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## Abstract

Marketing communication is an important element of the retail marketing mix and involves all instruments and activities used to communicate with the customer. While retailers' marketing communication focuses on customers, notably on consumers, market communication or corporate communication targets all stakeholders, i. e., shareholders, suppliers, trade unions, non-profit organisations, employees, etc., and includes public relations or corporate affairs, among others. This chapter focuses on marketing communication and describes the wide and growing range of media and communication elements and the importance of building an integrated retail marketing communication strategy.

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## 14.1 Universe of Communication Elements and Role of Retail Communication

Even as late as the end of the twentieth century, retail communication has traditionally been fairly simple. “Local newspaper advertising was the primary medium, and the message was typically oriented toward providing incentives – usually a special price – to motivate customers to visit the store” (Levy et al. 2014, p. 418). Retail communication was dominated by traditional advertising, especially **mass media advertising**, such as newspapers, magazines, direct mail, radio and television (see Table 14.1).

Nowadays, retail companies – as well as companies from other industries – can choose from a wide range of media, e. g., traditional media and new electronic and social media. A comparison between 2003 and 2013 shows the shift from traditional to new media among US retailers.

**Table 14.1** Share of advertising media spending of US retailers in 2003 and 2013. (Advertising Age and Kantar Media 2013, p. 10; Kantar Media 2014, p. 1)

Media	2003 (Use in %)	2013 (Use in %)
Newspaper	39.1	25.4
Television	33.5	42.1
Radio	12.4	10.7
Magazine	8.6	7.8
Internet	4.8	9.9
Outdoor	1.6	3.5

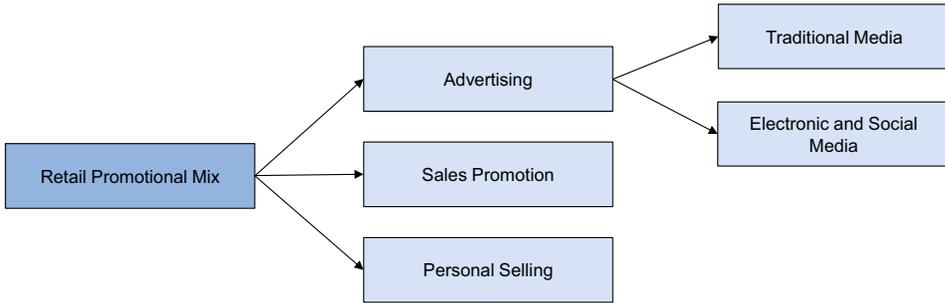
The world of retail communication has changed dramatically. As well as a wide range of communication and media activities, retail marketing communication plays many different roles. Different dimensions can be distinguished:

- A retailer's communication programme informs customers about its merchandise, services and prices to motivate customers to visit the store and buy (**transactional selling**) and/or to stimulate repeat visits and develop customer loyalty (**relational selling**) through customer relationship marketing (CRM) (see Chap. 16).
- A retailer's communication programme supports its **positioning** and helps create and maintain a retail image or a **retail brand** (see Chap. 9). This goal is closely linked to market or corporate communication but addresses different stakeholders, e. g., to communicate the retailer's responsible behaviour (see Chap. 10).

There have been numerous overlapping developments within the world of communication:

- from traditional media to new media, e. g., online media, such as websites, e-mail, mobile communications, and social media, such as blogs and platforms like Facebook, YouTube, Twitter,
- from above-the-line, e. g., traditional advertising in mass media, to below-the-line, e. g., special events or event sponsorship, usually in the cultural, sports or entertainment sectors,
- from one-way communication, e. g., via traditional media, to interactive communication or two-way dialogues, e. g., via social media,
- from unpersonalised messages, e. g., in television spots, to personalised messages, e. g., mobile messages delivered to smartphones.

The world of retail communication is even more complex. Communication here involves not only traditional and new media, but also characteristics unique to retailers: in-store marketing or design elements, such as overall atmosphere (**retail atmospherics**)



**Fig. 14.1** Retail promotional mix

or environmental elements, such as eye-catching point-of-sale displays (see Chap. 15) and personal selling, i. e., face-to-face communication with customers or prospective customers.

