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**HOW CAN A PRODUCTION COMPANY ON SANITARYWARE MARKET
CREATE AN EFFICIENT LOYALTY PROGRAMME FOR SALES STAFF OF
RETAIL SHOPS ON THE TERRITORY OF RUSSIA?**

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Abstract

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“HOW CAN A PRODUCTION COMPANY ON SANITARYWARE MARKET CREATE AN EFFICIENT LOYALTY PROGRAMME FOR SALES STAFF OF RETAIL SHOPS ON THE TERRITORY OF RUSSIA?”, 94 pages, 3 appendixes

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The main aim of my Master's Thesis is contributing into development of a marketing tool, which will help a producer of sanitaryware increase level of loyalty to a brand, influencing representatives of retail channel. The objectives of work included definition of core of motivation for sales teams in retail shops and possible schemes of reward systems for staff in retail shops; finding information about principles of work of loyalty programme and principles of reward; identifying main possible goals and results of creation of loyalty programme. Empirical purpose of this study is to create a set of recommendation for producers on sanitaryware market in Russia for making a guideline for implementation of loyalty programme for sales teams in retail shops.

In my study theoretical background study and case study were used, which allowed to examine market in real time conditions. Research of theory background in three directions: relationship management and loyalty programmes for customers, reward system within the company and reward and motivation principals of channel partners, - helped form propositions, which were tested in empirical part. Observation of the market of sanitaryware in Russia and estimation of strategies of motivation of staff in retail points, currently implemented by case companies Vitra and Roca, were held for data collection within the case study. Semi-structured interview with representatives of dealers of case company Vitra and representatives of retail shops was executed. Empirical evidences were collected from 48 interviews. Questions and topic categories were formed basing on propositions came from theoretical backgrounds. Analysing of data was held with a help of category analyses and testing of propositions.

Results of this Master's Thesis are given in form of set of recommendations to sanitaryware producer for creation a guideline, in order to develop and implement a loyalty programme for retail shops. Main findings from empirical part proved propositions, formed in theoretical part, including statements that the main aim of every loyalty programme is creation commitment to a brand with retention customers. Another findings showed that creation of efficient database is an important aim of loyalty system implementation, and successful motivation for retail shop representative is based on financial type of reward and stating clear targets and terms. All recommendations were given to Eczacibasi Building Materials LLC with belonging rights for these data to the same company.

Keywords: producer, products or sanitaryware, dealers, retail shops, sales team of retail shop or representative of retail shop, sales representative of producer, competitor, loyalty, loyalty (motivation) programme.

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1 Introduction

The aim of this thesis is to study current loyalty programmes for retail points of sales, offered by producers on the market of sanitaryware goods in Russia and to find an idea for creation of more effective tool of motivation. Result of this Master's Thesis is presented in set of recommendations, which can be used for forming a guideline for implementation of loyalty programme for sales teams in retail shops. Theoretical background section will introduce necessary background to study defined topic. Research part will demonstrate current level of development of loyalty programmes on the market and findings from interview. Final section of the study will show outputs of empirical study, their analyses and forming set of recommendations. More specific research questions and sub-questions will be presented in Introduction chapter, together with key concepts used in study.

1.1 Background

Markets of consumer goods are highly competitive in general in each country, and Russia as growing emergency market, which attracts huge foreign investments within the last ten years, experiences strong competition as well. We can observe the heaviest "fighting" in the markets of fast consumer products: food, beverages, and other staples. Nevertheless, non-food industry also feels tension. Marketing department in Russian branch of one of the biggest producers of sanitaryware products and tiles Eczacıbaşı holding, owning Vitra brand, should follow the tendencies in the market and can observe daily straggling of brands in all channels of sales, and especially in retail sales.

Total Value of ceramic sanitaryware market in Russia is 213.8 million euros (BRG Building Solutions 2015). Vitra brand share on the market is around 1.5%, while main competitor of Vitra got more than 25%.

