

## **Knowledge about the Client in Developing Marketing Strategies of Retail Chains - Polish Perspective**

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Retail chains develop the so called Retail Centric Marketing based on segmentation processes in collecting knowledge about costumers. Treating knowledge about the client as one of the bases of marketing strategies for retail chains, there is a need of appropriate acquisition of knowledge, collecting it, and then appropriate management of its potential. These activities should complement the marketing strategies of these entities because this can help to obtain the desired customer loyalty, and thus - to maintain the desired competitive position.

In the paper implementation of the following goals is assumed:

- 1) identification of the main sources of knowledge about the client
- 2) description of different segments of various Retail Chains operating in Poland as well as showing marketing practices focused on this segments
- 3) presentation of the importance and possibilities of using knowledge about customers in the process of developing retail chains marketing strategies.

In the paper the method of case study is used based on the example of selected retail chains operating in Poland. The authors present the results of research and observation conducted on the market retail chains in Poland in the years 2010-2014.

**Key words:** knowledge about the client, retail chains, marketing strategies

### **Introduction**

In recent years we have observed an increase in the importance of marketing activities based on knowledge about the client. This results in significant changes in the behaviour of retail chains, which are beginning to treat it as a new source of capital accumulation. Using knowledge about the client in the process of development of marketing strategies helps to maximize the satisfaction of the buyer and the creation of market value, which in the new economic environment, depends in a large measure on the knowledge (intellectual capital). Therefore, the acquisition of knowledge about customers (what they buy, where and why, whether they look for added value of the product, how much they are willing to pay, what factors are more important than the choice of the store, and if they care about different formats of stores) is becoming increasingly important. This is because it contributes to the construction of more effective marketing strategies. Retail chains must therefore understand the customer mindset and be constantly prepared to adjust to changes in consumption and consumer needs.

The first part of the paper presents a general description of commercial chains in the context of their potential development in Poland. Major commercial formats operating within these chains are analysed and compared against this background. The second part includes presentation of fundamental features and behaviours of consumers who are the target recipients of their offers. Furthermore, the necessity of customer segmentation and the need to acquire knowledge about customers by commercial chains is indicated. The third part discusses the role of knowledge about consumers while approaching it as the basis for development of marketing strategies in retail trade. Case study method is applied for this purpose. Major sources of knowledge about consumers as well as possibilities and ways of its acquisition by commercial chains are also indicated.

## **1. Operation of retail chains in Poland – origins and characteristics**

Social and economic reforms in Poland after 1989 created conditions for development of market economy (<http://c355.republika.pl/Program1989.pdf>). Trade industry belonged to the sectors of national economy that were transforming most rapidly. Ownership structure of trade completely changed within a year which was manifested by the fact that in 1990 private property already constituted 94% ([http://www.wne.sggw.pl/czasopisma/pdf/EIOGZ\\_2008\\_nr72\\_s.161](http://www.wne.sggw.pl/czasopisma/pdf/EIOGZ_2008_nr72_s.161)).

Conditions of market economy provided grounds for occurrence, but also withdrawal from market of shops that were small, medium-sized and large with respect to the selling area, capital and employment. After the period of communism in Poland there was no national capital allowing for development of modern forms of retail trade. This gap was filled by foreign capital in the form of direct investments.

The largest European retail trade chains operate on Polish market. With respect to economy, some commercial chains compare better than many countries. Annual incomes of Wal – Mart are comparable with GDP of Poland and Jeronimo Martins, the owner of Biedronka chain, has the turnover that is comparable with GDP of Albania. It results from Deloitte report entitled „Global powers in trade 2013” that total income of 250 largest commercial chains were higher than \$ 4.27 billion. This is more or less the same as GDPs of Great Britain and Russia taken together. Recently commercial chains have been in a better condition than the largest world economies. Since 2006 they have been able to increase turnovers on average by at least 5% which is remarkably faster than GDP growth in developed countries (<http://finanse.wp.pl/kat,58436,title,Gdyby-sieci-handlowe-byly-panstwami,wid,15409843,wiadomosc.html>).

