Communicating product features - the role of the retailer

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Abstract

This paper examines the interplay between the product and the "selling system", i.e. how the product is embedded in the retail context, particularly concerning its communicative elements. According to Turley & Chebat (2002) the retail environment can be likened to the package of a product, in the sense that it surrounds the product that is for sale, and can thus have effects on how the product is perceived. There is also a relationship between brand image and retailer image (Pettijohn, Mellott & Pettijohn 1992). When the product is sold in different types of retail contexts, it could thus be assumed that product features could become emphasized differently and that the different contexts may augment the product in different ways, so that the message that is ultimately communicated to final consumers may become rather heterogeneous.

The empirical section of the paper is a part of a larger embedded case study. It concerns a private label bed manufacturer and one of its products (a bed collection) which is sold through a national furniture chain of fairly loosely co-operating stores. The empirical material consists of personal interviews with different actors related to the focal products in various ways (product development, manufacturing, purchasing, sales, and retailing) as well as mystery shopping observations in order to also provide some insight into how the product presents itself towards the consumer. In the analysis, it is examined how the products are embedded to these contexts by using the 4R framework (see e.g. Håkansson & Waluszewski 2002) as an analytical tool. The analysis focuses on interfaces between the product and the context, which have communicative implications, such as the role of personal selling, the physical environment in which the products are displayed or the degree and way retailers use point-of-purchase and other merchandising materials or their own advertisements.

It is hoped that this study could contribute to the understanding of products as interacted between companies, also regarding their immaterial properties. It draws attention to the role of the retailer as an actor that also contributes (positively or negatively) to how product features are formed and communicated.

1. Introduction

Within the industrial network perspective (see e.g. Håkansson & Snehota 1995; Håkansson & Waluszewski 2002; Håkansson & Waluszewski 2004) it has been suggested that resources exchanged in marketing processes are heterogeneous to their nature, which implies that they need to be evaluated in different constellations and combinations; as embedded and results of interaction, rather than as given elements with a value that is independent of the system in with it is produced or used.

Also in other theoretical fields, such as psychology, sociology and consumer behaviour, a common assumption is that meanings are not inherent in objects, but formed in interaction between the object and the individual. As a result of individuals' interpretation and perception of products, several meanings can be assigned to products. (Lautamäki 2000) Products thus receive their characteristics in interaction with their context, both in terms of physical interfaces as well as on the symbolic level through meanings and interpretations.

In this paper, we will focus on the interplay between a product and the "selling system", i.e. the retail context in which the products are presented and sold to final consumers. This context affects the product and the perceptions of it in a number of ways. Research into atmospheric design and retail branding and images (Porter & Claycomb 1997; Turley & Chebat 2002; Davies & Ward 2005) has stressed the importance of factors such as store environment, layout, design, promotional materials as well as social variables like service. When a focal product is placed in a certain retail context, it thus interacts with such environmental characteristics.

According to the idea of resource interaction, the product affects, and is affected by other products, facilities, business unit features and business relationships. Furthermore, interaction takes place on the symbolic level. Earlier studies (Pettijohn et al 1992; Porter & Claycomb 1997; Richardsson, Jain & Dick 1996) have shown that there is a relationship between product image and retailer image. This means that products are embedded into the retail context also regarding their immaterial features. This intangible dimension of interaction between a product and its context has so far not received much attention within business network studies, but in this paper we focus on this subject more closely.

Within the field of marketing, the idea of integrated marketing communication (IMM) and consistency among the different messages sent are generally considered central for building strong brand images (Kitchen…). However, as Buchanan et al (1999) point out, a brand's ultimate presentation to consumers is often more controlled by the retailer than the manufacturer of the product. A product's embeddedness into the retail context thus also has significant implications for product communication.

Drawing theoretically on one hand on the idea of resource interaction, and on the other hand on literature on branding, retailing and images, this paper aims at examining how the retail context affects the intangible features of a focal product and the way they are communicated. As an empirical basis for the analysis, a case study of two bed collections is presented.

2. Resource interaction

Håkansson & Waluszewski (2004) have suggested a reinterpretation of the classical marketing mix model of the 4P's, drawing attention to the fact that the empirical world is characterised by interaction, interdependencies and dynamics, which are difficult to handle with the traditional models.

The "network view" on products (see also Håkansson & Snehota 1995; Håkansson & Waluszewski 2002) emphasises the embedded and interacted character of products. Their features are considered to develop in interaction, rather than independently of the systems of production and use. This is related to the notion of *resource heterogeneity* and the work of Penrose (1959), who claims that *"Strictly speaking, it is never resources themselves that are the inputs in the production process, but only the services that they can render. The services*

yielded by resources are a function of the way in which they are used". This implies that that the same resource can have different value if used for different purposes and in different combinations. And when resources are modified and developed, new "services" emerge as a result. From the notion that resources are heterogeneous, follows that *interaction* is important for the development of the resource and the value that it can provide.

When the product is regarded as non-given and instead affected by the structures in which it is embedded, it can according to Håkansson & Waluszewski (2004:254) be seen as a carrier of both opportunities and restrictions. These are of importance for the way the product can be utilised.

