. (Foer 2012, 114) Having to use this skill in the past for reading landmarks and hunting food, people nowadays use it for “shopping”.

Today, most of the Individual and department stores use the concept of “a room inside (of) a room”. Separate corners and areas are created for distinguishing different brands. The design of single-branded stores is essential for the consumer to know immediately which store they have entered.

Kotler (1973, 49) explained the influence of the point of sales physical environment on the behavior of the customers and gave a definition of the atmosphere as “the creation of a consumption environment that produces specific emotional effects on the person, like pleasure or excitation that can increase his/her possibility of buying”.

Figure 5 illustrates how physical environments effect customers. The framework shows three basic dimensions (pleasure, arousal, and dominance), that individuals react nonverbally, leading to shopping behavior (time, exploration, communication, satisfaction).

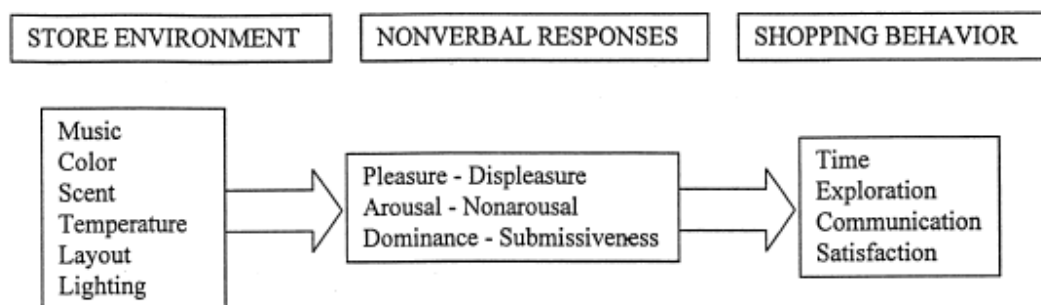


Figure 5. A framework integrating store environment factors. (Yalch & Spangerberg, 2000, 140)

The first response, pleasure-displeasure, is called an effectual reaction, showing whether the individuals perceive the environment enjoyable or not. For example, popular songs should enhance the enjoyment, and unpopular music diminish it. The second dimension shows how the environment stimulates the consumer. A study, described earlier in this paper, by by Alpert J. and Alpert M. (1988, 485-491) concluded that a happy music produces a happy mood. The third dimension, dominance- submissiveness, shows whether the individual feels in control or under control in the store. For example red color could be perceived as violent/aggressive (Op. cit. 2000, 140).

Time relates to the desire to physically stay or leave the environment. An attractive in-store environment increases the traffic and time spent in the store. Exploration shows the desire to explore the area – having some hidden corners and product displays creates curiosity. Having the store coloured dark, might add mystery to the whole space. Communication represents the willingness to communicate with others (including staff), and is particularly important in the retail stores, where customers need to rely on the staff. Satisfaction relates to the ability of the customers to find what they were looking for, to purchase the item with a minimal queue, and transport the item easily to their cars (homes). (Op. cit. 2000, 140-141)

The observational part of this research tries to find out how the “ABC King” store atmosphere influences the nonverbal responses, leading to shopping behavior.

Depth interviews

Depth interviews, along with observations, form the core data collection routine in qualitative research. The interviews seek an in-depth understanding of the topic at hand. The interviews are usually held with one person (specialist or a person who has information/opinion about the current topic), but sometimes group interviews or even self-interviews are held. The interviews are carried out in a formal way and last about an hour or longer. Depth interviews differ from survey research, which has fixed questions in fixed order. Depth interviews follow a conversational route,

keeping in mind the protocol (essential topics and points) that need to be discussed. (Belk et al. 2013, 31)

The key characteristics of depth interviews are following (Guion & Diehl 2011):

- Open-ended questions – questions are worded so that the respondents expound the topic, not just answering “yes” or “no”;
- Semi-structured format – the key topics and questions should be pre-planned, but the interviews must stay conversational, with questions flowing from the previous responses;
- Seeks understanding and interpretation – the interviewer should try to interpret what is being said and seek understanding of the topic at hand;

To successfully run a qualitative interviews, the interviewer needs to be (Op. cit. 2011):

- Open – minded;
- Flexible and responsive;
- Patient;
- Observant;
- A good listener;

According to Guion and Diehl (2011) there are seven stages of conducting the depth interviews:

1. Choosing the theme – in this stage the researcher clarifies the purpose of the interviews;
2. Designing – creating the interview guide, which includes the key topics and questions;
3. Interviewing – in the beginning of the interview the researcher must introduce the topic and purpose of the study. The interview must be conducted following the characteristics and skills described previously;

4. Transcribing – creating a transcription of each interview following the audio recording or field notes, or both;
5. Analysing – involves reading the transcripts to identify themes emerging from the respondents answers;
6. Verifying – checking the credibility of the information gathered;
7. Reporting – sharing results through written or oral report;

The depth interviews in this study will try to reveal the pleasures and displeasures of previous consumers' experiences. How did the consumers anticipate their previous purchases and why did they decide to buy the certain products from a certain store.

3.1 Data analyzes

The data will be coded based on prior studies made on the similar subject, and analysed through content analysis. Content analysis is used for analysing written, verbal or messages of visual communication (Elo and Kyngäs 2007, 107). Content analysis allows to make replicable and valid inferences from data to their context, providing knowledge, new insights and practical guides for action (Op. cit. 2007, 108)

The content analysis of this research will be consisting of two levels:

1. Descriptive account of the data (what was said during interviews, and seen during observations), without comments and theories (see results in chapter 4);
2. Analyses of what may have been inferred or implied, including comments and links to the theory (see conclusion in chapter 5)

The aim will be to attain a condensed but at the same time broad description of the phenomenon(s)/phenomena.

