

**Figure 1. Buying decision process.**



Source: Own development from Gary Armstrong et al. : *Introducción al marketing*. 3ª Edition. Madrid, 2011. Editorial Pearson.

In order to analyse the purchasing decision process products have been grouped in two categories because in each of them it is different:

- Textbooks
- School supplies
- Books for entertainment
- Accessories

Firstly, we will analyse the process of the purchasing decision for textbooks and school supplies jointly.

**Need Recognition:** the need would appear when a professor informs students about what textbooks and school supplies they will use during the course. Student or the institute shall communicate this to the parents and in this moment they will recognize that their children have a new necessity. Sometimes it is not necessary that the institute communicates what school supplies must be acquired by students, for example in products like pens, paper, erasers, etc. People use to have these products at home and the need often arises when the previous product is no more consumable. If student don't have the product previously at home the need can appear when he uses a partner's tipex and he likes it, so maybe he would buy one.

**Information Search and Evaluation of alternatives:** in the case study, customers will not have to get much information from the product which they are going to acquire, whether if



it's a textbook or school supplies. For school supplies they may take into account product quality or preference for any specific brand. However, as these products are of low involvement, probably customer will not dedicate a long time searching information and evaluating alternatives.

**Purchase decision:** customer can be influenced by some factors such as by the people who go with to the shop, seller recommendations, and price or product brand. Frequently the person who has the need and uses the product (students who do not work) is not the same person that will pay for it and take the final decision (mothers and parents of students).

**Post-purchase behaviour:** Ausiàs' products are low involvement so post-purchase behaviour will depend on the quality. If a product has less quality than expected by customer, he or she will be dissatisfied. However, if the product meets or exceeds client expectations, he or she will be happy and satisfied with the purchase.

It is important to emphasize that this process will be easier for textbooks, since the client does not have to choose between different products, brands or varieties because he knows what book they have to buy. The customer has to choose if he wants to buy it new, borrow a used one or pay for a second-hand which has a lower price.

On the other hand, purchasing decision process for entertainment books such as novels and fashion accessories (bags, backpacks, wallets, mugs, etc.) should be analysed differently. We will focus here on a novel purchase decision process:

**Need Recognition:** this time the need can appear both in the store, when the customer observes Ausiàs' books offer on shelves. However, the need also can appear because of different reasons, for example if a friend recommends a book, a customer has heard in media that the book is very good, for a present or just because he likes reading and decided to buy a book.

**Information Search and Evaluation of alternatives:** information search on these products is more important than in textbooks and school supplies. This time a person's personality is going to influence the decision largely according to what they like, because there are novels about a lot of topics like fantasy, comedy, action, war, love, autobiographical books, etc. This is one of the most important factors when a person chooses a book. On the other hand,



the customer will also need to choose if he wants to buy a book or borrow it in the library. If he decides to buy it, he will need to decide where.

**Purchase decision:** in general, the person who is going to use the product and will pay for it will be the same, unless the book is a present for somebody. The final decision will depend on the price of the book, author, topic, etc.

**Post-purchase behaviour:** will depend mainly on if the book is interesting for the person, if customer likes the content or story, etc. This will make that customer satisfied with the purchase or not.

Finally, as for leisure products such as backpacks and bags, the customer will give priority to product brand and price.



## 4. MARKET RESEARCH

### 4.1. RESEARCH OBJECTIVES

In order to obtain more information, a market research has been carried out in the city of Vila-real by surveying 30 residents of the municipality. The objective of the research is to know up to what point Ausiàs Bookshop is known for citizens and also information about the image that people have of the library and the prestige that is assign to the shop. In addition, we will also try to find out what the citizens of Vila-Real value most of a bookstore/stationery, to find sources of improvement for the future.

### 4.2. METHODOLOGY

#### 4.2.1. RESEARCH DESIGN

This is a descriptive study realised by a survey with both open and closed questions to inhabitants from Vila-real. In addition, qualitative and quantitative variables will be used and it is a cross-sectional study. The survey, which has been answered by 30 individuals has been attached in Annex 2. The technical data of the study is shown in the following table (Table 3):

**Table 3. Technical data:**

Technical Data	
Population:	Vila-real citizens
Information collect method:	Free structured survey
Field of study:	Likes and preferences of Vila-real customers about stationeries/bookstores in general and Ausiàs in particular.



