

# ***THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT***

## **The Effectiveness of In-store Communication with Reference to Spencer's Retail Ltd., Visakhapatnam**

**P. V. M. Raju**

Assistant Professor, Department of Management Studies  
Raghu Institute of Technology, Visakhapatnam, Andhra Pradesh, India

### ***Abstract:***

*Retailing is the second largest employer in India after agriculture , Customers in India habituated to buy all their required goods under single roof , because of this fact , may Malls, Hyper markets , super markets and various other format stores are mushrooming up in India from last decade and providing great growth opportunities for all retailers Communication is an integral part of the retailers marketing strategy. Primarily communication is used to inform customers about the retailer, the merchandise and the services. It also serves as a tool for building the store image. Retail communication has moved on from time when the retailer alone communicated with the consumers today, consumers can communicate or reach the organizations*

*An in-store communications program is useful way to grab the attention of the customers*

*In-store communication, in the past has been a largely untapped sources of generating an instant response from shoppers. Now, however, in-store communications are becoming a bigger part of the marketing mix, lifting sales and differentiating products over rivals in a fiercely competitive market.*

*Brand communication in the retail environment benefit from improved response and sales activation if their message are integrated into a complete in-store communication strategy. The in-store communication provides knowledge of the products, to ensure that the consumer will feel favorable towards the product and build up a preference for it.*

*The In-store communication, communicates information in order to create a specific image in the customer's mind in terms of the store merchandise price, quality, benefits etc*

*This paper highlights the Importance of In –store communication in the retail Stores , and its effectiveness on the customers purchase decisions , and their perception in Spencer's Retail store . Also reveals the methods of In-store communication used in Spencer's Retail Ltd and as a part of it and it gives some suggestions to enhance the effectiveness of In-store communication in Spencer's Retail Store.*

### **1. Introduction**

An In-store communications program is a highly effective way to achieve maximum sales uplift. Brands pour budget into telemarketing, direct mail and email marketing to generate response from consumers. However, FMCG brands in particular, have access to an alternative, truly direct, marketing channel.

In-store communication, in the past has been a largely untapped sources of generating an instant response from shoppers. Now, however, in-store communications are becoming a bigger part of the marketing mix, lifting sales and differentiating products over rivals in a fiercely competitive market.

To achieve maximum effectiveness and increase the rate at which shoppers engage with their communication, brands need to focus just as much on increasing the visual appeal of their in-store elements as they do on the element location.

Those who own the shopping experience, namely the retailers themselves are realizing that simplifying the in-store experience requires a shift in the way that brands and branded communications currently vie for shopper's attention.

A retailer needs a superior communication strategy for property position itself in the customer's minds, as well as to nurture their shopping behavior. Once the customers are attracted the retailer must strive to create a proper shopping mood for them.

Retailer communicate to their customers on a continues basis through the store atmosphere the products and service, promotional literature, advertisement and other promotional means.

For the majority of In-store marketing campaigns, brands and retailers rely on static visual impact, printed material and substrates. This can be effective, but it can also add to the 'campaign lottery' in store .

## 2. Objectives of the Study

- To know the demographic information of the employees of Spencer's Hypermarket, Visakhapatnam
- To study the in-store communication policies of the organization.
- To study the techniques followed by the organization for its in-store communication
- To study the effectiveness of the in-store communication in the promotion of brands.
- To study the impact of the in-store communication on its consumers.
- To recommend suggestions in the light of findings.

## 3. Research Methodology

The research is based on primary & secondary data. The primary data was collected with a structured questionnaire and the study was conducted in Spencer's retail Store, Visakhapatnam. The secondary data is collected from the company records, annual reports, company publications, websites etc. reports. The data was collected from 200 respondents. The data collected were analysed by using statistical tools like classification, tabulation, percentage to examine the effectiveness of In-Store communication in the Spencer's retail Store.

