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# **The impact of in-store activations (communication) in the consumer's emotions**

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CONSUMER BEHAVIOR

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## **ABSTRACT**

### **Consumer behavior: Sport Zone. The analysis of "The impact of in-store activations (communication) in the consumer's emotions"**

Several studies have been conducted on the consumer behavior. This study aims to analyze and understand which factors are important to consumers' emotions when the purchase decision occurs, the brand awareness, brand loyalty and the campaigns/activations' impact in the above factors. Two research surveys were conducted to realize this study, the first online and the other was an interview to the Agency Up Partner who conceived and put into practice this Fitness campaign. First of all, was the consumer's survey, a survey with 100 answers, to understand which factors are taken into account when a campaign in-store is held, in which the atmosphere is mainly used to arouse consumer's desire to purchase, and also emotions. Second, the interview with the agency was realized to find out on what they were based on when they delineate it, and if the raise of emotions was taken into account in the origin of it.

Concluding, emotions have a significant impact on formation of consumer in-store behavior, satisfaction and loyalty. As we could assay through of how this Fitness campaign was carried out as well as the optimal feedback received by consumers, improved attention over in-store marketing activity strongly influences consumer behavior at the point of purchase.

“Sport Zone: A new store concept where the love for sports is combined with functionality”

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## 1. Introduction

In 1995, Sonae (1959), one of the most important Portuguese economic groups, with business volume valued at approximately 4.974 M € and present in 67 countries, focused on the specialized retail with the launch of some projects, among them Sport Zone (1997). Included in one of the core businesses of Sonae (exhibit 1), Sonae SR, Sport Zone has recently seen its market leadership and consumer preference, in Portugal, recognized for the 3rd consecutive year, by the study 'Consumer Choice 2016'. This sports stores chain was elected in category 'Sports Stores', by the largest study of brand valuation in Portugal. Such recognized the Sport Zone effort to provide a distinctive service and expertise to its clients, as well as the best products and equipment for sports practice, also reinforcing the differentiation of Sport Zone as its own brand identity, and well-defined values. It's the largest national sports stores chain, with all the needed equipment to practice almost all sports, and in addition of being the largest in the exhibition area, is also the leader in market share with about 30% of the total Portuguese market.

This thesis consists in the analysis of a communication campaign of Sport Zone, a project undertaken by the company Up Partner, a Communication and Marketing Agency. This Fitness Campaign, where the store was "transformed" into a gym, consisted to highlight the wide range, strong promotional activity as well as the expert character, with the purpose of communicating the best range of fitness, unbeatable prices practiced, the best offer for the fashion fitness target and also the best brands. Having the opportunity to enjoy a small partnership with this company and thought of developing a study on the impact of **emotions** on consumer behavior in Portugal, it was decided then to approach the analysis of the campaign with this "emotional" perspective, resulting in the study of the statement: "**The impact of in-store activations (communication) in the consumer's emotions**". It's divided in two

different parts. The first one starts with the literature review about marketing and consumer behavior concepts and some theoretic issues related with the campaign followed by the macro and micro analysis: the description of the non-grocery specialists industry, Sport Zone and its portfolio, and main competitors in the area. The second part starts with the analysis of Sport Zone's communication campaign as well as the Agency Up Partner's interview and the online consumer's survey. The conclusions of this analysis provide some insights for future activation's campaigns that can be applied to enrich the communication of brands /stores and make them more effective, in order to influence or not the buying process in the Portuguese non-grocery specialists industry. This second part is my own opinion and a typical analysis, the results and the conclusions that provide some useful insights of the statement.

## **2. Literature Review**

In this part of the work, we will refer to some literature relevant for the study of the impact of emotions in purchasing decision, facing in-store activations/communication campaigns. How do emotions affect consumer shopping behavior? What consumer reactions can be identified when ambient scent is used in a retail environment? Do in-store activations have impact in consumer's emotions?

From a wide range of possibilities, these factors were thus the selected to enter this study: The importance of emotions in consumer behavior, Store environment and purchase behavior. To evaluate critically existing results and applied methodology of the campaign, marketing and management themes, that are appropriate for the case study, will be presented afterwards: brand awareness, brand loyalty, and in-store communication campaigns.

