

Retail marketing



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Introduction

This course explores how retailers make use of marketing to identify and communicate with their customers.

The course begins by creating a definition of retailing before exploring the importance of marketing with a retail context. The final part looks at how retailers might use marketing communications to interact and communicate with their customers.

As consumers, visiting retail stores is often part of daily life. We visit different kinds of stores and consume various goods and services that are essential to fulfil our needs. We interact and trade with shops of varying shapes and sizes, which offer different shopping experiences. Consider, for example, where you buy your groceries and where you get your hair cut.

This OpenLearn course is an adapted extract from the Open University course [*B122 An introduction to retail management and marketing*](#).

Learning Outcomes

After studying this course, you should be able to:

- define retailing
- understand what marketing means to business executives and academics
- understand the ways that retailers use marketing tools and techniques to interact with their customers.

1 A definition of retailing



Figure 1

As a consumer we all have our own experiences of buying the goods and services we need for our everyday consumption. Additionally, we have our own opinions of the different types of retailers we encounter while shopping. Activity 1 asks you to draw on your own shopping experiences to come up with your definition of retailing and Activity 2 asks you to determine whether there are differences between the retailers with which you shop. In Section 1 of this course we will explore the following:

- creating a definition of retailing
- retail product ranges
- visiting a retail store.

1.1 Creating a definition of retailing

Take a look at the images below. These are examples of three very different types of retailers. Hopefully these images will help you to think about your own shopping encounters and then write a brief statement explaining what a retailer does for its customers:



Figure 2 Zara – a multinational chain of fashion stores, Wood Shop – a small independent shop selling locally made merchandise, Galeries Lafayette – a chain of French department stores.

Activity 1: Defining retailing

Allow 15 minutes for this activity

Purpose: to get you to start thinking about retail.

Task: What do retailers do?

Answer

Retailers sell goods and services to individuals who buy them for their own personal use. Such retailers can range from your local convenience store to major super-markets (like Tesco, Asda or Sainsbury's) where you might do your weekly shop. Retailers select ranges of products in order to meet their customers' needs.

1.2 Retail product ranges

From a retailer's viewpoint, it is important to understand why customers visit a particular high street store or online shop, as their motivations and needs have implications for the products a retailer sells and the levels of service to provide. There is a wide range of retailers to choose from when we go shopping and Table 1 provides a list of some common retail product categories and sub-categories.

Table 1: Retail product categories (some examples in the United Kingdom)

Category	Sub-category
Alcohol	Wines, beers, spirits
Books and stationery	Printing, cards, paper, pens, writing materials
Chemists and drugstores	Beauty products, toiletries, cosmetics
Clothing	Baby wear and nursery goods, children's wear, ladies' wear, menswear, knitwear, fashion accessories, work wear, school wear, maternity wear, lingerie, leather wear, sports wear, bridal wear
DIY goods	Wallpaper, paint, hardware, ironmongery, doors
Electrical goods	Computer hardware, computer software, white goods, brown goods, audio-visual
Finance	Banking, insurance, credit, building societies
Footwear	Children's, ladies' and men's shoes, sports shoes, shoe repair
Foodstuffs and consumables	Grocery, butchers and poultry, bakery, fishmongers, greengrocers, confectionery, health foods, organic foods, delicatessen
Furniture and carpets	Curtains, sofas, soft furnishings
Garden products	Flowers, plants, gardening equipment
Household and textiles	China, household linens, pictures and frames, lighting, drapers, glassware, bedding
Music and film	Records, DVDs, CDs, musical instruments
Rentals	Television, films, games
Sports equipment	Camping and outdoor goods, leisure goods, bicycles and cycle accessories

Restaurants and take-away food Traditional foods, international foods, snacks

(Source: adapted from Hemming Information Services, 2006, p. 585)

1.2.1 Different product choices

We started by creating a definition of retailing, now let's explore the different product choices we might be offered by certain retailers and think about how this experience adds to our definition of retailing.

Activity 2: Going shopping

Allow 60 minutes for this activity

Purpose: to explore product categories we can use to group retailers and their competitors.

