

KYMENLAAKSON AMMATTIKORKEAKOULU  
University of Applied Sciences  
Degree in International Business/ International Trade

Nataliya Yakobson

INCREASING SALES IN AN APPAREL STORE, CASE: TURN\_UP LTD

Bachelor's Thesis 2015

## ABSTRACT

KYMENLAAKSON AMMATTIKORKEAKOULU

University of Applied Sciences

International Business

YAKOBSON, NATALIYA

Increasing Sales in an Apparel Store: TuRN\_Up

Bachelor's Thesis

67 pages + 2 pages of appendices

Supervisor

Söderqvist Minna, Principal Teacher, Team Leader

Commissioned by

TuRN\_up Ltd.

March 2015

Keywords

retailing, e-commerce, on-store selling, sales increase

This thesis focused on studying of the retail concept in two dimensions: on-store and online. The TuRN\_up Ltd. Company, based in Vologda, in Russia is a start-up apparel retail business, which strived to improve its sales and thus required obtaining of the information concerning the sales enhancing possibilities.

The main goal of the research work was to identify the most efficient strategies for enhancing the sales of the TuRN\_up Store focused on both on-store selling and online selling.

In order to satisfy the research goal, the literature review in the sphere of retailing was held. The main aspects appropriate for the TuRN\_up Store were studied in the sphere of e-commerce and in traditional retailing. In addition to this, the questionnaire was conducted. 192 people participated in filling in the questionnaire. The questionnaire collected statistical information about the target audience and the assessment of the key retail concepts from a customer's point of view.

The overall results showed that all the aspects have particular influence on a customer's buying decision. The key elements happened to be price, assortment, delivery and transparent information concerning the products. Strategies based on these issues were proposed for the commissioner with the purpose of fulfilling the research goal.

## ACKNOWLEDGEMENT

I would like to thank my thesis supervisor Minna Söderqvist for her help, patience and support not only during the thesis writing process but also during the studying process. Constant feedback that I got from Minna was valuable for the developing and improving of my thesis.

I would also like to thank my thesis commissioner Nataliya Duryagina who has inspired me for this topic. She has always been in touch with me providing with all necessary information and sharing ideas as well. I appreciate all the people who have spent their time filling in the questionnaire as well.

I am thankful for Kymenlaakso University of Applied Sciences for all the knowledge I have obtained and all the improvements I have been through during my study period. I give special thanks to the staff of KyAMK who did my student life there great, interesting and productive.

Finally, I would like to thank my family, my beloved one and my friends for the support and constant motivation.

## TABLE OF CONTENTS

### ABSTRACT

### ACKNOWLEDGEMENT

1	INTRODUCTION	6
1.1	Company background and research problem	6
1.2	Research and Development Objective and Limitations	8
1.3	Research and Development Questions	8
2	BUSINESS INSIGHTS	9
2.1	Entrepreneurship and start-up	9
2.2	The Russian market overview	11
2.3	Retailing and key success factors	12
3	IMPROVING ONLINE SELLING	14
3.1	E-commerce and success trends	14
3.2	Improving sales via social media	17
3.3	Enhancing sales through the social networks	18
3.4	Word of mouth as a sales boosting method	19
4	IMPROVING STORE SELLING	22
4.1	Increasing competitiveness of a retail store	23
4.1.1	Increasing competitiveness via the image improvement	23

4.2	Creating profitable assortment of a store	25
4.3	CRM as a sales enhancing tool	26
4.4	Growth of as company as a sales increasing strategy	28
4.5	Theoretical framework summary	30
5	METHODOLOGY	32
5.1	Choice and Justification and Applying of Data Acquisition Methods	32
5.1.1.	Questionnaire's questions discussion	35
5.2	Choice and Justification and Applying of Data Analysis Methods	37
6	FINDING AND ANALYSIS	38
6.1	Building a portrait of a general respondent	39
6.2	Scale assessments of the statements that influence the buying behaviour of a customer	43
6.3	Summing up of the scale assessment results	52
6.4	Statistical questions	56
6.5	Respondents' comments	59
7	CONCLUSIONS	61
7.1	Summary of Main Findings	61
7.2	Implications for the Commissioner	62
7.3	Suggestions for Further Research and Development Based on the Evaluation of the Own Study	64
8	REFERENCES	65

APPENDIX I. Translated questionnaire.

## 1 INTRODUCTION

### 1.1 Company background and research problem

The primary aim of every business is to gain and maximize the profit therefore it is essential to know in which ways it can be done. TuRN\_up Ltd is a multibrand apparel retailer, which operates on the basis of an online store and on-store, located in Vologda, Russia. It was founded on 15<sup>th</sup> of November in 2013, thus it is a start-up business. Hence, it requires some collection of the necessary information for its improvements and for further development. Research and development of increasing sales methods will enable the company to build the relevant strategy of improving sales and of developing the business.

The target group of the company is young people aged from 14 to 30. There are some products for children from 1 to 5 years old as well but since the buying decisions are taken by parents, the target audience still remains the same. The slogan of the company is “to be in trend with TuRN\_up”. The logo represents the name of the shop with the slogan on it, the background of the logo changes constantly according to the season. Concerning the assortment of the shop it is rather diverse. There are clothes for both women and men. The assortment of the product is represented by winter outdoor, sweaters, t-shirts, shorts, shoes, kids clothes, backpacks, bags and accessories.

Concerning the online store, it operates through the page based on the social network VK. People make the order through private messages. The delivery time may vary from several days to several weeks. It depends on the stock status of a product or on the city from where the order comes. The maximum delivery time may be 5 weeks. The payment for the electronic orders can be done by transferring money to the bank account or via online payment system. If the price of the order exceeds 5000 rubles, then the delivery is free; otherwise payment for delivery is on the customer's side. A customer has a right to refuse the product if the quality does not meet his/her expectations. There is an additional service for the online customers, if they wish to find a cloth of their dream, in case they probably saw it on the picture on the Internet or somewhere else, they can upload the photo of the product and request to find particularly this product or the similar one.

Nowadays, competition on the apparel market is considerable and the more one possesses the essential information about the market, about people's needs, about the factors which push the customers to buy, the more chances there are to build the strategy that will lead to enhancing sales. Taking into consideration the fact that the company is relatively new on the market, it may choose to follow the best practices from the variety of businesses presented on the market. Shenkar (2010, 39-43) in his book "Copycats" describes numerous examples about how companies borrow ideas from each other and develop them further what leads to the future success. He claims that successful companies are almost never pure innovation companies, on the contrast, successful companies are those, who can learn from the best practices of others and who are able to implement already existing ideas into practice, however, changing and improving them. Therefore, the idea of the future research and development is to study already existing ideas and to select the most suitable ones for the particular case in order to offer the best solutions for the company.

The problematic issue of this thesis is to determine the possibilities of increasing sales of the retail apparel store. This issue is important for the TuRN\_up Company because it is a new business, which requires a lot of contribution and researches to build its own strategy. The company operates through the online store and the traditional store, thus two approaches should be used in the research.

However, the technological progress has changed the way in which the retail concept is viewed. It has changed the vision in a three particular ways. To start with the meaning of a physical location of a store, it is losing its importance due to the reason that people use the Internet for all the same purposes such as searching for the products and buying them. The next change that occurs is that there is no clear definition of retail; everyone who has the access to the Internet and can resell something can be considered a retailer. The last change that happened under the condition of the technological progress is the enhanced effectiveness in a customer service due to the development of analytical programs (Niemeier, Zocchi, Catena 2013,115.) Thus the received results may be adjusted for both dimensions at the same time.

## 1.2 Research and Development Objective and Limitations

As it has been mentioned above, the two approaches will be focused on online selling and on store selling. The objective is to define the most efficient and effective ways to improve sales in the both dimensions and to propose the best possible strategies of implementing the findings. On the current market the situation is so that selling depends directly on the customers, they are the key of the trade, thus the research will be based on the methods that enable to understand customers in order to satisfy them in the best way. Collier (2010, 2) claims that business cannot exist long time simply caring about its bottom-line. If money comes first, then business will not have many chances in a long-term perspective. Uthmann (2012, 6) stated that sales are all about the people. He claimed that the selling process loses its entire meaning if a seller is not able to identify the customer's needs and to find the solution to build a long-term relationship with a client.

The research has some certain limitations. It belongs to the particular sphere and market, thus findings may be applicable for the similar businesses operating on the Russian market only. The case is studied only for a certain company. Its research sample is going to be the Internet users because of the data collecting process: it is going to be held online with the help of social networks in order to cover the vastest possible audience.

## 1.3 Research and Development Questions

The research question is not totally a new one, at some degree all the aspects of this question have been mentioned by many authors from different countries and different periods. There are many challenges an entrepreneur faces everyday. They can come either from inside of a company or from outside of it. Marone and Lunsford (2005,2) already in 2005 started to speak about the challenges of the production costs reductions causing a high competition in the markets. This fact led to increasing offers and as a result, has developed sophisticated customers' taste. Therefore, it has boosted the differentiation among sellers and this circle has started a new turn. On the one hand, this fact can seem chanceless and discouraging for entrepreneurs nonetheless, by choosing the right strategy, sellers may find the niche for their businesses. Collier (2010,32) has claimed the research is the crucial element in gaining the success for all of the companies regardless of the size. In order to be one step further than the rivals,



it is important to make a research that enables to find out everything about the customers.

The key question of the research process is:

- How to improve the sales of TuRN\_up Ltd by focusing both on online selling and on store selling?

The interest of the particular research and development concerns sales and possibilities to influence them. The sub questions that may help deepen the research are following:

- Insight of the Russian apparel market
- How to increase the sales of an online –based shop?
- How to increase the sales of a store?
- What are the most effective and efficient ways to implement the findings?

## 2 BUSINESS INSIGHTS

### 2.1 Entrepreneurship and start-up

Referring to the company background, TuRN\_up Ltd is a start-up business. According to the article from the Forbes written by Robehmed (2013), there are numerous features of start-ups, however, the most important one is that is it a relatively small and new company, which has an ability to grow. Usually, it is a company set up by an entrepreneur from the very beginning, from the zero level in other words.

Desai (2009, 29) states that an entrepreneur plays a vital role in the growth of economy. Entrepreneurs build up companies, which aim at high achievements meanwhile creating the good for the society. An entrepreneur is a key player, who is strongly linked with the idea of delivering something new to the market.

According to official statistical data, in Russia, an entrepreneurship occupies a large share of the market. Per one thousand people, twenty are registered as individual entrepreneurs according to the Federal State Statistics Service (FSSS further) (2010). FSSS (2015) claims that individual entrepreneurs still represent the main economic

entity averaging 174,9 thousand of individual entrepreneurs in January 2015. Furthermore, clothing market occupies 7.5% relative to the total number of jobs according to the same source.

Although, the definition of the entrepreneurship is vague, it has some certain characteristics. Many authors understand the term *entrepreneurship* in their particular point of view due to the differences occurring in economy from year to year. The term itself appeared long time ago, at the beginning of the 18<sup>th</sup> century and it had a different meaning in comparison to nowadays' one (Rusu et al. 2012, 5371). Translated from French it means to “undertake” (Desai 2009, 29). Currently, an entrepreneur is a person who is willing to undertake the financial and economic risks at goodwill in order to develop a new project. Furthermore, personal qualities play an important role as well, some economists claim that the ability to take risks is not the only factor, which enhances the success; the other one is creativity of a person (Rusu et al. 2012, 5371-5373.) Indeed, having a look on the high competitiveness in the modern world in each sphere, creativity may bring some certain advantages and therefore enhance the leading market position.

Strauss (2013, 9) indicates the main features of an entrepreneur, however, the author supposes that depending on the type of the business activities an entrepreneur undertakes, the term may vary from one case to another. The statement that an entrepreneur is a risk taker has become an unspoken truth. Due to the reason of high probability of failure this affirmation is common among many authors.

Another characteristic of entrepreneurship according Strauss (2013,10) involves uncertainty, since many entrepreneurs start their businesses not even knowing if people will be ready to pay for the offered products and services or not. The ability to create a value with the limited resources is another trait, which is also vital. The limited resources can be of money, time or manpower.

Summing up various entrepreneurship definitions there are some similarities, underlining the main ideas of being an entrepreneur: it is a risk taking ability, it is a creativity as a quality of a person and finally it is an ability to transfer obstacles, circumstances of uncertainty or changes into a business opportunity.

## 2.2 The Russian market overview

TuRN\_up Ltd is a company, which operates on the territory of the Russian Federation, thus the Russian market represents the interest for the company. Russian clothing market is rather diverse, however, because of the political situation, key players leave the market leaving possibilities for new companies to win customers and to increase their shares. The general form of distribution is franchising.

Reinhard (2014,3) the Chairman of the non-government organization of the European Fashion and Textile wrote a report about the market of the textile clothing and accessories of the Russian Federation. He has stated that the Russian market quickly recovered after the crisis of 2008, nevertheless, for the future, the forecast is not that promising. Expectation of the price growth in combination with the declining demand does not sound positive.

After the crisis period people tend to save more money irrespective of the increase of wages. Rational behaviour comes prior to emotions. People have started to care of matching between the quality and the price of a product. As the rational behaviour is dominating, the consequence reflects on decrease of the unplanned buys. More and more consumers wait for the hot seasons of the sales to make shopping. The need pushes people to buy and not the desire to get a pleasure from the shopping. The average person moves quickly in a store and therefore he/she does not have time to pay attention to the presented items what also proves the rational behaviour domination. However, the online shopping is developing. The forecasted tendency on the growth of multi-brands stores is positive, it tends to grow in the future. The market share of such stores is 15%. Taking a look at the same issue from the geographical point of view, Moscow is going to have a positive tendency in the retail industry (Reinhard 2014, 3-16.)

Sukharevsky and Magnus (2011) stated the Russian apparel market strongly changed compared to the previous years. The open markets started to disappear while the shops of a boutique type have started to grow sharply. The authors also stated that after the downturn of 2008, the Russians have been one of the first nations who actively started to shop. The forecasting growth is going to be in the categories of men's and children's apparels. The analysts identify the concentration of foreign retailers in the big cities, while the Russian shops do not stick to them. Online buys are not that popular

among the Russian buyers nevertheless if a grow will occur, the sales could reach up to nine billion euros (Sukharevsky and Magnus 2011).

### 2.3 Retailing and key success factors

Retailing plays an essential role in the economic system. When companies do not have their own production line and they just start their business, they need to decide what to sell, would it be their own products or different merchandise. It is important to define the distribution channels as well.

As suggested by Nel et al. (2005, 3-4) the main idea of the retail business is to sell products or services to its end customer regardless of the place or type of selling, as for example, it can be an online deal, a shop, a cafe and many other places. Retailing can be considered as the second step of sales: the first one is a business-to-business trade and the second one is business to final clients. Therefore, the retailing plays an intermediate role between production and consumption. Exactly at this step values are added to products or services (2005,3-4.)

The idea of adding value was developed by another author as well. The value –added process sometimes is identified as an additional element, however, sometimes a stronger meaning is given to this concept. Up to Tiwari (2009, 9) value addition is one of the functions of the retailers, it means that one of the tasks of a retailer is to provide the match between the customer's needs and the quality of the products, the quantity and some other preferences customers are seeking for in a store. Thus one of the objectives of an apparel store is to create these values. From this statement, it is following that the retailer represents the intermediate role and only he/she is responsible for the customer' perceptions. Finne and Sivonen (2008, 67) emphasize on creating value adding by the store. There are numerous examples of how it can be done, for instance, it can be expressed in including free delivery. Concerning the apparel retailers, the good example of adding-value offer can be a consultant (Finne, Sivonen 2008,68). In addition to the general consultant, an apparel store may hire a designer, who can help to create a total look and give some valuable advice in choosing clothes for the clients. Thus, value-adding process can be represented by different elements, they can be tangible or non-tangible. Creation of the value-added services is limited only by the imagination of the retailer. In fact, there are some basic examples, however, when all the stores follow the same techniques and do not propose original solu-

tions, the value-adding services do not present anymore as the competitive advantages.

Nevertheless, despite the obvious advantage of the value adding services, the retailer should keep in mind the cost-efficient strategy. The expenditure on providing the value-adding services should not exceed the benefits they can bring.

Tiwari (2009, 69) distinguishes three main types of the retail:

- Markets which are usually located on the open air, on the streets and similar places;
- Stores which represent the physical location such as shops, where a customer may have a closer look at a product, and
- Virtual stores, which are online shops.

Relying on the description of the company, there are two essential ways of selling: an online store and a showroom, which belongs to the category of stores. These two distribution channels allow to classify the sales and to describe them further in the following chapter.

The key success factors of the retail are choosing the right target group and identifying their needs. Finne and Sivonen (2008, 55) state this fact, enriching it with the idea that the main task of the retailer is to match customers' needs with the unique solution among all the rivals.

