# Shopping Behavior and Consumer Preferences for Outlet Centers

## Diploma thesis

**Supervisor:**

**Ing. Stanislav Mokrý, Ph.D.**                                        **Bc. Helena Ježková**

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**Abstract**

JEŽKOVÁ, H. *Shopping Behavior and Consumer Preferences for Outlet Centers.* Diploma thesis. Brno: Mendel University in Brno, FBE. 2016.

This thesis deals with the issue of shopping behavior of Czech customers of outlet centers. The work is divided into two main parts. The first describes the literature review of consumer behavior, marketing research and online marketing. The practical part of the thesis consists of tentative analysis of outlet centers, results of qualitative and quantitative market research and the case study describing online marketing activities of Czech outlet centers. Based on the results of the marketing research and the case study there are processed appropriate recommendations of using online marketing for outlet centers in the last section of the thesis.

**Keywords**

Consumer, consumer behavior, marketing research, questionnaire, outlet center, online marketing

**Abstrakt**

JEŽKOVÁ, H., J. *Nákupní chování a spotřebitelské preference pro outletová centra.* Diplomová práce. Brno: Mendelova univerzita v Brně, PEF. 2016.

Diplomová práce pojednává o problematice chování českého spotřebitele při nákupech v outletových centrech. Práce je rozdělena do dvou částí, teoretické a praktické. Teoretická část popisuje literární východiska spotřebitelského chování, marketingového výzkumu a problematiky online marketingu. V praktické části je zpracovaná orientační analýza outletových center, analýza výsledků vlastního kvalitativního a kvantitativního výzkumu a vypracovaná případová studie popisující marketingové aktivity outletových center na internetu. Na základě výsledcích výzkumů a případové studie jsou v poslední kapitole navržena praktická doporučení pro online marketingové aktivity outletových center v České republice.

**Klíčová slova**

Spotřebitel, chování spotřebitele, marketingový výzkum, dotazník, outletové centrum, online marketing

# Content

# 1 Introduction

Marketing communication is certainly very important part of any business. It is not surprising that one of the fastest growing form of marketing communication takes place on the Internet. Marketing communication within the Internet is called online or internet marketing. With the development of technology, the Internet has become a unique medium for advertising messages. On the contrary there is also growing number of online marketers, therefore organizations need to constantly improve the efficiency and effectiveness of marketing communications.

Every day people search for information, buy products, watch or create content and spend their leisure time on the Internet. During their online activities people encounter many forms of online advertising. Growing competition, technological improvements as well as increasing mistrust of consumer force marketers to create more and more sophisticated methods to attract attention of Internet users. The current trend of social networks provides companies a unique platform to implement marketing campaigns. However, people are getting more and more immune against advertisement and desire to be entertained. That is why it is necessary to create creative and original content.

The ultimate form of marketing communication is personalized marketing. The Internet environment together with online softwares provide unique possibility to create individual messages for individual consumers. Personalization is undoubtedly the future of marketing communication. Companies need to create highly targeted campaigns no matter if they sell their products/services online or in-store. Outlet centers can build a clear picture of the behavior of their customers by tracking information of points of sale, social networks activities as well as customer reactions to marketing communication through different online channels. It is important to keep up with the new trends and confront the boom of online shopping by building strong relationship with customers and provide unique shopping experience.

This thesis aims to be inspiration not only for outlet centers or common shopping centers but for all who are interested in the world of online marketing which presents an incredibly extensive area that is evolving every day.

# 2  Objective

The main objective of this thesis is to propose appropriate recommendations of using online marketing for outlet centers.

Subsequently, the aim is to analyze shopping behavior and consumer preferences for outlet centers. Consumer behavior will be analyzed through quantitative and qualitative research which should show the main factors motivating customers to visit outlet centers. The survey will also find out how online advertising influences this process. To formulate recommendations for online marketing communication of outlet centers following objectives will be met:

- Identify which online channels and are the most influencing in terms of visiting outlet centers

- Identify the most attractive factors that convince customers to register to a loyalty program of an outlet center

- Within a case study evaluate online marketing communication of existing outlet centers in the Czech Republic

The proposals will be based on the results of the research, the case study and on author's own working experience as well as on study of many secondary sources of the field of online marketing.

# 3   Literature overview

In this part of the thesis will be discussed the crucial theoretical issues in three theoretical areas related to the practical part. The first one describes the consumer behavior framework as this thesis deals with consumer behavior within shopping in outlet centers. The chapter about online marketing describes basic concepts which are necessary to understand in order to process the case study and meet the objective of this thesis. The last chapter helps to understand the basics of marketing research.

## 3.1   Consumer behavior

Solomon (2013) defines consumer as a person who has a need or desire, makes a purchases of a good or a service and then disposes of the product. Solomon mentioned that consumer and user of the product may not to be the same person. Consumer is basically the person who is ordering, buying and paying product or service and person who is thinking about purchasing of a product is considered to be consumer as well.  In case of companies, consumer can be an organization or a group.

Kardes (2014) defines consumer behavior as an applied social science that works with theories of economics, statistics, history, sociology, psychology and anthropology. Defining consumer behavior is therefore not just about the study of how a person buys a product, but it reflects the decisions making process, consumption, disposition of goods and services, activities and ideas. (Hoyer, Macinnis, Pieters, 2013)

Solomon (2013) explains it is important to study consumer behavior and incorporate the knowledge about consumers and their needs into marketing plans. Data about consumer behavior should help marketers to identify the opportunities as well as possible threats occurring on a market. The marketing's goals can be realized only by gaining a deep and complete understanding of consumer behavior. Understanding of such behavior allows the marketer to be prepared to satisfy the consumer's needs efficiently and create a group of customers with positive attitudes towards the company's products. (Lancaster, Reynolds, 2002)

### 3.1.1   Decision-making process

Berkowitz (2000) describes decision-making process as the stages which consumers go through when deciding what product or service to buy. According to Solomon, Marshall and Stuart (2006) decision-making process is influenced by the importance of buying, willingness of buyer to devote some effort and severity of the consequences of buying related with perceived risk for the consumer. The purchase of a product or a service is only one step in the whole process.

If a consumer perceives risk as low when purchasing, he assigns low importance of decision-making process and a specific choice will not matter so much to him. If the risk is high, the process of decision-making is intensive and customer will search for as

much information as possible. Solomon (2013) distinguish following types of consumer decisions in this context:

- Extended problem solving - It covers all stages of the decision-making process. Buyers devote considerable time and effort searching for information and evaluation of alternatives. There are substantial economic or psychological risks, because extensive purchase is characteristic by expensive or irregularly bought or unknown products (cars, real estate, computers, investing in stocks, …).

- Limited problem solving - This type is usually more simple, buyers are not motivated to search for information and evaluate alternatives rigorously. It covers purchasing of products that consumers buy occasionally (clothes).

- Habitual decision making – Compared with the previous two types there is a little effort in finding the information. The problem recognizing is often directly followed by buying decisions. Many purchase decisions are so routinized that consumers do not realize them (grocery).

Mentioned types of purchases have an effect on phases of consumer decision-making process which will be described in following chapter.

### 3.1.2    The purchase roles in decision-making process

Everyone who participates in decision-making process is a considered as decision-making unit. According to Kotler (2007) there are five purchase roles:

- Initiator – initiates a purchase
- Influencer – influence a purchase
- Decider – makes a final decision about a purchase
- Purchaser – makes a purchase
- User – uses a product or a service

### 3.1.3    Steps in the decision-making process

Marketers must focus on the entire decision-making process of consumers, not only on the stage of the shopping process. Kotler and Keller (2007) describe steps in decision-making process in the figure 1.

Fig. 1        Decision-making process
Source: Kotler and Keller, 2007

**Problem Recognition**

Hoyer, Macinnis and Pieters (2013) state that decision-making process begins with recognizing of a problem that needs to be solved. It is the moment when consumers realize their need, which is understood as experiencing a mismatch between the actual state (what consumers perceive now) and ideal state (a situation consumer would like to perceive). There are many factors that cause dissatisfaction with the current state of an individual depended on current trends, changing lifestyles, but also the influence of clture, subculture, reference groups and others. Recognition of the problem is associated with striving to meet that need in the future. (Mowen, 1990)

One of the main goals of advertising campaigns is to create needs. Marketers should be able to build consumers dissatisfaction with the status quo by using marketing activity. However, it is very demanding to stimulate consumer's needs and marketers must identify which stimuli and factors raise interest in their product the most and create advertising messages on the basis of these findings. (Mowen, 1990)

**Information Search**

When a consumer identifies his need, he can directly make a purchase or look for information about a product or a service. Solomon (2013) identifies two ways of searching for information: external and internal search. The typical next step after problem recognition is according go Wayne (2013) internal search when consumer uses variety of information, feelings and experiences that are stored in his memory. Internal search is actually the recalling of information on products from long-term memory. From internal search consumers retrieve following types of information:

- Brands - consumers tend to recall several brands known as evoked set.

- Attributes -  a summary of simplified rather than detailed information is recalled by consumers

- Evaluations - consumers remember overall evaluation rather than specific information

- Experience - internal search recall experience from consumer's memory in form of specific image

If consumer's decision can not be made based on internal search, he looks for the information in external sources in order to collect additional information about brands as well as attributes and benefits associated with brands.

The external stimulus may be published sources, the Internet, product packaging, csumer references, sales staff, advertisements and friends. Personal sources are the most influential. (Hoyer, Macinnis and Pieters, 2013)

The Internet is currently the most used medium to search for particular iformation. When consumers search for information online, they became a perfect target for advertisers because they show a desire to make a purchase. Many companies pay advertising through search engines like Google and Seznam (in case of the Czech mrket). Social media play a major role in the search process nowadays as well, 40% of cnsumers type their quest on blogs, Facebook, YouTube or Twitter in order to find other people's opinions about a product. The two-way communication is the key element of website interactivity. If consumers have a pleasant experience with a company's wbsite, they will have more positive attitudes towards the brand. (Hoyer, Macinnis and Pieters, 2013)

Marketers should determine what kind of information sources consumers use and what weight they attribute to different sources and based on that they should adapt the advertising message. (Kotler, 2007)

**Evaluation of Alternatives**

Kotler (2007) describes this phase as a stage in which a customer has to evaluate various alternatives based on all obtained information. During the evaluation phase of arnatives consumer compares brands and creates a buying intent. Each product brings derent utility that describes the satisfaction of each consumer. However, a perception of brand plays important role as well.

Marketers should understand which criteria are important for consumers and try to persuade consumers that the most important criteria are those whom it is their product excels. (Solomon, Marshall, Stuart, 2006)

**Purchase Decision**

The fourth phase of the decision-making process is the purchase decision during which a consumer has the intention to buy the most prefer brand. Kotler (2009) states that the final purchase decision may be disrupted by negative feedback from other customers or influenced between this plan and the subsequent decision of purchase by unexpected situations. There are two factors which can influence consumers, the first one is the intensity of rejecting of consumer's preferred alternative by another person. The second is the motivation of consumers to incline to the wishes of the other person.

There is also a risk of postponement or refusal of purchase at all. Zamazalová (2010) assigns a change in intended shopping behavior to the shopping environment such as social environment (the behavior of other customers, salesman), business environment (merchandising, store atmosphere) and situational environment (time and circumstances) which have the strongest effect.

**Post-purchase behavior**

The last stage of decision-making process is consumer's post-purchase behavior. It is depended on whether the customer is satisfied or not after he bought a product. Consumer compares product with his expectations which are created on the basis of irmation received from vendors, friends and other sources of information. If the expectation is met, consumer is satisfied. If the product fails to meet expectations, consumer is dissatisfied. There is a high probability of repeat purchases for a satisfied customer. Tefore, the seller should provide only truthful information in the interest of customer stisfaction. A negative experience is often shared with friends and other consumers, such imation spreads rapidly and can cause damage to the company. Customers satisfaction is a key to build profitable relationships with them. (Berkowitz, 2000; Kotler, 2007)

### 3.1.4 Factors affecting consumer behavior

Consumer behavior is influenced by many factors. Kotler (2007) describes four main factors affecting consumer behavior which are cultural, social, personal and psychological factors.

**Culture factors**

Culture represents a set of values, perceptions, preferences and behaviors that affect a person through families and institutions. According to Kotler and Keller (2007) culture has substantial impact on demand and consumer behavior, therefore cultural factors have the broadest and deepest impact on consumers. Kotler (2014) includes culture, subculture and social class among the cultural factors.

- Culture

  Schiffman and Kanuk (2004) define culture as a summary of acquired ideas and the principle of habits that influence shopping behavior of people. Every person who lives in a society acquires its values and behavior patterns, this phenomenon is called socialization. The institutions that have the greatest impact on consumers include families, schools, churches and the media. According to Brown (1996) culture affects what, how and when people buy, it significantly determines how people dress, what they eat, how they live and travel. Marketers need to take into account the culture of the country to be able to promote their products effectively.

- Subculture

  Kotler (2014) describes subculture as a group of people characterized by own qualities, preferences, behaviors and interests. The same values of subculture members are formed on the basis of the same experience. Many of subcultures are important market segments that need to adapt marketing programs. Solomon, Marshall and Stuart (2006) state as example of subcultures racial and ethnic groups, but also groups of supporting musical genres, leisure activities, extreme sports and so on.

- Social Class

  Society is usually divided into different social classes. Kotler (2007) defines social class as a position of a certain group of people in society. There are similar groups of people who have similar values, behavior and interests. Members of the group usually have similar occupation, income, political or religion belief, common life goals and values as well as tastes in clothing, housing and leisure activities. Many products are created tailored to different social classes, such as luxury goods allow to demonstrate the social status of the upper classes. It is important that marketers understand these differences and target specific groups of consumer. (Solomon, Marshall, Stuart, 2006)

**Social factors**

Consumer behavior is influenced by social environment, because he belongs to a certain group of people and society. (Kotler, Armstrong, 2014)

- Groups and Social Networks

  Kotler (2014) states that person's behavior is influenced by many small groups. Groups of which an individual is a member and thus directly affect him, are called membership groups. Reference groups describe particular people which have direct or indirect influence on behavior and opinion of a customer. According to Schiffman and Kanuk (2004) reference group is a measure or a point of comparison influencing the purchasing decisions of consumers. The reference group can be either an individual or a group of people with special skills, knowledge, personality and social influence - opinion leaders. Marketers often search for opinion leaders as brand ambassadors. (Kotler, 2014)

  Normative, comparative and indirect reference group are distinguished. In normative groups there are accurately set and well defined behaviors (family, colleagues). Comparative reference group represents a standard for formation of attitudes and purchasing behavior (friends, neighbors). Indirect reference group is group of people with whom the individual has no direct contact (politician). (Prasad, 2009)

  Solomon, Marshall and Stuart (2006) reported that a consumer is often influenced by a reference group to which he does not belong. The person usually compares himself with people in this group and imitates them (which brand of clothes to buy). Especially young people constantly look for compliance with standards in the way of dressing.

  Online social networking presents a new form of social interaction when people share their opinions, experience, hobbies and interests. Social media has changed the relationship and the communication between companies and consumers. Kotler (2014) states this new form of buzz has big potential for marketers

which use the power of social networks to build relationships with customers and promote products. Social communities experience feeling of membership and may identify with other members. Among the most used social network media belong Facebook, Instagram, YouTube, MySpace, Baddoo and blogs. (Solomon, 2013)

- Family

  Family is considered to be most influential primary group. Parents transmit the cultural elements such as consumer habits and values to their children. Children also cause the introduction of new shopping behavior of their parents. An example of parent's influence on their children when choosing clothes, but parents influence on the selection of clothes only in the youngest group. With increasing age children increases also the influence of friends. Within a couple living together we divide the decision on masculine, feminine, joint decisions and spontaneous decisions. Nowadays, especially the role of women in family buying behavior is rapidly increasing. (Schiffman, Kanuk, 2004)

- Social role

  Social role brings particular position in a society. It comprises activities which are expected from an individual. Marketers are aware that certain brands or products may be a symbol of social status, because people usually choose products reflecting real or demanded position in the society. (Kotler, Keller, 2007)

**Personal factors**

Brown (1996) defines personal factors as the sum of characteristics as sex, race and age unique to a specific person. Vysekalová (2011) states that also social factors such as employment, economic situation, personality and lifestyle influence buying behavior.

- Age

  People buy different products and services during their life, especially the selection of clothing, food, holiday or spending time varies with respect to age Various products and services attract attention of specific age groups so marketing strategies should be targeted at specific age groups (children, teenagers, middle aged people and seniors). Young generation is the most active group in terms of using the Internet and companies create a website that will attract their attention. (Solomon, Marshall, Stuart, 2006; Kotler, Armstrong, 2014)

- Profession

  Consumer behavior and product choice are strongly depended on consumer's profession and disposable income. Marketers are trying to identify groups according to the job position in order to find out which groups show interest in their products and services. (Kotler, Armstrong, 2014)

- Personality

  Kotler (2014) states that personality refers to the unique psychological character-
  istics that lead to relatively consistent attitudes. Personality is a set of consumer
  abilities which influence how consumers choose products. Consumers often select
  and use brands which present similar personality although in some cases this simi-
  larity may be based only upon an idealized perception of the consumer. (Kotler,
  Keller, 2007)

- Lifestyle

  Kotler and Armstrong (2004) state that lifestyle refers to a certain pattern of con-
  sumption reflecting a consumer's choice about how he spends time and money.
  Lifestyle can be defined simply as a way of life which people express their interests,
  activities and opinions. It is therefore associated with how individuals spend their
  time, money, energy, and also reflects their preferences, tastes and values. Con-
  sumers often choose products, services and activities corresponding to their life-
  style. Marketers try to adapt marketing communications to lifestyles segments.
  (Solomon, Marshall, Stuart, 2006)

**Psychological factors**

Simkin (2005) states that psychological factors influence the consumer in the way of
what and how purchases, mainly due to different perceptions, motives and attitudes.
Kotler (2007) defines following psychological factors which influence decision-making
process of consumer.

- Motivation

  Motivation leads consumers to satisfy their wishes and needs. Solomon, Marshall
  and Stuart (2006) define motivation as an internal state, which push consumer to
  meet his needs. According to Kotler (2007) the intensity of needs can be trans-
  formed into a motive which sufficiently press a person to seek satisfaction of the
  need. The most famous motivation theory is Maslow's pyramid of needs, which
  form the basis of physiological needs and the peak rising safety needs, social needs,
  esteem needs and at the top is cognitive needs. (Kotler, Armstrong 2014)

- Perception

  Kotler and Armstrong (2014, page 174) define perception as "the process by which
  people select, organize and interpret information to form a meaningful picture of
  the world". Solomon, Marshall and Stuart (2006) mention that consumers pay their
  attention to communications related to their current needs. There are various ways
  to attract the attention of potential customers, but attracting attention is not
  enough for successful marketing campaign. It is necessary that the message has
  been correctly interpreted.

Kotler and Armstrong (2014) point out three perceptual processes: selective atten-
tion, selective distortion and selective retention. There is an importance of selec-
tive attention meaning consumers tend to screen out most of the information to
which they are exposed. Therefore, advertising is often dramatic to attract cus-
tomer's attention and are constantly repeated. Because of selective distortion con-
sumers remember information consistent with their beliefs and attitudes and they
forget the rest. Selective retention describes the tendency of customer to remem-
ber good points about his favourite brand.

- Learning

Solomon (2013) states that learning is an ongoing process which brings relatively
permanent change in behavior caused by experience. The most of consumer's atti-
tudes, values, tastes, behaviors, preferences and feelings is largely learned behav-
ior. Consumers learn how to use sources of information about products or services,
what evaluation criteria apply or how to decide during purchasing. For retailers it
is crucial to "teach" consumers to prioritize specific products. They strive to get
their message noticed, believed, remember and equipping by consumers. (Berko-
witz et al., 2000; Solomon, Marshall, Stuart, 2006)

- Beliefs and Attitudes

People acquire beliefs and attitudes through learning. Kotler and Armstrong (2014,
page 260) state "A belief is a descriptive though that a person has about some-
things." Attitudes reflect longer-term positive or negative reviews and opinions on
a particular person or topic. Based on consumer attitudes marketers develop sym-
pathy or aversion to different products or brands. It is not easy to influence con-
sumer attitudes, sometimes it may be better to adapt the product to existing posi-
tions (Solomon, Marshall, Stuart, 2006)

### 3.1.5    Customer Relationship Management

Companies which want to build strong relationship with their customers use Customer
Relationship Management. Kotler and Armstrong (2014, page 144) define customer re-
lationship management (CRM) as following: "Managing detailed information about in-
dividual customers and carefully managing customer touch points in order to maximize
customer loyalty." Companies track every contact between the company and the cus-
tomer by capture customers touch points including customer purchases, sales contracts,
services as well as online monitoring (visiting of website, satisfaction surveys, …). How-
ever, information is obtained from different sources so there is a problem with sepa-
rated databases. Therefore, many companies manage information through CRM sys-
tems which consist of sophisticated software and analytical tools that integrate cus-
tomer information and deeply analyze it.

## 3.2   Online marketing

The Internet has changed many disciplines, created new partnerships, set rules in transparency and gave customers more power. Online marketing was founded in the late 90s of 20th century as a new form of marketing which brought new technologies redesigning the marketing practices. The Institute of Direct Marketing (2007) states: "Online marketing is the use of the Internet and related digital information and communications technologies to achieve marketing objectives." Online marketing is not only about banners and websites. It is a complex marketing activity through Internet taking advantage of many services such as e-mail, blogs, social media, streaming and so on. (Gay, Charlesworth and Esen, 2007)

According to Janouch (2014) there are unmatched benefits of online marketing compared to traditional advertising media. Internet with its properties exceeds traditional media. The most important benefit of online marketing is monitoring, every single occurrence online is measurable, we can measure a huge quantity of very precise data. Compared to standard advertising media, online marketing is relatively cheaper and more efficient. Customers can be reached by many online channels 24 hours a day. While mass media produces just one-way message, in online world people can discuss with companies and share their experiences with each other. The two-way communication provides better services for customers, there is a space for their feedback. The content of advertising online has very dynamic character. Finally, advertisers can precisely target the customers who are interested in a product or service. However, offline and online marketing should not be separated and companies should find the best way of using all the marketing channels to reach their audience efficiently.

Gay, Charlesworth and Esen (2007) point out also some problems of the Internet such as privacy issues (SPAM), security doubts over fraud and phishing, lack of trust with virtual trader and the limits of senses like taste and touch which influence buyer decision. Marketers sometimes fail to provide exciting online shopping experience.

**Internet in the Czech Republic**
According to Czech Statistical Office 71,2% of Czech population used the Internet in 2014. The age structure of the Internet population and the real population is shown in the figure 2. With increasing age, the proportion of people using the Internet decreases. However, old generation uses the Internet as well, 43% of people over 55 use the Internet. The distribution of internet users by gender is almost equal for men and women. (NetMonitor, 2014)
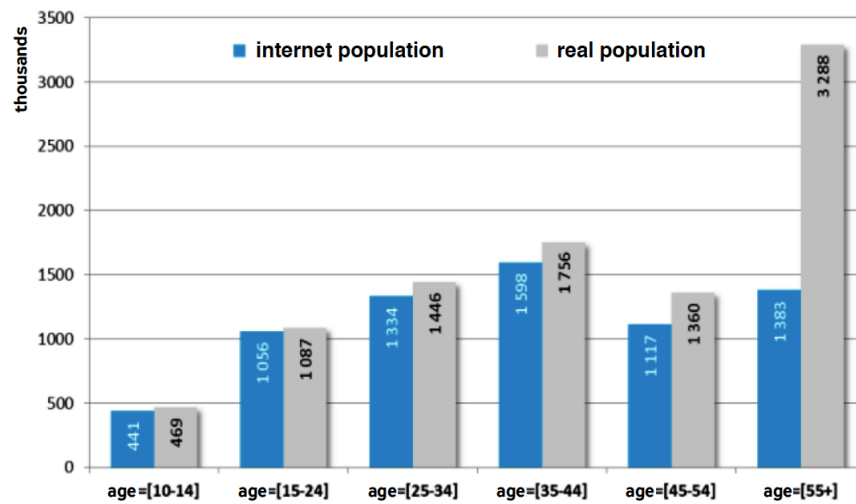
Fig. 2        The age structure of real and internet population in the Czech Republic.
Source: NetMonitor, 2014

According to NetMonitor (2015) there is increasing number of people using the Internet in the Czech Republic at a rate of 5% per year and 22% of Internet users access the web using mobile devices. These data confirm that the online environment is very important communication channel.