To understand interaction and its consequences for resource utilisation and development Håkansson & Waluszewski (2002:33) emphasise that, it is not enough to look at the interplay between the participating actors, but to also understand the interplay between resources. If we, based on the previous discussion, assume that resources to their nature are heterogeneous, their value is dependent on with which other resources they are combined, resources cannot be evaluated separately as stand-alone elements, but should be evaluated in different combinations and constellations. (Håkansson & Snehota 1995:135; Baraldi 2003: 17)

In recent industrial network studies with a resource focus (e.g. Wedin 2001, Forbord, 2003, Baraldi, 2003 and Gressetvold 2004) a research tool developed by Håkansson & Waluszewski (2002) has been utilised for the analysis of resource interaction. This "4Rs model" comprises the following essential resource entities, which all are created and / or formed in the interaction processes:

1. **Products**: artefacts exchanged between economic actors
2. **Facilities**: equipment and facilities used to create or transform products
3. **Business units**: the organizational structure, competence and personnel skills characterizing firms
4. **Business relationships**: the substantial links, ties and bonds resulting from the interaction between firms.

To their nature, the two latter are social resource elements that "organize" the two other entities of more physical character, i.e. products and facilities. As figure 1 below shows, all of the entities interact with each other. Facilities are used for the transformation and transaction of products, products are exchanged between business units within the framework of business relationships etc. The resource entities, such as products, should thus not be studied in isolation, but against interfaces with other resources.
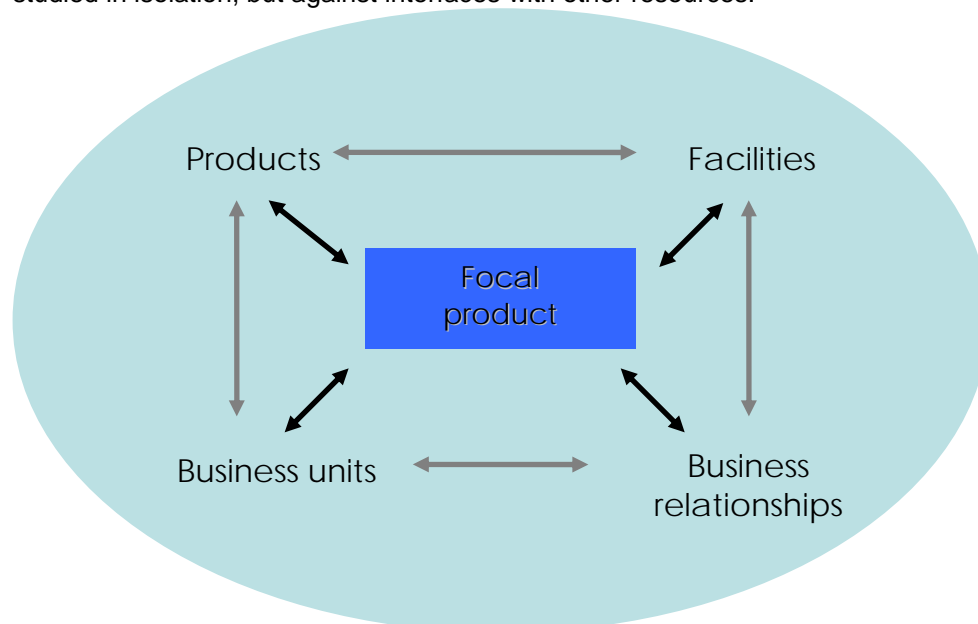
Figure 1 The contextual embeddedness of a focal product

The 4Rs model thus provides a tool for analyzing how resources interact and develop and how they receive their characteristics and value. To understand the value of a resource, the model helps to explore how the resource is related to, or embedded into, the surrounding ones. (Baraldi 2003:17)

Resource interfaces have by Håkansson & Gadde (2001: 82) been defined as "what is between resources". It differs from the notion of resource ties, which refer to a more specific type of interface, such as technical adaptation between resources of two interacting firms (such as an adapted component and the final product into which it is assembled). The notion of resource interface is thus broader and "cuts surgically into the texture of resource interactions by pointing at the specific contact points between two resources, defined along relevant technical, economic and social dimensions" (Baraldi 2003:17-18).

Forbord (2003) points out that a distinction must be made between a resource in itself and the actual use of it. This highlights the role of the actor as the force that that sets the resources in motion and is able to discover the potential economic uses of them. It also pinpoints the need to regard the resources as image objects (see Håkansson & Waluszewski 2002:39-40). The resource thus contains in addition to e.g. technical or economic features also an *immaterial image dimension*. Such images are related to how different actors *perceive* the product and thereby also the value (or potential value) that can be drawn from it in different contexts. Lautamäki (2000) has studied the extent to which members in the value chain had shared or differing meanings related to the same product. In a similar vein, this study examines how these perceptional differences or similarities affect the product's ability to be utilised as a value-creating resource. That is, whether product features are transmitted all the way to users in the way the product developers intended, or whether some features "lost on the way" while new ones emerge.