According to data included in the report entitled „How Global is the Business of Retail?” („Global Aspects of the Market of Selling Areas”) prepared by CB Richard Ellis in 2010, Poland was the only country in Europe that managed to escape from consequences of recession and remained the area that was very attractive for international commercial chains. According to data, 32 percent of all surveyed, most important international commercial chains operate on Polish market. We can expect that together with the growth in GDP, Poland is still going to be one of the major directions of expansion in Central and Eastern Europe. (<http://www.handel-net.pl/raporty-i-analizy/raporty-specjalne/polska-celem-ekspansji-sieci-handlowych.html>). These predictions are confirmed by the data of 2011. They show that retail sale in current prices executed by commercial and non-commercial enterprises amounted to PLN 646.1 billion and it was by 9% higher than in the previous year. In retail sale outposts, the value of sold goods was PLN 624.0 billion (increase by 9.1%), out of which the value of food and soft drinks was PLN 161.0 billion (increase by 3.2%), of alcoholic drinks and tobacco products PLN 54.7 billion (increase by 1.7%) and of non-food products PLN 408.3 billion (increase by 12.8%). In gastronomic outposts, the retail sale amounted to PLN 22.2 billion (increase by 5.2%) (Internal Market. Information and Statistical Research Papers, 2012).

Expansion of European commercial chains had a remarkable impact on the speed and direction of changes occurring in Polish trade that were additionally determined by demographic structure of Poland. Currently around thirty eight million Poles live in nearly 54.5 localities out of which only 600 are cities with the population higher than 5 thousand inhabitants. They constitute the areas in which New Distribution Channels (NDC) are developing. On the other hand, in localities that have no more than 5 thousand inhabitants, traditional trade is predominant, and therefore around 25% of all grocery shops are located in villages (Development of Trade in Poland, 2007).

The course, direction as well as pace of changes observed in the sphere of Polish trade are influenced by a lot of phenomena and market processes. Among them a special place is occupied by the aforementioned expansion of European commercial chains and demographic structure of Poland. Strong foreign competition between commercial chains on the one hand influenced the reduction of the role of traditional trade and on the other hand it caused rapid development of New Distribution

Channels (NDC). It should be added that in the period between 2001 and 2003 retail trade chains started to develop their commercial offer really dynamically which was been observed in introduction of new shop formats, expansion of private labels and introduction of credit cards. In the next period, between 2003 and 2004, expansion of retail chains in the areas that had been neglected was observed (the line of expansion moved to the east, additionally new smaller shop formats belonging to hypermarket chains occurred in the area of housing estates and smaller cities). Since 2005 consolidations in retail chains and numerous takeovers have been observed. There occurred activities of commercial chains related to re-modelling (making the sale areas more attractive also in discount chains), and the importance of private labels and loyalty programs increased.

Among modern selling formats the number of supermarkets and discount stores are growing the fastest (Bilińska-Reformat 2012, pp. 46-56). It is associated with the aforementioned location policy of these chains and thus smaller towns and locations in housing estates are becoming the area of expansion for these formats. Increase in significance of discount stores in general can be observed while looking at changes in food trade.

<b>Format</b>	<b>Share in the sale of food in 2006</b>	<b>Share in the sale of food in 2007</b>	<b>Share in the sale of food in 2008</b>	<b>Share in the sale of food in 2009</b>	<b>Share in the sale of food in 2010</b>
Hypermarkets	15	13	13	13	13
Supermarkets	15	17	16	17	17
Discount stores	13	12	14	15	18
Others	57	58	57	55	52

*Table 1. Changes in food sale by selling formats in Poland between 2006 and 2010.*

Source: Own case study on the basis of RolandBerger Strategy Consultant Report, Retailer of the Year 2010

Increase in the sale of food can be observed through discount chains. Under the influence of crisis, retail sale in the market of the European Union in 2009 declined by 2.5% while in 2008 by 1.6%. Despite increase in the number of commercial outposts in Poland the total sale did not grow (<http://www.marketing-news.pl/theme.php?art=1025>).