The following discussion focuses on **retail promotions**, especially advertising, sales promotions and personal selling. These elements make up a retailer’s marketing communication programme. **Public relations** (or corporate affairs) is excluded, because it is targeted at all stakeholders rather than just the “target market”. The focus will be on transactional factors; relational factors will be discussed in Chap. 16 (Customer Relationship Management), although there is a fuzzy boundary between the two.

Fig. 14.1 systematises the huge portfolio of marketing communication elements, i. e., the **retail promotional mix**. This figure highlights the challenge of combining the variety of communication elements into an **integrated communication programme**.

## 14.2 Retail Promotional Mix

### 14.2.1 Advertising

**Advertising** traditionally falls into one of the following categories (Dahlén et al. 2010, pp. 277–280; Berman and Evans 2013, p. 510):

- Non-personal communication, i. e., a standard message, which cannot be adapted to individual customers, is transmitted to the entire audience,
- one-way or asymmetrical communication,
- communication delivered indirectly through a medium like TV or Internet,
- communication paid by the initiating company as part of public relations, rather than publicity, although the two are usually complimentary.

Advertising is primarily used to increase customer traffic and short-term sales and to inform customers about products and services. The major advantages of advertising are the ability to attract a relatively large audience with relatively low costs per viewer, reader



**Fig. 14.2** Method of payment for retail advertising. (Berman and Evans 2013, p. 516)

or listener. The major disadvantages for retailers are the standardised nature of most messages, which lack flexibility, and losses due to a **scatter-shot approach** because of large geographic areas (Berman and Evans 2013, pp. 512–513).

Following Berman and Evans (2013, pp. 515–516), retail advertisements can be classified by content (e. g., competitive message, reminder message) and payment method (see Fig. 14.2).

Payment methods are retailing specific. **Vertical cooperative advertising** lets a manufacturer and a retailer jointly transmit a message and split the costs based on an advertising agreement. In **horizontal cooperative advertising**, used by marketing and buying groups of independent retailers or retailers in a shopping centre (in a mall or business district), several retailers share advertisements.

The overall importance of advertising in retailing is presented in Table 14.2.

**Table 14.2** Selected US advertising-to-sales ratios by type of retailer in 2013. (Schonfeld & Associates 2013)

Type of Retailer	Advertising Spending as Percentage of Sales (Turnover)
Jewellery Stores	6.0 %
Department Stores	4.5 %
Hobby, Toy and Game Shops	3.6 %
Apparel and Accessories Stores	3.5 %
Shoe Stores	3.0 %
Radio, TV and Consumer Electronics Stores	2.5 %
Family Clothing Stores	1.9 %
Lumber and other Building Materials	1.5 %
Auto and Home Supply Stores	1.4 %
Grocery Stores	0.8 %
Drug and Proprietary Stores	0.5 %

### 14.2.2 Traditional Media

Traditional media are used in **mass media advertising**. Such advertising “entails the placement of announcements and persuasive messages [...] that seek to inform and/or persuade members of a particular target market or audience about [...] products, services, organizations or ideas” (Levy et al. 2014, p. 419). Traditionally, mass advertising has used newspapers and magazines (e. g., freestanding inserts), television (television commercials or spots) and radio (radio commercials or spots).

One way to use mass advertising to target customers directly without personalising the message is **direct mail**. Direct mail involves brochures, catalogues, advertisements or other printed promotional material, e. g., leaflets or flyers, delivered directly to the customers’ homes, usually through the mail. “With the advent of loyalty and CRM programs, retailers are now able to personalise their direct mail to all customers, to a subset of the customers according to their previous purchases, or even on a personalized basis to individual customers” (Levy et al. 2014, p. 420).

The most common traditional media are presented in Table 14.3, comparing market coverage and suitability.