3. The intangible dimension of interaction in the retail context

The question of product embeddedness is thus not only about physical or technical interfaces, but it also has an intangible side. Levitt (1981) has suggested that *"the less tangible the product, the more powerfully and persistently the judgement about it stems from how it is presented, by whom and what is implied by the metaphors, symbols and other surrogates for reality."* Marketing communication, both by the product's manufacturer as well as its retailer thus has an important role in creating and conveying such symbols. According to Levitt (1981) the importance of the metaphorical presentations are not only limited to products that are intangible in nature, but it is also the case for such tangible products, where one does not know how well the product performs, until it is put to work. This would be the case for the focal products in the empirical part of this paper. That is, the ergonomic and sensory characteristics of a bed can be difficult to fully assess in a shop environment, which then highlights the role of communication in informing and persuading the user of the more hidden qualities of the product.

In this section, we will discuss elements in the retail context which can affect the way a product presents itself. The discussion focuses issues related to the product interface with the retailer brand and its image, the store environment, as well as the social elements in it.

Retail store image can be defined as an overall impression of a store as perceived by consumers (Keaveney & Hunt 1992 in Porter & Claycomb 1997) or more specifically as an individual's cognitions and emotions that are inferred from perceptions or memory inputs that are attached to a particular store and which represent what the store signifies to an individual (Baker et al. 1994; Mazursky & Jacoby 1986 in Porter & Claycomb 1997).

Retailers have been just as active in branding and image creation issues as manufacturers, although the tools available to retailers differ somewhat from those in other sectors. Apart from the more traditional elements of brands, such as names and symbols, retailers can draw on *merchandise*, *store characteristics*, *service* and *promotion* as branding components. (Davies & Ward 2005). Among others Turley & Chebat (2002) present a somewhat similar categorization of how retailers can use atmospherics strategically in creating a store image. A

common feature in the different ways of categorizing the dimensions of store image, is that retail image is described as a combination of a store's functional / physical qualities and psychological attributes that are linked to these. (Porter & Claycomb 1997)

With the category "merchandise", Davies & Ward (2005) refer to assortment, quality, brand mix and price. This type of elements corresponds to the resource interaction model's interfaces between the focal product and other products. The number and type of other brands in the store's assortment thus influence the focal product and the way it is positioned and presented by the retailer.

Store characteristics include the location, atmosphere and internal and external environment of the store. Atmosphere is derived from cues both from the external and the internal environment. (Davies & Ward 2005). External cues refer e.g. to the size and shape of the building, parking availability and the appearance of the surrounding area, whereas interior cues include atmospheric or ambient variables such as lighting, colours and general cleanliness. Layout and design variables refer to merchandise groupings, department locations, traffic flow etc. (Porter & Claycomb 1997; Turley & Chebat 2002).

Promotion in the retail context takes the form of advertising and in-store promotions such as product and point-of-purchase displays and signs (Turley & Chebat 2002; Davies & Ward 2005). With respect to the issues of promotion, environment and atmosphere, visual and design-related features become highlighted (Davies & Ward 2005). This means that a product in the retail context has design related, or aesthetic interfaces with this environment.

The retail context nevertheless also has a human/social side, referring to the personnel in it, their characteristics and the level and quality of service they provide. (Porter & Claycomb 1997; Turley & Chebat 2002; Davies & Ward 2005) Service, advice and staff-customer interaction is an essential part of the offering or the brand (Ford et al. 2002: 122-123; Newman & Patel 2004) and thus a significant way in which the retail context marks the product and affects its value.

The salesperson-customer dyad thus also represents a place for interaction. According to this view, sales people do not act on customers, but interact with them. This implies a focus on careful listening and speaking clarity and a sensitiveness for reading the customer's nonverbal cues, rather than concentrating on delivering a particular message. (Williams, Spiro & Fine 1990)

According to Turley & Chebat (2002) there is a strong link between retail atmosphere and sales. The environment has the capacity to influence purchasing behaviour and these effects can be seen even as a result of small changes in the elements of the retail environment. The authors also suggest the usefulness of atmospherics as a segmentation tool, since different environmental elements (such as background music) affect groups of consumers differently. Moreover, by altering elements in the store atmosphere, consumers' desire to interact with store personnel could be affected. A study by Dube, Chebat & Morin (1995, quoted in Turley & Chebat 2002) indicated that a higher desire to affiliate with sales staff was associated with higher levels of pleasure and arousal in the music played in the stores.

Further, Turley & Chebat (2002) claim that the retail atmosphere affects not only consumers and their shopping behaviour, but also the way the employees of the store function and behave. In resource interaction terms; facilities affect the people with the business unit and thus indirectly the way they relate to the products they sell. As Turley & Chebat (2002) point out, poorly constructed environments may negatively affect the possibility of employees to approach, interact and influence customers.

According to Porter & Claycomb (1997) there is strong linkage between store image and the image of individual brands. A brand image can substantially improve or damage the image of a retail store, depending on how the brand is evaluated. Brands affect particularly the perception of the store's fashion. In other words, retailers can *use* products for their own profile building purposes, while on the other hand, an unknown brand (such as a private label

product, as in the case study) might benefit from an established retailer image, provided that it is in accordance with the type of meanings that are intended to be linked to the product.