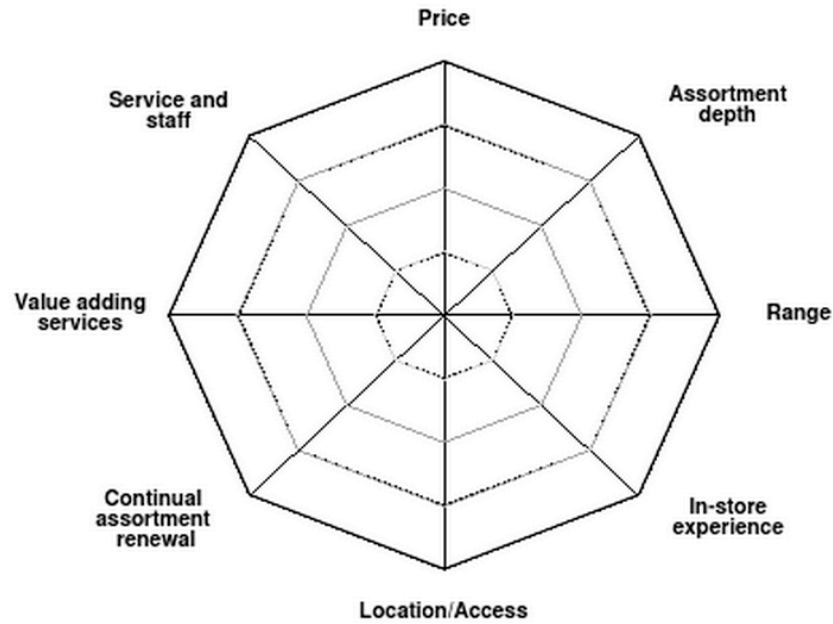


Figure1. Retail differentiation factors (Finne, Sivonen 2008, 57).

The image above represents the factors that may influence uniqueness of a store, they are price, assortment depths, range, in-store experience, location/access, continual assortment renewal, value adding services, service and staff (Finne, Sivonen 2008, 57). These elements may be the guidelines for the retailer. The retailer may choose, which of these areas to develop according to the customers' needs and perceptions.

### 3 IMPROVING ONLINE SALES

#### 3.1 E-commerce and success trends

Shops are moving their activities online more and more. Online sales have become vital for companies to exist. With the Internet companies acquire audience of million people in few days rather than it is used to be before, when to acquire such a significant audience companies needed to wait for years. Online sales are one of the facts that companies have to admit can boost their sales and enhance their market positions. In the customer-oriented society it is vital to accept and to adjust to changing people's buying habits.

Rodgers claims that e-commerce is an abbreviation for the electronic commerce. E-commerce "represents the exchange of ideas, goods, and services by means of the

electronic marketplace” (Rodgers 2010,15.) Generally, there is an exchange of products or services for money. Thanks to the Internet, a global network connecting millions of people, e-commerce can exist and develop. Business to consumers (B2C) is one of the retail types. In the e-commerce it has some certain crucial advantages for consumers:

- It speeds up the shopping thus saving the time;
- Prices and offers have an ability to adjust at a moment (Rodgers 2015, 15.)
- The range of the products are various
- No need to waste money on travelling (Thain and Bradley 2012, 218.)

It goes without saying that trade works with the minimum of two parties engaged: the seller and the buyer. The evidence of the benefits of e-commerce is clear for the buyer, nevertheless for the seller it has benefits as well. Pinson and Jinnett (2006, 127) also emphasize the utility of the Internet, however, from the entrepreneur’s point of view. Up to the writers, it provides the channel of communication with the potential clients and with the possible vendors. It allows to seek for the necessary information, services or products and finally, the last but not the least element, is that it provides an entrepreneur with the chance to build their own Web site for the distribution of offered services or products.

Customers usually expect something valuable from the sellers. Taking a look at the best practices of leading online shops, it is important to identify the key elements, which are supposed to bring the success to a company operating online. Thain and Bradley (2012, 229) name nine fundamental elements aiming at the increasing of the success, they are price, range, availability, freshness, quality, ease to use, time, reliability and information. Each of these elements is important to be aware of in order to create a customers’ goodwill in a trade. The more transparent the information concerning the products and the more diverse the range of them, the higher is the probability of attracting customers. Since a customer is the key of a business, these elements may enhance understanding of their expectations from the market.

Among numerous channels of the retail, online retail is the most growing one. RosBusinessConsulting (2015) supposes that the Russian online retail market is one of the top attractive online-retail markets according to the potential growth, customer be-

behaviour and the market size. Statistically, almost half of the population has an Internet connection, from which fifty percent is shopping online (RBK 2015.) However in the market description it was stated that for the moment the online shopping is not yet developed well. It can be a good moment for an entrepreneur to enhance the market positions and to get the experience. By the time, when growth of the online shopping will occur, the companies, which started to operate earlier, will only strengthen their positions.

Internet project launched in 1998, Encyclopedia of Marketing has made a research in 2012 concerning the issues of Russian online retail. Regarding the results of the research, Internet shopping has started to develop in Russia after the crisis of 2008, when people started to save money and to minimize expenditures, therefore shopping online, since the prices were generally cheaper. However, online shopping has started to evolve and as a result many shops entered the e-market. The source suggests that 54% of respondents choose a particular online store for a wide range of products and 56% stays loyal thanks to cheap prices (Encyclopedia of Marketing 2012.)

Nowadays, boundaries between online and offline shopping become blurred, nevertheless, online shopping does not replace the traditional one but it complements it, thus the business seeking growth should not only concentrate on one channel but also take a look at other possibilities.






What is it?	What is happening?	What does it mean for retail?
1. <b>End-to-end digitalization</b> 	New technology affects multiple retail functions	Watch for <i>game-changing</i> applications, such as micropayment systems
2. <b>Channel convergence</b> 	Online and offline sales channels are converging	Identify and use key digital touch points along the consumer decision journey
3. <b>Digital localization</b> 	Digital media are becoming more local and more personal	Gather, integrate, analyze and leverage location-based data, e.g. for CRM
4. <b>Social media impact</b> 	Opinions are increasingly formed and influenced online	Listen actively and get friends or followers to act as brand advocates
5. <b>Content as a success factor</b> 	Users are hungry for rich and fresh digital content	Create or source relevant content continuously to enrich consumers' lives



Figure 2. Digital trends (Spillecke, Perrey 2012, 17).

The figure above represents five main trends that the successful retailer has to follow operating in the digital world for the purpose of sales enhancing. Nevertheless, they are not separate elements for the remarkable online operations but they must be a useful complement to offline selling and vice versa (Spillecke, Perrey 2012,18.) It states on the figure that the end-to-end digitalization affects multiple retail functions. Online and offline sales are converging and it means that a seller may identify and use key digital touch points. Digital localization may be a good way for developing CRM in a company. Social media plays the vital role for the sales because it enables sellers to gather information and to sale meanwhile. The latest point is the content as a success factor of sales, which enriches the social media and allows stimulating buys. These trends tend to be the most recent in the digital sphere.

### 3.2 Improving sales via social media

The technological boom has shifted real life communication into an online one and it causes many other changes in people's lives as well. The influence of social media has enhanced and made its own changes into everyday life of people. According to Royan and Jones (2012,152) social media "is the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction".

Royan and Jones (2012,153) claim that the social media was present on the market from the very beginning however over the time it has gained popularity and everyone's acceptance in a routine life. People got used to it and started to feel comfortable using the Internet for various purposes. The main feature of the nowadays-social media sites is the proliferation, thus depending on the reason and the purpose of the usage a person can choose the most interesting platform appealing to their needs. The desire of people to communicate with each other is natural; human beings are made like this, thus the social media attracts so many people. This is the key issue for an entrepreneur to be aware of. There are some crucial aspects about the social media.

First of all, businessmen can strengthen exposure and traffic by establishing persuasive and interesting content, which will catch attention of people. It is also great to encourage people to bookmark the page, share it and like it. Secondly, a retailer can

enhance the perceived relevance and authority by applying tags, which simplify the search of a product and help to describe it in a better way. Thanks to the social media, a retailer can make a research and find out the field of interest at any particular sphere. It helps to search for the current trends and for what people find compelling. Making a relevant conclusion concerning what people find interesting and why in the digital sphere, a retailer can implement this knowledge into a business and to turn it into an advantage. Social media enables an entrepreneur to increase the power of influence if the latter actively acts within certain fields, providing some directions (Royan, Jones 2012,153- 159.)

### 3.3 Enhancing sales through the social networks

Social networks are one of the diversity of the social media. The most – widely known are Facebook, LinkedIn, YouTube and Instagram. On the Russian market there is another leader VK. The principle of people's behaviour in a social network is that they build a group by interests adding friends, sharing visual or audio content and chatting with each other.

There is a place for entrepreneurs as well, nevertheless, despite this fact, there are some limitations that each businessman should be aware of: the initial purpose of people using social network is to socialize and not to buy. Hence, the advertising should be carefully chosen and targeted, a retailer should consider if the business type fits the social network or not and how difficult it is to find the desired audience. Once these issues are covered, a retailer may expect some profit, otherwise it is difficult to guarantee a success (Royan, Jones, 2012,160-162.)

Nanner (2015), Branded3's Blog social media strategist, claims that driving sales with the help of the social media may be not as simple as it seems to be. Despite the fact that a company may write a lot of posts in different social networks, it still can fail choosing the wrong strategy. Even mature companies do some errors, trying to attract new fans instead of fairly treating the loyal customers. The basic rule that the businessmen do not follow is that the quality is better than the quantity. The same rule is applicable to the social networks.

The writer emphasises three main points of the successful online strategy. The initial point is to stress on the consistency rather than on creativity. The biggest trap a retailer

may fall into is ending up with the original and creative advertisement or post, which will capture customer's attention once, however, it will fail to keep a customer engaged. Thus, it will be a waste of time and efforts for a seller to invest them in a single successful campaign without further conversation with the followers. Followers tend to easily lose interest in case of the lack of consistency, which stirs their interest. Customers easily shift from one business to another, they search for the business, which will demonstrate the importance of the clients, and which will constantly give its customers food for thoughts. It does not mean that the retailers should spend all day long on the Internet updating the content, however a certain consistency should become a principle, and the frequency should definitely be high enough (Nanner, 2015.)

The next issue is to identify the risk of the purchase and depending on it to choose a right strategy of connecting with the customers. Low risk purchase occurs when a customer makes a single spontaneous purchase, in this case a customer does not expect to get the attention and the choice of what to buy can be ruled by emotions. For this type of sales, not too much effort is required as for the high-risk purchase. The latter is about people who intentionally make a purchase, it means that the purchase is planned; in this case social media plays a great role, it has a chance to influence a customer's mind. Thus, depending on the products or services a seller offers, it is possible to enhance sales choosing the right strategy. It helps a seller to efficiently allocate the resources. The last suggested idea is to split equally the time between promoting for new customers and keeping existing customer loyal (Nanner, 2015.)

### 3.4 Word of mouth as a sales boosting method

Creating buzz around the company may have a positive effect on its awareness among the potential customers. The word of mouth (WOM further) is one of the oldest and effective known methods, which can help to increase or decrease sales depending on the opinions that clients have about the shop. Traditionally, this method has a relation to a store selling, however, with the shift of clients to the digital sphere, their preferences remained unchanged. Customers continue following their habits. There are many books written about the word of mouth, thus the theory of it is full and some of them are more interesting for the start-up shop than others.

Tsai (2013,127) described the word of mouth in e-commerce. There is a remarkable difference between the offline and the online word of mouth: when customers are

seeking for a recommendation or advice online, they address to a large audience and as a result, they get more diverse feedback with the higher respond speed. Consequently, sellers may use this method in order to influence customers' minds (Tsai 2013,128.) There are several leveraging techniques, which may aid in succeeding in the word of mouth.

Going deeper into the issue of the social network, there are some pieces of advice that a seller may follow in order to be remarkable. Tsai (2013, 134) insists on encouraging the clients to share the content. To share means to tag the business or to make a repost directly from the business' profile on the personal profile so that the others may see it. This function is best represented on Facebook as well as on VK. The main obstacle is to stimulate people to share the information on their private profiles and there are some tips for the solving this issue.

The use of as many pictures as possible is an essential element. Visual information is one of the content people used to have when they log into the social network, therefore, the more it is attracting, the more chances for it to be shared. The pictures may be of any types: they can be detailed photos of products or any other pictures anyhow related to what a shop offers. Moreover, adding some humour to the monotony of the business may have a positive impact on the people's attitudes. Since the initial aim of the social media is communication, providing some fun and good mood for potential clients, humoristic approach is a clever strategy to make people return and stick to the interesting page. What is more, it can help to create the personality of a business. It is vital to mention some possible deals or any other promotional activities that a seller may choose from (Tsai 2013, 139.)

One of the possible promotional activities is called "you and a friend" and it means proposing an advantageous deal for a customer if he/she brings a friend. This strategy can be beneficial for a few reasons; for instance, a seller may keep the customer loyal and enlarge the customer base simultaneously due to new friends accompanying the existing clients. On the other hand, it may have some issues to care about, for example in order to make this strategy work successfully, a seller should organize attractive promotions, such as group discount or prices discounts. However, the pitfall can be trying to attract the desired customers and not one-deal clients, thus a seller should find equilibrium between offer and strategy (Tsai 2013, 128-129.)

The next technique is called the “pyramid” deal. The concept of the “pyramid” as the concept of the word of mouth is similar to the previously described method. It is also based on the principal that the already existing clients should bring their friends in order to benefit from the deal, however, the main difference is that the one who brings friends accumulate the bonuses and may get the biggest advantage. This method is also useful to check how the word of mouth is working for the particular case and if it is really the best solution for leveraging sales (Tsai 2013, 129-131.)

The third idea of the possible deal is called “make it a party” but this case is extremely demanding and challenging. This deal requires some space for organizing an event; it also requires certain money and time consumption. This choice is good to invite the customers with the similar habits and tastes. It is also possible to make a frame and to provide the limited available places (Tsai 2013, 131.) This deal can be used for such events of opening of a store. It enables seeing the effectiveness of the strategy and at the same time to present the store. It can also be a multiple steps event, when for the first one invited people get some benefits and for the next time they are promised to get more bonuses than this time. If two previous methods were mainly focused on the client base, this one is especially good for attracting new clients.

Despite the popular opinion that people have active discussions online, some authors may disagree with this concept. Even though selling can be online, word of mouth is still spread offline. Seller may influence on increasing sales through attracting new clients with already existing clients with the help of deals and offers but generally word of mouth is a natural process. Thus Phillips, Church and Cordell (2013, 29-32) still consider that people prefer talk face-to-face. Thus the main objective of every business is to work in such a way, that people will have a wish to share information about the particular business. They also claim that successful businesses do not interrupt users with endless promotional messages but they mostly concentrate on a communication with customers, it means they tend to make a connection answering the particular requests, making customers feel special. They state the fact that online friendship has a direct link to a real friendship what makes number of followers be not the crucial element.

Kelly (2007) puts forward the idea concerning the communication with the customer. The author exactly claims that sometimes a mistake of a company is being out of

touch with the clients. This is the biggest error due to the fact that customers are the only people who will tell the business what they expect from it. Therefore, a seller should also take an advantage from the word of mouth; a seller needs to create an eloquent communication. With the help of online sphere, a seller may ask the clients directly for ideas and suggestions as well as to answer arising questions (Kelly 2007, 167-170.) This method can be useful not only to monitor the discussions over the business but also in order to follow the general tendencies and trends. In an apparel sphere it can mean following fashion trends in order to provide customers with the latest collections. It can also help to see the reaction on one or another products on the Internet and it can help in planning of the assortment of a shop.

These critical ideas mentioned above provide food for thought; it makes the company choose the most appropriate path to follow. It is essential to consider different opinions, however, without implementing the ideas in the real life it will be hard to judge whether it is worth putting efforts into it or not. While the business is still young, it needs to take actions and to check out how successful one or another strategy is. Applying the word of mouth strategy at the right moment can accelerate profit; for instance it can be at the point of choosing merchandise. Thus a company needs to test a word of mouth strategy and to make a decision if it is working for it or not.

#### 4 IMPROVING STORE SELLING

Showroom represents the physical location of a store. Tiwari supposes that location of a store plays an essential role. The number of clients may directly depend on the accessibility of a store; regarding the location people may visit a store more or less frequently. The next issue is managing the space inside the store. High ROI (return on investment) may be gained through the efficient and effective utilization of space. According to the author the allocation of products in a store builds its own uniqueness. External and internal look of a shop can pass a certain message to a customer. The author identifies several approaches in a space management, however the one, which is generally used by an apparel store, is model stock method, the approach which

defines the space needed on the floor for a holding and presenting a proper merchandise assortment (Tiwari 2009,165-169.)

#### 4.1 Increasing competitiveness of a retail store

In the modern world it is hard for companies to stay competitive because of the numerous businesses occupying the same fields. An apparel market is full and thus it has a pure competition, that means customers have a lot of offers to choose from, and to be sure that customers choose a particular company, this company needs to care about a lot of aspects which allow to enhance its competitiveness among all its rivals. Marketing has a strong connection and direct influence on competitiveness of a company.

##### 4.1.1 Increasing competitiveness via the image improvement

Paramanova and Krasnyuk (2013) suggest an image creation to be one of the competitive increasing methods. They suppose that since the loyalty of a customer causes the competitive advantage of a company, not only the functional but also the psychological aspect of a customer should be considered. The attractive image of a shop may play a big role in a customer's mind, it can help to build a competitive advantage and a distinguishing feature, so that a client will differentiate the particular store and thus perhaps will choose it as a preferred place to buy.

Summing up, image is a complex of knowledge, experience, feelings of desire associated with a specific subject. It can be constructed and implemented in a people's mind. Image also has some certain elements, which some authors define:

- Tangible element as the first impression of a client;
- Non - tangible - as a feedback of a customer on a service of a shop and the attitude of staff towards a client;
- Internal element is an atmosphere inside of a company, the staff relation to company's policies;
- External element - the influence of the elements mentioned above and public opinion (Paramanova and Krasnyuk 2013, pp. 62-63.)