The Internet is the third more invested medium in the Czech Republic. Since 2008, the spending in online advertising has been growing as it is shown in the figure 3.



Fig. 3        Shares of investment in to media types in 2009-2015
Source: NetMonitor, 2016

In 2015, almost 50% of advertising was spend in online marketing compared to investment to TV. It is about 3.2% more than in the previous year. The expectations are optimistic, the online advertising should grow by 11%, which means a total of 16.7 billion CZK spent for advertisement on the Internet in 2016. The rising trend might move online advertising ahead of traditional media.
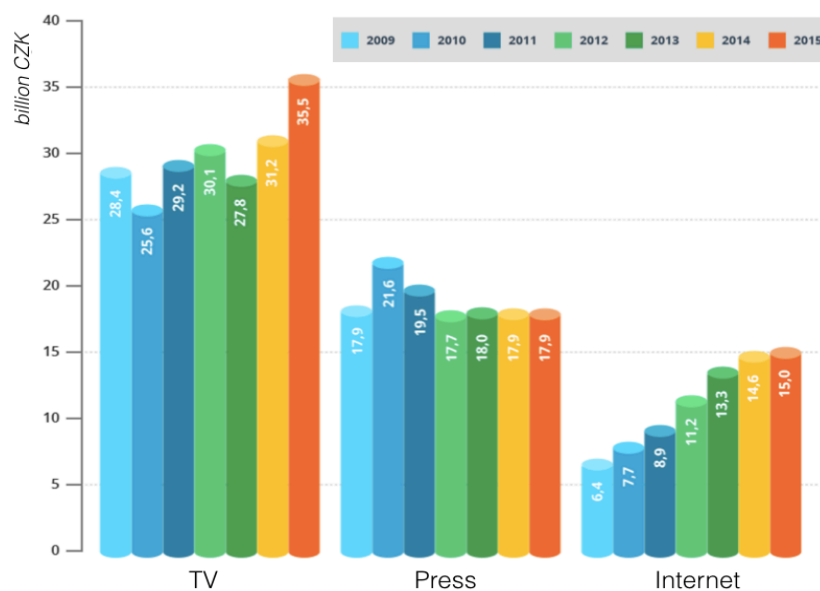
Following figure presents the investment in media types in years 2010-2015 with an estimated amount of expenditures in 2016.
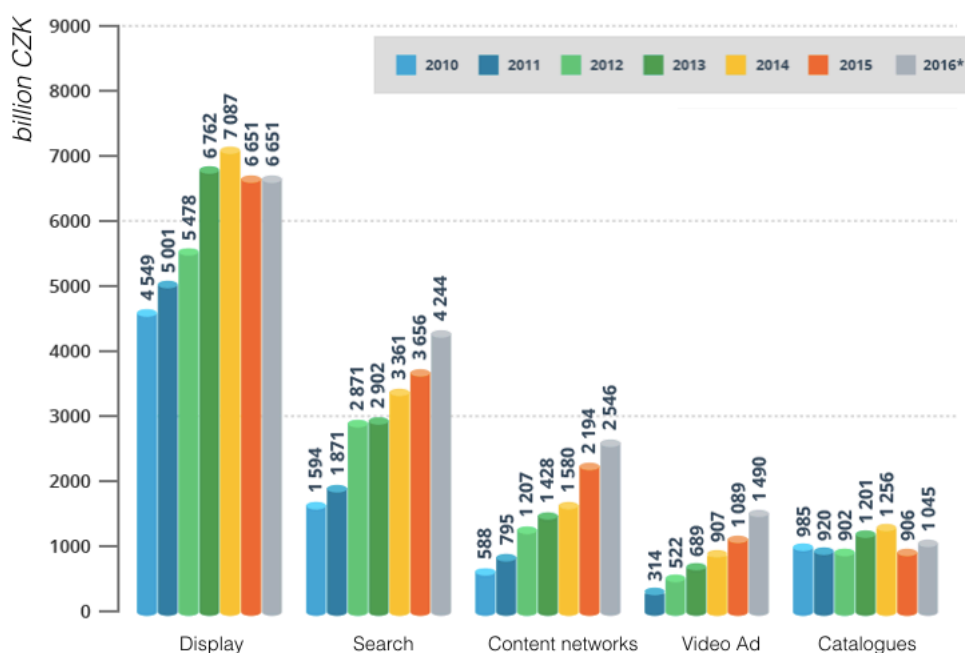


Fig. 4         Shares of investment into media types in 2010-2015
Source: NetMonitor, 2016

Display advertising including PPC in Display and PPC in Search presents the biggest part of advertising spending (6.65 billion CZK) in the Czech Republic. Compared to year 2014 the volume of the display declined, while for advertising networks including Sklik, AdWords, Facebook and eTarget increased by 18%. Search and Display categories include advertising targeted at mobile devices (phones and tablets) and generate 20% share of this category. More and more money is invested in video and mobile advertising. Since 2012 investments in video doubled to 1.09 billion CZK. The volume of mobile advertising comes from participating media and indicates the size of display advertising on the sites visited from mobile devices and mobile applications. (NetMonitor, 2016)

### 3.2.1      Ten CS for online marketing

Richard Gay (2007) published a customer-led approach designed specifically for online marketing. Model of ten CS is useful frameworks for marketers to explore online marketing from an internal and external perspective and develop robust marketing plans.



Fig. 5        Ten CS for online marketing
Source: Longato, 2011

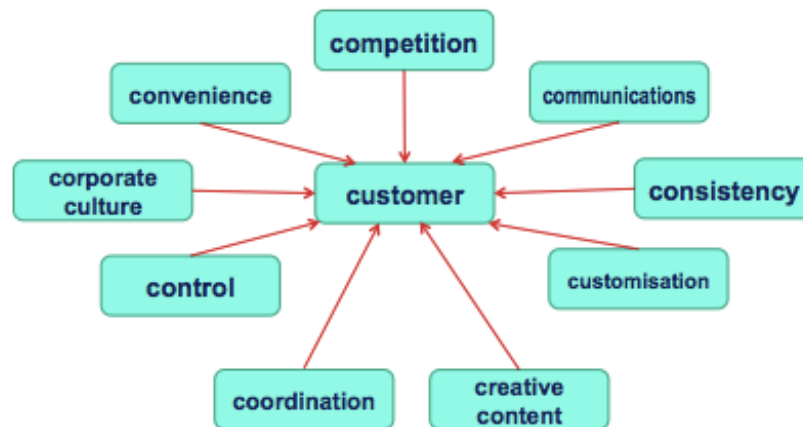As it is evident from the picture above, the **customer** is located at the center of the model and is also expected to be the center point in marketing context. Marketing activities must be designed to achieve high level of customer loyalty and satisfaction.
To create appropriate brand perception of customers and fulfill their expectations of brands is build authentic **corporate culture.**

The technology has made the threat of **competition** very unpredictable, organizations should be aware the changes may appear overnight. The Internet has become immense source of information as well as it has brought transparency.

**Communications** is important part of the model.  There is decreasing influence of mass media providing one-to-one communication and new forms of communication within online marketing appear. As an example of new form of communication can be inbound marketing which focuses on the creation of new, relevant, entertaining and educational content which hit a target audience. The principle of inbound marketing is to appear where people look for information. The typical tools include social networks, SEO, blogging, email marketing, e-books, webinars, articles, videos, case studies, catalogs and others. **Consistency** express the need to deliver the same communication, service and brand experience across all marketing channels.

While the main source of company information were corporate websites in the past, nowadays many customers search information from additional sources such as social media which offer marketers space to communicate using **creative content**. Creative content includes different forms of communication such as video, infographics, e-books

and so on. Online marketers use also viral marketing which relies that a large number of recipients forward the ad to large number of friends.

**Customization** helps to achieve the aims of more personalized and tailored communication and knowledge about customers. Organizations know more about customers and can offer product and services depending on their needs.

### 3.2.2    Website

A high quality website represents the necessary basics of presentation of any business. According to Cailliau (2007) a website is a set of connected webpage, usually including a homepage and maintained as a collection of information by a person, a group or an organization. Relevant websites which have useful content and a good user experience, strongly influence the growth of any business.

Nowadays, almost every company presents itself using a website. However, from the customer's perspective there is still large number of unsuitable websites. Rayport and Jaworski (2001) described a set of rules called 7 C's Elements of the Customer Interface. Each C stands for one of the elements:

- **Context -** Deals with elements of functionality and aesthetics. Functionality provides the right layout (organization of pages) and navigation (the easiness of moving through pages). Aesthetics is characterized by design and visual impression (color and visual themes).

- **Content -** Focuses on what the site wants to deliver. It includes content itself (text) and elements like appeal mix (communication option), offering mix (products/services) and multimedia mix (music, pictures, video).

- **Communication** - The way sites enable one or two ways communication. There are three types of communication: broadcast (one-way communication from website to user), interactive (two-way communication between the website and its users) and hybrid (mix of both).

- **Connection -** Presents connections among partner's sites or any other website (links to other sites).

- **Community** - Describes how a website enables communication among users and their involvement.

- **Customization** – Shows the ability of the website to be personalized by the user for his own needs or goals.

- **Commerce** – Capability of a website to support e-commerce (transactions, payments, order tracking).

Websites have become more complex and advanced involving rich and interactive experience which is presented by User experience (UX) discipline, which delas with websites interface including layout, visual design, text, brand and interaction. All elements must be coordinated to allow the best possible interaction by users. UX optimization of a website can be evaluated by heuristic evaluation which can provide quick feedback and suggest the best corrective measures. (Garrett, 2011)

### 3.2.3    Online advertising

The Internet represents communication environment which brings new ways of communication in addition to traditional marketing tools. Online marketing tools bring new fields that can not be categorized under classical communication mix. Following scheme shows particular tools of advertising.
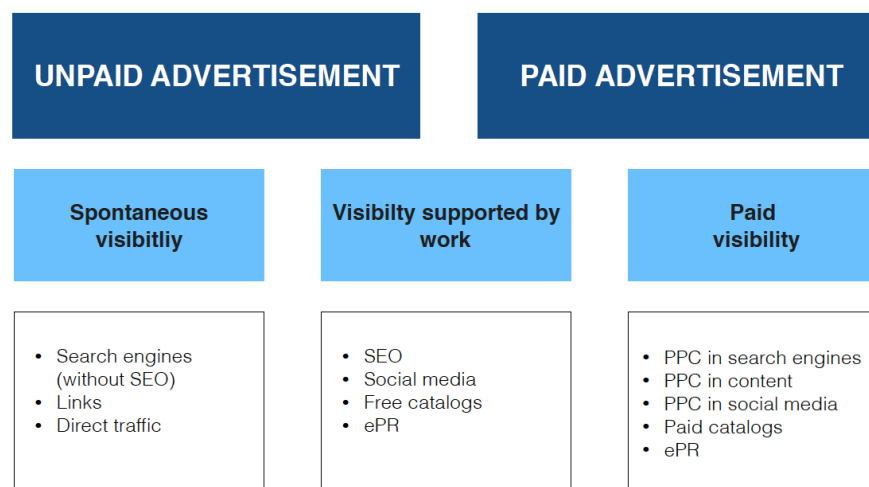


Fig. 6        Online Media Mix
Source: Sláma, 2015

Online advertising is one of the most widely used forms of marketing communication on the Internet and has been rapidly developing. The first concept of online advertising was banners priced by method CPM - cost per impression. Within CPM publishers charge a cost for one thousand impressions on a webpage. The milestone of online advertising was year 2000 when Google introduced new advertising system AdWords with new method of payment PPC - pay per click. (Google, 2016)

### 3.2.4    PPC

PPC advertising is one of the most effective form of marketing communication on the Internet. The price is relatively low and the targeting is very precise. Within PPC pricing method advertises pay only when a visitor clicks on a banner instead of by the number

of impressions. AdWords platform has brought apart new system of payment a revolutionary auction system of advertisement which evaluates both the price and the quality of the advertisement. PPC advertising has its own specifics on the Czech market, mainly due to strong local player Seznam which is equal competitor to Google in the Czech Republic. The proportion of both search engines is 1:1, which is a unique phenomenon in the world. Both AdWords and Sklik are absolutely the most used advertising tools in the Czech Republic. (Koukalová, 2013)

There are two main types of online advertising using PPC ads - Search and Display. (Google, 2016)

**PPC in Search**

People use search engines when looking for large number of information. However, the most important moment for online marketers is the moment when potential customers search for their products or services. Marketers use PPC in Search to reach audiences based on keywords that represents their products or service. They should create relevant and attractive ads to compete with other advertisers and reach top positions of ads. The usage of PPC in Search is suitable for the next stage of the buying cycle of customers. (Koukalová, 2013)

**PPC in Display**

For individual advertisers would be very difficult to negotiate with the operators of websites to place their advertisements. Therefore, advertising networks such as Google, Seznam or Etarget administrate large number of web sites into advertising platforms. These platforms are managed by advanced technology, which allows advertisers many targeting options. Google manage the largest number of websites and allows the most advanced targeting. PPC within the Display is suited to create demand or launch a new product. PPC includes text and image ads within display network, video ads (YouTube, Facebook) and ads on social networks (Facebook, Instagram, Twitter). Display networks offer following targeting options:

- Contextual - It is the most widely used option of targeting when advertiser selects, at which topics their ads will appear.

- Interests - Marketers work with the interests of potential customers. It does not matter where ads will appear, but who is the one who will see it.

- Demographic - Targeting potential customers by demographics such as age or gender.

- Remarketing - It is the most effective form of display advertising. If users leave the website without purchasing they can be reached at time when they visit other sites. The advertising message can be customized to make users return to the site and complete a purchase. Remarketing in Seznam is called retargeting. (Zdarsa, 2013)

### 3.2.5 Social media

Social media is currently for both users and marketers very popular. Social networks do not represent just another marketing platform, but bring a change of communication and allow to establish contact with small segments of customers and gain insight about their lifestyle. The function of social media for business is intertwined with at least three corporate sectors - PR, marketing and customer service. (Janouch, 2014)

**Facebook**

Facebook dominates the majority of display advertising nowadays. In the Czech Republic there were 4 to 4.5 million monthly active Facebook users in 2015 (tens of percent are false accounts). There were 51% female and 49% male and the largest age group (31%) was people from 25 to 34 followed by users aged from 18 to 24 and 35 to 44 years old. More than 60% of Czech population use Facebook. (Lupa, 2015)

According to Podzimek (2013) Facebook represents following opportunities:

- Improve the company's image

- Branding

- Launch new product on the market

- PR tool for communication

- Target specific groups

- Improve positions in search engines

- Increase sales using appropriate communication

Facebook offers the most advanced targeting of all social and advertisement networks in the world. People provide a huge amount of information about themselves and according their activity Facebook evaluates what kind of advertisement might be interesting for them. It is possible to create own lists of audience such as remarketing or looka-like audiences or target users according to (Facebook, 2016):

- Location - country, state, city, zip code, particular place and its radius (for example a restaurant +2 km)

- Demographics - age, gender, language, education, generation, work, relationships, life events (new job, new relationship, recently moved, upcoming birthday), parents, ethnic affinity, schools, fields of study, interested in genders

- Connections - include or exclude people connected with page, app or event or include people whose friends are connected to page, app or event

- Interests - business and industry, hobbies, activities, entertainment, technology, food, fashion, shopping, …

- Behavior - travel, mobile device users, digital activities

Facebook constantly deepens its targeting options, for example it introduced the option of targeting according to intersect of interests in 2015. Its filters are very powerful and allow to precisely target micro audiences.

Facebook offers following spots for placement of ads: news feed, where the most important place is where users spend 90% of the time, right column, mobile devices or Instagram - this social media platform is connected with Facebook since 2014.

It is important to track metrics such as engagement which counts the percentage of those who liked, shared, clicked or commented on it from all the people who was the ad. To display an ad as many of your fans, it is needed to achieve the highest possible engagement. Hence marketers should create such ads that people had the desire to click. (Linc, 2014)

**Instagram**
Instagram was founded in 2010 as a social network based on sharing photos which can be uploaded solely through mobile devices. In 2012, Instagram was bought by Facebook, which strengthened its strong position in the field of social networking. The growth by 50% from 2013 to 2014 made Instagram the fastest growing social media channel. Instagram had registered 400 million users in September 2015. (BusinessInsider, 2015)

Users of Instagram are more specified than users of Facebook. Instagram has very dedicated young users, who are interested in shopping, therefore it can be a great marketing channel. Instagram's audience is mostly young women, more likely to engage with content and like shopping. (Mediumwell, 2016)

Advertising on Instagram is based on photographs with simple descriptions and in particular hashtags (a form of keyword marked with a "#"). In September 2015 Instagram took a crucial step and enabled the possibility of advertising in the feed and according to Social Media Marketing Industry Report (2015), 52% of marketers plans in 2015 and 2016 to increase the number of presenting companies and their advertising on Instagram. Instagram has recently updated its search function to keep users in the app for longer by finding more content. Users can follow others and discover trending stories which gives the opportunity for brands to communicate with them. Brands use opinion leaders such as bloggers or vloggers to promote their products or services and these Instagram influencers may become even more sought. (Social Media Today, 2016)

**YouTube**
Youtube is social media marketing tool that is popular of the video sharing. At the beginning it was only YouTube entertainment platform for the sharing of user-generated videos. Today it offers movies, songs of the world's biggest stars, presents documents and live broadcast of important events. Users can earn money from advertising when creating original content. (Social Media Today, 2016)

### 3.2.6    E-mail marketing

E-mailing is a marketing tool which using modern technology offers a unique opportunity to reach existing customers and build a strong relationship with them. Successful communication is based on working with databases of customers and detailed targeting. Email campaigns should follow the marketing activities of the company. The key metrics for evaluating emailing are:

- Deliverability - this metric shows the quality of database, it expresses the ratio of delivered emails into the mailboxes of the total number of send emails

- Open rate - counts the ratio of recipients who opened the e-mail to the overall recipients

- CTR (click through rate) - the ratio of recipients who clicked on any link in email

- Unsubscription rate - shows the percentage of contacts which unsubscribed

- Turnover – amount of sales an individual campaign brought. (Penkala, 2013)

Marketers should optimize campaigns on the basis of these metrics. It is popular to test different templates or subjects of a newsletter by A/B testing when two variants are prepared and distributed to a certain percentage of recipients. E-mailing softwares then choose more successful option which send to the rest of the database. It is also important to set an appropriate date and time of sending e-mail. (MailChimp, 2016)

The key element for successful e-mailing is personification. People receive large amounts of newsletters that are sent to all contacts every day. However, marketers can reach their targeted customers based on their shopping history and interactions with other online channels by using modern instruments. Personified and automated communication presents great opportunity to profit from the customers as much as possible. It is recommended to use loyalty programs to capture, analyze and exploit knowledge based on customer activity. E-mail marketing brings also obligations under the law. Spam (unsolicited communication) is considered to be the most serious problem. It is also required to include the information that newsletter is commercial communication. (Penkala, 2013)

### 3.2.7    See Think Do Care Strategy

In 2014, a world-renowned specialist in web analytics Avinash Kaushik introduced See Think Do Care Strategy. This strategy assumes customers do not buy products and services immediately but make their decisions gradually. Kaushik points out that this purchasing behavior may not work consecutively for some customers. However, most customers behave in a manner of See Think Do Care procedure. The core of this strategy is to determine the audience which vary according to the type of individual phases. This framework helps marketers generate more comprehensive marketing strategy that addresses the whole process of customer purchasing decisions. (Kaushik, 2014)

| | Purchasing phase of consumer | Communication |
|---|---|---|
| **SEE** | People may need a product or a service and they have money. | • Blog<br>• Social<br>• Videos<br>• Articles<br>• Gallery<br>• CSR |
| **THINK** | People who consider buying a product or a service, they wonder how much they are willing to invest. | • Newsletters<br>• More information<br>• Social amplification<br>• Product comparison<br>• Rewards program<br>• Reviews<br>• Tech description |
| **DO** | People who want a particular good, they search for an ideal range of goods, pricing and distributor. They have intention to buy. | • Purchase<br>• Lead<br>• Donate<br>• Call<br>• Live chat<br>• Download<br>• Join e-mail list<br>• Store visit |
| **CARE** | Customers who want replace or extend a product. They already bought a product at least once. | • Account sign-in<br>• View orders<br>• Refer to a friend<br>• Appointment reminder<br>• Download app |

Fig. 7       Purchasing phases and recommended communication within See Think Do Care strategy
Source: Avinash Kaushik, 2014

### 3.2.8    Content marketing

According to Marketo (2015) content marketing is the process of creating high-quality and valuable content, which aims to attract, inform and closely involve the target audience while promoting own brand. The content attracts customers and creates real confidence between brands and consumers. The core of content marketing is a story. Content advertising should discreetly stick to the everyday life of the consumers and enhance their experience. Content should be useful and not immediately apparent that it is an advertisement.

Before the preparation of content marketing a persona should be created. It is a detailed description of a fictitious person who could be a good consumer of our content and good customer of our business. Persona presents a person who has a name, face, characteristics, habits, skills, expectations, motivation and with whom marketers enable to identify and throughout design products or services. The formation of persona helps in deciding how consumers behaves and recognize their needs. (Hazdra, 2013)

## 3.3 Marketing research

There are many various definitions of marketing research. The definition of marketing research according to Kotler (2013) is following: "Marketing research is the systematic design, collection, analysis and reporting of the data, and finding a solution relevant to specific marketing situation facing the company". ESOMAR (European Society for Opinion and Marketing Research) defines marketing research as listening to the consumer. The most general aspect of marketing research is that conducted on consumers by professional interviewers and the main characteristics are uniqueness, high explanatory power and relevance of information. There are three main areas influencing business companies focusing on the key applications of marketing research (Kozel, Mynářová, Svobodová, 2011):

- Market understanding - research focusing on understanding the demand and future projections of demand

- Brand understanding - bearer of supply, represents frequent applications of research

- Customer understanding - the objective is to understand the behavior of customers because his needs reflects the personal and market demand.