3.2 Implementation of the study

Observations:

The observations were carried out by the author of this thesis. Three stores, including the flag-ship store in “Viru Centre, were visited and evaluated following the framework in Table 1.

Location of the stores:

- Flag-ship store in “Viru Centre”, Viru Väljak 4/6, 10410, Tallinn (freshly renovated)
- Regular store in “Rocca al Mare Centre”, Paldiski maantee 102, 13522 Tallinn
- Regular store in “Kristiine Centre”, Endla 45, 10615, Tallinn

Time of the observations: The observations were carried out on the 11th, 13th and 15th of April 2014. During that time the “spring-summer” season had been started, and the seasonal products had arrived. There was a seasonal sale (up to 50%) running at the same time, and the older stock (last pairs) brought next to the entrance.

The research was conducted following the framework of a store atmosphere created by Kotler (1973, 49). This framework, see Table 1, includes all essential components of 5D branding.

Table 1. Atmosphere components in POS. (Kotler 1973, 49)

Type of sense	Components
Visual	Colors of the surrounding, materials, lights, layout (space cleanness), messages/texts
Auditory	Music, noises
Olfactory	Natural smells, artificial smells
Tactile	Materials, Temperature
Gustative	Sampling

The observations were carried out on different days and hours in order to maximize the reliability. The procedure was on correspondence of the store atmosphere framework, Table 1. However, the indicators like temperature and fresh air are not regulated by AS TKM King, but depend on the central air conditioning system of the shopping Centre.

Depth interviews

The depth interviews of this research were carried out by the author of the thesis. There were five interviewees, representing the main target group of “ABC King”. The target stated by “AS TKM King” consisted of people who have a steady above average income. They value quality, paying attention to the trends at the same time. The assignment from the company was to take interviews from:

- Three women at the age of 25-55;
- A man at the age of 25-55,
- A senior (male or female).

The interviewees were chosen by the author. They were:

1. Jaana, age 40; works as a sales director, high income;
2. Merit, age 40, works as a product manager, high income
3. Tiina, age 51; works as development manager, income above average;
4. Kristo, age 31, works as a marketing manager, income above average;
5. Maret, age 65; works as a sales representative, average income.

The interviews were taken during the period of the first to the eleventh of April in 2014. The location was chosen together with the interviewee, and mostly held at the interviewee’s workplace or at a coffee shop during lunch. The interviews lasted for about an hour.

The interviews were captured by taking notes and writing a transcript afterwards.

The protocol of the interviews:

- The product – how does the interviewee decide to purchase a certain pair of shoes;
- Media and Marketing – from which channels does the interviewee seek or get information about the shoes, trends and new collections;
- Best Place – from where does the interviewee buy his/her shoes most often;
- Service – are there any good/bad memories/remarks about the service in the shoe-stores, which the interviewee had visited;
- Expectations/suggestions – does the interviewee have any expectations or suggestions to shoe retailers in Estonia?

The interviews were taken following the guidelines of Belk et al. (2013, 36-39), but would have been more reliable if the researcher had had previous experience in depth interviews. There could have been more questions if the interviewer had known what to expect from the interviews. The validity would be higher after interviewing a bigger number of people. However there were aspects/patterns that can be linked to theory and therefore become valuable to AS TKM King.

4 Results

4.1 Observations in POS

The observations in POS revealed, that all of the three stores place a lot of emphasis on visual communication (like seen in tables below), and very few or none at all for olfactory, tactile or gustative marketing.

“Virus Centre”

The store in “Virus Centre” (see Table 2), was freshly renewed, and had the most indicators for creating emotions through visual stimulation (for more info see Figures 6-29 in Appendix 4). The emotional engagement was created through emotional signs in playful font on the walls (“Wow! Look at here!”), pictures combined with sculptures coming out of the wall, and interesting layout (different shapes for shelves and table-displays).

The entrance had the branded pink color lighting. The base of the walls was white, and the images/pictures/sculptures in variety of colors, including pastel shades of green, yellow, orange, blue and pink, as well as golden and silver elements. The ceiling was white and the floor looked like made of natural wood.

The product layout was organized mostly by brands and style, and in some part of the store by function (rubber-boots for example). There was a separate part in the middle of the store for high-brands (including men and women), with a more refined and sophisticated design, big armchairs and a chandelier. The brand communication was given through signs on the wall or designed shelves (See Figure 10 in Appendix 4). There accessories (scarfs, belts, bags) were combined with or next to the shoes in different areas of the stores. The children’s corner had boxes with products on the floor (in the children’s arms reach) and a slide for creating a child friendly atmosphere.

For trying the shoes there were chairs and mirrors in every part of the store, and a dressing room, for matching the shoes with the outfit.

The space of the store seemed organized, clean and clear. The customer could easily understand the new trends, and products on sale. The temperature was nice and cool, and there was enough fresh air (even on the busiest days). The lighting was bright (in some parts – like in the middle of the store, a little bit over exposed). The music was coming from the shopping centre system. After the purchase, the products were handed over in a pink plastic bag.

Table 2. Observation in “Virus Centre”.