Group	2014	2015
Roca	24,3%	25,2%
Kirovskay keramika	11,7%	12%
Samarski Zavod	10%	10%
Keramin	6,3%	6,6%
Geberit (Sanitec)	7,0%	6,1%
Lobnenski	5,3%	5,3%
Rovese	4,7%	4,9%

Table 1 Statistics about market shares of global sanitaryware producers on Russian market (BRG Building Solutions 2015)

VitrA currently plays in middle and middle-up price sectors. Four producers of sanitaryware from the Table 1 have production capacities in Russian Federation. Eczacıbaşı group also built two plants on the territory of Russia, and due to dynamic of constant growth, has potential for getting a bigger share on Russian market. To achieve challenging goals, marketing department of Eczacıbaşı group is trying to develop variety of tools to influence different target groups. One of the important marketing strategy steps becomes creation of effective system of motivation for sales staff of retail shops, as Group understands their influence on end consumer solutions. There is a statement from business world that customers, who show loyalty, reduce the marketing costs of business (Rundle & Maio Mackay 2001, pp. 529 – 546). In current work this statement is fare for creating loyalty of sales people in retail shops.

Eczacıbaşı group in Russia, owning VitrA brand of sanitaryware (further VitrA), produces range of solutions for bathroom, such as ceramic goods, bathtubs, faucets, shower zones, furniture, accessories and other. VitrA's main sales office and plants are located in Moscow and it operates all over Russia through a wide chain of official dealers. Spending efforts and budget to brand support, management of company understands that those tools will not be totally effective without involving sales people in retail shops which offer VitrA goods to end consumers. As company VitrA, being a producer, does have only wholesale contracts with huge dealers, it cannot affect directly small shops. This Master Thesis will try to solve this research problem by analysing the market and offering recommendations for building a solution – how producer can motivate sales persons in retail points of sale, without direct contract relations.

The main purpose of this Master's Thesis is creating a set of recommendations for making a guideline for construction of centralized loyalty programme for sales team of retail stores by producer. Main research problem will be examined from the side of a specific producer of sanitaryware VitrA.

1.2 Key concepts of Master's Thesis

Producer – a company, which is registered in the territory of Russia, which obtains rights for production, sales and marketing process execution. In my Master Thesis I present producer of bathroom products under Vitra brand - Eczacıbaşı group.

Products or sanitaryware – products for bathroom, including ceramic sanitaryware (washbasins, WC pans, bidets), acrylic baths, faucets, furniture, installation systems, shower zones and accessories.

Dealers – official dealers of products under Vitra brand, which have purchasing contracts with producer. Dealers are located in different cities and towns within Russia, mostly big cities. Some big dealers have their own retail shops.

Retail shop (points of sales, sub-dealers) – retail shops, which have purchasing contracts with dealers, and sell products under Vitra brand to end consumers on the territory of Russia.

Sales team of retail shop – sales staff of retail shop.

Sales representatives of producer – employees of Producer (in my case Eczacıbaşı group or Vitra company), who work with dealers in terms of sales and support. Sales representatives are located in Moscow, Saint-Petersburg, Siberia, Ural and South regions of Russia.

Sales representatives of dealers – employees of dealers, who work with retail points in terms of sales and support.

Competitors – other producers of bathroom products, which are sold on the territory of Russia. Examples of brands of competitors: Roca, Jacob Delafon, Geberit and other.

Loyalty (motivation) programme – centralized system, which will ensure motivation of sales staff in retail shops (points of sales) in frame of applicable legislation of Russian Federation.