Analysing the structure of foreign retail trade enterprises we can state that the largest activity in conquering new markets is observed among French, British and German commercial chains. Retail trade chains can be divided with respect to their nature (size of the selling area, location and range of offered assortment) into three groups:

1. Hypermarket chains – this group may include the following entities:  
Auchan (Auchan Group), Carrefour, Real (Metro Group), Tesco Poland, Kaufland (Kaufland Markets), E. Leclerc (E. Leclerc Group)
2. Supermarket chains: - Tesco Poland, E. Leclerc, Carrefour Market, Simply Market (formerly Elea, Auchan owner, it has also taken over Billa chain), Savia Tesco,
3. Discount chains: - Biedronka (Jeronimo Martens – Portugal), Lidl, Netto (Danish chain), Aldi (German chain)

The largest European retail trade chains operate on Polish market. They are Carrefour, Metro, Tesco, Schwarz (Kaufland and Lidl) and Aldi. European enterprises from Germany, Great Britain and France are found among the most powerful retail sellers.

Analysing selling formats of foreign retail chain enterprises it can be stated that all hypermarkets also have their selling outposts in a supermarket format. This can prove the wish of these chains to reach various market segments distinguished on the basis of economic criterion (because in its assumption the format of a discount shop determines low level of prices and hypermarkets are often located in shopping centres offering additional profits / values for wealthier customers) (Bilińska-Reformat, & Reformat 2012, pp. 136-151).

Despite very significant impact of foreign commercial chains, domestic chains also find their space in Polish market. Innovativeness and determination of domestic companies let compete with large international corporations. Apart from all standard endeavours promoting the company brand, they attract attention with innovative ideas while being many times ahead of their customers' needs. Therefore domestic companies can develop, and this fact is proved by constant growth in the number of stores. They include large and small selling area stores, concentrated and scattered ones, brick-and-mortar as well as movable ones, permanent and season stores and buildings belonging to natural persons, groups of them and institutions.

## **2. Customers of retail chains in Poland– characteristics**

Commercial chains look for the ways that will let them increase sales. To make the instruments of influencing customers effective it is necessary to recognise their needs and behaviours. Furthermore, it ought to be added that for enterprises customers more and more frequently become the active party of established relations. This situation is a consequence of the occurrence of global determinants that influence changes in their behaviours and imply particular strategic behaviours of enterprises.

The profile of contemporary customer is definitely different from customers "of the past" therefore also retail chains need to adapt themselves to new challenges related to the characteristics of active customers. Characteristics of contemporary active consumers bring observation about the necessity to gather knowledge about them by commercial chains. This knowledge is acquired for the need of construction of specific commercial offers and to determine the strategy of cooperation with suppliers who are an integral part of the value chain that contributes to the shape of the offered product. It should be mentioned that retail trade enterprises in practice apply measures that aim at better identification of target customers.

Retail trade chains apply in practice the activities aiming at better recognition of target customers. Beside such concepts as CRM (Customer Relationship Management), CSR (Corporate Social Responsibility) or KCMR, CCR (Customer Centric Retailing) is also gaining importance. CCR represents a very strong focus on customer needs (Consumer Goods and Retail Insights, 2011, p.7). Four degrees of retailer's involvement in creation of orientation focused on customers can be distinguished.

Firstly it is necessary to create a database about the customers (the initial stage – retailers start to notice the significance of information they have, and use it in the process of sale and creation of offers).

The second step in the development of the concept is organising the information about customers, while taking into consideration the criteria associated with: - transactions (by means of which channel sale was performed, whether the payment was made in cash or by card), demography and data related to customers' approach to the purchase.

In the third stage data about customers is approached as an important clue concerning future sale and there occurs integration of knowledge about customers with the retailer's strategy. In the last stage complete integration of the knowledge possessed about the customer with the retailer's strategy is observed. Finally, decisions concerning applied channels of distribution, brands that are sold and policy within CM (Category Management) (Smith 2009) are made on the grounds of possessed knowledge.

