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The changing business environment for betting shops

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Abstract

Betting shops are a familiar, if not universally loved, feature in town and cities throughout the UK. However, in recent years increasing concerns have been expressed about the presence of betting shops in high streets and about the role of betting shops in encouraging gambling. At the same time, the widespread adoption of personal mobile communication technologies and new government regulations on gambling within betting shops are creating a new business environment for betting shop companies. This case study examines the range of changes and pressures the betting shop companies are facing and explores some of the impacts of these changes and pressures.

Keywords: Betting Shops, Business Environment, High Streets, Regulation, Information and Communication Technologies

Introduction

Betting shops are a familiar, if not universally loved, feature of high streets in towns and cities throughout the UK. As high street retailing has declined, debates about the presence of betting shops in many towns and cities has attracted increasing attention, and they are often cast as a predatory feature in an impoverished retail environment. However, these are also challenging times for betting shop companies. The widespread adoption of new personal mobile communication technologies, growing public and political concerns about the role of betting shops in encouraging gambling, and the introduction of new government regulations on gambling within betting shops are all creating a new business environment for betting shop companies. With this in mind, this case study outlines the origins and development of betting shops, examines the range of changes and pressures the betting shop companies are facing and explores some of the impacts of these changes and pressures.

Origins and Development of Betting Shops

Gambling is probably as old as society but formal betting on sporting events, principally on horse racing and boxing, was increasingly common at such events, from the seventeenth century onwards. By the 1840's Huggins (2000) suggested 'there was already a clear culture of urban betting' and argued that 'betting had already moved from a pre-industrial informal sporting model to an urban industrialized, commercialized mass-market model.' Increases in the speed of newspaper circulation and the development of the telegraph system in the 1890's, which made horse racing results more widely and immediately available, and improved economic conditions which increased the general population's spending power, all served to stimulate the popularity of off course betting.

Despite its growing popularity, such betting was illegal following the introduction of a series of legislative measures from the 1850's onwards, which sought to curtail and control gambling because of the paternalistic view that gambling encouraged absence from work, an anti-work ethic and criminal activity fuelled by gambling losses. However, by the start of the twentieth century sporting betting was an integral part of working class culture and it was highly organised and up to the early 1960's illegal sporting betting flourished via "street bookies" and "bookies runners" who accepted bets, supposedly secretly, in back streets, on street corners and in houses, pubs and factories (Chin 2004).

All was to change with the passage of the 1960 Betting and Gambling Act, which formally, if begrudgingly, recognised the existence of this extensive gambling market and sanctioned the opening of betting shops. The first betting shops were opened in 1961 and by the end of the decade, bookmakers were trading from almost 16,000 outlets. Initially, existing local bookmakers, who took the opportunity presented by the 1960 legislation to ply their trade legally, ran the vast majority of these betting shops. At this time, both the location and the service environment offered to customers was strongly influenced by the enabling legislation, which sought to affirm that betting should not be an enjoyable activity and that there should be no stimulation to encourage people to gamble. Betting shops were not to be situated on high streets with side streets considered a more appropriate location and they offered spartan and austere environments, limited information on horse and greyhound racing and basic betting facilities, which didn't encourage customers to linger. At the same time, many of the independent bookmakers who traded from the early shops lacked the financial resources to acquire costly premises in prime retail locations.

However, concentration occurred as a small number of betting shop companies, principally William Hill, Ladbrokes and Corals, became the dominant players in the market, and the total number of shops declined to some 10,000 by 1990. During this period, the locational pattern of betting shops changed from 'back street, to side street to high street' (Jones, Hillier and Turner 1994) and the leading betting shop companies opened many larger new shops in more prominent retail locations. At the same time, the introduction of more liberal legislation saw major improvements in the quality of the service environment. During the 1980s and 1990s live television coverage of sporting events, comfortable seating facilities, air conditioning, the availability of tea, coffee and soft drinks, and toilets were all introduced into betting shops. Additionally, betting shops were able to open in the evenings and on Sundays and to advertise betting prices on sporting events from their windows.

By 2019, betting shop provision was highly concentrated, with the market dominated by William Hill, Ladbrokes/Corals (the two previously separate companies merged in 2016 but continued to trade under their original name), Betfred and Paddy Power. At that time, William Hill had 2,264 shops and the corresponding figures for Ladbrokes, Corals, Betfred and Paddy Power were 1,828, 1,529, 1,620 and 350 (Gambling Commission 2019). There were over 700 independents, often regional, operators, including Jennings Bet, which had some 100 shops principally in the South East of England, Corbett Bookmakers, which had 55 shops largely in the North West of England and North Wales and Mark Jarvis, which had 47 shops across the Midlands and South Yorkshire.

Changing Business Environment for Betting Shops

In growing their market share and moving into well-appointed premises on the high street, the leading betting shop companies had effectively looked to shake off the old-fashioned image of betting, to modernise the industry and to emphasise the social acceptability of gambling. However, during the past decade, the business environment for betting shop companies has been changing, and a number of issues can be identified. Firstly, in many ways live television coverage of horse racing, and other sporting events, from the mid 1980's onwards, revolutionised the betting shop experience, but more recently, the increasingly widespread availability and adoption of personal mobile communication technologies has caused an even more fundamental revolution. Here betting shops face a challenge in attracting customers due to the availability of mobile apps that can be used anywhere. Deloitte (2014), for example, argued that mobile communications 'not only provide a new opportunity to engage with existing players, but also to reach new customers' and that 'existing players have embraced opportunities for more spontaneous gambling, especially in the evenings' and 'particularly for in-play betting.'

That said, ImageHOLDERS (2020) claimed that there is 'the social aspect to betting', and that 'from the bookies to customers, the community feeling of the bookmakers creates an atmosphere that cannot be experienced through a mobile phone screen at home.' Further, Deloitte (2014) suggested that betting shops will continue to be important in that 'they increase brand awareness and play a key role in the development of the multichannel model.' However, the majority of the leading sports betting sites, including Sky Bet, 888 Sport, Betfair, Redbet and Bet 365, do not run betting shops. More generally, the Gambling Commission (2018) argued 'it is highly likely that the online gambling industry will continue to grow from 34% to 50% of the total British market by gross gambling yield in the next few years.' Betting shops are having to try to compete with the growth of online betting, which is being driven by rapidly changing consumer behaviour and supported by technological advancements that are affecting society as a whole, and as such this might be seen to be swimming against the tide.

Secondly, there has been concern about the proliferation of betting shops in high street locations. Philips (2018), for example, suggested that with the proliferation of betting shops onto high Streets and neighbourhood retail developments 'they became a marker for social decline of an area, with the perception that they swooped in after other more respectable retailers had moved out or gone out of business.' Arguably more pejoratively, Hubbard (2017) explored the notion of 'betting shops as a noxious business', which he eventually dismissed as 'class-based prejudices against what is ultimately an affordable and popular form of sociality and leisure', but not before detailing the scale of community, business and local political opposition to a betting shop application in the London Borough of Croydon.

The impact of betting shops on the vitality and viability of town centres has certainly been a cause for concern. The London Borough of Tower Hamlets Local Plan (2018), for example, suggested that 'the proliferation of betting shops can harm 'the attractiveness, vitality and character of town centres.' A 'Citizens Panel Survey' conducted by West Dunbartonshire Council (2016) as part of its 'Town Centre Planning Pilots Programme', reported a Clydebank respondent's view that 'the real problem is the proximity of bookies in one place' and that 'having them concentrated

near each other, and near pawn shops or pay day lenders, is going to create an environment that is very off putting for most people coming into the centre.’ More generally West Dunbartonshire Council (2016) reported that ‘82% of survey respondents agreed that more pay day lenders and betting offices would be detrimental to the town centre’s vitality and vibrancy.’

More specifically, there have been concerns about the inability of local planning authorities to control the number of betting shops on the high Street, but, in truth, opportunities for local authorities to control the number of betting shops have been extremely limited. Prior to 2015, premises with a range of uses could be converted to betting shops without the need to apply for planning permission under permitted development rights. That said, the ‘Town Centres Supplementary Planning Guidance for the ‘London Plan 2011’ (Mayor of London 2014), suggested that ‘across London there is an urgent need to enable local planning authorities to control the proliferation of betting shops’ and that ‘there are genuine planning issues affecting amenity, community safety and the continued success of town centres which justify allowing planning authorities to consider the merits of proposals for betting shops.’ Since April 2015, a change of use to a betting shop requires planning permission but Woodhouse and Grimwood (2018) claimed that ‘concerns remain that clusters of betting shops, particularly in deprived areas, affect high street vitality.’

Thirdly, gambling in general, and gambling in betting shops in particular, has attracted increasing social and political criticism and concern and has generated a growing volume of adverse media coverage. Betting shops have been in the frontline of this coverage. Such concerns have been articulated in a number of ways. Concerns have been expressed, for example, about the clustering of betting shops in districts of towns and cities that exhibit deprivation. Almost a decade ago, Harriet Harman (2011), then Shadow Secretary of State for Culture, Media and Sport, claimed that ‘high streets in low-income areas across the UK are blighted by the prevalence of bookmakers’ and ‘betting shops are appearing not only in well-off areas but in those with high levels of poverty and unemployment.’ Indeed, Harman (2011) argued that the continuing opening of betting shops in such areas is ‘pushing many families further into poverty and creating a dangerous synergy between welfare dependence and gambling that threatens the fabric of our communities.’

There have also been persistent suggestions that increases in anti-social behaviour and crime have been associated with the proliferation of betting shops but such suggestions are contested. Newham Council (2016), for example, claimed that ‘the dramatic increase in the number of betting outlets correlates to increasingly high rates of crime and anti-social behaviour.’ However, Newham Council (2016) also reported ‘areas of Newham with a high concentration of betting shops, persistently remain within areas with the highest levels of crime in the borough’ and this seems to indicate an ecological, rather than a causal correlation. In reporting on the banning of five people from betting shops in Birmingham city centre, the Gambling Commission (2017) drew attention to its work with the local council, the police and bookmakers, ‘designed to tackle localised anti-social and criminal behaviour in and around betting shops’ and to ‘suspected drug dealing and anti-social behaviour linked to one bookmaker.’ More generally, Griffiths (2011), who has worked as a consultant for a number of leading UK bookmakers, has argued that ‘in order to be a cause of crime, betting shops must be both a necessary and sufficient condition for the crimes in question to occur’ and his work ‘found evidence of neither.’

However, and by and away most significantly, the introduction, from 2001 onwards, of up to four FOBT's in a betting shop, with a maximum stake of £100 on a single bet, which can effectively be placed every 20 seconds, has been the source of widespread and deep seated concern, though here again conflicting views have been expressed. Woodhouse (2019) has traced the origins of these concerns back to evidence presented to the Joint Committee examining the Draft Gambling Bill 2003-2004. More specifically, to a statement by a member of Gordon House, now the Gordon Moody Association, a charity which supports problem gamblers, that 'FOBTs are the crack cocaine of gambling' (House of Lords/House of Commons, Joint Committee on the Draft Gambling Bill (2004)). Nevertheless, a decade later Woodhouse (2019) reported that 'robust evidence' about the relationship between FOBTs and 'gambling related harm' in the British context 'was scarce.'