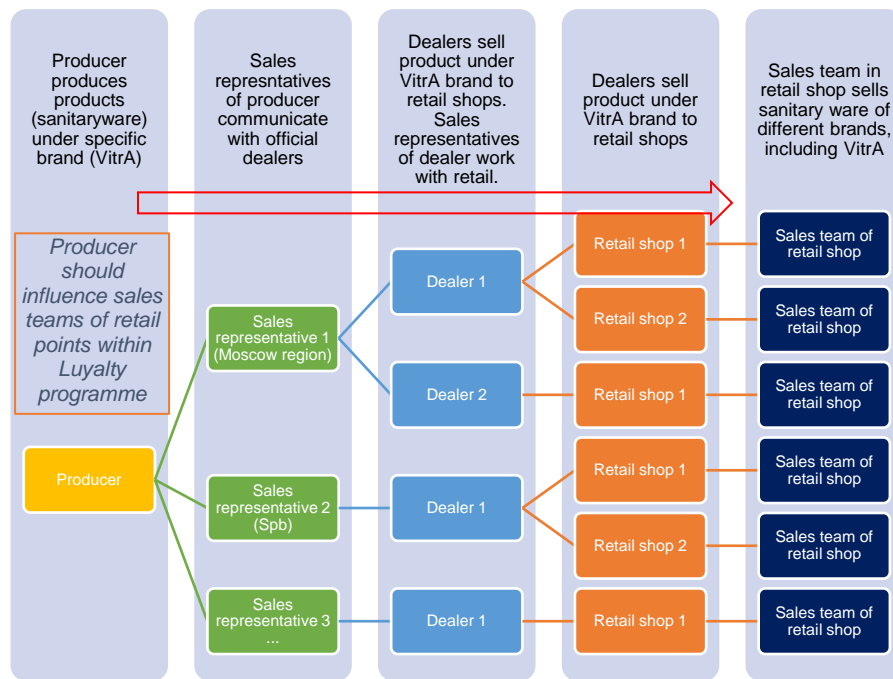


Figure 1 Visualization of links between key concepts

1.3 Research objectives and delimitations

As markets become more competitive many companies recognise the important role of retaining sales teams, who sell product under certain brand (McMullan, Gilmore 2008). As a result, producers all over the world launched a variety of activities to improve retail channel loyalty. The aim of this Master's Thesis is providing recommendations for creation of a guideline for construction of efficient loyalty programme for sales people in retail points all over Russia, which will not be based on cash money reward, will be clear and understandable, reachable from any region and easy to use.

Thus, main objectives of my work are:

- Define core of motivation for sales teams in retail shops and possible schemes of reward systems for staff in retail shops;
- Define principles of work of loyalty programme, principles of reward and scheme of gathering of information;
- Identify main possible goals and results of creation of loyalty programme;
- Define steps of implementation of loyalty programme in production company;

- Form set of recommendations for including into guideline about construction of loyalty programme by producer for sales staff of retail points.

The delimitations of Mater's Thesis will be following: reward system for retail chain and loyalty programmes for end consumers is studied. Connected topics, such as brand awareness increase, loyalty to a brand, methods and tools to increase brand awareness are not taken into consideration. Deep study of brand nature and brand building is also avoided.

The target audience for loyalty programme only includes sales teams in retail shops and does not include end consumers, other channels as neither DIY stores or developers and building corporations.

1.4 Research question and sub-questions

Main research question is:

- *How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?*

Research sub-questions are:

- What makes a loyalty programme successful?
- What steps of implementation of loyalty programme exist?
- How to define suitable type of compensation or reward for users?
- How to make the system convenient for users and easy to understand?

Result of this study will help producers of sanitaryware create a guideline for implementation of loyalty programme for sales teams in retail chain, and will include principles of work of loyalty programme, steps for implementation and main requirements to reward structure and duration.

All the data given in Master's Thesis will be confidential and rights for these data will belong to Eczacibasi Building Materials LLC.

1.5 Research method

Theoretical background study and case study will be used in this work. Main research question sounds like “*How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?*”, and requires practical approach with study of the market in terms of company case. In this study market of sanitaryware, company Vitra itself and current motivation schemes it uses on the market, and a competitor company Roca will be observed. Semi-structured interviews with representatives of retail points and official dealers will be used. Vitra will provide a form of questionnaire through e-mail.

Analysing of data will be made with the help of category analyses and testing of propositions. In background framework propositions of creating successful motivation and reward system will be formed, and after getting empirical findings, actual data will be linked to propositions. Those propositions, which cannot be tested due to lack of evidence, will be examined basing on personal view and experience. From the perspective of analysing recommendations to producers about creating a guideline of implementing a successful loyalty programme for sales teams in retail stores will be given.

2 Loyalty and loyalty programmes

The main aim of this chapter is to define principles of building a structure of loyalty system or programme and principles of reward. In order to create recommendations for making a guideline for construction of centralized loyalty programme for sales team of retail stores, I decided to make a research in three directions: the first part of chapter is devoted to relationship management and loyalty (motivation) programmes for customers, second to the reward system within the company and third one to reward and motivation principals of channel partners.

