CHAPTER 2

REVIEW OF LITERATURE
2.1 Introduction

Review of literature is a compilation of the previous work done in a set specific field of study over a specific period of time. This chapter covers the entire literature relevant to the topic of study through books, journal articles, websites and industry report. This is essential because it gives an overview on the gap analysis in the field of study that has been undertaken by the researcher. This literature also specifies the methodologies that are critical and that has been considered in the purview of the study.

Marketing is a goal orientated process and consists of interrelated activities that involve both the planning and executing of activities. It brings about mutually satisfying exchanges between buyers and sellers (Loudon, Stevens and Wrenn, 2005). Marketing strategy is about creating value for customers (Kotler and Armstrong, 2004). Marketing strategy should deliver value to its customers in ways that build and improve relationships (Armstrong, Harker, Kotler and Brennan, 2009). The 4P’s marketing mix is the traditional tool box used by marketers to communicate value propositions to consumers (Constantinides, 2006). However some marketing guru’s argue that in the global arena, the elements of people, process and physical evidence need to be included in marketing strategy. Thus the marketing mix has expanded into the 7P’s (The Chartered Institute of Marketing, 2009). Taking these elements of the marketing mix into account, marketers need to focus marketing strategy on brand awareness, brand associations, perceived quality of the brand and consumer loyalty to the brand in order to appeal to consumers as they make their purchase decisions (Aaker and Joachimsthaler, 2000).

Marketing’s role is to communicate the value proposition to consumers as they move through a purchase decision making process (Court, Elzinga, Mulder and Vetvik, 2009) and build relationships with them which ultimately results in relationship marketing (Kiang, Raghu and Shang, 2000). This presents marketers with the opportunity to affect consumer’s purchase decisions through marketing strategy.

Nowadays, Social Media Marketing is widely used by businesses because it represents a cost-effective marketing solution. The Social Media Marketing weapons can be used largely for free and very easily, in comparison with other promotional tools (Levinson, J.C. & Gibson, S., 2010). The main purposes of using Social Media Marketing are the amplification of word-of-mouth marketing, market research, general marketing, idea generation and new product
development, co-innovation, customer service, public relations, employee communications and reputation management. Indeed, social networks can increase product and brand awareness, web traffic, customer loyalty, but also improve the company’s Search Engine Optimization, and even increase the success of new product launches.

Social Media Marketing can be using unconventional means to achieve conventional goals, through the use of creativity, community, and relationships instead of big budgets to achieve marketing objectives. These methods are powerful guerrilla marketing strategies. Every marketer is now armed with highly effective online communications tools that enable him to garner the same level of influence that many large corporations have. Therefore, Social Media Marketing is a great change in the world of marketing.

Whether it is concerning large multinationals or small and medium-sized enterprises, Social Media Marketing presents many significant benefits for the companies’ success. Social Media platforms foster communication around brands and products, enhancing positive as well as negative word-of-mouth around a business and its products and services. Any message or piece of information shared on the Social Media channels can be seen by thousands of people in an extremely short period of time.

Social Media Marketing increases brand awareness by extending the online presence of the products and brand (Red Bridge Marketing, 2008). When Social Media platforms are widely used by a business, it becomes extremely important to measure the impacts of Social Media Marketing on brand awareness.

**2.2 Social Media concept and its dimensions**

As it was mentioned above the social media phenomenon is merging in people’s lives tremendously fast and through different ways. Kaplan and Haenlein 2009 explain in details social media’s essence, meaning and origin. When talking about social media, it is important to mention two related concepts - Web 2.0 and User Generated Content. Web 2.0 is a term that first appeared in 2004 to illustrate the new way in which software developers and end users started operating with the World Wide Web. It’s a platform whose content is modified not by the single individual but by all the users in a collaborative manner. Examples of
applications that belong to the Web 2.0 group are all the blogs, wikis and collaborative projects.
All these leave behind the personal web pages and Britannica Online Encyclopaedia that refer to the platform of Web 1.0. As a conclusion it must be emphasized that Web 2.0 is considered as the platform for the evolution of social media (Kaplan, Haenlein, 2009). In contrast to Web 2.0 that gives the whole ideology and technical foundations of social media, User Generated Content, represents all the possible ways through which social media can be used. The term came up for the first time in 2005 to explain and summarize the variety of media content that has been created and is available to the people. In order to be considered and confirmed as such, the User Generated Content must fulfill couple of requirements.

The first requirement is about the content. It needs to be published on a publicly available website or on a social networking site accessible to a definite group of people. Second, it must show use of creativity, and third it must be created outside of the professional routines (Kaplan, Haenlein, 2009). Clarifying the aforementioned concepts allow us to give a better explanation for the central problem in the following thesis. One informal definition for social media is the following: “Internet-based applications that carry consumer-generated content which encompasses ‘media impressions created by consumers, typically informed by relevant experience, and archived or shared online for easy access by other impressionable consumers’” (Blackshaw, 2006).

Different kinds of information are exchanged in a different way. That is because there are various types of social media.

Collaborative projects are the simplest type of social media. They allow each user to add, remove or change text based content. It is believed that throughout the collaborative efforts of different users the information offered by that source of social media is becoming more reliable.

A widely spread collaborative project is Wikipedia. That is a free, web based, online encyclopedia written with the common efforts of volunteers and accessible by everyone with an Internet access. Blogs are another representative of social media. They let user to publish and participate in a multithreaded conversations online (Weber, 2009). Blogs are important for companies as they can easily higher their reputation in case of positive blogging and at the same time destroy a good reputation with negative blogging. Content communities give people the opportunity to share media content between each other. Under media content is meant the exchange of videos (You Tube), photos (Flicker) or even PowerPoint presentations.
Users of content communities usually don’t create a profile page, but just have a personal record with their recent and overall activity.

For companies and large corporations content communities are of a great thread because of the chance to be used as platforms for sharing copyright materials (Kaplan, 2009). Social Networking Sites follow the content communities in the review of social media types. It’s important to clarify their meaning and usage as they take central place in the current thesis. Through these kinds of sites people connect while exchanging personal information, photos, videos and even instant messages. People can also invite friends to have access to this information. Facebook and Twitter are considered to be the most popular social networking sites. Companies nowadays switch to Facebook in their efforts to bond with the customer (Kaplan, 2009).

Twitter is a free social network and micro blogging service that allows people to read and exchange text based posts that are up to 140 characters (www.twitter-script.com). These posts are called “tweets” (http://en.wikipedia.org/wiki/Twitter). Last but not least comes the turn of virtual game worlds and virtual social worlds as social media representatives. Virtual game worlds present three dimensional environments where users interact with each other taking the form of avatars and experiencing real world situations. Virtual game worlds provide the highest level of social presence and media richness (Kaplan, 2009).

Virtual social worlds slightly differ from the game worlds. They allow users to choose their behaviour and actually live a life that is similar to their own ones. As in virtual game worlds, virtual social world users appear in the form of avatars and interact in a three-dimensional virtual environment but, in that case, there are no rules for the possible interactions, except for basic physical laws such as gravity (Kaplan, 2009).

Social Media Marketing Social Media in the marketing sphere is well known as Social Media Marketing. This an evolution of the process of how people discover, read and percept a certain content.

Social Media Marketing is a completely new way of communication with the consumer. It is also a transition from traditional marketing, where there is one way communication between a company and its customers. (Ex1) The message is generated by the marketer and after that
send to the consumer. In contrast social media marketing offers dual communication where the consumer plays a great role. (Ex.2) He reviews content, create and even share that content and his experience with other consumers.

Marketers here should play a role of aggregators of customer communities (Weber 2009). They are expected to organize and find the most appropriate social network and best possible way of presenting the product to the consumer and respectively receiving customers’ feedback through it. It’s proved that people trust their friends more than traditional advertising (Nielson Company). They purchase the product, talk about it online and do marketing activities even without realizing it. That process is known as word of mouth (WOM) advertising but here it is done in online manner.