Sample size:	30 valid questionnaires
Sample location:	Vila-real
Sampling procedure:	Random and stratified procedure
Sample error:	$\pm 35,77\%$ ( $p=q=0.5$ ; confidence level=95.5%)
Questionnaire:	Structured questionnaire with opened and closed questions (Likert Skale 1-5)
Field work date:	June 2015

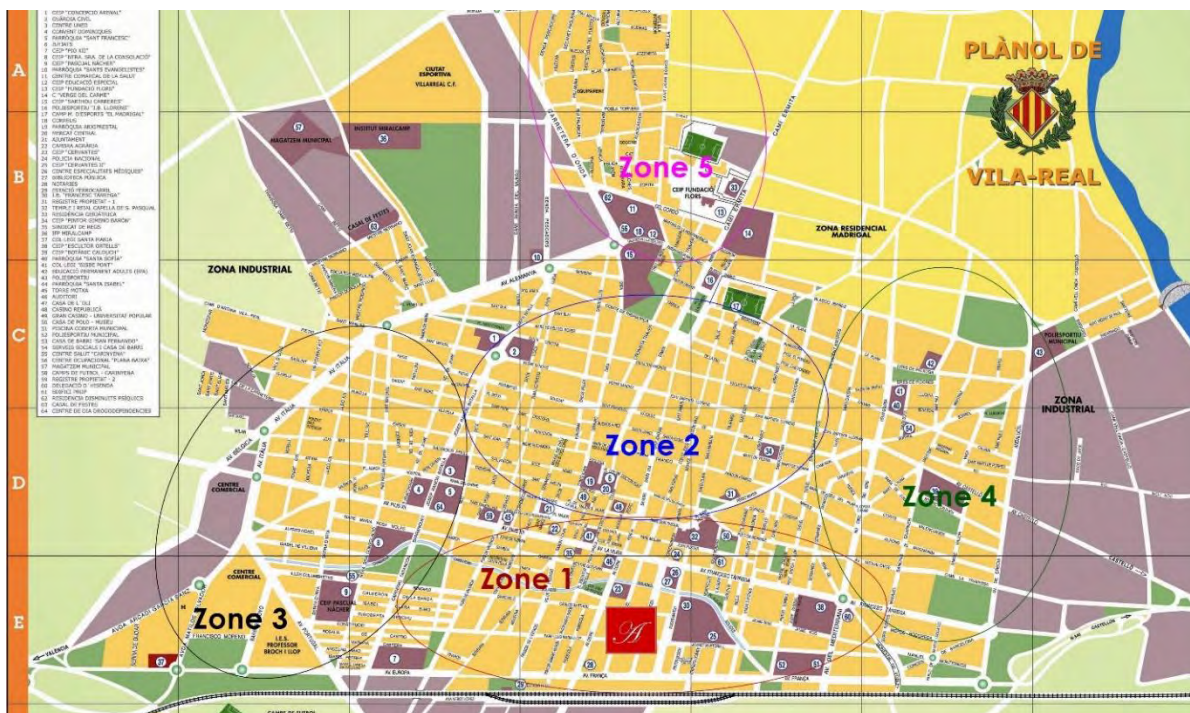
To analyse the results and build tables and significance indicators the program of SPSS Statistics 17.0 has been used.