That said, voices increasingly called on government to introduce stronger controls on FOBTs in betting shops, and successive governments continued to keep their regulation and the wider issue of gambling and social responsibility under review. Eventually in 2018, the Department for Digital, Culture, Media and Sport announced that the maximum stake for FOBT's was to be lowered from £100 on a single bet to £2, though the maximum prize remained at £500, and the necessary legislation was passed in December 2018 and came into force in April 2019. The major betting shop companies had consistently opposed regulatory controls, claiming that it would lead to them closing large numbers of shops and to significant job losses. The Bookmakers Review (2019) website, for example, claimed that some 2,100 betting shops could close within the UK, though some commentators believe that estimates of the number of betting shop closures may be exaggerated.

Impacts

In the face of the changes in, and pressures, on the betting shops' business environment, the number of betting shops has been declining. In the five-year period 2014 -2019, for example, the total number of betting shops within the UK declined from 9,111 to 8,320 (Gambling Commission 2019). In the wake of the 2018 legislation on FOBTs, the scale of closure increased. William Hill, for example, closed some 700 of its shops, by late 2019 Ladbrokes/Corals had closed 200 shops (with a further 700 shops scheduled for closure up to 2021), and the corresponding figures for Betfred and Scotbet, the leading independent Scottish betting shop company, were 70 and 10. Of the leading betting shop companies, only Paddy Power, which has concentrated more on developing its sports betting offers rather than promoting FOBT's, has no closure plans.

In looking to rationalise their portfolio of shops in the face of a changing business environment, the leading betting shop companies have looked to retain the better performing outlets in an attempt to develop a sustainable business model. That said, a number of shops with a short time period remaining on their leases were also considered vulnerable. Here closures have occurred in some better performing outlets where the betting shop companies have been unable to negotiate a reduction in leasing charges, to reflect their changing business environment, with property owners. Where betting shop companies have owned, rather than leased shops, then in some cases this has influenced decisions to retain, rather than close, shops. Competition has also been a factor in cases where two companies' shops are in

close proximity and one company has recognised that its competitor has strong customer loyalties, and that investment in modernisation would show little or no future return.

At the same time, the leading betting shop companies have begun to redevelop the industry's betting shop offer, which they claim will provide customers with a new experience. Ladbrokes and Corals, for example, opened two 'new concept' betting shops in central London and central Birmingham in December 2019, and here the focus is on combining modern interior design with the latest technology to create an enhanced experience and to look to appeal to a new generation of customers. The focus is on providing a digital experience, with the shops having a number of new self-service betting terminals, facial recognition software designed in an attempt to tackle problem gambling and digital marketing screens. The two shops also feature a number of products provided by British racing and sports betting publisher Racing Post, including a new sports screen and an upgraded interactive version of the digital betting display. The other leading betting shop companies, notably William Hill and Paddy Power, may follow Ladbrokes' and Corals' lead as the industry continues to develop its retail proposition. William Hill, for example, have looked to introduce a small café into some of their shops as part of an attempt to develop these shops as a focus for the community.

All the leading betting shop companies are also continuing to develop as multichannel retailers. Playtech (2020), an international software designer and developer, for example, are behind a 'multi-channel solution', which it claimed 'is leading a revolution in the betting shop arena.' This multi-channel system operates across Coral's betting shop estate under the banner "Connect", which unifies the company's traditional retail and online offer and which enables customers to use a single personal account across all platforms. Thus, customers can open a multi-channel account in a betting shop and use that account to place their bets online or on a mobile phone and in a betting shop. Customers can use Connect to place bets over the counter, play on the (FOBTs) and deposit or withdraw funds. At the same time, this may offer betting shop companies the chance to promote other betting opportunities, and to increase gameplay and strengthen brand loyalty, but if customers increasingly look to online, and particularly to mobile, betting opportunities, this will do little to consolidate the role and place of the betting shop in the gambling mix. As such, promoting new digital experiences and services in betting shops may effectively be contributing to their own decline.

More generally, while the number of betting shops within towns and cities will decline, their increasing concentration on the high street seems unlikely to assuage a number of the concerns about their location in primary retail areas outlined earlier. While some commentators have suggested that the closure of betting shops could bring new vitality to both high streets and to secondary retail locations by attracting new retailers, this seems to fly in the face of current reality where continuing shop closures and vacant properties are increasingly commonplace in many towns and cities. In a similar vein, whether William Hill's (2019) plans for 'remodeling the estate and the business' and the development of café facilities within betting shops or Ladbrokes new concept betting shops will once again see betting shops become 'a gathering point for the community like the traditional English pub' (Philips 2018) remains very much to be seen.

Conclusion

Gambling has a long history but after a period in the UK when off course betting was effectively outlawed, new government legislation in 1960 heralded the opening of betting shops throughout the country. In the years since then, the leading betting shop companies looked to modernise the industry and to emphasise the social acceptability of gambling. They grew their market share and opened shops on the high street as new more liberal government legislation enabled them to improve the facilities and the quality of the service environment available to customers. However, during the past decade developments in information communication technologies and the expression of increasingly vocal public and political concerns about the effects of gambling have begun to change the business environment for betting shops. Some betting shops have closed and more will do so but the leading betting shop companies are looking to develop new sustainable models that will be attuned to their new business environment. Some pessimistic commentators suggest that the changing business environment marks the beginning of the end for betting shops in the UK but “Don’t bet on it!”

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A circular case: The circular economy and the service industries

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Abstract

The concept of the circular economy is gaining momentum in political and business thinking about the transition to a more sustainable future. While some of this thinking has been focused on manufacturing, the service industries, which account for the lion's share of global Gross Domestic product, will have a vital role to play in any transition process. This case study outlines the characteristics of the concept of the circular economy and explores how the retailing and hospitality industries are publicly addressing the circular economy. The case study reveals that the retail industry has, to date, made a greater commitment to the concept of the circular economy, than the hospitality industry, and offers some general reflections on the application of the concept within the service industries.

Keywords Circular economy; retail industry; hospitality industry; consumer behaviour; changing economic and political structures

Introduction

The concept of the circular economy is gaining momentum in political and business thinking about the transition to a more sustainable future. The European Commission (2010), for example, launched its new 'Circular Economy Action Plan' in March 2020, as part of Europe's new agenda for sustainable growth. In affirming its support for the circular economy, the European Commission (2020) claimed 'circularity is an essential part of a wider transformation of industry towards climate-neutrality and long-term competitiveness. It can deliver substantial material savings throughout value chains and production processes, generate extra value and unlock economic opportunities.' More critically, Gregson et al. (2015), argued that the idea of the circular economy is 'more often celebrated than critically interrogated' and that 'its actual enactment is limited and fragile.'

More specifically, the European Commission (2020) claimed 'the circular economy can strengthen the EU's industrial base' and 'make Europe less dependent on primary materials.' The UK's Engineering and Physical Sciences Research Council (2015) suggested the 'circular economy is part of the ongoing narrative on industrial sustainability' and techUK (2015) argued 'the circular economy has the potential to re-boot the UK's manufacturing sector.' However, services account for some 70% of the value added to the world's GDP and are seen to be 'increasingly vital to world economic growth' (Deloitte 2018). Thus it is not surprising that Hayes et al. (2018) argued that 'the service sector has the potential to play an instrumental role in the shift towards [circular economy](#) due to its strategic position between manufacturers and end-users. With these thoughts in mind, this case study outlines the characteristic features of the concept of the circular economy, explores how the retailing and hospitality industries are publicly addressing the circular economy, and

offers some general reflections on the application of the concept within the service industries.

The Concept of the Circular Economy

While Murray et al. (2015) suggested that the term circular economy has 'been linked with a range of meanings and associations by different authors' they argued that in its most basic form 'a circular economy can be loosely defined as one which balances economic development with environmental and resource protection.' The Ellen McArthur Foundation (2017, webpage), which was established in 2010 with the aim of accelerating the transition to a circular economy, argued that 'a [circular economy](#) is restorative and regenerative by design, and aims to keep products, components, and materials at their highest utility and value at all times.' Further the Ellen McArthur Foundation (2017, webpage) suggested that 'the [circular economy](#) is a continuous, positive development cycle. It preserves and enhances natural capital, optimises resource yields, and minimises system risks by managing finite stocks and renewable flows.' As such, the concept of the circular economy is often contrasted with the traditional 'linear economy' which turns raw materials into waste in the production process and which is seen to lead to environmental pollution and the removal of natural capital from the environment.

Essentially the concept of the circular economy embraces all stages of the product life cycle from both the product design and the production process, through marketing and consumption to waste management, recycling, and re-use. Within such an economy an initial focus on designing products that are more resource efficient throughout their life cycles can make products more durable, easier to repair and can enable the recovery of constituent, and potentially still useful, materials from the products when their initial lifespan is over. As long as the majority of environmental costs are borne not by producers but more generally by a potentially wide range of stakeholders then there is limited incentive to introduce more innovative design thinking. The circular economy also demands greater efficiency in production processes and here the focus is on looking to reduce the environmental and social impact of production, for example, through more sustainable sourcing and the promotion of innovative industrial processes.

Consumers have a vital role to play if there is to be a transition to a more circular economy. In theory much will be expected of consumers, not least in that they need to be prepared to embrace what they may see as radical new buying behaviours and consumption practices. Korhonen et al. (2018), for example, suggested the emergence of a 'new consumption culture' with 'user groups and communities sharing the use of the function, service and value of physical products.' Some commentators have suggested that the transition to a circular economy would constitute a dramatic transition in the way in which consumers approach consumption. Korhonen et al. (2018, p. 41), for example, predicted the emergence of a 'new consumption culture' with 'user groups and communities sharing the use of the function, service and value of physical products.' Within a circular economy, waste management is no longer seen as a problem, but rather as an opportunity to return as much waste as possible back into productive use. The focus is on the prevention, reuse, and recycling of waste materials rather than their disposal by landfill. Where waste cannot be prevented, reused, or recycled then recovering its energy content is seen preferable to landfill and waste to energy solutions are also

seen to be integral to the circular economy. More generally, the circular economic model also looks to investigate and promote new markets for waste materials.

Several factors help to explain the pressure for the transition to a more circular economy. These factors include the continuing depletion of scarce natural resources, the supply problems associated with the increasingly volatile international political situation and the unpredictable events associated with climate change, and the potential price volatility associated with both these factors. At the same time, the increasing introduction of national and international statutory legislative regulation designed to reduce environmental problems, and investment in technological innovations which promote the more efficient use of natural resources are also important drivers for a circular economy. More generally, indications of the emergence of new strategic corporate thinking that recognises that the imperatives of business continuity will encourage the adoption of new and more resilient business models.

