

Chapter XII

Building Shopping Arousal Through Direct Marketing in Retail Environment

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INTRODUCTION

Customer centered companies are increasingly engaged in direct marketing activities by outsourcing sales people to enhance the market coverage and augment volume of sales in the competitive business environment. By outsourcing sales people commonly known as promoters to perform certain activities targeted toward customers, firms are engaging in service networks. Outsourced sales people are engaged in disseminating brand image of the company and bringing more customers in the business fold by delivering satisfaction and caring their buying intentions. They are deployed by the companies and distributors at strategic locations such as in front of malls, large self-service stores, departmental stores and traffic islands in the city. Services provided by the sales promoters directly to the customer are likely to play an important role in building a firm's brand image and equity (Morgan *et al*, 2007).

Many firms have discovered that outsourcing sales promotion activities can also backfire loudly and put reputations at risk if promoters mismanage the process. Yet despite the apparent risks, managers in a widening range of industries are exploring the scope of sales outsourcing. This strategy of promoting sales has helped many companies to slash costs on advertising and publicity, and sharpen their focus on

core competencies (Johnson, 2006). Personal shopping motives, values and perceived shopping alternatives are often considered independent inputs into a choice model, it is argued that shopping motives influence the perception of retail store attributes as well as the attitude towards retail stores (Morschett *et.al*, 2005). In the process of making buying decisions in the leisure shopping, the purchase acceleration and product trial are found to be the two most influential variables.

Firms and their distributors outsource salespeople intending to influence customer behavior and buying decision process in such a way that higher sales targets are achieved. Sales systems can be classified as behavior-based sales system (BBSS) and outcome-based control system (OBSS) which explain the selling process in a market (Anderson and Oliver, 1987). A BBSS aims at the selling process inducing buyers at the pre-purchase stage, and helps retailers to sell higher volume in view of the customer pull effect generated by salespeople. On the contrary, OBCS evaluates the sales force in light of end results, and compensation is usually incentive-based. However, in view of the growing competition among firms, the OBCS is widely used together with the BBSS in a continuum between the two sales systems (Krafft, 1999). Growing use of the BBSS is driven by such economic principles as Agency Theory. The Agency theory envisages the sales manager with predetermined guidelines for outsourced sales people to act on his behalf and accordingly the firm's objectives are affected by the outsourced salespeople or sales promoters (Wright *et al.*, 2001).

This study attempts to analyze behavioral drivers which influence consumers' leisure shopping behavior and measure customers' value through empirical investigation in Mexico. The role of outsourced salespeople who act as sales promoters in stimulating arousal and satisfaction as behavioral drivers, which influence buying behavior of consumers and measures the extent of satisfaction, has been analyzed. Also, customer prospecting as direct marketing strategy through outsourced salespeople in swaying the leisure shopping and driving brand loyalty is discussed in the study.

PREVIOUS CONTRIBUTIONS

Defining Leisure Shopping

Leisure shopping is observed in a variety of circumstances in reference to buyer characteristics, shopping motivations, the social setting of shopping practices (*e.g.* shopping with family and friends) and the nature of the shopping destinations such as self-service super retail stores, departmental stores or shopping malls (Howard, 2007). Leisure shopping is a major source of relaxation as well as a household chore

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