Social Media Marketing should be gradually implemented into the existing marketing plan of a certain company and not used as a replacement of it (Flagler, 2011). It must be integrated within the other marketing tools that certain company use as the common usage will lead to better results (Lake, 2011). Nowadays there is substantial evidence that online word of mouth affects peoples’ attitude toward the product or the brand and respectively that affects the purchase behaviour of the consumer (Chen, 2011). Many scholars recently pay attention and research the influence of social media to product sales, consumer decision making, and sales forecasts or even to existing marketing strategy of the company (Chen, 2011). Widely discussed is also the issue of how social media influences brand awareness but not much attention is paid to the problem of the social media effectiveness towards people’s brand attitude and all the arising from that issue - sub problems.

2.3 Social Media and Return on Investment

Social Media Return on Investment (ROI) is a direct subset of the marketing performance discourse. With the emergence of online and social technologies, performance tracking has become a standard requirement in all digital marketing (Tuten 2008; 10; 25-26). Indeed, as
the potential of social media as a marketing outlet is viewed very promising. Social Media ROI has developed into a significant topic for marketers globally (Weinberg & Berger 2011).
ROI projections infer “return” as the financial gain beyond the initial investment, whereas the “investment” represents the total of all expenses put at risk in order to generate the specific return (Lenskold 2003, 53). These expenses are represented by, for example, marketing staff’s salaries, campaign design costs or agency fees. All incurred costs of goods sold are factored into the gross margin, thus the equation also accounts for expenses occurring even when no sales are made, for instance up-front development and design of advertising, in the investment (Lenskold 2003, 58).

According to Lenskold (2003) the ultimate goal of all marketing is to support corporate goals of profit maximization. Similarly, Rust, Ambler et al. (2004) contend that marketing performance begins by setting business objectives (which are transformed into subsequent marketing goals). Thereafter, the process consists of sequential outcomes: 1) customer impact, 2) market impact, 3) financial impact, and 4) impact on firm value.

Thus, marketing activities influence customer attitudes and satisfaction, market position and financial position in the short term (Rust, Ambler et al. 2004, Vassinen 2012, Stewart 2009), and the (shareholder) value of the firm in the long-term (Rust, Ambler et al. 2004, Vassinen 2012, Ambler & Roberts 2008, Vakratsas & Ma 2005). In other words, the objectives of marketing need to influence consumer attitudes and behaviour, that – immediately or in the long-term – transform into purchase intention. This, in turn, has a direct impact on bottom line results. Therefore, marketing as such, produces both short-term and long-term effects that eventually transfer into overall company performance: marketing is not a function separate from financial or business goals.

Simply, the marketing ROI process is implemented at the campaign (Tier 3), customer (Tier 2) and corporate (Tier 1) levels to maximize company profits. Hence, while marketing measurements and investments need to consider the tactics, the ROI approach is more strategic by considering the effectiveness of marketing actions throughout the process from the tactics to firm value. (Lenskold 2003)

Social Media ROI, in essence, is no different from marketing ROI, as the way ROI is calculated is independent from medium or purpose (Lenskold 2003, Blanchard 2011). Regardless, other scholars claim that the traditional marketing performance metrics fail to consider the social layer of new media (Weinberg & Berger 2011, Tuten 2008, 160). In other words, social media as a marketing channel is still novel: the need to improve effectiveness
and integration is making social media marketing measurements a high priority (Lenskold Group 2011, 15).

2.4 Measuring Social Media Marketing Performance

While different metrics and tools to monitor social media marketing are various, proving real ROI beyond these engagement metrics is difficult for social media strategists (Owyang 2010, 17). A study conducted in 2010 by the Altimeter Group (Owyang 2010) discovered how only 22% of social strategists could actually measure a change in revenue due to social media marketing. As accountability pressures amount, 48% of the surveyed named ROI measurement a primary objective for the year 2011.

The friction in accurately proving financial returns via social media metrics is borne out of the bifurcation of cause and effect – or proving the relationship between an action or metric and a subsequent financial result. Marketing performance literature in the past years has presented different manners of attributing value to marketing actions (See e.g. Lenskold 2003, Rust et al. 2004, Ryals 2008, Stewart 2009, Vassinen 2012), leading to a polarization of viewpoints: financial metrics on the one hand, and indirect measurements on the other (Ambler & Roberts 2008).

2.5 Retailing and Social Media Marketing

To generate value, retailers will have to understand more fundamentally what their shoppers need and how best to deliver it. It is an old challenge in a new world. A purchase process can, for instance, be improved by connecting loyalty program data with loyalty-based on-line promotions through the use of technology to create customer lock-in. In the retail sector, customer lock-in creates a high incentive for customers to return to a store, such as a membership or a subscription to a retailer’s services (Zott & Amit, 2010). In this respect, mobile applications, personal shopping assistants and kiosks are potential technologies to utilize. The customer’s purchase history can be accessed by on-line personal shopping assistants and, as a consequence, targeted shopping lists, promotions and adjusted prices are delivered to specific customers.

Multi-channel retailers must, however, understand the cost and benefits associated with implementing such targeted promotional and communication methods as they might be perceived intrusive by some customers (Neslin & Shankar, 2009).
Customer co-creation goes hand in hand with the use of the Internet and mobile digital technologies. Code signing products has been identified as a useful technique to strengthen brand associations and potentially increase brand loyalty by leveraging the endowment effect and psychological ownership effect (Franke et al., 2010). Emotional involvement with and attachment to the brand or product, as well as emotionally stimulating shopping experience through product co-creation, play a crucial role in customer engagement (Van Doorn et al., 2010).

The intent is to design a unique shopping experience that integrates the customer into the process to create a lasting, pleasant memory, and ultimately a loyal customer who will shop for the products both in-store and on-line (Krafft & Mantrala, 2010).

The topic of fashion and retail deserves more attention especially due to combining modern technology with emotional feelings about fashion which adds an entirely new, exciting layer to the retail setting. Themed brand stores such as those of Burberry are exponents of a retail brand ideology which is designed to immerse and lock in customers in a complex experience which includes socialization, modishness, and embedding of the brand into personal memories (Kozinets et al., 2002).

Till the late 90s, moving web consumers to actual click to purchase things was difficult but lack of trust for online shopping in those years has now gained the faith. It has happened due to online secure transaction options. It has provided the cyber user alternative options like cash on delivery, cheque payments. Studies have been conducted earlier to find out consumer’s purchasing behaviour in real world and when then buy online. Cyber users buy online products with some emotional attachment. They are persuaded to buy when they actually look at the picture shown on the website or the advertisement flashing when they access social networking sites like Facebook, whereas in traditional shopping people used to buy the product particularly as per their want or need or the shopping list they used to make in advance before going to market.

World Wide Web has changed the shopping behaviour of all ages of group. Be it information sharing/gathering, social or business networking; the net plays an unparalleled role in the world today. To adjudge the influence of the net in India, the following facts as per report from Frost and Sullivan’s study on Impact of social media on online shopping behaviour shows the increased rate of online buyers on social media. 1. India now has nearly 74 million
Internet users, a 31 percent increase over March 2012, India has bypassed Japan to become the world’s third largest Internet user after China and the United States, and its users are significantly younger. 3. As per past survey, there were 4.1 million mobile internet users in 2009. By 2015, this figure will touch 164.8 million as per KPMG. 4. In March 2013, a report by the Internet and Mobile Association of India (IAMAI) and Indian Market Research Bureau (IMRB) found that the number of social media users in urban India would reach 66 billion by June 13. 5. 50% of young web users in India spend over two hours on social media portals daily. (www.thehindu.com)

Social Networking has given freedom to youth to spend extra time on net and access all the information web is providing in one click. Thus youth prefer easy way rather than travelling to some place for shopping. It is most convenient option for them to save time and energy. In addition to online reviews, peer recommendations on online shopping pages or social media websites play a key role for online shoppers when they are researching future purchases. 90% of all purchases made are influenced by social media. The product which was taken into consideration during research was mostly the products which youth are interested when they start their career or they are in the college. With the reviews and other minute details available on net, interest of having a particular product persuades the youth to actual buying the product.