The Circular Economy in the Retailing and Hospitality Industries

Retailing and hospitality are two of the largest, most important, and most visible elements within the service industries and they both have emotional bonds with consumers. As such, their public approach to the concept of the circular economy merits attention. A number of general initiatives and strategic policies can be identified within European retailing. The European Retail Round Table (2016), an organisation which represents European retailers, argued that 'transitioning to a circular economy will allow us to reduce our dependency on virgin materials and improve our exposure to volatile commodity prices.' Rather ambitiously, EuroCommerce and the European Retail Round Table (2015), claimed that 'Europe is leading the world in this shift', that 'retailers are a large contributor to the European Union economy' and as 'responsible economic operators' they 'are keen to take a front seat in shaping a circular economy in Europe.'

More specifically, Eurocommerce and the European Retail Round Table (2018) claimed European retailers were taking several steps to introduce the circular economy into their businesses. These steps included 'working on sustainable sourcing practices that, for example, help regenerate woodlands and find a second life for waste wood; redesigning and redeveloping their products, by using recycled or recyclable materials as much as possible, reducing dependence on virgin materials; gradually removing environmentally damaging chemicals and substances from products to facilitate the recycling of products; 'increasing the amount of energy sourced from renewable sources.'

Several leading European retailers reported on how they have addressed the circular economy. Kingfisher (2019), for example, reported 'we are integrating circular economy principles into our product design, aiming to use resources more sustainably' and 'with this goal we will bring our customers quality products that are long-lasting, create less waste and are easy to recycle while protecting resources for the future.' Further, Kingfisher (2019) reported 'our target is to have 20 product ranges or services that help customers and our business get more from less, reuse, or use longer by 2025.' Kingfisher (2019) also identified its 'principles for circular product design', which included materials that are easily and widely recycled, design for durability, low energy and carbon usage and working conditions in the supply

chain. Durability, for example, is seen to be important in that it is deemed to be better for customers and it reduces waste.

H&M (2020) reported 'our ambition is to become a fully circular business within our entire value chain. This means we move from a linear model – take, use, waste – to a circular model where we maximise resource use and reuse, and where nothing is wasted. This circular strategy applies to our products, as well as to our noncommercial goods such as packaging and items used in store interiors, offices, and other buildings.' More specifically H& M (2020) reported 'our brands offer customers a variety of fashion, design and services that enable people to be inspired and to express their own personal style, making it easier to live in a more circular way' and claimed 'innovation drives our circularity efforts' in that 'we're rethinking how products are made and used, and then reused' and 'we are developing new ways to repair, repurpose and recycle goods wherever possible and encouraging our customers to join us on this journey.'

Ikea (2020) reported 'our ambition is to see all IKEA products as raw materials for the future, and to design them all to have circular capabilities that help to prolong their lives. We will extend our relationship with customers throughout a product's use and end-of-life to enable them to repair, reuse, resell and recycle IKEA products. We will provide and promote services, solutions, and knowledge for circular and sustainable consumption, such as furniture takeback services.' Further, Ikea (2020) claimed 'transitioning to a circular business affects every part of our value chain, including how we design our products. Circular products will be designed from the very beginning to be reused, refurbished, remanufactured, and recycled – extending their lifespan for as long as possible. They will also be material banks for the future, meaning we can take them apart when they are no longer working or wanted and reuse the raw materials.'

Inditex claimed that the circular economy was one of two core axis of the company's sustainability strategy. More specifically, Inditex (2019) reported that its 'commitment to circularity' was essential in 'advancing towards decarbonisation of the value chain', for 'our programmes for the pre- and post-consumption recycling of fabrics' and 'to transform the concept of waste so that it is considered a valuable resource that can be recovered and reintroduced as a raw material in production systems.' Marks and Spencer (2020) emphasised 'the need to transition to a circular economy where the value of the materials and energy used in products are kept for as long as possible' and in outlining its approach to waste, the company claimed 'we support the transition to a sustainable circular economy and will prioritise business model innovation and put circular ways of working into practice.'

Amongst retailers in the US, there seems to be less public enthusiasm for the concept of the circular economy. The Retail Industry Leaders Association (2020a) recognised that 'the retail industry has an important role to play in creating a more circular economy. In addressing 'environmental sustainability', for example, the Retail Industry Leaders Association (2020b), claimed 'our priorities are increasing efficiency and waste diversion and exploring circular economy innovations for waste' but there was no presentation of how this priority was to be pursued. That said, the US Chamber of Commerce Foundation, the Sustainability Consortium, and the Retail Industry Leaders Association (2017) jointly published a 'Circular Economy Toolbox',

to help companies 'incorporate circularity into their core principles and business practices.'

In a similar vein, some of the largest US retailers publicly reported on the circular economy in relation to parts of their overall retail operations but fell short of making any wide-ranging corporate commitments. Under the banner 'Our Warehouses', Kroger (2019), for example, reported 'in 2018, we used more than 160 million reusable plastic containers to ship produce in our distribution network, reducing waste and moving us toward more circular models', and that its distribution centres 'champion our circular economy initiatives through their deployment of reusable shipping pallets and reusable plastic containers.' Home Depot (2019) reported that the circular economy was one of the sustainability issues that informed its materiality assessment framework and claimed 'we will embrace circular economy products and packaging as suppliers continue to develop their thinking and capabilities.' More extensively, Walmart (2019) reported 'increasing global demand is placing unsustainable pressure on the climate and natural ecosystems, challenging us all to shift from a take-make-dispose system of production and consumption to a circular, regenerative approach.'

Within the hospitality industry public commitments to the concept of the circular economy have been much more limited. While many of the large players within the industry have been pursuing corporate sustainability and social responsibility issues for some time (e. g. Jones et al 2014) there has been little by way of an explicit corporate focus on the circular economy. By way of exceptions to this position, in addressing waste management, Carnival Corporation (2018), for example, reported 'we manage the amount of waste material generated onboard and work with disposal companies to promote a circular economy.' Hilton (2019), for example, reported 'we're committed to sustainable travel and tourism' and 'from our operations to our communities and supply chain, we are redefining sustainable travel' but its only genuflection to the circular economy was committing 'to sending zero hotel soap to landfill.' The Intercontinental Hotel Group couched its commitment to the circular economy in its decision to bulk-size, rather than individual, bathroom amenities.

Wyndham Hotels and Resorts (2019) reported 'we have a deep commitment to preserving our natural resources while developing innovative solutions to mitigate our impact on climate change through linen and towel reuse programs, energy efficient lighting, recycling and water conservation', but here again there was no reference to, or recognition of, the concept of the circular economy. In a similar vein, the Marriott International, the Radisson and Best Western hotel groups all emphasised their commitment to recycling but made no formal reference to the circular economy. That said some smaller hotel chains have embraced the circular economy. Martin's Hotels, the Belgian hotel chain, has employed a circular economy model in its purchasing, waste, and renovation projects. In pursuing its purchasing policy, for example, Martin's Hotels looks to give priority to local, natural, recycled, recyclable and seasonal products, to minimise the flow of incoming waste and to maximise the recycling of the waste.

More generally, some tourism organisations have looked to embrace the circular economy. The South Pacific Tourism Organisation (2017), for example, has suggested that the opportunities created by a move towards the circular economy could be important in more effective waste, water, and energy management and in

creating employment within the industry. The BLUEISLANDS project (Network of European Regions for a Sustainable and Competitive Tourism Sector 2018) emphasised 'the potential of sustainable tourism as a lever to promote circular economy' across over 60 islands in the Mediterranean. Here, the focus is on identifying, addressing, and mitigating the effects of the seasonal waste generated by the tourist industry on the islands. The Centre for Regional and Tourism Research (2017) in Denmark, led a project designed to help 'transitioning toward a circular economy within the tourism and hospitality sectors in the South Baltic Region.' Here the aim was to increase the innovativeness of small and medium-sized enterprises within the tourism sector by supporting the integration of circular economy elements into their services, products, and business models.

Despite the limited public enthusiasm for the concept of the circular economy within the hospitality industry, there are suggestions that its time is coming. Lopez (2019), from the Ecole Hôtelière de Lausanne, for example, suggested 'one of the main and current issues discussed in the media is climate change' and that 'to tackle this problem, new ways of thinking the economy appeared since few years, in particular in developed countries, and the circular economy embodies most of them.' Further, Lopez (2019) argued 'economically speaking, there are good reasons to believe that firms within the tourism sector have a vested interest to adapt their production process to what I like to name circular tourism.' In a similar vein, the Dawnvale Group (2019), a company which specialises in bar and restaurant design and installation, claimed 'the circular economy has been sneaking up on us for years, but it's now beginning to show signs of infiltrating many other industries, with the hospitality sector being cited as one area which could massively benefit from adopting a circular approach to service provision' and 'as more and more organisations operating within the hospitality sector embrace the concept of reusability, it is hoped that the idea of the circular economy could be rolled out through the entirety of the tourism industry.'

Reflections

While a range of sustainability agendas and programmes have been pursued within both the retailing and the hospitality industries, of the two, the retail industry has, to date, demonstrated greater commitment to the concept of the circular economy. Within the retail industry many of the commitments to the circular economy currently seem to be largely, though not entirely aspirational, and it remains to be seen if such aspirations are realised. Less positively, within the hospitality industry commitments are, at best, to waste management and recycling and the circular economy lacks a formal corporate strategic stamp. That said, both the retailing and hospitality industries might, at best, be seen just embarking on a long circular economic journey, their varying level of commitment to the concept of a circular economy may be best seen as aspirational, and they may well encounter major difficulties along that journey. At the same time, three more general issues, which also have important implications for the retailing and hospitality industries, merit reflection and discussion.

Firstly, there are issues about the concept of the circular economy meaning different things to different players. For Korhonen et al. (2018), for example, saw 'the circular economy as an essentially contested concept', and they suggested that the 'circular economy seems to be a collection of vague and separate issues from several fields.'

Corvellec et al. (2020) acknowledged that the circular economy 'allows for a whole range of interpretations and approaches to be bundled together.' As such this effectively allows companies to define the circular economy to mean what they want it to mean. Many of the leading players within the hospitality industry, for example, couched their public commitment to the circular economy specifically in terms of waste management. However, while waste management is part of the transition towards a circular economy, it is but one element in the product/service life cycle. Companies who genuinely want to pursue a truly comprehensive approach to the circular economy, which embraces all the product/service life cycle, will surely need to reconfigure their business models. Here in parallel, Urbinati et al. (2017) in parallel, suggested that academics 'within the strategic management field' are 'struggling with a lack of a framework explaining how companies willing to become circular adapt their existing business model or create new one.'