### 3.3.1 Primary and secondary marketing research

According to the aspect of obtaining information we distinguish the primary and secondary research. Kozel, Mynářová a Svobodová (2011) claim that researchers should always begin with secondary research because the financial and time demands of obtaining primary data is much higher. Secondary data is obtained by statistical processing that someone has already collected and processed as a primary research. This approach is known as "desk research". The advantage of secondary data compared to primary research are availability from internal and external sources and fast collection. Among internal sources belong for example profit and loss statements, database of competitors or customers and investigations ordered by the company. External sources are collected from statistical offices, professional publications, research reports and internet. Researchers need to be very careful using the secondary data. Their reliability, adequacy, purpose and background need to be checked before usage. (Jackson, 2008)

Hollerson (2003) defines primary research as "Information that is collected first hand, generated by original research tailor-made to answer specific research questions." The advantage of primary research is based on specificity. Primary data collection is much more expensive and slower than drawing data from secondary sources. The Internet provides many platforms for research such as e-mail, web surveys, chat rooms or bulletin board focus groups. Online surveys reduce costs which make them popular for marketers. (Gay, Charelsworth and Esen, 2007)

### 3.3.2    Types of marketing research

There are two fundamental methods of marketing research - quantitative and qualitative research. Quantitative and qualitative researches are perceived as mutual supplements so their combination which uses a qualitative approach for the first deeper understanding of the issues examined and then verifies the results achieved through quantitative research is appropriate model for marketing research. (Hague, 2013)

**Quantitative research**

Quantitative research deals with the collection of hard statistical data measuring key characteristic, behavior and attitudes of customers. This method is based on quantifying scientific, rigorous and reliable data for marketers to analyze. It focuses on large files of respondents of hundreds to thousands of people to achieve the representativeness of the sample. (Gay, Charelsworth and Esen, 2007)
The aim of this research is to determine the relationship between one an independent and dependent variable. It is associated with standardized procedures and statistical methods of hypothesis testing. Based on deduction, researcher draw a relationship between variables (hypothesis), performs research survey, states conclusions about the validity of the hypothesis (hypothesis testing) and the results will stretch back to the theory. (Hair, Bush, Orinau, 2000)

**Qualitative research**

The main difference between quantitative and qualitative research is the manner of searching the answer. Qualitative research explores reasons and motivations of individuals, it is more concerned with customers insights. It deals with reasons of consumers behavior, why they behaved  in such way, how they feel now and what are their intentions with an organization in future. Recently, when the market is saturated and difficult to predict, the importance of qualitative research grows. (Gay, Charelsworth and Esen, 2007)

Blythe 2013 mentions that qualitative research cannot be expressed in numerical values because it express opinions and attitudes. Compared to quantitative research, it works with smaller sample of respondents (individuals or dozens of people), is faster and less costly. Qualitative techniques include individual interviews (face to face), group discussions (focus group), analysis of written documents and association tests. (Hair, Bush, Orinau, 2000)

### 3.3.3    Marketing research process

The process of marketing research consists of several consecutive steps. Each marketing research should consist of two phases - preparation and realization. The preparation phase includes problem definition, objectives and hypothesis, tentative analysis of the

situation, plan of the research project and preliminary research. The realization phase include collection, processing and data analysis, visualization outcomes and their interpretation and recommendations. (Malthotra, 2010)

**The problem, objectives and hypothesis**

A prerequisite for meaningful marketing research is to determine **the problem** that a company is trying to solve. The specific definition of the problem is one of the most important part of marketing research, but it is often the most difficult step in the process at the same time. Too narrow or too broad definition of the problem carries the risk of inadequate conclusions. Only the exact formulation of the problem allows researchers to determine the policies that achieve the necessary information. (Malhotra, 2007)

The definition of the problem leads to establish the research **objectives**. The objectives should be concise and well defined to frame the research. Objectives should follow the SMART strategy - Smart, Measure, Achievable, Realistic and Timely. If the procedures in the research do not contribute to achieving the objective, it should be omitted from the plan. (Gay, Charelsworth and Esen, 2007)

The next step after establishing correct objectives is the formulation of **hypothesis.** A hypothesis is a statement about the supposed (probable) state of two or more phenomena (variables) which are not proven yet. The primary significance of hypothesis consists in verifying relationships between variables. There are few rules for the formal aspect of the hypothesis, they should be formulated in measured or quantified values. (Hair, Bush, Orinau, 2000)

**Tentative analysis**

Within **tentative analysis** researchers study existing information, consult the problem with experts and collect as much available data as possible. The researcher should choose the theoretical framework of their work, schedule analytical models and carry out qualitative research (for example through interviews or focus groups) if necessary. Conceivable piloting that collect informal data from the people subjected the primary research should be done. The aim of the pilot study is to determine whether the information we will require from respondents exists and it is possible to get. After tentative analysis is done one of following situations occurs (Kozel, Mynářová, Svobodová, 2011):

- The problem is solved - the answers were found in the secondary data
- Hypothesis are well established - the correctness of the foregoing considerations was confirmed
- It is necessary to refine the research objectives and hypotheses
- Back to the beginning - a problem or a wrong choice were discovered, there is a risk that the research will not bring the required information, the problem must be reformulated.

**Experimental research (testing) and data collection**

The experimental research is the last possible stage where certain shortcomings can be rectified and some parameters be adjusted to achieve better results in the research. Tapp (2005) defines testing as "the small-scale measurement of individual campaign elements in order to maximize returns on rolled-out full marketing campaigns." The internet offers many opportunities for experimental research and provides marketers the ability to experiment to optimize marketing research. (Gay, Charelsworth and Esen, 2007)

After experimental research required data are collected. Among the most popular methods of collecting the primary data belong interviewing, observation or experiment. Interviewing is the most frequently used method. The main problem of this method might be the respondent's unwillingness to cooperate. When interviewing a researcher gets answers directly from respondents using tools such as scenario, record sheet or questionnaire. Researcher may ask questions in person, by telephone, by written questionnaire or online survey. (Kozel, Mynářová, Svobodová, 2011)

Online marketing research has been experiencing a big boom and became the most widely used environment for the implementation of research. Thanks to the growing number of users of online media a questionnaire distributed online will soon fill a large number of respondents. However, we can not overestimate the representativeness of these answers. It is also difficult to estimate the percentage of success salutation. The advantages are the speed of research, the efficiency (data researcher can work immediately after completing the respondent) and the low cost of both the researcher and respondent. There are no costs on printing, postage and telephone. Furthermore, it eliminates any influence of the researcher on respondent so it provides better answers to open questions than personal interviews. Therefore it can be argued that online questionnaire is more objective. Last but not least, online research utilizes automation in the collection and processing data, which facilitates the work of a researcher. (Walker, 2008)

According to Hague (2003) the problem of online research is responding by only a portion of the respondents. The identification and control of sample is more complicated and researcher must still take into account that not all members of the population have access to the Internet. However, according to Netmonitor (2015) seven million Czech people had access to the Internet which is approximately 70% of population.

Online surveys vary with the selection of respondents. Baines and Chansakar (2002) suggest following methods for obtaining information online:

- E-mail questionnaires

- Web questionnaires

- Public chat and discussion groups

- Online focus groups.

Researchers should follow these principles regardless of the form of research (Kozel, Mynářová, Svobodová, 2011):

- Minimize the unwillingness of the respondent - the respondent should be motivated to answer in order to prevent deliberate response bias

- Respondent should be rewarded - the respondent should be offered an equivalent for time and willingness to answer

- The principle of acceptance the interviewer's personality - it is necessary to introduce the research team, as the sympathies or antipathies may influence the respondent's answers

- The principle of standardization – it is appropriate to ensure a unified standardized procedure for submission of the questionnaire

- The principle of time proportionality - the time and duration of the questioning must be chosen with regard to the theme, place and situation

Because the objective of marketing research is to provide accurate and correct conclusions, it should carry out a research on the entire population. However, this rarely happens, because the basic file consists mostly of huge groups of people (sometimes millions of members). Such research would be too long, costly and inconsistent with the right client who usually demands quick results. Therefore, it is necessary to deal with the way in which a researcher select only a sample of respondents from the population to bring representative and undistorted data. At the beginning of the sampling researcher must decide about the target group of respondents who have become the subject of questioning and define the population. (Birn, 2008)

Based on the characteristics of the target group, researcher selects between the representative techniques (random or stochastic) and the deliberate techniques (non-random and non-probabilistic). Among representative techniques belong (Kotler, 2004):

- Simple random sampling - anyone can be selected, they all have the same chance of being selected

- Stratified sampling - the population is divided into groups according to selected criteria and the sample is selected from each group

- Multistage selection - the population is divided first in primary group and in the second stage only secondary units are selected in primary groups.

Non-random sampling techniques:

- Simple selection - interviewer selects the most easily attainable respondents

- Deliberate selection - interviewer uses his judgment to select individual respondents that will provide accurate information

- Quota selection - interviewer asks a predetermined number of respondents from each selected group.

**Analyzing and interpretation of data**

According to Kozel, Mynářová and Svobodová (2011) the collected data should be controlled before analyzing to ensure that only reliable and valid data (complete, accurate, free from bias and fraud) remain. The next step includes encoding the data, which represents a particular assignment (most often numeric values) for each question and each answer alternative. The purpose of this step is faster and easier processing and storage of data, as well as preparation for the subsequent use of the analysis of computer programs. The last step before analyzing data is converting the data into electronic form using of a statistical software.

A prerequisite for data analysis is the **classification.** Classification creates the input parameters for the study of relationships between variables. Classification of first degree involves detecting the frequency of certain variables. It uses tools such as tables, graphs or histograms. The basic statistical description includes a measure of central tendency (modus, median, average) and a measure of variability (dispersion, standard deviation). Classification of second degree is related to the analysis of the relationships and dependencies between variables. It is done by analyzing averages, correlation and regression analysis and factor analysis with regard to the objectives and research design. (Hair, Bush, Orinau, 2000)

Converting the results of data analysis to the conclusions and recommendations of the most suitable solution of the problem is called **interpretation.** Recommendations should have a logical structure that is based on the research objectives. The extent of the recommendation should be proportionate to the number of objectives and main hypotheses. (Kozel, Mynářová, Svobodová, 2011)

# 4  Methodology

This thesis consists of two main parts divided into a few further sections. The first part is devoted to literature overview describing the main issues of consumer behavior, marketing research and online marketing.

The practical part is divided into several units. First, tentative analysis introduces the problematic of outlet centers and results of secondary researches. Following part presents author´s own market research based on quantitative and qualitative investigation. Based on the results the case study was processed which analysed online activities of the Czech outlet centers - Fashion Arena Prague Outlet and Freeport Outlet Fashion Outlet. The last section brings practical recommendations for online marketing activities for outlet centers.

## 4.1  Quantitative research

The quantitative research was processed in electronic form using questionnaire in the Application Form of Google Documents. The minimal numbers of respondents were set after the discussion with the supervisor of the thesis before the research took place, these were 300 respondents living in the Czech Republic. The structure of respondents was set based on the age, for that reason that age is one of the main criteria for targeting of potential customers. The publishing of survey was done through several Facebook pages during March 2016 and the questionnaire was distributed also personally in order to obtain answers from older respondents who are difficult to reach online.

The first question examined idea of respondents about the concept of the outlet center. This was followed by the question, which ensured which of the 4 visuals would most motivate them to visit an outlet center. By following question respondents were asked if they have ever shopped in any outlet center. Depending on the answer respondents divided into two groups of those who have ever shopped at an outlet center and those who have never shopped in any outlet center. The first group were asked answers about their shopping behavior by following types of questions:

- 3 open questions
- 5 closed questions with one option
- 3 closed questions with multiple options
- 2 questions with the battery options line (1 to 5)
- 2 questions of range of level of agreement (I agree, I rather agree, I don't know, I rather disagree, I disagree)

The second group of respondents were asked for the particular reasons why they have never visited any outlet center.

At the end of the questionnaire all the respondents were asked questions regarding their interest in monitoring online presentation of outlet centers and their motivation to join the loyalty program of an outlet center. Six identification questions conducted the questionnaire.

A pretest with several respondents was conducted to test whether all the questions were clear and understandable before the survey was launched. The pretest showed some deficiencies, therefore the questionnaire was corrected as well as expanded by some additional questions.

The intervals of age of respondents were determined by the classification of socio-demographic breakdowns of the European Parliament and Council Regulation (EU) No. 692/2011 of 6 July 2011 concerning European statistics on tourism. Minimum age of respondents was set at 15 years and maximum age was set at 64 years old.

Tab. 1         Distribution of respondents

|          | Absolute frequency | Cumulative frequency | Relative frequency | Cumulative relative frequency | Absolute number of r. | Relative number of r. |
|----------|--------------------|----------------------|--------------------|-------------------------------|-----------------------|-----------------------|
| **15 – 24** | 1 258 184 | 1 258 184 | 17,10 | 17,10 | 51 | 51 |
| **25 – 34** | 1 626 986 | 2 885 170 | 22,12 | 39,23 | 66 | 117 |
| **35 – 44** | 1 612 545 | 4 497 715 | 21,92 | 61,15 | 66 | 183 |
| **45 – 54** | 1 363 605 | 5 861 320 | 18,54 | 79,70 | 57 | 240 |
| **55 – 64** | 1 492 710 | 7 354 030 | 20,29 | 100,00 | 60 | 300 |

Source: Czech Statistical Office, 2011

### 4.1.1    The structure of respondents

A total of 331 respondents completed the questionnaire. After eliminating incomplete answers, a sample of 325 respondents was analyzed. Since the questionnaire was distributed online, most responses were collected from respondents younger than 45 years old. It was necessary to further collect respondents aged more than 45 years old. The The structure of the sample for the quantitative survey in shown in the table 2.

Tab. 2    The structure of respondents of quantitative research

| | | Absolute frequency | Relative frequency |
|---|---|---|---|
| **Gender** | Women | 204 | 62,77 |
| | Men | 121 | 37,23 |
| **Age** | 15 – 24 | 74 | 22,76 |
| | 25 – 34 | 68 | 20,61 |
| | 35 – 44 | 66 | 20,30 |
| | 45 – 54 | 57 | 17,53 |
| | 55 – 64 | 61 | 18,76 |
| **Education** | Primary | 6 | 1,84 |
| | High school without diploma | 19 | 5,84 |
| | High school with diploma | 119 | 36,61 |
| | Higher professional education | 15 | 4,61 |
| | Higher education | 166 | 51,07 |
| **Occupation** | Student | 96 | 29,53 |
| | Employed | 149 | 45,84 |
| | Self-employed | 56 | 17,23 |
| | Entrepreneur | 20 | 6,15 |
| | Different | 4 | 1,23 |
| **Place of residence** | Up to 3,000 inhabitants | 72 | 22,15 |
| | 3,001 – 90,000 inhabitants | 93 | 28,61 |
| | More than 90,000 inhabitants | 160 | 49,23 |
| **Income** | 0 – 9,900 CZK | 82 | 25,23 |
| | 9,901 – 15,000 CZK | 49 | 16,07 |
| | 15,001 – 22,000 CZK | 74 | 22,76 |
| | 22,001 – 26,000 CZK | 42 | 12,92 |
| | 26,001 CZK and more | 78 | 24,00 |

In general women buy more clothes and they shop more often than men. This fact is reflected in the structure of the gender of the respondents, more than 62% of respondents were women. The largest proportion of respondents (n=285) has completed secondary education with high school diploma and higher education. This may be influenced by the way of spreading questionnaire.

### 4.1.2      Analyzing data

Data from the completed questionnaire survey were evaluated by using MS Excel and statistical program Statistica. Following statistical methods were used to evaluate the data: absolute frequency, relative frequency, mean, mode, median, standard deviation, variance and Pearson chi-square test. The strength of dependence was evaluated primarily by the Pearson chi-square, which is the most important measure of strength of the relationship between variables.

The level of confidence for hypothesis testing was determined on the level of 95%. It means there is 95% probability of the estimated parameter will during repeated testing at a given interval. The probability of rejecting the null hypothesis is $\alpha = 0.05$, the level of significance will be compared with the calculated p-value. If p-value is smaller than the level of significance, the null hypothesis Ho is rejected.

### 4.1.3      Hypotheses

Hypotheses were formulated on the basis of analyzing secondary data:

- $H_0$ – Frequency of shopping in outlet centers is independent on gender.

- $H_0$ – Frequency of shopping in outlet centers is independent on age.

- $H_0$ – The distance of outlet centers from a place of residence of customers does not affect the frequency of visiting.

- $H_0$ – Frequency of shopping in outlet centers is independent on income.

## 4.2    Qualitative research

A useful method how to understand consumer's motivations, attitudes and habits is in-depth interview. This method of qualitative research was processed after evaluation of quantitative research as a complementary source of information.

Qualitative research was conducted in April 2016 and the main objective was to determine the behavior of customers of shopping outlet centers, find out which advertising channels influence them the most and determine their online behavior connected with outlet centers. A list of questions was prepared and based on participants answers further questions were asked.

In the end of the interview respondents were asked to visit websites of Fashion Arena and Freeport Fashion Outlet and evaluate them according to issues of SUPR-Q method. This method evaluates how usable and easy to use visitors think a website is. They answered 9 questions based on factors of usability, trust and credibility, appearance and loyalty. The range of possible answers is from 1 which presents strong disagreement to 5 presenting strong agreement. (SUPR-Q, 2016)

### 4.2.1 The structure of respondents

The total number of respondents were eight, four women and four men from each age category except the last category of people aged more than 55 years old. The reason is that people older than 55 years are usually not active users of the Internet so they could not provide all the answers of the research. The respondents were following:

- Petr: 24 years old, baker, living in a village close to Znojmo
- Pavel: 29 years old, salesman, living in Brno
- Lucie: 24 years old, student, living in Brno
- Pavlína: 46 years old, mortgage specialist, living in Brno
- Helena: 52 years old, living in a village close to Znojmo
- Patrik: 37 years old, IT specialist, living in Brno
- Tereza: 26 years old, project manager, living in Brno
- Vojtěch: 48 years old, officer, living in Znojmo

## 4.3 Case study

The case study discusses four online marketing channels - website presence, social network site Facebook, e-mail marketing and PPC advertising.

Websites of outlet center has been described using 7 C's Elements of the Customer Interface, where each C deals with following problematic: Context, Content, Communication, Connection, Community, Customization, Commerce. Websites were also evaluated using Heuristic Analysis Application according to Čtvrtkon (2016).

Newsletter were evaluated for the period October 2015 to April 2016 and are examined by following categories: identification of newsletter, customization, content and parameters of newsletters.

# 5  Practical part

In this part, indicative analysis and case study will be processed and the results of the marketing research will be presented.

## 5.1  Indicative analysis

Indicative analysis was processed on the basis of secondary data from electronic information sources. It provides general background of the topic, an evaluation of the operation of outlet centers and existing surveys about purchasing behavior of outlet center's customers.

### 5.1.1  Outlet centers

Outlet centers are clusters of retail stores offering brand goods at discounted prices. The main feature of outlet centers is that a remarkable part of the goods comes from commercial channels and there are not all sizes of articles. The location is primarily determined by commercial aspects to attract the potential buyers. Outlet centers are often located near highways connected to industrial or tourist sites rely on customers come by car. The uniqueness of outlet centers is that the catchment area of customers is greater than in case of traditional commercial centers, often 2-3 hours. (Sikos, 2009)

The concept of outlet stores has roots in the US in 1936 when management of a shoe factory store began to offer excess or damaged shoes to their employees and local people at discounted prices. Since 1936 outlet centers have become incredibly popular in the US. Around 500 outlet malls existed on the US market in January 2015. While traditional shopping malls across America have struggled over the past 20 years, outlet malls have flourished even during the Great Recession. From 2006 to 2012, the amount of money American shoppers spent in outlet malls increased by 41%, while spending at conventional malls grew by only 9%. (Alternet, 2015)

Beginning in the USA, outlet centers subsequently has been spreading in Europe over the past 25 years. Outlet centers have been according to Internal Outlet Journal (2015) the fastest growing retail format in Europe since the early 1990s. In 1999 half of the European outlet space was in the UK. There were 100 outlet center in Europe in February 2005. The number of outlet centers is increasing year by year, from 2011 to 2014 there were 28 new outlet centers built in Europe. The total number of 158 outlet centers were trading in the Europe in 2015. (Internal Outlet Journal, 2015)

Tenants of outlet centers require clear understanding of how a certain outlet center attracts consumers and search for the opportunities of brand building. On the other hand they concerns about cannibalisation of sales at the original price in the retail store.

However, there are undeniable advantages of outlets such as the possibility of getting rid of older merchandise that was not sold in traditional stores. Therefore, outlets are used by brands which have a wide network of shops. Increasing competition and increasingly heterogeneous consumer market have driven shopping center to differentiate themselves in order to attract specific consumer segments. (Internal Outlet Journal, 2014)

Most of new outlet centers are built in the village concept in order to create a small town atmosphere which according to Sikos (2009) encourages impulse buying. This concept attracts and keeps buyers in outlet centers for longer time so they enjoy larger profits. By adding food courts, restaurants and cafés the time buyers spend at the outlet centers can be increased even by 50%. Another typical shapes of outlet centers are strip malls formed in U or L shapes and the closed mall-type. (Sikos, 2009)



Fig. 8        The concept of a village (Designer Outlet Parndorf, Austria)
Source: TripAdvisor, 2016

Despite the fact that outlets centers are the fastest growing retail format in Europe in terms of square footage, they have received little attention in the academic literature and there are not many researches that focuses on this style of shopping. Therefore, the literature examining consumer's motives and explanatory research need to be updated.

## 5.1.2    Secondary research analysis

Before any research starts, it is needed to find as many secondary data as possible in order to set right hypothesis for research. The main aim of researches about shopping behavior in outlet centers is to find key factors in the attraction of outlet center for target groups.

According to Sikos (2009) investigation of consumer patronage at UK outlet center in 2008 the comparative size of the center and the convenience of access were the primary characteristics that consumers sought when choosing an outlet center to visit.

The key of the success of these outlet centers are amazing discounts and the selection of the most popular national and international brands. (Sikos, 2009)

Visiting a shopping center according to Yilmaz (2004) became a community activity. When shoppers are in a familiar shopping environment, they are more likely to make purchases. The research demonstrated that consumers go to a shopping center to seek entertainment, fun, boredom relief and social interaction with friends. More recent research studies have found that value perceptions and specific stores are the key drivers of repeated visits. Attraction of outlet centers is seen as particular favoured store image.

In 2009 Tamás Sikos, conducted a research in Austrian and Hungarian outlet centers with following conclusions:

- The key attributes which attracted consumers to factory outlet centers were the high quality of the goods on sale, big discounts and the wide choice of products and the low prices.

- Visitors of the centers have a designated aim, only 1–2% of them arrive without any plans.

- Visitors are typically people with higher income.

- Majority of the customers spends between 50–100 EUR and 100–300 EUR during a visit.

- 50% of customers use cafés and restaurants.

- Shoppers generally spend several hours in the centers, so offering different additional services have a positive effect on the revenue.

- The most popular articles were fashion clothes, shoes and sportswear. Apart from clothes, people look for children's apparel, eyeglasses, electrical appliances, toys and perfumes in outlet centers.

- The most popular fashion brands stand out American brands as Gant, Mango and Mexx. Among the most popular sportswear and sports equipment brands were Nike, Adidas and Puma.

- Most of the buyers visit outlet centers by car.

According to International Outlet Journal (2014) the key attraction of outlets for shoppers will always be desirable branded goods at discounts. However, brands often don't allow their names to be used in any promotions, so marketers turn to organize events to build awareness of their centers' names in the minds of shoppers. Some of successful projects are listed in appendix D.

The clientele of outlet centers is according to International Council of Shopping Centers (2014):

- Sex: mainly women
- Average age: 40 years
- Occupation: employees
- Qualification: college or university degree
- Social status: middle class or above
- Family: with children
- Strongly shopping-oriented, fashion conscious and brand loyal.

With the boom of e-shops and online shopping concerns about the future of stores grow. International Council of Shopping Centers has published interesting statistics on the growth of Internet sales versus the growth of brick-and-mortar sales in the US. In 2013, Internet sales grew by 17% while brick-and-mortar sales grew just 3.5%. Brendon O'reilly the operator of outlet centers in Poland, Romania and Russia stated in International Outlet Journal (2014) that the experience outlets deliver to the consumer will not be cannibalized by online retail. (International Outlet Journal, 2014)

### 5.1.3    Outlet centers in the Czech Republic

So far there are only two domestic outlets in the Czech Republic - Freeport Fashion Outlet in Hatě and Fashion Arena Prague Outlet in Prague. Freeport Fashion Outlet is located near Znojmo at the border of the Czech Republic and Austria. There are 75 shops and more than 250 international clothing brands. Fashion Arena Prague Outlet is the largest outlet center in the Czech Republic. Both outlet centers offer well-known and brands with 30–70% discounts. New outlet centers were supposed to be opened in the Czech Republic in 2008, but several projects disappeared because of the global crisis. Nowadays some failed projects as the Prague Outlet in Tuchoměřice and Bohemia Outlet Village Benešovice will be restored. The Prague Outlet located near the Prague Airport will become the largest and the first premium outlet in the Czech Republic. The concept of exclusive luxury and designer brand mix is very different from any other outlet center in Central and Eastern Europe. (Hospodářské noviny, 2015)

## 5.2    Results of the quantitative survey

Following chapter interprets the results of quantitative research. At the beginning of the questionnaire respondents evaluated which of four advertisement showed in the figure 9 they like the most. The most favourite banner was number four with 105 answers followed by the number one indicated by 95 votes.

Fig. 9          Visuals of an outlet center
Source: Quantitative research, n=325

Respondents were asked to report what their associations when they heard „outlet cen-
ter". Some respondents wrote more associations and some of them skipped the ques-
tion. Individual responses are shown in the table 3.

Tab. 3          Associations with outlet centers

| Answers | Number | Answers | Number |
|---|---|---|---|
| Discounts | 32 | Lots of people | 6 |
| Old collection | 29 | Fashion Arena (Štěrboholy) | 6 |
| Cheap branded clothing | 25 | Low quality | 6 |
| Sales | 16 | Common shopping centers | 5 |
| Freeport (Hatě) | 16 | Sport clothing | 3 |
| Lots of shops in one place | 12 | Expensive brands | 3 |
| Branded clothing | 9 | Second hand | 3 |
| Cheaper but still expensive clothing | 7 | Shopping paradise | 1 |
| Clothes nobody wants | 7 | Non-fashionable clothes | 1 |
| Low prices | 7 | Readmitted clothes | 1 |

Source: Quantitative research, n=325

Most answers were regarded to discounts followed by „old collections" and „cheap
branded clothing". Association of respondents correspond to the concept of outlets and
most of people are aware of outlet centers. From the perspective of an outlet center it
is positive that the respondents recalled a particular outlet center, 16 of them reported

Freeport Fashion Outlet and 5 Fashion Arena. Also negative answers such as „clothes nobody wants" or „cheaper but still expensive clothing" appeared.