Type of Sense	Components	Remarks
Visual	Colors of the surrounding, materials, lights, layout (space cleanness)	<p>Entrance – bright pink:</p> <p>Indoors - the base of the walls bright and white, combined with silver elements + playful images mostly from pastel and neutral colors (images together with 3D “sculptures”), natural looking wooden floors in three different colors (light brown, dark brown and grey);</p> <p>Brand communication: brand names communicated above the products, some names brought out in bigger font and special (branded) image or picture; special area (in the middle of the store) for high-class brands, with more sophisticated and refined style (dark-blue color), big armchairs and a chandelier from the ceiling;</p> <p>Signs: emotional statements with playful font on the wall (“Look at here, Wow!”), seasonal sale signs on the floors, tables and a big sign at the entrance; special offers from the brands (buy shoes, get a bag for free);</p> <p>Special things/effects: a dressing room, 3D sculptures for displaying products and coming out from the wall images, boxes on the floor on children’s reach level (with products);</p> <p>Lighting: bright, in some parts a little over-lighted;</p> <p>Layout: product displayed mostly by brands and style, partly by function, co-branding with bags and accessories, extra sales combinations with stockings, belts and scarfs.</p> <p>Space cleanness: clean, all the products at the right place;</p>
Auditory	Music, noises	Same music that the Centre is playing, otherwise noisy on busy times (with lot of customers) and quiet on workdays (less customers).

Type of Sense	Components	Remarks
Olfactory	Natural smells, artificial smells	Nice fresh air, mixed with artificial smells
Tactile	Materials, Temperature	Temperature cool (very good for shopping), materials: a mixture of materials (metal, plastic, wood), from cold and shiny artificial materials to warm wood, products were handed over in a plastic bag.
Gustative	Sampling	-

“Rocca al Mare”

The store in “Rocca al Mare” (see Table 4) was similar to the store in “Virus Centre” in terms of basic colour-gamma. The entrance was in branded pink colour, the walls mostly white, with silver stripes running over (see Figures 16-23 in appendix 4).

There were similar emotional statements (“Wow! Look at here!”), on the walls, but in a sophisticated font. The overall visual stimulation indicated the store to be more traditional and refined, with the twist of bright pink (see Figure 4. Colours connected to emotion fields).

The products were displayed similarly to “Virus Centre” - by brands and style, and in some part of the store by function. The lay-outs and displays were more sophisticated, without the “emotional elements” of the store in “Virus Centre”. The brands were communicated with signs on the walls, and in some occasions by images connected to the brands. There was no separate area for high-brands. The bags were co-branded with the shoes and on a separate table display. The accessories (belts, stockings) on a separate wall display (not close to the cashier). The children’s products were next to the pink-ornament wall, creating a child-friendly atmosphere. Similarly to “Virus Centre”, the store had a fitting room.

The space seemed clean and well-organized. There was enough fresh air. The music was calm and jazzy. The temperature was nice and cool. The lighting bright, but not over-exposed. After the purchase, the products were handed over in a pink plastic bag.

Table 3. Observation in “Rocca al Mare”

Type of Sense	Components	Remarks
Visual	Colors of the surrounding, materials, lights, layout (space cleanness)	<p>Entrance: bright pink</p> <p>Indoors: white walls with dark grey stripes running from the walls and over the ceilings, similar floor, colorful pink ornament on the wall next to the children’s products;</p> <p>Brand communication: brand names written on the wall above the products, some names brought out in a bigger font and branded images (Lacoste with the crocodile); no special area/communication for high-brands;</p> <p>Signs: emotional statements with sophisticated font on the wall (“Wow! Wear with pride”); seasonal sale signs on the floors, tables and a big sign at the entrance;</p> <p>Lighting: bright and light;</p> <p>Special things: dressing room</p> <p>Layout: Products displayed on tables and shelves, organized mostly by brands and style, partly by function; co-branded with bags, special wall for accessories (next to the dressing-room);</p> <p>For sitting: white chairs with pink fleece cover;</p> <p>Layout: well organized, the seasonal sales and last pairs do not create a messy feeling.</p>
Auditory	Music, noises	Relaxed Pop-music
Olfactory	Natural smells, artificial smells	No specific (branded) scent, nice fresh air, some parts of the store with artificial smell.
Tactile	Materials, Temperature	Good temperature (not too warm, not too cold); Materials – a mixture of wooden shelves and synthetic fibers on the chairs, products were handed over in a plastic bag.
Gustative	Sampling	-

“Kristiine Centre”

The store in “Kristiine Centre” welcomes with the familiar bright pink lighting in the entrance (see Figures 24-29 in Appendix 4). However, the main colour gamma is dark-grey, instead of white, and the overall feeling (including lighting) dim. There were emotional signs (“Wow! Look at here!”) and bubble-figures with shoes inside, for creating the emotional stimulation.

The products were displayed similarly to the previous stores. The lay-outs and displays were more sophisticated similarly to the store in Rocca al Mare Centre. The

brands were communicated with signs on the walls, and in some occasions by lighted panels (see Figure 26 in Appendix 4). There was no separate area for high-brands. The bags were co-branded with the shoes and on a separate table display. The accessories (belts, stockings) on a separate wall display (far from the cashier). The children`s products were displayed together with toys, creating a child-friendly atmosphere. There was a fitting room, similarly to the previous stores.

The space of the store did not look as clean and organized as in the previous stores. The products seemed to be misplaced by the previous customers (during all of the three observations). The music was relaxed pop-music. The temperature was medium-warm, and some parts of the stores felt airless.