In the case of CSR-related approach the attitude towards understanding the customer (on the grounds of segmentation based on behaviour patterns), decisions concerning the assortment (they are based on quantitative data about customers and their behaviour), area associated with pricing policy (based on the basket of needs typical of identified segments), promotion management (actions directed at particular market segments) and management (goals concerning customers are defined in the whole chain of values, patterns of customers' behaviours are assessed on a current basis) is changed (Consumer Goods and Retail Insights, 2011, p.12).

Commercial chains make attempts to recognise customers through applying segmentation procedures. It ought to be mentioned that they are closely related to the approach typical of CCR (Customer Centric Retailing). Without any doubts this provides better chances to create appropriate offers, and consequently increase the sale. Pentor Research International made an attempt to conduct segmentation of customers of retail outposts (<http://www.detaldzisiaj.com.pl/article/formaty-handlu-niska-cena-albo-jakosc>). On the basis of consumers' assessment and with reference to 16 determinants including price, quality, promotions, loyalty programs, assortment or functionality, the research agency divided the respondents into six segments of various preferences, diversified with respect to their approach to buying. In fact this segmentation becomes the basis for strategic activities actually implemented by commercial chains. The results are presented in tab. 3.

No	Segment	Description
1.	Low price seekers	The first segment is the leading group of buyers represented by every third customer – 34 percent. Price is the most important determinant. Actually, apart from it nothing is important for them. They usually declare grocery shop to be their favourite store.
2.	Friendly place seekers	This segment is represented by 19 percent respondents who do not like obstacles; they look for convenient places with friendly staff. What distinguishes them is the importance attached to friendly service, intimate character of purchase and functionality of commercial and service outposts. They look for such facilities as the coatroom, basket for shopping, price scanners, big number of fitting rooms, possibility to try out product / cosmetic, short period of waiting or flexible payment forms. They are people who attach relatively large importance to promotions and loyalty programs.
3.	Buying in the neighbourhood / „fans of shops located in housing estates”	Around 16 percent of people for whom location in close neighbourhood or convenient location nearby is the most important and actually the only reason for choosing a shop constitute the third segment with respect to its size. They pay attention to prices but considerably not so much. Almost everybody in this segment indicate grocery shop as their favourite store.
4.	Shopping mall fans	This segment is represented by 13 percent of respondents. They firstly appreciate a wide choice (in the context of diversity of both goods and shops), modern decor, its atmosphere and unique character. They are lovers of individualism – they choose places in which they can find products that are not available anywhere else (both products and shops). Additional facilities including a cinema, a restaurant, toilets or access to the Internet are also important for them. This group of buyers indicate shopping malls as their favourite stores.
5.	Quality seekers	Around 11 percent of customers constitute this segment. They declare that while shopping they pay attention mainly to the quality of products. No determinant is as important for representatives of this group as the quality and variety of offer. They indicate the outposts from categories of my leisure time, my clothes shop and petrol station as their favourite shops.

No	Segment	Description
6.	Exact and lazy	This is the least numerous consumer segment of around 7 percent. For this group of customers the comfort of shopping, clear information about the assortment, organisation of shop and professional advice are the most important. Its representatives mostly indicate shops selling house and garden products and online shops as their favourite stores.

Table 2. Market segments of customers of retail outpost

Source: <http://www.detaldzisiaj.com.pl/article/formaty-handlu-niska-cena-albo-jakosc>

Segments specification allows for identifying fundamental values for representatives of each of them. It ought to be added that in the case of „Friendly place seekers”, „buying in the neighbourhood”, „shopping mall fans” or „quality seekers” and „exact and lazy” segments it is not only price that is important while doing shopping. This knowledge lets commercial chains make decisions concerning assortment, location of commercial outpost and, what is really important, it affects development of relationship marketing. In the case of assortment issues that are indicated as decisive for all buyers, selection of appropriate suppliers by commercial chains is an extremely important issue. These chains also have to take into account the occurrence of consumer’s ethnocentrism, which represents the necessity to offer brands of Polish producers particularly preferred by specific market segments.

Establishment of positive relationships is becoming a challenge for retail trade chains. It is necessary to recognise customers’ needs and their expectations. On the basis of this knowledge chains can create an offer that is possibly competitive and unique and satisfies these needs and expectations in the highest degree. It ought to be added that hypermarket chains actually implement segmentation of their customers while taking into consideration their satisfaction and loyalty. On the basis of study of customers’ satisfaction, Real chain identified 10 key market segments. These segments include among others „Young families”, „best agers – best managing”, „smart budget family – taking care about the budget” and „traditional hoarders”.