#### 4.2.2. MEASUREMENT OF VARIABLES

As mentioned before, both qualitative as quantitative variables have been used. In some questions, respondents had to value some specific attributes of a stationery/bookstore using a 1 to 5 scale, where 1 is the lowest score and 5 the highest. On the other hand, among the qualitative questions the following measurement should be mentioned: "Residence area in Vila-real". Respondents had a space to describe the area of Vila-real where they reside, indicate their neighbourhood, street or somewhere nearby. According to the answers, they have been grouped into five Vila-real Zones, which are represented in the following image (Image 5):



**Image 5: Map of Vila-real with the Zones**



On the other hand, respondents were grouped by age groups in the following way:

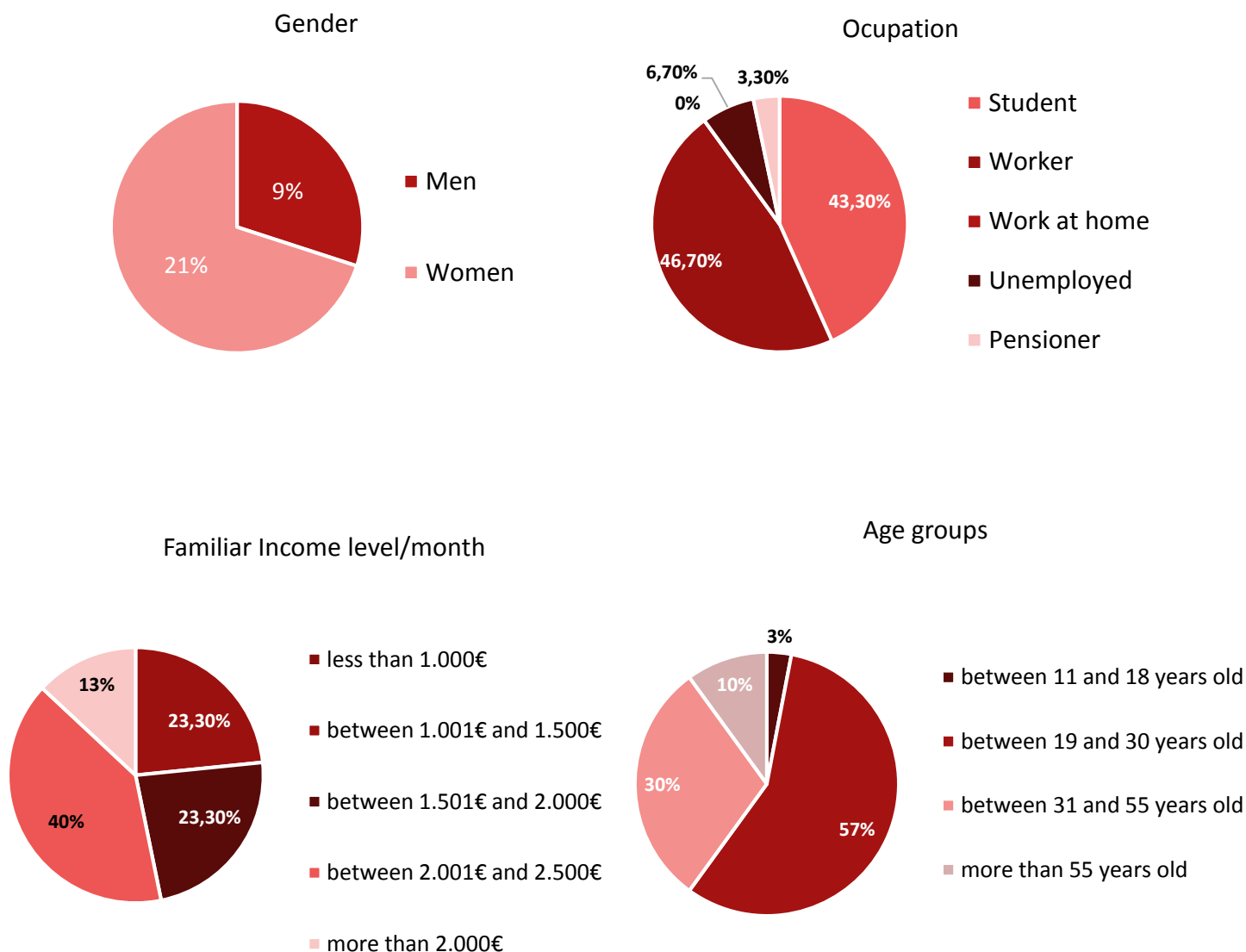
- Kids: between 0 y 10 years
- Teenagers: between 11 y 18 years
- Young people: between 19 y 30 years
- Adults: between 31 y 55 years
- Grown-ups: more than 55 years