### **2.1. The importance of emotions in consumer behavior**

When studying emotions there are distinguished two main conceptually different research directions: physiological and cognitive. James (1884), an originator of emotion

theories, describes emotions as specific feelings caused by changes in physiological state, associated with the automatic and motor functions (de Sousa, 2010). To psychologists emotions are tightly related to motivational, goal and expectation system. However, according to Moors (2009) many authors like Arnold (1960), who first used the concept appraisal to refer to the cognitive process involved in emotion elicitation, Lazarus (1966, 1991), Scherer (1984), Smith and Ellsworth (1985), critiqued the mainstream theories of emotions, which emphasized physiological nature of emotion and defend that cognition is at the very onset of the emotional experience before physiological reaction. In terms of causation, the physiologic theory doesn't explain the mechanism which causes emotions, but what causes the somatic and motor responses. The author stresses also the stimulus that evokes emotions, from which emotion arises and the intensity of it is thus determined by the cognitive component.

Therefore focusing on the theory wherein emotions are a general state of arousal, which people interpret through a cognitive appraisal process (Schachter and Singer, 1962), emotions can be defined as “a mental state of readiness that arises from cognitive appraisals of events or thoughts” , resulting in specific actions (Bagozzi et al., 1999). The core of the appraisal theory is that the unique appraisal set (which originates the specific emotion), of the situation is revealed leading to a specific behavior (Lerner, Keltner, 2000). So, emotions are intentional tendencies to action (Izard, 1991) and depend on the situation and the environment involving the individual (e.g. retail environments) (Nyer, 1997).

As Paunksnienė and Banytė (2012) studied, different appraisal sets in the buying situation will lead to specific consumer emotion elicitation. In the meantime differences between appraisals rely on personal and time differences between emotional reactions. For different customers, who make different appraisals of the same purchasing situation,

different emotion will occur. Similarly, when the same individuals evaluate an equal situation differently (or at different times), different emotions take place. Further, in all situations with same appraisal sets, same emotion will occur.

To analyze the Sport Zone campaign, we will study the store environment-consumer relationship adopting the appraisal theory of emotion. In this activation, they adapted the store environment to a gym in order to inspire fitness practitioners and draw the attention of remaining public. It is thus important to understand the role of the store environment in potential customers as well as the factors that contribute to create pleasant or unpleasant shopping experiences, influenced by their emotional states.

## **2.2. Store environment and purchase behavior**

Nowadays, companies are facing a new era of sensory marketing in which efforts revolve around appealing all five of customers' senses to create a multisensory experience (Krishna, 2010). As competition in retail has intensified, managers have had to move beyond a product focus to a focus on the in-store customer experience (Puccinelli et al., 2009). With the proliferation of product offerings as well as retail outlets, there has been a revolution in retail with a view to looking beyond the augmented product (Kotler, 1974). Factors such as in-store displays (Inman, Winer, and Ferraro 2009) and shelf facings (Chandon et al. 2009) have been shown to influence purchase behavior, as have atmospheric factors such as lighting, music, and color (Briiggen et al., 2011; Summer and Hebert, 2001). More firms are investing particularly heavily in this scent marketing, emitting specially designed ambient scents into service environments (Klara, 2012).

Emotions have an important role in retailing, influencing consumers' perceptions of retail environments (Baker et al., 1994) and their shopping behavior outcomes (e.g. satisfaction and loyalty) (Walsh et al., 2011). Therefore, the idea that individuals

respond emotionally to the environment has been widely accepted in marketing research (Machleit and Eroglu, 2000). Retail environments can produce emotional effects in consumers (Kotler, 1973), consequently specific retail environment elements have impact in consumers' emotional states (Babin and Darden, 1996; Chebat et al., 1993; Dube' et al., 1995; Swinyard, 1993; Yalch and Spangenberg, 1990). Retailers use thus retail environment elements in order to generate specific desired emotions in customers. The store environment impact, its perception and assessment is one of the major interest areas of leading professionals in retail outlets (Kaltcheva, Weitz, 2006). It's argued that the store environment has a greater impact on the purchase process than the product itself (Summers, Hebert, 2001). In a research conducted by Mehrabian and Russell (M-R) (1974), the authors offered a multidimensional perspective in environmental psychology. It consists in attributes of the environment, the intervening emotional state, and taxonomy of outcomes, based on the approach-avoidance concept suggested by Wundt (1905). Donovan and Rossiter (1982) combined those variables onto the stimulus-organism-response (SOR) framework and focused on the linkage between the O and the R variables. This model was adapted to consumer behavior studies, being store environment equated to environmental stimuli variable, which affects the state-emotions of the consumer, and in turn influences the reaction - consumer behavior (Donovan, Rossite, 1982; Quartier, Vanrie, VanCleempoel, 2009). In the classical SOR model, the stimulus is considered what affects internal states of the individual. In this analysis it could be the store atmosphere as it affects the behavior of the consumer. The stimulus could thus be represented by several elements of store atmosphere, such as design factors, visual in nature (e.g., layout, color, cleanliness, space, theme etc.) (Baker et al., 1994). Organism is viewed has the "internal processes and structures intervening between stimuli external to the person and the final actions, reactions, or responses



emitted”. This processes and structures referred to perceptual, physiological, feeling and thinking activities (Bagozzi, 1986). Being the emotional state the organismic variable, it means that the effect of store atmosphere, the stimulus, on consumer behavior is mediated by the consumer's emotional state. The outcome or final action toward reaction of consumers is considered by the author Bagozzi (1986) as the response, involving psychological reactions such as attitudes and/or behavioral reactions.