However, each client creates his/her own image depending on the most important indicators for a particular person, which can be a location of a store, range of products, prices, an advertisement and a service. To enhance the image of the store, a company should try to correctly respond to the customer's expectations.

Price is an intangible element, nevertheless it can strongly influence on the buying experience of a customer and it can help to shape an image in a client's mind. Finne and Sivonen (2008, 75) claim that pricing strategy should be based on a potential customer's portfolio. The average customers may not remember all the prices, however he/she can have a perception of a store as of an expensive, middle or cheap one. Unique programs may contribute in creating a competitive advantage of a store. The common method to create a positive customer's perception is to put 9 as the last digit of a price, what will make a customer perceive the price cheaper than it actually is (Finne, Sivonen 2008, 75).

Tiwari (2009, 5) has proposed the similar idea to the idea of Paramanova and Krasnyuk concerning relationship marketing. The author claims that for the efficient use of the retailing from the marketing point of view, a company should have an original image for better positioning and for creating the possibilities of the key features to be translated into tangible characteristics of a shop and additional services. Assigning the name and the symbol is really important as well in order to capture a client's mind (Tiwari 2009, 5-6.) The writer mentions as well, "a shopper should be able to determine the following about a store in three seconds; its name, its line of trade, its claim to fame, its price positions and its personality" (2009, p. 187).

Creating the brand can be a vital step in retailing. According to Muhammad (2009,1) brand can be "logo, slogan, and/or design scheme associated with a product or service". Hence, it is something that with the aid of promotion can cause recognition of a product or can cause any other customer's reaction. Brand emphasizes certain characteristics and it may make people expect something from it. Brand recognition depends on how widely the brand is known (2009, 3). Thus the brand and image are interconnected terms.



## 4.2 Creating profitable assortment of a store

Assortment is the answer to question “what” in a planning strategy of retailing. Assortment is a list of products, which are sold in the store. Referring to Paramanova and Krasnyuk (2013, 83), it can be:

- Simple - classification of no more than three types;
- Complicated - more than 3 types of products represented;
- Enlarged - group of products, united by common attributes defined in the commodities;
- Deployed - a range inside of a group, represented by varieties of products.

These elements mentioned above do not sculpture the marketing approach, because the main principal is to follow marketing mix steps: place, product, price and promotion. The marketing approach tends to classify products by groups:

- Products which satisfy similar needs of customers or complementary needs or which perform the same functions;
- Groups of products, which are segment oriented;
- Groups, which are priced in accordance with customer's wealth (Paramanov, Krasnyuk 2013, 84.)

Finne and Sivonen (2008, 63) identify two crucial dimensions of assortment: the first one is breadth or diversity – it is about how much products there are in a line, the second one is range depth – it is about the number of items in a category.

Paramanova and Krasnyuk support the idea of dimensions. They classify two main characteristics of assortment: the width and the depth. Up to them, the width of the assortment is represented by number of groups which a store has while the depth is the number of products in a group. The average buyer in Russia tends to buy 150 items; nevertheless each client wishes to have a possibility to make a choice. Sometimes the depth of a range can be too wide what can make a choice complicated, for this reason a shop should balance the correlation between the depth and the width (Paramanova, Krasnyuk 2013, 83-85.)

To understand whether the assortment is well presented, several important steps should be done. This process is called range management (Finne, Sivonen 2008, 63). Moreover, Finne and Sivonen (2008, 63) strengthen the idea that choosing the range should start from identifying customers' needs. The profile of the store should meet potential clients' expectations

Paramanov and Krasnyuk (2013, 88) suggest at the beginning of the process to make customer segmentation and to identify the target segment. The next step is to analyse the needs of the chosen segment and to correlate the needs with the range of the products in order to understand if these two indicators match each other.

Products range should maintain a constant interest from customers' side. Finne and Sivonen (2008, 81) suppose that clients when they come to choose a product, they seek to find something fresh for them. Once the items seem unchanged, they may lose attraction to a particular store. Nonetheless, the refreshing of a range of products may not only create an interest for consumers but also it may help for retailers to gain a competitive advantage. A retailer should have a good anticipation skill in order to choose the right products, which will satisfy customers' needs. Seasonal products may be attributed to constantly changing products as well.

After that, customer data analysis should be done. Customer data analysis is the analysis of the frequency of buys of products. Forming the range of products, it is necessary to understand the intentions of a customer to buy, whether it is a planned shopping or a spontaneous one. The spontaneous one is an impulsive one. It is a special type of customer behaviour. While buying spontaneously customer decides at a moment when he/she sees a product and gets an immediate reaction to buy for no valuable reason to do so. Thus, as a result, an entrepreneur should take an advantage of this fact and create conditions, which can influence emotions of a customer, which can push him/her to buy a product (Paramanov, Krasnyuk 2013, 88-94.)

### 4.3 CRM as a sales enhancing tool

There are no secrets or doubts that a happy customer is a loyal customer. In due time a loyal customer is a profitable customer. To keep a customer happy, a retailer should provide him/her with the great customer service. Customer relationship management (CRM further) can help with this purpose.

Customers play the key role in a business; they are the cores of it. Without customers it would not be possible to make deals, to sell and therefore to gain a profit. A satisfied customer will probably stick to one seller however; the dissatisfied one will try to persuade others not to buy in a particular store. Therefore, the conclusion can be logically conducted that, the more a seller puts effort to satisfy a customer, the more chances that he/she will keep them. Thereby, CRM is an important business tool for this issue ('The state of electronic customer relationship management in retailing', 2002, 470.)

Leventhal (2006, 430), as the previous author, did not underestimate the role of customer loyalty in a business, "customer loyalty is one way to create a competitive advantage" and to keep a customer loyal, a seller should provide him/her with the sufficient quality. Quality itself is difficult to measure however it cannot be improved until it is measured. Thus, making the connection between CRM, loyalty and quality can slightly simplify this task.

The competition influences all the companies in the same manner. Under the current market conditions companies have to struggle for their market shares. To keep the best position in the market companies have to do their best for customers, they have to provide them with the best services or products. Nevertheless, all the companies work to make profit and thus they tend to search for the least cost-consuming ways to do so. Consequently, Leventhal (2006, 431) supposes that the added value and relationship management with the key customers is the crucial element to fight against the entire rivals. The author considers that if the supporting service works in a systematic manner and the offered products are of the high quality, the more chances appear that customers will stay loyal. The writer claims that profound database is essential for any business in case of market turbulence. Enforcing the existing connections is a significant task.

CRM is vital for many reasons. First of all, it helps to create a cliental database, which helps to use it for different purposes, such as identifying customer behaviour or handling customer questions or complains. Customer Relationship Management should be an interesting tool for retailers. Regardless of the channel the consumer chooses to use, CRM requires that a retailer should manage the customer interaction. Internet based management; one of the most popular now, consists of three main

areas. These areas are presale information concerning merchandise and company, e-commerce services and the final one is a follow-up services and after sales support. Online-based CRM, which is also called E-CRM, is the most essential one because of customer migration to the Internet. Because Internet accessibility is developing all around the world, more and more people shop online and if not today, they will try to purchase online tomorrow. Logically, E-CRM is a must be in a retail business. Depending on the size of a business, it is possible to choose an appropriate application. Different applications have different features, thus depending on a business's needs, a retailer may choose only necessary elements, for example quick order ability, track order status or customer service page. These are only some possibilities to choose from, however, there are many others available as well ('The state of electronic customer relationship management in retailing' 2002, 471-474.)

Henrik (2008,4) claims as well that customer relationship management is the key element for customer-oriented company. It has three main segments. The first one, operational segment is about the initial level of activities such as sales, marketing and support features. Support features include operations with customer as for instance order management or invoice. The second segment is analytical one, this is mostly about the customer database and all supporting it information. With the help of this data, a retailer may proceed analytically and interpret the extracted desired information in order to treat each customer as individual as possible. Finally, the third segment is collaborative customer relationship management, which is made to enable a customer to communicate with the seller in a preferable manner, which can be a call centre, the Internet, e-mail and all the other channels of communication (2008, 4-6.)

To sum up the main task of CRM is not simply a technical tool, which helps to maintain a relationship with customers; it is also a great aid to the business purpose of driving bottom-line revenue that also represents the net earnings in accordance with the customer life cycle. The aim of CRM is to transfer unprofitable current clients into profitable ones as well as to build the customer behaviour model in order to implement it to attract new customers

#### 4.4 Growth of a company as a sales increasing strategy

There are many reasons for a company to grow. For instance, once a company has its own cliental base and clients became loyal, the company may start thinking about its

growth in order to develop further. To increase its potential, a retailer should keep in mind a growth as a tool, which can cause a boost in sales.

A company has plenty ways to grow, for instance merge or acquisition. However, Cowpe and Kean consider the most preferable an organic growth, which happens naturally. The reason for it is that it is more profitable than winning new business with new customers. The already existing clients, loyal ones, bring more revenue to a company than the new ones. The organic growth is seldom planned; usually it is a result from some actions targeted on increasing clients' attention. Nevertheless, organic growth does not simply happen either; some obstacles may prevent a company from the success (2008, 3-21.) Lesonsky and Anderson (2001, 129) referred to an organic growth as a method of business growing as well. They advise to focus on the products and then an entrepreneur will open new markets. They suppose this kind of growth to be more natural and seamless for the company.

There are four crucial assumptions; dealing with them it is possible to create more chances for better future of a company. The first assumption is the lack of time: this problem is one of the most essential ones. The fact is that people have more and more things to be solved constantly, and the immediate reaction is not of a good quality sometimes. That means that people work only for work to be done in a short period of time with no adding value to this work. Thus, time management is a significant issue; people should learn how to create more time for work to be done at a relevant quality. The second assumption concerns the approach of rewarding the new business attraction rather than caring for the existing ones. This approach can be a big mistake for a company. Caring for existing clients should be treated equally to searching for new ones. These two business actions should be evenly rewarded, since existing clients bring profit to company as well as new clients do. Even though hunting for new opportunities is important to farm the existing clients who can also bring the same value. The third challenge is about responsibility, every person in a company should understand which responsibility they have, it should be stated clearly. The last barrier on the way to organic growth is a fear factor that occurs inside the company, when employees consider that rather income or other aspect of job will not be granted fairly. When this fear exists inside a company, the success will not come (Cowpe, Kean 2008, 21-27.)

On the contrary, some authors have different attitude to the growth. Hess (2011,11) considers that the growth is a complicated procedure. The practice slightly differs from the theory. The author claims that even though many theorists suppose that growth is an effective method, they miss the real conditions of the market, such as competition, demand, customer response and many others. The markets are as unpredictable as people are. Therefore, the process of growing cannot be smooth for a company. The author considers the growth to be another obstacle for a company, which a businessman should overcome in order to succeed well. Nevertheless, the understanding of how to lead a business will come only when a businessman starts to do it, generally everyone learns by doing. Hess (2011, 12) proposes first to estimate the possible risks, which might occur with and without choosing a growth as a strategy and only after make a decision. The writer thinks that the growth may bring as positive values to a company as destroy its culture and spirit. The choice of employing new staff is important for the successful work. Another issue that needs to be stated is that by growing, a business moves to a different niche and as a result it gets new rivals. A businessman should be aware of this issue in order to do a deep and right market research.

Hess (2011, 13) stated several cases, when the growth can have a negative effect on a company. To start with the quality, it can be damaged if the growth happens very quickly. As a result, the service and products may not meet customers' requirements and it will make customers switch to another businesses. The next issue that may be bad for a business as well is the requirement of significant investments, in case if they are needed beforehand the desired revenue will be returned. The con of this case is obvious since the business can loose money at once and have no more cash for further operations. The next disadvantage that may appear is that if a business wants to operate in a relatively similar sphere but not exactly the same, they may overlook some details and the process will not go as smooth as it was planned. The last but not the least disadvantage is that the entrepreneur can not be physically presented in two times and if the geographical growth appears, it is crucial to find a right person, a partner to whom it will be able to trust (Hess 2011, 13-14.)

#### 4.5 Theoretical framework summary

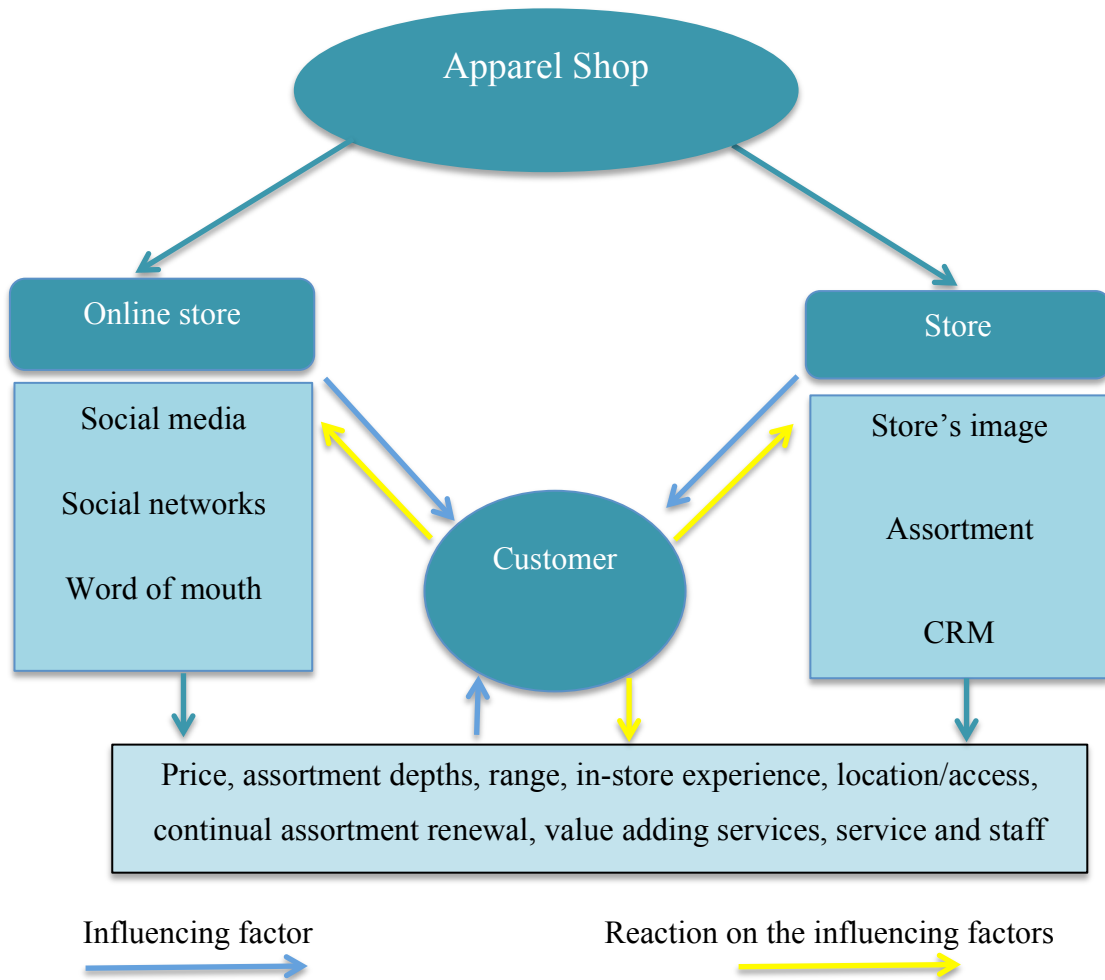


Figure 3. Theoretical framework.

On the figure above it is seen the interrelation between the discussed theories. The presented factors are the key in a sales boosting according to the reviewed literature however, on the practice it is essential to see how the customers do react on these key element. The research will help to strengthen or to weaken the assumptions, which were proposed in the literature review part. The theoretical background identifies the factors that may influence the customers (reflected on the figure above with the blue arrows) while the research seeks to see the result of these influences and to know the customers' reaction (reflected on the figure with the yellow arrow).

## 5 METHODOLOGY

### 5.1 Choice and Justification and Applying of Data Acquisition Methods

The research and development consist of two elements; research is essential element for developing that is why it comes first.

For the given case study, the best approach will be a quantitative research with the elements of the qualitative one. This approach contributes the best for the case study due to the fact that sales and its growth directly depend on the customers, the more people buy the more will be sales and as a result the growth of the turnover. Depending on the customer's needs, wishes and actions, a company may adjust its strategies to satisfy the latter at the highest level. Therefore, the data should be collected from the people, who have a direct attitude towards the company's activities; customers are a part of it so in order to bring additional value to research, it is important to get to know the main statistics of the customer buying behaviour.

The survey is a data collecting strategy, that Saunders, Lewis and Thornhill (2009, 144) suggest applying when questions such as who, what, where and how much arise. Often, the survey method is used for finding out the certain relationships between variables and explaining the reasons for it.

For the particular case questionnaire is going to be the method used for acquiring of the data. Questionnaire is one of the methods of surveying. Referring to Saunders, Lewis and Thornhill (2009, 360) questionnaire is a term that from the general point of view combines all techniques of collecting information, while all respondents are required to answer for the same predetermined sets of questions. As a research is going to be held online, this type of a research is related to self-administrated and Internet – mediated questionnaire (2009,362).