Table 4. Observation in “Kristiine Centre”

Type of Sense	Components	Remarks
Visual	Colors of the surrounding, materials, lights, layout (space cleanness)	<p>Entrance: bright pink;</p> <p>Indoors: walls and ceilings colored dark grey, floor made from dark brown wood (imitation).</p> <p>Brand communication: some brands names brought out with light panels – (“billi bi”, “Lacoste”, “Esprit”), no special area/communication for high-brands;</p> <p>Signs: emotional statements with sophisticated font on the wall (“Look at here, Wow!”), seasonal sale signs on the floors, tables and a big sign at the entrance.</p> <p>Special things/effects: dressing room, bubble-lights (with shoes inside), toys for children, boxes on the floor on children`s reach level (with products);</p> <p>Lighting: dim</p> <p>Layout: products on the tables and shelves, displayed mostly by brands, in some occasion by function; shoes co-branded with bags, “last pairs” and discounted products brought next to the entrance; a wall for accessories next to the dressing room (far from the cashier);</p> <p>Space cleanness: not very clean and clear, things seemed to be misplaced by previous customers, seems, like there is not enough space for the products, furniture seems tired;</p> <p>For sitting: shiny (golden) poufs – for trying the shoes, one silver armchair – for resting,</p>
Auditory	Music, noises	Calm, jazzy music,

Type of Sense	Components	Remarks
Olfactory	Natural smells, artificial smells	No specific (branded) scent, some parts of the store with artificial smell, some parts of the store a little bit airless.
Tactile	Materials, Temperature	Temperature – normal; materials: colored (white) wooden shelves and displays, chairs made of synthetic shiny material (silver, golden), products were handed over in a plastic bag.
Gustative	Sampling	-

All of the three stores had similar elements of bright pink color, and signs/sentences on the walls, creating the link to the “ABC King” brand. However, in the stores in “Kristiine” and “Rocca al Mare Centre”, the signs were in a sophisticated font, therefore not so striking, as in “Viru Centre”. All stores had similar principles for product displaying and layouts, but in “Kristiine Centre”, the layout did not seem so clear and logical. All three stores had signs for a seasonal discount. However, the amount of visual stimulation (signs, pictures, sculptures) was the biggest in “Viru Centre”.

4.2 Depth interviews

The overview of the results of the depth interview following the protocol (for more detailed logs, see Appendix 3):

The Product

All of the five interviewees reported that shoes play an important part in their lives, and they check which shoes other people are wearing. They have favourite brands which they buy often and check first, after entering the shoe store. Three people specified, that they buy shoes that are made of real leather (including one person, who checks whether they are made of leather coming from the Italian leather factory “Vero Cuoio”). All of the participants valued comfort and fit. Three out of the five responded, that they like practical shoes with refined style (less is more), but with a special “twist” in small details. One person stated that she buys colourful shoes when

they look good on her. Only one person (senior) indicated that she waits for the sales-period, others said they prefer buying the shoes from a new collection.

Media and marketing

Three out of four people aged above 40 stated that they do not get info about the new collections/offers from the internet or via e-mails. One person with the age above 40 stated that she visits foreign web-pages for getting info about the new collections, two respondents receive the e-mails from Estonian shoe-retailers, but only one reads them. The male (age 31), stated, that he would like to get more (targeted) information through web and mobile devices. Three women stated that they read the “Kaubamaja” department stores loyal customer magazine “Hooaeg”, and fashion magazines with a certain delay during beauty salon visits. Two persons indicated that they would like to see more co-branding with clothes, to get the idea of how the shoes are going to look with their clothes. All five respondents stated that they have not visited or do not use the “ABC King” website for getting info about the new brands/collections.

The best place for buying shoes

The top list for buying the shoes in Estonia includes “Kaubamaja”, “ABC King” and “Salamander”, whereas “Kaubamaja” is linked with fashion and new trends and “ABC King” is linked with a safe selection and quality. Two of the interviewees, representing higher income, stated that they would visit the stores in Estonia more often, if they could understand better, where the products/brands dedicated to them are located. One of them said that she liked the high-branded area in the freshly renovated store in “Viru Centre”, and she does not visit the store in “Kristiine Centre”, because she cannot locate her favourite brands from there. Two of the five respondents brought out a store “Russel & Bromley” which they always visit while travelling to London.

Service

All five respondents stated that they were pleased with the service in “Kaubamaja” and “ABC King”. The sales persons are helpful and friendly, and always offer care

products (as taking care of the shoes was very important to four respondents). One interviewee stated that she would expect more help and suggestions in terms of trends, and bags that could go together with the shoes.

Remarks, suggestions

The senior interviewee stated that there could be a bigger selection of comfortable shoes with a reasonable price, and size 43 included. In addition, the selection for kids could be bigger and at a lower price. One of the high-income respondents stated, that she would like to see a bigger selection of different brands in Estonian shoe-stores, compared to the big selection of “Tamaris” and “Högl” in every retail chain.

5 Conclusion

Studies have revealed that most (up to 95%) of the (purchasing) decisions are made based on automatic and intuitive processes, called “fast thinking”. While people think about themselves, as rational beings, studies reveal that most of the decisions are based on motives and emotions that in some cases have nothing to do with the topic or question at hand. (Kahnemann 2011, 21).

Every person has an individual motivational structure based on the past experiences and memories. It would be extremely difficult to create marketing communication taking into account every single personality. Therefore a group of scientists, led by professor Häusel, have created the “Limbic Map” (seen on page 14), which places all of the basic values and motives on emotional fields, making it possible to segment the consumers into seven categories (see page 15) (Häusel 2011, 44-51).

The emotions and motives, responsible for decision making, are evoked through communication with the outside world. Studies have revealed that up to 80% of this communication is nonverbal e.g. sensory (Lindström 2012, 10). Although people use five senses (sight, sound, smell, taste and touch) for communicating, most of the marketing and branding strategies still lie on the basis of two senses – sight and sound (Lindström 2005, 84-87). The brands communicating through multi-sensory (called “5D branding”) platform have the greatest likelihood for creating emotional connections with the different consumer types (Krishna 2012, 322, 335).