Each respondent was asked if she/he has ever shopped in any outlet center. Depending on the answer they were further divided into two groups. Total number of respondents who have ever shopped in outlet center is 221. Figure 10 presents the groups of respondents in percentage.
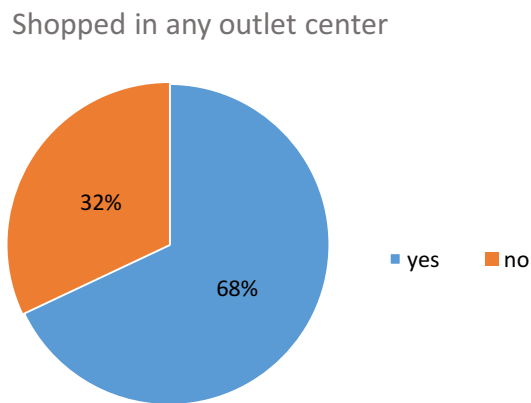
Shopped in any outlet center



Fig. 10       Respondents who have ever shopped in any outlet center
Source: Quantitative research, n=325

### 5.2.1    Shopping in outlet centers

This chapter focuses on the group of respondents who have ever shopped in any outlet center so they are considered as customers of outlet centers. It was examined which outlet centers respondents know, the results are interpreted in figure 11.

Knowledge of outlet centers
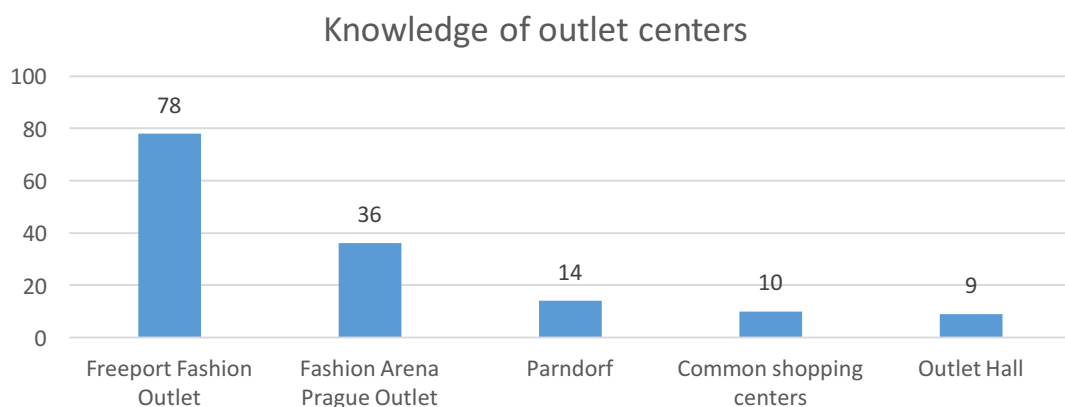


Fig. 11       Respondents knowledge of outlet centers
Source: Quantitative research, n=221

The most famous outlet center was Freeport Fashion Outlet, but this might be caused by the fact that the questionnaire was distributed mainly in southern Moravia. Some respondents reported common shopping center like Vaňkovka or Olympia in Brno as an outlet center which indicates they do not have a clear idea about the principle of outlet centers.

Respondents were asked about their shopping behavior within outlet centers. As it is indicated in figure 12, the frequency of shopping is less than once every 3 months for 73% of respondents. More than 25% respondents shop less than once a year. Only 11% visit outlet center once a 2 months and more. A few respondents shop once a month.
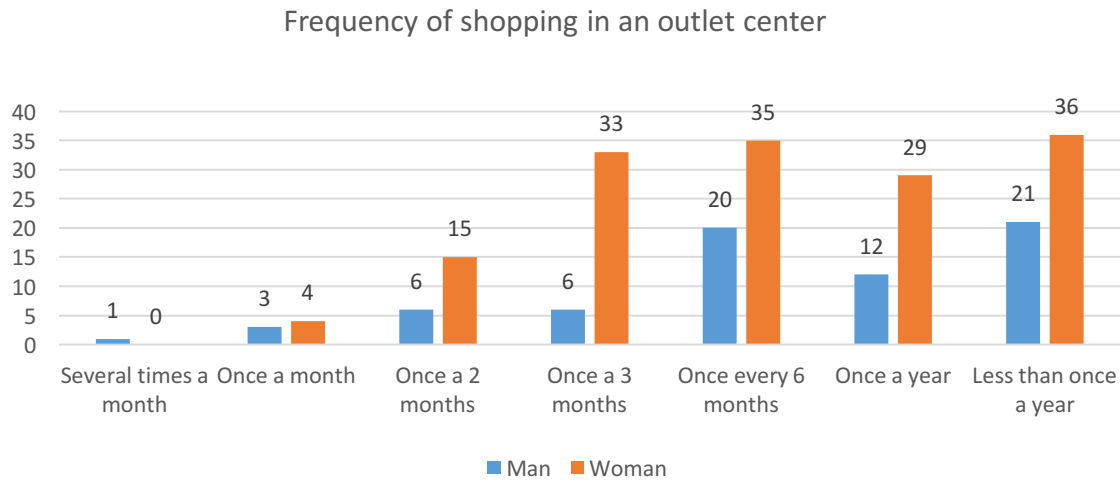


Fig. 12         Frequency of shopping in an outlet center
Source: Quantitative research, n=221

Figure 13 shows the distance of the nearest outlet center from respondent's places of residence. For more than 50% respondents the nearest outlet center is located up to 30 km from the place of residence.

The distance of the nearest outlet center
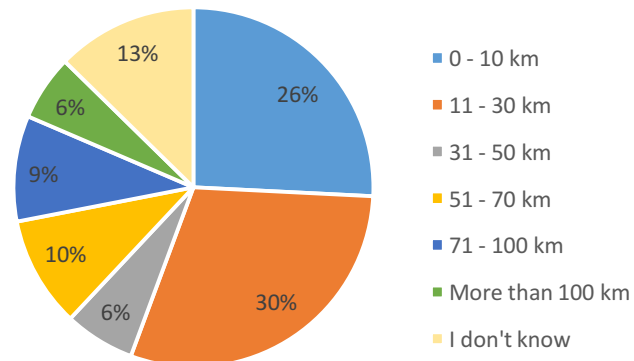


Fig. 13    The distance of outlet center from respondent's place of residence
Source: Quantitative research, n=221

Following question surveyed motivations to visit an outlet center which are listed in table 4.

Tab. 4    Respondent's motivation to visit an outlet center

| | Average | Median | Modus | Dispersion | Standard deviation |
|---|---|---|---|---|---|
| Great deals, discounts | 4,05 | 4 | 5 | 1,23 | 1,11 |
| Lower prices | 3,95 | 4 | 5 | 1,71 | 1,31 |
| Seasonal sales | 3,68 | 4 | 5 | 1,69 | 1,30 |
| Lots of shops in one place | 3,41 | 4 | 4 | 1,44 | 1,20 |
| Favourite brand (shop) | 3,32 | 3 | 4 | 1,47 | 1,21 |
| More shops (furniture) | 2,83 | 3 | 3 | 1,67 | 1,29 |
| Entertainment (cinema) | 2,57 | 2,5 | 1 | 2,03 | 1,42 |
| OC is close by | 2,46 | 2 | 1 | 1,99 | 1,41 |
| Restaurants, cafes | 2,46 | 2 | 1 | 1,67 | 1,29 |
| A trip, entertainment | 2,20 | 2 | 1 | 1,53 | 1,23 |
| Beauty care | 1,93 | 1 | 1 | 1,51 | 1,23 |
| Events (fashion show) | 1,77 | 1 | 1 | 1,21 | 1,12 |
| Babysitting | 1,66 | 1 | 1 | 1,32 | 1,14 |

Source: Quantitative research, n=221

According the table 3 it is obvious that the key factors attracting consumers to shop in outlet centers are discounts, special offers and sales. Favourite brands and many shops in one place are motivating attributes as well.

Customers are not interested in visiting outlet centers in order to join an event or to visit a beauty salon. The less attractive is babysitting.

Respondents also had the opportunity to state their motivation by their own answer, six respondents emphasized that the greatest motivation are great discounts and sales. Five respondents reported they visit outlet center within a trip or when they drove around and three respondents stated that a recommendation from a friend motivates them to visit. Following individual responses were reported: discovering unique pieces of anything, different brands compared with brands of common shopping center, better access of public transport or free transport, quick shopping (not wasting time by looking for clothes in cities), enough parking space, boredom, clean environment, toilets, fast food restaurants, Fruitisimo, shopping of Christmas gifts, inspiration and decoration.

Another question dealt with advertising channels of outlet centers. Respondents were asked which ads of an outlet centers they experienced and which ads had subsequently affected them. The results are showed in the figure 14. Almost 75% of respondents experienced online advertising and 62% of them were influenced by this channel. The same number of respondents (165) have seen an advertisement on billboard from which only 35% of respondents were influenced. This confirms that the Internet can be very strong marketing channel and is affects more than an ad on a billboard. The results confirm that world of mouth is the most effective advertising, a recommendation of a friend or a family represents the greatest incentive to visit an outlet center.
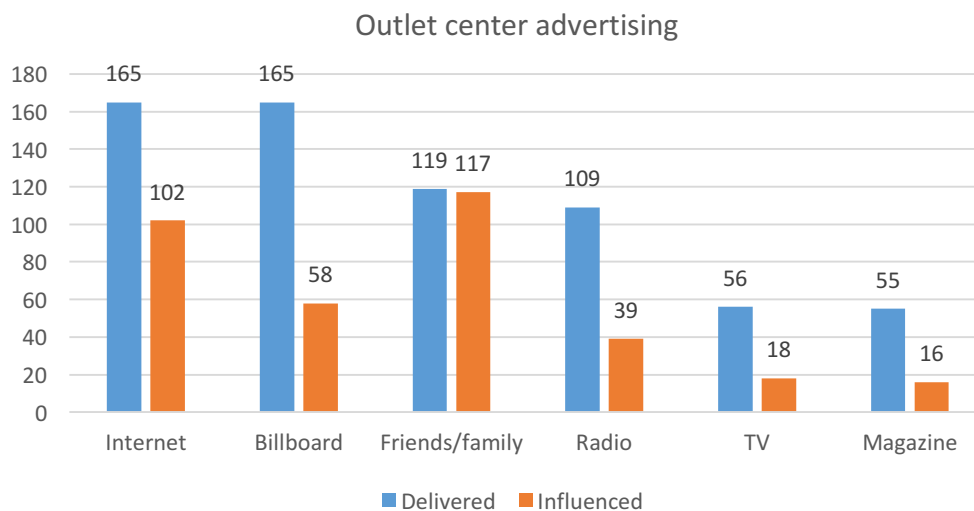


Fig. 14      Channels which respondents experienced/were influenced to visit an outlet center
Source: Quantitative research, n=221

Respondents were further asked about particular online media which motivated them to visit an outlet center. As it is indicated in the figure 15, Facebook and website presentations are the most influencing media for 62% of respondents. Other significant advertisements are banners, newsletters and videos.
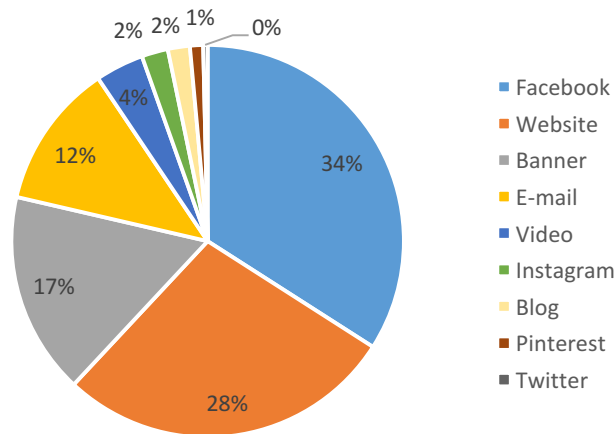


Fig. 15        The most influencing online channels
Source: Quantitative research, n=221

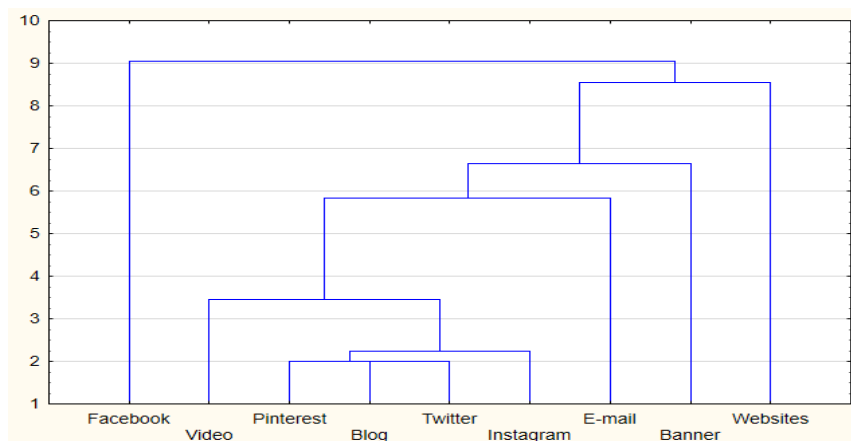Using cluster analysis similar groups based on their similarities regarding the influence of online channels were created.



Fig. 16        Cluster analysis of respondents according to influence of online channels
Source: Quantitative research, n=221

The results in the figure 16 show that the largest group are people who have been influenced by websites and Facebook. The smallest group of people were influenced by Pinterest, Twitter and blog which is not suprising because these channels are not so popular in the Czech Republic.

It was appropriate to determine which topics of ads are the most interesting for customers, the options and evaluation are shown in the figure 17. It was confirmed that discounts are the most motivating factor, 77% respondents would visit an outlet on the basis of ad based on topic of discount or sales. The topics of favourite brands and particular clothes are also motivating in contrast of events which are attractive only for 15% of respondents.
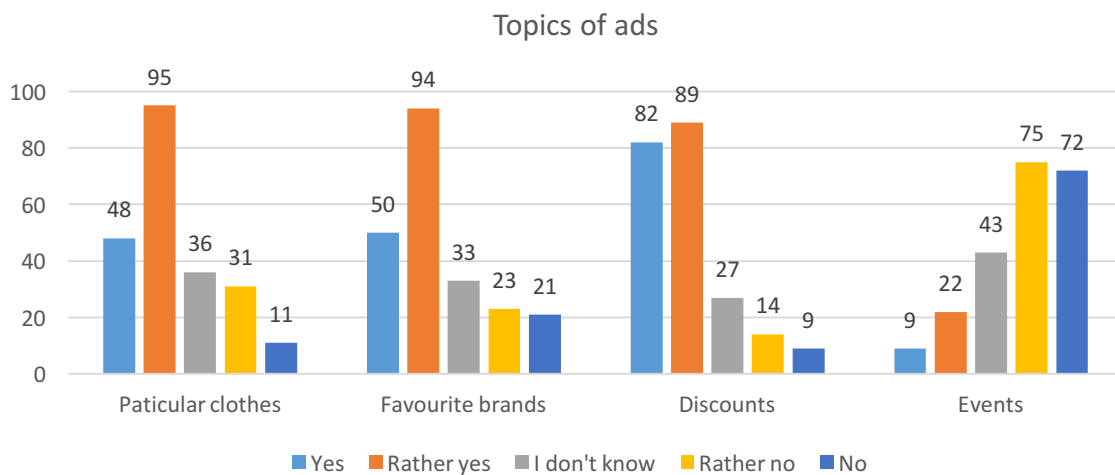


Fig. 17        Respondent's willingness to visit an outlet center based on topics of ads
Source: Quantitative research, n=221

Figure 18 shows how far customers are able to visit an outlet center based on an ad which had motivated them to come. If an advertisement is motivating for respondents, almost 70% of them is willing to travel up to 50 km.

The distance respondents are willing to travel to an outlet center
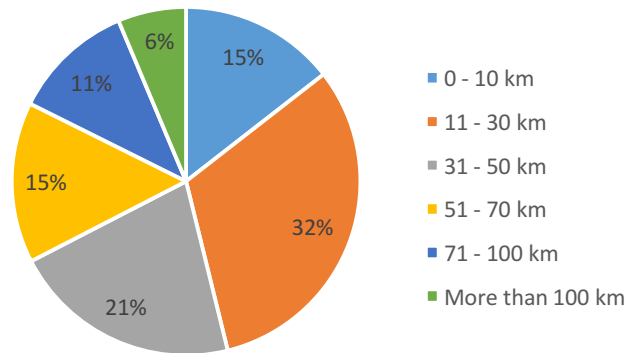


Fig. 18        The distance respondents are willing to travel to an outlet center
Source: Quantitative research, n=221

The survey also determined favourite brands motivating customers to visit an outlet center. People answered by their own and the most listed brands are in the following picture. Among the most favourite brands belong Nike, Adidas, Mango, Guess and Tommy Hilfiger. More than ten respondents stated they visit outlet centers mainly because of sport brands such as Adidas, Nike and Reebok. Seven respondents answered they want to shop clothes of luxury brands such as Lacoste, Calvin Klein or Tommy Hilfiger, because these brands are too expensive in common shops.

Favourite brands
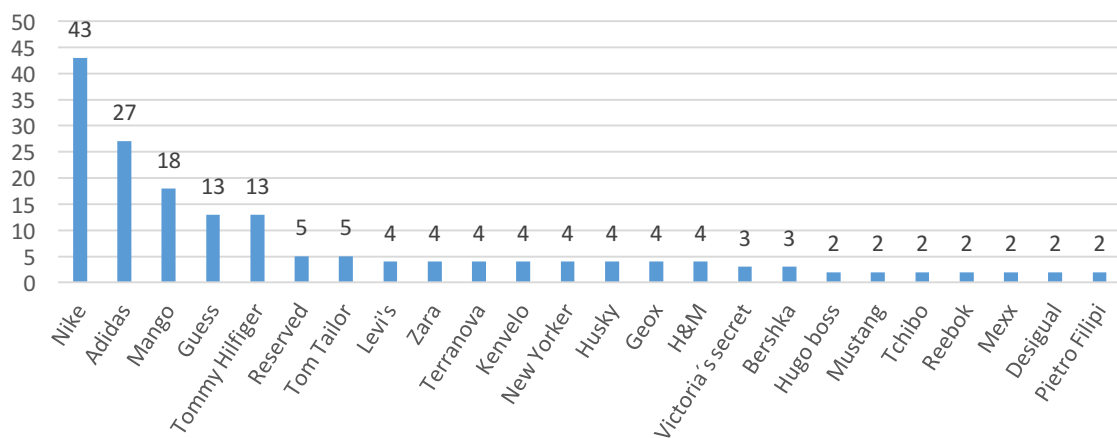


Fig. 19        Favourite brands
Source: Quantitative research, n=221

Following picture points out that total number of 151 respondents (68%) perceive shopping in outlet centers more advantageous compared to common shopping centers.

## Do you find shopping in outlet centers more advantageous than in common shopping centers?
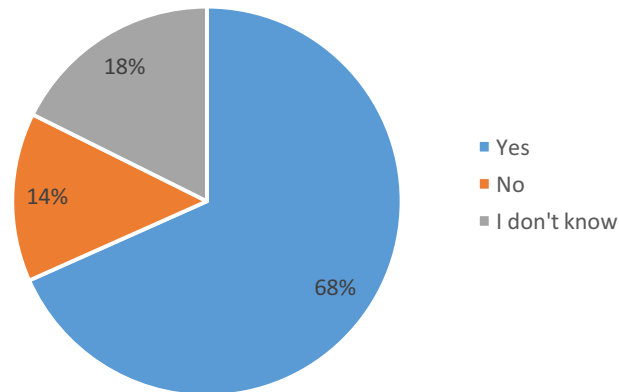


Fig. 20        Respondent's opinion about shopping in outlet centers
Source: Quantitative research, n=221

Respondents who do not find shopping in outlet centers more advantageous than in common shopping centers had the opportunity to explain reasons of their opinion which were repeated and are listed in following summary (the number in parentheses represents the number of responses):

- Prices are still too expensive (4)
- Prices are comparable with those in common shops (4)
- Sometimes it is cheaper to shop in common shops during seasonal sales (3)
- Limited range of products and sizes (3)
- There are too many people (2)
- Low quality of clothes (2)
- Paying for the brand, not for the quality (1)
- Czech outlet centers offer common brands compared to outlets in abroad (1)

### 5.2.2      Respondents who do not shop in outlet centers

Following section deals with respondents who do not shop in outlet center, these were 105 respondents. The reasons listed in the figure 21 are more or less equally divided into 3 reasons. Respondents are either not interested in shopping in outlet centers or they do not know any outlet center or it is too far away for them to come.
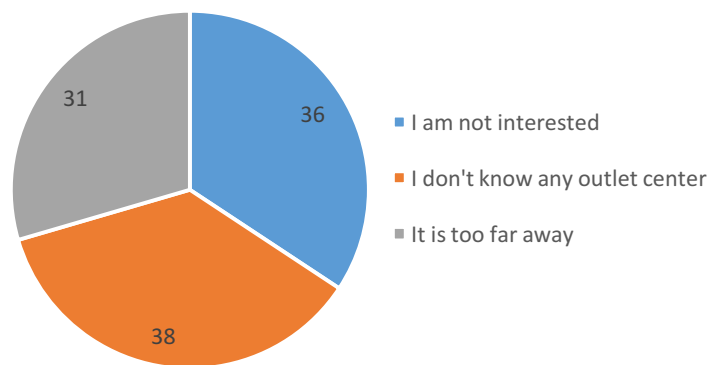
## Why respondents do not shop in outlet centers



- I am not interested
- I don't know any outlet center
- It is too far away

Fig. 21        Reasons why respondents do not shop in outlet centers
Source: Quantitative research, n=105

Respondents who stated they are not interested in shopping in outlet centers were further asked for particular reasons. Five respondents indicated they like to dress clothes of actual fashion collections and do not like clothes of old collections. Other answers include following reasons (the number in parentheses represents the number of responses):

- There are not all sizes of clothes (5)
- Clothing is expensive even though it is discounted (5)
- Clothing is post season and overpriced (3)
- Clothes that nobody wants are sold in outlet centers (3)
- Only ugly pieces of clothes are discounted (2)
- The offers are the same as in common shops (1)

In case respondents answered an outlet center is too far away, they reported number of kilometers. Seven respondents live more than 101 km, twelve from 51 km to 101 and six respondents live up to 50 km.

### 5.2.3 Online presentation of outlet centers

In the final part of the questionnaire all the respondents were asked about their motivation to follow online presentations of outlet centers. The table 5 shows respondents seek for information about discounts the most. None of the topics is unfavorable.

Tab. 5        Motivations to follow Facebook page

|                        | Average | Median | Modus | Dispersion | Standard deviation |
|------------------------|---------|--------|-------|------------|--------------------|
| Information about sales | 3,47    | 4      | 5     | 2,27       | 1,50               |
| Fashion inspiration    | 2,62    | 3      | 1     | 2,04       | 1,43               |
| Contents               | 2,47    | 2      | 1     | 2,03       | 1,41               |
| News about fashion     | 2,29    | 2      | 1     | 1,77       | 1,33               |

Source: Quantitative research, n=325

Respondents could select one or more reasons to visit a website of an outlet center. According to figure 22 the most common reasons for 58% respondents are tracking discounts and browsing offers of clothes. 21% visit website in order to find practical information.

Motivations to visit a website of an outet center
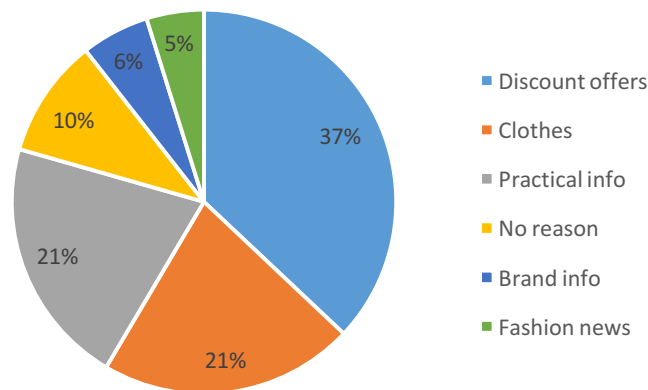


Fig. 22        Motivations for following websites of outlet centers
Source: Quantitative research, n=325

At the end of the questionnaire respondents evaluated particular incentives to join a loyalty program as it is shown in the table 6. The biggest incentives are additional discounts and special VIP sales.