Wellington and Szczerbinski (2007,18) suggest that if the primary purpose of a researched is to explain and predicts, the quantitative research method can be chosen. However, they claim that neither one research is completely enough alone; the quantitative and qualitative researches are complementary approaches. Since, if a researcher may want to study an individual's experience, a qualitative approach should be used. Despite the fact that some certain elements of qualitative approach such as open ques-



tions may appear, the fundamental one is going to be quantitative, thus there are key features identified for it:

- Quantitative research is a numerical one and it is about collecting statistical information;
- It is about verification of a hypothesis and theory;
- Qualitative research is made with the planned sequences and it always needs the following work on it in order to analyse the received data into the certain assumptions;
- It tends to generated common laws, which maybe applicable for certain events, objects or even people (Wellington, Szczerbinski 2007,117.)

For the successful data acquisition process, it is important to identify the sample. Up to Saunders, Lewis and Thornhill (2009, 211) “sampling techniques provide a range of methods that enable you to reduce the amount of data you need to collect by considering only data from sub-group rather than all possible cases or elements”, which is illustrated in the image below. Thus, the sample group will represent the population, under the condition that premises will remain similar. The population is the total set of cases. However, this term is not necessarily address to people, it may be any object of study as well, depending on the need of the case (2009, 211-212.)

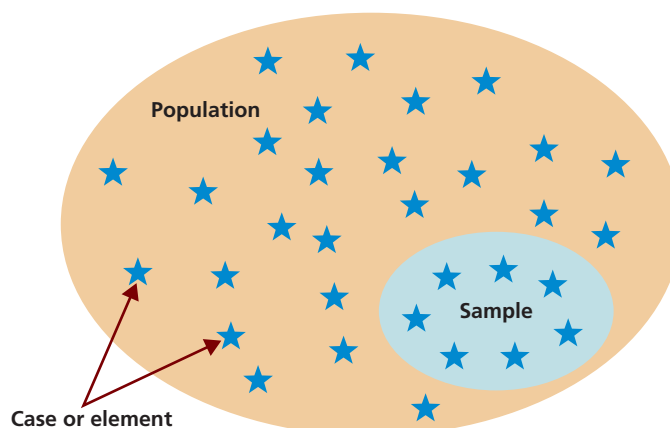


Figure 4. Population, sample and individual cases (Saunders, Lewis, Thornhill 2009, 211)

Sampling is an essential element regardless of the data acquisition method chosen by a researcher. It is time and money consuming in any case (Saunders, Lewis and Thornhill 2009, 212).

In the given situation the most appropriate sampling is the probability sampling or representative sampling. It is the method most frequently used in survey-based researches. It identifies four steps in a process of sampling. The first step is to choose an appropriate sampling frame correlated with the research objectives: it means to do a selection process from all of people suitable for surveying. After, it is necessary to identify the sample size. The third step is choosing the most suitable sampling technique and the sample. The final step is to verify that the sample is representative of the population (Saunders, Lewis, Thornhill 2009, 214.)

For the particular case the people who are following the page of TuRN\_up in VK social network represent the population and people who may have interest in TuRN\_up store. If determined number of the followers is precise, people who may be interested in a store vary vastly. By collecting data from the existing clients, it is possible to take into consideration their wishes and expectations concerning the store, it is also possible to see at which degree customers want the store to change or to improve. While collecting data from the unfamiliar people it may enhance the recognition of the store and it may also help to increase the target audience, providing better understanding of general customers' perceptions.

To identify the sample group, first it is needed to count the population. From the page of TuRN\_up there are 2300 followers. People who may be interested in a shop may vary from tens to hundreds that is why they are not taken into the account. Hence, the research aims at the existing clients and followers of the page. With the help of online calculator (Creative Research System 2012), the sampling group is 181 people with the confidence interval of 7%. Seven percent is taken in order to anticipate the risk of non-responding.

It is essential to define the date when the questionnaire will be available for people to answer, depending on this the results can be collected more effectively. The questionnaire is going to be launched on the 1<sup>st</sup> of May, this is a national holiday in Russia and thus thanks to this occasion, the commissioner has agreed to propose 15% discount for all the stock, it will stimulate respondents to answer as well as it may bring some new

customers. On the other days, after the 1<sup>st</sup> of May the respondents will be provided with the 10% of discount. To get a discount respondents will need to send a screen shot of a page, which appears after submitting the questions, to the administration of a group on VK. The questionnaire is fully anonymous in order to gain honest answers.

#### 5.1.1. Questionnaire's questions discussion

The questionnaire is based on the key success factors of the retail, which were mentioned in the chapter, which describes retailing on the theory of Finne and Sivonen (2008, 57). It also includes some questions, which represent the interests of the commissioner.

The first five questions of the questionnaire are related to the general statistics information. The questions, which ask about the gender, age and the city of residence, are made to recognize, whether the target group is identified correctly and to understand the geography of customers. The questions concerning the size of shoes and the size of clothes that people wear are required for identifying the most common sizes, this information will enable the entrepreneur to fill the stock with the most common sizes, therefore, it will shorten the time of delivery.

The following questions are made in the forms of statements, that should be graded by the scale from 1 to 5, where the meanings of the grades are following: 1 – does not matter, 2 – partly matters, 3 – matters, 4 – quite important, 5 – highly important. This method will help to understand the importance of different facts and it will lead for building an efficient strategy. The questions concern both online and store selling. The questions will be following:

1. Location of the store – this is identifying how important the location for customers, if the place is chosen right or there is a need to find another possibility;
2. Easy search of the page on the Internet – the following statement is focused on online customers and similar to the location of the store, it seeks to provide the information whether it is easy to find the page on VK or probably there is a need to improve its search;
3. Image of the store – theoretically, the image may play a great role in enhancing the sales of a store, depending on how customers perceive it, it may attract customers or may not create any interest for them;

4. Friend's recommendation concerning the store – the word of mouth is a strong power and thus it is vital to know if customers do follow advice of their friends or not and if they may have influence on their decision;
5. Diversity of assortment – the assortment of the store should be competitive in order to make people shop in a particular store;
6. Similarity of the products presented in a store and in the online shop – this question is targeted to people who shop in both ways in-store and online. There is still a big issue with the stock presented in a store and this question will help to identify of the stock should be increased or it can keep working in the same manner as it does now;
7. Transparent information about the product – taking into consideration that TuRN\_up store is a multibrand retailer it may not have some certain information, which may interest a customer, thus it is important to know if the retailer should keep choosing the assortment in the same way or should try to find new suppliers;
8. Customer service – this is supposed to be a pitfall, because when people shop online they may not feel the support of a seller and it can be misleading for them. Nevertheless, if this factor will happen to be not important for customers, the retailer may want to spend time improving other elements;
9. Feedback – feedback is a part of a customer service, however it stays separately as a criteria because it is needed to know if the direct communication with staff has a great meaning or not;
10. Price – price is an essential element for understanding why customers come to shop online, if the price matters a lot for customers, it means they base their search online according to it, hence this element may be prior and may need further research on customers' expectations. However, if the price is not the meaningful element, then it is possible to pay attention to other improvements;
11. Loyalty program offering some bonuses – this question is targeted on the wish of people to stay loyal, if customers assess this criteria high it means that they like the shop and they may stick to this store and become loyal customers. In case if the assessment is low, it means that strategies to keep customer loyal should be developed;
12. Discounts – depending on the answer, the retailer may make up her mind if customers shop more when they have some discounts or this factor does not influence their mind;

13. Delivery time – the delivery time of the company vary from days to weeks and in order to understand should it be standardized or this condition is appealing to customer, the strategy may be improved or remain the same;

The next question is related to the last one in the assessment table and it asks for the maximum delivery time people are ready for, this is to precise the strategy of refilling the stock and choosing the delivery channel. The following question is asking about the frequency of customer's buys, it will enable to make some analysis and plans for future sells. Further, the question asks whether the customer is doing unplanned buys and in which cases they do it, it may influence the assortment diversity and possible promotional activities. The last question leaves the possibility for customers to leave a comment or critiques if they have some.

## 5.2 Choice and Justification and Applying of Data Analysis Methods

To design the questionnaire is only the half of the work. The next step in finalizing the research is the interpretation of the collected data. Raw collected data cannot be understood until the moment when it is translated into graphics, charts or any other visual or wordy information depending on the type of a question. Bell (2010, 212) mentions several types of questions and analysis methods of them. It is essential to mention those of them, which are presented in the particular questionnaire and to explain the method of analysis, which will be applied to each question.

The process of drawing a conclusion about the population on the results received from the sample is called statistical inference. In case if the sample is a large number, the results will be more trustful. The mean can be calculated as well, the mean is the average result. (Saunders, Lewis and Thornhill 2009, 218.)

The first question is needed to categorize the respondents by gender; this question is needed to draw a portrait of a respondent and to match it with the desired target audience. The question is going to be interpreted and illustrated as proportion. Proportion is a pie chart, where frequencies are replaced with percent rate (Bell 2010, 220).

For the analysis of the age, the term of mode is going to be applied. Mode, according to Bell (2010, 216) is common in application for small studies. Mode is the most frequently repeated figure. It will permit to identify the general age of respondents, who

were interested in the questionnaire. It will also enable the commissioner to understand better the portrait of a respondent.

Open questions are considered to be the most unpredictable ones. Open questions are also called verbal questions. They ask people to write from one word to one paragraph (Bell 2010, 223-233). The analysis of this type of questions mean to identify the key words and to draw a conclusion from them, nevertheless, it is important not to overestimate the meaning of responses and to categorize answers by the principle of similarities.

Ordinal scale is a scale, which uses numbers in coding the answers; it can be a scale, which reflects the agreement with the statements or feelings of the people towards these statements. The scale, which is used in a particular questionnaire, is called Likert scale named after its creator. It requires people to express the level of their agreement or disagreement with the one or several statements. Usually the scales of five or seven points are used. For the further analysis of the received data, the results should be illustrated as a bar chart; it will enable to see the correlation between the statement and number of people who chose one or another scale (Bell 2010, 226.)

Thus, concluding about analysis methods, the answers are going to be illustrated as pie charts, bars and modes. The following description of the questions will be based on illustrated answers.

## 6 FINDING AND ANALYSIS

192 people participated in a survey, thus the desired number of participants has been successfully reached.

## 6.1 Building a portrait of a general respondent

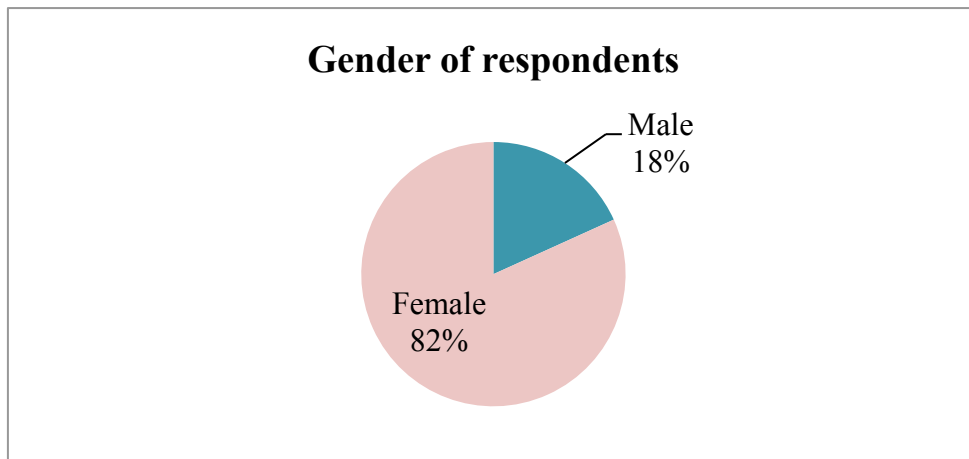


Figure 5. Gender of respondents (n=192).

As it is represented on the pie chart above, 82% (157 people) of all the respondents were female and 18% (35 people) were male.

### City of residence

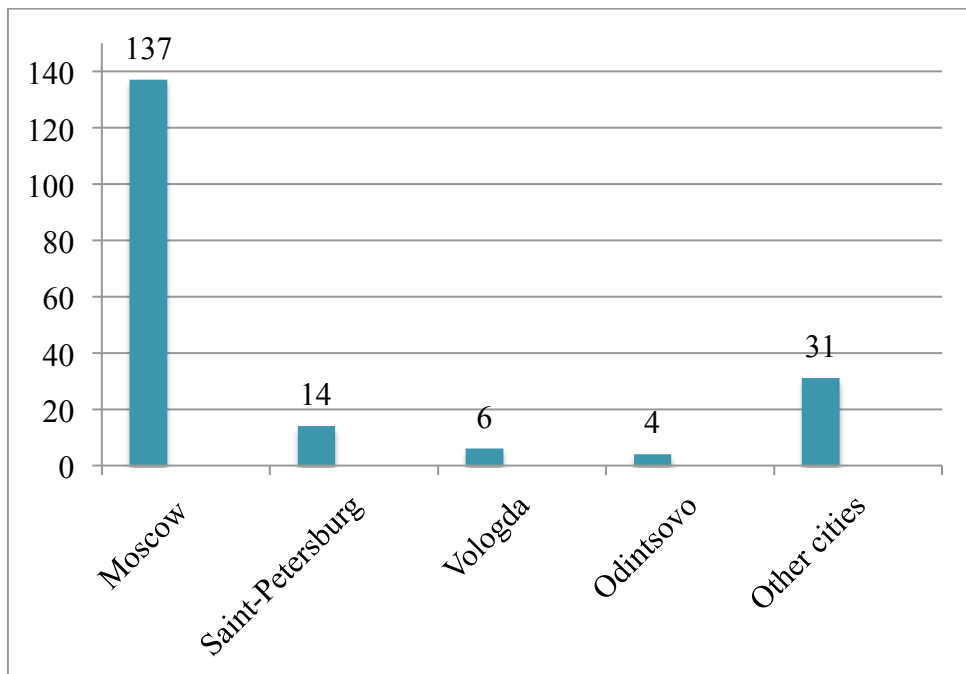


Figure 6. City of residence (n=192).

Geographical occupation of the research was vast however considering results by numbers of people per city it was more centralized. Most of the respondents were

from Moscow, 137 people what is 71% of all the respondents, more than a half. The next group was from Saint Petersburg, 14 people, what is 7% of respondents. The smaller group was from Vologda, where only 6 people answered, what is 3%. The next group was from Odintsovo, 4 people what is 2% of the sample. The rest respondents could not be categorized by cities due to the reason that per each city was one participant. The rest are 31 people, what account for 17% of the sample.

### Age of respondents

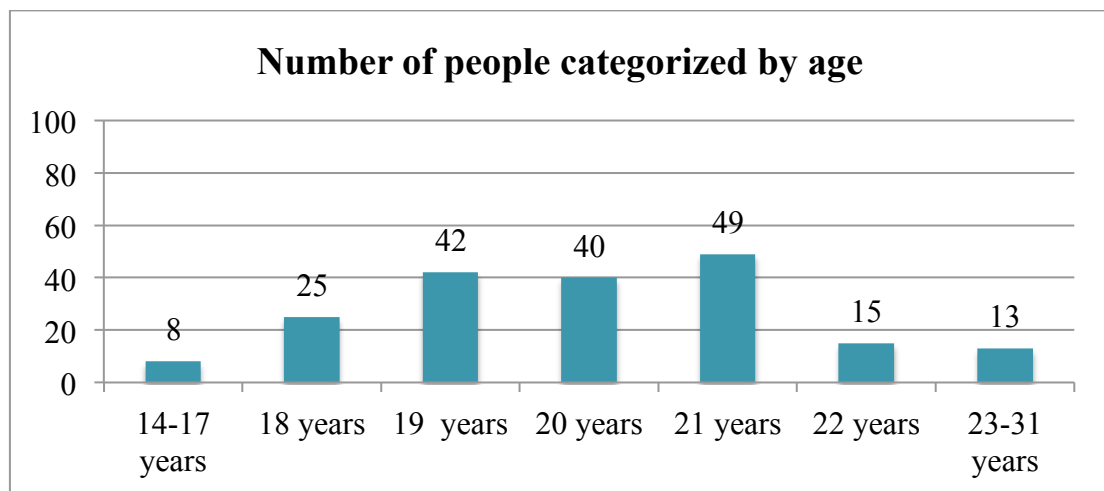


Figure 7. Age of respondents (n=192).

The age of the respondents suited in the chosen target audience flawlessly, the younger respondent was 14 years old, while the oldest was 31 years old. There were 8 people who were between 14 and 17 years old. 25 respondents were 18 years old. The next group of 42 people was of the age of 19 years old. People who were 20 years were in a group of 40. 49 people presented the following group of 21 years old. 15 participants were 22 years old. The last group were people from 23 to 31 years old, and this category consisted of 13 people. The average age is 20 years old, while the mode is 21.

The top three accounted for people from 19 to 21 years old. They presented to core audience, thus, taking into consideration three questions above altogether, the following results can be based on the perception that the average portrait of a respondent is a female of 20 years old from Moscow. This portrait is a general one of a respondent and it is based on the averaging and generalizing the information presented above.