Task: Visit the six retail websites that we direct you to below and then suggest how our definition matches up against our selected retailers and see what we might be able to add to our definition.

Retail websites

- ASOS.com [Tip: hold Ctrl and click a link to open it in a new tab.]
- B&Q
- Dell UK
- eBay
- Great Universal (now K&Co.)
- M&Co. Ltd.

Answer

- **ASOS.com** is an online retailer and since 2000 this company has developed into the UK's largest independent online fashion and footwear retailer, again selling to individual customers.
- **B&Q** is a retailer that sells to individual shoppers but also has trade desks serving businesses, e.g. plumbers and electricians in many of its 330 stores in the UK.
- **Dell UK** is a computer manufacturer that sells products to individuals, small- and medium-sized enterprises (SMEs), public sector organisations and large corporate businesses. Originally, Dell sold its personal computers in bulk to retailers, who then sold to individuals. However, Dell decided that retailers did not provide sufficient customer service support, so they started to sell direct to consumers in the early 1990s. Therefore, Dell UK operates as a manufacturer, a wholesaler and a retailer.
- **eBay** is a website that acts as a gateway or portal to access online auctions and shopping websites. eBay shops sell to whoever wins an auction or agrees to make a purchase of a product offered on a 'buy now' basis. In essence, eBay is a portal (gateway) to retailers but enables individuals to sell to individuals.

- **Great Universal/K&Co.** is a retailer that does not operate from high street stores. The company is a leading home shopping retailer that sells to individuals through catalogues and a website. You might be interested to know that over five million individual customers shop with Great Universal/K&Co. each year.
- **M&Co** is a retailer that operates over 300 traditional high street stores throughout the UK, selling fashion items to individuals.

We can add to our definition so that we now have a broader understanding of the scope of retailing:

Although traditionally retailers were businesses that supplied individuals, some retailers are expanding the types of customers they serve and selling to other businesses. Furthermore, retailers sell their goods in different ways, or formats, and the internet is creating opportunities for further changes to retailing.

Before we move on to explore the role of marketing it's time for a trip to the shops. You should already be starting to think about retailers from a different viewpoint than that of a shopper.

1.3 Visit a retail store

How much time you allocate to Activity 3 is largely dependent on when and where you choose to visit a store. Gathering the information you need to complete the activity should take around 15 minutes.

Retail businesses vary in shape and size. This same variety is also found in the extent of activities involved in managing stores. There are many tasks to fulfil if you are to run a retail operation successfully. In a small store, many of these tasks may be carried out by an individual but in a large organisation tasks will be divided to ensure smooth and efficient running of the business. Activity 3 encourages you to consider different aspects of retail operations and highlights linkages between various functions of a retail operation and how a retailer might be affected by environmental forces (e.g. an economic downturn can result in a reduced advertising budget, changes in the law can affect employment, planning regulations can influence store openings/closures and so on).



Figure 3

Activity 3: Visit to a supermarket

Allow 15 minutes for this activity

Task

Purpose: to observe logistics, marketing and customer service issues affecting a supermarket.

Task: Visit a supermarket of your choice (the size of the store does not matter, nor does the location) and work your way through tasks A–D below.

Task A

Go to the fresh fruit and vegetables section and note down where in the world examples of the following products were grown:

- apples
- potatoes
- tomatoes.

Answer

Did you find that the fresh fruit and vegetables came from different parts of the world? The results from my supermarket trip were as follows:

- apples – grown in France
- potatoes – grown in the UK
- tomatoes – grown in Spain.

What we are interested in is how these products got to the supermarket shelves. The buying department/office will select product ranges and negotiate terms with suppliers. Products will be selected to meet the needs of the customers.

Task B

Note down an example of fresh produce which is out of stock but do not worry if you cannot find anything that is out of stock.

Answer

I found several products out of stock – bananas, strawberries and parsnips.

The delivery and logistics teams responsible for distributing goods from suppliers to the shop floor will be involved in getting the products to your supermarket shelves in the right quantities and at the right time.

Task C

Write down the details of the promotional offers that catch your eye as you walk around the store.