Tab. 6    Motivations for joining a loyalty program

|  | Average | Median | Modus | Dispersion | Standard deviation |
|---|---|---|---|---|---|
| **Additional discounts** | 3,53 | 4 | 5 | 2,14 | 1,46 |
| **Special VIP sales** | 3,15 | 3 | 4 | 2,08 | 1,44 |
| **Birthday gift** | 3,09 | 3 | 4 | 1,99 | 1,41 |
| **Points that can be applied as a discount** | 3,05 | 3 | 4 | 2,09 | 1,44 |
| **Discount book** | 2,98 | 3 | 4 | 1,99 | 1,41 |

Source: Quantitative research, n=325

Additional answers were recorded (the number in parentheses represents the number of responses):

- Electronic bill (for possible reclamation), easier reclamation (5)
- Extended period of returning goods (4)
- A gift for new members (1)
- A voucher for shopping for new members (1)
- Free coffee (1)
- VIP parking place (1)
- A notification when new clothes arrive (1)
- Possibility to order a particular size of clothes (1)
- Free clothing servis (1)
- Free delivery when purchased online (1)

### 5.2.4    Testing of hypotheses

Within evaluating the questionnaire four hypotheses were statistically tested. Based on secondary research four hypotheses were tested:

- $H_0$ – Frequency of shopping in outlet centers is independent on gender
- $H_0$ – Frequency of shopping in outlet centers is independent on age
- $H_0$ – Frequency of shopping in outlet centers is independent on income

- H$_0$ – Frequency of shopping in outlet centers is independent on distance of place of residence

It was assumed that women visit outlet center more often than men, so the hypothesis of the influence of gender on the frequency of shopping in an outlet center was tested. The amount of the p-value of 0.1906 confirms the null hypothesis because the value is greater than level of significance 0.05. The frequency of shopping in outlets is not influenced by gender.

It was also investigated whether age influence the frequency of shopping in outlet center. The amount of the p-value of 0.116 is greater than level of significance 0.05 so the null hypothesis is confirmed. The frequency of shopping in outlets is not influenced by age.

According to Sikos research in Austrian and Hungarian outlet centers in 2009 the visitors are people with higher income, therefore the dependence between income and the frequency of shopping in outlet centers was tested. The null thesis was confirmed, because the p-value of 0,472 is higher than the level of significance as well. The frequency of shopping in outlet centers is not depended on the level of income.

The dependence between the distance of an outlet center and the frequency of shopping in outlets was examined. The assumption was that the closer the outlet center to respondent's place of residence is located, the more often they visit the outlet center. Calculated p-value of 0.1392 leads to confirming the null hypothesis. The distance of outlet center does not influence the frequency of visiting an outlet center. Customers are willing to travel a greater distance in order to shop. On the other hand, if a customer does not want to shop there, he is not willing to travel there even if it is close by. Table with detailed results is included in appendix B.

### 5.2.5    Summary of quantitative research

The research performed in March 2016 showed some facts about shopping behavior within outlet centers and how respondents perceive shopping in outlet centers.

The most of respondents shop in an outlet center less than every three months. It seems they consider shopping in outlet centers as an occasional resource to complement clothing. The conclusions of hypothesis is that gender, age or the distance of outlet center do not influence the frequency of shopping in outlet centers.

The most attracting attributes for visiting outlet centers are discounts, special offers and sales. This result confirms the conclusion of the research of professor Sikos who stated consumers are attracted by the high quality of the goods on sale, big discounts and the wide choice of products and the low prices. An individual answer "discovering unique pieces of anything" exactly fits with the concept of outlet centers and will be further developed.

Marketing research confirmed that the Internet is one of the strongest advertising channel as 75% of respondents experienced online advertising of outlet centers and what more 62% of them were influenced by online ad. The most powerful online channels identified by respondents are websites, Facebook profiles, banners and e-mail marketing. The case study will be therefore focused on analyzing of these channels. The world of mouth is the most powerful „advertisement", therefore a satisfied customer should be the main goal of outlet centers. Considering the topics of advertisement, the most interesting topic is about discounts and sales, 77% respondents would visit an outlet if they have seen interesting advertisement about discounts. The topic of favourite brands is also motivating, but it is more difficult to work with this information because everyone likes different brands. The solution will be presented in the chapter of recommendation. If an advertisement is motivating for respondents, 70% of them is willing to travel up to 50 km.

Discounts, sales and particular offers of clothes are the most wanted information when customers visit websites of outlet centers. The biggest incentives to join a loyalty program are additional discounts and special VIP sales. Some individual answers as extended quarantee or a notification when new clothes arrive, electronic bill will be further developed in the chapter of recommendation.

The most popular brands for customers of outlet centers are indisputably sport brands, particularly Nike and Adidas. There is also significant group of respondent who seek for luxury brands such as Lacoste, Calvin Klein or Tommy Hilfiger. These customers want to buy clothing that is luxury and too expensive in actual collections.

More than 30% of respondents do not consider shopping in outlet centers as advantageous which is surprisingly high number. Respondents reported several reasons such as high prices, clothing is said to be still expensive or comparably priced as common shops. Both outlet centers declare that prices are discounted by 30% up to 70% compared to usual prices so this issue is questionable and will be further analyzed. "Limited range of products and sizes" was another argumentation of respondents. However, limited range of products and sizes is one of the main features of outlet centers. As mentioned above, there are customers who enjoys this fact and like "discovering unique pieces of anything". There is thus the possibility to create an advantage from this deficiency and communicate as "Find your own piece of clothing" or "Discovery of a unique piece of clothing".

## 5.3    Results of qualitative research

The main condition for further interviewing of respondents was the fact they all have visited any outlet center. Entire conversations are included in the appendix C.

The association of respondents with outlet centers correspond with the concept of outlet center, they recalled sales, discounts and old collection of branded clothes. Three respondents recalled Freeport when they heard "outlet center" so they have an association with particular outlet center.

All the respondents live in South Moravia region, four respondents live close to Znojmo and four of them in Brno. It is not suprising that people living near the outlet center visit it more often, the distance of 70 km seems to be too far away for respondents to travel only for a purpose of shopping. Lucie reported "Freeport is more than 70 km far away from Brno so I visit it only when I go around by car and have time for shopping." Patrik said he wanted to visit Freeport many times, but he has never been there because of difficulty with transportation. Patrik also compared shops with clothing in the Czech Republic and abroad: "I really do not understand why people in the Czech Republic spend so much money for clothing. They earn less money than people abroad and the clothing is much more expensive here. I feel like Czech people pretend to be something more when they dress expensively." Patrik and Tereza mentioned T. K. Maxx outlet store and talked about it very positively. T. K. Maxx is not outlet center but an outlet store offering discounted clothing, cosmetics, shoes and other products of many popular brands. Some respondent visited outlet center in Parndorf in Austria, but nobody visits it regularly because of the distance.

It was confirmed the biggest motivation to visit an outlet center are discounts cheaper prices. Respondents who do not like shopping like Helena and Pavel appreciate there are many shops in one place. The fact there are many shops could be one of the key message for local people because there is not such a large shopping center as Freeport around Znojmo. However, for people in Brno it is not so beneficial because there are many large shopping centers. For people living far away the marketing communication should be based on lower prices of branded clothes. The message should be following: "Come here, you can shop clothes of expensive luxury brands such as Tommy Hilfiger for acceptable price." Lucie who lives in Brno said: "The biggest motivation to visit Freeport are sports brands as Nike and Adidas and brands where clothing is still very nice and fashionable even if it is clothing of old collections. I like for example Tommy Hilfiger and Tom Tailor." Respondents appreciate also other than clothing stores, shops like Home&Cook can be a motivation for some of them to come.

Respondents were asked about the motivation to visit an outlet center because of food festival or other events as these events were successful in outlet centers abroad. Among events that would motivate them to come belong a a beauty care event, charity event or sale event. However, for people living 70 km events are not enough strong motivation to come.

Most of respondents experienced advertisements of outlet on billboards, radio and the Internet. Two respondents admit they visited Freeport on the basis of recommendation of a friend or a family member. Pavlína visited Freeport on the basis of ad in radio and Tereza because of Facebook ads. The most motivating advertisements are about discounts and particular clothing. Five respondents would welcome the presentation of clothing on websites. Patrik would appreciate the information about available sizes of offered clothing.

Tereza said she would rather visit a Facebook page instead of website in case she would see an advertisement about sales. The Facebook profile would be followed from the reason of information about discounts, particular clothes and inspiration. Lucie would appreciate to see tips for outfits and fashion inspiration on Facebook.

The last question was regarded to loyalty programs. The biggest motivations to become a member of a loyalty program of an outlet center are additional discounts and collecting of points to get a reward. Pavel said he is not not interested to be a member in a loyalty program of Freeport, because he does not shop there often. The loyalty program should be attractive also for people who do not shot there that often. Pavlína said she appreciated sms messages when there are sales and the possibility of returning clothing without having paper bill.

At the end of interviews respondents were asked to visit websites of Fashion Arena and Freeport and evaluate them according to aspects of SUPR-Q method by answering 9 viewpoints based on factors of usability, trust and credibility, appearance and loyalty. The range of answers were from 1 representing strong disagreement to 5 which states for strong agreement. They were also asked to evaluate the overall impression of the websites. The results are shown in the table 7 for Fashion Arena's website and the table 8 for Freeport.

Tab. 7        SUPR-Q evaluation of websites of Fashion Arena Prague Outlet

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| This website is easy to use. |  |  |  | x | xxxxxxx |
| It is easy to navigate within the website. |  |  |  | x | xxxxxxx |
| The information on the website is credible. |  |  | x | xxx | xxxx |
| I will likely return to this website in the future. | xxxxx | x | xx |  |  |
| I found the website to be attractive. |  |  |  | xx | xxxxxx |
| The website has a clean and simple presentation |  |  |  | x | xxxxxxx |
| I enojy using the website. |  | x | xx | xx | xxx |
| I am able to find what I need quickly on this website. |  |  |  | xxx | xxxxx |

Everybody found the website of Fashion Arena to be attractive and easy to use. Pavlína, Helena, Lucie and Patrik didn't like the subpage Offers because black and white the colors. A particular offer gets colorful when a user hover on it (electronic appendix 1). Patrik suggested the system should be opposite. When Patrik clicked on a particular offer, he expected a new subpage with offers of particular clothing or goods to be shown.

He was disappointed that almost nothing happened apart of detailed description of the offer. Pavlína even didn't notice that the detailed description showed. She also pointed out there should be more clothing in Hot Tips. Most of respondents said they will not return to the website because of the fact Fashion Arena is too far for them.

Tab. 8        SUPR-Q evaluation of websites of Freeport Fashion Outlet

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| This website is easy to use. |  |  | x | xx | xxxxx |
| It is easy to navigate within the website. |  |  |  | xxx | xxxxx |
| The information on the website is credible. |  | x | x | xx | xxx |
| I will likely return to this website in the future. | xx |  | xx | x | xxx |
| I found the website to be attractive. |  |  | xx | xxx | xxx |
| The website has a clean and simple presentation |  |  | xx | xxxx | xx |
| I enojy using the website. |  |  | x | xxxx | xxx |
| I am able to find what I need quickly on this website. |  |  | x | xx | xxxxx |

Freeport's website was found to be nice and easy to use as well. Pavlína appreciated the offer of products and she automatically started to view for clothing she was interested in. Helena was also able to find what she searched for despite she is not an active user of the Internet. When Patrik browsed in the section of particular offers, he didn't like the fact that there are shown clothing which do not correspondent with the offer he clicked on in the section Recommended (electronic annex 2). He suggested there should be placed the same type of clothing or clothing of the same brand. When he clicked on a brand in section Shops and Brands, he expected to see a short description of the brand and particular offesr of products to be seen. However, it is needed to scroll down to see particular offer in the bottom of the page (electronic annex 3).

## 5.4    Case study - online communication of outlet centers

Offline and online marketing activities are connected and as it was explained in the theoretical part of this thesis, online presentation of a company is extremely important nowadays.

The case study deals with online channels that respondents reported as the most influencing – website presentation, e-mail marketing, Facebook and banners. The goal is to introduce online communication of outlet centers in the Czech Republic and provide conclusions for possible recommendations.

### 5.4.1    Website presentation

The analysis of the websites is based on two methodological frameworks - 7 C's Elements of the Customer Interface and Heuristic Analysis Application. Website of Fashion Arena Prague Outlet (FAPO) is available on www.fashion-arena.cz and Freeport Fashion Outlet (FFO) on www.freeport.cz. First, the analysis within the 7 C's Elements of the Customer Interface was processed.

In terms of **context,** functionalities of both websites are at a good level, wireframes are well organized and the layouts are clearly structured. The navigation is easy and understandable and aesthetic aspect enjoys advanced level on both websites. It is obvious that websites present clothing and fashion. The homepage banners of both websites are in the format of carousel when several banners switch consecutively. The visual impression is however more attractive in case of the website of Fashion Arena (appendix E), banners are always created at the same visual style that correspondents with the rest of the page very well. Website of FFO switches several different banners each in different style. Some banners are probably supplied by individual tenants so the visual frame does not correspond with respect to the entire page and the overall impression of the website is spoilt (appendix F). Both websites were created in responsive web design which provides an optimal viewing and easy navigation with a minimum of resizing on mobile devices.

The **contents** of both websites are similar and correspond with the purpose of websites - to motivate visitors to come to outlet centers in a person. Both outlets regularly update special offers of its stores. Freeport presents particular discounted products very well, there are hundreds of products on the website. Visitor can easily view products by categories, brands or prices. In addition to the photos of clothing there are information about original price, new price and the amount of discount. It makes customers motivated to repeatedly visit the website of Freeport because they can explore discounted products. Fashion Arena presents clothing within Hot Tips subpage, but the offer of products is limited to only a few pieces. There are maps of shops and restaurants located on both websites. Members of FAPO's VIP program can select shops they want to visit within application My Favourites. FAPO creates its own content within Magazine section, FFO does not produce any unique content.

The **communication** is limited on both websites. The website of Freeport contains just one-way possibility of communication. Fashion Arena allows users to send requests to the company using feedback form on the website.

Both outlets present **connections** among partner's sites. FAPO refers to hotels, tourist attractions and other partners in the Tourist section. Freeport presents possible

accommodation and tourist attraction in the section About Freeport, however this section is not expected to provide these kind of information.

Communication of **communities** (among users) and their involvement is limited as well, Fashion Arena's website shares four social networks - Facebook, Instagram, YouTube and TripAdviser. Freeport moreover refers to Foursquare and Pinterest applications.

Apart of VIP program of Fashion Arena, there is no **customization** on websites. Once someone registers to VIP program of FAPO, he can log in into his account and edit information about himself or about his favourite categories and brands. Special offers of favourite brands show up in the account. Fashion Arena promises greater discounts for members of VIP program and the latest news about the outlet center. The incentive on the button reports: „Become a VIP program and get information about your favourite brands!". Freeport offers membership in VIP program with benefit of additional discount of 5% or 10% in selected shops using VIP card. However, it does not allow its members to log in their account, so they can not change preferences of favourite brands or categories. The system is confusing because when a user clicks on button „log in", he is linked to registration form instead of the login page.

Websites do not support **e-commerce** which is not surprising whereas outlet centers focus on in-store sales. Both outlet centers present gift voucher on websites, but in case of FAPO voucher can be purchased only in person. Freeport supports the service of sending the voucher by mail when it is payed in advance.

More detailed evaluation of the website is provided within Heuristic Analysis which evaluates websites in terms of User experience (UX). Nowadays UX becomes one of the main features of online marketing and it is extremely important to design user-friendly websites. There are many studies confirming the importance of UX. For example, a team of UX experts designed UX testing of e-shop ao.com selling white goods with consumers. Based on the results e-shop was improved and after just a few months significant results showed up - online sales increased by 9.5% and the number of calls to the customer support decreased by 33%. (Whatusesdo, 2016)

Outlet centers websites are at a good level in terms of UX. Evaluation of particular areas is attached in electronic appendix 4. The overall evaluation is showed in the Figure 23 and are further commented.

**Expert Review**

| | Raw Score | Raw Score | Questions | Answers | FAPO Score | FFO Score |
|---|---|---|---|---|---|---|
| Home Page | 20 | 16 | 20 | 20 | 100% | 90% |
| Task Orientation | 37 | 30 | 38 | 38 | 99% | 89% |
| Navigation & IA | 21 | 24 | 27 | 27 | 89% | 94% |
| Forms & Data entry | 17 | 16 | 19 | 19 | 95% | 92% |
| Trust & Credibility | 10 | 10 | 10 | 10 | 100% | 100% |
| Writing & Content Quality | 20 | 19 | 20 | 20 | 100% | 98% |
| Page Layout & Visual Design | 35 | 34 | 37 | 37 | 97% | 96% |
| Search | 9 | 16 | 19 | 19 | 74% | 92% |
| Help, Feedback & Error Tolerance | 12 | 18 | 21 | 21 | 79% | 93% |
| **Overall Score** | | | 211 | 211 | 92% | 94% |

Fig. 23        Results of the Heuristic Analysis Application
Source: Heuristic analysis

Home pages of both outlet centers are professionally designed, create a positive first impression and are pleasant to look at. All the major options are shown, product categories are clearly visible and the navigation choices are ordered in logical manner. Each page on the websites shares a consistent layout. In case of both websites the logo is placed in the same location on every page and clicking the logo returns the user to homepages. The websites require minimal scrolling and clicking.

The visual design complements another online and offline marketing messages. The design on Freeport's webpage is however spoilt by carousel banners which do not correspond with the overall visual style of the website. And what more, if a user clicks the banner presenting a particular event (for example sales in Hervis Sport), he is not directed to a subpage with more detailed information but on subpage with Action Offers instead which is incorrect in terms of UX.

Both websites have unique content which has been specifically created for the website. The Fashion Arena's website updates articles in the Magazine's section. The benefit of Freeport's website compared to FAPO is the large number of products in online catalogue.

Websites display all the steps that users need to complete while registration to VIP programs. In the registration forms field labels clearly explain what entries are desired and it is evident which fields are required and which are optional. The forms on both websites allow users to fill favourite categories and brands, however in case of Freeport's website the path of filling the favourite categories exceed a recommended length of path which is up to 5 clicks. When a user clicks on a favourite category, all particular items (11) of the category are prefilled (electronic appendix 5). This could discourage users to keep favourite categories checked. The private policy is not published on the Freeport's website. The website of Fashion Arena the private policy is published on the bottom of homepage within one click and a user can view it during registration in the VIP program. The policy is simple and clear.

Another issue evaluated within the Heuristic Analysis Application was the level of searching. The results of searching are clear, useful and ranked by relevance within both websites. However, FAPO's website does not include a more powerful search interface and searching is the greatest weakness of the website. It is not clear how many results were retrieved and the number of results per page can not be configured by the user. In case if Freeport's website searching is more advanced and fulfill most of the requirements of the Heuristic Analysis.

In terms help, feedback and error tolerance there are also shortcomings on the website of Fashion Arena. If an error occurs, only the error message shows (electronic appendix 6) without clear instructions on what to do next. The site does not use a customized 404 page and does not include tips on how to find the missing page. Links to homepage or search are missing as well. In case on both websites there are not prompts the user before correcting erroneous input. The Freeport's website meets the vast majority of the requirements of this section. The graphical representation of the results of the Heuristic Analysis Application is presented in the figure 24.
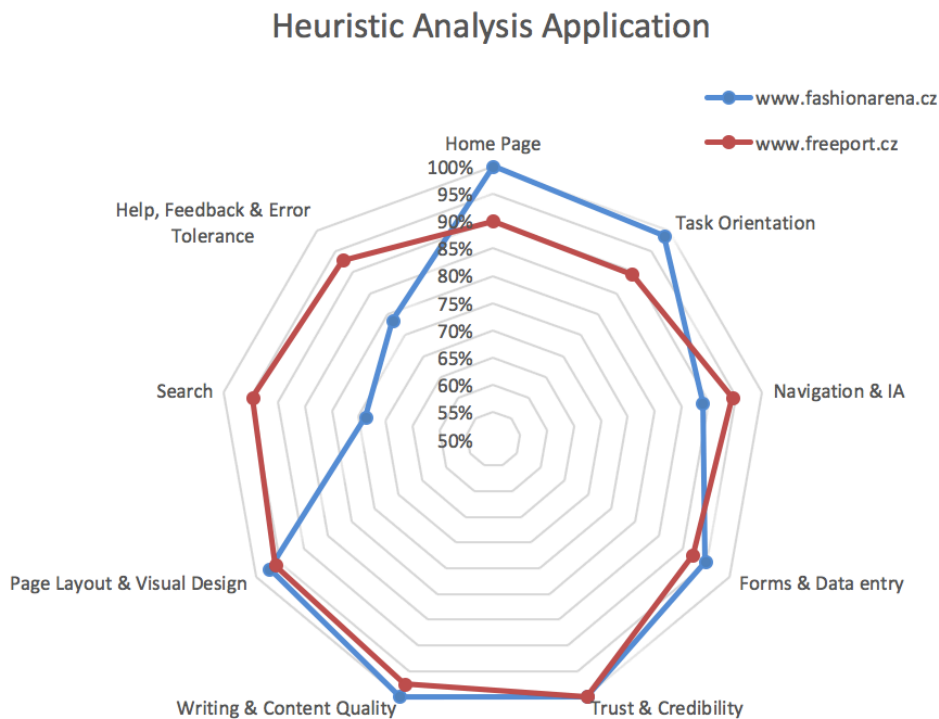


Fig. 24        Results of the Heuristic Analysis Application
Source: Heuristic Analysis Application

### 5.4.2     E-mail marketing

Both outlets actively use e-mail marketing. This chapter analyzes e-mail marketing from several perspectives.

**Subscribing for newsletters**

Freeport Fashion Outlet offers two possibilities of registration for newsletters on the website. The first one involves leaving an email address on website followed by sending confirmation e-mail so user is automatically set up to receive newsletters. The second option is to subscribe while registration to VIP CLUB with the incentive for registration „Subscribe to the VIP CLUB and get even more discounts at selected stores". The registration is related to the completion of further mandatory identification data (name, surname, e-mail, gender, username and password) and optional data (telephone number, street, city, state). When a user marks off the option of subscribing for newsletters, a list of categories (women clothes, men clothes, …) appears so he can choose which type of information he wants to receive. As it was found in the Heuristic Analysis, all particular items of favourite categories are pre-filled which is not appropriate because it may incite users to rather uncheck the entire category back. To registrate to VIP program it is also necessary to choose a username and password. However, after registration it is not possible to log in into the account so members of loyalty program can not change their preferences.

In case of FAPO, users can receive newsletters only when they registrate to VIP program. There is a VIP Program button on the homepage, which shows a prompt: „Become a VIP member and learn about your favourite brands!" after clicking it. The registration form is similar to FFO, but users can mark favourite brands as well as particular categories of products. Users need to confirm the registration by click on a confirmation link send in his e-mail box after registratior. The confirmation e-mail summarizes information users filled and it corresponds with the visual style of FAPO.

**Identification of newsletters**

The official name of the company Freeport Fashion Outlet and Fashion Arena Prague Outlet are given as the sender. The structure of subjects is changed depending on the context. Both outlet centers often choose words like discount, sale, great prices and use numbers and exclamations in subject lines. Subject lines are shorter in case of FAPO which is appropriate with regard to the fact that subscribers will only see the first few words. Freeport often starts the subject line with „Freeport: …" which is useless because recipients can see the name of outlet center above the subject line. The table 9 presents some examples of subject lines of newsletters.

Tab. 9        Examples of subject lines

| Freeport Fashion Outlet | Fashion Arena Prague Outlet |
|---|---|
| Scandalous weekend Shoes & pants is here: From 19th to 20th March in Freeport! | Discover your spring style! |
| Discount book for our VIP customers! | Special chocolate offers |
| Freeport Friday is here again: 12th of February 2016 up to 70% off the original price! | Personal VIP Discount book |
| Freeport: Winter goods at great prices! | Final Sale this weekend! |
| With Freeport favorable: Get your equipment to the mountains for the whole family! | 3 days of VIP discounts! |
| Winter sales with discounts up to 80% are in full swing! | Winter equipment at discounted prices! |
| Freeport Friday is here again: 12th of February 2016 up to 70% off the original price! | Top fashion at sale this weekend! |

Source: Newsletters of FAPO and FFO

**Parameters of newsletters**

Parameters of newsletter evaluate graphical layout, headers, footers and the title of the newsletter mostly in the form of a motto or the main message they communicate. Design of newsletters are solved by rectangles layout and contains graphical elements containing images with embedded text or image and single text.Newsletters correspond with visual and communication style of the websites. They carry the same spirit, have the same colors, elements and the same typeface. Headers and footers are the same so it is immediately clear from whom the e-mail came. In the case of FAPO the template has simple white background, which enhances the clarity of messages. The navigation is clear which is important to increase the number of clicks.