One of the most important findings in “ABC King” stores is that all three of them use mainly visual communication for reaching the clients. The communication was designed bearing in mind that emotions are the key-factor for decision-making process (especially in the freshly renovated store in “Virus Centre”). Nevertheless, all the other senses, that are important for evoking and creating brand related experiences, were rarely or not at all used. When some of the aspects cannot be

influence by the store owner (like temperature or the flow of a fresh air), there is a lot that could be done in order to capture the essence of the “5D branding”.

During the interviews, three people out of five mentioned, that they buy only shoes that are made of leather. However, during the point of sale observations, the researcher could capture nearly no scents at all, or in some occasions artificial scents. Would there not be an option for creating a branded scent that reminds natural materials, including real leather? Based on the study results (described on pages 20-21), using a simple or combined scent, could increase the time and money people spend in the stores.

While smell works over long distances, tastes have a limited capacity for effecting. The narrow options for using taste in marketing is probably the reason why retail stores have rarely captured that opportunity, compared to hospitality and services industries. Nevertheless, these industries explore this opportunity for a good reason, which suggests that using the taste related experiences in retail environment could be a topic requiring further attention.

From the tactile point of view, the stores were leaving out the possibility of creating a brand related experience while handing over the products. The products were packed into plastic bags with visual stimulation (pink colour and “ABC King” logo) for connecting the purchase with the brand. There could be a possibility for using a special material (for example a paper bag with leather handles), for stimulating the brand related associations. A study carried out by Martin Lindström (see page 19) revealed that 50% of the respondents placed the emphasis of touch higher than the looks. How a brand feels has a great influence on the quality people attribute to the product(s).

The music used in all three stores represented mixes of popular songs in a slow-medium pace. The author is convinced that the music is not selected randomly, and the list of tracks is created by the marketing specialists (hired by the shopping centre or by AS “TKM King”). However, this paper leaves room for further research, to find

out how exactly is the chosen music and style effecting the time and money spent in the stores.

While four people out of five stated that they take good care of their shoes and the fifth (a male) responded that he always buys the care-products with the shoes, it is clear that the cross-sales of shoes and care products is working well in “ABC King” stores. However, the other cross-sales items (belts, scarfs and stockings) were placed in two stores (“Kristiine” and “Rocca al Mare Center”) far from the cashier, making it almost impossible to make an impulse-buying decision. The store in “Viru Center” used clever ways of mixing the accessories together with the products. Implementing similar approach to the other stores, could represent a good business opportunity.

The results of the interviews revealed a strong gap between the over 40 year old respondents and the under 40 year old respondent in terms of using internet options for getting information and inspiration about the new collections. However, even the two respondents who use websites (Kristo and Jaana), stated that they do not visit the official website of ABC King. At the same time a marketing specialist admits that it is getting harder to spot the target group though traditional marketing channels (Osolin 2013), as the attention has become scattered between the TV, the internet and mobile. If “ABC King” wants to attract attention through the internet and mobile devices, they should find a clever way of engaging people`s (including the ones aged over 40) attention.

When all five respondents stated that they have favourite brands that they buy most often, could there be an option for sending brand-related marketing messages through unconventional channels? Taking into account the customers’ profile and the previous purchasing history, the store could send out announcements when a new collection of the favourite brand arrives to the store.

Two persons out of five stated that they would like to see how the products go together with a matching outfit. When doing cross-marketing with other stores could be difficult, and putting mannequins in a store gives a limited option for displaying

the products, the website could be an option for creating the grasp of how to combine the shoes with the current fashion trends. The website could provide pictures of the shoes together with the matching outfit, bags and accessories, stimulating also the cross-sales results.

The two persons with higher income stated that they would visit the Estonian shoe-stores more often, if they could understand where the products and brands dedicated to them are displayed. This suggest that the stores in “Kristiine Centre” and “Rocca al Mare Centre” could use high-branded areas similarly to the store in “Viru Centre”.

Last, but not least, taking into account the long history of being shoe-retailers (since 1993), would there not be an opportunity of telling that story, and the stories of people behind the business? There is a wide number of consumers, who have witnessed the growth and evolution of the brand, but there is also a younger segment, who has no idea what the story behind the branded logo is. During the interviews “ABC King” related with “safe choice” and “trustworthiness”, which is a valuable message and probably worth communicating to the outside world.

The author would like to suggest to investigate further the aspects of “5D branding” and the possibilities of using auditory, tactile, olfactory and gustative marketing tools in “ABC King” stores, in order to create a stronger brand awareness and witness better sales results.

Reliability and validity

The biggest limitations of this research were time and resources for covering such a broad topic. Therefore, this paper is not giving specific recommendations with thorough measuring and scaling for the future marketing strategies. Nevertheless, the paper answers to the main question raised in the beginning, describing the motivations and reasons behind the consumer behaviour based on the latest scientific studies. According to the theory and research, the author points out

possible branding strategies that could lead to a stronger brand awareness and higher sales results.

The research procedures were in accordance with the pre-existing theoretical material. However, the skills of carrying such research could have been higher for conducting more valid and evident information about the topic at hand. There could have been more stores observed (ABC King has 9 stores in the chain), and more people interviewed for a broader understanding of the topic. The results could have been overviewed and analysed by another person, at the moment they reflect the knowledge and understandings of the author. The interviews could have been recorded, to make it possible for listening again after a certain period, or by another person. The research leaves room for going deeper to the different aspects of the subject through future investigations.

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Appendices

Appendix 1. Experimental psychology

The emphasis of the experimental psychology is on human behaviour. The goal of the tests, which are carried out under supervision of scientists, is to understand why people do things in response to certain situations and events, called stimuli. A branded stimulus not only motivates impulsive shopping, it also directly connects emotions to the brand. Experimental psychology is powerful when expertly applied. It allows to make casual inferences about how stimuli change behaviour.