**Table 14.3** Comparison of traditional advertising media. (Adapted from Berman and Evans 2013, p. 514)

Medium	Market Coverage	Particular Suitability
Daily Papers	Single community or entire metro area, local editions may be available	All larger retailers
Weekly Papers	Single community usually, may be a metro area	Retailers with a strictly local market
Shopper Papers	Most households in one community, chain shoppers can cover a metro area	Neighbourhood retailers and service businesses
Phone Directories	Geographic area or occupational field served by a directory	All types of goods and service-oriented retailers
Direct Mail	Controlled by the retailer	New and expanding firms, those using coupons or special offers, mail order
Radio	Definable market area surrounding the station	Retailer focusing on identifiable segments
TV	Definable market area surrounding the station	Retailers of goods and services with wide appeal
Transit	Urban or metro community served by transit system	Retailers near transit routes, especially those appealing to commuters
Outdoor	Entire metro area or single neighbourhood	Amusement and tourist-oriented retailers, well-known firms

**Table 14.3** (continued)

Medium	Market Coverage	Particular Suitability
Local Magazines	Entire metro area or region, zoned editions sometimes available	Restaurants, entertainment-oriented firms, specialty shops; mail-order firms
Flyers/ Circulars	Single neighbourhood	Restaurants, dry cleaners, service stations, and other neighbourhood firms

### 14.2.3 New, Electronic and Social Media

In recent years, new forms of media, such as electronic, online, and mobile media and social media have emerged and fundamentally changed how consumers communicate among themselves, with companies or institutions and how they expect to be informed or addressed by companies. While the marketing communications debate used to centre on traditional advertising vs. online advertising, especially **Internet** advertising, new methods of blending available media forms have begun to explode (**hybridisation of media**). “Hybrid media is the strategic use of traditional and new media and marketing communication tools to communicate the message in a more efficient way” (Eagle et al. 2015, p. 228).

New forms of **experiential marketing** or **augmented reality marketing** have evolved which dissolve the boundaries between advertising, sales promotion, in-store marketing and even personal selling. These emerging trends will be discussed in the next section.

**Websites** and e-mails can nowadays be regarded as “traditional new media”. Retail companies use their websites to inform customers about their products and services, store locations, shopping hours and events and to sell merchandise. “Many retailers also devote areas of their websites to community building. These sites offer an opportunity for customers with similar interests to learn about products and services that support their hobbies and to share information with others. Visitors can also post questions seeking information and/or comments about issues, products and services” (Levy et al. 2014, p. 425). To improve the visibility or accessibility of their websites, retailers are using **search engine marketing** or tools such as **search engine optimisation** (SEO). Table 14.4 shows the ranking of retail websites in the United Kingdom by visitors.

**E-mail**, i. e., sending messages to individuals over the Internet, has changed in recent years from an impersonal medium, used to inform customers of merchandise, services, prices and so on, to a personalised form of communication using **customer databases** to address consumers with highly personal messages. E-mail is also an interactive medium, allowing the recipients to respond.

Access to websites and databases and receiving or sending e-mails has been facilitated by the enormous penetration of wireless handheld devices, such as cellular telephones or smartphones, enabling mobile forms of communications, including **mobile shopping** or **M-commerce** (mobile commerce; see Chap. 4). A new mobile advertising tool called **location-based services** is subject to controversy, especially because of data protection concerns.

**Table 14.4** Retail websites ranked by visitors in the United Kingdom in May 2014. (Mediatel 2014)

Website	Visitors
Amazon	16.0 million
Ebay	15.2 million
Tesco	6.7 million
Argos	5.3 million
ASDA	3.9 million
Gumtree	3.4 million
Marks & Spencer	3.2 million
Sainsbury's	2.5 million
Groupon	2.4 million
John Lewis	2.3 million

Location-based service technology allows retailers to locate a consumer's position and send them tailored, localised content to entice them into their stores (Levy et al. 2014, p. 426; Percy 2014, p. 139). *Foursquare* is one of the most famous location-based service providers. It recommends users places, e. g., restaurants and shops, based on users' taste, previous ratings for similar places and the opinions of friends and experts (Foursquare 2015). Another form of mobile advertising is the use of **QR codes** (quick response). QR codes are two-dimensional matrix codes which can be translated into marketing messages, e. g. product videos, by scanning them via a smartphone camera using QR code reader software (Ryu 2013, p. 19).