Apart from this monetary factor where youngsters who have free flow of cash and possess credit card either because they are working or their parents have given permission to use their credit card spend time on buying online products. In India the youth who are generally stable in career opt for online shopping. : It is been understood from present scenario of employment that there is a significant change in salary packages and with the compatible salaries in hand, various credit cards, debit cards and flow of cash in today's young generation, youth are more engaged in online shopping.

The important factor need to consider while studying inclination of youth towards online shopping is computer proficiency. It is a well-known fact that product promotion by advertising is not as impactful as the word of mouth. Each of us will agree that we are more likely to buy a product if our friend shares his/her positive experience about the product even
though it is not the most advertised product in the market. In this scenario, today’s youngsters are dependent and influenced largely by their social network for shopping.
2.6 Social Media and Branding

Branding offers the world a great variety of definitions and concepts. It’s one of the most broadly defined terms in contemporary marketing. Nowadays brands are used as symbols that allow consumers to make a difference between the producers and trace the quality of the product back to the manufacturer and if companies want to compete successfully on the market, they must have a brand that consist of various characteristics (Bertilsson, 2009). All that leads to the conclusion that when approaching the effect of social media on marketing we need also to focus on branding as an essential and huge part of it.

A brand can be defined as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (Kotler 1991; p. 442). A brand plays three significant roles. First, it aims to attract new customers to the firm. Second, it can be a reminder to customers about the firm’s product and services. Finally, a brand can become the customer’s emotional tie to the firm (Rust, et al.2005, p.24). Moreover customers’ brand attitude plays a great role in firms’ efforts to make profitable business. That is because of the fact that a strong brand could gain a firm competitive advantage and leading positions in a certain sector (Kim et.al.2008). It is not a surprise that many companies and organizations of all types and sizes are using social media to monitor and respond to negative feedback about their brands or products (Brown, 2010).

In that line of thought social media and branding go hand to hand. Social networking is bringing branding to new dimensions by offering quicker deployment and return of information, a significantly cheaper platform than traditional marketing and a way for people to get into conversations about a brand and in this way to spread the information more effectively (Chordas, 2009). It becomes a proven fact that most of the social media platforms are turning into important branding mechanisms.

Researchers found out that more and more of the social networking users become fans of a brands online and that they are more likely to express positive attitude towards them than negative (Chordas, 2009)
That is not always the case of positive word of mouth. Few researches focused their work on negative word of mouth and customer dissatisfaction. The consequences of this kind of marketing communication can be in most of the cases crucial for a company. Richins in 1983 found out that from 30% to 90% of the dissatisfied customers didn’t intend to buy the brand again, and also that 34% of these people share their dissatisfaction with friends and family. Even though the above mentioned research has been made in the 80’s it still has value today having in mind that nowadays with the emergence of social media the spread of information is much easier and affordable for the people.

The media gives opportunity to companies to connect and directly communicate their brand value with the consumers and respectively faster, to start building relationships with them (Pencak, 2011). On the other hand, consumers connect with brands in new ways, different than traditional ones and again through various media channels. These facts make necessary the adaption of traditional marketing strategies to the new relationship between the consumers and the brands (Edelman, 2010).

Now the focus of the market research is more customers oriented than product oriented as it was in the past. Marketers are concerned about customers’ attitudes and behaviours and how a particular brand or product fits into people’s lives (Meehan, 2010). As it can be noticed, social media and branding are mutually connected but there is something that needs to be taken into consideration. When a company applies social media for its branding purposes, the platform it uses must be implemented in a smart and professional way. It means that the message it sends to the consumers must be consistent, well defined and generating action (Chordas, 2009).

2.7 Brands on Social Media

Brands on social media Social media is a phenomenon that is predicted to actively merge in peoples’ life and companies’ marketing communications (Carlsson, 2010). Part of these predictions are already realized as many companies integrated social media within their marketing strategy and it become an essential tool for spreading information and conducting a dialogue with the customers. Social media turn out to be the most reliable and promising method of reaching new customers (Weber, 2009). In the current thesis the focus is on a certain type of social media, part of the social networking group. It’s social network, which
constantly gain popularity not only in the personal, everyday communication but also in the business environment.

Facebook is a social networking website, launched in the beginning of 2004 that according to the most recent statistics has more than 800 million active users. It’s a site that requires a registration before usage. People can create personal profile and exchange any kinds of information with other users that they added earlier as friends. The friendship confirms the possibility for both sides to monitor the activity of the other side. Users can create profiles with photos, lists of personal interests, contact information, and other personal information. People can communicate with friends and other users through private or public messages and a chat feature. They can also create and join interest groups and "like pages" (called "fan pages" until April 19, 2010), some of which are maintained by organizations as a means of advertising (http://en.wikipedia.org/wiki/Facebook). 24 Most of Facebook revenues come from advertising.

It’s estimated that the revenue for 2011 is going to be approximately around $4,270 million, which will show a growth of 144% in comparison to 2010. According to ComScore, Facebook is the leading social networking site based on monthly unique visitors, having overtaken main competitor MySpace in April 2008. ComScore reports that Facebook attracted 130 million unique visitors in May 2010, an increase of 8.6 million people. According to Alexa, the Web site's ranking among all Web sites increased from 60th to 7th in worldwide traffic, from September 2006 to September 2007, and is currently 2nd. One of the newest and most important updates which is highly relevant for the current thesis is the fact that Facebook launched a portal for companies and advertisement agencies to help them develop brand promotions on it.

People use social media for a number of reasons like staying in touch with friends, making new friendships and so on, but when it comes to the question what they use social media for related to brands, the most common answer is that people are curious to know the opinion of other people about their favorite brands or services).

Socialbaker – Social media Analytics Company makes researches among popularity of brands on some of the most widely used social media platforms represented by Facebook, Twitter, LinkedIn and Google+. According to this company among brands the leaders are
Coca Cola followed by Disney and Starbucks for Facebook and Whole Food market followed by

Starbucks and Threadless for Twitter

The brand that appears on both social media platforms is Starbucks (Ex.4). It’s a firm recently rated top for social media engagement among 100 leading brands and considered by many to be at the forefront of effective social media use. (http://www.engagementdb.com)
The Starbucks Coffee, Tea and Spice Company was founded in 1971 in Seattle by three guys with a strong passion to dark- roasted European style coffee. The beginning was more than successful for them but Harold Shiltz- an ambitious man who aimed to do something great with his life, was the person who saw the potential of Starbucks to become the world best known 25 coffee brewing company.

At the moment Starbucks is present in more than 55 countries dispersed on six continents. With over 17,000 worldwide retail outlets, roughly 130,000 employees, and revenues of $9.7 billion in fiscal 2009, Starbucks (rank 241 in the Fortune 500 in 2010 and No. 3 in the food services category) ranks among the world’s largest retail and service firms (Gallaugher, 2010).

The company is widely known for its social responsibility activities and constant presence on the marketing arena in regards to the community involvement. It is also a pioneer in the usage of new consumer oriented technologies and media. Social media activity of Starbucks involves activities maintained by the firm in general (My Starbucks Idea) and also by third parties (Facebook, Twitter, You Tube). Starbucks and Facebook are mutually connected because there are number of activities that Starbucks realizes through Facebook and also number of purposes it’s using it for. Here is a short description of the whole story.

Starbucks is using Facebook as a way to communicated and share content with the public.—
For that reason it engages in the so called Megaphone function connects with 15+ million fans making it the largest corporate fan page.

- Updates fans via a users’ news feed, including promotions (e.g., Free Pastry Day),
• Cause marketing (e.g., Love Project, Day of Service), firm-posted videos and images
  Offers discussions on topics Starbucks wants to encourage

• Allows patrons to load Starbucks payment cards

• Provides a platform to share photos, video, and news of upcoming events

• Starbucks is using Facebook as a way to attract new customers and initiate dialog—between the existing ones. That function is called Magnet and consist of the following actions
  Draws praise, complaints, support requests, and product suggestions

• Focuses attention on the firm’s wall, where content can be managed

• Attracts over 15 million fans

• Lets customers comment on Starbucks messages in user news feeds

• Provides an easy way for customers to opt-in to Megaphone messages

• Finally Starbucks is using Facebook as way to monitor the social media behaviour of the—consumers, bringing to its own attention different interactions of the consumers. It manages to mediate those interactions if not publicly than at least privately.