## Sizes of clothes and shoes

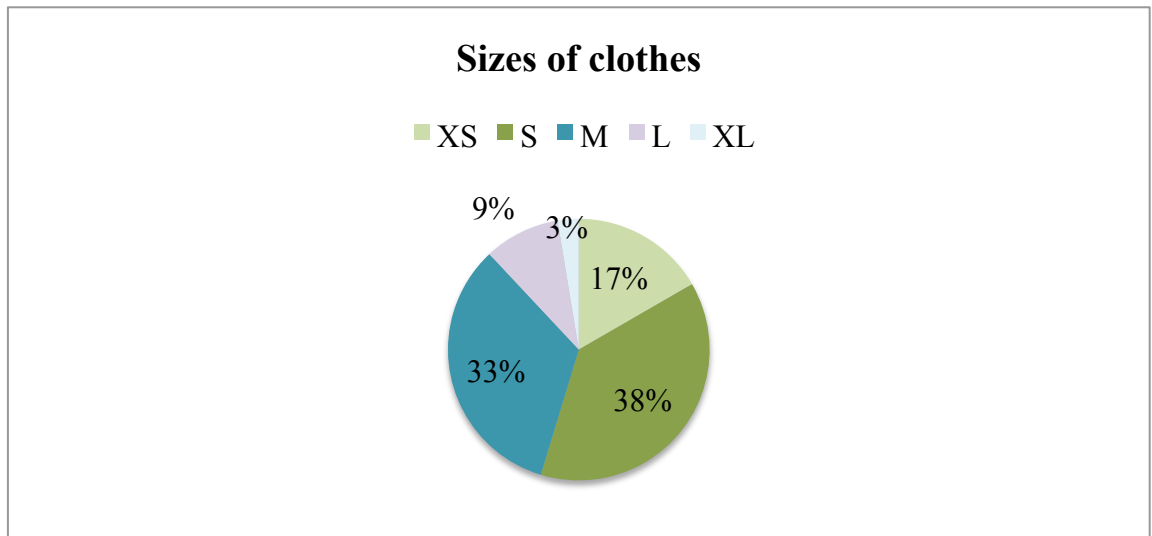


Figure 8. Sized of clothes of respondents (n=192).

The following question of the sizes of the clothes was vital for the commissioner. This question will allow her to increase the stock with the most-demanded sizes and therefore it will enable shorten the delivery time. The most common size among all the respondents is S, it accounts for 38% what in figures gives 73 people. The second place goes for M size, 33% or 64 people. The next common size is XS, 17% of respondents chose this one, what is 32 people. The following group is 9% or 18 people who wear size L. There are 3% of XL sized people and the group is of 5 people.

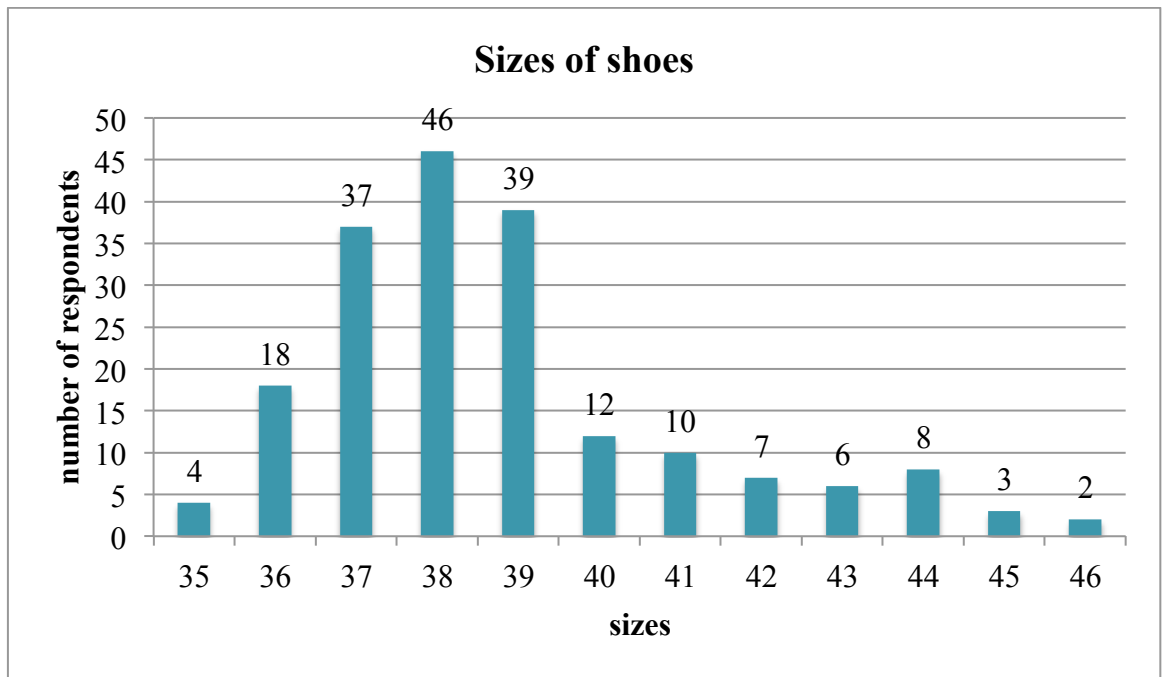


Figure 9. Sizes of shoes of respondents (n=192).

Similar to the question regarding the sizes of the clothes people wear, sizes of shoes is the issue of the commissioner's interests as well. The question was needed for exactly the same reason stated above. The motive is to define the most – demanded sizes in order to increase the stock and to reduce the delivery time.

All the sized from 35 to 46 were found in the received answers. Out of 192 respondents, people who wear size 38 represent the biggest group; they were 46 people (24% of all the respondents). The following top size is 39; the number of people who gave this answer was 39 (20% of the sample). Size 37 is the third popular size according to the received answers represented by group of 37 people (19% of the sample). 18 people stated size 36 (9% of the respondents). 12 people responded their size to be 40 (6% of the sample). The next group was of 10 people with the size of 41 (5% of the sample). The smaller group of 8 people claimed the size of 44 (4% of the respondents). 7 people stated size 42 (4% of the respondents) 6 people out of the total respondents answered their size to be 43 (3% of the sample). 4 people gave the answer size 35 (3% of the respondents). 3 people represented the group with the size 45 (2% of the respondents). The smallest group of 2 people stated the size of 46 (1% of the sample).

Summing up all the answers received in the first five questions, the general respondent is a female from Moscow, with the sizes of the clothes S and size of the shoes 38.

## 6.2 Scale assessments of the statements that influence the buying behaviour of a customer

Scale assessment was needed to identify the importance of the statements for the potential buyers and target group. The table included 13 statements and the respondents were asked to evaluate the statement from 1 to 5 according to their own feelings toward each statement. For the better comprehension of the scale, it is essential to describe what means each grade. The grade 1 means that particular statements does not influence anyhow the buying decision of a person, the grade 2 means that the statements partly matter for a person nevertheless it will not change a customer's mind in the process of buying however it may influence one of the various factors that influence the final decision. The next grade 3 means that the statement matters for a buyer more in some cases than another however it is not the key in a buying process. The grade 4 means that the statement is vital for a respondent and has an important meaning for a customer. The grade 5 is the highest possible grade; it means that when a customer is making a buying decision this point is crucial for him/her. The average grade will be represented for each of the statement with the proximity till tenth. Since the 3 is the middle grade that shows that the criteria that expresses the importance only in some cases, all the analysis will be based on two dimensions: the first one is the average result showing less then 3,5 and the second one consequently more then 3,5. The first dimension will represent the attitude of customers who consider the statements to be not the crucial element and the rest from the second option are people who give more value for it.

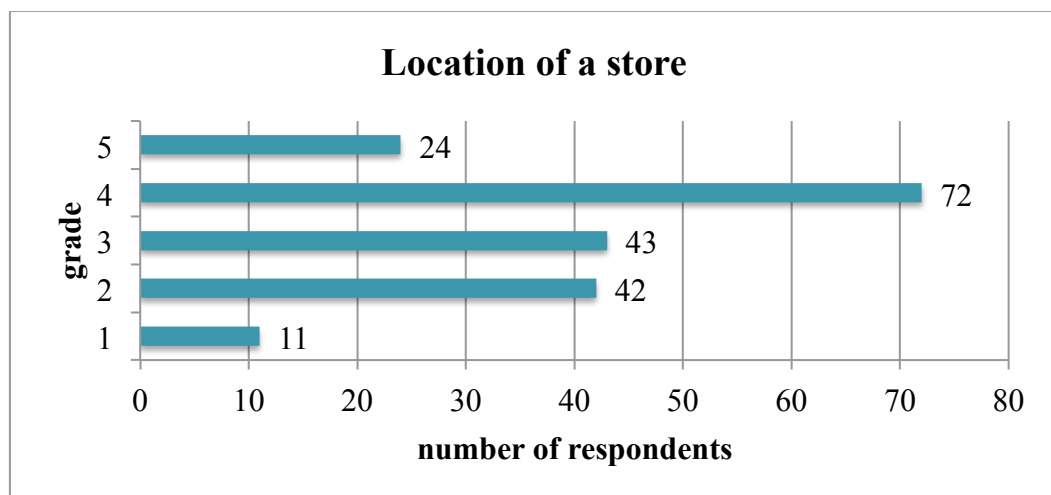


Figure 10. Location of a store (n=192,g=5).

The first criteria were about the convenience of location of a store. The biggest group of the respondents, 72 people (38% of the sample) assessed the position of a store with the grade 4, what means that the location matters for customers. Approximately similar numbers of participants evaluated the store location with the grade 2 and 3 (42 what is 22% of all the respondents and 43 respectively what is 23% of all the sample), expressing that the location slightly matters and rather matter than not. The lowest grade 1 put 11 (6% of the sample) people and the highest grade 5 put 24 (13% of the sample) people. Referring to the average grade of 3,3 and the mode 4, location has quite important meaning for the customers.

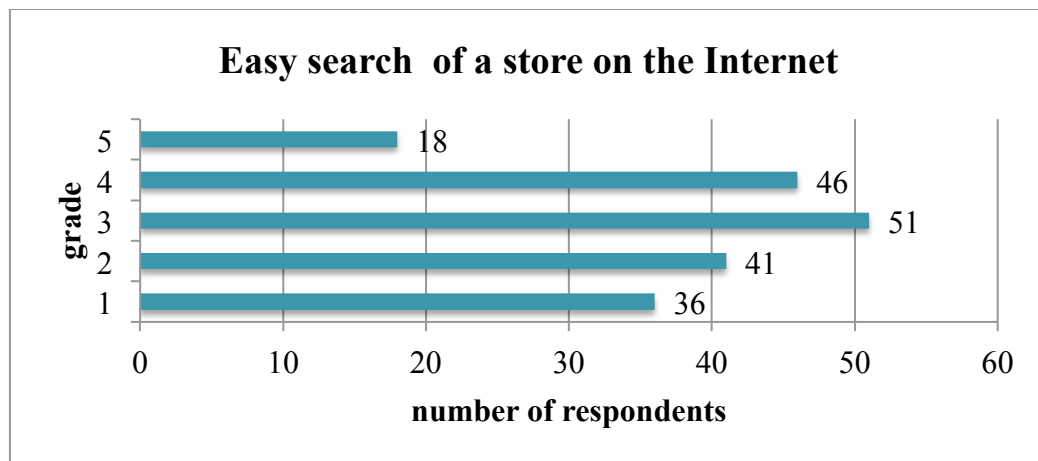


Figure 11. Easy search of a page of a store on the Internet (n=192,g=5).

The second question asked respondents to evaluate the importance of the easy search of the store on the Internet. This question is similar to the question about the location of a store however in the digital sphere. The average grade of the final results is 2,9. 51 (27% of the sample) respondents evaluated the ease of search with the grade 3. 46 people (24% of the sample) put grade 4. 41 people (21% of the sample) evaluated the statement with the grade 2. 36 (19% of the sample) people estimated the easy search with the grade 1 and 18 (9% of the sample) people put the highest mark of 5. The mode of 3 is close to the mean of 2,9. It can mean that people in general are more likely to care about the easy search of the online based store than a store-based shop.

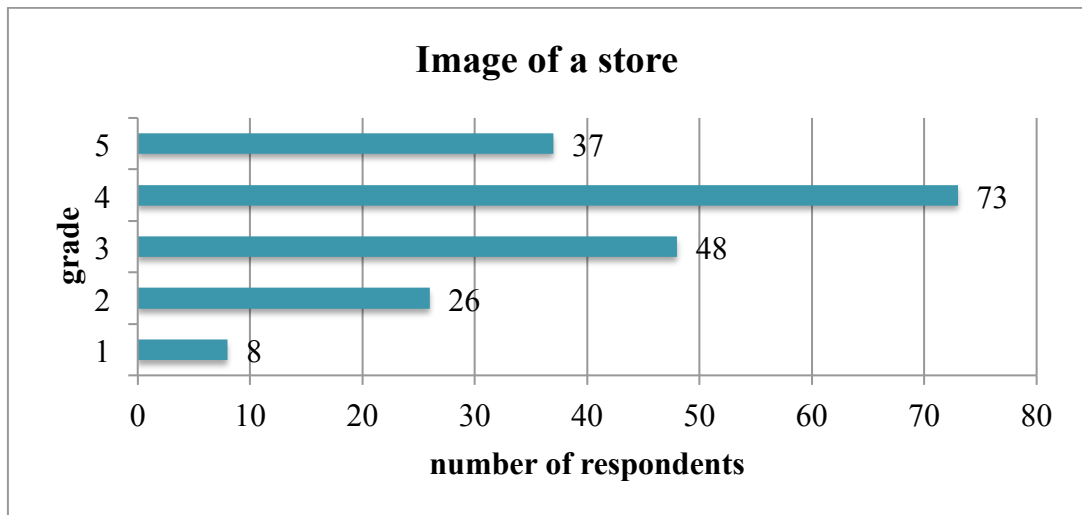


Figure 12. Image of a store (n=192,g=5).

The third question asked about the importance of the image of a store for respondents. 73 (38% of the sample) people evaluated this statement by 4. For the 48 (25% of the sample) people the image of a store slightly influences their buying decisions and they chose 3. 37 respondents (19% of the sample) evaluated the image of a store as a factor that has a strong influence on their buys and they graded it with 5. The next group of 26 (14% of the sample) people assessed the image of a store as a partly mattering factor and chose the grade 2. The smallest group represented by 8 (4% of the sample) people evaluated this statement by 1 claiming though that the image does not play any role in a buying decision. The average result is 3,5 and the mode is 4, what enables to conclude that the image plays its role in a buying decision.

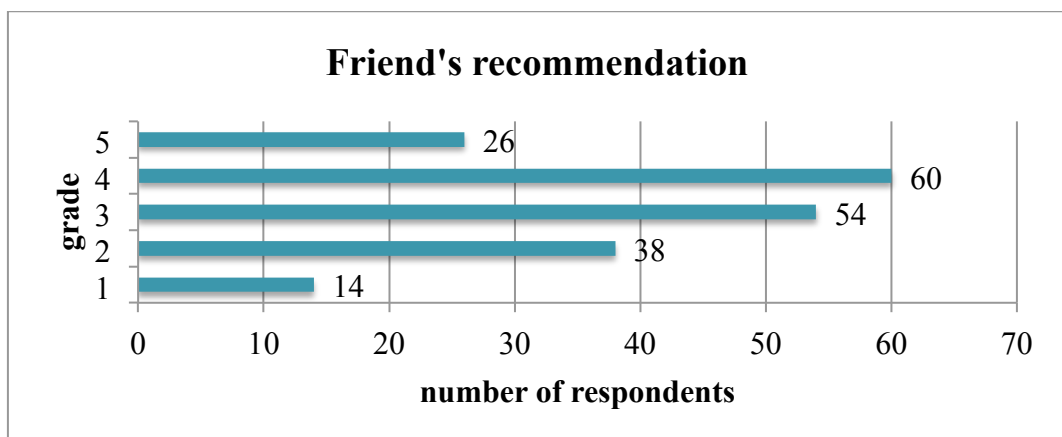


Figure 13. Friends' recommendations (n=192,g=5).

The fourth question was related to the word of mouth concept and asked particularly about the influence of friends' recommendations on people's decisions. The biggest group of 60 (31% of the sample) respondents evaluated their friends' recommendation with the grade 4, expressing that recommendations do matter. The next group of 54 (28% of the sample) respondents gave grade 3 to this assessment, showing that this factor matters more likely than not. The next 38 people (20% of the sample) assessed the statement with the grade 2, expressing the little value of recommendations for them. 26 (14% of the sample) respondents assessed the statement with the highest grade 5. The average grade is 3,2 and the mode is 4 what shows that for the average customer the friends' recommendations play a small role in a buying decision process nevertheless it is not crucial in it.

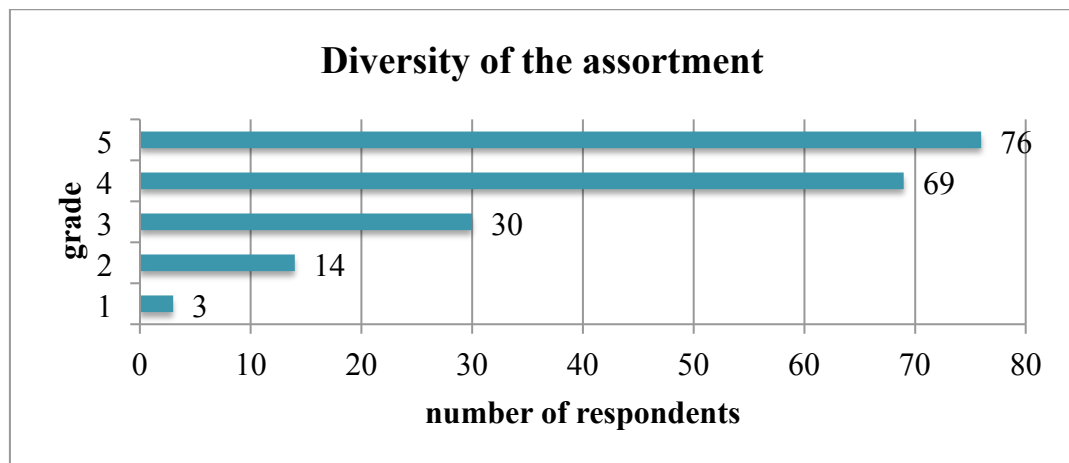


Figure 14. Diversity of an assortment (n=192,g=5).