Answer

The promotional offer that caught my eye was the price discounts on shelves giving 25 per cent off certain product lines. There was also a competition for a holiday being advertised. Your attention might have been 'grabbed' by a range of different in-store promotional techniques such as:

- bonus packs
- contests and competitions
- discount offers
- free gifts
- in-store events – tasting/testing
- money-off coupons
- opportunities to save
- sale items.

Equally, you might have been attracted to evocative advertising posters bringing your awareness to certain features of a particular product.

Task D

As you leave, see how long the queues are at the checkout.

Answer

There was no queue at the checkout when I went to the store, but it was mid-afternoon on a very wet day. Tesco, Sainsbury's and many other leading supermarket retailers make customer service promises, indeed, at Sainsbury's, there should be no more than three people waiting in a queue at any one time. To achieve this requires vigilant monitoring of customer flows and careful management of the staff.

This activity has illustrated some of the main functions of a retail operation including:

- buying and merchandising of products
- human resource management – managing the in-store staff who process your order through the tills or help you at the self-service checkouts
- logistics and distribution – the processes that get the goods to your store
- marketing – the in-store promotional techniques used to encourage you to make a purchase.

You now should have begun to see retailers differently. You know more about the different sectors a retailer might operate in terms of product ranges and the next step is to examine the elements that make up the trading environment where retailers operate. From a retailer's point of view it is important to understand the trading environment in order to take advantage of opportunities and avoid threats, which can affect short-term and long-term success.

What have you learnt about defining retailing?

You have developed a working definition of retailing, begun to identify some of the complex issues retailers consider such as which product activity sector to operate in and

what types of customers to serve. Additionally, you have visited a store and begun to think about some of the issues associated with running a retail operation.

In the next section we are going to think about the meaning and importance of marketing to retailers.

2 What is retail marketing?

The concept of retailing can be traced back deep into history and the development of human civilisations. However, until about half a century ago, retailers were at the end of the supply chain and their key function was to sell products offered by manufacturers. Retailers had some influence on the products made but much emphasis was placed on pushing (selling) manufactured goods. But a new approach to business emerged which laid the founding principles of marketing. These principles brought about a new way of looking at business development which revolutionised modern business practices.

To date, through successful adoption and application of marketing, detailed knowledge and understanding of the customer and careful management and planning of retail operations, retailers have shifted the power and control in the supply chain from the manufacturer towards the retailer. In this section we are going to learn about different views of the role and importance of marketing in retail. The purpose of the following series of activities is to develop your understanding of the elements of the marketing mix and examine how retailers apply the mix. It is important that you check your understanding of the meaning of the term 'marketing' before you proceed. The next activity will help you do that.

Activity 4: Marketing in practice

Allow 30 minutes for this activity

Purpose: to develop your understanding of the scope of marketing in modern businesses.

Task: Watch the following film and with the help of the discussions it presents, write a short description (of 100 words) explaining what marketing means to a modern business. Here you will meet marketing experts; Cheryl Calverley, Brand Manager for Birdseye Peas, Kieran Monahan, Chief Executive of Next Door Communication Agency, and David Jobber, Professor of Marketing at Bradford University. They discuss the meaning of marketing from different business perspectives.

Video content is not available in this format.

[Marketing in action](#)

As you have seen from the film, it does not matter what area of business you are working in, marketing is at the heart of business activities. For this reason, it is important to have a sound understanding of how marketing can help to shape planning and management decisions. You may also have noticed that there is a strong link between the retail environment and marketing. Please note, sometimes the meaning of marketing is confused and considered to consist largely of just promotions and advertising. The reality is that in market-orientated businesses, marketing is at the heart of every business activity and consequently influences all business decisions and actions, not just its promotional activities.

Marketing is an underlying philosophy that guides business activities, but how does a retailer *do* marketing? A retailer must engage in planning, research and analysis before implementing a marketing strategy. At the core of any retail marketing plan is the mix consisting of the four Ps (Product, Price, Place and Promotion) of marketing. The following images show retail examples of each of the elements of the mix and the next activity describes each element of the mix further.