Coke and Pepsi test

One of the key findings of experimental psychology over the past decades is that the human brain relies on basic rules of cognitive biases for processing information and making quick decisions.

One of the most famous example is probably blind taste test between "Coca-Cola" and "Pepsi", whereas tasting both of the sodas blindfolded, more than half of the subjects reported "Pepsi" to be more tasty. During the second test, subjects saw which brand they were drinking, resulting 75% of the test subjects preferring "Coca-Cola" (Shaw 2010).

Test in Experimental Psychology lead by Professor Kahneman

(Langlois 2013)

Participants were divided into two groups, where they had to imagine that there are 600 (including themselves) people with a deadly disease. First group was told that with **Treatment A**, "200 people will be saved." With **Treatment B**, there was "a one-third probability of saving all 600 lives, and a two-third's probability of saving no one." In the first group, most of the participants chose treatment A – the sure thing.

Second group was told that with Treatment A, “400 people will die.” And with Treatment B, there was “a one-third probability that no one will die, and a two-thirds probability that 600 people will die.” In this group, most of the participants chose treatment B.

Note that Treatment A and Treatment B are showing exactly the same results in both groups – all that changed was the wording. In the perspective of marketing, it means that, for all marketing messages context is the most important part.

Appendix 2. Brain imaging

Imaging studies provide the main source of data about series of events that take place in the brain while thinking and making choices. Brain imaging is combined with three main tools: Functional Magnetic Resonance Imaging the fMRI, electroencephalography (EEG), and magneto encephalography (MEG). fMRI is mostly used for brain mapping in order to understand which parts of the brain are connected to different activities. While fMRI is good for understanding where the activity is located, it does not tell the time and the sequence of the activities. EEG and MEG are used for seeing when a mental event is occurring, whereas MEG is particularly good at providing info about which parts of the brains are working together. (Page & Raymond 2006, 3).

Nokia ringtone test

In "Buyology: Truth and Lies About Why We Buy" (2010, 81-82), Martin Lindström and the team carried out a study using fMRI brain scanner, while volunteers listened to the Nokia's branded ringtone. The scan revealed that the tune was a major "turn-off", because it reminded them of stress, work responsibilities, and the call they hoped was not coming in from the office.

Tobacco labels test

Another test carried out within the same book revealed that viewing tobacco warning label lit up an area of smokers brains associated with craving. During time the smokers have become accustomed to the warnings, and they have become part of the "trade dress" as the distinctive Marlboro Red label. (Lindström & Underhill 2010, 160-163)

Appendix 3. Depth Interviews

Table 5. Depth Interview with Jaana

Protocol	Answer from the interviewee
The product	<p><i>How do you decide which shoes to buy?</i> Jaana buys mostly specific brands (“Armani”, “Pura Lopez”), and shoes that are made from the leather of “Vera Cuoio”. The product has to be comfortable and fashionable (she likes to buy colorful shoes, if they look good on her). However, she is not fond of shoes that have too many applications (flowers, spangles, etc.). When she needs shoes for a special occasion, she is willing to go overseas (Finland) to find the right products. <i>How often you buy shoes and how many shoes do you have?</i> She buys shoes very often, and has a huge number of shoes (estimates that more than clothes), and some of them are over 10 years old (classical styles), which she still wears with specific outfits. <i>How often do you buy bags? Have you bought them together with shoes?</i> She has more conservative taste in bags, and does buy them together with shoes. <i>How do you take care of your shoes?</i> She takes care of her shoes, and takes a look what other people are wearing. She does not like when people wear dirty shoes.</p>
Media and Marketing	<p><i>From where do you get information /inspiration about new collections or special offers?</i> Most of the inspiration comes while traveling. She also checks the “Russel & Bromley” web-page in the beginning of the new season. She browses the loyal client magazine “Hooaeg”, and women’s magazines while having beauty procedures. She gets e-mails from “ABC King” and “Salamander”, but does not read them. <i>Have you visited the official web-page of “ABC King”?</i> She has not visited the web site of “ABC King”.</p>

Best Place	<p><i>From where do you usually buy your shoes?</i> She buys shoes while travelling (f.e. “Russel & Bromley” in London), or from “Kaubamaja” department store, if she visits it for work-related reasons. <i>Have you bought shoes from “ABC King”?</i> She has bought shoes from ABC King, but not very often, because she is not able to understand exactly how to locate the products/brands dedicated to her. <i>Do you make impulse shopping decisions when you see something you like?</i> She makes impulse shopping-decisions while shopping for her husband, and when she had promised to herself not to buy new shoes. <i>How often do you go shopping?</i> She tries to combine shopping with other activities (work, travelling), because she spends weekend at home, and does not come to the city-Centre for shopping,</p>
Service	<p><i>Do you have any positive/negative memories of sales assistance in the past?</i> She does not like the sales persons to be too active. She prefers a feeling of “privacy” and “solitude”. For that reason she also likes to visit the shoe department of “Stockmann”. She is pleased with the service in “Kaubamaja”, “Stockmann” and “ABC King”. The salespersons have been friendly, helpful and polite there – always offering care products for shoes. <i>Would you like the sales person to offer you anything else – for example bags?</i> She would not prefer that.</p>
Remarks/ Suggestions	<p><i>Have you got any recommendations/ comments about Estonian shoe-market?</i> She feels that the selection in Estonia is good, but she prefers to buy the shoes while travelling (because the products feel more special then, and she can save time combining two activities). She would visit Estonian shoes-stores (“ABC King”, “Salamander”) more often, if she could understand better the layout, and where to find shoes/brands that are up to her level.</p>