Obviously, while performing division /segmentation of customers who do shopping in commercial chains price can be assumed as the main criterion, whereas on the basis of economic criterion three segments can be distinguished: lower, average and upper. The wealthiest customers belonging to the upper segment are not only guided by the level of prices while making buying decisions, but also other elements of offer of retail trade chains associated with such elements as conditions of purchase (Bilińska-Reformat & Reformat 2012, pp. 132-156). These customers most probably become the recipients of a complex offer of commercial chains (they are often customers of super and hypermarkets located in the area of shopping centres or premises offering large shopping malls). In the middle segment there are customers for whom price is an important but not the most important element taken into consideration while making buying decisions.

According to research by Henkel and GFK Austria in the whole Europe and thus also in Poland currently three consumer attitudes can be identified (Report: How do new generation of Poles buy, 2013, pp. 6-7). They are *consumers in search of a value*, *consumers without any concern*, and *economical consumers*. „Consumers in search of a value” is the largest group in Poland (45%), the quality of a product is the fundamental criterion of choice of an offer for them. „Consumers without any concerns” are the second largest group of consumers (29%) for whom the price is not that important. Other consumers make the group of the so-called „*economical consumers*” who look for bargains, promotional and market opportunities, etc. It ought to be added that in the previous edition of the research there were three other consumer groups: „*price-centred*” (oriented only on price and all types of bargains and product promotions), „*price-sensible*” (they buy while analysing the price and quality of offered product) and „*brand consumers*” (they prefer what is fashionable, high quality and best on market). Their buying behaviours and attitudes constitute an important source of information for retail trade chains.

In the case of lower-level market, customers most often go to discount store chains that offer low prices (any marketing activities of discount chains, e.g. Lidl lead to formulation of the conclusion about the growth of demands also of this group of customers). This is observed in remodelling of sale outposts, extension of assortment offer and development of private label brands towards perceiving them as cheap but of good quality.

The fact that there was a generation change is a very important issue associated with acquisition of knowledge about customers. Representatives of various generations are customers of retail chains companies. "Y" generation is a generation of people born in Poland between 1986 and 2010, and in other countries, like for example in the USA, they are the generation of population boom of the 80s and 90s of the twentieth century. They are also called "Millennium generation", "next generation", "digital generation" and the "generation of flip-flops and iPods".

Unlike the previous generation, referred to as Generation "X", they have "tamed" technological innovations and actively apply digital media and digital technologies; they are considered to be audacious generation that is open to new challenges.

On the other hand, the "Z" generation are people born after 1990, or - according to some experts - even after 1995. In general view they are most distinguished by the fact that new technologies are something ordinary and of daily use for them as they have been present in their life since their birth. They are also often referred to as "C" Generation - from the English word "Connected", meaning connected to the network. Experts place the word change at the basis of the definition of the generation; change as the situation they like most because continuous experimenting lets them develop themselves and offers a lot of experiences. (<http://kariera.pracuj.pl/porady/czy-should-bac-August-pokolenia-z/>).

When aware customers make the decision to purchase the product (while the value of the product does not matter), they go to the Internet and analyse information about the product they have selected. Under the influence of collected information they may change their decision or check the product relevance (Reformat 2013, pp. 351-363). Searching for information about offers occurs on a large scale and experts predict that this phenomenon will be intensified. Consumers will look for knowledge, opinions and recommendations they can find on the internet more and more eagerly. Therefore, for the commercial networks controlled and subjective content presented on Internet services is not sufficient. Marketing management that takes into consideration the ROPO effect, which is, contractually allowing for reasonable monitoring of the content about the offer on the Internet, becomes a real challenge. Is also an important element of formation of the relationship with the target market with the use of information technology.