• Campaign-related actions (e.g., click-throughs, page visits or “Likes”) Indicates trends involving users who ignored content or who have chosen to stop following as a fan Catalyzes consumer-to-consumer conversation, with “Likes” and news feed

• comments visible in a fan’s friend base, generating more conversation Stimulates discussion among users; everyone can see and comment on the wall and posts that are made within the forums.

Social Media Marketing Industry Report: How Marketers Are Using Social Media To Grow Their Business
## 2.8 Industry Report Analysis

| Study Summary (Respondents for the survey) | A list of 2500 marketers in USA were asked to take the survey. After data filtering, it was brought to 880 participants | A list of 8600 marketers in USA were asked to take this survey. After data filtering, it was brought to 1898 participants | A list of 50,000 marketers in USA were asked to take the survey. After data filtering, it was brought to 3342 participants | A list of 1,2000 marketers in USA were asked to take the survey. After data filtering, it was brought to 3813 participants | A list of 2,00,000 marketers in USA were asked to take the survey. After data filtering, it was brought to 3342 participants | A list of 2,30,000 marketers of USA were asked to take the survey. After data filtering, it was brought to 2887 participants | A list of 3,20,000 marketers of USA were asked to take the survey. After data filtering, it was brought to 3720 participants |

### Category: 2009

1. What are the best tactics to use?  
2. How Do I measure the effectiveness of social media?  
3. Where do I start?

### Category: 2010

1. How do I measure social media and return on investment?  
2. What are social media best practices?  
3. How do I best manage my time on social media?

### Category: 2011

1. How do I measure the effect of social media on my business?  
2. How do I integrate and manage all my social media activities?  
3. What are the best ways to sell in social media?  
4. How do I improve customer engagement with social media?  
5. How do I master the use of specific social media platforms?

### Category: 2012

Analyze the thousands of open ended questions and want answers to all the questions that marketing pros want to be answered

### Category: 2013

1. What social tactics are useful?  
2. What are the best ways to engage with the audience on social media?  
3. How do I measure return on investment?  
4. What are the best social media tools?  
5. How do I create a social strategy?

### Category: 2014

1. Which social tactics are most effective?  
2. What are the best ways to engage with the audience with social media?  
3. How do I measure the returns on my social media marketing?  
4. How do I find my target audience with social media?  
5. What are the best social management tools?

### Category: 2015

1. What social tactics are effective?  
2. What are the best ways to engage with the audience with social media?  
3. How do I measure the returns on my social media marketing?  
4. How do I find my target audience with social media?  
5. What are the best social management tools?
| Marketers are mostly new to social media | A significant of 88% of marketers surveyed are using social media to market their business, but 72% have been doing so only for a few months or so. | A significant 65% of marketers surveyed have only been involved with social media marketing for a few months or less. | - | - | - | - |
| How much time does this take | A significant 64% of marketers are using social media for 5 hours or more each week and 39% for 10 hours or more. | The majority of 56% of marketers are using social media for 6 hours or more each week, and nearly one in three invest 11 or more hours weekly. | The majority of marketers (58%) use social media for 6 hours or more each week, and a third (34%) invest more than 11 hours or more weekly. | A significant 62% of the marketers are using social media for 6 hours or more each week, and 36% are investing more than 11 hours or more weekly. | A significant 64% of marketers are using social media for 6 hours or more and 41% for 11 or more hours weekly. | - |
| The top benefits of using social media marketing | The number-one advantage is generating exposure for the business, indicated 81% of all marketers, followed by increasing traffic and building new business partnerships. | The number-one advantage of social media marketing (by a long shot) in generating exposure for business indicated by 85% of marketers, followed by increasing traffic (63%) and building new business partnerships (56%). | The number-one benefit of social media marketing is increasing more business exposure (reported 84% of marketers) followed by increasing traffic (69%) and proving market insight (65%) were also major advantages. | The number-one benefit of social media marketing is increasing exposure and traffic. Most marketers use social media to gain marketplace intelligence (69%) and develop loyal fans. (65%) | The number-one benefit of social media marketing is increasing exposure and traffic. Most marketers are using social media to gain loyal fans (69%) and gain market intelligence (68%). | - |
| The top social media tools | Twitter, Blogs, LinkedIn and Facebook were the top four marketing tools used by marketers in that order | Twitter, Facebook, LinkedIn and blogs were the top four social media tools used by marketers in that order | Facebook, Twitter, LinkedIn, blogs and Youtube are the top five social media tools used by the marketers in that order | Facebook, Twitter, LinkedIn, Blogs and Youtube are the top five social media tools used by marketers | Facebook, Twitter, LinkedIn, Youtube, Blogging, Google+, Pintrest and Instagram are the top social media tools used by marketers in that order |

| Social media tools that marketers want to learn about | Social book marketing sites were ranked the highest interest, closely followed by Twitter | Social book marketing, Twitter, Facebook were the networks and tools marketers want to learn most about. | Marketers seek to learn about Facebook and Blogging: 70% of the marketers want to learn more about Facebook and 69% want to learn more about blogging. | Marketers seek to learn more about Google+: While only 40% of the marketers are using Google+, 70% want to learn more about it and 67% plan to increase their activities on Google+ | Marketers seek to learn more about Blogging (62%). Marketers are also interested to learn more about photo sharing sites like Instagram. |

Marketers want to learn more about Facebook: While 93% are using Facebook, 68% of them want to learn more about Facebook and 62% plan on increasing the use of Facebook activities. - Marketers are very keen on learning about Google+ (65%) - Marketers would want to learn more about Podcasting (43%) and only 10% are using podcasts effectively.
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<td>- A significant of 81% of marketers plan on increasing their use of blogs while 72% have no plans to use MySpace and 9% will actually decrease the use of Myspace. - Only 14% of businesses are outsourcing any aspect of social media marketing.</td>
<td>One in three marketers identified that measuring social media is the top concern of marketers</td>
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<td>- One third of social media marketers want to know how to monitor and measure return on investment of social media and integrate their social media activities. - A significant 90% of the marketers indicate that social media is important for their business. - A significant of 77% of marketers plan on increasing their use of Youtube and video marketing making it the top areas that marketers will invest in 2011.</td>
<td>One in three marketers identified that measuring results and integrating social media activities were the top concerns of organizations who are looking at adopting this tool.</td>
</tr>
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<td>- A significant 83% of marketers indicate that social media is very important for their business. - A significant of 76% of marketers plan on increasing their use of Youtube and video marketing, make it top area of investment in the year 2012. - Only 30% of business outsource their social media activities.</td>
<td>Measuring and targeting are the top areas that marketers want to master. - Social media outsourcing is underutilized</td>
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<td>- A significant of 86% of marketers indicate that social media is very important for their business. - A significant of 69% of marketers plan on increasing their use on Youtube - Podcasting: Only 5% are involved in Podcasting and 32% want to learn more about it. - Most marketers are not sure about their success on Facebook marketing (37%)</td>
<td>Tactics and engagement strategies is what marketers would want to master.</td>
</tr>
<tr>
<td>- Only one in three (37%) agreed that they are able to measure their social media activities. - A significant of 92% of marketers indicate that social media is very important for their business. - Podcasting on growth trajectory: Only 6% are involved in podcasting.</td>
<td>-Tactics and engagement strategies is what marketers would want to master. -Customer decision making journey is another area that marketers would want to explore</td>
</tr>
<tr>
<td>- A significant of 66% of the marketers plan on increasing their use of Twitter, Youtube and LinkedIn. - Facebook and LinkedIn are the two most important tools: 52% prefer Facebook followed by 21% LinkedIn. - 91% of marketers want to know the most effective tactics and engagement strategies through social media.</td>
<td>- Marketers want to learn more about video marketing and plan to increase use of videos.</td>
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2.9 Virtual Brand Communities

A main topic being studied involving social media as a marketing tool is Virtual Brand Communities (VBC). “VBC can be described as aggregations of consumers that occur on the internet because of their interest in some brand or product” (Muniz and O’Guinn as cited in Georgi and Mink 2012, 3). Specifically, a brand community is a group of people who share the same interest in a particular brand or product (Casaló, Favián and Guinalíu 2008). Overall, VBC’s are “the site[s] of complex brand meaning creation and consumption efforts” (Muñiz and Jensen Schau, 2007). Casaló, Favián and Guinalíu (2008) found when a member is trusting of the VBC that they are part of, it increases their amount of participation, and consumers who have a positive participation experience are more loyal to the brand.