## 4. Concept of In-Store Communication

### 4.1. In-Store Activities

The promotional schemes are originated by the vendors or the manufacturers and retailers provide necessary support for the promotion. The examples of supplier originated promotions can be categorized as in-store activities, point of sale display, trade incentives and direct promotion to the public.

There are suppliers' promotions that affect in-store activity. These are targeted to give cash or kind of advantage to the customers.

- **Price off pack:** e.g. Rs 10/- off printed or banded on the pack.
- **Premiums** small gifts either in, or occasionally attached to, the pack, Ex. .Plastic toys, brush with tooth paste, a pouch with shampoo ,etc
- **Self-liquidating premiums:** i.e. cheap promotions such as obtaining goods for store display. The retailer writes to the supplier for the gifts, enclosing pack tops plus money. The gifts are likely to be bought in bulk by the supplier, giving the retailer the benefits of large discounts, thus making the bought in unit price low enough to be covered by the profits on all extra sales made.
- **Competitions:** these are often printed on the packs with the advantage to the supplier that the budget is known in advance with the requisite number of prizes ordered from suppliers.
- **Co-operative promotions:** e.g. two or more branded products sharing (and funding) a joint in-store promotion, say bathing soap and toothpaste.
- **Sampling:** the giving-away, often in –store, of product samples sometimes with a demonstrator present e.g : swiss cheese, Cyprus cherry.
- **Coupons:** price-off coupons are printed on the packs or in store handouts, usually allowing a substantial saving on the next purchase of the brand.
- **Buy one, get one free:** suppliers provide the direct advantages to the consumer and to retailers for such promotions.
- **Multi-packs:** e.g. two packs are attached and sold for the price of one at the time of purchase.
- For all these in-store activities, retailer has to be prepared for the promotion e.g. the collection and redemption of coupons, reorganizing shelf displays and store layouts.

### 4.2. Modes of In-Store Communication

- **In-Store Display Material:** Most retail companies produce, or have produced for them. window posters, point of sale display material, printed material, printed tickets and other 'software'.  
Some of the modes used by the retailers to communicate with customers about the products the products, offers etc in the shop floor are as follows.
- **Point of Sales Displays:** Most manufactures produce sales aid material for placing near their products. These aids act as advertisements of the products. Example of these are :
- **Special Fixtures** :e.g. paperback publishers racks, dry-battery stands, and cold-drink racks
- **Display Signs /Hanging Signs** : Designed to stand on or fir round the products e.g. washing machines, pens,grocery products such as tea, coffee etc.
- **Leaflets** : Information brochure and product labels.
- **Demonstrators:** Sometimes demonstrators are used in this context as are authors in bookshop signing sessions. new products launch such as coffee with a demonstration and free sip offer.  
Many retailers use the display material from suppliers very selectively as they are of the opinion that it would affect the store's distinct image . in some cases, particularly the large multiple groups, manufactures and retailers may collaborate to produce mutually acceptable spoint of sale display material .
- **Direct Promotion:** The manufactures may make use of direct promotions to consumer's doorstep such as coupons or free samples.

- **Pack Design** :Pack design is important to the retailer who may decide to accept or reject a pack just on the basis of its design rather than its contents e.g. because of its dimensions or its 'stack ability'. Retailers will support those products, which have a better stacking design.
- **Window Display**: Shop window today have largely become bigger and transparent and show much of what is going on in-store. However, department stores and certain types of multiple chains, like jewelers, booksellers and chemists, keep window for particular products and seasonal or special event promotions. For example a new line in toiletries may be given a mass window display to itself; festival displays special displays during Diwali, Christmas, Baishakhi, encourages shoppers to enter the store, by displaying special offers or items on promotions.