**Content of newsletters**

The topics of newsletters copies particular marketing campaigns and special events, competitions are included occasionally. Sometimes there are discount coupons attached. Newsletters of Fashion arena are brief, not flooded with products and they motivate recipients to visit website for more information. The content appeals to emotions and fashion style. The frequency of sending is approximately 2-3 emails per month and also reminders of significant campaigns have been sent.

Footer refers to Facebook, Instagram and Youtube. Freeport Fashion Outlet uses 2 main topics of newsletters, exhibition of particular discounted goods and special offers of individual brands. The frequency of sending is 3 - 4 newsletters per month.

**Customization**

There is no customization of newsletters even if customers mark their favourites brands and categories in their accounts. It is not possible to choose the frequency of receiving e-mails. There is no connection with loyalty programs and neither one outlet center works with preferences of VIP program members.

### 5.4.3     Facebook

Facebook profile belongs among the major online communication channels of both outlet centers. The fan base of Fashion Arena Facebook profile contains more than 29,000 fans. Communication is quite monotone and the frequency of activities is two to three posts added in a week. Posts are created at the same the visual style and the same structure (square picture with logo of FAPO in the low right corner and short text in colored frame). The visual style of posts and cover photos is authentic and corresponds with the website and the Facebook page. The overall appearance of the page is integrated and the page looks professional. There are several topics of posts repeated such as information about campaigns, discounts, special offers, events and competitions. The communication style is formal and with respect to the number of fans there are very little reactions from fans. It suggests that fans were purchased and they are not real. Facebook page is not linked with other social networks. There is space for references and comments of customers, the rating is four of five stars. More than 30% of negative feedbacks regard to unpleasant staff and high prices, reactions FAPO are completely absent.

Freeport Fashion Outlet communicates on Facebook very actively. The fan base consists of more than 48,000 fans. Communication is more frequent and the range of topic is wider than in than in case of FAPO. Approximately ten posts a week are added with topics of discounts and sales, special offers, competitions, fashion news, supporting of partners, events, tips for outfits. Posts and cover photos are not created at a uniform visual style, there is no connecting element of posts. Some of cover photos were created in visual corresponding with the webpage, but some of them looks amateurish (electronic appendix 7) and do not give the impression that this outlet center is a place where people can buy clothing of international brands. Facebook page is linked with other social networks as Instagram, Pinterest and Tripadvisor. There is no space for references and evaluations of customers.

### 5.4.4     PPC

Complete analysis of PPC advertising can not be done by the reason of inability to access the advertising systems. At least some keywords connected with names of outlet centers were given to Google and Seznam search to find out if an advertisement shows. Fashion Arena uses search ads on Google, there was no ad in Seznam.

In case of Freeport there were found no results either in Google or Seznam. However, it is possible that advertisements are targeted by location in certain radius around the Freeport.
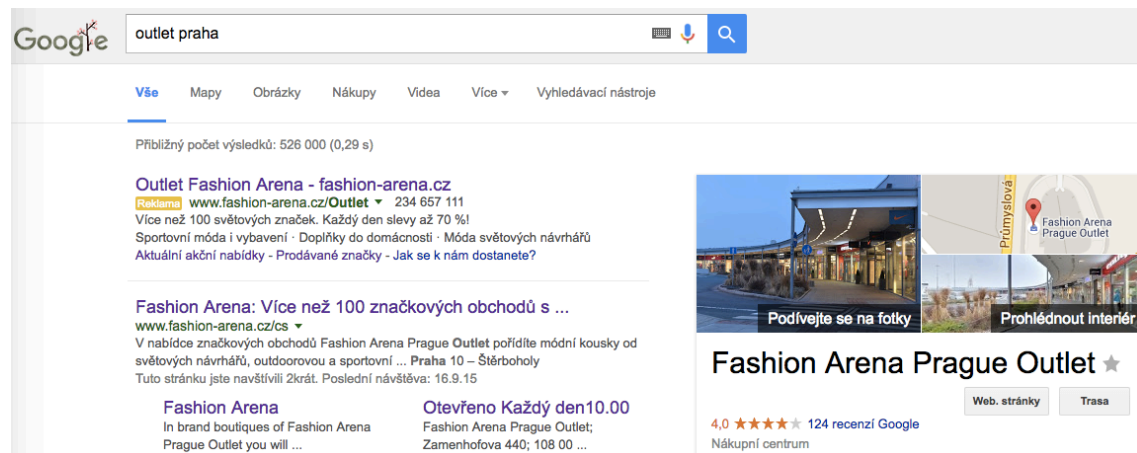


Fig. 25        Results of searching in Google
Source: Google, 2016

## 5.5    Recommendations

This chapter focuses on processing recommendations built on results of the quantitative and qualitative marketing research, secondary data and author's own working experience. Particular recommendations for improving online activities of current outlet centers based on the case study will be provided as well.

### 5.5.1    Website presentation

The core aspect of quality website presentation is based on correct functionality and easy user navigation within the website. It is advisable to cooperate with UX designers to create an attractive and highly functional website and ensure the website follow all the criteria of the Heuristic Analysis Application.

According to the research the most customers visit websites of outlet centers because they search for information about discounts, 77% respondents reported they would visit an outlet center if they experienced an ad based on topic of discount or sales. Therefore, it is not surprising that outlet centers should focus on presenting current discounts and special offers on the websites. Searching for particular clothes was indicated as the second most common reason to visit the website. Although the outlet centers focus exclusively on sale in stores, the recommendation is to create a section (catalogue) of the best products of each brand on the website and regularly update it.

It is important to allow users quickly find clothing they are interested in, so they can filter the offers according to brands, categories, prices and for example the most discounted products. Nowadays, the growing popularity of fashion bloggers represents a great opportunity for outlet centers to cooperate with them. Some respondents reported outlet centers offer readmitted clothing and the range of products is limited. It is appropriate to communicate that outlet center is a place where people can find not only nice pieces of clothing but whole fashionable outfits for unbeatable prices. Therefore, the presentation of particular products can be completed by a section of Top Outfits. A fashion blogger can regularly choose nice pieces of clothing from different stores and compile attractive outfits. The presentation of these outfits photographed on models should be completed by information of prices and brands.

The recommendations for current websites of outlet centers are following. The carousel banners on the Freeport's homepage should be created at the same visual style with the rest of the page. Clicking the banner should lead to page with information related to the banner instead of on page with actual offers. The descriptions of brands in the section About brands are too long and folded in the wrong order when the best offers are located in the bottom of the page. There is usually free space under the description in the left side. It is relevant to locate offers so that users see them without scrolling. Freeport presents tips for tourists and accomodation possibilities in the section About Freeport. It is more convenient to create own sections called for example Tourists.

The website of Fashion Arena presents a few clothing in the section Hot Tips. This section should be extended by more top products of each brand and improved by the filter by categories, brands or prices. The proposal of extension concerns to the section Offers as well. Is is appropriate to describe and present particular offers more in detail. Respondents did not like the black and white visual so obviously would be more convenient to use colors instead. Both outlets should enable the purchase of a gift voucher online.

### 5.5.2    Central marketing database

Outlet centers are able work with all the possible information about their customers if they follow IT technologies and new trends in online marketing. There are many ways how to get this information and all of them should be utilize. Customers are willing to provide many information about themselves and their preferences within a loyalty program. Outlet centers should collect valuable information about purchasing from points of sales. It is possible to track online behavior of their customers also by using cookies[1] that remember users online behavior. It is necessary to work with all the information in order to personalize the content of websites as well as the marketing communication.

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[1] Cookies are small pieces of data sent from a website and stored in the web browser of user (Wikipedie, 2016)

For example, the biggest online store Amazon.com displays each registered user a unique home page based on their wishes, needs and purchase history. (Interval, 2016) Nowadays, customers demand individual approach and do not want to be bothered by irrelevant marketing communication. Central marketing database allows to track customers behavior across multiple online channels and centralize marketing data for integrated marketing strategy and personalized marketing messages. The figure 26 presents examples of the sources of information about customers. The most valuable information come from loyalty program through which outlet centers are able to find out not only preferences of customers but also information about shopping behavior mediation by particular stores. A suitable tool for monitoring online behavior is Google Analytics which tracks the traffic of websites. Cookies allows to remember information about visitors on the websites, they for example keep users logged in their accounts or the preferred language is saved. It is possible to provide personalised content on websites and display special offers or the offer of clothing according to favourite brands.
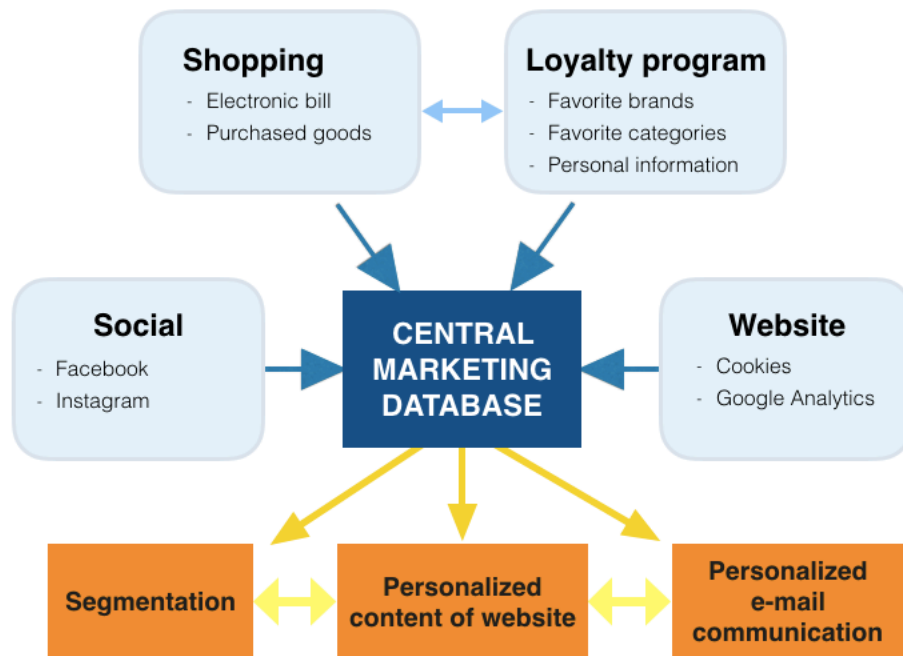
Fig. 26        Central marketing database

### 5.5.3     Loyalty program

Sophisticated loyalty program represents a unique opportunity to create long term relationships with customers and get many valuable information about their shopping behavior. The recommendation is to create a complex system of loyalty program connected through e-mail marketing, website and shops.

The first and the most important step is to motivate customers to become a member of a loyalty program. Nowadays, many shops offer membership in loyalty programs so customers can be devoured. Some of them do not like carrying many cards in their wallet as it was found in qualitative research. Hence customers should be informed that it is sufficient to provide only their name while purchasing. This system already works in some shops, for example in Camaieu.

According to both quantitative and qualitative research the biggest incentives to join a loyalty program are additional discounts and special VIP sales. Additional discounts appear to be the key benefit which motivates people who do not shop often in outlet center as well. During qualitative research Pavel mentioned: „I am not interested to be a member in a loyalty program of Freeport, because I do not shop there often.“ Additional discounts is a reward which is beneficial and attractive also for customers who do not shop regularly.

It is convenient to reward loyal customers who regularly visit an outlet center. Therefore, the second recommended benefit consist of collecting points convertible for a reward. This system perfectly works in Reserved, when members can generate a voucher within their account in amount of 100 CZK for each spent 2,000 CZK. Concerning many shops in outlet center this system is unenforceable, however some rewards can be arranged in collaboration with individual tenants who are able to provide such offers which brings benefits for them as well (for example 25% discount on the menu in a restaurant, 1+1 free coffee, additional discounts, …).

As it was suggested by respondents in both quantitative and qualitative research, customers appreciate they can return purchased goods without paper receipt, using electronic bill. This system definitely motivates customers to use their membership while shopping so they simultaneously provide information about their shopping behavior. Other possible benefits for members consist in possibility of additional services such as sending texts which highlight special sales or notifications when new products of their favourite brands arrive.

To obtain contacts it is definitely important to cooperate with vendors of stores who will ask for VIP card while customers pay and explain the key benefits of the membership. If customers are interested in membership, vendors should be able to immediately register them to the central database.

Members of the loyalty program should have access into their accounts on the website which provide user friendly interface (welcome message). It is appropriate to create interactive interface where users can edit their favourite categories and brands, check the overview of their purchases, number of points and number of points missing to get a reward. Discounts and special offers of favourite brands should be presented as well. Once members reach a certain numbers of points, they can choose a reward from several options, which will be sent to their e-mail. Figure 27 simply presents the functionality of loyalty program. Using centralized marketing database the data from the websites and shops will be stored and further used for personalized e-mail communication and personalized content of the website.

Fig. 27        Information flows within a loyalty program

Both Fashion Arena and Freeport Fashion Outlet offer membership in loyalty VIP program, however neither one uses its whole potential although they dispose with iformation of member's favourite categories or brands provided within loyalty programs. Outlet centers do not personalize marketing communication either on websites or in newsletters.

Freeport does not allow its members to log in into their account despite they are asked to select a username and password during registration. The button „log in" (in czech language „přihlásit se") is confusing and should be replaced by „register " (in czech language „zaregistrovat se"). The recommendation is to create user accounts and to locate button „log in" on the homepage. It is preferable to ajdust the registration form so users can choose favourite brands and categories instead of particular items of each category.

The membership of VIP program of Fashion Arena is based solely on special offers sending by newsletters, members do not have permanent benefit and VIP card is not offered. Fashion Arena provides access into the account in the section My Favourite where favourite offers are presented. The benefit of membership of VIP program „Learn about your favourite brands" should be replaced by: „get special discounts". It is appropriate to provide VIP card (either physical or virtual) and motivate customers to use it while shopping.

### 5.5.4    E-mail marketing

Newsletters have been identified as the fourth influencing online channel that motivates respondents to visit an outlet center. Penkala (2013) stated that the key element for successful e-mailing is personification which presents a great opportunity to profit from customers. In doing so, according to SmartEmailing (2016) e-mail marketing presents financially the most affordable marketing channel. The price of one sent e-mail is usually in the order of pennies and there are no costs when evaluating the effectiveness of campaigns within e-mail marketing software. The possibilities of current e-mail marketing software providers were considered while proposing recommendations.

**Newsletter software**

The very first step before creating newsletters is to select appropriate newsletter software that fits company requirements. It is necessary to choose a reliable software that will meet specific needs of a company at a reasonable price. The software should be also easy to use. Following section briefly assess two popular providers of newsletter softwares – MailChimp and SmartEmaling. The selection is based on author's own working experience in a marketing agency and information of marketing websites. The aim is not to evaluate all the tools and functions, but rather provide an overview of services and functions that are essential for effective e-mail marketing. Evaluation of softwares is based on the criteria of reliability, price, lists and sending of e-mails, user interface, customization and reporting.

Reliability of the software is very important factor to take into account because many problems that are necessary to solve immediately can occur. MailChimp provides a very sophisticated knowledge base and it is possible to subscribe for newsletters with instructions for useful tips and particular instructions. The technical support is available 24 hours a day, seven days a week. For paid accounts holders there is the option of opening a live chat which is fast and the service is helpful. Free accounts holders can reach support by sending an email, the answer usually lasts one or two days. MailChimp does not provide technical support via mobile phones. SmartEmailing's technical support is available via phone and e-mail but is is limited from Monday to Friday from 9 am to 4 pm. It offers Email Academy tutorial in which participants learning how to use e-mail marketing. (MailChimp, SmartEmailing, 2016)

Price[2] represents a viewpoint that most companies are interested first. MailChimp is free of charge up to 2,000 subscribers or to 12,000 emails per month. Monthly pricing is depended on number of subscribers or sent emails. For 50,000 contacts it charges around 5,750 CZK per month. Pricing of SmartMailing is based on the number of subscribers. SmartMailing is quite cheaper compared to MailChimp - 50,000 contacts cost 4,950 CZK per month. (MailChimp, SmartEmailing, 2016)

A newsletter software should allow users work easily with databases and create segments within databases. MailChimp enables fast and intuitive adding contacts and fields, create forms for registration and compose e-mails during registration and log off. SmartEmailing is easier at some stage in the creation of forms, but with fewer options. Both softwares allow to segment lists by custom fields and filters (gender, birthday, interests, ...) and sending e-mails to specific segments. They provide automatic e-mails based on triggers (sending e-mail by clicking on a link, join a mailing list or open an e-mail). The disadvantage of SmartEmailing is a significant delay when sending automated emails (up to 5 minutes). Both softwares supports sign-up forms (double opt-in registra-

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[2] MailChimp's pricelist: http://mailchimp.com/pricing/all/

SmartEmailing's pricelist: https://www.smartemailing.cz/ceny/

tion forms, welcome e-mails, …) and A/B testing which is very useful and simple technique that increases the effectiveness of newsletters. Subjects or contents are usually tested.

The software sends two versions of the newsletter to small groups of subscribers and the more efficient version is subsequently distributed to the rest of the database.

The interface of a newsletter software should be intuitive and user friendly. MailChimp use intelligent editor, the steps of creating campaigns are consecutive and creating campaigns is enjoyable. There are several templates in both softwares which can be easily modified. All templates are fully responsive, newsletters are correctly displayed on tablets and mobile. SmartEmailing's interface is simple and well-arranged as well. The advantage for Czech people can be czech language.

In terms of customization both softwares offer personification, it is possible to build own boxes and assign individual text to each contact. API[3] interface makes possible to integrate customer relationship management which sync customer data between softwares and customer relationship management software. Both softwares provide good level of reports and statistics. (MailChimp, SmartEmailing, 2016)

**Subscribing and identification of newsletters**

Subscribing for newsletters must be as easy as possible but time motivate subsribers to provide information about their preferences at the same. It is appropriate to position the invitation for registration of contacts on the website so that it is visible on every page. The call to action (registrate) message should be clear and present the main benefit of loyalty program. After clicking on call to action button a sophisticated registration page explaining all the benefits appears so customers are encouraged to registrate. This page must include the privacy policy. It would be useful to familiarize user with the information which can be expected at what frequency of newsletters they can expect.

Newsletters must contain a clear indication of the sender, identification of commercial communication, contact and the link to unsubscribe (the rule of czech law). Standard elements such as link to view messages in HTML format on the website (if newsletter does not appear correctly), header and footer should not be missed.

The visual design of newsletters should correspond with the visual and communication style of the websites, carrying the same elements such as colors, typeface, headers and footers so subscribers immediately recognize from whom the e-mail came. The effect can be enhanced by maintaining the same subcategories that appear on a homepage.

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[3] API - Application Programming Interface is a set of tools for a software which specifies how software components should interact (Webopedia, 2016)

A good newsletter includes the interactivity with a website and leads subscribers back to the the website. The subject line of a newsletter should be concise, short and correspond with the content. It must catch attention of subscribers, call to action or encourage (get inspired, do not miss, discover). According to SmartEmailing the recommended length is up to 50 characters, but some devices display just 30 so in this case less is more. It is highly recommended to test at least two subjects A/B testing.

The technical parameters of newsletters of Freeport and Fashion Arena are at a good level apart of subscribing forms which are commented in the section of loyalty program. Subject lines of Freeports newsletters often starts with „Freeport: …“ which unnecessarily occupies characters. Only the main message should be written within the subject.

**Content of newsletters**
The content strategy of e-mail marketing program involves setting main goals, in the case of outlet centers the primary goal should be increase awareness and strengthen the image of outlet center as attractive place which provides unique shopping experience. The current topics of newsletters of outlet centers consists of discounts, sales, special offers and invitations to events. The recommendation is to create original and coherent content instead of classical discount attacks. It is appropriate to create long-term relationship with customers and offer additional value as rewards within loyalty program, tips, interesting articles, fashion trends and so on. Own content marketing should be created within the website and newsletters and include original articles (own, paid articles from for example from bloggers, customer-generated content).  For example, the topics of sport sales can be adapted to newsletter about sport – link to instructions how to start jogging, tips for good running and of course tips for outfits and information about discounts of running shoes. The aim should be to bring a recipient to website where more products are presented. Newsletters should quickly pass the information to the readers and not spend too much their time.

It is also appropriate to engage social, interactive elements and videos into newsletters. Each newsletter should contain the summary of the current points and points remaining to get a reward. According to Kabátová (2013) appropriate frequency of e-mail communication is at least once a month and campaigns with valuable content with sales campaigns should be alternated. Frequency of shopping in outlet centers that often, 70% of respondents visits outlet centers less than once every three months. It is therefore important to focus on quality not quantity of newsletters and distribute them only if there is a real chance to engage their customers.

**Customization**
Outlet centers are able to hold a great tool to segment and reach their audience by relevant marketing communication due to centralised marketing database. It is appropriate to segment subscribers at least according to gender, preferences set within the loyalty program and by tracking their shopping behavior. Greet customers by their own name is a necessity.

Some newsletters can be sent automatically via autoresponder (e-mail sent at the time of an event) which is very efficient and timesaving. Of course it is convenient to send confirmation e-mail with gratitude for registering, including basic information about the loyalty program. Birthday wish with a gift in the form of a discount is commonplace nowadays and significantly increases the feeling of uniqueness for customers. Furhtermore, a great opportunity is to send automatic e-mails with a choice of reward as soon as a member of the loyalty program reaches the limit points to get a reward.

### 5.5.5    PPC

In the Czech Republic PPC advertising can be established within the Google AdWords and Sklik platforms as it was mentioned in theoretical part. Although such large companies as outlet centers usually cooperate with online agencies, it is better to establish PPC accounts themselves and then provide access to an agency to make sure that the data would be not lost in case of the cooperation quits.

First part of PPC will be concerned to Search network which is set on the level of campaign in PPC accounts. Before creation of a campaign it is important to assemble a group of keywords and perform keyword analysis. It means to specify words and phrases on which advertisements will display when users are typing them. The analysis of keywords can be processed within tools of keywords planner of Google AdWords and Sklik, there are examples presented in the table 10.

Tab. 10      Examples of keywords planning

| Keyword | Average monthly search | Recommended CPC (in CZK) | Competition |
|---------|------------------------|--------------------------|-------------|
| Outlet | 390 | 3,71 | medium |
| Outlet Hatě | 40 | 1,02 | low |
| Freeport | 2400 | 0,56 | low |
| Nike outlet | 30 | 5,5 | medium |
| Nike | 2900 | 3,05 | medium |
| Adidas | 2400 | 1,51 | medium |
| Mango | 3600 | 1,4 | low |
| Guess | 880 | 3,67 | medium |

Source: AdWords, 2016

The AdWords keyword planner provides useful information about frequency of searching according to location, time, language, competition and price. Sklik's keyword planner is limited to find data about the Czech Republic as whole, months, searching, competition and price.

The draft of the structure of the Search campaign is given in the table 11. For outlet centers ad groups can be related to the name and location of an outlet, the world „out-let" itself and particular brands.

Related keywords must be included within one ad group, keywords within ad groups should not duplicate so they do not compete between each other. Taking into account the results of the questionnaire when almost 70% of respondents are willing to travel up to 50 km if an advertisement is motivating for them, the target location should be in a maximum of around 50 km from an outlet center. In practice, multiple views must be taken into account.

Tab. 11      Example of structure of ad groups within campaigns

| Ad group | Keywords | Advertisements |
|---|---|---|
| Outlet | Outlet, outlet Hatě, outlet Znojmo, outlet Freeport, Znojmo outlet shopping | Freeport Fashion Outlet Over 250 brands and 75 shops! Outlet discounts up to 70% |
| Freeport | Freeport, Freeport Hatě, Hatě, store Hatě | Visit Freeport in Hatě Over 250 brands and 75 shops! Enjoy discounts up to 70%. |
| Mango | Mango, Mango outlet, mango dress, mango purse, mango sale, … | Visit Mango in Freeport Mango with discounts up to 70%. Choose in more than 250 brands! |

Some brands such as Nike or Adidas do not allow using their name as keywords and it is necessary to ask for their trademarks. It is necessary also to think about the match type of keywords. There are different rules within Sklik and Adwords, according to Google Adwords (2016) there are following types of match:

1. Broad match - all the keywords are assigned, ads show on searches that include misspellings, synonyms, related searches, and other relevant variations

2. Broad match modifier - ads show on searches that contain the modified term or close variations (not synonyms)

3. Phrase match - ads show on searches that are a phrase and close variations of that phrase

4. Exact match - ads may show on searches that are an exact term and close variations of that exact term

5. Negative match – ads may show on searches without the term

The table 12 presents examples of searches showing advertisements according to key-words set in different types of match.