Trust is a central aspect to guarantee the VBC’s survival. Cha (2009) concludes that security is a major factor affecting a consumer’s opinions toward social networking sites and can ultimately impact trust. Since VBCs depend on individual users’ participation, both group unity and awareness can strengthen users’ satisfaction with a VBC (Casaló, Favián and Guinalíu 2008). The study done by Casaló, Favián and Guinalíu (2008) demonstrates the powerful sway VBC and an online interaction between consumers can have on their buying behaviour.

Studies also found that within these VBCs many new forms of social interactions are taking place such as Electronic Consumer to Consumer Interaction (eCCI), which are interactions between consumers of e-services (Georgi and Mink 2012). The chance to mingle with other people is a fundamental part of the consumer experience and social networking sites have become a way in which consumers can interact with one another and retailers (Georgi and Mink 2012).

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Consumers feel more engaged with products and companies when they have the option to submit feedback (Mangold and Faulds 2009). Accordingly, it is important for retailers to be aware of the quality of their social media presence even when consumers are the creators of their marketing because it is increasingly influencing how consumers shop. Companies need to be aware of the variety of factors that affect their social media presence such as a consumer’s social identity online.

Some VBC research focused on the concept of social identity and group norms as an aspect that strongly influences online groups’ buying behaviour. The nature and culture of social media groups affect the ways members of such groups interpret and attach meaning to brands and products (Muñiz and Jensen Schau, 2007).

### 2.10 User Generated Content

“While social media provides never ending avenues for communicating, it is the individuals who serve as the influencers not the technology” (Gonzalez 2010, 23). User generated content produces social currency for marketers because it helps define a brand. User generated content describes “the sum of all ways in which people make use of social media, usually applied to describe the various forms of media content that are publicly available and
created by end users” (Kaplan and Haenlein 2010, 61). Therefore, social currency is when individuals share a brand or information about a brand (Zinnbauer and Honer 2011). Social currency greatly affects brand performance and is a concept that can be linked to Bourdieu’s (1977) and Coleman’s (1988) idea of social capital. Social capital is shaped on a personal level and occurs in the relationships among individuals (Zinnbauer and Honer 2011).

Furthermore, the amount of an individual’s social capital depends on the size of the network of connections that the user can successfully mobilize (Bourdieu as cited in Zinnbauer and Honer 2011). An individual’s connections can potentially aid in developing brands into an essential part of customers’ social interactions via social networking. “Translating [Bourdieu’s] theory into today’s world of exponentially increasingly social interactions on the internet, social currency can also be understood as the entirety of actual and potential resources available to a brand from its presence in social networks and communities” (Zinnbauer and Honer 2011, 51). There are six components of social currency: affiliation, conversation, utility, advocacy, information, and indemnity (Zinnbauer and Honer 2011). Social currencies come from interactions between consumers and are usually beyond the direct control of a firm (Zinnbauer and Honer 2011). Through their empirical study, Zinnbauer and Honer (2011) establish that although social currency consists of six different components, brands do not rely on all of them to facilitate brand loyalty among users. It was discovered however, that what made a brand successful was being an essential part of people’s daily lives. When a brand becomes integrated into a consumer’s daily life, it enables consumers to connect, interact, and benefit from likeminded brand users, and thus, the likelihood of consumer generated advertising for a brand increases (Zinnbauer and Honer 2011).

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Taylor, Strutton, and Thompson (2012), found however, that social media users’ message sharing behaviours are also attributed to the need for self-enhancement. When consumers perceive an online advertisement to be consistent with their identity, they are more likely to share the message with others because it is representative of who they are and what they like. Thus, “advertisers should consider the symbolic and self-expression properties of their online ads and match them to targeted consumers’ self-concepts” (Taylor, Strutton, and Thompson 2012, 13). In other words, the marketing of a company needs to share similar characteristics with its target market’s interest. All of the findings from these studies show the significance of CGA and its impact on online marketing. Muñiz and Jensen Schau (2007) note that a lot of CGA is created quickly and spreads via e-mail without revealing who made it or if it is official corporate content.

Therefore, brand managers now have to consider how to react when their brand is talked about by consumers (Campbell et al. 2011). Muñiz and Jensen Schau (2007) argue CGA is relevant to companies because it provides proof of consumer perceptions of brands and their feelings towards the brand. They also argue that CGA is important because they are prime examples of persuasive marketing messages from brand loyalists. Moreover, CGA is only going to increase in frequency. Marketers have underestimated the possible consequences of interactive marketing on the Internet by not considering the influence consumers gain from CGA (Deighton and Kornfeld as cited in Pehlivan, Sarican, and Berthon 2011).
Zhang, Jansen, and Chowdhury (2011) specified that businesses should have a brand presence on many different social media sites to increase their consumer audience. “Research has shown that exposure to electronic word of mouth (eWOM) messages can generate more interest in a product category than can exposure to information produced by marketers” (Birkart and Schindler 2001 as cited in Zhang, Jansen, and Chowdhury 2011, 161). Today, consumers are more knowledgeable of the products they consume due to the internet empowering them to gain access to information thus, creating active co-producers of value (Zhang, Jansen, and Chowdhury 2011). Consumers as co-producers of value can provide companies with a large amount of return on investment because it is increasing brand awareness, which signifies the importance of eWOM in today’s marketing world.

“Social media such as Facebook allow target consumers to become message senders by passing on ads to friends, connecting them to the advertisers explicitly, or commenting on the ad and having those comments passed along viral channels” (Interactive Advertising Bureau 2009 as cited in Chu 2011, 32). Additionally, businesses are realizing the need to create their own brand presences on social media not only to control some of its brand marketing, but also to stay informed and keep track of the consumer-generated content surrounding their brand. Mangold and Faulds (2009) state that although companies cannot directly control consumer to consumer messages, they do have the ability to influence the conversations consumers partake in surrounding their brand.

Mangold and Faulds (2009) correspondingly state that consumer’s capacity to communicate with one another restricts the amount of control companies have over the content and distribution of data. Social currency gained through UGC can and should be managed by companies. Firms must carefully lessen risks involved as their brands become an essential part of the larger communities found within social networks (Jones et al. as cited in Zinnbauer and Honer 2011).

2.11 Attitude Formation

Attitude is an essential part of a person’s personality. It’s something that all of us possess. Different people however, express different attitudes. Some love, others hate, some agree, others disagree, some accept what is happening in their life, others don’t. But what makes them connected is the fact that they are all under the reinforcement of attitude change. That
happens constantly around us in one form or another – marketing communication, Internet or even under the effect of social media (Bohner, 2002). Attitudes are of significant importance as they outline peoples’ overall perceptions about the world and also have an influence on their future behaviour (Crano, 2008). They can be anything from sexual behaviour to love for chocolate. Attitudes can elicit affective, behavioural or cognitive responses. That means some people are guided more by their emotions, others by their beliefs and the last ones are more straightforward – have more tendency to act.
It’s possible the different attitudes to consist of entirely cognitive or entirely affective or behavioural responses. It’s not always compulsory for all three components to be present (Bohner, 2002). The three phenomena - social media in general, social media marketing and branding draw the plot line of the current thesis. As branding is a very broad term and concept, the following research goes deeper into it, taking the brand attitude perspective and the effectiveness of social media for the creation of positive attitude of the consumers toward brands. Branding "is something much deeper than a name, logo, or slogan," Lynn Upshaw, author of "Building Brand Identity". "It is a working model for a long-term customer relationship that leads to profitability." It is a "promise kept."