Basing on mindmap below, I formed propositions, which will be checked in empirical part of findings.

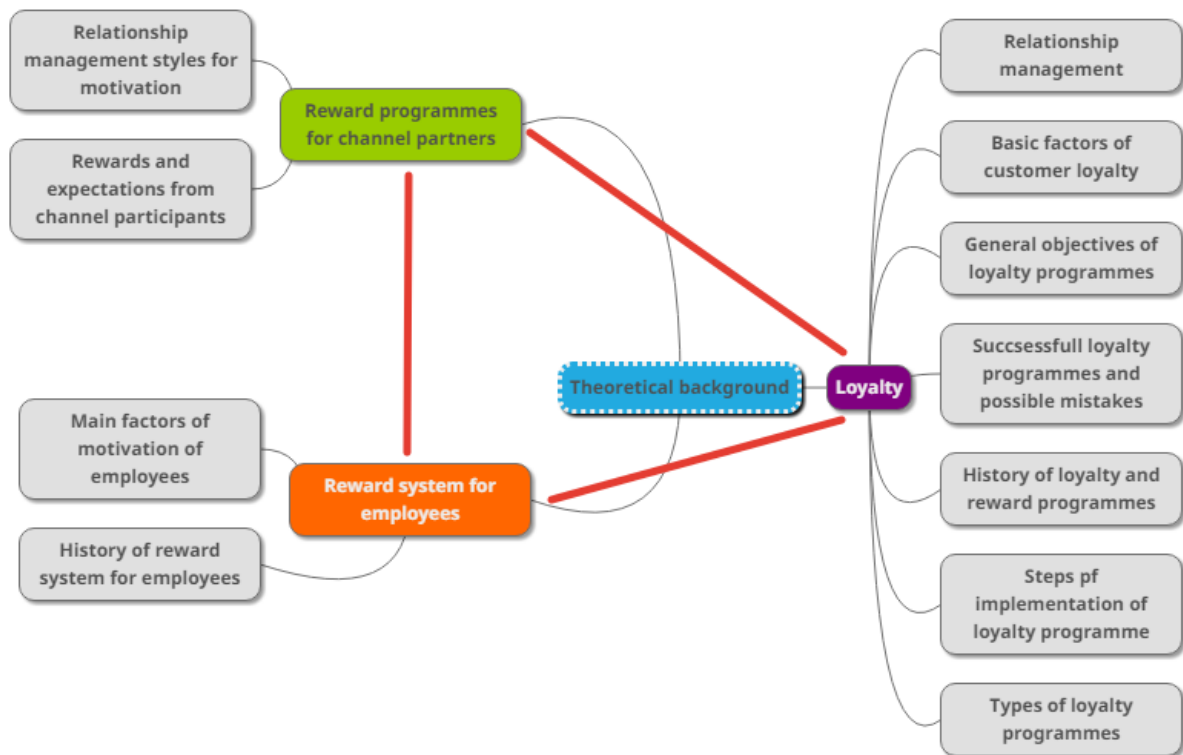


Figure 2 Mindmap of theoretical background. *Propositions will be formed within triangle, marked with red lines

2.1 Relationship management and loyalty

Attention to loyalty systems is coming from the Relationship management, which is the most customer oriented approach of business. First we should understand what loyalty is. In

general it is stated in literature that loyalty is something, that consumer may show and also the attitude to brands, services, stories, product categories and activities. In business literature for loyalty there are three popular concepts:

- Loyalty is a primary attitude that sometimes lead to a relationship with the brand;
- Loyalty is mainly expressed in terms of revealed behavior (for example pattern of fast purchasing);
- Loyalty means purchasing power moderated by the individual's characteristic, circumstances, purchasing situation.

Customer loyalty is defined often as a commitment to re-buy a preferred product or brand. Loyal customers tend to have a higher level of recommendation and repurchase intention (Wei-Ming, Chin-Yan & Kuo-Chang 2011, pp. 194 – 206).

Loyalty programmes or loyalty systems are being developed to create described loyalty in customer's minds.