Secondly, the transition to a circular economy would both drive, and demand, major changes in consumer behaviour and consumption patterns. Within retailing, for example, t the very least, retailers may need to look to have a greater focus on providing consumers with clearer information on the environmental impacts of their buying behaviour and on more general and sustained educational and public awareness initiatives designed to promote more responsible environmental attitudes to consumption. More fundamentally, the transition to a circular economy would certainly constitute a dramatic change in the ways in which consumers approach consumption and arguably see the emergence of a 'new consumption culture' (Korhonen et al. 2018). Indeed, the emergence of such a new culture of consumption with 'user groups and communities sharing the use of the function, service and value of physical products' (Korhonen et al. 2015) and where the focus would be on co-operative endeavour, is arguably central to the circular economy.

Such a transition towards a circular economy, would surely be seen to challenge the current social value which consumers ascribe to many of the products and services they buy, which may in turn, make it difficult for large numbers of consumers to buy into second hand, or reusable. patterns of consumption. In some ways, the hospitality experiences people enjoy may be seen to be important in defining their identity. At one level, an individual's identity may, in part, be forged by regular ocean cruises, which are often perceived to visit exotic locations and unique environments, and at another level, identities may be shaped by performance prowess in simple games in cafes, bars and public houses. As such, a move to a new culture of consumption, could seem to run counter to the current ethos and business models of the leading players within the retailing and hospitality industries. More generally, it remains to be seen how enthusiastically consumers will embrace the realities of the circular economy not least because it might be seen by many as a reverse of progress towards a better life' that involved 'a sacrifice of our current, tangible needs and desires, in the name of a better but uncertain future' (European Commission).

A transition to a circular economy is certainly bound up with the thorny and elusive issue of sustainable consumption, described by Cohen (2005) as 'the most obdurate challenge for the sustainable development agenda.' GreenBiz (2015) argued 'entrenched patterns of overconsumption present a massive hurdle to clear before circular economic models can achieve any sort of scale.' In many ways what some commentators see as the continuing and unrestrained pursuit of unsustainable consumption, described by the European Environment Agency (2012) as the 'mother

of all environmental issues', lies close to the heart of this dilemma. Korhonen et al. (2018), for example, suggested that 'the most important question for the circular economy in terms of long-term sustainable development of global society, is how can the saved resources and money generated by the circular economy idea be directed to sustainable consumption practices. If the current consumption culture will not change, circular economy will remain as a technical tool that does not change the course of the current unsustainable economic paradigm.'

Thirdly, there are more fundamental, and more contentious, issues about the relationship between the emergence of, and transition to, a circular economy and existing economic and political structures. Gregson et al. (2015), for example, argued that a circular economy 'would require radical transformations to the economic order, including fundamental recasting of manufacture, retail, consumption and property rights.' Such transformations would certainly challenge traditional business models, particularly those in the retail and hospitality industries, and concerns have been expressed that the concept of the circular economy might be captured by corporate interests, and more specifically by corporate capitalism. Valenzuela and Bohm (2017), for example, suggested that 'given the all too obvious consequences environmental crises associated with out-of-bounds growth capitalism, the circular economy has been one of the main references for rebuilding and reforming a political economy of sustainable growth.' However, Valenzuela and Bohm (2017) further argued that the terms circular economy and sustainability were effectively being 'captured by politic-economic elites claiming that rapid economic growth can be achieved in a way that manages to remain responsible to environment and society.'

Conclusion

The retailing and hospitality industries are beginning, albeit in different measure, to turn their attention to the concept of the circular economy, but they are at the start of what may be a long journey to an uncertain destination. That said, at the present time, many of the commitments to the circular economy within the retailing and hospitality industries might be seen to be aspirational. As such, it remains to be seen how far the major players within these industries will choose to pursue these aspirations as a contribution of the wider transition to a more sustainable future and, more widely, whether or not the circular economy can become a workable and realistic business model within the service industries. If the retailing and hospitality industries' commitments to a more circular economy are to become a reality then they will not only need to effect a radical change in their current business models, but any such a change will also need to be accompanied by fundamental changes in consumers' consumption behaviour.

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The impact of marketing agricultural products in Kosovo on increasing their competitiveness in the market toward customer loyalty

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Abstract

Increasing competitiveness in today's economy keeping in mind that you have to take care to existing customers and gaining new customers, by keeping them all the time loyal, is a very crucial and very hard. Thus, the agricultural sector in Kosovo, which is in a growth stage, has to develop strong marketing relations with customers and "fight" competition in one side and to increase competitiveness in other side, through marketing activities, which will lead to find new strategies to sell existing products and find new products to fulfill customer needs and wants. The main purpose of this study is to analyze the role of marketing activities used by Kosovar agricultural enterprises toward customer loyalty and increase of competitiveness. Main objectives of this study are: to analyze marketing activities of producers toward the customer loyalty; analyses of the linkage between new products strategy to fight competition and customer loyalty and; linkage between the business profitability and keeping customers loyal. The applied research method is a quantitative method. Questionnaire was used as the research instrument for this study. The survey was self-administered and conducted from September 2019 to January 2020 using selected sampling technique oriented towards agricultural enterprises which are better consolidated in the market. The sample consisted of 60 businesses surveyed from all regions of Kosovo. The findings shows that regardless of the size of the enterprise, consumers who are loyal to certain enterprise brands compared to the competition have strong links to market research activities by these enterprises and business profitability is related close to the loyalty of their customers. This research has also its limitation leaving a space for further exploration of the dimensions related to loyalty, profitability and competitiveness of companies from Kosovo versus companies of regional markets.

Key words: customer loyalty, marketing activity, competition, brand loyalty, agricultural products

Introduction

Manufacturing companies that have a marketing strategy create comparative advantage in the market, build consumer confidence and increase their value. Also, timely and appropriate market research and other actions based on the findings and achievements of scientific research will affect the growth of yields and the development of agricultural enterprises themselves. This paper will also be a continuation of the contribution to the development of competitiveness of agricultural products as a result of marketing application through which the market should be researched and aware of the agricultural producer in increasing their market performance. Kotler & Armstrong (2013) stated that "today's enterprise decisions about what to produce will affect market research, where the consumer is king". This means that the approach towards the

consumer can undoubtedly lead to the increase in market demand of agricultural products. In this regard, certain activities are needed, which include market analysis and research, monitoring of the market situation and proper promotion of products. At the other end, the market is the place where producers and consumers meet, who exchange products and services at a specific time and space, at a price that is created in the market under the influence of supply and demand, as well as by the organization and place of their concentration. Regardless of the field, the primary role of loyalty in our lives seems to be the same: to make our lives more enjoyable. Whereas Keller, in his essay on loyalty, argues: we need loyalty because it makes our lives better. In all sorts of ways, life is richer, more enjoyable, and less scary when we have loyal relationships.

Literature review

Marketing is the main lead toward creating a sustainable development by having in mind the main reason of company survival into the market, fulfilling customer needs and wants. "Marketing is a social and management process through which individuals and groups gain what they need and want, through the creation, delivery and exchange of valuable products with others" (Kotler & Keller, 2012). From this definition, we could find the message deriving that companies should focus on creating good products which will be exchanged with others/customers or companies, depending is that is a final consumption market or business market. Other definition of marketing is given by The American Marketing Association (2019) offers this formal definition that states: "Marketing is a process activity to create, communicate, deliver, and exchange offers that have value for customers". Beside these marketing activities, we should consider also a proper marketing strategy that should be followed by companies for sustainable growth in today very competitive market. Kotler & Armstrong, (2014) stated that "Defining and implementing a strong marketing strategy is almost the single most important factor contributing to the long-term sustainable success of any business". Agricultural producers in Kosovo should keep in mind that in addition of producing quality products, should apply a good marketing strategy for existing markets and also for entry to the new markets. Existing customers would be satisfied and loyal, while new customers would by those products and become "addicted" to these brands. Companies in other side would make profit and increase productivity. This is presented by Fejza & Bajrami, (2020) "Making profit, reducing costs and increasing productivity by growing the business are positively related. It is also worth mentioning that a good number of companies focus in assuring the survival in the market, by increasing their profitability or by growing their market share. Whatever the goal of the company and their strategic plan is, all companies should pursue ways in improving their products, engaging actively in market research in an attempt to measure the market needs and preferences and then acting upon that accordingly". Being competitive into the market is very crucial. Fejza & Abdullahu (2020) citing K. Sudhir (2001) stated that: "In a competitive marketplace, the effectiveness of any element of the marketing mix is determined not only by its absolute value, but also by its relative value with respect to the competition. For example, the effectiveness of a price cut in increasing demand is critically related to competitors' reaction to the price change. Managers therefore need to know the nature and extent of competitive reactions". Furthermore, following the marketing mix element combination and good strategy will lead companies toward the successful brand loyalty and customer satisfaction and company loyalty. The influence of brand experience on customer satisfaction was studied by Brakus, Schmitt and Zarantonello (2009) as cited by Ferreira P. at all (2019), who also mentioned in their paper the brand love from which

derives customer satisfaction and customer loyalty. Ferreira et al. (2019) cited different authors regarding brand love: Consumers' love for brands comes mainly from the consumer-brand relationship theory. Love is a positive feeling that reflects an emotional attachment that goes beyond brand liking (Carroll and Ahuvia, 2006; Rossiter, 2012). Fournier (1998) already pointed out love as the strongest brand relationship, in the context of the indicators of brand relationship quality: "the affect supporting brand relationship endurance and depth was much greater than that implied in simple notions of brand preference" (p. 363). Brand love is linked also with customer identity and his ability to express feelings and love toward the brands when it is a loyal one. Karjalainen, Munnukka and Kiuru (2016) stated that "Beloved brand is part of a consumer's identity, since through its image and attributes, the consumer is able to express his/her own self".

Methodology

The applied research method is a quantitative method. Questionnaire was used as the research instrument for this study. The survey was self-administered and conducted from September 2019 to January 2020 using selected sampling technique oriented towards agricultural enterprises which are better consolidated in the market. Answers to the questionnaire questions provided the personnel in charge of marketing the companies in question. The sample consisted of 60 businesses surveyed from all regions of Kosovo such as: Prishtina, Mitrovica, Peja, Prizren, Ferizaj, Gjilan and Gjakova. The limitation of this study was the exclusion of small enterprises that are not yet well consolidated and as such do not undertake significant marketing activities. The three-page questionnaire consisted of forty-five questions consisting mainly of narrow questions, and asked questions about respondents' attitudes, actions, experiences, perceptions, preferences, practices, and knowledge about new entrants, substitute products, power consumer purchasing, supplier contracting power and competitive rivalry along with marketing application. The types of closed-ended questions that were most commonly used include: dichotomous, Likert scale, and multiple choice. Primary data were collected, processed, and analyzed using multivariate analysis. Examining the bilateral relationships to calculate the degree of association or correlation between the two variables was chosen to test the hypotheses using the Pearson Correlation Coefficient Test in the Statistical Package for the Social Sciences (SPSS) software (version 21).