Attitudes are very important not only in psychology but also in branding. Number of researchers paid a special attention to it, where some outstanding ones claimed that namely brand attitude is an essential step in the building of brand equity (Keller, 2001). Once a manager of a certain company succeeds with the task of building strong brand equity, then that provides the company with many benefits. Such are greater customer loyalty, more effective marketing communication, more positive attitude toward setting higher product prices, more possibilities for brand extension success and also many advantages against the competitors (Keller, 2001).

A proper definition of what brand attitude is can be found under the following: “Consumers’ overall evaluations for a brand” (Keller, 1993). The brand attitude is very important as it gives the basis for a consumer’s behaviour and gives an answer to the question what people think about a product or service, whether the product meets a consumer need, and also how much the product is wanted, appreciated and recommended by the consumer (Keller, 1993).

2.12 Brand Knowledge

Brand knowledge in developing marketing strategy and researching consumers’ brand attitude, companies should be aware of the importance of brand knowledge that consumers have about the brand. The two dimensions that describe the brand knowledge are brand awareness and brand image (Keller, K. L. 1993). This is where the formation of brand attitude starts from. It is likely that brand awareness plays a special role in structuring brand attitude, especially in business markets (Homburg et.al. 2009).
Brand awareness and brand image are important signals related to how consumers perceive the brand and thus can help to predict their purchase behaviour (Wang et al. 2010). The importance of brand knowledge to consumer decision making has been long researched (Alba, Hutchinson, and Lynch 1991). It is because by understanding the structure and content of the knowledge marketer can influence consumers’ primary reactions toward the brand and what respectively consumers think of the brand when they are exposed to a certain marketing activity (Keller, 1993). Anderson, 1983 gives the most logical explanation about the structure of a person’s memory comparing it to an associative network memory model that consists of nodes and links between them.

Nodes are all the information that has been stored in the memory and links are the connections between them that could vary in strength. Conceptualizing the brand knowledge brings the question what are the properties of the brand nodes and brand associations. As it was mentioned before the two dimensions that describe brand knowledge and have an effect on brand attitude are brand awareness represented by brand recall and brand recognition and also brand image which consist of strong, favourable and unique associations. An essential part of the brand knowledge is brand personality.

Scientists are still arguing about the fact how brand personality and customer’s personality are related and what is their influence on consumer’s preferences. Something is known for sure - brand personality and human personality are both built over time. However brand personality can be defined as "the set of human characteristics associated with a brand (Aaker, J. L. 1997). It refers to all experiences a person had already with the brand as well as the impressions he got from it. Brand strategists pay a lot of attention to the brand personality aspect. It helps them to better understand the customers’ perceptions and attitudes toward the brand (Slideshare). Brand personality is also one of the key elements for the building of brand equity. But before it takes part in brand equity building it first must be clear out how is brand personality build. Similarly to human personality it is affected by everything that is associated with it. This can be product attributes, user, sponsors, spokespersons, country of origin and so on (SlideShare).

Some scholars complement the statement that knowledge about the brand in every industry is important but also claim that the brand image which companies spend a lot of money on is no longer defined by the company itself but from what people say to each other. This spread of
information is well known in marketing sector as the word of mouth – one of the key methods in social media advertising (N.R.K. Raman, 2009).

Brand awareness Brand awareness is related to the ability of the consumer to identify the brand under certain conditions. The greater awareness, the better work that each of the brand identities (logo, name, characters, design, slogan or any symbols) have done (K.Keller, 1993). There are two possibilities of how brand awareness can be expressed. One is through brand recall or the process when a certain brand is recalled by the consumer when he is given a certain category as a cue, and brand recognition when respectively a consumer is able to recognize the brand when he is given a brand as a prompt (Dew, Kwon, 2009).

Brand recognition can be two types - visual or verbal. Visual when a customer sees the brand in the store or verbal which is popular in the telemarketing when a customer hears the brand name, which can lead to the creation of awareness (L. Percy, 2008). Scholars claim that brand recognition may be more important than brand recall as most of the decisions people made are made in the store and rarely outside of it (Keller, 1993). In that line of thought the connection between verbal brand recognition, social media and brand attitude is pretty clear.

Social media can be presented as a way of a customer to get familiar with the brand and this way create attitude toward it. Brand awareness and brand attitude in that aspect are mutually important. Therefore brand attitude cannot occur as well as any purchase decisions unless first brand awareness takes place (Macdonald, Sharp, 2003). According to the associative model theory by Anderson, 1983, awareness is a crucial and preliminary step for the formation of brand associations.

This statement is also confirmed by the theory of Keller, 2003 for the building blocks of customer based brand equity, where he puts awareness as the most important factor needed for the realization of the other ones. Once the customer attaches associations to the brand then some feelings and judgments will follow, which by themselves represent the brand attitude (Keller, 2003). In the recent years people got significantly engaged in social media platforms. That’s why companies started using namely social media for creating awareness.

2.13 Retailing and Social Media

Indian retail sector has become one of the most powerful and fast growing markets in the world. This growth influences the attitude of the Indian customers and marketing approach of
the companies. These features have been discussed in this section. Indian Council for Research in International Economic Relations (ICRIER) developed research report titled “Impact of organized retail on the unorganized sector” states that retail trade alone accounts for 41.83 percent job opportunities with 14.95 million employed in the sector. Establishments involved in retail trade claimed the highest percentage both in the rural (39.28 percent) and urban (45 percent) areas.

Retail trade along with manufacturing and social and personal service activities have emerged as the three major non-agricultural activities giving the maximum number of jobs, with a share of more than 72 percent of the total establishments. Manufacturing establishments followed retail trade with 8.32 million people employed. Social and personal service activities employed 7.35 percent during the review period.

The two authors, Barry Berman and Joel R Evans stated that 82% gave an overview on the impact of Retailing in the US economy which comprises of the major part of the world commerce. The authors also emphasized on retail sales and employment as one of the vital contributor to the nation’s overall economy.

Michael Levy and Barton Weitz in the book “Retailing Management” have tried to know how retailing has become an important economic activity. According to them, it is definitely different form of commentary on Retailing Operations, especially in the modern and the Western World. The book discusses different facets of retailing strategies as they are useful for developing the retail markets especially in a growing economy.

Barry Burman and Joel Evans in their book “Retail Management : A Strategic Approach (2001) have offered a different kind of approach to the present system of retailing. This book is basically related with understanding the marketing phenomenon of retailing, the changes brought in due to competition amongst retailers in terms of marketing, distribution, as well as promotional practices. The author has concentrated on understanding and analyzing the detailed market from different dimensions.

The concept of SWOT analysis, situation analysis and tactical analysis has been adopted by the authors to understand new trends in retail marketing, its implications on competition as well as economics of retailing, changes in the pricing policy and promotional techniques that
are adopted by different organized large scale retailers. The authors have tried to understand retail institutions in terms of ownership, in terms of demand pattern, in terms of strategic mix, in terms of emerging forms.

The authors have noticed that the non-traditional retailing especially Web Stores, or Electronic Retail Channels are becoming more profitable and popular because of changing tastes and styles of buyers, because of liking of the new and emerging trend of Electronic medium. Internet has influenced not only in terms of technology but Internet has become a social medium of communication, which is responsible for development of E-Retailing which has drastically influenced the strategies of retail management. This has changed the perception, competitive strategies, distribution systems and promotional strategies that are adopted by the retailers.

Dunne M. Patrick and Lufsch F. Robert gave a analyzed view that Customer Services include the activities the retailer performs that influence the following:

1. The case with which a potential customer can shop or learn about the store’s offerings
2. The case with which a transaction can be completed once the customer attempts to make a purchase
3. The customer’s satisfaction with the product after the purchase.

Rugman and D’Cruz developed a stream of research that potentially links international business to globalization theories, pointing to the essentially, regional “ rather than, global level of activity in the early 21st century. This theoretical route again has difficulties when applied to retailing because of the different nature of the international organization of investment in retailing and the importance of the local market, and adoptions to it, for retailers. The globalization studies start from an economic perspective, as in Spulber’s (2007) study of Dairy Farm and so do not address the issues of social change that have become explicit in the recent activity of international retailers.