This model is important for this campaign analysis once it studies the relationship of such factors as store image, consumers’ emotions that can be linked to time and money spent in stores, as well as price acceptability. The perceptions of various environmental factors, such as color, merchandise, in-store campaigns, between others, are thus important factors to be explored in terms of impact on their emotional states at the time of purchase.

### **2.3. In-store communication campaigns and promotions**

Marketers and retailers are increasingly seeing the value of establishing their own research facilities to gain a better understanding of shopper behavior. Encouraging consumers to buy “our product” instead of the competition one, would require the combined action of retailer, supplier and agency in order to develop a plan that takes into account assortment, merchandising, layout, promotion and activation (Chan, 2011). “Unseen is unsold”, according to various studies, a majority of brand choice decisions are made inside the store, yet consumers only evaluate a fraction of the products available (Inman, Winer, and Ferraro 2009). In this context, improved attention through in-store marketing activity should strongly influence consumer behavior at the point of purchase.

As a blogger stated, many brands are adopting activations to create awareness and give the consumer an experience that will make them feel a real personal connection to the

company (Broadbent, 2015). Consumer brand activations are a very crucial part of building a positive perception of a brand, working like a stimulus, can be done product samplings, in-store retail marketing, sponsorships, and experiential events. Stimulus, as something that rouses or incites to action or increased action, has been used and accepted in the literature (Bagozzi, 1980, 1986; Belk, 1975; Kelly, 1955). In a consumer decision-making context, the stimulus can be conceptualized as those external factors associated with a pending decision. Bagozzi (1986) states the stimuli are "external to the person" and consist of both marketing mix variables and other environmental inputs. When consumers are exposed to stimulus it becomes encoded in their memories. This encoding can be conscious or unconscious, it always depend on the frequency effects (Hasher and Zacks, 1984). The nature and type of encoding influence how strongly stimuli are (Obermiller, 1985). If this impact is strong, the subsequent result will be higher and more present in the consumers' memory. The type and nature of encoding is seen in the act of retrieving information. Retrieving information is determined by the presence and strength of the concepts linked to the reminder (Nelson et al. 1993). So, this reminder is very important in the influence of retrieval. Retrieval is also influenced by the difficulty of the measure. The more time that is permitted, the more opportunity less outstanding items have for retrieval (Fazio, 1990). In the same logic, the more stimuli that are provided, the easier it is to retrieve items from memory (Crowder 1976; Zinkhan et al. 1986; Craik & Tulving 2000). Concluding, retrieval of brands for advertising awareness measures will depend on the nature of the reminder and the difficulty of the measure.

Brands must find a way to engage customers that can shift perceptions, creating emotional connection. Marketing events must bring up positive feelings in consumer's minds in order to become loyal and purchase their products (Broadbent, 2015).

In-store retail marketing activations' study is necessary for this analysis once it can help us to understand why customers prefer a brand over another, the importance of the store or brand image as well as how to provide the benefits that the buying option can offer (price promotion, product quality).

#### **2.4. Brand awareness**

A brand consists of “a name, term, sign, or symbol, or any combination of them, that attempts to represent the unique benefits a company can provide to consumers through a particular product or service, in terms of attributes, value, and culture” (Kotler et al, 1997). As referred by the author an important role played by a brand is that it enables consumers to identify a firm's products/services and can differentiate them from those of competitors. According to Aaker (1991), brand awareness is the “ability of prospective buyer to identify that a brand is a component of a certain product category”. Furthermore, brand awareness plays a major role in consumer decision making, as it highlights the brand to enter consideration set, to be used as a heuristic and the perception of quality (Macdonald & Sharp, 2000). Consumers frequently reach a purchase decision by using a heuristic such as “purchase the brand they have heard of” or “choose the brand they know” and then buy well established brands (Keller, 1993). A product with a high level of brand awareness will have higher consumer preferences because it has higher market share and quality evaluation (Dodds et al., 1991; Grewal et al., 1998).