In understanding the link between a retailer brand and a product brand, a parallel can be drawn to the theoretical discussion on brand alliances. They can be defined as "all circumstances in which two or more brands names are presented jointly to the consumer" (Rao, Lu, Ruekert 1999). This definition would thus incorporate the combination of store and product brand.

According to Rao & Ruekert (1994) & Rao et al. (1999) brand alliances can serve as quality signals when an individual brand is unable to signal quality by itself. In the context of brand vs. store image, this could imply that a previously unfamiliar product could receive at least part of its image based on its "image ally", i.e. the store. In the words of Simonin & Ruth (1998, quoted in Rodrigue & Biswas 2004) "a brand could be affected by the company it keeps".

4. Case study: a bed collection in the furniture retailing environment

The empirical material presented in this section is a part of a larger embedded case study. It concerns a private label bed manufacturer and one of its products (a bed collection) which is sold through a nationwide chain of fairly loosely co-operating individual furniture stores, allowing us to examine the embeddedness of a product in a potentially quite heterogeneous setting. The empirical data consists of personal interviews with different actors related to the focal products in various ways (product development, manufacturing, purchasing, sales, and retailing) as well as mystery shopping observations in order to also provide some insight into how the product actually presents itself towards the consumer in the retail context. In the analysis, it is examined how the products are embedded to these contexts by using the 4R framework (see e.g. Håkansson & Waluszewski 2002)

4.1. The focal resource

The focal product, the Hilding bed collection, consists as such of a number of different product items, some of which are complementary and some alternative. The collection comprises different kinds of mattresses (box mattresses, spring mattresses, continental mattresses and motorised elevation beds) of different size and firmness, categorised under three sub-brands (Basic, Zone and Sportif/Status), to reflect the broadness of the collection as comprising alternatives from basic models to medium-priced and also to models for the more demanding customer. In addition, the collection includes different types of top mattresses that can be combined with the selected bed or mattress. There are also different models of bed legs or runners available to choose among.

What makes all these items "one product", i.e. a collection, is firstly the brand name and secondly the external appearance of all the models, which is very similar from one model and another. This is particularly communicated through the fabric used on all the products; the actual differences between models are mostly found "on the inside".

The components of the product that most significantly contribute to the physical properties of the product and thereby the degree of comfort that users experience, are the springs, the fabric, the foam plastic and in some products, latex. Other important parts are the wooden base boards and legs. Many of these components are not specially adapted, but can also be found in other products, while for instance the fabric is exclusively designed with this collection in mind; with the Hilding logo woven into it. In order for the product to communicate its more hidden features to users, the product concept also includes prescriptions for how the product should be displayed in the stores. Uniform appearance of the pillows, pillowcases and other fabrics, as well as an oak laminate floor, is thought to provide a suitable contrast to the blue and white coloured beds. Brochures and posters also contribute to the concept of how the collection is presented. In addition, training is also provided for sales staff in order to transmit knowledge about the more "hidden" product features and their effect on physiological

well-being and comfort. With such information it is thought that the sales staff will be better equipped to sell the products successfully.

The original "philosophy" behind the product concept, stemming from the Swedish business unit (Hilding AB) in which the product was initially developed, has been to offer beds for consumers who want value for their money; a good bed without it costing too much and without the label of "vanity" which other products on the market may carry.

Actors involved with manufacturing and selling the product in the Finnish context have to a large extent adopted this product definition and also emphasise the product's good ratio between price and quality and also between price and appearance. In the Finnish context, the actors also emphasise the fact that Hilding is a ready concept, i.e. the local actors do not need to invest in the creation of the features (including promotional materials) as a valuable product feature. Moreover, there are some factors that become differently highlighted in the Finnish context and that offer a different type of value than compared to the original Swedish product (in Sweden), i.e. where coupling to a new context creates a new type of value for the product. Examples include the fact that manufacturing (assembly) takes place in a business unit in Finland (Oy Unituli Ab), which allows for the utilization of the "Finnishness" argument as attached to the product. Secondly, some technical as well as appearance related features (detachability and colour of fabric) were novel to the Finnish market, which allowed their utilization to another extent, e.g. as a means of differentiation. We will discuss retailers' utilization of the product more in a later section of the paper.

When assessing which features are significant in the focal product on the whole, largely similar characteristics are highlighted by actors in the retail context as those involved with the product's development and manufacturing. In the interviews, physical and construction related features were mentioned, such as the type of springs used, quality and durability of materials as well as the fact that the fabric is detachable and thus washable, better maintainable and hygienic. Physical product features also further affect sensory and thus more individually perceived properties, such as comfort. The broadness of the collection was in this respect highlighted as a significant characteristic, as it offers a range of different alternatives (related to firmness/softness) to match the variety of user definitions of what is comfortable.