"Perhaps the fastest growing area of new media is what has become known as social media. Not so many years ago there was no *YouTube*, *Twitter* or *Facebook*" (Percy 2014, p. 135). In 2014, *YouTube* had over 1 billion active users, *Twitter* had 288 million monthly active users, and *Facebook* had over 1.39 billion monthly active users (Facebook 2015; Twitter 2015; YouTube 2015). Kaplan and Haenlein (2010, p. 61) define **social media** as "a group of Internet-based applications that build on the ideological and technical foundation of Web 2.0, and that allow the creation and execution of User Generated Content". According to Mayfield (2008, p. 5), **social marketing** has the following features: user participation, conversation and openness with hardly any barriers to access and a high level of connectedness by using links to other resources, sites and people.

Retailers use social media to initiate a proactive dialogue with their customers. "When a retailer provides content on a social media website, people often begin sharing and commenting on it" (Levy et al. 2014, p. 427). At the most basic level, but still highly relevant, are **blogs** or **microblogs** like *Twitter*, where an individual or group post their opinions on a webpage. "A well-received blog can communicate trends, announce special events, and create **word of mouth**, which is communication among people about an entity such as a retailer or a product or service" (Levy et al. 2014, p. 429). Messages from customers can also be spread exponentially throughout social networks. This is known as **viral marketing**.



**Fig. 14.3** Example of a retailer’s social media use. (IKEA 2015a)

Social media also lets companies monitor trends and react to consumer demand. “For example, sentiment mining is a process whereby retailers can tap into a variety of online chat formats to collect consumer comments and then analyze these data to identify customers’ overall attitudes and preferences for products and advertising campaigns” (Levy et al. 2014, p. 427). **Sentiment mining** provides qualitative data which provides new insights into what consumers think.

Fig. 14.3 shows the *Facebook* presence of *IKEA* as an example of how retailers use social media. The Swedish retailer uses *Facebook* as an information platform for new products and special offers but above all to stay in contact with its customers. Thus, customers’ comments are answered by *IKEA* staff (IKEA 2015a). Social media is highly relevant in all retail sectors. The US retailer *Walmart* uses its *YouTube* presence to not only inform customers about the company and its products and campaigns but also about other topics of interest, e. g., household DIY tips (Walmart 2015). The *Twitter* presence of the US DIY chain *The Home Depot* encourages and inspires people to renovate and redesign their homes (The Home Depot 2015).

In terms of market coverage and suitability, there are no differences between new and social media: Unlike traditional advertising media, they both have global coverage and are suitable for all types of retailers (see Table 14.3).

### 14.3 Sales Promotions

“Sales promotion is defined along the lines of any direct purchasing incentive, reward, or promise that is offered to the target audience for the purpose of making a specific purchase or taking a specific action that will benefit those responding to the promotion” (Percy



**Fig. 14.4** German food retailer REWE's sponsorship of Bundesliga team 1. FC Köln. (1. FC Köln 2015)

2014, p. 103). These incentives or excitement-building programmes are mostly short-term in nature, i. e., they encourage customers to purchase a product. Besides this transactional approach, sales promotions are integrated into **long-term customer relationship management programmes** to build customer loyalty.

The instruments used in sales promotions can be classified into traditional promotion tools, special events or event sponsorship, and new forms of hybrid media.

Traditional sales promotions use, e. g., **coupons**, which offer a discount and are issued in newspapers, through the mail or over the Internet; **rebates**, a form of discount, refunded by a manufacturer; **premiums**, which offer an item for free, and **samples**, which let customers try a product (see Chap. 13). **E-coupons** are increasingly relevant in new media. Coupons in paper format, especially as newspaper free-standing inserts, have the disadvantage of lacking personalisation. All consumers receive the same large list of coupons regardless of their specific interest, diminishing the effectiveness of the coupon campaign (Cameron et al. 2012, p. 333). In contrast, e-coupons “from the Internet, or coupons activated at the point-of-purchase using smartphones have the potential for tight targeting” (Percy 2014, p. 107).

Special events or event sponsorship, a below-the-line communication tool, include a lot of quite different techniques where retail companies provide support for a seasonal, cultural, sporting or musical activity (see, e. g., Fig. 14.4).