Activity 5: Reading about the mix

Purpose: this task will help you explore the elements of the marketing mix and develop your understanding of how the mix applies to retailing.

Task: The marketing mix is often called the four Ps and it represents four discreet areas of business planning and marketing decision-making. The four Ps are: Product,

Price, Place and Promotion. Find out what is involved and how these concepts relate to retail management by reading the following extracts in Box 1. Then make some notes on what each element of the mix means to the retailer.

Box 1: The four Ps of the marketing mix

Product

In general marketing terms, the product decision involves deciding what goods or services should be offered for sale to a particular group of customers. An important aspect of this element of the mix is new product development. As technology and tastes change, products become out of date and inferior to those of the competition, so companies must update products with features that customers value or completely replace the product. Market leadership can change as new products are developed that give greater benefits than old ones. For example, the Sony Walkman was the market leader in portable music players. Following its launch, the Apple iPod soon outsold the Walkman as it offered the advantages of being able to download music and hold thousands of songs on a much smaller device. From the first iPod, Apple has developed a product range to cater for diverse customer needs.

Product decisions also involve choices regarding brand names, guarantees, packaging and the services that should accompany the product offering. Guarantees can be an important component of the product offering. For example, the operators of the AVE, Spain's high-speed train, capable of travelling at 300 kmph, are so confident of its performance that they guarantee to give customers a full refund of their fare if they are more than five minutes late.

From a retail marketing perspective, the product element of the mix is very important. Retailers provide stores full of products to suit every consumer's needs. Some retailers fill their shelves with extensive product ranges (this can be seen here in the image of an extensive range of hair care products) whilst others offer more limited choices of products (as you can see in the image of an exclusive range of jewellery products). The range of products a retailer sells is called the *assortment* and this defines the nature of the business and its position in the marketplace. By looking at the following two pictures, you can begin to get a feel for the difference in the type of retail operations that might be selling these products.



Figure 5

According to many retailers, the product is the most important element of the retail mix. Selecting what to sell, making the *right* purchasing decisions, organising stock management and arranging how to display product ranges is so fundamentally

important to retail management. However, considered by many retailers to be of equal importance is price.

Price

Price is a key element of the marketing mix because it represents, on a unit basis, what the company receives for the product or service that is being marketed. It is the only element of the marketing mix that creates revenue, while all of the other elements represent costs. For example, expenditure on product design (product), advertising and salespeople (promotion) and transportation and distribution (place) all cost money. Marketers therefore need to be very clear about pricing objectives, methods and the factors that influence price setting. They must also take into account the necessity of discounting and giving allowances in some transactions. These requirements can influence the level of list price chosen, perhaps with an element of negotiation margin built in. Payment periods and credit terms also affect the real price received in any transaction. These kinds of decisions can affect the perceived value of a product.

Because price affects the value that customers perceive they get from buying a product, it can be an important element in their purchase decision. Some companies attempt to position themselves as offering lower prices than their rivals. For example, super-markets such as Asda (Walmart) in the UK, Aldi in Germany, Netto in Denmark and Super de Boer in the Netherlands employ a low-price positioning strategy.

Another strategy is to launch a low-price version of an existing product targeted at price-sensitive consumers. For example, Apple launched the Mac mini, a basic version of the Macintosh computer. With this low-priced machine Apple believes it can tempt people who have bought an iPod (and become fans of the company) to ditch their Windows-based PCs and switch to the Mac mini.

Many factors affect retail pricing policies. Choosing products and setting prices is an important part of retail management and the next element of the mix, place, focuses on where to sell the product assortment.



Figure 6 Low price strategy

Place

Place considerations involve decisions concerning the distribution channels to be used and their management, the locations of outlets, methods of transportation and inventory levels to be held. The objective is to ensure that products and services are available in the proper quantities, at the right time and place.

Distribution channels consist of organisations such as retailers or wholesalers through which goods pass on their way to customers. Producers need to manage their

relationships with these organisations well because they may provide the only cost-effective access to the marketplace. They also need to be aware of new methods of distribution that can create a competitive advantage. For example, Dell revolutionised the distribution of computers by selling direct to customers rather than using traditional computer outlets.