Tab. 12      Types of match according to Google Adwords

| Type of match | Keywords | Searches |
|---|---|---|
| Broad match | outlet Freeport Hatě | Hatě outlet center |
| Broad match modifier | + Mango +Freeport | Mango in Freeport |
| Phrase match | "Shoes Geox" | Buy shoes Geox |
| Exact match | [Gass jeans] | Gass jeans |
| Negative match | -women | dresses |

Source: AdWords

In each ad group one or more advertisements are created which have specific requirements such as a certain number of characters on each line, usage of numbers, special characters or keywords. There are many rules concerning the text of advertisement which needs to be considered.

Advertisements within Searching network address people who are already interested in particular information or products and actively search for them. Display network allows to target people who are not looking for specific products, but they can be very relevant target group of potential customers. It is a great tool for branding that hits very large audience. The recommended targeting options are:

- Remarketing – It is the most powerful targeting option, because ads are shown to people who have already visited a website. It is necessary to paste the remarketing code (generated in AdWords and Sklik account) to the website. It is convenient to create more groups according to how many days ago they visited the website (the maximum number of days is 540). For example, people who visited the website more than one year ago should be approached by reminder ads with more general information. For people who visited the website within 20 days ago it is appropriate to show specific message, for example banner or text advertising inviting to an event.

- E-mails – This targeting was introduced by AdWords in 2015 and it allows to target e-mails which must be uploaded into the PPC account. The fact that outlet centers are able to possess with information connected with individual e-mails offer a great possibility to segment and create unique and highly relevant messages. However, ads are shown users who are logged into their accounts on Gmail or YouTube.

- Similar audience – It is possible to create similar audience to remarketing as well as to e-mails. Google is able to display advertisements to audience having similar properties to default segment.

- Topic - Targeting is based on displaying advertisements on websites connected with selected topics. For outlet centers following topics are convenient: casual clothing, women's clothing, men's clothing, beauty and fitness, footwear, shopping of clothing, sport and other similar topics.

- Interests – This form targets audience based on their interests which Google evaluated on the basis of users previous behavior. This means that an ad might appear on a website that is not related to the topic but it relates with the interests of a user.

- Placement – Advertisements are shown on chosen websites, in case of outlet centers it might be websites of fashion magazines (www.harpersbazaar.com, www.elle.com, …), websites for women (www.dama.cz, www.jenprozeny.cz, …), fashion websites (www.profimoda.cz, www.modnipeklo.cz, ...).

- Demographic – It is possible to target people according to gender, age or parent status. Google does not possess with information about all the users and it offers targeting on „unknown" users as well.

It is important to exclude remarketing targeting from the rest of segments. The size of segments should be considered as well. For example, if there are not enough e-mail addresses, it does not make sence to further segment e-mail addresses and it is more convenient to focus on targeting according to gener, interests or topics.

Following table presents possible structure of PPC account. In reality there are dozens of camaigns and hundreds of ad groups.

Tab. 13     The proposed structure of PPC

| Type of campaign | Campaign | Targeting | Ad groups |
|---|---|---|---|
| **Search** | S Region 1 | • Geographical location <br> • Remarketing | • Outlet <br> • Adidas <br> • Mango |
| | S Region 2 | | • Outlet <br> • Adidas <br> • Mango |
| **Display** | D Region 1 | • Interests <br> • Topic <br> • Websites <br> • Demographic | • Campaign 1 <br> • Campaign 2 |
| | D Region 2 | | • Campaign 1 <br> • Campaign 2 |
| **Remarketing** | R Region 1 | • 20 days <br> • 20 – 365 days <br> • More than 365 days <br> • E-mails | • Campaign 1 <br> • Campaign 2 |
| | R Region 2 | | • Campaign 1 <br> • Campaign 2 |

According to respondents the most interesting topics are discounts, favourite brands and particular clothes so it is appropriate to combine these topics in banners, create several designs, regularly optimalize campaigns and keep only banners with the highest CTR (click through rate).

### 5.5.6    Facebook

According to the research Facebook was indicated as the most influencing online media, 34% respondents stated they visited an outlet center on the basis of an advertisement on Facebook. Therefore, the strength of this social network should not be underestimated.

The basis for successful marketing communication on Facebook is to obtain relevant and quality fanbase. Many enterprises purchase fake fans in terms of unreal accounts established solely for the purpose of trading. Although these fans are cheap (the price is usually up to 1 CZK per fan), purchased fans can damage the functioning of the Facebook page. According to its algorithm Facebook displays posts based on reaction of fans. If there are many inactive fans, there is no great response and as a result the content has been displayed to fewer users. Moreover, the more fans a Facebook page has, the less percentage of them posts are shown. A study published by SocialTimes (2015) shows that the reach of Facebook pages with up to 1,000 fans is 22,8% and pages with 50 to 100 thousand fans organically reach only 9,62% of them. According to Leander (2016) who calculated the average engagement rate[4] based on analytics from more than half a milion active Facebook pages, the engagement rate of accounts up to 10 thousand fans is 0.96%, from 10 to 20 thousand it is 0,29% and from 20 thousand to 50 thousand the engagement rate is 0,21%.

The recommendation is therefore to actively gain fans, but rather a lower number of relevant fans who interact with the content than a large number of unrelevant fans. Obviously, the best fans are those who have liked the page by themselves. These can be obtained from the buttons located on a website and newsletters, however the number will probably not be sufficiently high. It is appropriate to create campaign which aims to bring fans to the page. As it was mentioned in the theoretical part, Facebook allows to precisely target so it is possible to find very relevant fans. Following types of targeting and combination of it should be considered:

- Geographical - With respect to the research which showed that the maximum distance to travel to outlet center is up to 50 km for almost 70% of respondents, the radius of targeting should be around 50 km. It is advisable to create more geographical segments and greater part of the budget invest to closer distances.

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[4] Engagement rate - the percentage of those who liked, shared, clicked or commented

- Gender and age – It is appropriate to focus more on women, for example invest 70% of the budget to women and 30% to men and divide segments according to age.

- Interests – For outlet centers is appropriate to target people interested in fashion, outlet, shopping of clothes and particular brands. The recommendation is to create more segments according to related interests to be able to optmalize the campaign. Effective targeting can be for example on people intrested in particular sports brands with advertisement with topics of sports and sports brands.

- Competition – Sometimes it is possible target people who are fans of competitors, for example other shopping centers.

- Remarketing – Using facebook pixel (a code that can be embedded on websites) it is possible to collect remarketing audience (people who visited a website of outlet center) which represents the most relevant audience to target.

- E-mails – As in case of AdWords, Facebook allows to display advertisement to up-loaded e-mail addresses. It provides a perfect opportunity to target members of loyalty program with very precise marketing message. For example, it is possible to target only the e-mails that have been opened within newsletter campaign and personificate the message: "Do not miss the sales this weekend." Or vice versa, target those addresses for which the email was not opened. This of course applicable to those e-mail addresses that people use to log in to Facebook.

It was confirmed that respondents appreciate information about sales the most, followed by topics of fashion inspiration and contents. Outlet centers should follow these topics and complement it by other content which encourages users to interact. According to Socialbakers (2014) photos have moreover the lowest organic reach and only 3,7% fans see a photo post and video posts achieve the most views. Successful posts must be original, interesting and appropriate for a certain type of site. Proposed topics are:

- Particular clothing and shoes – A human factor should be included on photos.

- Outfits – As it was recommended in the section about the website content, outfits should be presented in cooperation with bloggers on both a website and Facebook profile. This topic can be called „outfit of the week" and the main purpose is to provide a fashion inspiration with clothing that is possible purchase in an outlet center.

- Products – Other interesting products should not be overlooked, according to qualitative research for example the store with household goods is popular.

- Contents – This topic attracts the most attention of fans. Within each content it must be reffered to conditions of competition under existing law. There are many rules which must be respected according to czech law, for example a winner can not be selected randomly or on the basis of sharing post on his Facebook profile.

- Video – According to a study of Socialbakers (2014) videos gain the highest average organic reach of 8.7%. Videos should be not too long, for example 30 second video of accelerated grip on the selection of clothing in different stores with focus on the final outfit could be interesting.

- Articles - It is very useful to share interesting articles. In case of outlet centers it is ideal to publish articles on the website and share on Facebook share with interesting headline. Articles should be readable and motivate readers to stay on the website in order to view special offers or clothing that motivate them to come in person.

- Discount offers, events, news.

It is advisable to create large number of segments according to age, gender, geographical location, interests and so on. It is time-consuming, but allows identify very relevant segments to according to reactions and save them for future communication.

Successful communication on Facebook is in fact more about listening and involving followers than to overwhelm them by unwanted content. Status, which unleashes the discussion will be displayed over a photo that collects couple likes. Hence, in communication on social media should be an emphasis on getting a feedback from fans.

It is also appropriate to communicate at the time when most fans are active. Facebook provides this information within Insights as it is shown in the figure 28. This example represents that the best time to communicate is around 20:00.



Fig. 28      Facebook Insights
Source: Facebook, 2016

Respecting the fact that posts are displayed only to a small percentage of fans, it is necessary to promote each post through advertising account. The targeting options presented above provide amazing opportunity to hit exactly the audience intend to receive the message. The fact that it is also possible to display advertising on Instagram with the same targeting conditions should not be forget.

Regarding the appearance of the Facebook page, cover photos should be aligned in a single visual as advertisements across all the marketing channels. Posts should be labeled by logo and share some unique features so it is recognizable at the first sight from whom the message comes. It is appropriate to allow people to evaluate an outlet center using the star rating from 1 (the worst) to 5 (the best) and appropriately respond to both positive and negative reactions. Reactions should take place as soon as possible. Facebook page should be linked with other social networks as Instagram and Tripadvisor.

Facebook offers much more than the possibility to promote posts, it allows to create advanced advertising campaigns for a purpose of clicks on website, website conversions (using conversion pixel), promoting event, offer claims and many others. There are two pricing systems – auction as in case of PPC advertising or CPM (cost per impression). In case of outlet centers campaign gaining clicks on the website is the most appropriate.

### 5.5.7    See Think Do Care

The strategy See Think Do Care determines the audience varying in accordance to the type of purchasing behavior phases. Let's apply the See Think Do Care strategy on online advertising of outlet centers. Following figure presents the usage of online channels during particular phases and groups of people.
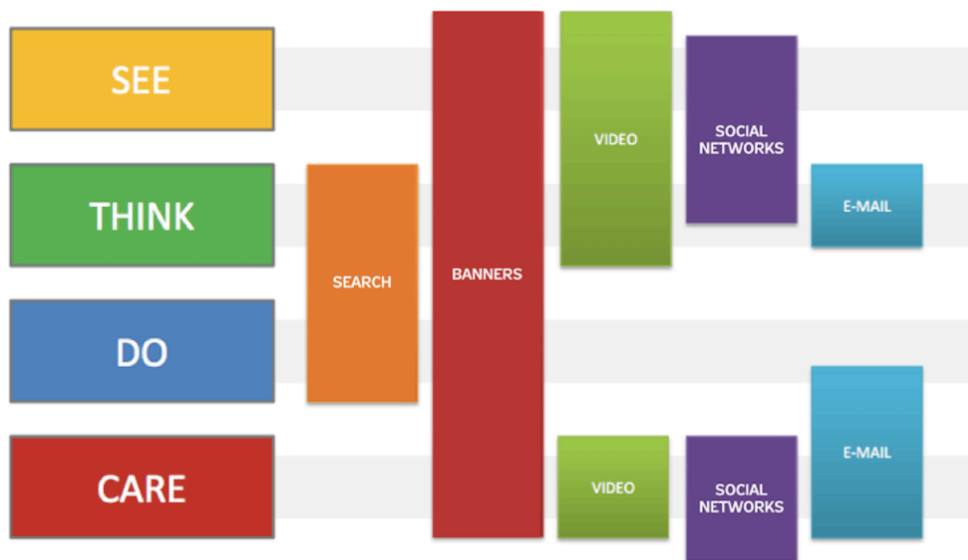
Fig. 29          Online communication within See Think Do Care strategy
Source: Digisemestr, 2015

People in the **SEE** group can be defined as anyone who wear clothes. This group includes the largest number of people who have not showed any interest in buying clothing yet. Branding should be the primary purpose of campaigns, advertising will probably be the most expensive from all the phases. To reach the general audience at this stage, marketers should create general creative and use banners or text advertising within Display network, videos on YouTube and social networks. The strategy should be based on demographic and geographic targeting as well as on interests and topics.

People wearing clothes and feeling the need of purchase of new clothes belong to the **THINK** group. This group is a subset of the SEE group and includes people with at least a minimum intent of purchase of clothing. It is uncertain when they will buy a new piece of clothing, but they consider a purchase. In the phase THINK communication should be more specific and the target audience more accurate. Relevant advertisements in Searching network of Google and Seznam should address people searching for clothing. The main purpose of such a campaign is to present the value of products to potential customers and build a relationship with them. Advertisements across all the channels of online marketing should be used.

The group **DO** represents the most desirable audience because it includes people who plan to make a purchase of clothing. In this phase, targeting should be very specific as well as particular advertisements. It is advisable to use inviting advertisements targeted on remarketing audience that has visited a website of an outlet center in recent days within Facebook and Display search. The main purpose of a campaign in this phase is to convince potential customers to visit an outlet center.

Customers who visited an outlet center belong to the **CARE** group. Generally, it is advisable to thank and offer additional services to customers in this group. In case of outlet center it is possible to address only members of the loyalty program. It is appropriate to send an e-mail with acknowledgment and information about number of points they have achieved.

# 6  Discussion

To fulfill defined objectives of this thesis it was necessary to use secondary and primary data. Secondary resources dealing with the problematic of outlet centers were processed using Electronic Information Resources of Mendel University. Furthermore, materials such as foreign articles and case studies related to online marketing as well as materials from Digisemestr (semester course of online marketing for students in cooperation with Brno University of Technology) were used. Primary data were obtained by processing of qualitative and quantitative research. Own case study dealing with online marketing activities of current Czech outlet centers was the basis of the recommendations as well. All these data enabled detailed and comprehensive insight into the whole issue and to fulfill the primary objective of proposing appropriate recommendations of using online marketing for outlet centers.

Particular aims were to analyze shopping behavior and consumer preferences for outlet centers and determine the main factors motivating customers to visit outlet centers. The questionnaire should also ascertain how online advertising influences process of customer's decision-making process and to identify which online channels are the most motivaiting to visit outlet centers. The most attractive factors that convince customers to register to a loyalty program of an outlet center were also identified in the research.

The quantitative survey was attended by 325 respondents of which 221 have ever shopped in an outlet center. The sample size could be larger but it is considered to be sufficient to draw conclusions. Respondents who do not visit any outlet centers were asked for particular reasons. In the final part of the questionnaire all the respondents were asked about their motivation to follow online presentations of outlet centers. Identification questions focused on age, gender, highest education completed, the predominant occupation, size of municipality of residence and the the amount of income. Within evaluating the questionnaire four hypotheses were statistically tested and all of them were confirmed:

- $H_0$ – Frequency of shopping in outlet centers is independent on gender

- $H_0$ – Frequency of shopping in outlet centers is independent on age

- $H_0$ – Frequency of shopping in outlet centers is independent on income

- $H_0$ – Frequency of shopping in outlet centers is independent on distance of place of residence

The reliability of quantitative research results could be affected by the choice of respondents and the method of distributing the questionnaire. Although it was distributed personally to older respondents to complete the prescribed number of respondents by age intervals, most of the questionnaires were filled on the Internet.

This fact shows that the majority of respondents are active users of the Internet. However, considering that the recommendations are aimed for using of online marketing advertising, results are considered to be relevant.

The qualitative research was processed by using in-depth interviews which allow better understanding of customer behavior, their motivations to visit an outlet center and their experience about online advertising of outlet centers. Respondents also subjectively evaluated website presentation of current outlet centers. The results of qualitative research were affected by the fact that all of respondents live in the region of South Moravia.

Some conclusions of the primary research agreed with secondary research which investigated shopping behavior within outlet centers abroad and some of them did not. It was confirmed that the key factor motivating customers to visit outlet centers are great deals and discounts as it was concluded in Sikos research in 2009 dealing with Hungarian and Austrian customers of outlet centers. Sikos research concluded the selection of the most popular national and international brands second is the key factor as well. According to both surveys the most popular sportswear brands are Nike and Adidas and Puma. It was not concluded that visiting a shopping center would be an entertainment and for Czech respondents as it stated Yilmaz in 2004.

This diploma thesis deals with outlet centers as well as respondents within the Czech Republic. With regard to the fact the market of outlet centers in the Czech Republic is already quite saturated and new outlet centers are planned to be open, it would be appropriate to focus also on foreign customers who visit the Czech Republic within holiday or a business trip. These customers can be targeted not only in cooperation with travel agencies and other entities doing business in the tourism sector. The Internet is undoubtedly the first source of information for people who look for information about holidays, air tickets, transportation, inspiration and many other travel topics, which provide a huge potential to target these people by online marketing advertising. Hence, there is a space for further investigation.

# 7 Conclusion

This thesis aimed to identify the behavior of consumers, their preferences when shopping in outlet centers and the influence of online advertising on this process. On the basis of findings appropriate recommendations for online marketing advertising for industry of outlet centers was processed.

The theoretical issues were described in the first part of the thesis which was further divided into three main chapters. The first one deals with consumer behavior, the second one with online marketing advertising and the last one describes the problematic of marketing research. For processing the theoretical part mainly books of foreign authors as well as Internet sources in the form of scientific articles were used. All resources are listed in the references.

In the first chapter of the practical part the concept and history of outlet centers were introduced as well as the development of outlet centers in Europe and current situation of outlet centers in the market of the Czech Republic. According to Internal Outlet Journal (2015) outlet centers have been the fastest growing retail format in Europe since the early 1990s and the number of outlet centers is increasing year by year, there were total number of 158 outlet centers in the Europe in 2015.

Following chapters process the results of quantitative and qualitative investigation which was performed in March 2016. Customers of outlet centers consider shopping in outlet centers as an occasional resource to complement clothing, they mostly shop in outlet centers less than every three months. The key motivations for visiting outlet centers are discounts, special offers and sales. Quantitative research confirmed that the Internet is one of the most influencing advertising channel in the lead of Facebook, website presentation, banners and e-mail marketing. Among the most interesting advertisements according to respondents belong topics of discounts, sales and favourite brands. Discounts, sales and particular offers of clothing are the most wanted information when customers visit websites of outlet centers. The most popular brands for customers of outlet centers are sport brands (Nike, Adidas) and luxury brands. Among the most negative opinions about outlet centers belong reasons as high prices, limited range of products and sizes and low quality. Hypothesis did not confirm that gender, age or the distance of outlet center influence the frequency of shopping in outlet centers.

The case study focuses on analyzing online marketing channels which were indicated as the most influencing by respondents. Conclusions of the case study served as the basis for general recommendations as well as particular recommendations for current outlet centers. The last chapter comprises recommendations for online marketing activities of outlet centers based on researches and the case study. Proposed recommendations are universal and generally applicable for the market of outlet centers in the Czech Republic.

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    aocom

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# Appendix

# A   Questionnaire

## Nakupování v outletových centrech

Dobrý den, ráda bych Vás poprosila o vyplnění následujícího dotazníku, pomocí kterého zjistím Vaše chování při nákupu v outletovém centru nebo důvody, proč v outletu nenakupujete. Tento dotazník Vám zabere zhruba 5-7 minut a výsledky mi poslouží jako podklad pro vypracování diplomové práce.

Předem mnohokrát děkuji za vyplnění!

Bc. Helena Ježková, Mendelova univerzita v Brně

*Povinné pole

### Co se vám vybaví, když se řekne outletové centrum?

Vaše odpověď

### Který z následujících vizuálů by Vás nejvíce motivoval k návštěvě outletového centra?

○  1.

○  2.

○  3.

○  4.

○  žádný



### Nakoupil/a jste někdy v outletovém centru? *

○  ano

○  ne

Která outletová centra znáte?

Vaše odpověď

Jak často nakupujete v outletových centrech?

○ Několikrát měsíčně

○ 1x měsíčně

○ 1x za 2 měsíce

○ 1x za 3 měsíce

○ 1x za půl roku

○ 1x za rok

○ Méně často

Jak daleko od Vašeho bydliště se nachází nejbližší outletové centrum?

○ 0 - 10 km

○ 11 - 30 km

○ 31 - 50 km

○ 51 - 70 km

○ 71 - 100 km

○ Více než 100 km

○ Nevím

Ohodnoťte prosím, co Vás motivuje k návštěvě outletového centra? (1 – nejméně, 5 – nejvíce). Z následujících možností vyberte pro každý řádek jednu.

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Nižší ceny v porovnání s běžnými obchody | ○ | ○ | ○ | ○ | ○ |
| Oblíbená značka/obchod | ○ | ○ | ○ | ○ | ○ |
| Velký výběr obchodů na jednom místě | ○ | ○ | ○ | ○ | ○ |
| Výhodné nabídky, slevy | ○ | ○ | ○ | ○ | ○ |
| Sezónní výprodeje | ○ | ○ | ○ | ○ | ○ |
| Jiné akce (módní přehlídka, ...) | ○ | ○ | ○ | ○ | ○ |
| Je to blízko | ○ | ○ | ○ | ○ | ○ |
| Výlet, zábava | ○ | ○ | ○ | ○ | ○ |

Co by Vás kromě nákupu oblečení motivovalo nebo motivuje k návštěvě outletového centra? (1 – nejméně, 5 – nejvíce). Z následujících možností vyberte pro každý řádek jednu.

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Restaurace, kavárny | ○ | ○ | ○ | ○ | ○ |
| Další obchody (doplňky do bytu, ...) | ○ | ○ | ○ | ○ | ○ |
| Péče o krásu (kadeřnictví, kosmetika) | ○ | ○ | ○ | ○ | ○ |
| Dětský koutek, hlídání dětí | ○ | ○ | ○ | ○ | ○ |
| Další možnost zábavy (kino...) | ○ | ○ | ○ | ○ | ○ |

Existujte ještě něco, co Vás motivuje k návštěvě outletového centra?

Vaše odpověď

Zaškrtněte, se kterými reklamami (doporučeními) ohledně outletových center jste se setkali?

- ☐ TV
- ☐ Rádio
- ☐ Internet
- ☐ Článek/inzerát v tisku
- ☐ Billboard
- ☐ Známí/rodina
- ☐ Jiné: _____

Které reklamy nebo doporučení Vás motivovaly k návštěvě outletových center?

- ☐ TV
- ☐ Rádio
- ☐ Internet
- ☐ Článek/inzerát v tisku
- ☐ Billboard
- ☐ Známí/rodina
- ☐ Jiné: _____

Pokud Vás motivovala reklama na Internetu, zaškrněte prosím, která média to byla.

- ☐ Webové stránky
- ☐ Banner
- ☐ E-mail
- ☐ Facebook
- ☐ Instagram
- ☐ Twitter
- ☐ Blog
- ☐ Video
- ☐ Pinterest

Představte si, že Vás zaujme reklama na následující akce. Byl/a byste ochoten/na na základě této reklamy navštívit outletové centrum?

|  | ano | spíše ano | nevím | spíše ne | ne |
|---|---|---|---|---|---|
| Konkrétní oblečení | ○ | ○ | ○ | ○ | ○ |
| Oblíbená značka | ○ | ○ | ○ | ○ | ○ |
| Slevové akce | ○ | ○ | ○ | ○ | ○ |
| Jiné akce - soutěže, módní přehlídka | ○ | ○ | ○ | ○ | ○ |

V případě, že by Vás zaujala některá z reklam, jakou maximální vzdálenost byste byl/a ochotna cestovat do outletového centra?