### 4.2.3. SAMPLE DESCRIPTION

To do the research it has worked with a random sample of 30 citizens from Vila-real between 14 and 62 years old. Percentages of respondents according to age, gender, occupation and income levels can be seen in the following charts (Graph 3, 4, 5 and 6):

**Graph 3, 4, 5 y 6. Percentages of respondents according to age, gender, occupation and income levels**





## 4.3. RESULTS

### 4.3.1. DESCRIPTIVE ANALYSIS

One of the main objectives of the research was to know Ausiàs notoriety in Vila-real and how it's known by the inhabitants. To achieve it individuals answered the following question at the start of the survey "What is the first bookstore/stationery that comes to your mind"? The results were as follows (Table 4):

**Table 4. Notoriety of stationeries/bookstores in Vila-Real among respondents**

		Frequency	Percentage (%)
Valid	Ausiàs	16	53,3
	Inma	4	13,3
	Naysy	1	3,3
	Rubert	3	10
	Carmen	3	10
	Clausell	1	3,3
	Llig	2	6,7
	Total	30	100

As Table 4 shows, 53.3% of respondents thought in Ausiàs as the first bookstore/stationery coming to their minds, followed by order by Inma, with 13.3% and Llig with 6,7%. Therefore, it can be said that Ausiàs has the most notoriety level among respondents. In addition, 100% of those surveyed claimed to know Ausiàs, which is also a positive aspect, since even they did not think in Ausiàs as the first choice, at least they know it.





Below are two tables (table 5 and 6) which show the results of respondents' estimations about the importance given to certain attributes of the stationeries and bookstores in general (Table 5) and the scores assigned specifically to Ausiàs (Table 6). These evaluations correspond to questions 5 and 9 of the survey (See Annex 2).

**Table 5. Respondent's assessment of stationeries/bookstores in general**

	N	Minimum	Maximum	Average
Products variety	30	3	5	4,433
Brands	30	1	5	3,500
Location	30	1	5	3,900
Price	30	2	5	4,267
Aesthetics and products placement	30	2	5	4,000
Quality	30	3	5	4,567
Confidence	30	3	5	4,333
Customer service	30	3	5	4,400
Prestige	30	2	5	3,567
N valid (for list)	30			

All the attributes are on average more than 3 points, meaning that in in general respondents find the proposed attributes to be positive. Among them the most valued are quality (4,567 out of 5), variety (4,433 about 5) and customer service (4,4 out of 5).

On the other hand, Table 6 shows previous attribute scores but this time applied to Ausiàs. Now, the sample is 27 individuals because three of the respondents had never been to the store so they could not comment on it.



**Table 6. Respondent's valuation about certain Ausiàs attributes**

	N	Minimum	Maximum	Average
Products variety	27	3	5	4,593
Brands	27	3	5	4,444
Location	27	3	5	4,333
Price	27	2	4	3,556
Aesthetics and products placement	27	4	5	4,593
Quality	27	2	5	4,074
Confidence	27	3	5	4,519
Customer service	27	2	5	4,148
Prestige	27	1	5	4,222
N valid (for list)	27			

First of all, it can be seen that all scores average higher than 3 points, so respondents' grades are very high. It seems that the people surveyed are happy with the way in which Ausiàs takes care of all these aspects. The variety of products have received the highest-rated (4,593), followed by product placement and aesthetics of the store (4,593). Quality is also a well valued aspect, with a score of 4,519. However, price is the worse valued aspect by respondents, with 3,556. This will be taken into account in the Marketing Plan proposal.

On the other hand, Table 7 shows the relationship between respondents who often go to Ausiàs or have gone a few times and if they use to buy books there.