#### 4.3. In-Store Displays

The various kinds of in-store display can be follows

- **Mass Displays**: e.g. In dump baskets or at ends of gondolas.
- **Multiple product promotions** : E.g. when two or more complementary products are sold together in an integrated display. **Demonstrations**: e.g. sampling, products demonstration, fashion shows, price promotions. These may occur for a limited period on selected number of lines. e.g. the 'super savers' in supermarkets. Some firms prefer to advertise their 'permanent stores discounts'. Many retailers, particularly in the textile trades, have annual or half-yearly (or even more frequent sales where slow movers, bad buys, cheap 'bought-in' lines and deteriorated stock are sold off.
- **Store Loyalty Cards** : Store have started their own loyalty cards, though the use of which store offers their loyal customer points which acts as an incentive discount to them.
- **Celebrity Promotions**
- Following the lead of the manufacturers, some retail chains have paid celebrities to take part in their advertising, store openings and so on.

#### 4.4. Brand In-Store Communication

Marketers must really bring to life. If an FMCG product is tinned or packaged, then it can be hard for a consumer to differentiate its qualities from the other brands that adorn the shelves.

Brands are increasingly incorporating sampling elements to in-store campaigns to create true stand-out. If a shopper samples a product they can genuinely differentiate that brand at the product fixture. A fairly new in-store communication technique that arguably connects most directly with consumers is one they move around the store. Some supermarkets now offer trolleys that have specially designed handles which feature individual brand messages. In the past, use of the trolley as a sales activation vehicle was limited, as nobody really saw message that were traditionally placed, and they soon became obscured by products placed inside. However, the trolley-handle message puts a particular brand in the consumer's line of sight for the entire shopping trip. This level of exposure right up to the point of purchase can deliver an unprecedented level of response.

#### 4.5. Creativity In In-Store Communication

Historically, in-store communication provided a barren hunting ground for creative marketing.

For instance, store often shield away from using floor graphics because they looked tacky, left glue residue on floors and were easily marked. However the range of new materials and methods now available to creative marketers consigns this shoddiness to the past, and floor graphics in particular can now be truly creative. Some are even die-cut and incorporate a 3D effect and are sturdy enough to last for an entire campaign. And it is now possible to purchase floor graphics that are larger than six-sheets for use in-store.

#### 4.6. Return On In-Store Communication

In-store communications are inevitably 100 percent accountable. Marketers should ensure a tracking system is put in place so that sales uplift in particular stores is calculated before, during and after a campaign versus control stores so they can see an exact return for every pound invested in the retail environment. Other advertising media and direct-marketing channels struggle to offer this level of accountability.

#### 4.7. Effectiveness of In-Store Communication

Supermarkets may be in the food business, but now more than ever they are also in the media business. Through clever advertising and promotions. Throughout the store, shoppers receive hundreds of brand messages at a critical time when they are about to buy a product or choose between brands in store marketing creates a lively atmosphere and enriches the shopping experience. The store is more than a distribution point. It is a marketing medium that allows for various touch points of communication or messaging.

#### 4.8. Recent Trends Of In-Store Communication

In-store marketing in supermarkets has been growing with an array of creative and sophisticated vehicles delivering brand messages to shoppers as they push their carts through the aisles. Brands are advertised on signs fastened to shelves, attached to displays, and stuck on the floor with decals. There are audio systems and TV monitors broadcasting a blend of brand message and programming about shopping. In-store coupons and live sampling of new brand food products add to the mix.

In store marketing tools have been used in supermarkets for years to advertise and promote brands of consumer packaged goods made by such world-class firms as Coca-Cola, Kraft, and Unilever, as well as from smaller companies. What began with signs on shopping carts two decades ago has grown to such imposing and sophisticated tools as oversized TV screens suspended from the ceiling. The larger the store the more opportunity for conveying brand messages.

In-store brand promotion is on the increase in England. Stores and their suppliers are using a variety of marketing vehicles to promote brands, including shelf edge talkers, gondola end cards, in-store coupons, message on the floor, and TV monitors, most of the major supermarket operators in the UK such as Tesco, Wal-Mart Asda, and Sainsbury have active programs.

In-store branding has become quite popular in the Brazilian retail market. Brands are advertised on signs fastened to the shelf, attached to displays, and so on. Marketing department at several consumer goods companies have seen that opportunity and invested in actions to promote their brands at the point of purchase, enriching the shopping experience.