Characteristics related to the appearance of the product were also emphasised. The appearance was described as appealing and youthful and attention was also drawn to the colour of the fabric. The colour had been a significant feature particularly at the time when the collection was introduced, since this product was said to have been the first dark blue mattress on the market. Initially this characteristic was used not only in terms of differentiation or though the fact that a new looking product is more "fresh" and interesting for sales people to sell, but also as an argument for customers in the form of a claim that *"Other (manufacturer)s are also heading in this direction (with fabric colours), but these are the first to have it."* In other words, fashions and trends play a role in the assessment of the product's appearance, possibly trickling down also to product or company image, for instance as being perceived (or at least portrayed) as some kind of trendsetter or forerunner. It highlights the fact that the utilisation value of product features is time dependent and relative to the features of other products.

A much stressed product characteristic among all interviewees was the fact that it was perceived as "good value for the money". Both the physical as well as aesthetic properties were perceived valuable in relation to the price of the product. The consumer may be told for instance that *"You get this for the price of a regular mattress"*, which can be interpreted as a perception of the features as something "more than regular".

Related to the product's price, the store owners/managers also made reference to the producer and the group behind it. They pointed out that outside the core of the product, important underlying aspects were the production technologies and cost structures of the manufacturer and their qualities as a supplier.

Other significant features that were mentioned, were issues related to place. On one hand, it was emphasized that the product is manufactured in Finland, but on the other hand the

collection's origin as Swedish or "from Europe's biggest manufacturer"(i.e. the manufacturer being part of the European Hilding Anders Group) were also aspects that some interviewees found significant, possibly in terms of embedded competence which was seen as a potential. Moreover, the blue and white colour of the product also received a new symbolic meaning in the Finnish context.

4.2. The retail context

The business units responsible for retailing the Hilding collection on the Finnish market are furniture stores belonging to the furniture chain Stemma. This chain has exclusive right to sell the Hilding collection in Finland and it comprises 55 independent furniture stores, with joint purchasing and marketing operations. Presently, the Hilding collection is sold in all Stemma stores and its share of the total sales of mattresses in Stemma is estimated to nearly 50 %. For the manufacturer, the Stemma relationship accounts for approximately 15 % of is sales.

As the Stemma stores are run by individual entrepreneurs, without strict chain management, the stores differ remarkably from one to another with respect to size, appearance, assortment, style of advertising, store layout etc., providing very heterogeneous environments for the Hilding collection to be sold in. On the whole, the key account manager of the manufacturer (with a personal previous background in the Stemma organization) characterised the stores as *ordinary people's furniture stores*; as not very exclusive but at best *nice-looking* and *pleasant*, although there also are less well-managed ones.

The extent to which individual stores "make use" of the product can vary from one store to another. Some have devoted more space to these products than others, and some display them more clearly and utilize more of the display materials ("sleeping studios") than others. The way products are placed out and displayed also affects the way consumers approach them and test them, which in turn enables them to access and assess the sensory features of the product. Variations in the conditions for testing the products (e.g. how separated, peaceful or inviting the mattress section of the store appears and where in the sore it is located) can thus affect the degree to which the product manages to convey its characteristics to potential users. The retail environment could be said to affect the product both on store level (atmosphere and layout of the store as a whole) and on the product category level (how the products in question are displayed and possibilities provided for testing).

As we referred to in the section on store image, other products also affect the way a focal product is perceived in a retail context. Items that belong to the focal collection can create trade-offs or complementarities in relation to each other, which both sales staff as well as consumers need to evaluate. Furthermore, the focal product interacts with other products and brands in the store's assortment, and also these interfaces can be of either competing or complementary character, for instance other mattress brands or other pieces of furniture or interior decoration items, which may be used in connection to the focal product (e.g. bedside tables or bedding). In studies of the effects of brand image on store image, particularly influences related to customers' perceptions of fashion have been emphasized (Porter & Claybomb 1997). The "standard" set by other products in the store thus also indirectly affects the image of the focal product, as customers may have certain expectations of what type (or fashion) of products they are likely to find in a retail context with a specific image.

Observations from different stores also point at the fact that there may be trade-offs between which type of resources the product is "coupled" with. For instance some stores have opted for displaying mattresses in an "information focused" manner, with extensive use of stands, posters and other graphic material, others have chosen to replace the promotional stands between each bed model with different models of night tables, in order to display the product in a way that more resembles the actual user environment, i.e. the bedroom and thus focuses more on ambience. It is notable that different store owners/managers have their own "philosophies" in what they think is the best way to display a mattress.

Typically, the assortments of the stores include two or three (sometimes even more) other major brands in addition to Hilding. At the lower end of the product category, they offer a

private label brand named Stemma Special (manufactured by the same business unit that makes Hilding), whereas products that are positioned above Hilding include the Jensen and Progress collections. It is not only consumers that evaluate the trade-offs between these alternatives, but also the sales staff face the problem of deciding when and how they demonstrate and argument for each of these products. Willingness of an individual sales person to sell a certain brand and the ability to see its potential as matching with user needs becomes critical for the value the product can provide for the retailer. Among the Stemma stores, there is variation in how well they sell the different brands and how committed they are to them. It would appear as if even small episodes in relationship history (e.g. how product complaints are handled) can affect these commitments and lead to a stronger focus on one brand at the expense of another.