Increasingly, music is distributed by downloading from the internet rather than being bought at music shops. Consequently, place is another important part of the mix that influences retail management decision making.

The final element of the mix we are going to consider here is promotion.

Promotion

Retailers constantly communicate with their customers using a variety of methods and approaches. Retail promotions involve the management of elements of the promotional mix, which include advertising, sales promotions, digital and direct marketing, personal selling, sponsorship and public relations.

By these means the target audience is made aware of the existence of a product or service and the benefits (both economic and psychological) it confers on customers. Each element of the promotional mix has its own set of strengths and weaknesses. Advertising, for example, has the property of being able to reach wide audiences very quickly.

Procter & Gamble used advertising to reach the emerging market of 290 million Russian consumers. It ran a 12-minute commercial on Russian television as its first promotional venture in order to introduce the company and its range of products. Advertising can be a powerful tool in a recession. While its competitors cut back on advertising expenditure during the Great Depression of 1929, Procter & Gamble increased its spend. The company dominated radio advertising, bringing market leadership during the 1930s and the creation of the platform that has led to its continuing success to the present day.

Digital marketing via the internet is increasingly important as a promotional tool. A great advantage of the internet is its global reach – companies can now easily extend the reach of their communications to consumers worldwide by creating a website. The internet has also proven to be a powerful communication tool, sometimes replacing traditional media.

Many retailers now sell through the internet, either exclusively or in conjunction with a network of stores and/or paper-based catalogues. The internet brings opportunities for retailers to sell to and communicate with their customers through one highly interactive and flexible channel. In the final part of this course, you will learn about how retailers use marketing communications to engage the interest of their target customers. But before we do this have a go at the following activity.

Source: adapted from Jobber (2010) pp. 17–20

Activity 6: Applying the retail marketing mix

Allow 30 minutes for this activity

Purpose: to consider use of the marketing mix in a real organisation.

Task: Imagine you are the Retail Marketing Manager for the National Trust and it is your job to determine how the marketing mix will be applied across the shops, cafés and restaurants the organisation operates around the UK. Reflect on the following question and write a short answer in 100–150 words explaining your reasoning: How does your understanding of the four Ps help you to assist the management of the shops, cafés and restaurants to make decisions that meet the needs of their customers?

Answer

Applying the four Ps of the marketing mix should enable you to:

- select suitable product ranges to sell in the gift shops and decide on the content of the menus in the cafés and restaurants
- set appropriate pricing strategies for shops, cafés and restaurants
- create promotional campaigns to communicate with customers
- develop appropriate locations for gift shops, cafés and restaurants, and organise logistics.

However, while the traditional marketing mix makes provision for planning decisions associated with the product, price, place and promotion the levels of service provided by a retailer are not covered by the four Ps, e.g. does a café operate using self-service or full-service? The four elements of the mix potentially leave us with some unanswered questions, e.g. who are the people involved in serving the customers in the shops and food outlets? How are the interiors of the shops and food outlets decorated and designed? What are the processes involved in serving the customers?

It is important to be aware that the four Ps marketing mix has often been criticised for being too over-simplified in dealing with marketing management issues (Booms and Bitner, 1981). The reality is that where appropriate, the marketing mix can be extended to include people, processes and physical evidence. There is also an argument that some elements may be covered by two or more of the categories. For instance, when L'Oreal launches a new product the in-store sales promotion campaign and the people involved might be discussed under product and/or promotion or both. The key is not to rely on the four Ps as a catchall for planning marketing solutions but to be aware of them as a guide to key areas of marketing that need to be included in retail management planning. Successful management of the marketing mix is achieved through a focus on delivering customer satisfaction and applying the mix appropriately.

What have you learnt about the retail marketing mix?

You have identified and considered the four elements that make up the marketing mix: product, price, place and promotion. You should also have begun to think about the scope and extent to which the four Ps are involved in shaping and informing management decision making in retailing. In Activity 6, you should have noted that retail managers can use the mix as a guide but they should be aware of the need to consider all aspects of the trading situation when planning marketing implementations.