Table 6. Depth Interview with Merit

Protocol	Answer from the interviewee
The product	<p><i>How do you decide which shoes to buy?</i> Merit explains, that she buys shoes which are made of leather from the inside-out. She very often wears the brands “Billi-Bi” or “Michael Kors”, because of the fit. When the shoes are comfortable but slightly expensive, she usually buys the shoes, because of the “time = money factor”. When she visits the stores, she goes directly to the layout of her favorite brands. After seeing the selection from them, she is willing to look for something else. She usually visits the shoe stores with a certain need, or when she sees beautiful shoes on a mannequin (in a magazine) or store window. <i>How do you take care of your shoes?</i> She takes good care of her shoes, and takes a look what other people are wearing. She does not like when people wear old or dirty shoes.</p>
Media and Marketing	<p><i>From where do you get information/inspiration about new collections?</i> Merit is not using Facebook or any other Social Media platform. Information about new trends and collections come usually from a loyal client magazine of “Kaubamaja” department store, called “Hooaeg”. She is also not a big reader of women fashion magazines, but while visiting hairdresser or any other salon, likes to browse the journals. So information very often comes to her with a certain delay. She also likes to watch Fashion-TV, while ironing. <i>Have you visited the official web-site of “ABC King”?</i> She has not visited the web-site of “ABC King”.</p>
Best Place	<p><i>From where do you buy your shoes mostly?</i> In the past she liked to buy her shoes from Nero (a previous concept of AS TKM King), now she buys most of her shoes from “Kaubamaja” and sometimes from “ABC King”. <i>Why do you buy shoes mostly from “Kaubamaja”?</i> She feels that “Kaubamaja” has the best selection and from there she can</p>

	<p>understand which the current fashion trends are. <i>From which “ABC King” store you buy your shoes?</i> From “ABC King” stores, she likes the ones that are located in “Rocca al Mare”, and bought lately shoes from the new concept store in “Viru Centre” (liked the special area for high-brands). She is not so fond of the store in “Kristiine Centre”, because she feels lost in there. <i>Do you buy shoes when travelling?</i> She likes to buy shoes while travelling. There is a specific store in London called “Russel & Bromley” that she likes to visit.</p>
Service	<p><i>Do you have any positive/negative memories of sales assistance in the past?</i> She is usually pleased with the service in “Kaubamaja” and “ABC King”. What she would expect more, is suggestions and extra-sales techniques from the sales persons. For example, suggesting a similar shoe (if the sales-person sees that she is interested in something), or suggesting a matching bag (like they do in “Russel & Bromley” store in London).</p>
Remarks/ Suggestions	<p><i>Have you got any recommendations/ comments about Estonian shoe market?</i> Merit likes to see the shoes together with a matching outfit (very often goes to “Kaubamaja” to try shoes after seeing them on a window outside), therefore, would recommend co-branding with clothing stores. Sometimes seeing a shoe alone does not evoke a wish to buy them, but after seeing them with a certain outfit, makes her want them. She is also not happy that, during the spring season, there are no so-called autumn-spring shoes in the selection, to overcome a period of soaking and wet. Similarly to this, rubber-boots are usually sold only during autumn season – and very hard to find during spring/summer, when she needs them. Nevertheless, she understands that the spring season in Estonia is very short, and therefore, she has to be smart by buying autumn/winter shoes together with rubber-boots during the autumn season. She would like to see more exclusive brands in Estonia (compared to the massive selection of “Tamaris” and “Högl” in every store).</p>

Table 7. Depth Interview with Tiina

Protocol	Answer from the interviewee
The product	<p><i>How do you decide, which shoes to buy?</i> She likes elegant and refined shoes with a special “twist” in small details. She describes her taste with the wording “less is more”. She prefers more masculine shoes, and combines them with feminine outfit. From high heels she likes the shoes with straight looking heel. She has specific brands that she prefers to buy (“Hispanitas”, “Zinda”, and “Tommy Hilfiger”), she also likes the collections of “Hugo Boss” and “Michael Kors”, but buys those from sales. <i>How often do you buy shoes and how many shoes you have got?</i> She does not have too many shoes, likes to have some which are comfortable, with good quality and practical (can be combined with different outfits). <i>Do you buy bags together with shoes?</i> She does not buy bags together with shoes, but likes it, when they are displayed together. <i>How do you take care of your shoes?</i> She takes good care of her shoes, and takes a look what other people are wearing. She does not like when people wear old or dirty shoes.</p>
Media and Marketing	<p><i>From where do you get information/inspiration about new collections or special offers?</i> She does not use internet for getting inspiration/news from the new collections. She visits the stores during the season and gets the idea of what is in fashion from there (especially from “Kaubamaja”). <i>Have you visited the official web-site of “ABC King”?</i> She has not visited the web-site of “ABC King”.</p>
Best Place	<p><i>From where do you buy shoes most often?</i> She prefers to buy shoes from “Kaubamaja” department store and “ABC King”. Those are the stores that she visits most often. “ABC King” feels like a safe choice. From “Kaubamaja” she gets an overview of what is in fashion. She has bought many shoes in the past from “Salamander”, but now feels that the collection/selection is too boring there. <i>Do you buy shoes</i></p>