The case has shown that during the life cycle of the Hilding collection, it has continuously adapted in relation to other products, and also vice versa. Initially, it was perceived that the higher end of the Hilding collection had some overlap with the Jensen collection. Retailers were then not able to utilize the high end features of Hilding, as many of them appeared to consider Jensen as a better choice if for the more demanding customers. To overcome this overlap, the prices of the two collections were both adjusted, Jensen upwards and Hilding downwards in order to increase the perceived difference between them. Recently also the higher end of the Hilding collection in Finland has received new physical features. A new top mattress material (a foam that adjusts according to body temperature) has been included. The origin of this solution is in another Finnish competing product (and thus not the Swedish sister company) and the foam component is in fact bought from this competing manufacturer.

The last example describes both how another product affect the features of a focal one, but simultaneously also how the product interacts with other business relationships that may indirectly affect it so that the product alters also its physical properties in the new context. In the case of Hilding and the relationship between manufacturer and the Stemma chain, it could be said that the relationship forms a continuous and committed platform for joint development work in the ongoing process of adapting the product to its retail context, of which the adjustments in price and components are a few examples.

4.3. Consumer interpretations

In order to test how product characteristics are transmitted all the way to the consumer and to explore the ways in which retailer specific features mark the perception of the product, a small scale mystery shopping inquiry was undertaken. Mystery shopping refers to the use of researchers acting as potential customers to monitor the processes and procedures used in the delivery of a service (Wilson 1998). In this technique of disguised observation, the role of the researcher is minimized, as those who are studied are unaware of the true purpose of the observer and treat him/her as a natural member of the group (Grönfors 1982:104), or in this case, as a real customer, whereby information is gained about how product features become transmitted to consumers e.g. through sales argumentation.

The number of observations concerning the focal product and its retail context is quite small (6 observations, of which some were made individually, some by couples or pairs) and most of them were done in the same store, which implies that the findings cannot be generalized. Nevertheless, they provide some interesting illustrations of the interface between the focal product and its potential final user and the role of the retail context in connecting these.

The observers were instructed to go to one of the stores of the furniture chain in question, looking to buy a box or spring mattress of good quality for a reasonable price. The observers were specifically asked to pretend being particularly interested in the Hilding collection and pay attention to how the sales people would argument about it.

As a conclusion of the mystery shopping findings it could be said that the inquiry failed somewhat in validating the picture of the product presented by the other actors. On the other hand, it raised some new issues of interest. The most striking and surprising finding was that despite these guidelines and the "attempts" of the shoppers to (pretend to) buy the focal

product, only one mystery shopper was clearly offered a Hilding. This would imply that product features and value did not reach to final customer at all and its value remained quite unexploited. Instead, for most of the shoppers the sales persons tried to convince that another product (a cheaper brand or a special offer of a more expensive brand) was the best choice for them and seemed reluctant to demonstrate other alternatives, including Hilding. The shoppers even felt that the sales people did not let them look sufficiently at other alternatives. This was reinforced by the fact that different mattress brands were displayed in different parts of the store, some (the cheapest special offers) even on another floor, making comparisons more difficult than if all alternatives had been in the same section of the store. This store layout thus requires the sales person to be more involved in the customer's process of finding what they want and appears to assign them more "power" to steer the purchase in a specific direction. Different stores however have different layouts, why these findings only should be interpreted as examples of heterogeneity, rather a general rule.

The fact that the observers were primarily offered other products than Hilding despite their briefing, could perhaps be explained by how the sales people *categorized the shoppers.* Instead of creating individual sales strategies to every customer, creating typologies of customers helps the sales people to organize and structure the sales process and form appropriate sales strategies for different customer categories (Mäki 2003). Retail customer typologisation has been studied from the point of view of how customers see themselves (e.g. Sharma & Levy 1995; Reynolds & Beatty 1999) and by Mäki (2003) from the point of view of how sales people describe and characterise customers. In his study, criteria that formed the basis for categorization were e.g. the appearance, behaviour, mood and demographic features of the customer (Mäki 2003: 148).

In the mystery shopping case, the sales persons seem to have drawn their conclusions based on such features of the shoppers (e.g. young age) and adopted a certain sales strategy in accordance with this categorization. This implied focusing particularly on price and special offers and thereby on other products than Hilding.

The mystery shoppers thus received much of their product knowledge of Hilding through other means than from service provided by the sales person. Promotional materials such as product labels, posters, brochures and promotional stands, pillowcases etc. made the product distinguishable in the store and provided information of its features. Likewise some observers had visited the furniture store's website to learn more about the focal product. This highlights the role of the interface between the core product and its supporting promotional materials as a reinforcer of its features.

The mystery shopping experience also highlighted the question of store image and the significance of the store environment overall; many shoppers commented on this issue in the discussion of their visits and compared their impressions with those from other stores where they might "normally" shop. References were made to both features of the external environment (appearance of the store from the outside, other products in the window), and the internal environment, such as the first impression encountered when entering the store and the layout and way of grouping and displaying products. Variation in store appearance also among stores within the same chain thus couples the product to quite differing image contexts, which can have implications for the value of the focal product's features.

5. Resource interfaces and communication

In this section we summarise our discussion about the interfaces between a focal product and the other types of resource entities which are present in the retail environment.