### **3. The role of knowledge about customers as the basis for development of marketing strategies – case study**

#### **3.1. Sources of knowledge about consumer as the basis for formation of marketing strategies of commercial chains**

Recently the growth of importance of marketing activities based on the knowledge about customer has been observed. If skilfully applied, it contributes to formation of market value both for consumer and commercial chain (Nair 2011, pp. 45-51). Thus knowledge about market acquired by retail trade entities, and based on resources of modern technologies, currently constitutes a significant source of creation and formation of competitive commercial offers.

Approaching knowledge about consumer as one of foundations for creation of marketing strategies of commercial chains, there occurs a need of suitable acquisition of knowledge, storing it and then appropriate management of its potential. The concept of Knowledge-Based Marketing helps to implement these assumptions. The concept focusses on the one hand on the use (sharing knowledge and its application) and on the other hand on exploration of marketing knowledge (knowledge creation

and co-creation) through relationships and interactions for the purpose of acquisition and maintenance of competitive advantage (Kohlbacher 2007, p. 103).

These activities ought to complement marketing strategies of commercial chains because while applying them, good relationships with customers can be established, their loyalty can be achieved and their needs can be recognised. In this way demanded position on market can be attained.

There is no doubt that currently in retail trade we encounter more and more demanding consumers that are aware of their rights and are educated (Uncles 2010, pp. 212-213). They have increasingly more possibilities to compare and verify offers of producers and service providers and also to make comments about them in virtual space (discussion forums, social networking portals, etc.). Analysis of this consumer knowledge allows for recognition of confidence of commercial chain customers, the level of acceptance for products and services, target needs and also the willingness (skill) to use new type of tools that facilitate doing shopping. This results in the fact that the importance of consumers in market strategies of commercial chains is growing (Mróz 2013, p. 231).

Consumers' attitudes and behaviours affect the model of buying preferred by them, including what they buy, where and when they buy and also payment method and expectations towards commercial chains. Therefore for commercial chains functioning in very changeable and uncertain conditions of contemporary environment, creation of marketing strategies based on the knowledge about customer constitutes one of determinants of their functioning in the market as well as a challenge. In Poland it has only been in the stage of formation for several recent years (Kleer 2009, pp. 69-79).

### **3.2. Possibilities and ways to acquire knowledge about the consumers by commercial chains**

Application of a valuable collection of information about the consumer largely depends on the skill and ability to acquire this knowledge and then its application in marketing strategies of retail trade chains. To achieve this goal, modern information technologies that allow for processing, systematisation and classification of acquired knowledge seem to be helpful, and this can be really useful in the process of creation of marketing strategies that generate new value for consumers (Safko, L. & Brake, D., 2009).

IT tool resources enabled among others development of the so-called crowdsourcing<sup>1</sup> that is the way collective knowledge, abilities and experience (resources of the crowd) are applied to solve problems, including creation of marketing strategies (Estellés-Arolas & González-Ladrón-de-Guevara 2012, pp.1-14.) With reference to retail trade the concept of this solution is based on the assumption that large, diversified consumer community has greater capability to create surprising, unconventional ideas and guidelines for strategies of commercial chains than narrow specialist teams of people employed in their marketing departments (Howe 2008).

Therefore, applying the method of crowdsourcing consists in acquisition of the largest number of most diversified consumers' opinions that emerge on the basis of knowledge, skills, creativity and buying experience of each member of community. In this way, they are the customers who provide knowledge about themselves to commercial chains and this information can be collected in various ways which is shown in table 4.

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<sup>1</sup> The notion of crowdsourcing was formulated by Jeff Howe who used it for the first time in his article entitled „The Rise of Crowdsourcing” in 2006.