To substantiate these, we have put forward two hypotheses, which we will address below:

- *H1: Loyal customers have a positive correlation with firms' consumer research activities;
- *H2: The profitability of businesses is positively correlated with the loyalty of their customers

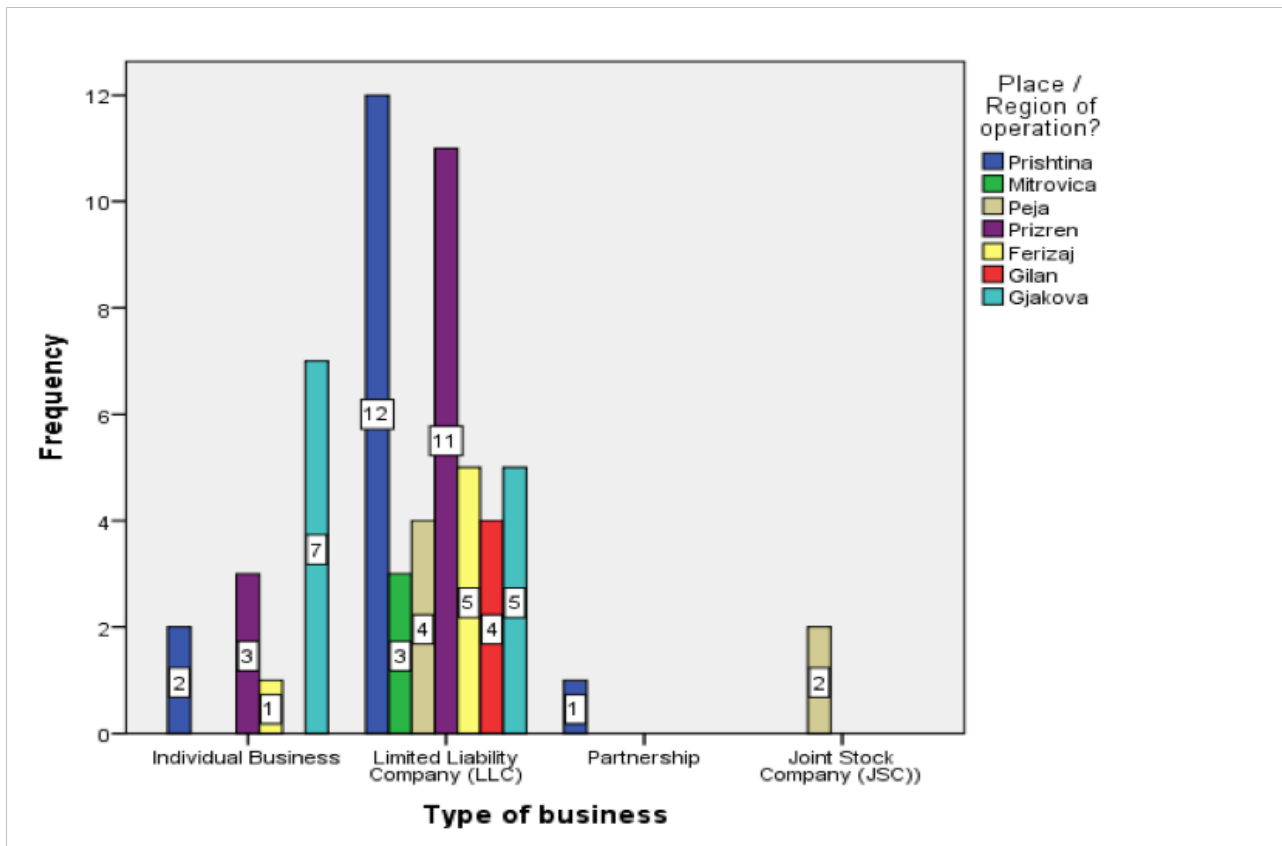
Findings

This section of the article looks at survey questions only and excludes most other questions. The focus of the study is on customer loyalty in relation to enterprise profitability and market research in Kosovo. The data from the survey were coded and entered into SPSS for statistical processing and analysis such as calculation, interpretation, comparison and evaluation. The dataset is presented using descriptive statistics and tables and gradients. The categorical data placed respondents in relevant

groups, the sum of respondents in each predicted group (frequency), and the percentages of respondents in each group (relative frequency).

Participation in the study is as follows:

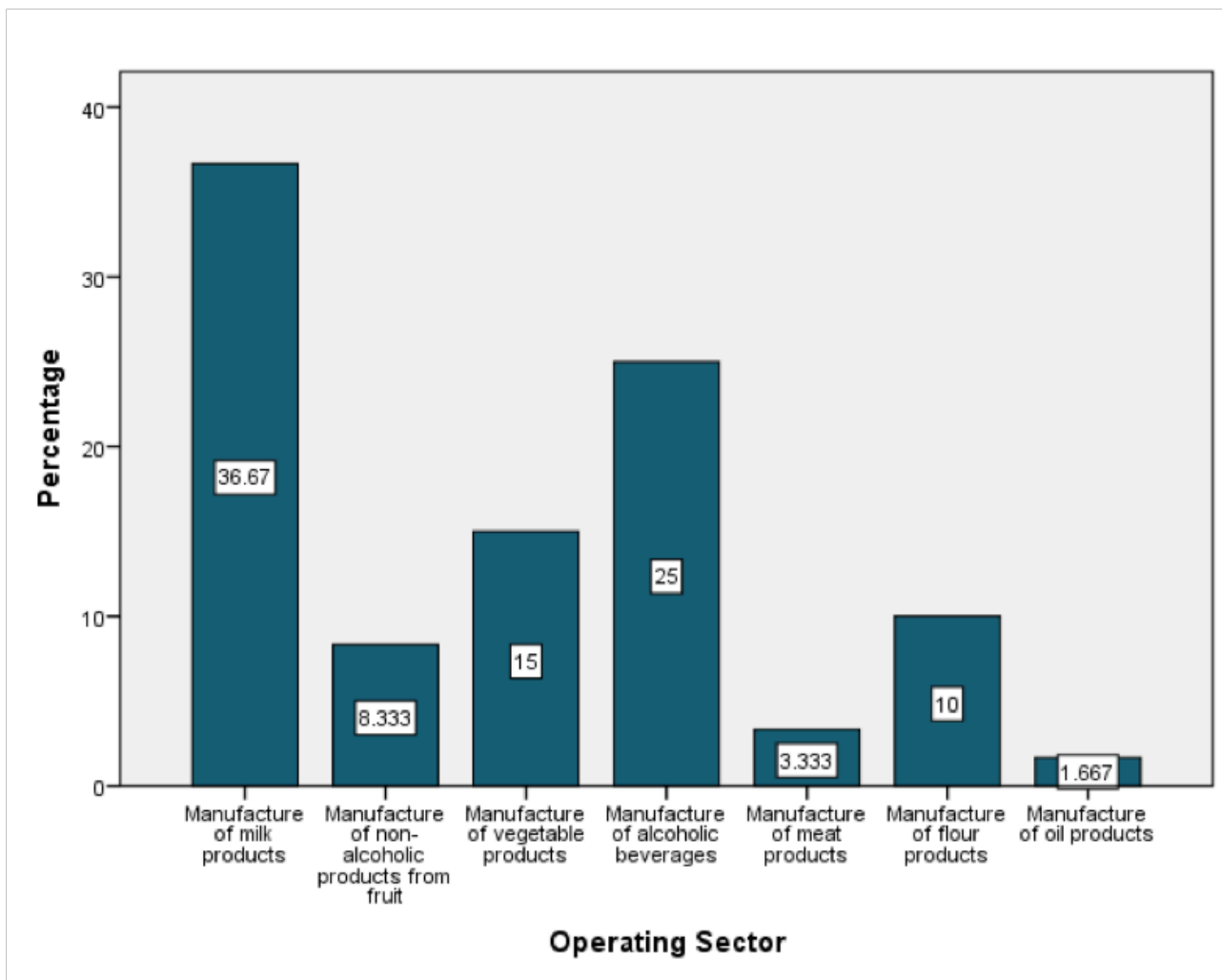
Graph 1: Type of business and place of operation



From the total of 60 businesses surveyed throughout the territory of Kosovo, this chart shows the participation of the type of businesses with the region of operation. From these data we can see that the largest business type is the limited liability company (LLC), with the largest concentration in the region of Prishtina, with a total of 12 businesses, followed by the region of Prizren, with 11, then the regions of Gjakova and Ferizaj with 5 businesses, Gjilan and Peja with 4, as well as Mitrovica with 3 such businesses. The types of businesses that follow after the first group are Individual Businesses, of which we mostly have in Gjakova region with 7 businesses, Prizren with 3, Prishtina with 2 and Ferizaj with 1 individual business. Participation of business type as Joint Stock Company (JSC), we have in total 2 such ones in the region of Peja. In this research, we also include the type of Business Partnership, with 1 such business, which is in the region of Prishtina.

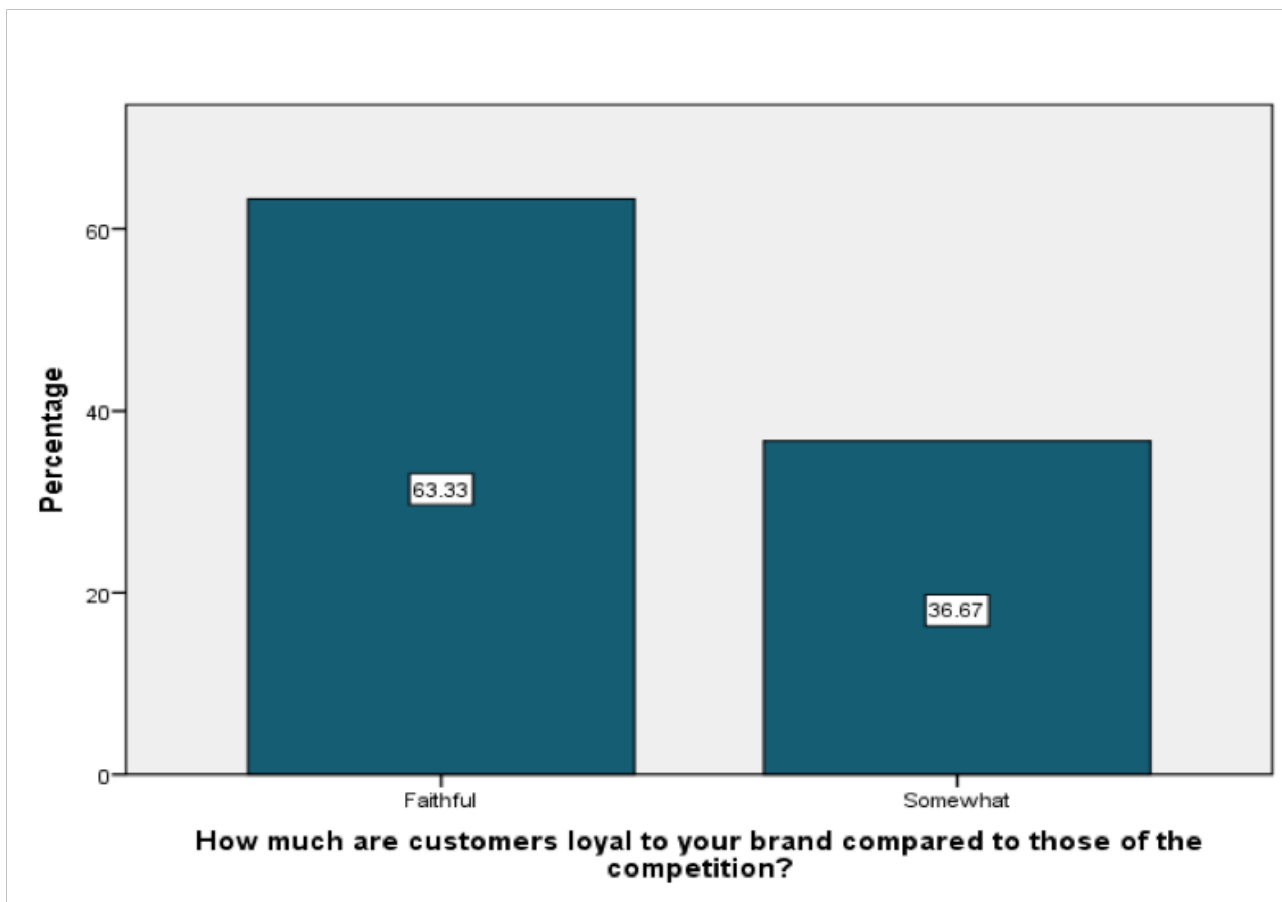
From these data, it appears that in the context of the research, we have participated in different types and distributed in all regions of Kosovo, almost in proportion to the number of manufacturing businesses in each region.