**Table 7. Relationship between times respondents have gone to Ausiàs and if they use to buy books there**

		Respondents who buy books in Ausiàs		Total
		Yes	No	
They often go to Ausiàs	Recount	12	4	16
	% respondents who buy books in Ausiàs	80,0%	33,3%	59,3%
They have gone a few times (from 1 to 3 times)	Recount	3	8	11
	% respondents who buy books in Ausiàs	20,0%	66,7%	40,7%
Total	Recount	15	12	within
	% respondents who buy books in Ausiàs	100%	100%	100%

**Table 8. Chi-Squared test**

	Value	Freedom Degree	Significance Level
Pearson Chi-Squared Test	6,014a	1	0,014

What we want to know from this table is if people who often visit Ausiàs use to buy books there or not. It is expected that people who go frequently to the establishment will be more likely to buy books there. Concretely, 80% of respondents (12 of 16) who usually go to Ausiàs buy books there, and the rest do not. However, on the other hand, 20% (3 of 11



respondents) who rarely have gone to the establishment also use to buy books in the store. In conclusion, 50% of respondents affirmed they use to books in Ausiàs.

### **4.3.2. RESULTS BY ZONE**

The area in which individuals reside and, therefore, the place where normally they are everyday could be a determining factor in the answers obtained through the survey.

First of all, we will see if there is a relationship between resident zones and the first bookstore/stationery that comes to mind. Table 9 shows the results of this analysis. At first sight we can see that the majority of respondents who thought of Ausias as the first choice reside in zones 1 and 3. Ausias is located in zone 1, which may explain many respondents thought of this bookstore as a first option. To see if these differences are significant, a Chi-square analysis has been performed (Table 10).



**Table 9. Relationship between respondent Zone and visibility of bookstores**

			Zone					Total	
			1	2	3	4	5		
Stationery/ Bookshop	Ausiàs	Recount	8	0	5	2	1	16	
		% within Zone	72,7%	0%	71,4%	40%	33,3 %	53,3 %	
	Inma	Recount	0	0	0	3	1	4	
		% within Zone	0%	0%	0%	60%	33,3 %	13,3 %	
	Naisy	Recount	0	1	0	0	0	1	
		% within Zone	0%	25%	0%	0%	0%	3,3%	
	Rubert	Recount	0	2	1	0	0	3	
		% within Zone	0%	50%	14,3%	0%	0%	10%	
	Carmen	Recount	1	1	0	0	1	3	
		% within Zone	9,1%	25%	0%	0%	33,3 %	10%	
	Clusell	Recount	1	0	0	0	0	1	
		% within Zone	9,1%	0%	0%	0%	0%	3,3%	
	Llig	Recount	1	0	1	0	0	2	
		% within Zone	9,1%	0%	14,3%	0%	0%	6,7%	
	Total		Recount	11	4	7	5	3	30
			% within Zone	100%	100 %	100 %	100%	100%	100%



The Pearson Chi-square is 0.038, which is less than 0.05. Because of it, it can be concluded that differences are statistically significant. This might mean that many customers remember the stationeries and bookstores which are closer to their homes, and it could influence their choices where to buy the products they need.

**Table 10. Chi-Squared test.**

	Value	Freedom Degree	Significance Level
Pearson Chi-Squared Test	37,635 <sup>a</sup>	24	0,038

### 4.3.3. RESULTS BY OCCUPATION

As mentioned previously, Ausiàs’ target group is in part students who buy school supplies and books for their studies. We are going to check the relationship between occupation of the respondent and if they have ever gone to Ausiàs. In the following table (Table 11), you can see that relation. 50% of respondents who claim to go frequently to Ausiàs are students, and 50% of respondents who claim to have been rarely to the establishment are students too. In both cases, half of the respondents who have gone to Ausiàs are students. On the other hand, 37.5% respondents who work, claim going frequently to Ausiàs, which also represents a high percentage. In order to see if these differences between groups are significant, a chi-square analysis has been performed (Table 12).

**Table 11. Relationship between occupation and if respondent has ever gone to Ausiàs.**

		Occupation				Total
		Student	Worker	Unemployed	Pensioner	
They often go to Ausiàs	Recount	8	6	2	0	16



	%	50%	37,5%	12,5%	0%	100%
They have gone a few times (from 1 to 3 times)	Recount	6	6	0	0	12
	%	50%	50%	0%	0%	100%
Never	Recount	0	1	0	1	2
	%	0%	50%	0%	50%	100%
Total	Recount	14	13	2	1	30
	%	46,7%	43,3%	6,7%	3,3%	100%

**Table 12. Chi-Squared Test**

	Value	Freedom Degree	Significance Level
Pearson Chi-Squared Test	17,019 <sup>a</sup>	6	0,009

0.009 is less than 0.05 so it can be asserted that differences, are significant. Respondents' occupation does influence if the person has ever gone to Ausiàs or not. This makes us conclude that effectively customers who often go to Ausiàs are largely students, followed by the workers.