Possible sources of information about consumers	Ways of knowledge acquisition within indicated possibilities
Services to match Internet search engines	<ul style="list-style-type: none"> <li>- optimisation of services to match Internet search engines because a search engine is the first „place” on the Internet from which majority of consumers start looking for preferred products or services,</li> <li>- requires development of commercial chain website so that customers can gain sufficiently much information about it,</li> </ul>
Sponsored links	<ul style="list-style-type: none"> <li>- application of the form of promotion in Internet search engines, thanks to which while key words are entered by customers, a particular commercial chain appears in the leading group of search results (as promoted websites)</li> </ul>
Recommendations in Internet search engines	<ul style="list-style-type: none"> <li>- while entering the name of the product consumers often ask for opinions about its seller, that is why commercial entities may encourage their customers to give them recommendations on the Internet. Thanks to this they may become more reliable for possible consumers.</li> </ul>
Social networking portals (e.g. Facebook, You Tube, Twitter, Google+, etc.)	<ul style="list-style-type: none"> <li>- presence of a commercial chain on social networking portals provides it with the possibility to answer customers’ questions, holding discussions with them and maintaining on-going contact.</li> </ul>

*Table 4. Sources and ways allowing commercial chains to acquire knowledge about consumer*

Source: Own case study on the basis of <http://www.socialmediaexaminer.com/4-ways-crowdsource-product-ideas-using-social-media-contests/2014>

As it can be seen from the above, development of an appropriate webpage and the mechanism of collecting suggested ideas, as well as their appropriate assessment performed on the basis of individual consumers’ opinions provides the grounds for acquisition of information about consumers on the Internet. Most often while voting, they suggest which of the suggested solutions are most interesting, most valuable and relevant. A lot of commercial chains operate in this way. Selected examples of practices are shown in table 5.

***Case 1. The example of Frito-Lay Poland company – the owner of Lays brand of crisps***

In 2010 the company decided to ask people to invent new flavours for crisps. The campaign was called „Invent a New Flavour” and was conducted as an integral part of a large advertising campaign of this brand. In order to succeed, the owner of the Lay brand, Frito-Lay Poland employed, the actor, Pawel Wilczek for promotion. Furthermore, Pascal Brodnicki, known for culinary programs on TVN channel was invited to be a jury member. The reward for selected 4 winners was an interesting solution. This was because it depended on the size of sale of the winning flavour. This means that all flavours were actually produced by Frito-Lay Poland. The amount of sale was to determine the winner of the contest, to whom 1%, but not less than PLN 50 000 of the value of sale of the flavour the winner invented was given.

***Case 2. Example of the producer of drinks and juices – Tymbark company***

At the same time a similar competition was organised by the company Tymbark under the slogan „Uncap your imagination”. The contest was promoted only by banner campaign on the Internet. Within this one action and one contest there were 5 simultaneous contests conducted while letting the Internet users choose the „area” in which they feel best. Thanks to such an organisation of the contest its participants could suggest new drink flavour, invent their own slogan for the cap, design the label for the bottle, create an advertising poster or film an advertising spot for Tymbark brand. Awards were also provided for the participants in the contest. They were not as high as in the case of Lay’s company however they encouraged participation. What is more they were diversified depending on the level of difficulty in a particular category – from iPods, tablets, HD cameras, Canon reflex cameras to iPads.

***Case 3. Starbucks cafe chain***

Thanks to application of crowdsourcing platform under the name My Starbucks Idea.com the customers of Starbucks chain could suggest solutions and ideas, and vote for the best of them. This represented larger involvement in its development and suggesting solutions that would be most useful for them. On this basis Starbucks offer occurred in grocery shops, bottled cappuccino coffee was introduced on market and the number of snacks available in cafes was increased.

***Case 4. Lidl commercial chain***

Currently Lidl chain runs 26 company pages and the community amounts to 10.2 million fans. In Poland every 14th user of Facebook is a Lidl fan. As it is shown in Socialbakers report, Lidl is a chain of retail shops in Europe with the largest number of interactions (involvement) and also the largest number of questions from

customers registered on the Facebook (complete report by Socialbakers can be found at <http://www.socialbakers.com/blog/2134-infographic-lidl-1-european-food-retailer-on-facebook>). Lidl Poland fanpage occurred in March 2012. Since that time Lidl Poland community that currently accounts for over 800 thousand have published over 100 thousand comments and in this way the fanpage itself registered almost half a million activities. Fans have the chance to chat with Lidl cuisine chefs, select promotions on favourite products and also open selected shops at night among others. Apart from suggesting participation in classical contests Lidl chain is also actively establishing relationships with their fans. Products have already been developed together with communities (crowdsourcing) and money collections were organised (crowdfunding). Fans also actively participate in preparation of offer that in the future may occur in Lidl chain outposts. Lidl is also present in YouTube service and Pinterest. Additionally it runs the web site of [www.kuchnialidla.pl](http://www.kuchnialidla.pl).