	<p><i>from sales?</i> She does not buy shoes from sales, because she: “has not so much money to put it under a product that is not going to be used at once”. She has made impulse-decisions in the past (from “Bata” for example), but has noticed that usually does not like to wear those shoes (because they are not comfortable f.e.). <i>Do you buy shoes when traveling?</i> She has bought shoes from Finland, but while travelling prefers to do sports and go sight-seeing instead of shopping.</p>
Service	<p><i>Do you have any positive/negative memories of sales assistance in the past?</i> She likes the service in “Kaubamaja” and “ABC King”, the sales assistants are always friendly and helpful. Last time, when she visited ABC King the sales person sold her boots, when she hesitated whether to buy or not.</p>
Remarks/ Suggestions	<p><i>Have you got any recommendations/ comments about Estonian shoe market?</i> Estonia has a small selection, but that is not a big issue to her.</p>

Table 8. Depth Interview with Kristo

Protocol	Answer from the interviewee
The product	<p><i>How do you decide which shoes to buy?</i> Kristo wears specific brands (“Lacoste”, “Vans”, “Vagabond”), if he has had negative experience with a brand, stops buying it. He likes to have many different kind of sneakers. <i>How often do you buy shoes?</i> He visits stores once a month, and buys new shoes quite often. <i>How do you take care of your shoes?</i> He has a lot of care-product at home, but does not use them very often. Prefers to buy new shoes.</p>
Media and Marketing	<p><i>From where do you get information/inspiration about the new collections and special offers?</i> He browses internet and the web-pages of his favorite brands to get info about new collections. He also gets an overview while visiting stores. <i>Do you also use “ABC</i></p>

	<i>King” official website for getting information? He does not visit the web-site of “ABC King”.</i>
Best Place	<i>From where do you buy your shoes most often? Best place to buy shoes is “ABC King”, as it relates with quality and he feels “safe” there. He never visits “Shu”, as the selection seems to be cheap. Have you bought shoes from sales? Kristo does not buy shoes from sales. Prefers to buy items from new collection, to be sure that they are fashionable. Do you buy shoes while travelling? He likes the selection in foreign countries, but has no problem with the smaller selection in Estonia.</i>
Service	<i>Do you have any positive/negative memories of sales assistance in the past? He is pleased with the service in ABC King. Always buys care products together with the shoes, because the salespersons offer them. Rarely uses them though.</i>
Remarks/ Suggestions	<i>Have you got any recommendations/ comments about Estonian shoe market? He likes, that there is not too much selection in Estonian shoe-stores, makes it easy for him to decide. Would you like to get special offers from the stores? Would like to get specific “targeted” offers via mobile, when he is close to the stores.</i>

Table 9. Depth Interview with Maret

Protocol	Answer from the interviewee
The product	<i>How do you decide which shoes to buy? Maret prefers specific brands (“Geox”, “Högl”, “Peter Kaiser”) and products that are comfortable. She likes, when the shoes are refined, but have a little “twist”. She would like to see the products together with clothes, otherwise it is difficult for her to imagine how the shoes would look together with her clothes. Prefers black and white shoes. She buys leather shoes only. How do you take care of your shoes? She takes care of her shoes/boots. Washes the boots every evening during</i>

	winter-time, and does not like when people wear dirty footwear.
Media and Marketing	<i>From where do you get information/inspiration about new collections and offers?</i> Maret does not visit the internet. She gets the overview from “Hooaeg”, women’s magazines, and while visiting the stores. Also when “Salamander” sends SMS-s about the new collections/offers. She has not visited the web-site of “ABC King”.
Best Place	<i>From where do you like to buy your shoes?</i> Maret does not visit “Shu”, as products seem to be with less quality there. Buys shoes most often from “ABC King” or “Salamander”. Visits the stores quite often (every second week), and then waits the seasonal sales to buy the products she liked. <i>Do you buy shoes while travelling?</i> She likes to buy shoes while travelling (Germany, Austria), because the shoes are less expensive and with better quality.
Service	<i>Do you have any positive/negative memories of sales assistance in the past?</i> She is pleased with the service in “ABC King”, the salespersons always suggest other shoes or care products.
Remarks/ Suggestions	<i>Have you got any recommendations/ comments about Estonian shoe market?</i> Would like to see more quality products in Estonia, with reasonable price. The size 43 should be also available more often. States, that the shoes for children are too expensive.

Appendix 4. Photos from Observations

Viru Centre (photos taken by the writer on 14.04.2014)



Figure 6. Entrance (Viru Centre)



Figure 7. Signs on the wall (Viru Centre)



Figure 8. High branded area with chandelier (Viru Centre)



Figure 9. High branded area (Viru Centre)



Figure 10. Branded layout (Viru Centre)



Figure 11. Layout (Viru Centre)



Figure 12. Cross-selling with accessories (Viru Centre)



Figure 13. Variety of different shelves (Viru Centre)



Figure 14. Chairs for fitting (Virus Centre)



Figure 15. Children`s area (Virus Centre)

Rocca al Mare Centre: (photos taken by the writer on 14.04.2014)



Figure 16. Entrance (Rocca al Mare)



Figure 17. Layout (Rocca al Mare)



Figure 18. Display for bags (Rocca al Mare)



Figure 19. Shelves for shoes (Rocca al Mare)



Figure 20. Branded layout (Rocca al Mare)



Figure 21. Fitting room and extra-sales wall (Rocca al Mare)



Figure 22. Chairs for fitting (Rocca al Mare)



Figure 23. Children`s area (Rocca al Mare)

Kristiine Centre: (photos taken by the writer on 14.04.2014)



Figure 24. Entrance (Kristiine Centre)



Figure 25. Layout, chairs for sitting and signs on the walls (Kristiine Centre)



Figure 26. Branded layout (Kristiine Centre)



Figure 27. Cross-sales with bags (Kristiine Centre)



Figure 28. Cross-sales with bags (Kristiine Centre)



Figure 29. Fitting room and wall for accessories (Kristiine Centre)