#### **2.5. The importance of brand loyalty**

Jacoby and Olson define brand loyalty “as the result from non-random, long existence response of behavior and it was a process of mental purchase formed by some certain decision units who considered more than one brands”. It is a commitment to buy or repurchase a specific product consistently in the future (Oliver, 1999). It can be seen as

the power of brand earned over time by its goodwill and name recognition which increases its sales volume and higher profit margins against competing brands. (Usman Y., Rida Z., Madiha A., Mohsin A., 2012).

Lau et al. (2006) mentioned that there are seven factors that influence consumers brand loyalty towards certain brands which are: Brand Name: consumers trust known brands that attract them to purchase once and repeat it reducing the switching costs (Cadogan and Foster, 2000). According to Kohli and Thakor (1997), brand name is “the creation of an image or the development of a brand identify and is an expensive and time-consuming process”; Product Quality: includes the features of a product or service and that ability to satisfy needs; Price: the most important variable for most of the consumers according to Cadogan and Foster (2000). Consumers with higher brand loyalty are able to spend money and to pay a higher price for their brand in comparison with consumers with lower brand loyalty witch the price affects their purchase decision (Yoon and Kim, 2000); Design: is the visual appearance of a product including line, shape and details; Store Environment: was the most important factor in retail marketing success and store longevity (Omar, 1999). The positive attributes which includes store location, store layout and in-store stimuli affect brand loyalty. The store atmosphere is one of the factors that influence consumer’s decision making (Khraim, 2010); Promotion: the same author refer that promotion is one of the marketing mix components. It includes advertising, sales, promotions, personal selling and publicity. Finally, Service Quality: should correspond to consumers’ expectations and satisfy their needs and requirements (Lovelock, 2010). Customer satisfaction includes evaluating the level of satisfaction generated by the attributes of one product or service or by product or service itself (Oliver, 1997: 13). Satisfaction is mentioned in most of the loyalty

studies as a crucial fact of customer loyalty (De Wulf, 1999; Ranaweera and Prabhu, 2003).

Brand awareness in Sport Zone's competitive industry is very important, as well as effecting brand loyalty and knowledge about a product/service for loyalty toward brand. If the consumer has knowledge about the best range of fitness, unbeatable prices, the best offer for the fashion fitness target and the best brands, he/she only has reasons to become loyal to it. The relationship between brand awareness and brand loyalty is significant and brand awareness is determining in brand loyalty (Aaker, 1991).

### **3. Sport Zone and the market**

#### **3.1. The company**

Sport Zone is a specialized retail brand in the Sonae group, being part of the core business of this holding company that operates in the areas of telecommunications, shopping malls, food, computer and electronic equipment. The specialized retail was developed in the mid-1990s, where the distribution in Portugal already had a very significant presence. SONAE Distribution aimed at expanding the supply of non-food products in a very focused and professional manner and emerged Sonae Specialized Retail (future Sonae SR in 2010). Such was originated by the "Category Killers", specialized in a particular product category, in which are more efficient and in the product they are more knowledgeable of, with an offer that consumers find attractive. Thus was born the insignia Sport Zone, among others, which occupies a leading position in its market segment of specialized retail.

From Portugal, it is considered the largest sports retail chain in the country and is in process of expansion in Spain, Canary Islands and more recently in India (2015/2016). It has a wide network of stores, present in the main commercial centers of the country, with an average sales area of 1,000 m<sup>2</sup>. Currently each store has bristle 15,000 sports articles from over 300 brands related to all kinds of sports. The mission reveals traces of

how the company positions itself in the market. Sport Zone aims to promote and democratize the practice of sport by offering brands and products at competitive prices, cultivating strong relationships with the communities in which operates.

Sport Zone opened its first store in May 1997 and since then its growth has been steady and lasting, combining its strategy of fast expansion to a strong and sustained sales growth. Currently have more than 70 stores spread in Portuguese territory, employing over 1343 employees, a higher awareness to 95%. It was launched, in 2005, an innovative loyalty program by the company, through the so-called customer card, being now the largest data base of sports' consumer in Portugal, a huge opportunity to meet the preferences of its customers and adjust its supply to promotional strategy. In 2008, it began a process of internationalization in order to invest in increasing the Sport Zone community with the opening of the first Sport Zone store in Madrid, Spain. Investing in key locations, they have more than 30 stores, with more than 659 employees.

Specialist in key sports, It offers a huge portfolio of products and equipment of various types of modalities, providing of most relevant range of brands, including market leaders as Nike and Adidas, as well as its own brands like Sport Zone, Deeply, Berg Outdoor, Berg Cycles, New Fit, Doone, Nutriendi, Kopen, Katto, Kohler, Haisen, Ankor, Multisport, ATD, KX, Lobu, recognized as having good quality and great prices. A store that features the best deals in a modern and inspiring environment.