### 5. About Spencer's Hypermarket in Visakhapatnam

- **RPG** Launched Spencer hypermarket in Visakhapatnam on September 17, 2004. Great Wholesale Club Ltd., the company which operates the GIANT Hypermarkets launched their first Spencer's hypermarket

The store is spread over 60000 sq.ft and provides ample parking more than 60 cars and two wheelers in the premises. The store would have 25000 plus products across staples, ready foods, instant foods, beverages, health beauty products, dairy & frozen foods, garments, electrical goods, general merchandise and other household products. The store would also have a bakery, music world, cafe and several other concessionaries offering a wide variety of products. The store would be open from 9.30am to 10.00pm 7 days of the week.

There will be special promotions and offers exclusively at Spencer's 365 days in a year, in addition to the products being sold below MRP Spencer's offers a unique "no hassles" replacement guarantee to their customers. This is one of the several unique features that the store offers to their customers.

In addition to this Spencer's would have a whole host of exciting offers and activities every weekday. "Hara Bahra Wednesday" is an exclusive concept.

- **In-Store communication at Spencers:**

Based on the idea of promoting in-store communication at the point of purchase (POP) Spencer is of the opinion that while advertising attracts the success of all communication efforts in many cases depends on the last five percent of the effort which manifests itself at the POP just before the consumer chooses to buy rather than the 95 per cent preceded it.

It is found in Spencer customers found POP more helpful in case of consumer durable lifestyle and hi-tech products. This has led us to assume that the information search is directly promotional to the shopping behavior. It also shows that POP communication seems to influence impulse purchase more as compared to planned purchase.

Spencers perform many functions which can be segregated into two groups:

External or divergent communication and Internal or convergent communication.

- **External or divergent communication** is the aspect of retail communication that the retailer uses to attract customers to the store and generate store traffic by using mass media vehicles such as television, newspapers and radio. It is also used to build and manage the store image so that it becomes a destination for its customers.
- **The internal communication:** reinforce the store image by ensuring that there is no dissonance in the minds of the customers. Stores use tools such as visual merchandising signage and graphic and other forms of point-of purchase communication (POP). The combined effects of these two sets of communications creates an effective strategy.

### 6. Data Analysis

S.No	Responses	No of Respondents	Percentage
1	Daily	20	10
2	Weekly	40	20
3	Monthly	100	50
4	Rarely	40	20
	total	200	100

Table 1: Frequency of customer visits to Spencer hypermarket

From the above table 10% of the customers visit daily to Spencers while 20% visit weekly 50% visit monthly and 20% visit rarely. Thus 50% of the customers who visit Spencers are monthly visitors. Most of them purchase the products needed for the whole month.

S.No	Responses	No of Respondents	Percentage
1	Excellent	60	30
2	Good	120	60
3	Satisfactory	20	10
4	Poor	0	0
	Total	200	100

*Table 2: Location of products in the store*

From the above table 30% of the customer say that the products are located in the store in an excellent way 60% say that they are good ,Only 10% say that the products location is satisfactory and none of them say that it is poor.

S. No	Responses	No of Respondents	Percentage
1	Always	40	20
2	Sometimes	130	65
3	Rarely	26	13
4	Never	4	2
	Total	200	100

*Table 3: Easyness in finding and locating the desired product by customer*

From the above table 20% of the customer say that they are always able to locate the products by themselves 65% of the customers are able to locate them sometimes. 13% say that they rarely able to locate by themselves and 2% say that they could never find the products by themselves.

S. No	Responses	No of Respondents	Percentage
1	Always	150	75
2	Sometimes	30	15
3	Rarely	20	10
4	Never	0	0
	Total	200	100

*Table 4: Information about the changes in prices of the products in the shop floor*

From the above table, 75% of the customers are of the opinion that any changes in the prices of the products are always informed in the shop floor. Only 15% of them say that they are sometimes informed. 10%of them are of the opinion that they are rarely and none of them are said that they never informed.