#### 4.3.4. RESULTS BY INCOME LEVEL

Consumer's purchasing power is often an important factor when clients make their purchasing decisions. This section will show to what extent incomes level of respondents have an effect on their answers.

In Table 13 it can be seen how respondents' grade the importance of price in a bookstore/stationery's shop. The result is significant with differences between groups  $0,035 < 0,05$ .

**Table 13. Relationship between income level and price assessment.**

	Income level groups	N	Average	Significance Level
Importance of price in a bookstore/stationer's shop	Between 1.001€ and 1.500€	6	4,500	0,035
	Between 1.501 and 2.000€	7	4,286	
	Between 2.001 and 2.500€	13	4,462	
	More than 2.500€	4	3,250	
	Total	30	4,267	

Firstly, it seems that respondents with lower income levels (between €1.001 and €1.500 total family a month) considered the price most important in a bookstore/stationery, since they are who most valued price (4,5). This is not surprising, since, in general, people who have less wealth will try to buy cheaper items and will take into account more the price when they decide to buy.

However, although Table 13 shows us that differences between groups are significant we do not know yet between which groups they are. More data are required to check if previous interpretations are correct.





In Table 14, significant differences are found between income level groups and importance given to the price. If we look at, only differences between the two groups with the highest income purchasing power level (who enter from €2.001 to €2.500 and who enter more than €2.000) is significant. These data indicate that previous interpretations were not correct and less income respondents' answers do not show significantly differences from other groups. However, there are significant differences between the two groups of the highest income level. Those who enter more than €2.500 a month have given more importance to price as who enter from €2001 to €2.500 per month.

**Table 14. Scheffe test of differences between level income groups**

Total family income	Total family income	Significance Level
Between 1.001€ and 1.500€	Between 1.501 and 2.000€	0,960
	Between 2.001€ and 2.500€	1,000
	More than 2.500€	0,080
Between 1.501 and 2.000€	Between 1.001€ and 1.500€	0,960
	Between 2.001€ and 2.500€	0,962
	More than 2.500€	0,166
Between 2.001€ and 2.500€	Between 1.001€ and 1.500€	1,000
	Between 1.501 and 2.000€	0,962
	More than 2.500€	<b>0,048</b>
More than 2.000€	Between 1.001€ and 1.500€	0,080
	Between 1.501 and 2.000€	0,166
	Between 2.001€ and 2.500€	<b>0,048</b>



### 4.3.5. RESULTS BY GENDER

In order comment on the results of the market research, the relationship between respondent gender and the importance that they gave to a bookstore/stationer's shop location will be discussed. In the table below we can see it (Table 15):

**Table 15. Relationship between gender and importance given to bookstore/stationer's shop location.**

	N	Average	Significance Level
Men	9	3,333	0,039
Women	21	4,143	
Total	30	3,900	

Women average valuations more than one point higher than men so we could interpret that women consider location of a bookstore as more important. To check whether these differences are significant, we have to observe the significance level. Since 0.039 is less than 0.05 we can confirm that differences between men and women are statistically significant.

### 4.3.6. OPEN-ENDED QUESTIONS RESULTS

As said before, the survey also contained some open-ended questions. In the table below (Table 16), the answers which have prevailed in these opened questions are shown.

As for improvement proposals, most of the respondents have not indicated any suggestions or they have said that they would not improve anything in Ausiàs. In Table 16 there are some customer suggestions.