Embedded the sports spirit, Sport Zone is a company constantly updating and developing with the market. Periodically stamping its mark on athletes, clubs, competitions, social causes – Women's Race, Half Marathon Sport Zone, National Circuit of Body Board, Marathon BTT, Olympic and Paralympic Committee, among others -, it tries to establish the brand in the minds of the population. In 2011, it took place a big deal. Sport Zone with the help of the best athletes of the sport developed a

volleyball ball with a higher quality, which was used in the Pro League Sport Zone. 100% Portuguese, the presence of this ball in the final, allowed an increase in the brand's value and Sport Zone's visibility in the world of sports in general and volleyball in particular. With the best goal of serving the customer, Sport Zone also offers certified training for its employees in bicycle repair, hitherto non-existent in Portugal. This Training is listed in the National Catalogue IEFP's qualifications, and therefore available to all Portuguese who need it.

As a community that they assume, this company evolves with their customers in order to find a way to improve their quality of life. Therefore, always present and aware of the challenges arising from the current lifestyle, the rise of the online channel was also an obvious step to be taken, "More than a choice, a necessity ". This online store also includes sport's tips besides the information needed about the products and service by the customer, depriving for the best usability practices and often available.

#### Analysing the current **Marketing Mix**:

- **Product (and Services):** Fitness/Dance, Judo/Karate, Soccer/Futsal, Mountaineering, Motorized, Bodybuilding, Swimming, Skates/Skateboards, Fishery, Running, Squash, Tennis, Table Tennis, Volleyball, Golf, Handball, Basketball, Cycling, Fight, Nautical Sports, Snow Sports, Racket Sports, Horsemanship, Schools, Federations and Meteorology equipments; as well as services like Technical advice, Exchanges and Returns, Credit, Bicycle's repair, Skis' repair, Rackets' Repair, Stamping, Products reservation and Home delivery;
- **Price:** pretty affordable, competitive prices;
- **Placement:** Largest retail chain of sports at national level; Focus location in urban areas of Portugal and Archipelagos;

- **Promotion:** The brand image is present at sporting events, sports associations and federations; in the Internet with brochures and catalogues; in television with products' promotions; Billboards/Outdoors; Hand delivery of leaflets; and deployment of products in stores, between others.

## **3.2. The Market**

### **3.2.1 Market Overview**

Retailing in Portugal is stabilize and emerging out of three years of recession. Despite Portuguese consumers haven't yet recovered the purchasing power before possessed, the economy is showing positive developments, unemployment has started to decline and consumer confidence has recovered lost ground. However, non-grocery specialists continue to be more negatively affected by the constraints imposed by the economic crisis than grocery retailers. In one hand, non-grocery products are, in general, less essential than grocery products and have so far faced more competition from non-store retailing channels, mainly internet retailing, than grocery products. In the other, the enthusiasm of Portuguese consumers about shopping online for consumer electronics, appliances and apparel and footwear, between others, remains and merely recently are adopting this channel for grocery shop. Sport Zone competes thus, in the Portuguese market for Non-Grocery Specialist. As I already referenced, this market has been struggling, with sales decreasing in value (-15%) between 2010 and 2015, although in the last year a small increase of 1.4% has been observed (exhibit 2).

In Portugal, the company that still continues to dominate in non-grocery specialists channel is Sonae SGPS SA, capitalizing on its already strong presence. Taking into account non-grocery specialists industry is quite saturated in terms of the number of outlets, this company is focused to develop innovative services to increase sales (exhibit 3). In the nine months of 2015, Sonae SR, the segment of specialized retail in which



Sport Zone occupies a leading position, exhibit a decrease in turnover of 2.2%, nationally. This was due to the performance of the fashion division, which was significantly impacted by a weak spring-summer collection. However, for the same 9 months 2014, is displayed an improvement of 0.4% this year (exhibit 5).

Sport Zone finds itself in sixth place in the Brand Shares' table, while its main competitor, Decathlon, ranks eighth. The sales percentage of Sport Zone, in the period 2010-2015, decreases about 0,6%, but in the last four years there was a 8,7% growth in its sales (exhibit 4). This decline mainly factor was, as I said earlier, the start of regular use of online platforms to make purchases in this sector. To respond it, Sonae launched an e-business option on its Sport Zone website before the end of 2013 in order to complement its sales in leisure and personal goods specialist retailers. Sport Zone bounced back also because of its efforts in reinforce its wide network of outlets, its major communication campaigns and its well-established brand.