Nair Suja in her book “Retail Management” has tried to explain the growth of retailing in Indian context especially in the context of new economic policy, global economic development, changes in the marketing and economic system as well as changing pattern and classification of economic activity. The author has tried to stress that there is a significant effect of liberalization and privatization policies on development of retail format. According to author, retailing has come to occupy a prominent position in today’s modern society.
In spite of the Indian retail revolution, it is said that over 90 percent of the 20 percent urban India are still towards the traditional retail.
Now some worthy modern organized retail format is slowly gaining acceptance and can easily be seen to be emerging as a strong contender. The author has tried to make an attempt to communicate various developments occurring in retail market especially on account of evolving consumer behaviour typically the evolution of retail. It can be studied by having a look at 4 tier component i.e. consumer behaviour, trade structure, retailer-distributor-manufacturer relationship and the competition.

The profile of today’s customer can be easily described as an affluent one with a higher and most disposable income, frequent visits & makes a longer and investment and time to explore a detailed shopping experience. However the consumers have also revealed a willingness to pay a premium provided they are offered better service quality at a retail counter.

David Gilbert is one of the noted authorities who in his book titled —Retail Marketing Management— have identified the reasons of growth of Modern Retailing. In this book he has tried to find out why the growth of retailing is actually taking place. According to him more than any other business we are witnessing the emergence of new forms of retailing and becoming more segmented with reforms focusing on the needs of particular consumer segment. The result of this is the development of more consumer friendly environment. Whereas, once it was manufacturers brand that were all important. The year 2000 has witnessed the power of retailers brand challenging the position of suppliers.

The traditional forms of independently owned small business and co-operative have lost significant market share in developed economy and the retail sector is now characterized by large scale, multiple store, run by powerful and sophisticated organizations. The increasing size of retailers and intensifying rates of competition in the markets in which they are operating has made retailers to search for new ways to grow their business. The author has tried to emphasize on two facts: First, retailing has become a major avenue of growth and the increase in the retail operations has changed the market dimensions. Second thing, there is an impact of E-retailing which attracts considerable attention. However, though initially it may not be successful but in the due course of time successful models for retail sectors based on E-business and Electronic Media will definitely influence the multichannel retailing system.

Newmen Andrew and Cullen Peter in their book Retailing: Environment and Operations have rightly concentrated on understanding various aspects of Retailing as a Business. They
have considered retailing as a vibrant part of our changing society and major source of employment.

They have noticed that retailing is closely tied to the changing moods of the consumers and new ways of business, spread on by the impressive development in Technology and Management Theory. The book provides a comprehensive grounding in many facets of retailing, including Logistics and Distribution, Merchandising, Store Layout and design, pricing and location strategy.

The authors have included new areas of importance which includes retail services and out of store retailing. The authors have tried to understand what are the ways and means because of which retailing is growing in a global scenario? How it has influenced non-formal ways of trading? And what are the implications of new format of retailing on consumer behaviour? In this book the authors have also tried to find out the different market structures that are required for retail operations and managing in the times of booms and slumps. This helps the readers to understand different facets, challenges and changes that are happening in the retail environment.

Hamilton Ryan in their research paper majorly focused on the important decision that retailers always involves in selecting the number of items constituting their assortments. A key issue in making these decisions is the role of assortment size in determining consumer’s choice of a retailer. The authors address this issue by investigating how consumer choice among retailers offering various-sized assortments is influenced by the attractiveness of the options constituting these assortments.

The data show that consumer preference for retailers offering larger assortments tends to decrease as the attractiveness of the options in their assortments increases and can even lead to a reversal of preferences in favour of retailers offering smaller assortments. This research further presents evidence that the relationship between assortment size and option attractiveness is concave, such that the marginal impact of assortment size on choice decreases as the attractiveness of the options increases. Data from eight empirical studies offer converging evidence in support of the theoretical predictions.

Bradford Kevin., Stringfellow Anne and Weitz Barton A92 had written that the retailers are becoming involved with networks consisting of multiple firms in order to more effectively perform business activities such as supply chain management. This research develops and
tests a framework outlining the effects of conflict in networks and how conflict management can mitigate and exacerbate these effects. A study of 81 simulated networks finds that interpersonal and task conflict have a negative effect on network member satisfaction and desire to be a member of the network.

Collaborative conflict management has an effect that is positive which leads to a desire for continuity based on the effects of accommodative and confrontational style of management. According to Kaltcheva Velitchka, a framework was being developed on consumer motivational orientation where a correlation was being attempted between the consumer’s reaction and the store environment. This lead to a positive effect on the two variables task orientation and motivation that had an effect on the final purchase.

Raff Horst and Schmitt Nicolas investigated the implications for international markets of the existence of retailers/wholesalers with market power. Two main results were shown. First, in the presence of buyer power, trade liberalization may lead to retail market concentration. Due to this concentration, retail prices may be higher and welfare may be lower in free trade than in autarky, thus reversing the standard effects of trade liberalization. Second, the pro-competitive effects of trade liberalization are weaker under buyer power than under seller power. According to the authors, Buchanan, Simmons and Barbara, they are of the opinion that various categories of a marketing strategy is essential to build the image of the brand as it is the brand’s ultimate portrayal to the customer which is more often under the controller of the retailer.

The display which the retailer uses can have an influence on the equity of the brand. The image that is being portrayed by the retailer determines the relationship that the consumer has with the displayed brand and the retailer.

2.14 Organized and Unorganized Retailing

Kumar explained that in India, next to agricultural field, most of the individuals are employed in the retail sector. Around forty million individuals are involved in retailing. It is also found that among them 50,000 people have been working in well organized retail industries. He also defined well-organized retail industry as a —largescale chain stores which are corporatized, apply modern-management techniquesl. He also explained that the community based private sellers fall under the group of conventional retail sector.
Organized retail sector mostly consists of superstores and hyper marts. These are found to be common in the urbanized nations. In accordance to MRI report, the organized retail sector could get a turnover of around one thousand billion Indian rupees in 2012, if the existing performance is maintained.

Kearney explained that they have accelerated the infiltration of large scale modern trade into the Indian market. The insufficient physical and organizational structures and facilities could temporarily interrupt the progress of the organized sector.

2.15 Growth of Retailers and Emergence of Shopping Malls

Customers expect more and more superior quality and service and a certain amount of customization. The entrepreneurial retailer’s make an attempt to promote the entertainment factor in their stores by means of coffee bars, demonstrations, and performances. Instead of the product assortment it is important to focus on other mode rational factors like promoting the experience of shopping during marketing. As a result of this it can be seen that store-based small retailers are yielding to the raising power of huge retailers.

The realty sector has identified the growing importance of organized shopping centers. An individual today cannot sell real estate unless they are combined with IT parks, shopping malls, etc. (Sumit Dabriwala, Managing Director of Riverbank Holdings Pvt. Ltd.). Thus there are trends associated with development of shopping malls in developing countries like India)

Loudon and Della identified that the function of several variables involve the customer’s motive for store choices. These determinants include factors like store design, store personnel, advertising and sale promotion, merchandise assortment, physical facilities, customer services and clientele (social-class membership) which have a larger impact on the store choice. Sinha Piyush and Banerjee Arindam also defined that the product variety and convenient timings seem to be the utilitarian aspects about the store, which forms an initial impression on the consumers. When an average person is considered it is seen that he allots some time to leisure every day and the growth of retail is found to contribute for the shopping has become a chosen alternative.

Large shopping centers provide a unique experience to the customers to shop, in spite of their status, where people with no great purchasing power also throng to the stores. Each and every
one wants to visit and experience the pleasure of shopping at those places. Now-a-days individuals have initiated to relate it with the status. Females accept shopping as a community experience, where in like to view about what to purchase before parting with their cash. The activity of social bonding occurs through this. When the shopping happens to be in case of two females, they talk, discuss, advise and consult.

Mitra M identified that the females tend to boost each other’s egos in this situation, building the activity even more pleasurable and positive. The term retail therapy is been addressed when the shopping happens to be in malls. —The act of purchasing involves little attention and an investment of time.