In general customer motivation or loyalty programs usually have two main aims: first to increase market share and sales revenues by raising purchase level or increase volume of products. This aim is connected to retention heavily, because company in first turn is aimed to reward repeating purchases and encourage reaching stated targets. A second aim of every loyalty system is to create a bond between customer and brand and increase loyalty. The problems marketers all over the world seek to solve with loyalty programmes implementation are the same: improve customers' retention and maximize share of market, increase sales. (Duffy 1998, pp. 435 – 448.)

Customer relation is recognized important in customer retention. Increasing of loyalty means both the organization's power and profitability. Lost customers can be replaced only with new ones, but the same amount of replacement is hard to reach and quality of these customers will be very different. The basic idea of any loyalty program is to reward customer's repeating purchasing and encourage loyalty by providing targets at which various benefits can be achieved. Finally retention sales allow save and increase market share. The more frequently customers can come to make repeating purchasings, the more valuable they become for a businessman. Loyal customers will pay more than not loyal the brand or product. Customer relationship management is targeted to influence the behavior of customers. With growing

of time the customer was connected to a brand, it became harder to convince him appreciate another brand, even with proposing great discounts. It is widely known that attitudinally-loyal customers (or sales people in case of my work) are less perceivable of negative information about brand, than non-loyal ones. After all, when level of loyalty increases, feedback from loyal customer becomes more predictable and allows creating a trend. (Mark, Grahame , Dowling 2013, pp.294-296)

The main idea of cost saving from the efficient loyalty system is that it is possible to save more from taking care of current customers than bringing some new ones. Loyalty programme is based on offering the incentives with the aim of saving customer loyalty to a retailer and relates to purchasing frequency.

In general possible benefits of customer loyalty for a company can be described as following:

- Less price sensibility;
- Reducing expenses on attraction of new customers;
- Improving organizational profitability.

Availability of loyal customers' database offers benefits for the company as well, adding profitability to it. Such kind of customers are less sensitive to prices and require fewer investments into types of communication than new ones. Those criteria make retention buyers very attractive for the company. Besides true loyalty and bonds with a brand are hard to copy or transfer to another brand. Basing on the results of researches about retail loyalty programmes in article of Gomez, Arranz, Cillan "The role of loyalty programs in behavioral and affective loyalty", it becomes obvious that main contribution of loyalty programme is not attracting new customers, but retaining already loyal customers. After all, it was stated that participants of one retail loyalty programme showed less loyalty to other retail chains (in my case brands), than non-participants. Another point, which Garcia Gomez at al. investigated is connected to positive attitude: participants of loyalty programmes of certain retailer showed higher positive attitude to its shop. Talking about satisfaction, participants also showed greater satisfaction than non-participants and trust to retailer as well. (Gomez, Arranz, Cillan 2006), pp. 387–396).

Marketers all over the world understand the importance of loyal programmes for business development. Loyalty programmes from the point of view of marketers is connected to

strategic goals of the company and development on the market. The trend of recent five years between within the experts is creation lasting experience, instead of creation value for their customers.

There are two important differences between committed customers and those who just show loyal behavior. The first one is motivation, which underlines rational part of the behavior. Committed customers not only buy a product, they invest emotionally to build a relationship with a brand. One time satisfaction can help to encourage repeating purchase, but will not save from interest in an other brand, in spite of commitment. (Story, Hess, pp. 406–413.)

Perception of loyalty programmes by consumers is very important in order to understand their nature. Sharyn Rundle-Thiele in her article “Look after me and I will look after you!” gave results of the investigation of 45 focus groups of consumers and shared the main findings. First finding showed that consumers suppose that loyalty cannot be bought, but only earned. This point of view illustrates necessity of goals for the users of loyalty systems. Another statement defined that loyalty programme should be a two-way concept, and company itself should also demonstrate loyalty to a user. On the other hand some consumers think, that loyalty can go into past, and products and prices competition become more important for making a choice. (Rundle-Thiele 2006, pp. 414–420.)