### **3.2.2. Market Trends**

As for market trends, there are some developments that should be taken into account. A Eurobarometer survey concluded that 59% of EU citizens have never, or rarely, practice exercise or do sports, where in Portugal this value even rises to 64%. This indicator clearly affect negatively the Sport Zone's market, as perceived by the value shown in the table (negative), since this brand's target sportspeople. Measures are therefore needed to encourage more people to make sport and physical activity as an integral part of their daily lives. As a consequence, according to specialists in cardiovascular diseases, obesity is the most concerning health problem in Portugal. More than 50% of the Portuguese population is overweight and approximately 14% are morbidly obese. Because of the gravity of the situation, awareness toward the importance of healthy habits has increased thanks to several anti-obesity initiatives and even TV shows such

as “The Biggest Loser”. This has a positive impact on the initiative for practice sport which directly influences equipment sales as well as services, to do so.

On the other hand, fashion and sports clothing have never been more in vogue as nowadays. The sportswear entered in the fashion world, and it is fashionable to use it, whether or not mixed with casual clothes. For those who practice sports the offer is growing. For those who are not practicing, the market makes available full style pieces for daily use. A few years ago, the sports’ fashion was made by uniforms, these days, outfits gained new faces, being a trend that already appears in national and international passareles. Given the wide range of brands offered, such is presented as a great indicator for Sport Zone.

After long years of economic crisis, changes in the consumer behavior are expected. This consumer will make smarter choices that will derive from study and prior comparisons. Thus, it is predicted from the customers a greater use of online price comparisons, the constant search for the best deals both online and in store-based retail outlets and the expectation that there will be constant promotions and discounts on offer.

### **3.3. Competitors**

The market in which Sport Zone operates is a concentrated one, this means that the decisions of one single firm can and will affect the market, and trigger responsive actions from the competitors.

#### **Multi-specialists:**

**Decathlon** (considered the main/direct competitor of Sport Zone in the sale of sports goods for all modalities) was born in France in 1976 and currently operates in more than 20 countries worldwide. Decathlon Portugal started its distribution activity in 2000, with the opening of its first store in Amadora. Currently it has 24 stores and a national

supply center in United States. Its offer consists of private label products such as Quechua, the B'TWIN, the KIPSTA the Tribord or Domyos and also by International Brands products. As well as Sport Zone, Decathlon provides numerous services that support customers in their sport, such as customization and repair workshops, the client and gift card, promising low prices at a high quality-price ratio. In November, it launched the online sales platform, thereby increasing the contact points with customers and their accessibility to its product range. To enable customers to discover and share the sport with family, this company realizes sports events, free and accessible to all. Decathlon Portugal is comprised of 1500 employees that contribute to customer satisfaction, every day.

<b><u>Multi-Brands</u></b> (sell items from the best brands for different modalities):	
<b>Foot Locker</b>	<b>Ericeira Surf Shop</b>
With over 30 years of existence, it's considered a world leader in trade in footwear and sportswear. It sells many sports brands and has more than 3400 stores in more than 21 countries, of which 14 stores are located in Portugal.	Portuguese brand born in 1996, with the opening of the first store in the center of Ericeira that gave it its name. The Ericeira Surf stores are distributed across 20 outlets and an online store, where it's possible to find all surf, skate and snowboarding products of several brands, including international ones.
<b>The Athlete's Foot (TAF)</b>	<b>Bike Zone</b>
Its 1 <sup>st</sup> store was opened in Portugal, in 1988, in Lisbon. The specialist shop for sports footwear now has 12 stores in our country.	This brand was created in 1995 and in 2004 opened its first store in Portugal. Right now are 17, the stores for the sale and technical assistance of bicycles and cycling accessories, around the country.
<b>Sports Direct. Com</b>	
Sales' store of clothing, footwear and accessories of the main sports' brands. It was founded in the UK in 1982, and it's one of the largest clusters of sports' shops in the world with over 470 stores worldwide (13 located in Portugal).	

### **Traditional stores and mono-brands:**

<b>Nike</b>	<b>Adidas</b>
American brand of sports' accessories created in 1964. Today the brand is present in over 160 countries, holding 9 stores. The clothing and footwear of this recognized brand is also sold in multi-brand stores.	It's a German brand of sport's articles created in 1948. In Portugal there are 8 Adidas' stores (Lisbon, Oporto and Faro). The brand's presence is also common to several shoe and sport's shops all over the country and islands.