Krishnaveni identified that the most important paradigm which is associated with promotion of loyalty among consumers is the attribute of quality. Present generation invest more on the basic factors such as books, clothes, food, music and gadgets such as mobile phones. —There is a basic economic change occurring and young people have grown to become a giant consumer basel. The present age group is more open to the idea of credit, —young people between the age group of 18 to 25 years have become an important customer base to the bankl (Puneet Chaddha, Senior VicePresident, Head of Cards, HSBC). This has again resulted in the growth of organized retail like shopping centers and malls. Malls represent the status of the community. They are responsible for transition of the community. Nowadays most of the people have high income and they lead tight schedule life. As most of the people have a busy life style, they could spend time with their family while visiting the mall. As the shoppers could afford food from restaurants, they don’t have to waste their time in preparing food for their children as they would get tired with the shopping.

Bajaj Chetan, Tuli Rajnish and Srivastava Nidhi, in their book “Retail Management” emphasized with various new formats and packages related with retail industry in India as a result of liberal economic policies and boost given by the Ministry of Commerce and Trade to economic development in India. From the authors’ point of view, retailing consist of all activities involved in selling things and services to consumers for their personal, family and/or household use. It covers sale of goods, right from Automobile to Apparel and food products and services ranging from Hair cutting to Air travel and computer education.

Thus the author has tried to examine the retailing from different perspective like manufacturers of white goods like Washing Machine & Refrigerators which have many
options to reach to the consumers, i.e. through a different distribution format, the Manufacturer's approach to exhaustive and exclusive distribution system or selection of selective distribution system, the
consumer response to distribution and logistics practices followed by the retailers, the market response to different pricing and promotional policies adopted for popularizing a product or a service, the concept of brand loyalty and consumer loyalty to a shop or a distribution point and how it influences the consumer's buying behaviour.

According to the authors the retail sector in India is highly fragmented with organized retail comprising only 2 percent of the total retail sale. The retail sector in developed countries is on the contrary highly developed and has changed overall format as a pattern of retailing. In the last century there was a fragmented retailing in most of the western countries which has been changed because of emergence of Walmart, Spinach, and McDonalds and have caused a rapid growth of organized retailing, as well as consolidation of retail industry in these countries.

2.16 Changing Face of Consumers in the Indian Market

The researchers discuss about the changes in the attitude of the customers with respect to various factors and many researchers have attempted to predict consumer behaviour intention. The Theory of Reasoned Action, the Theory of Planned Behaviour, and the Triandis Model that have been used by the researcher of this study to predict the consumer behaviour are discussed in detail in this section: Irudaya Rajan explained that as per the population report, there are 192 million families in India. Around 6 million families have yearly earnings of more than INR 2, 15,000. He also added that seventy five million households have a range of annual income between INR 45,000 and INR 2, 15,000. As the Indians have started to receive high packages they could manage to pay for amusement, food and beverages and nightlife.

Singh Kumar, Reetesh and Tripathi highlighted about the stability of the products. They also observed that if a product becomes famous in the market, the customers may change their preference from usefulness of the product to colour and design. Therefore it is very important for the Indian retailers to adapt to the business tactics as the attitude of the Indian shoppers has changed; they demand equilibrium between the rate and quality of the products. They expect that the rate of the brands should match their quality.

Kamaladevi said that retailers must focus on the customer buying experience to compete successfully in this business era. The retailer should understand and strategize to manage the customer’s experience tactfully. The blueprint of the retailer should focus on customer
experience management which is a process that revolves around the needs of the individual customer. Finally, the goal of the retailer is to focus on the macro factor that would enable the satisfaction of both the external and the internal customers of the organization.

Ramanathan and Hari explained that in future the number of large-sized international chain shops will be high. Indian market has various types of retailers at present among them small-sized retailers are high in number. Mass media and word of mouth advertising are found to be the information sources of middle class families in India. As the Indian customers are experts in choosing their requirements from the given information, the companies should use the mass media to some extent. Merely with lot of commercial advertisements, they will not be able to sustain their market. Once their products become familiar in the market, the companies could increase the number of customers in a slow and steady way.

Gupta, Agarwal and Sinha in his article elaborate that companies should give a chance for the customers to experience their products/services before purchasing. It is expected that after experiencing the product the shoppers could assess the quality. This approach could act as a word of mouth advertisement.

2.17 Consumer Behaviour and Retail Market

Arif and Kaneez in their book Retail Management explained retailing as a process that involve identifying target market i.e. customers interpreting needs of target markets, developing good assorts of merchandise presenting them in an effective manner so that consumer can find it easy and attractive to buy Thus, from the author's point of view retailing differs from marketing in the sense that it refers only to those activities which are related to marketing of goods and services to final consumers for personal familiar household use. Whereas, marketing we refer to as the process of planning and execution of conception, pricing, promotion, distribution of ideas/goods/services to create exchanges that certifies individual/organizational objectives. Retailing happens to be a part of overall marketing process. The authors have further commented that retailing is one of the most important industries in any country enjoying and employing major share of workforce, selling whether in a store or at a door step require many peoples.

According to the authors the person who runs the retail shop will not be the ultimate or final or end sale to the consumer i.e. end users. The person to whom the retailer’s sales are the
final players in buying the goods and services. Intermediate consumers can also be frequently found and therefore retail management basically deals with identifying end users or final consumers promoting them, motivating them and activating them to enter the shop and attract them to a particular set of goods or commodities or services which they will buy for their ultimate consumption.

Retail sector as noticed by the author has an increasing potential and therefore it has become a dominant marketing activity. It accounts for impressive growth of gross domestic product, attracts employment, develops overall consumer satisfaction, creates needs and demands, and thus enhances economic activity. The economy can be made more consumption based only through retail activity and therefore from the author's point of view, there are a large no. of retail outlets that are required not only to satisfy the existing demands of existing consumers but also better demand for potential consumers.

Dick and Divert pointed out that the increase in consumer loyalty is considered as one among the essential strategies of marketing which is been identified by the researchers. It is therefore important to ensure that there is understanding of all the facets of consumer interests in order to understand brand loyalty and brand preferences. The consumer preferences towards one particular brand or retailer maybe associated with determination of specific factors with regards to consumer attitude and behaviour.

Odin defined that behaviour and attitudes are the two terms in concern to loyalty to a brand. In addition, Aaker also explained that —the attachment that a customer has to a brand is the phrase given to signify the loyalty of a customer to a particular brand. Divett points out that when the customer is given with many choices, he opts for the first choice in selecting a specific brand considering it as a tendency of the customer to be loyal is called as the brand loyalty,

Weerawardena describes that the market-driven firm paradigm is also concerned with the ability to these firms to stand out and establish their capacity to continually sense the market trends and events and perform accordingly. The performance of a brand is associated with measuring the significance of strategic marketing. In this field, the literature review identifies the organizations having greater tendencies towards strategic marketing of stronger brands.
2.18 Trends in Retailing and Its Impact on Traditional Marketing

According to Parasuraman et al. (1980s), he conducted an exploratory research in order define the parameters of service quality (SERQUAL) a model that is widely used to define and determine service quality. This model came out in the year 1985 where he labelled 10 criteria as service quality determinants which includes access, communication, competence, courtesy, credibility, reliability, security, tangibles and knowing the customer. Later, it was simplified into five categories viz. tangibles, reliability, responsiveness, assurance and empathy.

The use of retailer’s reputation is specific when it applies to an assortment of products carried within the store. Dabholkar et al. (1996) developed Retail Service Quality Model (RSQS). Based on SERVPERF, RSQS includes 28 –item scale, of which 17 items are from SERVPERF and 11 items are developed by qualitative research. It composes of 5 dimensions, namely Physical Aspects, Reliability, Personal Interaction, Problem Solving; and Policy.

Sinha & Batra (1999) also find the relationship between price consciousness and private label brand purchase to be positive but also document that it can vary by different product categories.

Purohit & Srivastava (2001): The retailer’s reputation is a high-scope cue for consumer to judge the product quality and make purchase decision. Their findings show that a low-quality brand cannot convey improvement in product quality through a warranty unless it goes through a reputable retailer.