**Table 16. Opened questions responses summary**

Respondent's answers	
<b>Attributed which respondents link to Ausiàs</b>	Quality, confidence, beauty and variety of products
<b>What they most like</b>	Variety of products, location of the establishment and customer service
<b>Improvement suggestions for Ausiàs</b>	Lower prizes Offers and more publicity via Facebook and E-books and online sales Photocopying and printing

#### 4.4. RECOMMENDATIONS

Through the market research we have seen that respondents have valued many aspects of Ausiàs very positively, such as the aesthetics of the local, the variety of products offered, and the customer service, among others. In my opinion, the company should intensify their strengths in order to maintain their customers happy with Ausiàs characteristics and the perceived service.

On the other hand, it has been found that Ausiàs has great notoriety among respondents, since more than 50% think of this bookstore as their first choice in question number 2 (See Annex 2). It would be convenient to maintain and even increase this reputation.

However, price is the worst valued Ausiàs aspect among respondents, but a lowering of the price would not be compensated with the characteristics of the bookstore and its way to compete. Moreover, customers could perceive that a decrease of prices leads at the same time a decrease in the quality of the products. In my opinion, the company could make offers and promotions in order to achieve that clients do not perceive this feeling of high price and, at the same time, it would not be necessary to lower prices.



In addition, it would be also important to highlight the quality of the products offered in Ausiàs. Thus, the client will perceive that if he pays a little higher price it's because the product he will get they will be of a greater quality.



## 5. ANALYSIS OF THE SITUATION (SWOT)

After having realised the previous analysis (internal, external and market research) a SWOT has been created which synthesizes the strengths, opportunities, threats and weaknesses of Ausiàs.

**Table 17. SWOT analyse of Ausiàs**

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>-More than ten years of experience</li> <li>-Green Commerce is carried out</li> <li>- Attractive products placement in the store and show windows which is perceived by customers</li> <li>-Confidence</li> <li>-Privileged location of the store</li> <li>-Wide variety of products offered</li> <li>-Support of prestigious brands offered</li> <li>- Notoriety and prestige in Vila-real</li> <li>- Presence and interaction with public on Facebook</li> </ul>	<ul style="list-style-type: none"> <li>- New technologies offer many ways of promotion for small businesses</li> <li>- Copyright Laws protect original books</li> <li>- Vila-real Town Hall programs</li> </ul>
THREATS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Use of laptops and tablets instead of books, paper and pen is increasing</li> <li>- 2008 crisis consequences are still reflected in the low purchasing power of customers                             <ul style="list-style-type: none"> <li>- Increase of VAT at 21%</li> </ul> </li> <li>- Ageing population pyramid in the municipality of Vila-real</li> </ul>	<ul style="list-style-type: none"> <li>-Moderate financial resources</li> <li>- Higher price of some competitors (Carrefour and Hundred Stores)</li> <li>- In general, customers perceive that Ausiàs price is high.</li> <li>-Only online presence on Facebook</li> </ul>



## 6. MARKETING PLAN FOR AUSIÀS BOOKSHOP

In this section a Marketing Plan is proposed for 2016 which will try to achieve some objectives in order to improve Ausiàs' situation.

### 6.1. PRODUCT AND MARKET DEFINITION

#### **6.1.1. MARKET ANALYSIS**

Previously, in section “3.3.2. Target” and “3.3.1. Market Analysis” the target has been defined and the market which Ausiàs has addressed until today. In this Marketing Plan this target will not change, and the range of products offered by Ausiàs will be the same too. Also the company is addressing to citizens from Vila-real with medium or even high purchasing power among which we must highlight students who buy their textbooks and school supplies and the parents of those students, who sometimes are who make the purchase and take important decisions. On the other hand, Ausiàs target also includes book lovers or people who look for different types of accessories which are offered in the settlement, which tend to be branded.

### 6.2. OBJECTIVES

#### **6.2.1. MISION**

- Provide a place where book lovers can find the book they want, always in a nice and attractive environment and with the best customer service.
- Offer to students a space where they can find all the information they need, from books to backpacks and bags of their favourite brands, which will always be of the highest quality.



## 6.2.2. VISION

Be the first store that inhabitants from Vila-real think of for buying their books, school supplies and accessories, and achieve that they perceive the quality, variety and good customer service which is offered.