The fifth statement was about the attitude of people towards the diversity of the assortment of the store. From the figure above, it is possible to see they that the biggest group was the group of 76 (40% of the sample) people who assessed this factor with the grade 5, what means that this factor extremely matters for them. The next group of 69 people (36% of the sample) decided that it also matters for them and put the grade 4. 30 people decided to evaluate this statement with the grade 3 what means that it more likely matters than not. 14 people (7% of the sample) assessed the statement with the grade 2 and the smallest group of 3 (2% of the sample) people decided that the diversity of the assortment does not make any difference for them. The average of the results is 4 and the mode is 5, what proves the high importance of the diversity for people.

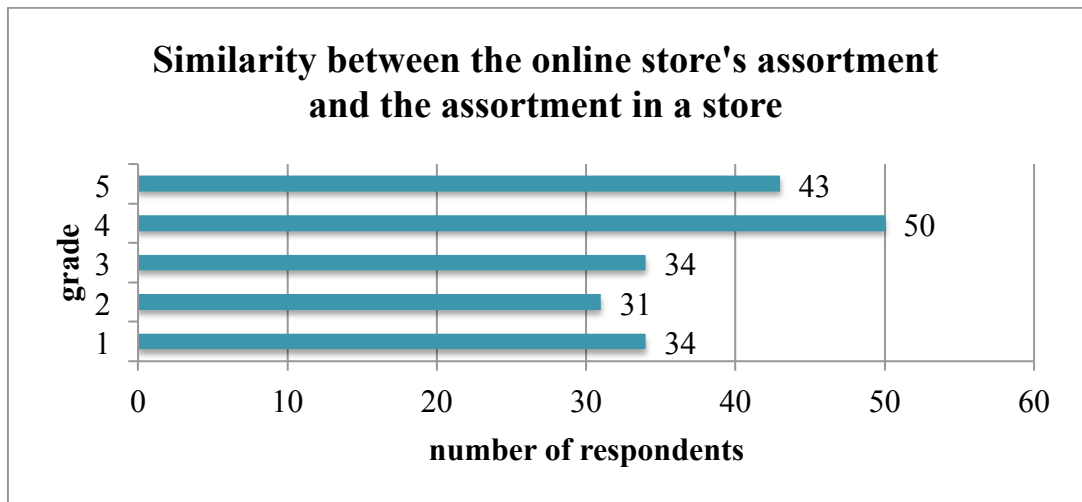


Figure 15. Similarity of the products in a store and in an online shop (n=192,g=5).

The next, the sixth question also concerns the issue of the assortment however it speaks about the similarity between the online store's assortment and the assortment presented in the store. From the figure above, it is visible that the biggest group was 50 people who evaluated the statement with the grade 4, what means that the statement matters for respondents. The next group was of 43 people (22% of the sample), who gave the highest grade 5, articulating the great importance of the similarity. The number of the respondents who evaluated the statement with 1 and 3 are the similar, they are 34 people (18% of the sample), who consider the statement more likely matter than not and who does not give any importance to the statements. The rest respondents in the amount of 31 (16% of the sample) people assessed the statement with the grade 2, showing the little value of this factor for them. The average is 3,2 and the mode is 4, what means that this statement is rather important to the customers however not the key factor of their decision.

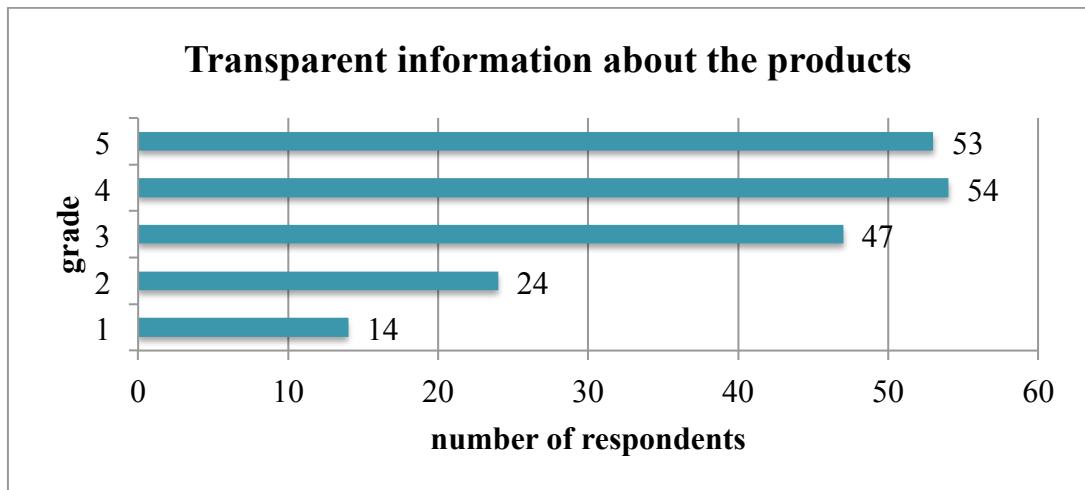


Figure 16. Transparent information about the products (n=192,g=5).

The seventh question asked people about the significance the transparency of the information about products. From the figure above it is possible to notice that the amount of people who consider the transparent of the information to be the key element and the element that matters for customers is almost the same: 54 people (28% of the sample) evaluated the statement with the grade 4 and 53 (27% of the sample) participants put grade 5. The next group of 47 (25% of the sample) put assessed this factor with the grade 3. 24 (13% of the sample) people decided to grade it with 2. The smallest group of 14 (7% of the sample) respondents chose the grade 1, expressing indifference to the products' transparency. The average of the results is 3,6 and the mode is 4, however due to the difference of 1 answer in favor of 4 instead of 5, mode is quite close to the maximum grade. It is possible to conclude that the general buyer pays attention to the transparency and this factor has a certain value.

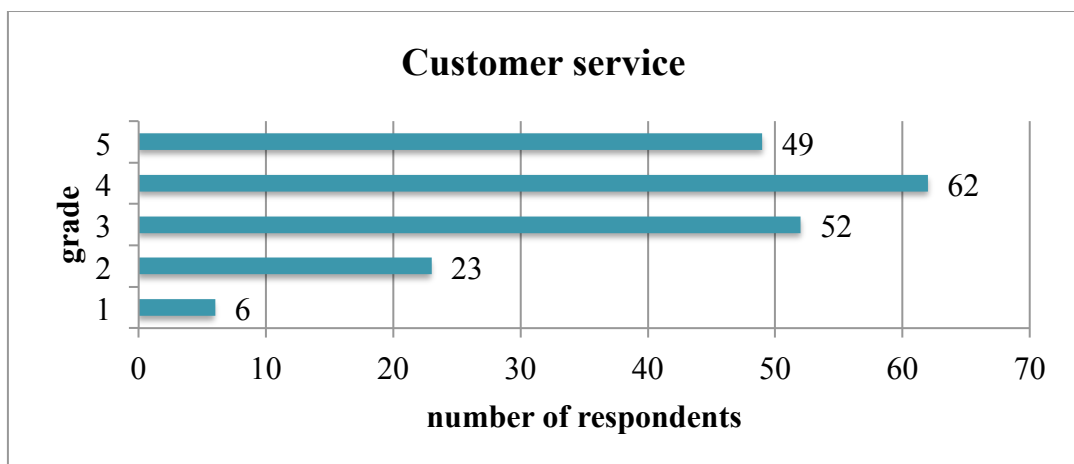


Figure 17. Transparent information about the products (n=192,g=5).



The statement number eight requires respondents to evaluate the importance of the customer service. 62 people (32% of the sample) evaluated this factor with the grade 4, giving importance to it. 52 respondents (27% of the sample) consider it to be rather important than not. 49 participants (26% of the sample) decided that customer service for them is a crucial element and evaluated this statement with the highest grade 5. 23 people (12% of the sample) estimated the importance slightly matters and put the grade 2 and the smallest group of 6 (3% of the sample) is those who do not consider this statement important at all. The mode of the results is 4 while the average is 3,7. Since the mode is close to the average, it can be concluded that the customer service has a value for customers and it influences their choice.

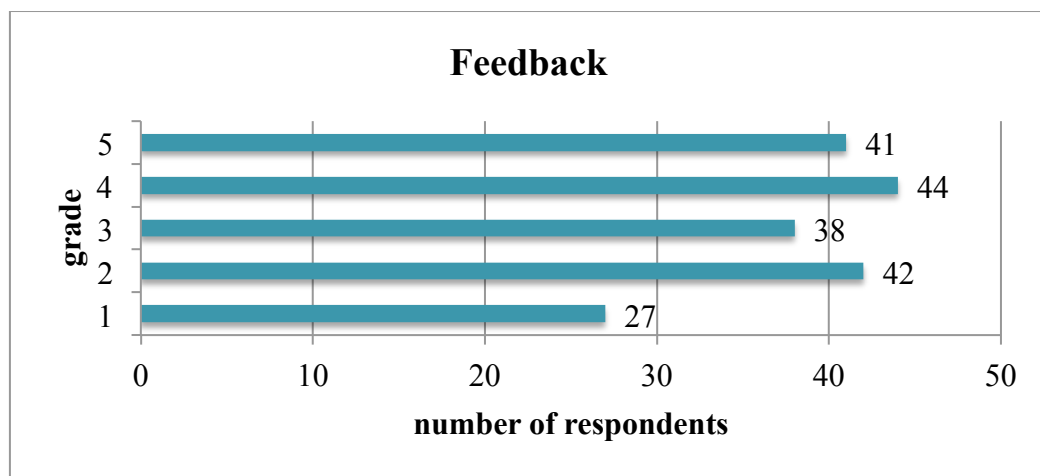


Figure 18. Feedback (n=192,g=5).

The ninth statement was related to the feedback's importance. From the figure above, almost all the grade may seem to have got the equal results. 44 people (23% of the sample) considered that the feedback matters and assesses it with the grade 4. 42 people (22% of the sample) assessed the feedback with the grade 2, what means that the feedback slightly matters for them. 41 (21% of the sample) people consider this statement to be the key element in their buying decision process. 38 respondents (20% of the sample) evaluated this factor with the grade 3, emphasizing that the feedback is more likely significant for them than not. The smallest group of 27 (14% of the sample) people evaluated the feedback with the grade 1 expressing their indifference to it. The average is 3,2 and the mode is 4. Thus, basing the deduction from the average and the mean people more care about the feedback than not, nonetheless all the results are quite similar to each other, that means this statement depends on a single respondent.

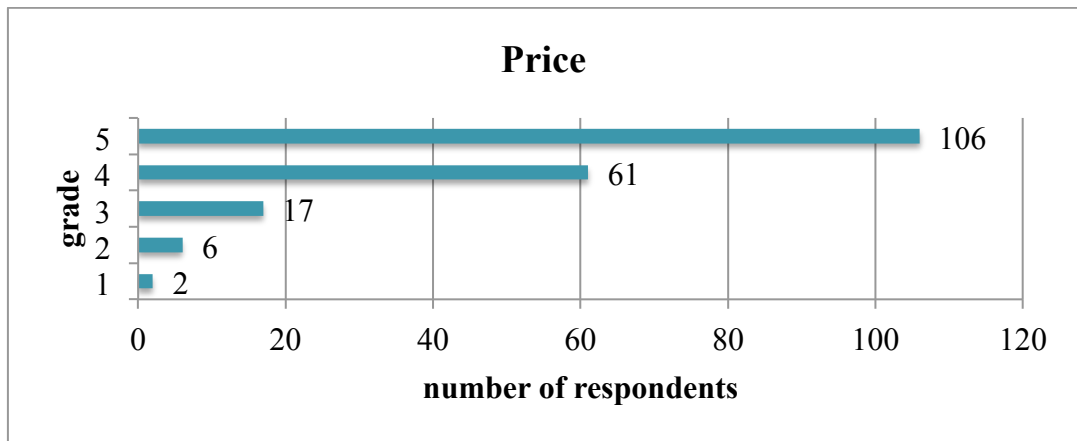


Figure 18. Price (n=192,g=5).

The tenth statement offered for the assessment was the price, to identify to which degree people are sensitive to the issue of the price. The biggest group of 106 respondents (55% of the sample) assessed this factor with the highest grade of 5, expressing that the price is a crucial element in their buying decision process. The next group of 61 people (32% of the sample) evaluated the price factor with the grade 4, what means that the price matters for them. 17 respondents (9% of the sample) chose the grade 3, showing that the price is rather important than not. 6 people evaluated that the price slightly matters and only 2 people (1% of the sample) assessed this factor as not important at all putting the grade 1. The average result is 4,4 and the mode is 5. The results can lead to the conclusion that the price is a strong element in the decision process and it is the key element for most of the respondents, people do their buys based on this factor.

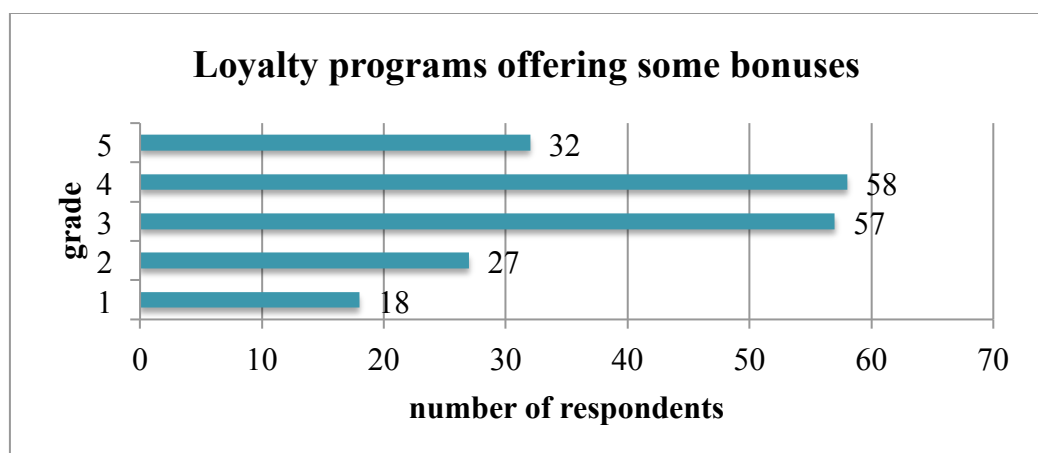


Figure 19. Loyalty programs offering some bonuses (n=192,g=5).

The next statement, the eleventh, asked people to evaluate the importance of the loyalty programs that offer some bonuses for the loyal customers. 58 people (30% of the sample) responded with the grade 4, while 57 people (30 % of the sample) did with the grade 3, what makes the difference of one response. 32 (17% of the sample) people evaluated the loyalty programs with the grade 5, showing that it is the key element for them. 27 respondents (14% of the sample) evaluated this factor with the grade 2 meaning that the loyalty programs slightly matter for them. 18 people (9% of the sample) assessed this factor with the grade 1, showing the total unimportance toward them. The average grade is 3,3 and the mode is 3, this result allows drawing a conclusion that for the average person loyalty programs rather matter than not.

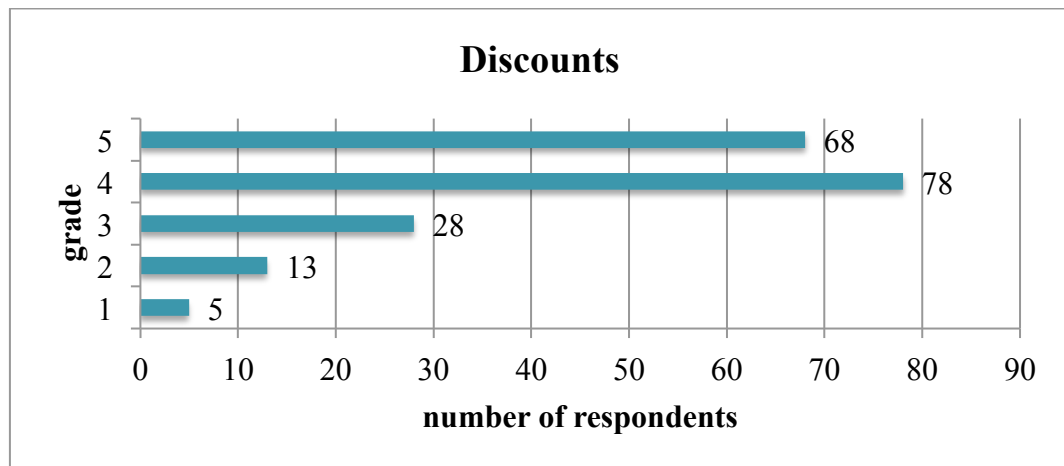


Figure 20. Discounts (n=192,g=5).