The growing field of **hybrid media**, used as a sales promotion tool, includes a wide range of communication activities such as games containing embedded advertising or games which are created with the sole purpose of promoting the retailer's brand or assort-



**Fig. 14.5** IKEA's catalogue app as an example of augmented reality techniques. (IKEA 2015b)

ment (“**advergames**”) or the merging of live reality and computer-based information in the form of “**augmented reality**” (see Eagle et al. 2015, pp. 227–237). Augmented reality combines reality and virtuality on screen, e. g., via smartphone cameras.

**Product placements** in video games (“in-game advertising”) “provide virtual interaction with a product or a brand name. Similar to traditional product placement, the aim is to create an emotional connection between the game, the gamer and the brand featured” (Eagle et al. 2015, p. 233). Products and games are linked by placing the product into the game environment or by developing themed video games which, “for example, [...] feature a well-known brand character as a main character of the game” (Eagle et al. 2015, p. 233).

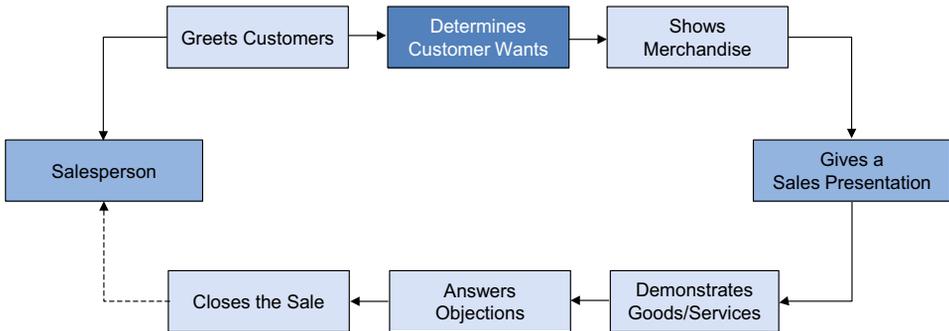
“Augmented reality combines live, direct views of the real world with computer generated elements that ‘augment’ – or enhance – the reality, for example by providing additional information in real time” (Eagle et al. 2015, p. 235). Fig. 14.5 shows Swedish retailer *IKEA*'s catalogue app as an example. This technique can also be used in in-store marketing and in personal selling.

## 14.4 Personal Selling

The main feature of personal selling is simultaneously its most important advantage and disadvantage: Personal selling involves face-to-face or **oral communication** with customers or prospective customers. The personal and interactive nature of this communication lets retailers adapt messages to meet customers' individual needs, i. e., to personalise the way a customer is addressed. Otherwise, the costs of interacting with customers are generally high.

As a result, personal selling is used in specific retail formats, e. g., in specialty stores and department stores with a service-orientated positioning and target image rather than in price-orientated formats, such as hard discounters or hypermarkets (see Chap. 2 and 3).

True **sales employees** – in contrast to staff who set up or stock shelves (merchandise employees) – are order-winning salespersons, “actively involved with informing and persuading



**Fig. 14.6** Typical personal selling functions. (Berman and Evans 2013, p. 520)

customers and in closing sales” (Berman and Evans 2013, p. 519) (see Fig. 14.6). They have direct personal contact with customers and are therefore key to increasing **customer satisfaction** or **customer enthusiasm**. Because there is often a standoff between retail companies in terms of assortment, price, etc., personal selling is a significant way to reach a **unique selling proposition** (USP). Sales employees are the most important “brand ambassadors”.

In some retail formats, e. g., specialty stores, such as perfumeries or department stores, salespeople from manufacturers provide personal selling activities for their brands or products. Here, a manufacturer’s sales promotion activity is integrated into the retailer’s personal selling approach.

## 14.5 Developing an Integrated Marketing Communication Programme

The overall goal behind a retailer developing a marketing communication programme is to combine advertising, sales promotions and personal selling instruments to create a consistent and holistic image that can be coordinated with other marketing activities such as in-store marketing or customer relationship management. The positioning and retail branding strategy must be supported by all marketing communication activities – an **integrated marketing communication** programme is necessary.

Following this strategic approach, four steps can usually be distinguished for developing and implementing a marketing communication programme (see, e. g., Levy et al. 2014, pp. 436–447):

- Establish communication objectives,
- establish budget,
- allocate budget,
- implement and evaluate programmes.