In trying to grasp the intangible side of interfaces, we distinguish between three levels of embeddedness, derived from the discussion of product conceptualisations (for a review, see Lautamäki 2000: 42). That is, products can be conceptualised on different levels of abstraction, in a continuum ranging from the product as a **sensory** object (characterised in terms of tangible, concrete, physical or core attributes and characteristics), as a **utilitarian** object (in terms of functional benefits, services of goods and augmented product) to the view

of the product as a **mental** object (in terms of intangible attributes, meanings, imagery, personality etc). (Lautamäki 2000: 42).

According to this logic, we suggest that products are embedded also a) physically, b) mentally and c) with respect to their utilitarian functions, as illustrated by figure 2.
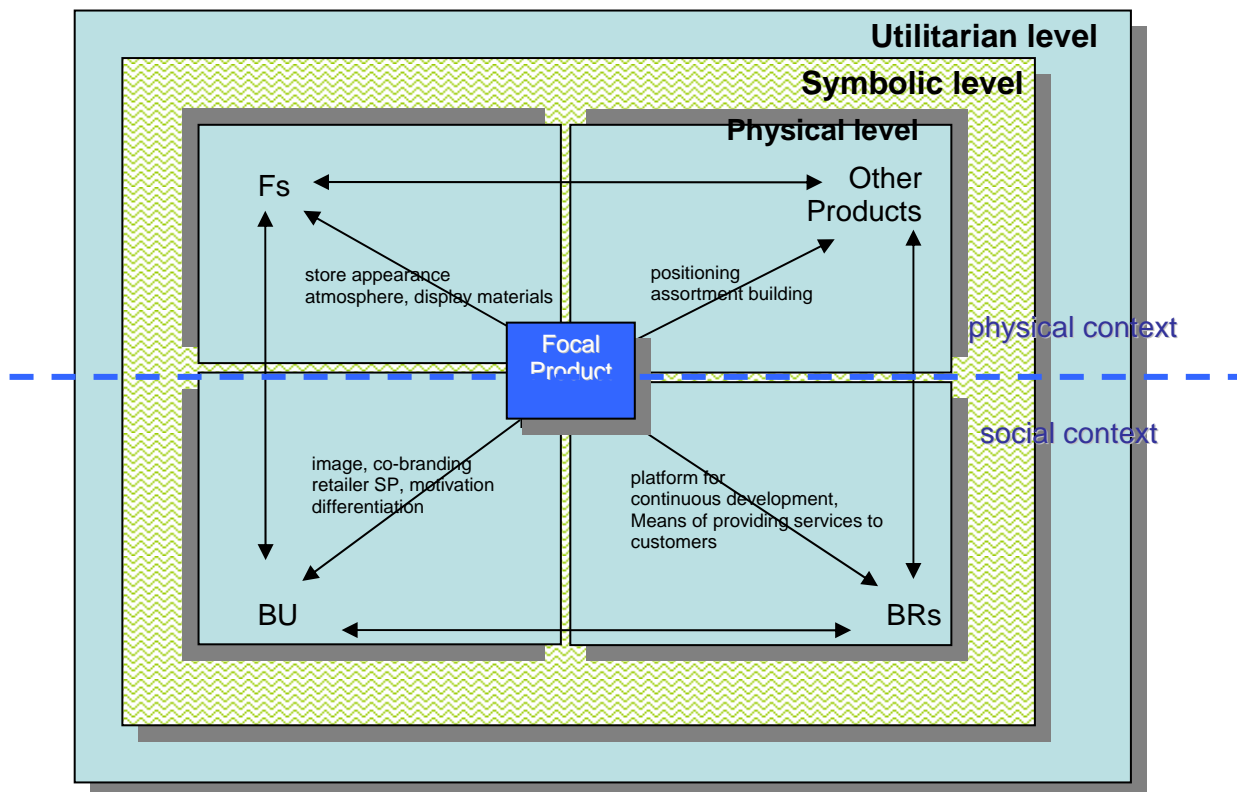
Figure 2. Interaction between product and resources in the retail context

Interfaces with other products

As we discussed in section 4, the focal product can be related to other products in terms of being alternative, complementary, overlapping, supporting or competing of space and attention. The amount and type of other products interacting with the focal one differs from one retail context to another, as the breadth and depth of the assortment varies from store to store. Thus, the availability of products already provides differing opportunities for the product to be presented to a potential end customer.

The effect of other products in the environment is also indirect. The sales staff evaluates the products against one another in their attempt to try to match customer needs and wants with the alternatives that are available. Sales people thus have role as actors in weighing the different products against each other and to the specific customer.

On a physical level, these interfaces can imply that these product need to adapt to one another spatially, logistically or technically, while of the symbolic level the interface is related to how images and meanings, e.g. related to "fashion" or price image of the different products are viewed and assessed against each other. On the utilitarian level, the interface concerns what purposes they are perceived to fulfil, e.g. in terms of helping the retailer maintain for instance a certain image.

Challenges of managing the interface between different products involves tasks such as positioning, assortment building, through which the retailer can affect product communication and the value that a resource thus can provide.