*Table 5. Examples of crowdsourcing application in retail trade in Poland.*

Source: Ow case study on the basis of:

[http://www.pi.gov.pl/PARPFiles/file/INNOWACYJNA\\_FIRMA/KIP/Publikacje/Czy\\_Twoja\\_firma\\_jest\\_innowa\\_cyjna\\_Podpowiedzi\\_dla\\_MSP.pdf](http://www.pi.gov.pl/PARPFiles/file/INNOWACYJNA_FIRMA/KIP/Publikacje/Czy_Twoja_firma_jest_innowa_cyjna_Podpowiedzi_dla_MSP.pdf) and [APTUS.shop](http://www.aptusshop.pl) (2013). Crowdsourcing in promotion of Internet shop, [http://www.aptusshop.pl/sklepy\\_internetowe/crowdsourcing.php](http://www.aptusshop.pl/sklepy_internetowe/crowdsourcing.php) (21.08.2013), <http://www.crowdsourcing.org.pl/lays-tymbark.html#sthash.9sKHJ6yM.dpuf>

Acquiring information how products can be improved is a direct benefit for commercial chains applying crowdsourcing. Furthermore acquisition of valuable knowledge about customers' needs, expectations and preferences form a direct profit (Boyd, Chandy, Cunha 2010, pp.1162-1176).

Currently crowdsourcing is one of the most popular methods of acquisition of interesting, original solutions and establishment of relationships between commercial chains and their customers. Detailed analysis of information about consumers collected on these grounds is a determinant of effective marketing strategies that let commercial chains react immediately to changing consumers' expectations through suitable modification of product and service offer. Collecting information about customers ought to be conducted on a regular basis. In the face of rapidly changing market trends only regularly updated knowledge concerning various aspects of consumers' behaviours allows for predicting directions of their changes and reacting to them immediately through development of marketing strategies adjusted to customers' needs and preferences.

### **Summary and Conclusions**

Presented results of analyses show that, independently of their size and number, commercial chains should constantly acquire knowledge about consumers (what they buy, where and why, what additional value they look for, how much they are ready to pay, what factors are more important than the choice of store and how various store formats are perceived) and furthermore they ought to present greater flexibility of actions. Thanks to this, development of marketing strategies based on this knowledge can be adjusted to actual needs and preferences of customers.

The very customers are the source of this knowledge, thus chains acquire knowledge directly from them through application of segmentation procedures, including application of Customer Centric Retailing approach in a more advanced form that requires IT support.

Application of crowdsourcing also proves that knowledge coming directly from the very customers of commercial chains is worth applying because it directly affects marketing strategies and their success in retail trade.

Analysing the trends occurring in behaviours of Polish consumers it can be easily observed that more and more people look for products adjusted to specific needs representing good quality but at a lower price in shops that are well-supplied and designed in an interesting way. Furthermore, the fact that every customer has their own subjective opinion about the importance of a particular category of products or brands make commercial chains need to know which purchases are planned on the level of a particular brand and shop and which are not planned at all. Therefore these brands must follow the development of customers' needs and preferences, while changing and improving their marketing strategies for the benefit of diversified customers' expectations.

Results of performed analysis show that knowledge about customers constitutes a valuable collection of information for commercial chains that ought to be perceived as an important fundament for formation of their marketing strategies. However, its application largely depends on skills and capabilities of this knowledge acquisition and then its application in marketing activities in retail trade. It provides a lot of inspiration and advice about how to be attractive and prominent in the market of particular products and services in conditions of strong market competition.

The content presented in the paper shows only some possibilities that commercial chains have in the sphere of acquisition of knowledge about a customer. The subject matter raised in the paper may constitute an interesting area for future research concerning the ways knowledge is acquired by commercial chains from various entities and the scope of its implementation in the process of development of the offer for customer.

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