However, these are not retail-specific and therefore will not be discussed in detail.

## 14.6 Conclusion and Outlook

Emerging electronic and social media, new ways of blending conventional communication tools with online or Internet communication, the merging of social media and real-life experiences and the merging of live reality and computer-based information not only “augment” retailers’ communication portfolios; they dissolve boundaries within the field of marketing communication, i. e., between advertising, sales promotion and personal selling, and between conventional marketing fields, such as in-store marketing and customer relationship management. Even the boundaries between formats, such as store-based retailing vs. online retailing, are becoming relative.

### Further Reading

- Dahlén et al. (2010). *Marketing communications: A brand narrative approach*. Chichester: Wiley & Sons, pp. 274–288.
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## 14.7 Case Study: Coop Switzerland

### 14.7.1 Profile, History and Status Quo

In the middle of the 19th century, consumption habits in Europe changed radically. Factory workers had no way to care for themselves. As a result, consumer cooperatives were established in many European countries, selling food products to their members at reduced prices. In 1890, five Swiss cooperatives confederated to form the “*Verband schweizerischer Konsumvereine (VSK)*” [Association of Swiss Cooperatives]; by the end of the year, the association had 43 members. In the following years, the number of members increased, and the *VSK* expanded its infrastructure by, for example, building its own warehouse, printing office and shoe factory. In 1969, the *VSK* was renamed *Coop Switzerland*<sup>1</sup>. Since then, *Coop* has been restructured several times by merging the participating cooperatives. Finally, in 2001, project *CoopForte* united the fourteen regional cooperatives, and *Coop Switzerland* became a single cooperative. Throughout its history, *Coop* has established companies and store formats, e. g., *Coop City* and *Coop Bau + Hobby* [Building and Hobby], and acquired numerous companies across a variety of sectors, e. g., *Christ Watches & Jewellery*, *Dipl.*

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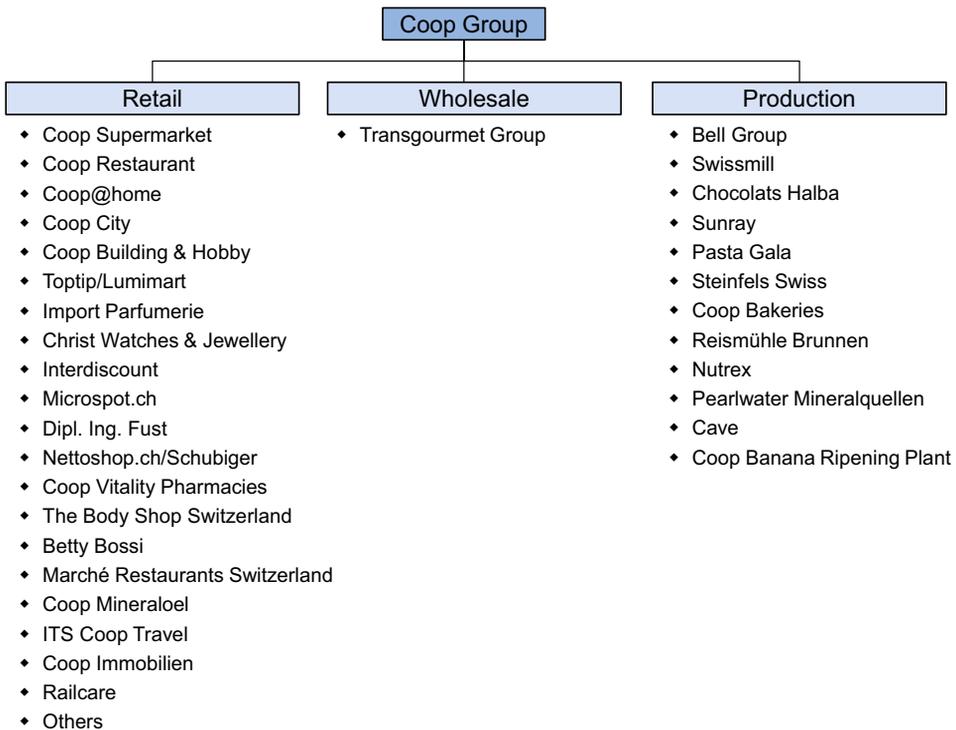
<sup>1</sup> In addition to the explicitly cited sources, sources used for this case study include the website <http://www.coop.ch>, press releases and various annual and CSR reports.