## 6.2.3. GENERAL MARKETING OBJECTIVES

General objectives of this Marketing Plan propose are:

- To increase market share
- To intensify Ausiàs' notoriety
- To grow sales
- To raise perception of quality by customers

In the following section these marketing objectives will be specified better for year 2016.

## 6.2.4. SPECIFIC MARKETING OBJECTIVES FOR 2016

For the coming year there are proposed the following objectives:

**Table 18. Objectives for 2016**

QUANTITATIVE OBJECTIVES	
<b>OBJECTIVE 1</b>	To increase market share in 100 new loyal customers in 2016.
<b>OBJECTIVE 2</b>	To increase sales from textbooks and school supplies by 5% in 2016.
<b>OBJECTIVE 3</b>	To increase sales from entertainment books by 3% in 2016.
<b>OBJECTIVE 4</b>	To increase sales from accessories for 4% in 2016.
<b>OBJECTIVE 5</b>	To achieve 260 new followers in 2016.



QUALITATIVE OBJECTIVES	
<b>OBJECTIVE 6</b>	Increase customer's valuations of the price at 0.2 points more and 0.5 in quality.
<b>OBJECTIVE 7</b>	Increase Ausiàs notoriety by 10%.

Objective 6 will try to decrease high-price perception of customers through the communication of the quality and the good service. In the market research we find that Ausiàs' customers think that its products are expensive. One of the objectives for the coming year will be to promote that Ausias' products are of the best quality so that they do not believe that the price is high, but that they are corresponding. Some price promotions will be carried out at the same time to reduce prices indirectly.

## 6.3. MARKETING STRATEGIES

### 6.3.1. COMPETITIVE STRATEGY

Ausiàs' competitive strategy is clearly differentiation. The company offers customers a higher value and, therefore, they will be able to pay a slightly higher price than in other low cost places. Previously the main distinctive capabilities of Ausiàs have been defined which have been valued highly according to the results of the market research. These distinctive capabilities are the location of the store, the aesthetics of the establishment and the attractive distribution of products and variety. In addition, other Ausiàs characteristics are also the good customer service, the quality of the products, the offer of traditional and prestigious brands and the confidence after more than ten years of experience.

All these attributes transmit to customers a higher perceived value, and they make Ausiàs different from their competitors. Because of all that, as stated above, Ausiàs' competitive strategy is differentiation.

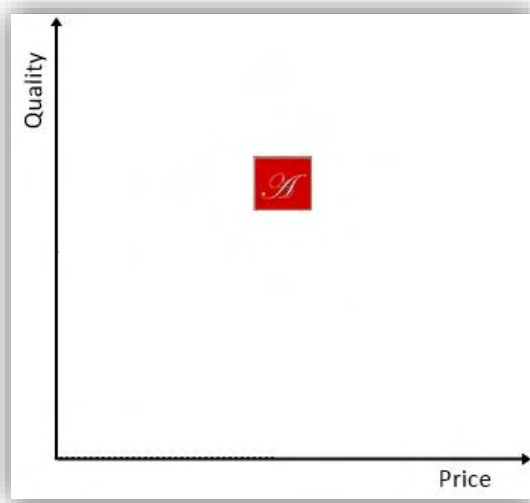




### 6.3.2. POSITIONING STRATEGY

In its positioning strategy, Ausiàs will try to find the best quality-price relationship. Customers will receive a good service and will pay a consistent price for it. All the qualities which characterize Ausiàs and differentiate it will make that the customer perceives greater value than other competitors and therefore will be able to pay a slightly higher price. Image 6 shows Ausiàs positioning according to quality-price relationship.

#### Image 6. Ausiàs Positioning



Source: Own production

In the image it can be seen that quality and service perceived by customers is higher than the price they pay. As stated above, Ausiàs' price is medium, it is higher than some competitors such as Carrefour or Hundred Stores which compete with a low-cost strategy, but it is not higher than other competitors. In other words, products are not cheap but they are not too expensive. Sometimes, branded- products have a significantly higher price, but it is because of the mark and it is not because of Ausiàs. An example of these products could be Mr. Wonderful.