S. No	Responses	No of Respondents	Percentage
1	Gondola	150	75
2	Kiosks	30	15
3	Wooden frames	12	6
4	Glass units	8	4
	Total	200	100

*Table 5: Awareness about the product display merchandise*

From the above table, 75% of the customers say that the gondolas are very well aware off, only 15% say that kiosks, 6% say that wooden frames and glass units said by 4%.

S. No	Responses	No of Respondents	Percentage
1	Leaflets	26	13
2	POPs	112	56
3	Announcements	40	20
4	Spencer's staff	22	11
	Total	200	100

Table 6: customer awareness of Product information communication in spencers

From the above table, 13% of the customers come to know about the offers through leaflets, 56% come to know about them by POP, 20% of them know about it through announcement and 11% of them come to know about it through the staff.

S. No	Responses	No of Respondents	Percentage
1	Hoardings	140	70
2	Back light boards	30	15
3	Drop down boards	10	5
4	Pull downs banners	10	5
	Total	200	100

Table 7: Awareness on In-store communication tools in Spencer

From the above table, 70% of the customers say that they are aware of latest offers through hoardings , 15% of them are said they watched back light boards, 5% by drop down boards, and another 5% by pull downs banners .

S. No	Responses	No of Respondents	Percentage
1	Excellent	44	22
2	Good	80	40
3	Satisfactory	50	25
4	Poor	26	13
	Total	200	100

Table 8: overall In-store communication at Spencer Hyper market

From the above table, 22% customers said The In-store communication in the spencers is excellent, 40% of the customer said that good, the customers say that they are satisfactory, 25% said satisfactory, 13% of them said it is poor.

## 7. Findings of the Study

50% of the customers who visit Spencer are monthly visitors. Most of them purchase the products for the whole month.

More than 60% customers are found easy to locate their required products without much searching for it and said the product arrangement and location is good and systematic.

75% of the customers are been informed any changes in the prices of the products in the shop floor

More than 55% customers are aware of Point of Purchase (POP) sales and materials

70% of the customers aware of latest offers through hoardings , and the remaining percentage of customers aware of other In-Store communication tools like back light boards, drop down boards, and pull downs banners .

More than 85% of customers satisfied with the In-Store communication tools that Spencer's Retail Ltd using in their store , they are well been informed properly about the products and guided for making a positive purchase decision.

## 8. Recommendations of the Study

- Awareness of discount offers to customers is not reaching to all the interested customers and hence should be made more effective by improving the In-Store communication of those products
- The offers in the shop floor and not communication orally to the interested customers they are to be noticed by the customer himself with the help of POPs announcement, etc. If staff personal could take initiative in communicating it to the customer it would be an added bonus.
- Almost all the customers who are arriving for the first time to the shop they are feeling difficult to locate the billing area. Proper signage is to be provided in this respect.
- The POPs in the F&B section slate and chalk display of prices are every outdated mode of communication. Modern methods are to be used.

- Presently leaflets are provided at the beginning of the shop. It would be more effective if leaflets are provided at the entrance of each section so the customer will be able to know about the offers in the particular section before entering it .
- Even though POP of specific promotions arrive at the shop floor there is delay in offering them to the customers because of delay in updating the offers into the system by the it personal this process has to be accelerated to give utmost benefits to the customers to rule the market.
- There is no proper communication at the bill counter for the customer who are eligible for any free gifts. So the customers are leaving the premises without collecting their offers. So proper communication has to be given to the eligible customer to collect the gift or offers from the gift counters.

### 9. Conclusion

Spencer has achieved a prominent place in the hearts of the people of Visakhapatnam. It has created a target market of its own. And to fulfill the requirements of its regular customers ,it has opened a number of branches in this city of destiny. The employees of Spencer give the feeling of retail market with personal touch to its customers.

It is very clear that almost all the customers are satisfied with the products and the promotions offered in Spencer They are also happy with the in-store communication given by the Spencer to them. There is also scope for further improving the effectiveness in the in-store communication process so as to capture more customers.

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