#### **3.4. Customers**

Currently Sport Zone has its target well defined and the whole company strategy is oriented towards it. This target is composed of young people or adults, located mostly in urban areas of continental Portugal and Archipelagos, thus pointing to a monthly disposable income from 600 € and covering all social classes. The interest in the sport, for an active lifestyle and healthy living habits is common among this segment, but also the experimentalist way of life. Derived the vast supply ranges of clothing and footwear brands, there is on Sport Zone's customers, a certain sensitivity to fashion and comfort for sporting activities, as well as in their day-to-day.

The personality of this brand is translated into sociable people, responsible, spontaneous, challenging, and adventurous, and how could not miss, sportspeople.

#### **3.5. SWOT Analysis**

The final step in this Situation Analysis will be to perform a SWOT Analysis. This will help me to understand the conditions surrounding Sport Zone, both internal (strengths & weaknesses) and external (opportunities and threats).

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Largest chain of sports stores in Portugal</li> <li>• Wide range of brands and prices</li> <li>• Availability of various services that facilitate the buying decision</li> <li>• Participation in social events</li> <li>• The stores are located in shopping centers which increases the inflow of clients</li> </ul>	<ul style="list-style-type: none"> <li>• Weak communication and advertising presence</li> <li>• Weak awareness of organized events</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Increased appeal and interest in healthy living habits</li> <li>• The growth of frequency in shopping centers, where the shops are located</li> <li>• Increasing presence of fashion for sporting activities</li> </ul>	<ul style="list-style-type: none"> <li>• Crisis</li> <li>• Unemployment</li> <li>• The increase in number of stores with sports style</li> <li>• Great notoriety of the competition- Decathlon</li> </ul>

#### **4. Campaign Analysis and Discussion**

With the purpose to analyze the consumers' emotions, when studying the proposals suggested by the agency Up partner, the Fitness campaign was the one that raised most interest. I practice sport regularly and only for the brief summary that they made about in what it consisted, "an emotion / a link" with the concept was felt. If the subject being studied is the **emotion**, nothing seemed more appropriate than this in-store activation. To analyze it, an interview (exhibit 6) was conducted with the Account and Copy responsible for the creative concept and management of the campaign in order to understand the perspective of those who perform the Communication/activation for a brand, as well as what they have in mind for a better approach to the consumer.

It was important to note Sport Zone would no longer be just a general store of sports, as its main competitor Decathlon, in which we find all kind of sports products, arranged in a "huge warehouse". They wanted to focus on, not only in professional sportsman, but in the one who takes sports' commitments very seriously, the person who works all day

long and in the afternoon/evening or early in the morning, will workout, play football with friends, even if it is raining or sunny, everything for his/hers passion for sport. So, they risked with the company's objectives and invested in the fitness/gym, in football, in running and cycling, as well as outdoor equipment, having realized that these were the modalities which the target really sought. By targeting a more specific community, a closer language was needed. Sport Zone wanted thus through this campaign, start approaching people for "tu" and not "você", addressing sport as a closest concept, intimate and relaxed as it is. To create this emotional connection with the consumer, they didn't build just a "beautiful environment", in which communication isn't immediate and the consumer has to spend time to "perceive" the store. Transforming it into a gym emerged so in order to create a more direct connection. The client comes in and doesn't need to read anything. It's a decoded and engaging environment. Upon entering the "gym", it's known the specific products it sells, thus attracting the community interested and curious for the originality too. To distinguish them from other stores, with normal structures and dull décor, a dynamic concept of a gym was chosen, to involve and approach the consumer easily, establishing an emotional bond without complications (**stimulus**). "From there the communication is much more provocative."— said the Copy of the activation. They didn't only assume "We have the best products," but also used phrases consistent with the emotions they wanted to "cause" such as "Challenge your body!", "You have the Determination". Consumers merge with the gym environment and it's like having almost a Personnel Trainer motivating them, by reading the messages and looking at the products, creates a feeling that are already practicing sports (**organism**). UP appeals a lot to emotions that are essentially translated at the point of sale, where everything happens. Playing sports is also a personal time and promotes a motivation language, "Practice sports, show who you are!"-message crafted

in this activation. A closer communication of the environment is used to meet those who understand sports, even if they aren't regular practitioners, in the store they feel part of a group, not as an elite but a group of people who have passion for sports, subtly leading the consumer upon purchase (**response**) (exhibit 7).