Graph 2: Operation sector



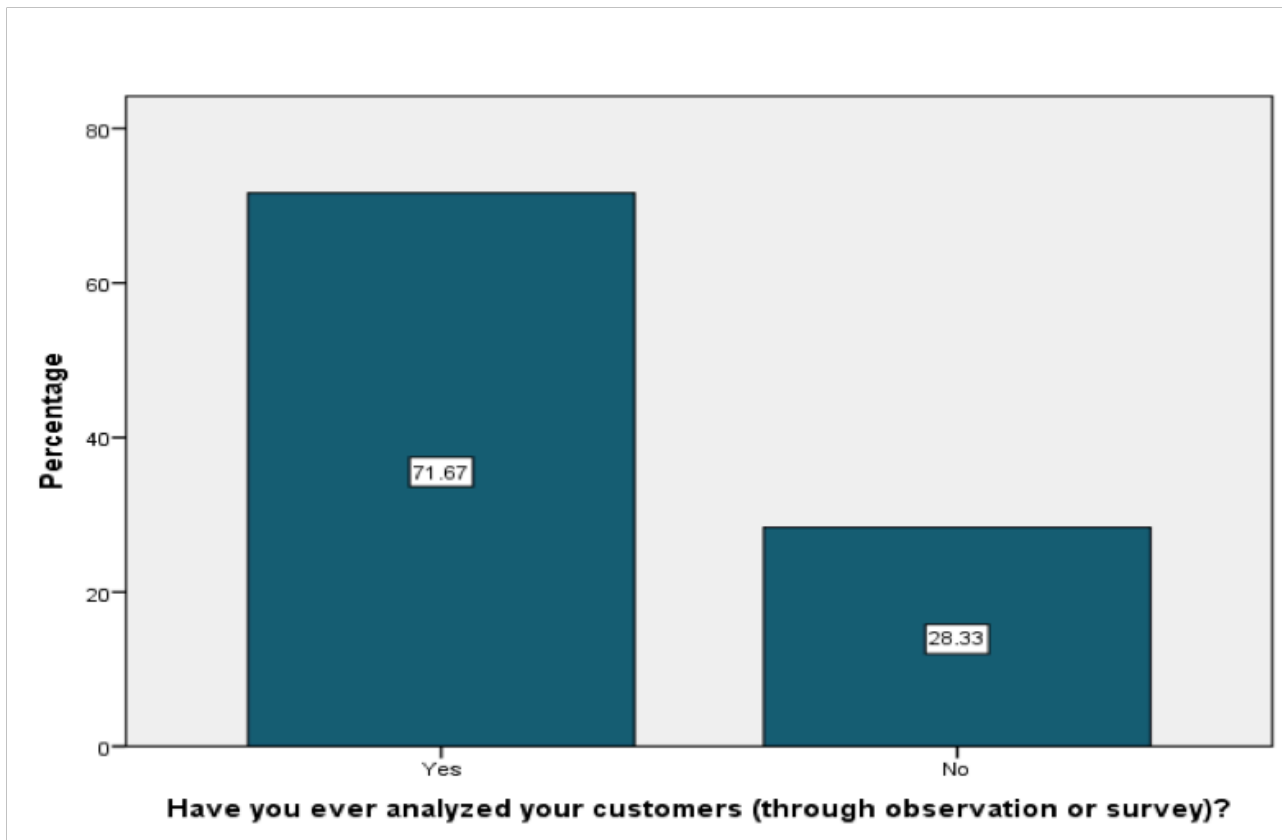
The graph shows the operating sector in relation to the percentage of participation in this research. The sector with the highest participation is the processing of milk products with 36.67%, followed by the alcoholic beverages (wine, beer and brandy) sector with 25%, the vegetable products sector (potatoes, sauces, mushrooms, , etc., with 15%, flour products (doughs, biscuits, broilers, etc.) with 10%, followed by the non-alcoholic fruit production sector (juices, jams, etc.) with 8.33% , meat products by 3.33%, and sunflower products, such as oil by 1.67%. In this research, it has been attempted to include as many products as raw materials have agricultural products, and as such are well consolidated in the market, relying on the application of marketing elements.

Graph 3: Customer loyalty



In this survey, out of 45 questions asked to enterprises, one of them was: How much are customers loyal to your brand compared to competition, and their answer was 63.33% are loyal to the products they represent for among their car, while 36.67% responded that their customers are loyal to their products and competition, and interestingly from this survey none of the businesses surveyed responded to their customers with the faithful "no" option.

Graph 4: Consumer research



This graph, too, reflects a high degree of positive response to consumer research. To the question: Have you ever analyzed your customers through surveillance or surveying, the surveyed companies responded with 71.67% yes, and only 28.33% gave negative answer, but some of them said that we plan to take this action soon.

From the result of this research, we come to the conclusion that most companies understand the importance of marketing activities, in the success of doing business by doing market research on what the consumer wants them to then produce. product for which there is consumer demand. For this important input towards the validation of the hypotheses we have raised, which we will reflect below:

H₁: Loyal consumers are correlated positively with the firm's consumer's research activities.

Table 1: First Hypothesis Test

Hypothesis 1	Loyalty of consumers	Consumer research	
Loyalty of consumers	Pearson Correlation	1	.289**
	Sig. (2-tailed)		0.025
	N	60	60
Consumer research	Pearson Correlation	.289**	1
	Sig. (2-tailed)	0.025	
	N	60	60
**. Correlation is significant at the 0.01 (2-tailed).			

Table 1 summarizes the results of the first hypothesis. The first hypothesis assumed that the consumers who are loyal to firm's brands compared to competitors are correlated to the consumer research activities. A Pearson correlation coefficient revealed that there was a positive correlation between the two variables, $r = 0.289$, $n = 60$, $p = .025$. Generally, there was a strong positive relationship between consumer's loyalty towards brands and consumer research activities undertaken by firms in order to satisfy accordingly their needs.

H₂: The business profitability of the firms is correlated positively with the loyalty of their consumers.

Table 2: Second Hypothesis Test

Hypothesis 2	Business profitability	Loyalty of consumers	
Business profitability	Pearson Correlation	1	.354**
	Sig. (2-tailed)		0.006
	N	60	60
Loyalty of consumers	Pearson Correlation	.354**	1
	Sig. (2-tailed)	0.006	
	N	60	60
**. Correlation is significant at the 0.01 (2-tailed).			

Table 2 presents the results of the second hypothesis. The second hypothesis was based on the assumption that the business profitability of firms is strongly correlated to the loyalty of their consumers. A Pearson correlation coefficient sheds light to the

positive correlation between the two variables, $r = 0.354$, $n = 60$, $p = .006$. In this regard, we can conclude that the profitability of the firms has a very strong positive relationship with the loyalty of consumers.

Conclusions and recommendations

Producers who conduct market research in advance, reach contractual agreements at home or abroad with buyers, and always cultivate product quality to ensure the highest prices for their products compared to other products of the same quality, as well as guarantees for themselves who will sell their products on time and profitably. Thus, in addition to increasing awareness by enterprises of customer needs and preferences, they can offer products that on one hand create loyal customers and on the other hand can generate profit for themselves at the same time, and thus can develop a business strategy based on marketing application. Statistical hypothesis tests have shown that there are correct linear relationships for the two hypotheses raised in market consolidated enterprises. Access to meet the needs of consumers requires attractive packaging, whether in a seductive form or color, but also labels with relevant information on the quality, origin and content of the product guaranteeing the consumer the product possesses certain qualities. To maintain their market position, but to be even more competitive, agricultural producers need to embark on advanced marketing activities, apply modern marketing model methods, and focus production on meeting consumer demand through: differentiated products with specific attributes, participation in segmented markets, up-to-date ecological standards, access to information systems, improved managerial and resource conservation capabilities, and an environmentally-friendly environment. The remaining challenge for manufacturers is to keep track of customers' demands and needs and to offer new products along with them, thus tracking outward competition. Managing new products, their growth and development is one of the key components in an enterprise. It needs to look beyond existing products. Small producers of agricultural products in the Republic of Kosovo, in general, face the problem of identifying and implementing a proper marketing strategy in the marketing of their products and in the business of their enterprises as a whole, in order to succeed in their business they are recommended to do market research first so that they can provide the market with additional value and at the same time create a loyal customer and thus a profit for themselves.

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Relationship between promotion and customer awareness

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Abstract

The study examined the relationship between promotion and customer awareness in Rambaxy Nigeria Limited. Survey research design was adopted for this research. Primary data which includes questionnaire was used to elicit information from the members of staff while secondary data encompasses related journal materials, periodicals. Descriptive statistics (percentages) and inferential statistics (correlation) were used to analyze the data. Based on the findings of this study, it was concluded that promotion is a critical and vital factor that enhances customer awareness. Hence, promotion attracts attention particularly when consumers are not very familiar with the products. It was strongly recommended that investments should be made towards research and developments as it becomes extremely necessary to consider the cost/benefits analysis of promotions as past researchers emphasized that promotion is based on meeting customers' needs within a short term period.