Interfaces with facilities

In the retail context, facilities could be characterised as resources supporting the selling of the focal P, such as the store itself and physical and symbolic elements in it, as discussed in section 3 of this paper. With atmospheric design retailers can significantly affect the perceptions of the store and thereby also the perceptions of the products in it. Even though, as in the empirical case presented here, the impulses, directions and materials related to the display of the focal product are provided by the manufacturer, the retailer does exercise significant control over how the product is ultimately presented and to what extent the manufacturer's strategy is followed. Buchanan, Simmons & Bickart (1999) point out that product presentation is indeed often a source of conflict in the relationship between manufacturer and retailer.

As in the case of interfaces with other products, the physical level of interface between a products and facilities in the retail context could be related to spatial or logistical fit/misfit. On the symbolic level again, the interface concerns the congruence between the image, atmosphere, appearance of the store vs. that of the product. In a utilitarian sense, the interface could concern the ability of facilities to support to product in different ways, in order for its features to become better visible and valuable to intermediate as well as final users.

In managing this type of interface in the retail environment, the actors face the challenge of "stagesetting" the product in the store environment, and developing supporting display and communicative materials (signs, brochures, advertisements etc), that help deliver the wanted message of the product. While marketing communication literature frequently stress the importance of message consistency and the advantages of integrated marketing communication (IMC), the retailer however may "localize" communication themes and images (Turley & Chebat 2002) as has been done to some extent in the empirical case of this paper. While product brochures provided by the manufacturer feature more profile-building and atmospheric themes, the stores advertise the same product in local print media with foremost a price and special offer focused argumentation.

Interfaces with features of the business unit

In the case of the retail context, the interface between product and business unit relates mostly to how features of the retailer business unit set its traces on the product. Factors of importance here are e.g. the image of the retailer, which was already touched upon under facilities. Another significant element of the business unit is the people in it, who interact with the product. As we discussed in section 3, the service provided by salespersons is a factor that significantly contributes to the overall perception of the product. The competence, skills and motivation of the sales staff to promote the product to consumers is central for the realisation of the value potential of the product. Similarly as in the case of display and advertising materials, also here the manufacturers activities can "improve" the interface. Sales promotion activities directed at intermediaries and sales staff include e.g. training, incentives and co-operative advertising (Shimp 1997: 463). As the extent of such activities may vary between manufacturers of different (competing) products in the store, this may make the sales staff more able and/or motivated to sell a certain product alternative, compared to another. Nevertheless, the case also illustrated that there can be a positive effect of sales training from one producer also on the selling of another product. An example of such an effect is that the training and building of expertise that one manufacturer provided to sales staff about the more generic aspects related to the use of the product group (e.g. physiological aspects of sleep), is at ype of knowledge that could be utilised in the selling any brand of beds, i.e. it can benefit also the selling of other brands.

The interface between a business unit and a product is not a physical one, since the business units as such is a social resource. On the symbolic level, the interface has to do with issues such as image congruence, interacting brands (product vs. retailer) and the competence, attitudes and motivation linked to the product held by people within the business unit. On the utilitarian level, a retailer can make direct or strategic use of a product for its own purposes, such as using it as an economic resource or for image building or differentiation. Indirectly, product-related actions (such as training of sales force) can reinforce the business unit resources and their ability to make use of the focal product. In the empirical findings, it was also referred to that new or improved products helped motivate the sales staff, since they considered it more interesting and refreshing to sell.

The challenges of managing this interface thus relate to communication consistency between product messages and the messages delivered by salespersons. Secondly, there are also image congruency issues in this interface, i.e. a relationship between the product's brand image and the image of the store / chain.

Interfaces with business relationships

The focal product is the physical manifestation of what is exchanged in the relationship between buyer and seller. A product may be influenced by relationship history and structural or mental inertia stemming from previous relationships (Norrgrann & Luokkanen 2005). As the business relationship as a resource item is social in nature, this interface can also not be characterised in physical terms. Symbolically, this connection relates to the perception of how the product can be useful for the relationship. In a utilitarian sense, the product can be seen as means for the retailer to be able to providing services to consumers. These services van relate e.g. reliability, quality or other desired properties of the product, speed of delivery etc.

In the management of this interface, the issues of product management and relationship management become intertwined.

Summary

In this paper we have explored the embeddedness of a product into the retail context and focused particularly on the intangible side of how the context affects the features of a product and the perception of them. Firstly, we examined the intertwined relationship between the product brand and its image with that of the retailer. Also the internal and external store environment, layout and ambience contribute to the "package" that surrounds the product in the retail store. Furthermore, social elements in the context also contribute to the offering, in the form of knowledge and service provided by salespersons, but also through the way the sales people relate to the product in terms of ability and motivation to sell it to consumers. In our empirical findings from mystery shopping, the effect of the sales person as well as of the physical facilities in which the product was displayed, were strongly highlighted.

In the case study that we presented, the four resource entities model was used as a tool in analysing in more detail the interfaces between the focal product and the retail context. Finally, the resource interfaces were discussed on physical, symbolic and utilitarian levels and different managerial challenges were presented related to the management of these interfaces from a communication point of view.

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