*Ing. Fust AG, The Body Shop Switzerland AG, Transgourmet Holding S.E., Pearlwater Mineralquellen AG and Nettoshop AG.*

Today, *Coop* is the second largest retail company in Switzerland. The *Coop Group* is active in retail, wholesale and production. Fig. 14.7 illustrates the *Coop Group's* various business areas.

In 2014, *Coop Group* had approximately 2.5 million members and net sales of approximately 27.2 billion CHF. Its network encompasses 2000 retail outlets across Switzerland, including convenience stores, small and large supermarkets, hypermarkets, department stores, over 100 cash and carry markets in Switzerland and Europe and online shops in a variety of sectors. Of *Coop's* 77,087 employees, 46,268 work in retail and 30,819 in wholesale and production. Table 14.5 provides an overview of these key indicators.

For decades, *Coop* has been establishing and raising minimum standards on its standard product range, working on sustainable product innovations and environmental production in its production facilities and stores. So, for example, *Coop* not only sells well-known manufacturer brands, but also a large variety of environmentally friendly, humanely and socially responsibly produced products under own-label sustainability brands or quality labels such as *Coop Naturaplan, Pro Montagna, Coop Naturaline, Fairtrade Max Havelaar* and *Bio Suisse*. As a result, *Coop* has received numerous national and international



**Fig. 14.7** *Coop Group's* business areas. (Coop 2015a)

**Table 14.5** Coop Group's key indicators. (Coop 2015a)

	2013 Fiscal Year (in million CHF)	2014 Fiscal Year (in million CHF)
Total Net Sales	26,967	27,163
Retail Net Sales	17,379	17,718
Wholesale and Production Net Sales	11,329	11,193
Employees	74,955	77,087
Number of Retail Outlets	1933	1971
Number of Wholesale and Production Units	229	199

awards, including “World’s Most Sustainable Retailer” (2011), the EHI Energy Management Award (2012), the Swiss Solar Award (2012), the Zurich Climate Prize (2013; 2014) and the European Solar Prize (2014).

## 14.7.2 Coop’s Promotional Mix

*Coop Switzerland* uses a broad range of marketing communication media, including newspapers, TV and the Internet. The following section will discuss *Coop’s* promotional mix in detail.

### 14.7.2.1 Traditional Media

US retailers now spend significantly less on traditional marketing communication media such as newspapers and magazines compared to TV and Internet. However, for *Coop*, traditional media still plays the most important role in the promotional mix.

*Coop* publishes three weekly newspapers: *Coopzeitung* (formerly *Genossenschaftliches Volksblatt*) and *Coop eration* since 1904 and *Cooperazione* since 1906 (see Fig. 14.8). Thus, *Coop* covers the three main languages in Switzerland: German, French and Italian. With more than 3.5 million readers, these three newspapers are the most-read printed products in Switzerland. They not only inform people about *Coop’s* product range but also cover a broad range of topics, e. g., leisure, family and culture. Although the three newspapers have the same cover, layout and main topics, their content is not identical. As well as the print versions, *Coopzeitung*, *Coop eration* and *Cooperazione* are also available as ePapers.

*Coop* also advertises via TV. In September 1977, the *Coop Mittwochsstudio* [Coop Wednesday Studio] was broadcast for the first time. Every Wednesday, immediately before *Tagesschau*, Switzerland’s main evening television news, two moderators and



**Fig. 14.8** Coop's weekly newspapers. (Coopzeitung 2015; Coopération 2015; Cooperazione 2015)

studio guests presented different *Coop* products and campaigns and gave household advice and tips. Later the show was expanded to become a cooking show. Due to changes in target groups as part of *Coop*'s new advertising presence “für mich und für dich” [for me and for you], the show was cancelled at the end of 2005. In September 2002, *Coop* piloted its own daily TV midday magazine *Telescoop* on *SF1* and *TSR1*. It was a mix of cooking show, infomercial, entertainment, advertisement and game. Channel announcements were made via the *Coopzeitung* and in stores. On average, 20 % of midday TV viewers watched *Telescoop*. In 2005, due to high contact costs and changed goals, *Coop* decided to cancel *Telescoop* and to focus on short TV spots for different target groups.