The further statement number twelve asked people to assess the importance of the discount for them. 78 people (41% of the sample) evaluated the statement with the grade of 4, expressing that discounts matter for them. The next group of 68 people (35% of the sample) chose the highest grade 5, expressing that the discounts are key elements for them and this is the factor that directly influences the choice. 28 people (15% of the sample) decided that discounts more likely to matter for them than not by choosing the grade 3. 13 respondents (7 % of the sample) assessed the factor of the discounts with the grade 2 showing that it slightly matters for them. 5 people (3% of the sample) expressed their indifference to discount by choosing 1. The average is 4,4, and the mode of the results is 4. The result expresses that factor of discounts influence on people buying decision.

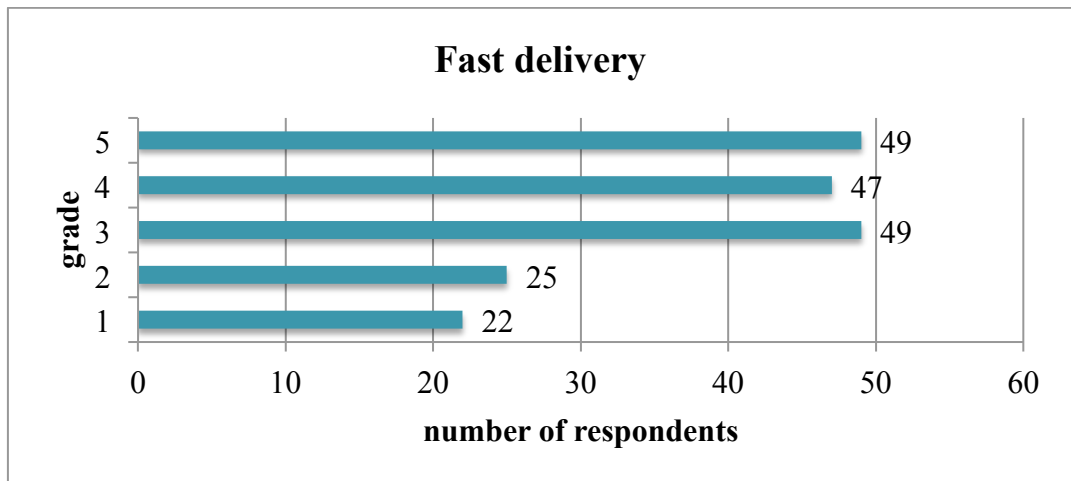


Figure 21. Fast delivery (n=192,g=5).

The last statement in the assessment scale table was the question of the fast delivery. The two exactly the same groups of 49 people (26 % of the sample) assessed this factor as the crucial element with the grade 5 and as the factor that is more likely matters for them than not with the grade 4. 47 respondents (24% of the sample) evaluated the statement with the grade 4 meaning that the fast delivery matters for them. 25 people (13% of the sample) graded the statement with 2, by expressing that the statement is rather important for them than not. The last group of the respondents in the amount of 22 (11% of the sample) expressed their indifference to the factor of the fast delivery by grading the statement with 1. The average of the results is 3,4 and the mode is 5 and 3, however due to the reason that there are more answers, which exceed 3, the mode of 5 will be chosen. Thus the result shows that fast delivery matters for a general customer.

### 6.3 Summing up of the scale assessment results

The results obtained from the assessment table looks quite similar to each other, thus in order to be able to deepen the analysis, it is possible to prioritize the criteria in accordance with the mode and the average result. This will enable the retailer to prioritize the improvements according to the significance of them to the clients.

Table 1. Priority table.

Criteria	Mode	Average
Price	5	4,4
Diversity of the assortment	5	4
Transparent information about the products	5	3,6
Fast delivery	5	3,4
Discounts	4	4,4
Customer service	4	3,7
Image of the store	4	3,5
Location of a store	4	3,3
Feedback	4	3,2
Similarity of the products in a store and in an online shop		
Friend's recommendation		
Loyalty programs offering some bonuses	3	3,3
Easy search of the page of a store on the Internet	3	2,9

Based on the priority table, there are three different categories based on the grades. Two criteria shaped the analysis layout: the mode and the average. Since the sample was relatively small, the dominating result is going to be the mode and the second result in a priority building is going to be the average. Price is the element that influences the customers stronger than other elements do. It proves the theoretical fact, that

after the crisis of 2008 people tend to save more money and therefore they pay more attention to the price of the clothes. The next factor that got high importance from the respondents' side is diversity of the assortment. The breadth and the range of the products presented should be deep enough, indeed, to satisfy the customer, otherwise, if they feel the lack of the diversity, customers may quickly lose the interest in the store. The concept of catching a customer's attention has been proved, customers should have a wish to come to the store to explore it again and again, every time they should find something new for them, otherwise they will quickly switch to another store. The following issue is transparency of the information concerning the products. This statement is a good illustration of the post-crisis syndrome. Viewed in the market review, the fact that people care about the price and the quality is well proven by this priority table. People become more rational and indeed do not base their decisions only on emotions anymore. They prefer to be sure for what they pay money.

Fast delivery is the next issue by priority. Geographically, Russia is the biggest country in the world and the delivery may vary vastly depending on the region from where the order comes. However, according to the received results the sample group was concentrated in Moscow mostly and since it is the economic and business center of the Russian Federation, the post operations pass through this city, thus delivery may be shorter than for dwellers of other cities, nevertheless, this issue is under consideration of the customers. Fast delivery may represent one of the value added elements, which is so important for the retailer. To be able to deliver the products faster than competitors do can significantly increase the number of orders. The fast delivery is the last issue from the category of the key factors in a buying decision process - the choice directly depends on them.

The following category includes the factors that matter for the customers however they are not the key ones, but still they play a role in a decision making process. The first subject of this category is discounts. Regardless the fact that people have become more rational, discounts influence a lot on them. Discounts may become a reason that pushes a customer to buy a product. Even though customers are sensitive to prices, they tend to spend more money when discounts occur. The next factor is customer service. Taking into consideration the fact that the trade includes both parties: a seller and a customer and the final decisions are made by a customer, it is really important to serve the latter on the highest level. Even though some claim that CRM is the chal-

lenging system and may not bring desired benefits, customers are waiting to be served appropriately. Customer loyalty directly depends on the relations built with a seller. Among all the different competitors with the same characteristics, the one, which has the excellent customer service, may win the clients due to the reason that they build a positive image of a store. Image of a store, undeniably, is an important feature.

Image is the next subject to discuss following the priority table. As it has been described in the previous chapters, the image is a collective term, which includes tangible and non-tangible elements. The prices, the value-added services, the quality, the assortment presented, the customer service are all the elements that together build an image of a store. Thus, seeking an image improvement it is essential not to overlook the details. After that the location of a store goes. The criteria of a location somehow reflect the image of a store as well, depending on it, the customer traffic may be improved, if it is located in the crowded place for example. This issue is also important to consider if the choice of the growth will be made. To open a new store in a convenience place indeed brings new clients and increase the turnover based on the results.

The next three criteria have got exactly the same value. They are feedback, similarity of the products presented online and offline and friends' recommendations. Two of these three elements refer to the concept of communication. The feedback is a direct communication with the clients online, this factor is important for an online shopping, in fact this factor reflects the customer service however in a specific way. It highlights the direct communication with a seller in case if some difficulties appear, for instance in case if a customer is not sure about the size, delivery time or stock availability. The result of the feedback criteria can be lower than the customer service because customers could do a strong differentiation between online services and store services. The real life communication may create stronger emotions than offline and thus it can be the reason for more valuing customer service offline. The factor of the similarities between the assortment presented to a store and in an online shop also has some certain meaning especially for those people who prefer to plan their shopping before going in a store. Friends' recommendations is a part of the word of mouth concept proved itself to be useful however not the key strategy. It proves the idea that the feedback and the friend's recommendation go together, because if a customer gets a satisfied feedback, he/she will recommend the store to friends. Thus, these two ideas could be evaluated

equally because for consumers it is important to get feedback as well as to listen to their friends' pieces of advice.

The least important criteria for the respondents were the loyalty programs offering some bonuses and the easy search for the page of a store on the Internet. This could be the result of people disloyalty to one store, probably people prefer to seek for new possibilities of shopping thus the loyalty does not create any interest, however, the existence of it, may be a benefit for a customer.

#### 6.4 Statistical questions

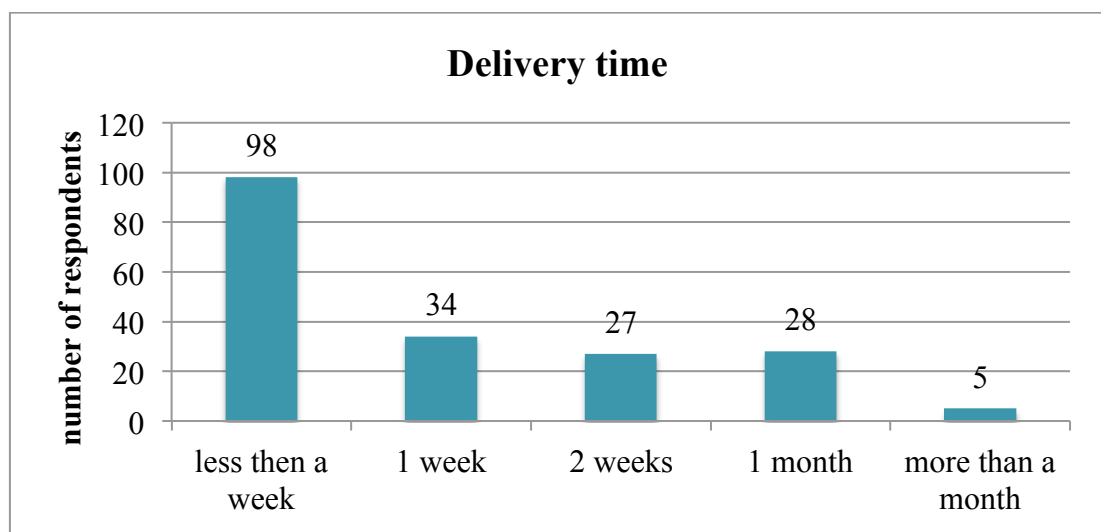


Figure 22. The maximum delivery time (n=192).

People were asked to identify the most appropriate delivery time for them. This question was of a qualitative type, thus the answers were categorized and interpreted into the graphs according to different categories. The first and the biggest group of 98 people (51% of the sample) identified the appropriate delivery time less than one week. The next group of 34 respondents (18% of the sample) claimed that they are ready to wait exactly one week. 27 respondents (14% of the sample) identified their acceptable time of delivery exactly 2 weeks. The next group of 28 participants (15% of the sample) declared that they could wait up to 1 month. The last category includes 5 people (3% of the sample) who agreed to wait more than a month.

Stating this question separately is a part of the strategy in an identifying the value-added element that the retailer may bring to the customers. Even such an element as a



delivery may be the value-added element in case if it satisfies the customer needs in a better way than competitors do. Shortening the period time till one week may enhance the image and sales as a result.

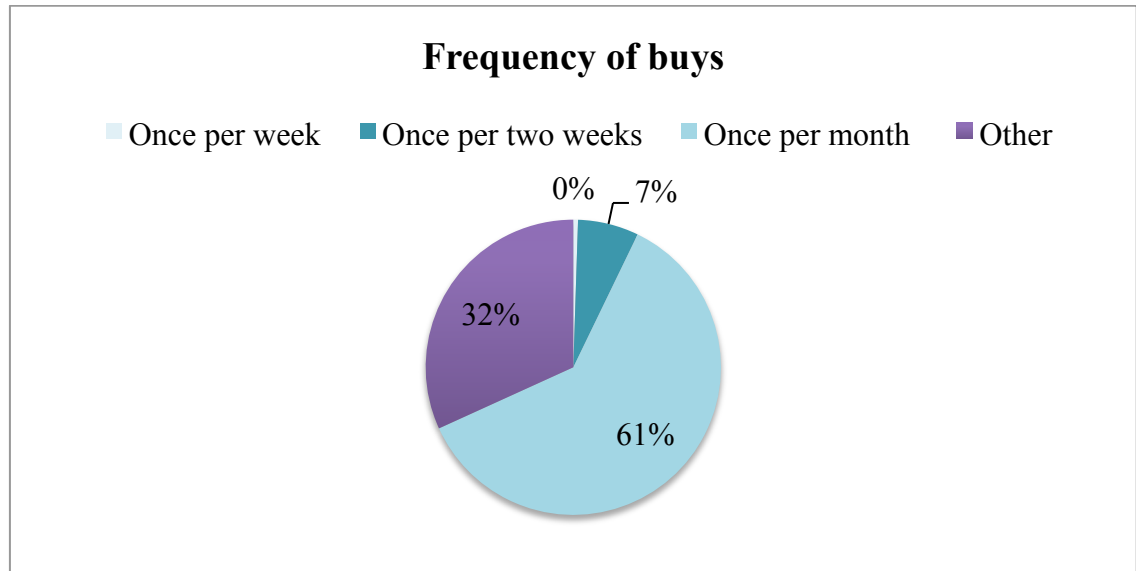


Figure 23. Frequency of buys (n=192).

In the question concerning the frequency of buys people were asked to state how often they do shopping and buy the products. No one stated that does buying once a week (what accounts for 0% of all the respondents). There are 13 (7% of all the respondents) people who make buys once per two weeks. The biggest category represents people who buy clothed once per month, they are 116 (60% of the all respondents). 62 people (32% of all the respondents) chose another option, where the most popular answers they stated that they buy once per three months, before the beginning of the season, according to the needs or twice per year.

It is hard to estimate how much a customer buys once per month, nevertheless this information allows to understand how often it is needed to change the stock and to attract the clients. If a customer is shopping once per each month, it can be useful to change the stock from time to time, not less then once per month at least, adding new clothes to the collection or proposing some new cloth categories as well.

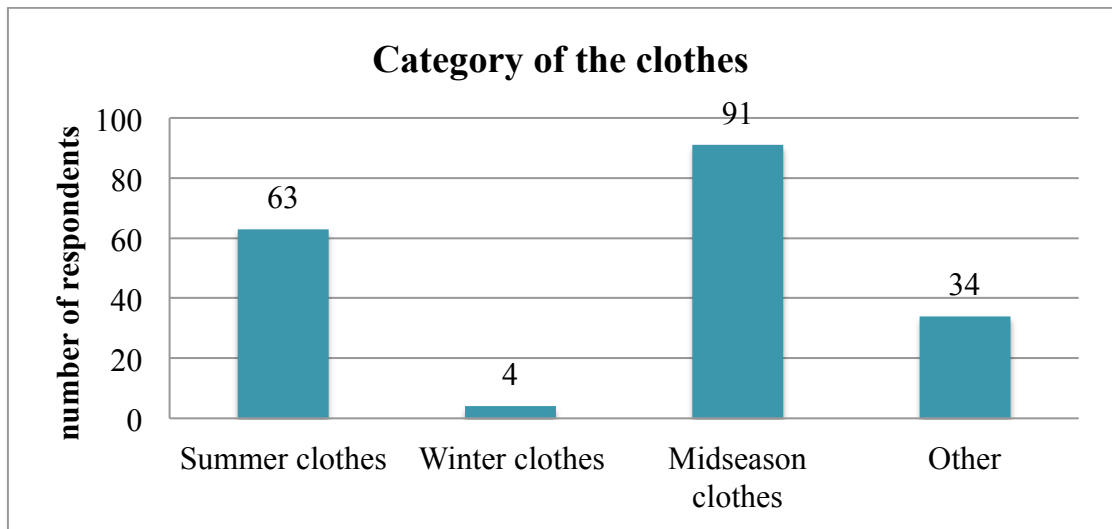


Figure 23. Clothes that people frequently buy (n=192).

To deepen the knowledge and understanding of customers buying habits the question about the seasonal clothes was asked. According to the received results, the biggest group of 91 people (47% of the sample) represents those who buy midseason clothes. The next category of clothes by popularity are summer clothes, 63 respondents (33% of the sample) picked this choice. Only 4 people (3% of the sample) told that they mostly buy winter clothes. The rest 34 respondents (18% of the sample) chose the other option, where they specified what exactly they buy. The most frequently received answers from the category “other” were the respond that people buy equally all the clothes, shoes or accessories.

Since the assortment of a store plays the key role in a customer’s mind, it is essential to identify, which clothes exactly clients are trying to find. From the previous question it was concluded the general customer shops once per month, from this question this information can be fulfilled with the category of the clothes people are looking for. The most frequently bought clothes are midseason clothes. It can be obviously the result of the weather conditions. Cold weather prevails throughout the year thus the midseason clothes are of a significant interest.