3 Marketing communications in retailing

For a retailer, it is important to understand how to promote products and communicate with customers as this affects overall success. In the retail industry, *promotion* is frequently called marketing communications and this is the term we will use for the rest of this section. The following activities aim to give you insight into the meaning of the term 'marketing communications' and identify the key considerations of marketing communications plans.

3.1 Marketing communications in practice

Under the banner of marketing communications (in practical terms) retailers have to decide what messages they wish to send to their customers and how to convey the message. There are three key areas to consider when planning marketing communication activities:

1. the message
2. the media
3. the communication tools.

The following image illustrates these three areas of consideration: the message, the communication tool (advertising), the media (outdoor).

We are going to explore each of these elements in turn but before doing this we need to consider the basic model of communication.



Figure 7

3.2 The linear model of communication

All businesses need to engage the attention of their customers and marketing communications are the mechanism that facilitates this process. Retailers plan

communication campaigns seeking to inform, persuade, build relationships and create interest from specific target customers.

In its simplest form, communication is a two-way exchange between two parties.



Figure 8

The linear communication model

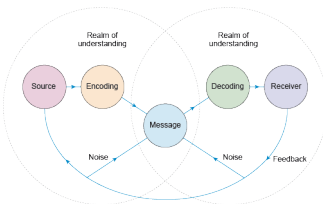


Figure 9 The linear model of communication. Source: Fill (2009) p. 42 based on Schramm (1955) and Shannon and Weaver (1962).

According to Fill (2009, p. 42, quoting Theodorson and Theodorson, 1969) this is a linear model that emphasises the ‘transmission of information, ideas, attitudes, or emotion from one person to another, primarily through symbols’. The model and its components are straightforward but it is the quality of the linkages between the various elements in the process that determine whether a communication event will be successful.

In other words, does the message sender (source) use the right language and images (encoding) to create a message, which can be interpreted (decoded) by the message recipient (receiver)? Successful messages need to be heard over and above interruptions (noise) and ultimately the realms of understanding of the message sender and the message receiver should overlap.

Retail marketing communications rely, to a large extent, on these principles of communication being successfully implemented.

Activity 7: What is noise?

Allow 15 minutes for this activity

Purpose: to consider how communication messages can be interrupted.

Noise is a factor that interferes with the communication process. Noise distorts the message and means you may only receive part of the story. There is always a potential for noise to interfere with the communication process. Therefore, marketing communications management should aim to produce communications which keep noise levels to a minimum.

Let's identify some types of noises that could interrupt the delivery of a communication message.

Task: Listen to the following podcasts, identify each sound and then explain how each of the noises might interrupt the communication process, while you are watching a television advert.

Audio content is not available in this format.

[Sound 1](#)

Audio content is not available in this format.

[Sound 2](#)

Audio content is not available in this format.

[Sound 3](#)

Audio content is not available in this format.

[Sound 4](#)

Audio content is not available in this format.

[Sound 5](#)

Answer

Actual sounds:

- the telephone ringing distracts your attention, causes a break in concentration and may require you to move away to another location to have a more private conversation
- the noise of passing traffic, a vacuum cleaner or people coughing can all distract your attention, interfere with your hearing of the message or stop you receiving the whole of the message in the television advert
- people talking and asking questions can distract your attention. Competing messages from individuals can lead to commercial messages being screened out completely.

Activity 8: Other types of noise

Allow 15 minutes for this activity

Purpose: to identify different types of noise.

Task: Now look at the images of other types of distractions. Again, explain how the interruption might affect the communication process.



Figure 10

Answer

Picture 1 this is a physical disturbance which can block out part of the message. The individual looking at the message is likely to only see part of the message.

Picture 2 this is an example of a physical and a cognitive disturbance. A pet physically distracts the message recipient but the recipient will also begin thinking about the distraction.

Picture 3 this is an example of cognitive noise. The message recipient does not understand the message. The language is difficult for the message recipient to understand and therefore they are not able to decode the message completely. In other words, the realms of understanding in this situation do not overlap sufficiently.