#### 14.7.2.2 New, Electronic and Social Media

*Coop* operates several websites: its main website [www.coop.ch](http://www.coop.ch) and one for each subsidiary. Like the weekly newspapers, the websites are available in Switzerland's most important languages: German, French and Italian (see Fig. 14.9). The main website itself has several functions. First, it serves as an information platform to inform people about the company, its products and services, store locations, opening hours and current campaigns. In addition, it serves as a link between *Coop* and its subsidiaries and their websites. Thus, it is possible to reach every *Coop* online shop via *Coop*'s main website. All websites are also accessible via apps for smartphones or tablets.

*Coop* displays a somewhat ambivalent attitude towards social media, currently only using it in a selective and campaign-related way. On *Coop*'s main website, users can share company information with friends via *Facebook*, *Twitter* and other platforms. However, the *Coop* Group does not have its own *Facebook* presence or *YouTube* channel. *Coop* uses *Twitter*, but with only 1024 followers the resonance of this social media presence is quite low. In contrast, some of *Coop*'s subsidiaries use social media extensively and professionally, e. g., *Fust* and *The Body Shop Switzerland* (see Fig. 14.10).



Fig. 14.9 Coop's main website. (Coop 2015b)



**Fig. 14.10** Examples of social media use by *Coop* subsidiaries. (Fust 2015a; 2015b; The Body Shop Switzerland 2015a; 2015b)

### 14.7.3 *Coop*'s Sales Promotions

As mentioned above, sales promotions can be either short-term initiatives, simply encouraging customers to purchase a product, or long-term customer relationship management programmes for building customer loyalty.

Coupons are a traditional sales promotional tool which *Coop* uses for short-term promotions, e. g., 20 % off the whole *Lumimart* range. However, *Coop* focuses more strongly on long-term customer relationship management programmes like the *Coop Supercard*. Customers collect points with each purchase, then use these points to pay for further purchases. They can also choose premium products from the *Supercard* premium shop and benefit from exclusive sales discounts.

*Coop* has adopted a uniform sponsorship approach throughout Switzerland. It supports projects in the following sectors: sport, culture, physical activity and nutrition, human welfare and environment, kids and family. For example, *Coop* has supported top-class beach volleyball for several years and open air cinemas in the summer (see Fig. 14.11).



**Fig. 14.11** *Coop's* sponsorship of sporting and cultural activities. (Coop 2015c)

#### 14.7.4 Summary and Outlook

This case study presented the promotional mix of Swiss retailer *Coop* in detail. *Coop* mainly uses traditional media, like the *Coopzeitung*, for marketing communication, despite an increasing number of Internet users in Switzerland. However, with 3.5 million readers, this approach still meets with great success. Nonetheless, *Coop* also uses new media like websites and mobile apps to inform people about the company, products, services and other relevant data. *Coop's* management currently view social media with scepticism. *Coop* does not have a social media presence for the company as a whole, and any social media use is sporadic and campaign related.

In light of the increasing number of Internet and social media users, especially among young Swiss people, it is unclear whether *Coop* needs to rethink its social media position or whether a promotional mix with a continuing high share of traditional media supplemented by new media is sufficient.

#### Questions

1. Identify and explain the strengths and weaknesses of different advertising media from a retail perspective.
2. Should *Coop* rethink its attitude towards social media for the company as a whole? In answering this question, compare *Coop's* social media strategy with that of other retailers.
3. Today, the *Coop Group* is active in a variety of retail sectors, including food, DIY and consumer electronics. Identify and explain the advantages and disadvantages

of a standardised promotional mix across all retail sectors versus a differentiated marketing communication strategy. Apply your results to *Coop's* current marketing communication strategy for its different subsidiaries.

- ▶ See, e. g., Berman and Evans (2013).
- ▶ Check the activity of different retailers on social media platforms like *Facebook*, *Twitter* and *YouTube* in terms of frequency, attractiveness and number of users.

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