- ○ 0 - 10 km
- ○ 11 - 30 km
- ○ 31 - 50 km
- ○ 51 - 70 km
- ○ 71 - 100 km
- ○ Více než 100 km
- ○ Jiné: _____

Kvůli kterým značkám navštěvujete nebo byste byl/a ochoten navštívit outletové centrum?

Vaše odpověď

Vnímáte nákup v outletovém centru jako výhodnější v porovnáním s nakupováním v klasických obchodech?

- ○ ano
- ○ nevím
- ○ ne

# Nakupování v outletových centrech

**Zaškrtněte prosím důvody, proč byste se opakovaně vracel/a na webové stránky outletového centra?**

- ☐ Praktické informace (otevírací doba, způsob dopravy)
- ☐ Slevové nabídky
- ☐ Informace o značkách
- ☐ Zajímavé články ze světa módy
- ☐ Nabídky konkrétního oblečení
- ☐ Žádný důvod - nevracel/a bych se

**Pokud nemáte účet na Facebooku, vynechte následující otázku. Co by Vás motivovalo ke sledování facebookového profilu outletového centra? (1 - nejméně, 5 - nejvíce)**

|                              | 1 | 2 | 3 | 4 | 5 |
|------------------------------|---|---|---|---|---|
| Informace o slevách a akcích | ○ | ○ | ○ | ○ | ○ |
| Soutěže                      | ○ | ○ | ○ | ○ | ○ |
| Módní inspirace              | ○ | ○ | ○ | ○ | ○ |
| Zajímavosti ze světa módy    | ○ | ○ | ○ | ○ | ○ |

**Co by Vás motivovalo, abyste se stal/a členem věrnostního programu outletového centra? (1 - nejméně, 5 - nejvíce)**

|                                                          | 1 | 2 | 3 | 4 | 5 |
|----------------------------------------------------------|---|---|---|---|---|
| Dodatečné slevy                                          | ○ | ○ | ○ | ○ | ○ |
| Dárek k narozeninám                                      | ○ | ○ | ○ | ○ | ○ |
| Sběr bodů za nákupy a uplatnění ve formě poukazu na nákup | ○ | ○ | ○ | ○ | ○ |
| Speciální akce pouze pro členy (př. přednostní výprodeje) | ○ | ○ | ○ | ○ | ○ |
| Slevové knížky                                           | ○ | ○ | ○ | ○ | ○ |

**Existuje ještě něco, co by Vás motivovalo k tomu, abyste se stal/a členem věrnostního programu?**

Vaše odpověď

### Jaké je Vaše pohlaví?

○ Žena

○ Muž

### Kolik je Vám let?

○ 15 až 24 let

○ 25 až 34 let

○ 35 až 44 let

○ 45 až 54 let

○ 55 až 64 let

○ 65 let a více

### Jaké je Vaše nejvyšší dokončené vzdělání

○ Základní

○ Středoškolské bez maturity

○ Středoškolské s maturitou

○ Vyšší odborné

○ Vysokoškolské

### Jaké je Vaše převažující povolání?

○ Student

○ Zaměstnanec

○ OSVČ

○ Podnikatel

○ Jiné

### Jaký je Váš průměrný hrubý měsíční příjem?

○ Méně než 9900

○ 9901 Kč - 15 000 Kč

○ 15 001 Kč - 22 000 Kč

○ 22001 Kč - 26 000 Kč

○ 26 000 Kč a více

### Jak je velká obec, ve které bydlíte?

○ Do 3 000 obyvatel

○ 3 000 až 90 000 obyvatel

○ Nad 90 000 obyvatel

# B Results of statistical testing

Tab. 14 Dependence between the frequency of shopping in outlet centers and gender, age, income and distance of the place of residence

| Index | | Value |
|---|---|---|
| **Gender** | Pearson's chi squared test | 0,190 |
| | Fí | 0,980 |
| | Cramér | 0,980 |
| **Age** | Pearson's chi squared test | 0,116 |
| | Fí | 0,380 |
| | Cramér | 0,980 |
| **Income** | Pearson's chi squared test | 0,472 |
| | Fí | 0,805 |
| | Cramér | 0,569 |
| **Distance** | Pearson's chi squared test | 0,139 |
| | Fí | 0,452 |
| | Cramér | 0,184 |

Source: Quantitative research, n=221

# C   Depth interviews

**What do you associate with outlet center?**

- Petr: Sales and Freeport.
- Pavel: Shopping of clothes, Freeport.
- Lucie: Old collections of branded clothing, lower prices and many clothings.
- Pavlína: Rummaging in clothes, sales and discounts.
- Helena: Discounts.
- Patrik: Sports brands and sales.
- Tereza: When I hear outlet center I recall Freeport because I come from Znojmo. The second association are discounted branded clothing.
- Vojtěch: Food, clothing and many shops.

**Which outlet centers have you visited? How far away it is from your place of residence and how often do you visit an outlet center?**

- Petr: I live close to Freeport, it is 12 km from my town. I visit it approximately once every 3 months. Freeport is the only outlet center I have ever visited.
- Pavel: I know Freeport, I go there once a half year. I live in Brno which is 70 km far away. There is something like outlet in Brno, it is named Outlet Hall and I visit it approximately every six months as well.
- Lucie: I have visited Freeport in Znojmo and Parndorf in Austria. It has been more than 2 years since the last time I visited Parndorf, I would like to go there more often, but it is just too far away, more than 100 km. Freeport is more than 70 km far away from Brno so I visit it only when I go around by car and have time for shopping. It happens more or less every 6 months. But a man must reserve more time for shopping in outlet center compared to common shops because he needs to look for nice clothing.
- Pavlína: It is Freeport and I live 60 km far away. The frequency of shopping is around every 6 months.
- Helena: I visit Freeport every four months and I live very close, 10 km.
- Patrik: When I lived in Dublin, I visited T. K. Maxx every 2 weeks because I really like this shop. When you are lucky, you can find amazing pieces of branded clothes for good money in T. K. Maxx. There are unique pieces of many brands and it is not just about clothing, there is cosmetics and other goods. I really do not understand why people in the Czech Republic spend so much money for clothing. They earn less money than people abroad and the clothing is much more expensive here. I feel like Czech people pretend to be something more when they dress expensively.

Once I visited Parndorf in Austria as well but it is quite far away. I was planning to visit Freeport many times, but it never happened because nobody had a car to drive me there.

- Tereza: In the Czech Republic I have visited Freeport and Fashion Arena. I live in Brno but my parents live in a village near Znojmo so I visit Freeport every 3 months. I like shopping there because I always find nice pieces of clothing for really good price! I have visited Fashion Arena only once with my friends and I didn't buy anything there. I also visited outlets abroad, Parndorf in Austria, T. J. Maxx in the USA and I really love T. K. Maxx in London. I didn't like Parndorf because there are only expensive brand and even if the clothing was discounted, it was still very expensive and it was not even nice! But T. J. Maxx and T. K. Maxx are awesome, prices are so good. Sometimes you do not find nice things and sometimes yes, so the shopping is kind of adventure for me.

- Vojtěch: Freeport, once every 3 months.

**How often do you usually shop clothing?**

- Petr: Every 3 months.

- Pavel: As less as possible, I do not like shopping of clothing. Maybe 3 times a year, only when I really need something.

- Lucie: Every two months for sure.

- Helena: I do not like shopping clothes, it is painful for me. Maybe every 3 months, it depends if I need something. I do not like spending money for clothing, I like to be as much economical as possible.

- Pavlína: I like shopping, so every 2-3 months.

- Patrik: Every 3 months, I like shopping during sales so I usually wait for seasonal sales. It is the same clothing in the same quality but half-priced.

- Tereza: Quite often, each month. It is because I feel I have nothing to dress all the time. It is a typical problem for girls.

- Vojtěch: Once every 3 months, sometimes every 6 months. It depends if someone makes me to go there, I never go shopping alone.

**What are the most motivating factors why you visit outlet center?**

- Petr: It is discounts and my favourite brands. In Freeport I like Lee Cooper because they sell nice shirts and I always buy great shoes in Geox. I used to visit Cyklo Point in Freeport, but I think the shop is currently closed. When there are events or sales in Freeport, I avoid visiting it, because I really do not like crowds of people.

- Pavel: Many shops in one place. As I said, I do not like shopping and I appreciate the fact I will probably find what I need. Discounts are nice as well. Events and big

sales not at all, I do not like many people in shops. For example, I would never visit Freeport before Christmas.

- Lucie: Sporty shops of brands as Adidas and Nike. And then brands where clothing is still very nice and fashionable even if it is clothing of old collections. I like for example Tommy Hilfiger and Tom Tailor. In Parndorf, Michael Kors sells much cheaper handbags than in common shop and you do not feel like it is old or non-modern piece, it still looks great.

- Helena: Many shops in one place. Lower prices and. It is more probable I find what I need than in a city center.

- Pavlína: Seasonal sales, discounts and favourite brands. And many shops in one place as well.

- Patrik: Cheap prices, I am economical in terms of money.

- Tereza: Cheap branded clothes and sales. I have positive experience about sales in Freeport. Yes, sometimes there are many people, but if you are lucky you buy many pieces of nice clothing for amazing prices. I would compare it to „hunting of pieces". Of course it is not successful every time, but it is worth for visiting.

- Vojtěch: To be honest, I do not distinguish between outlet center and common shopping center. When I need some clothes, I go anywhere no matter if it is outlet center or shopping center.


**Apart of clothing, is there anything else what motivates you to come? Restaurants, beauty salons, other shops or entertainment?**

- Petr: Yes, KFC! I really like KFC and there is nothing like KFC in Znojmo. So sometimes I drive to Freeport just to eat KFC. My favourite shop over there is the one with alcohol and chocolates but I can't remember its name now. A cinema would be nice as well, because there is old and uncomfortable cinema in Znojmo.

- Pavel: Restaurants are important for me because I always get hungry. But it is not like I would go there only because of restaurant. Shops with perfumes and cosmetics are good as well, but I've begun to shop perfumes online because it is much cheaper.

- Lucie: Not really.

- Helena: I like KFC and a shop with kitchenware. I do not visit shops unless I really need something, therefore no kind of entertainment within any shopping center would motivate me to come.

- Pavlína: Yes, I like the store with kitchenware and electronics, I think it is called Home and Cook. I buy pelvis there and recently I bought a good straightener for a cheap price. When I visit Freeport, I usually eat in KFC.

- Patrik: I visit shops only when I need something, so there is nothing else what would motivate me to come.

- Tereza: I do not like beauty salons within shopping centers, the service is terrible. Another shops motivates me, but the main reason to come will always be shopping of clothes.

- Vojtěch: What I like about shopping centers the most are teahouses and shops selling household goods, it is motivating me to come much more than shopping clothes. Restaurants and cafés do not attract me to come at all.

**What are your favourite brands?**

- Petr: Reserved, Lee Cooper, Goex and Cyklo Point.

- Pavel: Geox.

- Lucie: Reserved, Mango, Tommy Hifliger, Michael Cors, Tom Tailor.

- Helena: Alpine Pro.

- Pavlína: Promod, Adidas, Nike, Camaieu.

- Patrik: Reserved and Zara

- Tereza: In Freeport it is Tom Tailor, Adidas, Reebok, Geox, Home and Cook. In terms of common shop, it is Reserved.

- Vojtěch: Nike.

**Is there anything else what would really motivate you to come? What about food festival?**

- Petr: Yes, I good party! Food festival would be nice, but I would not go there anyway because there are always too many people during events.

- Pavel: I don't know. Maybe a charity event when a part of profit would be given to those who need. Food festival sounds good, but it is still too far to come.

- Lucie: Food festival would be interesting, but I would probably not go there only to visit it. I would probably visit a big sale event with competitions for vouchers.

- Helena: I do not like spending time in shopping centers so I can't imagine anything what would make me to go there apart of shopping clothes.

- Pavlína: A day of beauty when professional makeup artists and hair stylists take care of me. That would definitely motivate me to come!

- Patrik: No, there is nothing more.

- Tereza: Apart of sales, I guess no. Food festival? If I would be in Znojmo during it, why not.

- Vojtěch: Food festival would bring me there for sure.

**What advertisement about outlet centers have you experienced and which has motivated you to visit an outlet center? If you saw advertisement on the Internet, what particular channels?**

- Petr: I have experienced a billboard, radio and the Internet. Once I saw something on Facebook but it did not motivate me to come.

- Pavel: A radio ad, a billboard and the Internet. Sometimes I meet Freeport's advertisement on a billboard in Brno, I told myself I should visit it a few times. I remember some banners on the Internet as well. My friend who bought nice shoes in Geox motivated me to visit Freeport. I bought shoes in Geox as well and a few days later I saw the same shoes in Vaňkovka, but 500 CZK more expensive!

- Lucie: Recently I saw a banner. Sometimes I hear advertisement in the radio as well. In both cases it was about Freeport. But it did not motivate me to go there. I usually shop in Brno's city center or online. Even Olympia is too far away for me. So it would have to be something really good to make me go there.

- Helena: Yes, I remember an advertisement in the radio and a billboard. But it is always my daugters who bring me to Freeport.

- Pavlína: A Radio, a billboard, websites and banners. An advertisement about jeans sales and night shopping in radio made me visit Freeport. I recall the billboard next to the road to Freeport but I was already going there so I did not need to motivate.

- Patrik: I have seen some billboards inviting to Freeport. But I have never been there.

- Tereza: I have seen many billboards on highways to Znojmo, from Prague or from Brno. And I have heard an advertisement in the radio. I remember I saw an event on Facebook about discounts so I went there. I do not visit websites of any outlet centers.

- Vojtěch: Sometimes I receive newsletter, I have probably registered for it but I do not read it.


**Please rate if you'd be willing to come to the outlet center, if you have taken the following ads which would be interesting for you – particular pieces of clothes, discounts on favourite brands, sales generally, or events. How far away would you be willingness to go?**

- Petr: Discounts of my favourite brands and particular clothes. I would come up to 30 minutes by car.

- Pavel: Advertising about interesting discounts probably would motivate me, but I would not drive more than 10 km.

- Lucie: I go shopping when I need so I am not sure if an advertisement would motivate me to go there. If yes, I would go maximally up to 100 km within a trip.

- Helena: Nice pieces of clothes. I would drive not further than 30 km.

- Pavlína: Everything! I like shopping and if there is something interesting, I go there. I am willingness to travel up to 70 km.

- Patrik: Probably sales. How far away? It depends on how interesting the sales would be.

- Tereza: Special sales and discounts. I am not sure about particular clothes because it can be only advertisement, not real pieces. Around 30 km it is fine.

- Vojtěch: If there was something interesting, nice clothing. But I do not watch advertisement about clothes at all. I visit stores of clothes randomly.

**Why do you or would you repeatedly visit a website of an outlet center? Information about brands, special offers, particular clothes, practical information.**

- Petr: Information about my favourite brands, that is all.

- Pavel: For practical information such as opening hours. And for offer of clothing. Once I looked for a sports pans for my girlfriend and found it on website of Outlet Hall so I went for it.

- Lucie: I would not. If I need to buy something I go to shop or buy it in online on e-shops. It is not sure if they really offer the clothing it in stores or if they have my size when they present it on websites.

- Helena: I would visit it to see clothes.

- Pavlína: The main reason would be special sales and offers. It would be beneficial to search for particular clothes but I guess it is too difficult for outlet centers because it is not e-shop.

- Patrik: Particular clothes for sure. It would be nice to see what sizes are in a store.

- Tereza: I can imagine to visit the website in case I see an advertisemen about sales in order to find more information. But when I think about it, I would probably visit Facebook profile first, there are actual information. The presentation of clothes would be good in case I search for particular piece of clothes.

- Vojtěch: Only because of a competition, I like competitions.

**What kind of information are you interested on Facebook profile of an outlet center?**

- Petr: Nothing, I would not follow it.

- Pavel: Discounts, but when advertisements show too often, I just cancel following. The maximum frequency of a post or advertisement is once a week.

- Lucie: Tips for outfits and particular clothes. And fashion inspiration. Competitions for vouchers are great, it is incredible how it works.

- Helena: I do not have Facebook profile.

- Pavlína: The same reason as visiting website – special offers, sales, discounts.
- Patrik: Sales and discounts.
- Tereza: Special sales, competitions, fashion tips, outfits.
- Vojtěch: Only competitions.

**Are you a member of any loyalty program? What about loyalty program of an outlet center? What would you motivate to become a memeber of outlet center? Special discounts, birthday gift, points that can be applied as a discount, special sales for VIP, discounts book.**

- Petr: I am a member of Reserved, that is all. I am interested in collecting of points, however the system of rewards must be clear. I do not like the neverending processes to get something. Discounts would be good as well. Special sales do not interest me because of the crowds of people again.

- Pavel: No, I am not. I am not interested to be a member in a loyalty program of Freeport, because I do not shop there often.

- Lucie: Not many, IKEA and Reserved. I like the system of IKEA, there are two prices and the lower prices is valid for members of IKEA Family. That is motivating. If there would be the same system in case of an outlet center, I would become a member of its loyalty program. I would also like to get birthday gift but I am not sure if I would travel there only because it is my birthday.

- Helena: IKEA. They offer free coffee and preferential sales for its members. I do not have any card of Freeport but I would appreciate additional discounts.

- Pavlína: Yes, I like loyalty programs. I am member of Camaieu, IKEA, Yves Rochér and DM. Camaieu sends me texts whenever there are sales, I like it. And they send also birthday wish and I get a gift when I come, that is really nice. I am not a member of loyalty program of Freeport because I did not know about it. I would like to join the loyalty program, it always brings some benefits.

- Patrik: I am not a member of any loyalty program. I do not like having cards in my wallet. When I shop in Reserved, I use a card of my friend. I would registrate in such program only in case it is beneficial for me in terms of saving money.

- Tereza: Reserved, Camaieu, IKEA, DM, Teta, Billa and more but I use these regularly. Recently I registered to VIP program of Freeport but I haven't picked up the card yet. I registered through their websites because they offer additional discount in some shops.

- Vojtěch: I collect points only in Billa. I am not active member of any loyalty program apart of Billa. The only motivation is collecting points for me.

**Is there anything else what would motivate you to become a member of loyalty program of an outlet center?**

- Petr: Additional discounts, that is all.

- Pavel: Yes, for example if they would have a deal with the gas station next to Freeport and the gas station would provide me discounts for gas.

- Lucie: I do not think so.

- Helena: I do not know.

- Pavlína: If they text me when there are sales. And if I could return clothing without having paper bill. In Camaie, it is possible and they will give me money back on the card so I can use it as credit for shopping.

- Patrik: Apart of discounts, no.

- Tereza: Any bonus is nice.

- Vojtěch: People who are registered can win something nice.

# D   Successful events of European outlet centers

| Festival | Description | Results |
|---|---|---|
| **Food Festival in Gloucester Quays (UK), 2011** | The three day food festivals in 2011 with artisan food, drink stalls, celebrity chefs cooking and live music. | Gloucester Quays drew 110,000 visitors so it become one of the largest free food festivals in the country. Sales boosted of 15% above the year ago period. |
| **Victorian Christmas Market  in Gloucester Quays (UK), 2013** | Four day festivals where 19$^{th}$ century was a key component. | Gloucester Quays' Christmas Market attracted 150,000 visitors. Traffic was up 20% and sales up 30%. |
| **International Dance Event in Neinver's Vila do Conde the Style Outlets (Portugal), 2013** | The event in celebrated the ninth anniversary with DJs, dancers and performances by store mannequins. The idea was to go beyond just shopping and give customers a unique shopping experience. | Traffic increased by almost 6% compared to the same weekend the previous year, and sales were up by more than 16%. |
| **Annual British Designers' Collective, Bicester Village (UK), 2014** | Artist Ellie Goulding helped Bicester Village to launch the Annual British Designers' Collective in partnership with the British Fashion Council. | The event reached nearly 19 million readers around the world. A social media campaign was used to create buzz - Twitter and Instagram users were entered into a competition of prizes. |
| **Vintage Fashion Festival, McarthurGlen's serravalle, Castel romano, noventa di Piave, Barberino and la reggia designer Outlets, (Italy)** | The festival incorporated a vintage parade with singers and dancers. There was also an online competition to win a vintage Chanel bag, with customers subscribing to the center's newsletter. To help promote the event, five fashion bloggers were invited to create their own vintage look at the various centers. | Sales increased by 14% over the same period the previous year, and the Italian centers' newsletters gained 15,000 new subscribers. |

Fig. 30      Successful events of outlet centers
Source: International Outlet Journal, 2014
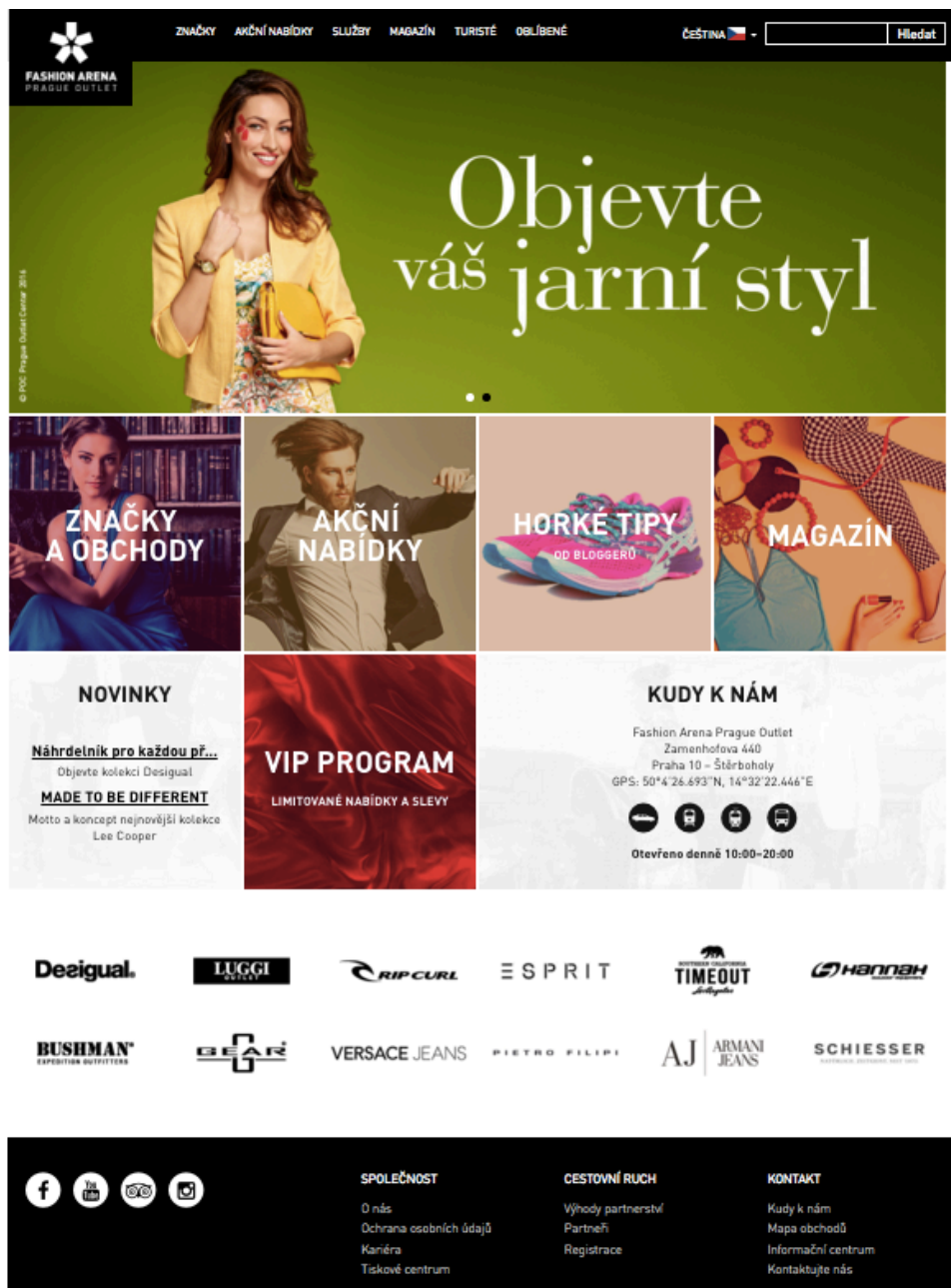
# E    Homepage of Fashion Arena Prague Outlet



Fig. 31        Homepage of FAPO's website
Source: Fashion Arena, 2016

# F   Homepage of Freeport Fashion Outlet



Fig. 32        Homepage of FFO's website
Source: Freeport, 2016