Keyword: Promotion, Promotion Strategies Customer Awareness

Introduction

There is no doubt sales promotions have become a vital tool for marketers and its importance has increased significantly over the past 2 decades. In Nigeria, sales promotions expenditures by various companies is estimated to be in thousands of Naira and the emphasis on sales promotion activities by the various industry players continue to increase year on year (Hassan and Khan, 2018). Sales promotion is an initiative undertaken by organizations to promote sales, usage or trial of a product or services (i.e. initiations that are not covered by other elements of the marketing communication/promotional mix). It is an important component of an organization's overall marketing strategy along with advertising, public relations, and personal selling (Schiffman & Kanuk, 2017). Sales promotion act as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over another. It is particularly effective in spurring product trial and unplanned purchases (Aderemi, 2016)

The American Marketing Association (AMA) (2016), defines sales promotion as "media and non-media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product quality." But this definition does not capture all the elements of modern sales promotion. One should add that effective sales promotion increases the basic value of a product for a limited time and directly stimulates consumer purchasing, selling effectiveness, or the effort of the sales force. It can be used to inform, persuade, and remind target customers about the business and its marketing mix. Some common types of sales promotion include samples, coupons, sweepstakes,. contests, in-store displays, trade shows. price-off deals, premium and rebates (Mensah, 2016).

Business can target sales promotions at three different audiences: consumers, resellers and the company's own sales force. Sales promotion acts as a competitive weapon by providing an extra" incentive for the target audience to purchase or support one brand over

another. It is particularly effective in spurring product trial and unplanned purchases. Most marketers believe that a given product or service has an established perceived price or value, and they use sales promotion to change this price-value relationship by increasing the value and/or lowering the price. Compared to the other components of the marketing mix (advertising, publicity, and personal selling), sales promotion usually operates on a shorter time line, uses a more rational appeal. returns a tangible or real value, fosters an immediate sale, and contributes highly to profitability (Langat, 2016)

Doyle and Saunders (2017) stressed that every effort should be made to assess the strength and weakness of promotional activities with the objective of cataloging experience for use in future planning. So it is very vital to consider product life cycle in order to know when to promote a product and when not to promote it. Information about the effectiveness of past schemes will give the market planners that confidence needed to justify to those responsible for budgets, the probability of success of the sales promotion they are running will be high. Sales promotion has to be adopted over advertising, personal selling and publicity as a marketing strategy for a company. which wants to prosper.

Statement of the problem

Sales promotion is an increasingly important and integral part of marketing mix in most industries. Peter (2018), describe sales promotion as an action-focused marketing event, whose purpose is to have a direct impact on the behavior of the firm's customers. Selling is essential to wellbeing of any economic system and it probably offers more job opportunities than any other single vocation. Sales promotion is regarded as one of the most important and most effective promotional tool for any marketing oriented organization. Despite the enormous advantages of sales promotion, it has certain short comings. There is problem of high cost it is believed that the use middle men and sales people enable organizations to reach its target market with minimum effort but the cost developing and operating this is exorbitant. The cost result from for instance, sales peoples salary and commission, traveling allowance and monetary benefits are high. Lack of qualified sales people to carry on the promotion is another serious problem it is difficult to get the right caliber of qualified sales people who will be ready to work as sales people. The problem of lack of respect for sales people is another issue in our society that lead to low working moral on their side (Peter, 2018)

Despite the above obvious fact; contemporary marketing management places high premium on measurement of sales promotion as a requirement marketing strategy in a company to promote or increase its sales. As such there is need to measure the impact of the sales promotion (Odunlami & Akinruwa, 2016). Therefore, business operators need to develop marketing program that will not only reinforce customer's awareness but also encourage repeat purchases. A part of the functions of sales promotion is not only to reinforce customer awareness but to encourage repeat purchase. Sales promotion has effects on various aspects of consumer's purchase decisions such as brand choice. purchase time, quantity, and brand switching (Munnukka, 2016). Thus. sales promotion is used to ensure that customers are aware of the products that the organization is offering. Thus, stiff competition among companies in their effort to gain competitive advantage over their competitors is one the major concern of most organization. Therefore, it is pertinent for such organization to make use of sales promotion as an effective strategy in achieving increased sales and customer awareness.

Literature Review

According to Pappu (2017), promotion refers to raising customer awareness of a product or brand, generating sales, and creating product loyalty. Promotion is also defined as one of five pieces in the promotional mix or promotional plan (Isabella, 2014). These are personal selling, advertising, sales promotion, direct marketing, and publicity. A promotional mix specifies how much attention to pay to each of the five factors, and how much money to budget. Promotion covers the methods of communication that a marketer uses to provide information about its product. Information can be both verbal and visual (Mulhern, 2016).

To Aderemi (2016), promotion is any marketing effort whose function is to inform or persuade actual or potential customers about the merits of given product or service for the purpose of inducing a consumer either to start purchasing or to continue purchasing the firm's product or service. To communicate with individuals, groups and organizations, several types of promotional methods can be used. The specific combination of promotional methods used are advertising, personal selling, sales promotion and public relation.

Howard and Sheth (2017) , defined Sales promotion as any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (that is, initiatives that are not covered by the other elements of the marketing communications or promotions mix). Sales promotion is one of the five parts of the promotional blend. (The other 4 sections of the promotional blend are publicizing, individual offering, coordinate marketing and publicity/public relations.) Media and non-media marketing communication are utilized for each decided, restricted time to build buyer request, animate market request or enhance item accessibility. Cases incorporate challenges, coupons, freebies, misfortune pioneers, purpose of procurement presentations, premiums, prizes, item tests, and discounts (Taylor, 2018).

Sales promotions can be coordinated at the client, deals staff, or appropriation channel individuals, (for example, retailers). Deals promotions focused at the customer are called shopper deals promotions (Goerge, 2017). Deals promotions focused at retailers and discount are called exchange deals promotions (Kotler, 2015). Some deal promotions, especially ones with uncommon techniques, are considered tricks by numerous (Yin, Xu, Jin-Song and Huang, 2015).

Nature of Sales Promotion

According to Wehrum (2018), to qualify as a sales promotion, someone must be offered something that is above and beyond the core product or service, rather than just being offered something that is an everyday aspect of trade. It includes all promotional activities and materials except personal selling, advertising and publicity focusing specifically on short term profits. Sales promotions are the tools to improve the effectiveness of the advertisement designed with the pictures, symbols and messages that appear with the advertisement.

Tailor (2018), noted that The marketers find the sales promotion as useful tool to overcome the various short-term obstacles with the sales. With the short-term nature, it is not durable and long term that can be compared with advertisement and personal selling. As the advertising and the personal selling are highly related even wholesalers often administer the retail sales personnel for the sales promotional activities. The fact that; sales promotion activities are highly diverse and are beyond just the premium have distinctive

characteristics; communication, incentives and invitation. Sales promotion according to Etzel, Walker and Stanton (2018) is a demand stimulating activity designed to supplement advertising and facilitate personal selling. This implies that, for sales promotion to be effective; it has to be used together with the other forms of promotion. This is due to the fact that each of the various forms of promotion has their strengths and weakness but when they are used together, they help minimize the

weaknesses and maximize the strength Ngolanya, Mahea, Nganga, Amollo and Karuiki (2016). Sales promotion according to them is paid for by the sponsor and frequently involves a temporary incentive to encourage a purchase. Most of sale promotions are directed at the final consumer and are designed to encourage the firm's sales team or other members of its distribution channel to sell its products or services vigorously. Marketing officers of organizations faces the pressure to increase its sales and sales promotion is increasingly viewed as an effective short run tool. In mature markets, firms are striving to maintain market share through a balance between long term "share of value" gained from advertising and short term incentives for the consumer (Ngolanya, et al, 2016). According to them, there are two categories of sales promotion; trade promotions which are directed to the members of the distribution channel and consumer promotions which are directed to the consumers. Etzel, Walker and Stanton (2018), affirms that firms as a group spends about twice as much on trade promotions as they do advertising, and an amount equal to their advertising on consumer promotions.

Sales promotion strategies

Companies can communicate marketing messages by a scope of strategies, including advertising, publicity, personal selling, coordinate marketing, deals advancements, sponsorship, bundling and marking. Each of these marketing correspondence components has one of a kind elements that straightforwardly impact the part and capacity they could perform in Integrated Marketing Communication methodologies. Deals advancements allude to any additional motivator makers, retailers, and even not-revenue driven associations utilize that could serve to change a brand's apparent cost or esteem incidentally (Shimp, 2017). According to According to Alphert (2017), sales promotion strategies are as follows:

Discounted Prices

Stores frequently offer products at a discounted cost. Commonly, a store will discount a thing by a percent of the first cost. In this issue, a thing that initially costs TZS 50,000 is being discounted by 10%. So "10% off" alludes to the rate of discount (Alford and Biswas, 2002). A business builds up the pricing system for an item subsequent to playing out an advertising investigation. Item dispersion, situating and special choices are made and request is assessed (Bodur and Grohmann, 2018). A pricing strategy is figured thinking about components of cost, contenders and benefit goals. Conceivable pricing techniques incorporate the maximum strategy, aggressive pricing, discount pricing or a blend of these. A the maximum, or skim pricing strategy is fitting for claim to fame items and elite markets. A the maximum strategy typically brings about less deals at a higher overall revenue. Aggressive pricing is suitable for superb items sold in a retail setting. It requires steady checking to guarantee that the pricing is equivalent to comparative items in the market (Churchill and Peter, 2018).

Product Giveaways

People love getting something to no end. Marketers are utilizing this love of anything allowed to get the message out about items, find new clients and increment deals

(DeVecchio, 2017). From free books on Amazon to free examples in the supermarket, giveaway advertising makes items free for a period with a specific end goal to expand deals much more later on (Hoy, 2018). When companies acquaint another product with the market, regardless of whether it's a perfume or a pizza, they frequently give away free samples. They give out product to customers and send free coupons via the post office. They offer free coupons to people who "like" the product on Facebook (Tan and Chua, 2014).

Loyalty Points

Loyalty programs are organized marketing strategies planned by traders to urge clients to keep on shopping at or utilize the administrations of businesses related with each program (Sharp and Anne, 2018). These programs exist covering most sorts of business, every one having shifting elements and prizes plans (Roster, 2016). In marketing for the most part and in retailing all the more specifically, a loyalty card, rewards card, points card, advantage card, or club card is a plastic or paper card, outwardly like a charge card, check card, or computerized card that distinguishes the card holder as a part in a loyalty program (Wasserman, 2016). Loyalty cards (both physical and advanced) identify with the loyalty business demonstrate (Speedy, 2014). In the United Kingdom such a card is regularly called a "loyalty card", in Canada a "rewards card" or a "focuses card", in the United States either a "rebate card", a "club card" or a "rewards card" and in Australia a "client card" or "Brand Name being referred to" card, for instance a "Coles Card". Cards ordinarily have a standardized identification, magstripe or chip that can be effectively filtered, albeit some are chip cards or vicinity cards (Anderson, 2018). Little key ring cards (otherwise called key tags) which fill in as key dandies get accommodation conveying and simple entry (Blau, 2017).