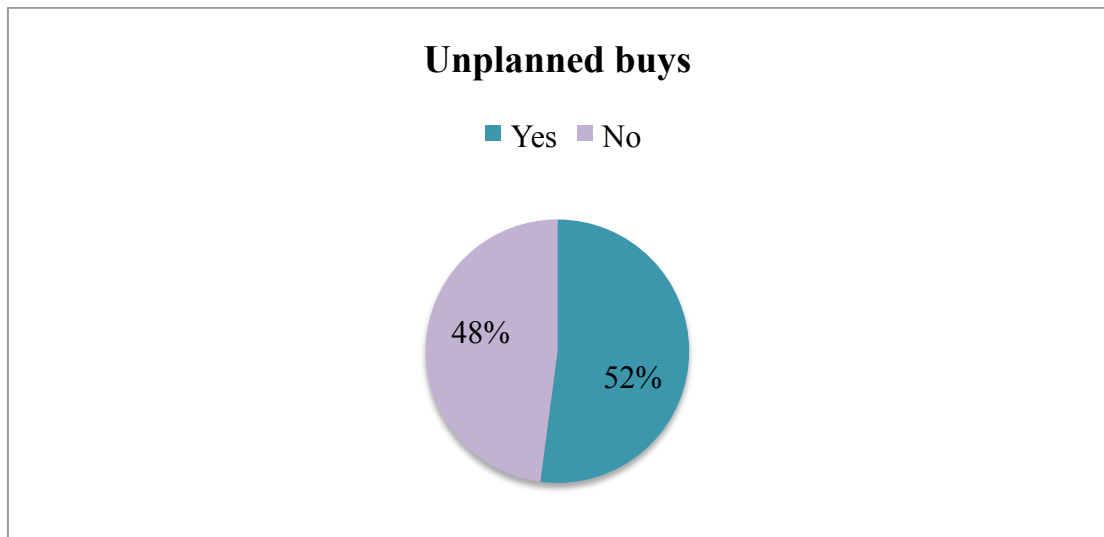


Figure 24. Unplanned buys (n=192).

The question asked the people to state if they do or they do not unplanned buys, it asks about the spontaneous buys. 92 people (48% of all the respondents) answered “no” to this question meaning that they plan their buys beforehand. 100 people (52% of all the respondents) answered “yes” for this question, meaning that they do spontaneous buys. If the choice “yes” was chosen, the respondents were asked to specify the conditions that make them do unplanned buys. From the received answers, it is possible to draw a conclusion that people’s moods influence on them making them buy things they did not plan to buy. Respondents also claimed that the promotional activities make them buying more than it was planned, as for example when buying one cloth an extra one goes for free. The discount was mentioned quite often as a factor that may make a customer buying more than the planned amount. Some state that if a cloth caught attention, it is the reason to buy it.

Despite the fact that the behavior of a general customer has become more rational, the spontaneous shopping remains common for almost half of the respondents. However, in order to stimulate people buying, it is needed to find what attracts them most, would it be discounts, promotional activities, fair price or something else.

## 6.5 Respondents’ comments

The last question of the questionnaire was the open-ended question, which asked respondents to leave comments concerning the shopping, their recommendations for shops. This question was not obligatory however 29 respondents (15 % of the sample)

answered volunteering. Analyzing the comments, it is possible to highlight that the most of the respondents expect the stores to create more promotional activities and to make more discounts. Participants also claimed that the stores are lacking the transparent information concerning the products, especially about the material used in production.

Some special recommendations were given particularly for the stores, which operate both online and offline: people emphasized that the online stores have to present accurate and detailed information about the products, to state the availability status of each product including sizes and characteristics. In case if the products are exactly similar and the retail is a chain of stores, then it is needed to specify the availability of a stock regarding each of the store. Those people, who prefer to make a buying list beforehand of the shopping and to make a selection process at home in order to accelerate the shopping in a store, underlined these factors mentioned in the previous sentence.

Convenient payment and fast delivery were also the issues of the people's remarks. Concerning the assortment of a store, respondents expressed their wishes to see more unknown fresh brands, which could replace the mass-market stores. Participants also proposed to add additional segmentation to a store based on the different class categories, such as low, medium and high premium segments. The customer service was also mentioned as a separate element, respondents claimed that too active and intrusive behavior of a seller might distract a customer from a shopping and create the negative attitude to the store. Too active follow-up also was the issue that affects a customer in a bad way. The next issue mentioned in the comments was the feedback from the seller in an online store, because communication is important for a flawless shopping process. Fast delivery was one of the mentioned issues as well. As it has been mentioned in the literature review part that image is a set of tangible and intangible elements.

## 7 CONCLUSIONS

### 7.1 Summary of Main Findings

To draw a conclusion it is important to remind the objective of the research. The objective was to define the most efficient and effective ways to improve sales in the both dimensions (online and offline) and to propose the best possible strategy of implementing the findings.

The research was fulfilled by analysing the appropriate literature in the field of sales and by preparing and conducting the questionnaire. The questionnaire was based on the theoretical framework built on the main concepts of the key success retail factors. The target sample of the survey was the current customers and people who were interested in participating. The questionnaire was conducted online. It was posted on the main page of the TuRN\_up online store, proposing the discount for all the respondents, if they provide anonymous screenshot of the last page.

To discuss the validity and reliability of the received results, it is important to mention that the research had some certain limitations. First of all the period of the research was quite short what could lead to some deviations in results, for the ideal situation research should be held several times in order to compare the results and to prove the received information. The next limitation was reflected in a number of participants. Even though the desired sample group participated in filling in the questionnaire, the bigger the sample the more accurate the results are. This concept is called the law of large numbers (Saunders, Lewis and Thornhill 2009, 218). The research was limited in questions deliberately in order to stimulate people to answer the questions. Too many questions could lead respondents to stop answering or even not to start at all. Despite all the limitations, the result received via the questionnaire can be considered valid. The desired sample group was reached, to precise, the people aged from 14 to 30 years old. The calculated number of participant was reached as well. The questionnaire was anonymous what enhanced the honesty and trustfulness of the received data.

Summing up the main findings, it is crucial to mention that the received results expressed the importance of all the factors mentioned in a survey, however, at a different degree. The first and the last questions were required by the commissioner in order to get the general statistical questions, which were essential for successful work. To

quickly remind the received results, most of the participants were female of 20 years old from Moscow (the results are based on the averages and the modes). The respondents showed the tendency to shop once per month and to buy mostly midseason clothes and summer clothes. The most common size of the clothes is S and for shoes 38. Customers are ready to accept the delivery time, which is less than one week. The delivery that lasts more than a month is not satisfying customers' expectations.

The key factors that shape their mind in a process buying behavior are price, diversity of the assortment, fast delivery and the transparency of the information concerning the products offered. Based on the result, customer loyalty is not that easy to reach because people's interest in such programs is decreasing. However, by improving the key elements it is possible to build a long-term relationship with a customer.

From the results described above, it is possible to give an answer to the main research question. In order to build the most effective and efficient strategy for increasing of online and in-store selling, it is needed to improve or develop the concepts that are crucial for the customer's buying decision process, which are price, assortment, delivery and transparent information concerning the products.

## 7.2 Implications for the Commissioner

As it was mentioned above, the research question has aimed at identifying the most effective and efficient strategies for the online and offline dimensions. The answer for this question was to concentrate on the factors that significantly influence the customer decision to buy a product.

Firstly, the commissioner got the statistical information, which will enable her to increase the stock. The increased stock will lead to two solutions of two problematic issues for the both dimensions. To start with the assortment, knowing the most common sizes the commissioner may order more clothes and shoes of different types. Knowing that the most common buys are midseason clothes and summer clothes, for instance it is possible to order more ballerinas, boots, rubber boots. It can be trenches, jackets or coats. For the summer, the commissioner can increase the assortment of swimsuits, beachwear. This is the implication concerning the store selling. The second solution concerns the delivery. The main problem of the long delivery time is the absence of the concrete item in the stock, thus increasing units of the clothes and shoes of the

most –common sizes will enable to shorten the time and thus to satisfy the wish of the customers to receive an item less than in a week. This solution concerns the online selling.

The second offer for the commissioner is to improve the assortment presentation. Taking into consideration the fact that people are seeking for the transparent information concerning the products, which means that they wish to have an easy access to the information regarding the size, the quality, the availability of a product in a store. Providing this information attached as a quick product description under the photo of a product may increase the probability that a customer will make a choice faster and choose particular product. This issue can be implemented both for online and offline store. In case if the products presented in the both stores are exactly the same, it could be a value- adding service to require the seller to keep the necessary size in case if a customer wants to come to try on a cloth or a pair of shoes. However, this choice can be offered only for those who live in an accessible distance from the store.

The third idea that the commissioner may take into consideration is introducing the CRM system to the company. There is a vast choice of different CRM systems, thus it is possible to adapt according to the needs of the commissioner. So far, the simple CRM that tracks the delivery and the orders can be installed, and when the business will grow it is possible to add the necessary features according to the new activities.

Despite the fact that the loyalty programs did not get the highest grade from the customer, based on the theory the existing customers prove themselves to be the most profitable one. Thus it is important to develop the strategy that will enable the commissioner to stick the existing customers to the TuRN\_up Store. According to the comments, which the respondents could freely leave, the discounts attract the clients. Nonetheless, it is important to keep the balance between discounts and average prices since it is easy to stick to the image of discount retail what may put it in a different niche. Furthermore, people give their preferences to promotion activities, such as the third item go for free or the third item is discounted. Thanks to the social networks, there are many possibilities to entertain the possible clients as to create some competitions or attractive content.

### 7.3 Suggestions for Further Research and Development Based on the Evaluation of the Own Study

Overall results are satisfying for the developing business however once the business will have a direction to follow it will need to implement concrete strategies. Knowing the most important factors for the customers, it is possible to deepen the research based on the more precise issues.

The following research on this field can concern the customer expectation analysis. It is possible to understand better what customers want, what price they expect to pay, which clothes to buy, which additional services to have.

The conducted research was of the general statistical form, however, it is possible to make a deeper analysis of the TuRN\_up Store's activities, the same issues can be asked to be assessed however based not on the general shopping experience but on the experience got from the particular store. The future ground for the research may be the customer satisfaction. This research can be focused on the existing clients in order to improve the service, the quality or customers' perceptions.

The future research can carefully study the question of the growth of the store, answering the questions concerning the type of the growth (brand stretching, geographical expansion and other), the speed of the growth and probably the question of the internationalization as a growth method.

Regardless of the type of the research, the recommendation can be the following: to increase the sample and to repeat the research several times in order to get as precise data as possible. It is also important to reach the vast audience, for instance from different cities. Based on all the limitations that were mentioned earlier it is possible to improve these aspects.



## 8 REFERENCES

- Bell, J. 2010. *Doing Your Research Project*, 5th edn, McGraw-Hill Education
- Collier, M. 2010. *Ultimate Online Customer Service Guide: How to Connect with Your Customers to Sell More!* John Wiley & Sons
- Cowpe, C., Kean, D. 2008. *How to Win Friends and Influence Profits*, London, UK, Marshall Cavendish
- Creative Research System. 2012. *Research aids*, Petaluma, viewed 24 April 2015, <<http://www.surveysystem.com/resource.htm>>
- Desai, V. 2009. *Entrepreneurial Development*, vol.1, Himalaya Publishing House, Mumbai, IND
- Federal State Statistics Service. 2015. *Russia in figures*, viewed 24 March 2015, <[http://www.gks.ru/publish/prezent/infograf/mal\\_bisnes\\_eng.pdf](http://www.gks.ru/publish/prezent/infograf/mal_bisnes_eng.pdf)>
- Federal State Statistics Service 2015. *Retail trade and services to the public*, trans. viewed 26 March 2015, <[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/enterprise/retail/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/enterprise/retail/)>
- Finne, S., Sivonen, H. 2008, *Retail Value Chain: How to Gain Competitive Advantage Through Efficient Consumer Response (ECR) Strategies*, Kogan Page Ltd London, GBR
- Hatch, M. J., Maijken, S., Wally, O. 2008. *Taking Brand Initiative: How Companies Can Align Strategy, Culture, and Identity Through Corporate Branding*, John Wiley & Sons, San Francisco
- Henrik, V. 2008. *Open Source Customer Relationship Management Solutions: Potential for an Impact of Open Source CRM Solutions on Small- and Medium Sized Enterprises*, Diplomica Verlag, Hamburg

Hess, E. D. 2011. *Growing an Entrepreneurial Business: Concepts and Cases*, Stanford University Press, USA

Kelly, L. 2007. *Beyond Buzz: The Next Generation of Word-of-Mouth Marketing*, AMACOM Books

Lesonsky, R., Anderson, L. 2001. *Grow Right: 102 Marketing Tips for Growing Businesses*, Entrepreneur Press, CA, USA

Leventhal, R. C. 2006. Customer Loyalty, Retention, and Customer Relationship Management, Emerald Group Publishing Ltd, vol. 23, n. 7, pp. 371-483

Marone, M., Lunsford, S. 2005. *Strategies That Win Sales: Best Practices of the World's Leading Organizations*, Dearborn Trade, A Kaplan Professional Company

Muhammad, M. 2009. *Encyclopaedia of Brand Equity Management*, Volume II, Himalaya Publishing House

Nanner, N. 2015. 'Driving sales with social media: Why your strategy is probably wrong', Branded3, blog posting, 27 January, viewed 26 March 2015, <<http://www.branded3.com/blogs/driving-sales-social-media-strategy-probably-wrong/>>

Nel, D., Cant, M., Cant, C., Gerber-Nel, C. & Stanford, C. 2005. *Introduction to Retailing*, Juta & Co Ltd, Cape Town, South Africa

Niemeier, S., Zocchi, A., Catena, M. 2013. *Reshaping Retail: Why Technology is Transforming the Industry and How to Win in the New Consumer Driven World*, John Wiley & Sons, UK

Online retail in Russia. 2015. *RosBusinessConsulting*, viewed 24 March, <<http://marketing.rbc.ru/articles/22/01/2015/562949993747068.shtml>>

Paramanova, T., Krasnyuk, I. 2013. *Competitiveness of retailers*, trans. Knorus, Moscow, Russia

Phillips, R., Church, G., Cordell, G. 2013. *Passion Conversation: Understanding, Sparking, Sustaining Word of Mouth Marketing*, John Wiley & Sons

Pinson L., Jinnett J. 2006. *Steps to Small Business Start-Up: Everything You Need to Know to Turn Your Idea Into a Successful Business*, Dearborn Trade, A Kaplan Professional Company

Reinhard E. D. 2014. *Clothing market report Russia in spring 2014*, viewed 25 March, [http://www.cpm-moscow.com/download/exhibitor/ClothingMarketReport\\_2014.pdf](http://www.cpm-moscow.com/download/exhibitor/ClothingMarketReport_2014.pdf)

Robehmed, N. 2013. "What Is A Startup?", *Forbes*, viewed 24 March 2015, <http://www.forbes.com/sites/natalierobehmed/2013/12/16/what-is-a-startup/>

Rodgers, W. 2010. *Internet Policies and Issues: E-Commerce Issues Addressed in a Throughput Model*, Nova Science Publishers, Inc. New York

Rusu, S., Isac, F., Cureteanu, R. & Csobra, L. 2012. "Entrepreneurship and entrepreneur: A review of literature concept", *African Journal of Business Management*, vol. 6 (10), pp. 3570-3575 (viewed 24 March)

Ryan, D., Jones, C. 2012, *Understanding Digital Marketing: Marketing Strategies for Engaging the Digital*, 2nd edition Kogan Page Publishers

Thain, G., Bradley, J. 2012. *Store Wars: The Worldwide Battle for Mindspace and Shelfspace, Online and In-store*, 2nd edn, Somerset, John Wiley & Sons, NJ, USA

*The state of electronic customer relationship management in retailing*, *International Journal of Retail & Distribution Management*, vol.30, pp. 446-498

Tiwari, R. 2009. *Retail Management, Retail Concepts and Practices*, Global Media, Mumbai, IND

Tsai, A. 2013. *Small Business Online Marketing Handbook: Converting Online Conversations to Offline Sales*, John Wiley & Sons

Shenkar, O. 2010. *Copycats: How Smart Companies Use Imitation to Gain a Strategic Edge*, Harvard Business Press, Boston, Massachusetts

Saunders M., Lewis P., Thornhill A. 2009. *Research Methods for business students*, 5th edition, Edinburg, England

Strauss, S. D. 2013. *Planet Entrepreneur: The World Entrepreneurship Forum's Guide to Business Success Around the World*, John Wiley & Sons

Sukharevsky A., Magnus K. H. 2011. *Dress for success: Cracking Russia's apparel market*, McKinsey Company, viewed 10 April 2015

<[http://www.mckinseyonmarketingandsales.com/sites/default/files/pdf/Russia\\_retail\\_department\\_store\\_apparel.pdf](http://www.mckinseyonmarketingandsales.com/sites/default/files/pdf/Russia_retail_department_store_apparel.pdf)>

Uthmann, A. 2012. *Social Sales. The Book: Shake Up Your B2B Sales by Leveraging the Power of Collaboration, Social Networks and CRM*, 3rd edn.

Wellington, J., Szczerbinski, M. 2007. *Research Methods for the Social Sciences*, Continuum International Publishing

## Please fill in the questionnaire: shopping in store and online shopping

\* Obligatory fields

**Your gender:**

Male

Female

**City of residence \***

**Your age\***

**Size of the clothes you wear\***

XS

S

M

L

XL

**Size of the shoes you wear\***

**How strong the following influence your buying decision?** Choose grade from 1 – 5, where 1 – does not matter, 2 – partly matters, 3 – matters, 4 – quite important, 5 – highly important

	1	2	3	4	5
Location of the store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy search of the page in the Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Image of the shop	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friend's recommendation concerning the particular store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diversity of the assortment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Similarity of the products presented in a store and in the Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transparent info about the products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Feedback	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loyalty program offering some bonuses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>What is the maximum appropriate delivery time for you? *</b>	_____				

How often do you buy clothes?

- Once a week
- Once per two weeks
- Once a month
- Other \_\_\_\_\_

**What do you buy more often? \***

- Summer clothes
- Winter clothes
- Midseason clothes
- Other:

**Do you make unplanned buys? \***

- No
- Yes

**Do you have any wishes or comments to a store?**

\_\_\_\_\_