It is important to note that noise can be created by physical factors, like actual sounds and individual behaviour, but also cognitive factors. Cognitive distractions tend to be abstract and are things that interfere with our perceptions and interpretations of messages. A cognitive distraction might occur if the encoding of the message was inappropriate so the receiver found the message difficult to understand, e.g. a message that is garbled or uses language that is too complex. Retailers need to ensure when they send communication messages that the target for the message has the greatest opportunity to receive the message. This can be achieved by tailoring the message and careful planning of when and how the message will be received and the media that will carry the message.

3.3 The message

Getting heard over the noise in the world of communications is a key challenge in the communication industry. Creative advertising and communication agencies specialise in developing messages that the target audience can hear (receive), in other words, messages that cut through the noise. The message(s) a company sends to its customers is critically important to the success of a business. In retailing, communication messages help to position the retailer as a 'brand' in the minds of customers and highlight the difference between products and brands and the significance of branding in retailing. Now we are interested in how companies create brand messages, which ultimately define what a company stands for and how it is positioned in the minds of its customers.

Video content is not available in this format.

[Building a brand](#)

From this film, you should have developed an understanding of the relationship between the brand and the message and how marketing communications are used to communicate the message to specific target audiences.

3.4 The marketing communication mix

Retailers should consider the range of communication tools that they can mix to communicate their marketing and branding messages. Advertising, sales promotion, public relations, digital marketing, direct marketing and personal selling are examples of important marketing communication tools widely used in the retail industry and other industry sectors.



Figure 11 The communication mix and the interrelations between media tools and audiences. Source: Fill (2009), p. 14.

Figure 11 indicates an interrelationship between the target customers, the tools and the media. This is because the tools a retailer might choose to target a particular audience will affect the media used to carry the message. It is important to note that deciding on the tools and media involves a complicated set of decisions. Indeed Davies (2001) suggested there are over 2,000 different combinations of interlinked decisions to consider that could affect marketing communication planning.

In order to make such choices, retailers need to select a *blend* of tools and media that will reach the target audience.

Each tool in the communication mix has different characteristics, which affect how they are used in conjunction with the media and communication messages.

According to Fill (2009) four important characteristics can help guide your choice of which communication tool to use for delivering particular marketing communication messages. The four characteristics are:

1. **Communication potential** – focuses on the ability of the communication tool to deliver a personal message, its audience reach and the level of interaction offered.
2. **Credibility** – refers to how the communication tool is perceived by the target audience.
3. **Cost** – includes considerations about how much of the communication budget is required to use a particular tool, ratios of cost per contact and the size of investment required to use the particular communication tool.
4. **Control** – the ability to reach specific target audiences and flexibility to adapt to changes in the communication setting.

The characteristics of each of the communication tools affect how and where they are used, based on the level of:

Communication potential, e.g. television advertising is good at visually informing target consumers of key features and benefits, whereas sales promotions are a call to action, to encourage consumers to make a purchase for example.

Credibility required (tools are perceived and valued differently by the target audience, e.g. public relations score high whereas advertising scores low).

Cost which is a major consideration and the communication budget will influence the choice of communication tools.

Control that is required. (In other words is the message that the target audience receives the same as the one the transmitter intended to send?)

What have you learnt about marketing communications in retailing?

In this section, you have been introduced to some of the key areas of marketing communications – the message, the media and the communication tools. You have considered the basics of the communication model that underpins the development of marketing communication messages. You have also explored what it takes to develop a communication message, how to use communications to build a brand and the characteristics of the different media that might carry marketing communications. In addition, you have identified a range of communication tools which make up the marketing communication mix.

Conclusion

In this course we have explored the meaning of the terms retailing, marketing and marketing communications. We have also considered the importance of the marketing mix and identified the different communication tools that a retailer might use to interact and communicate with their target customers. You have been introduced to a few theoretical concepts and ideas, which have been illustrated using real world examples and cases in retailing.

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The course has also aimed to introduce the importance of marketing and communication from a retail perspective.

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