Demos and Samples

In marketing, an item show (or "demo" for short) is a promotion where an item is demonstrated to potential clients. The objective of such a showing is to acquaint clients with the item with expectations of motivating them to buy that thing (Lempert, 2016). Products offered as tests amid these demonstrations may incorporate new products, new forms of existing products or products that have been as of late acquainted with another business commercial center (Goerge, 2017). Frequently, coupons for the item are dispersed as a component of the show. A few demonstrations comprise of coupon dispersion as it were. Demonstrators might be representatives of the store where the exhibition is being performed, workers or the producer of the item, or independent contractual workers who work for an employment office. Most are not trained to search out clients prone to purchase the item (Shimp, 2017).

Customer awareness

Awareness is an element that appears in the human automatic process. Automaticity can involve a conscious or unconscious course of action (Doyle and Saunders, 2017). In this case, the consumer awareness is the level of knowledge about manufactured food products (Isabella, 2014). Consumer awareness is about making the consumer aware of his/her rights. It is a marketing term, which means that consumers are aware of products or services, its characteristics and the other marketing P's (place to buy, price, and promotion) (Speedy, 2014).

According to Kollman (2017), customer awareness refers to the extent to which customers are able to recall or recognize a product. Customer awareness about product is a key consideration in consumer behavior, advertising management, product management and

strategy development (Moriarty, Mitchell & Wells, 2016). Product awareness can capture lost leads. A consumer might drop the idea of purchasing a brand or might prefer the products and services of the competitors for any reason. Through retargeting, businesses can reconnect with these kinds of lost leads and encourage them to make a purchase. The existing brand familiarity of the retargeted group can be leveraged along with an incentive such as discount, offers to make sales (Hasan and Khanm, 2018).

Stages of consumer awareness

According to Kopalle & Lindsey (2017), the stages of consumer awareness can be categorized in the following;

Creating Awareness about the Need

At this stage, your target audience doesn't know that they have a problem or need, leave alone brand or product knowledge. You will be focusing on telling them that they have a need. Raise awareness about the need using a rational message or an emotive message. The customer should be at the focus of the messaging system, not your brand (Kumar & Madhavi, 2016)

Demonstrate the Solution

When your target audience reaches this stage, they are aware of their need or problem. But they don't know about the solution. You will demonstrate about the solution to their problem. You will now be presenting your product as the perfect solution to the problem or need. You will however not start to sell your product to them. You will be "educating" them how your product can meet their need (Kumar & Madhavi, 2016)

Sell your Brand

This is the stage where you will start selling your product and brand. By the time your target audience reaches this stage, they will know that they have a pressing need. They also know that there is a product that can provide solution to their problem or meet their need. Now your focus will be to get them to choose your solution. They should find a link between the solution and your brand. The third stage is in fact the place where you will be allowed to talk about yourself. Most brands find it difficult to differentiate between these stages. They are usually doing all at the same time. The underlying reasons could be anything – promoting brand in all stages, or avoiding giving opportunities to competitors. Many times the marketers like to talk about the brand at all stages. It is important to focus on one stage at one time to be able to deliver the message which is required for the moment. The branding aspects of the message could come later as and when required, especially once you have done the groundwork. But at the same time keep in mind that this doesn't meant that your logos and taglines should be absent during the initial stages (Kumar & Madhavi, 2016)

Relationship between sale promotion and customer awaresenss

Bedeian (2017) assesses that when a purchase decision is made, the purchase decision can be affected by unanticipated situational factors. Some of these factors according to them could be directly associated with the purchase, for instance the outlet where the purchase is to be made, the quality to be bought, when and how to pay. Most instances, firms remove the need to make this decision by either including the essentials in the form of sales promotion tools like coupons, discounts, rebates and samples. The additional benefit whether in cash or in kind offered to consumers through sales promotion is highly

likely to influence their purchase behaviour or decision (Ngolanya, et al, 2006). After considering the possible options, the consumer makes a purchase decision and the consumer's choice depends in part on the reason for the purchase (Dolge and Marmbrandt (2017).

According to them, the consumer may act quickly, especially if sales promotional tools are used or the consumer may postpone making any purchase. Whenever the consumer makes a purchase, they find out what products and services are available, what features and benefits they offer, who sells them at what prices, and where they can be purchased (Bedeian, 2017). The firms and its sales team provide consumers with the market information whenever they engage consumers in efforts to inform or persuade in an attempt to communicate with them. Sales promotion therefore provides a suitable link by providing consumers with samples of the products for them to test them in small quantities as well as provide consumers with most needed information concerning the product (Ngolanya, et al, 2016).

According to Davidson, Sweeney and Stampfi (2017), purchase decision may be between objective or emotional motives; nevertheless, in all cases, the sale is made or not made in the customers mind and not in the mind of the seller. A product is not purchased for its own sake but for its ability to satisfy a need. The use of some of these promotional tools helps in determining the use that consumers are likely to put the product into and therefore guide them towards the right product (Kollman, 2017). The consumer is therefore provided with the relevant information, get the opportunity to try the product and get to know whether it satisfies their needs and also enjoy a price reduction. Sales promotion is therefore used to draw consumers to the product and they end up making an impulse purchase as a result of the strength of the sales promotional tool (Ngolanya, et al, 2016). Berkowitz et al, (2015) proposed that, in the purchase decision process, at the recognition and the information search stage, the sales promotional tool that is most effective is the free samples because it helps gain low risk trials. According to them, consumers will be more likely to take the risk of trying a sample rather than buying the whole product and being disappointed. They further suggested that, at the alternative evaluation and the purchase decision stage, coupons, deals, point of purchase displays and rebates are suitable sales promotional tools because they encourage demand and repurchase of the same product by the consumer. They finally proposed that, at the post purchase stage, the best sales promotion tool would be the use of coupons, as they encourage repeat purchase from first time buyers.

Methodology

Research Design

Research design refers to the method or the techniques used in collecting data, as well as presenting and analyzing the data. It is an outline or a scheme that serves as a useful guide to the researcher in his effort to generate data for the study. Survey research design was adopted for this study, Mugenda and Mugenda (2013), defined Survey as 'an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables'. Bichi (2012) however, described survey design as a research that concerns itself with the present and attempts to determine the current status of the phenomena under investigation. In this study, survey was used in measuring the relationship between promotion and customer awareness in Cadbury Nigeria Plc.

Study Population/ Sample

Aminu (2013) defined population as a group of people or object which information are being collected. Population of the study has to do with clearly defining the population of interest. The population consist of distributors of Cadbury Nigeria Plc. In this case, the respondents comprised of some selected distributors of Cadbury Nigeria Plc. According to the Management of Cadbury Nigeria Plc. the registered distributors in the organization is 192. So therefore, the population of the study will comprise of the 192 distributors of Cadbury Nigeria Plc.

Sampling and Sample Size

The study used convenience sampling technique which is one of the non probability sampling methods in which the elements do not have an equal chance being selected. However, sample size of this study was drawn from Krijcie and Morgan (1970) table for determining sample size. Hence, according to Kreijcie and Morgan, a sample size of 127 is adequate to represent the population

Source of Data

It was both primary and secondary sources. In carrying out this research, the use of questionnaire was employed to gather necessary and relevant data from the respondents. This method was used in order to minimize the problems associated with data collection and to ensure that the results from this are visible and bias free as expected. The questions were designed to sample the views of the respondents on the effect of promotion on product awareness.

Methods of Data Analysis

Data obtained in this study would be analyzed by using both descriptive statistics such as percentage and tables. The group of responses with the highest percentage (i.e. frequency) are regarded to be representative of the general respondents opinion and correlation analysis will be used to test the hypothesis. use of 121 responses

Research Hypotheses

Ho: There is no significant relationship between promotion and customer Awareness

H1: There is significant relationship between promotion and customer awareness

DATA PRESENTATION AND ANALYSIS

Data Presentation

descriptive Statistics of Demographics

Sex	Frequency	Percentages
Male	63	52.1
Female	58	47.9
Total	121	100
Age	Frequency	Percentages
18 - 24	16	13.2
25– 34	46	38.0
35 - 44	34	28.1
45-54	24	19.8
55-ab0ve	1	0.8
Total	121	100
Marital Status	Frequency	Percentages
Single	67	55.4
Married	50	41.3
Divorced	4	3.3
Total	121	100
Education	Frequency	Percentages
NCE/ND	70	57.9
B.Sc/HND	34	28.1
M.sc	15	12.4
P.hd	2	1.7
Total	121	100

Source: Researchers' field Survey, 2020

Test of Hypotheses
Correlations

	Promotion	Customer Awareness
Spearman's rho	1.000	.588
Correlation Coefficient	.000	.000
	72	72
Sig (2-tailed)	.588	1.000
N	.000	
	72	72
Customer Correlation		
Awareness Coefficient		
Sig (2-tailed)		
N		

** Correlation is significant at the 0.01 level (2-tailed)

At 1% level of significance, the correlation is significant and hence, null hypothesis rejected. The correlation coefficient gives ($r=0.588$) meaning that there is a strong positive relationship between promotion and Consumer awareness i.e. both move in the same direction specifically in the pharmaceutical company. This implies that the rate of Consumer awareness will increase by 59% with increase in promotion. It could be concluded that there is a significant relationship between promotion and customer awareness is acceptable.

Discussion of findings

Based on the findings, it showed that there is a significant relationship between promotion and customer awareness but their correlation is very small. It showed that elements of sales promotions, using various methods to reach the targeted audiences with a certain messages in order to achieve specific organizational objectives, create customers awareness on Islamic banking. This finding is supported by Peattie (2016) stating that promotions, in general, have been shown to affect directly on consumers in variety of ways. Mandry (2017) also agreed that sales promotion encourage direct responses from consumers through the additional benefits offered and Gupta (2018) stated that promotion increased volume of purchasing. This research also showed that publicity have influence in creating customers awareness. This finding is supported by Rosemary Burnley (2015), she mentioned that promotion now become a major tool of proactive public relations.

Conclusion

The study has highlighted that once promotional strategies such as discounted prices, demos and product samples, causes and charity activities, product giveaways and loyalty

points are well implemented, the products are likely to get more awareness from the prospective customers, who can henceforth come and buy those products. Moreover, this has been backed by a number of studies that have shown that it is important to ensure better promotional strategies for product awareness. What matters is that inherent challenges are dealt with in time. It is therefore important to note that while this study is conclusive enough, it has shed light on the promotional strategies with respect to decorative paints. These strategies can still be used by all types and size of businesses whether small or big.

Recommendations

Based on the findings of the study, it is recommended that;

- i. The sales promotion has short term effect, so the marketers and the business people require to continuously follow up to maintain long term relationship with customers as they may switch the competitors with better strategies.
- ii. Management of Cadbury Nigeria Plc. should invest in research programs especially in the area of understanding consumer expectation and plan to reduce negative feedbacks from dissatisfied customers as identified in the research finding above.
- iii. To increase the sales in cost effective manner and to outstand the competitors, the practice of sales promotion would be useful to improve the sales by influencing the consumer buying behavior.
- iv. Management should also consider further investment on various television advertising and sponsoring some interesting programs as this has proven to be the most effective way of communication with customers.

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