UP had the challenge to highlight the wide range, strong promotional activity and the Sport Zone's specialist character, communicating the best range of fitness, unbeatable prices, the best offer for the fashion fitness target and the best brands. For this, by picking up the concept of a gymnasium and taking it to the point of sale was a "stimulus" fairly effective. Virtually all people do their training indoor, therefore in a gym, a place that people easily identify. For those who don't practice, this activation is a "Challenge!" and leaves a message of motivation to the practice of sport. Also, fashion is increasingly present in sports and with all possible fashionable fitness conjugations, consumers are tempted to buy them to use when practicing, "A way to stimulate desire". To study the consumer perspective an interview (exhibit 8) was conducted, in which the majority of the respondents are between 20 and 30 years old (59%), followed by the oldest 40< (28%), 8% are "20>" years old and 5% between "31-40". 97% usually take into account the campaigns and promotions, and most of those surveyed affirm that purchase products/services not planned initially, mainly due to unbeatable prices and in-store campaigns. The connection to a certain product and store environment are thus, factors least perceived by consumers as we can conclude by the survey. Such factors are stimulus that affect the internal state of an individual, mediated by the "organism"-emotional state- leading to a particular response such as attitudes and/or behavioral reactions, in this case of purchase or not. To analyze the environmental impact on consumer choice, store appearance definitely influences the choice of where they want to do their purchase. Respondents often pay attention to store environment while

shopping however music, colors and lights weakly influence them as they determine where prefer to shop. In this survey we could also retain that 99% had already shopped in the Sport Zone's store, a good indicator for our analysis. Given the in-store activation held by Sport Zone, to study the behavior and reactions of those who responded, it was asked initially who practice sports, since the appraisals of the fitness campaign could be different from person to person, thus perceived differently by people who practice sports to those who don't and therefore don't have any "emotional connection" with what is sold in the store. 69, 7% of those surveyed practice sports and facing the campaign most of them feel motivated to purchase products and accessories for what they practice, and comfortable, in a familiar environment, enjoying more time in the store. The transformation of the store, which took into account the interests and consumer welfare was appreciated and a certain curiosity for the practice of other sports was awakened. However, they don't show a great need to return to the store more often or recommend it to their friends. By not talking about necessity products may be one explanation for this result, since it's a store with specialized equipment that isn't indispensable to go day-to-day. On the other hand, such activation that invests heavily in brand awareness should prompt a higher brand loyalty, becoming memorable to consumers who enjoyed it. For whom doesn't practice, the transformation of the store awakened them mostly curiosity, coming into the store to find out in what consisted the campaign. A large number of people wouldn't be affected, but a reasonable group would feel involved in the concept, even eventually buy something. However, the wide range of products and services offered at the best price, don't give strong desire or motivation to practice sport/exercise as was intended. UP with the use of this in-store retail marketing activation also wanted to help to enhance the image of a product or brand, featuring the benefits it offers and even introduce the lifestyle associated with



purchasing it. Nevertheless, the campaign was actually quite addressed to sporty public well determined of their active life, and maybe it could mostly attract the public left with the fashion aspect.

## **5. Conclusions**

Emotions play an important role in activations effectiveness through feelings elicited at the point of contact with the product/brand, having a significant impact on formation of consumer in-store behavior, satisfaction and loyalty. Such an understanding, by brand managers, can provide a context for building favorable emotion-focused brand associations with marketing and communication tools, facilitating the experience of these emotions (Stayman, Alden, & Smith, 1992). For this, retailers are increasingly using environment elements in order to generate specific desired emotions in customers as well as maximizing its impact on their behavior (Andreu et al., 2006). In summary, the theory of emotional appraisal is appropriate for investigation of environment–person relationship, once it allows the identification of relevant aspects/essential characteristics of the environment as assumptions that lead to particular type of emotional reaction.

Up Partner, with this activation, found a way to reach Sport Zone’s potential customers and to move others perceptions, by creating and engage them in a real emotional environment. Of course they had to communicate the best prices and quality of the products it sells in order to call the attention of the greatest number possible of people desired to reach, but this fitness campaign isn’t meant to be measured in terms of sales made. Instead, it should be viewed as a way to generate awareness and visibility for Sport Zone through cultivating real life engagement experiences with the target consumer. The brand may not cover 100% of the public to whom they are addressed, as there are much focused people and very rational, but a large majority, even if it doesn’t result in an immediate purchase, it will make consumers retrieve the information, acting as a reminder in future purchases (Nelson et al. 1993). An image was created, a

memory, many stimuli were provided to ease the notoriety of the store/brand in the consumer's mind (Crowder 1976; Zinkhan et al. 1986; Craik & Tulving 2000). If consumers go into a Sport Zone's store that create an impact, probably tomorrow they will prefer to back to it instead of going to another of its kind that didn't elicit any emotion, nor created any bond.

Concluding, UP received an awesome feedback by its client for having conducted this marketing event that brought up positive emotions in the minds of potential consumers.

It also made consumers more readily to become loyal and to purchase their products.

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