Every loyalty programme is based on a promise, which will be kept finally. It is very essential to make this promise true indeed, and ensure original amount and quality of a reward. (Pearson 2005)

In recent years Internet technologies are about to make usage of loyalty system easy and friendly. Business literature defines generation of information and manipulating customer behavior between the main objectives of creation of loyalty system. Online platform for loyalty programmes came respectively recently. Five years ago marketers stated that “life connection” programmes are more competitive than intangible virtual organization. Consumers were sure that internet shops have no inventory or very little reputation. Times changed and all respectful brands already came to the Internet. Customers’ attitudes together with this changed as well, requiring fast and safe solutions from the Internet, which will not require extra time. (Pitta, Franzak, Fowler 2006, pp. 421-429)

In developing era of digital technologies, it is very easy to find an algorithm for influence into the big amount of users (customers or sellers) and use this database for the sake of the company. Answers of users for the certain questions will give valuable information for the company about quality, delivery terms, package, service and many other aspects. Digital approach to the customer database allows initiate an ongoing, two-way dialogue directly with current customers, via such techniques as:

- Establishing user groups by dividing them into different sub-groups
- Publishing customer newsletters with information about novelties and product description
- Sending questionnaires about quality of services
- Scheduling advertising or direct mailing with requiring a feedback or estimation
- Sending invitations to trade shows the brand participates
- Making researches of focus groups.

Well-designed and well-implemented database of contacts become a strong marketing tool in companies' portfolio. (Roberts-Phelps 2001.)

Basic factors of customer loyalty.

Customer loyalty is supposed to be based on basic factors. Trust is the first one. For a long time it was a determinant of customers loyalty; it is really necessary to build a trust to a brand, because it will work when there will not be enough analytic criteria. Trust help consumers believe in a positive outcome. Business literature assumes that trust is a key element, which should be installed in the very beginning of the relationship. Lifetime of relationships should be carefully taken into consideration while making comparison of expenses. Sometimes companies invest a lot into attracting new customers with short lifetime instead of retaining current customers. There are numerous researches of the positive impact of retaining customers on a profit.

Relevant sources offer another factors, which affect loyalty. Next after trust is consumer's perceived sense of value from a relationship. Perceived value means customer evaluation of benefits versus the costs of being involved in marketing activity. This criteria also indicates comparison of loyalty programmes of different companies. Values can be expressed in

different things for different customers: right products, services, time and other factors. For the costs usually monetary and time costs are taking into consideration.

Next stage after trust and perceived values is emotional element, which is fare for deep relationship building. Emotional bonds mean not only frequently repenting purchasing, but set of motives, which make needed behavior. Finding of such motives help to understand, if loyalty is true or not, in case of price or product changes for instance. (Pitta at al. 2006) First level of loyalty, trust, and second level, perceived value, can make a groundwork for the next stage, relationship building.

Customer loyalty is a way to create competitive advantage in a tense competitive world, where companies have to be active to create any added value. Total customer value usually includes functional value of the product, service value, emotional value, social value, conditional value, epistemic value and image. On the contrary, customer costs can include monetary price, time, shopping, efforts, energy and psychological costs value. Building added value is a constant and well-thought work of basic business. After creating, company needs to protect added value, and long-term relationships with customers are required for this aim. That task can be done with the help of relationship management. Market experience shows that company with the strongest customer relationships will have the best opportunities for retaining customers purchasing. Customer loyalty in frame of building a customer relationship model is a commitment to continue to do business with company on on-going basis. (Zineldin 2006, pp.430-437.)

After all it is important that relationship with a brand is more tough than competitors provide. Positive emotional perception is extremely important as well.

It was decided by many businessmen and researchers that loyalty customers are a valuable asset of the company and that retaining customers is a way of increasing strong relationship between customers and brand. At the same time all respectful sources state that loyalty is an attitude, which results in relationship with a brand. Researches convince that there should be real trust and attitudinal commitment to a brand for real loyalty to exist. This is seen as taking a complex of beliefs toward the brand purchasing. This attitude can be measured by asking questions from customers about level of trust to a brand, how much they like it, feel commitment, would recommend to friends, have positive feelings about it and similar. The

level of this attitude can be a signal, which shows predictable brand's purchases. Loyal customers are more suspicious about negative information about a brand than non-loyal. Some researchers call loyalty a partnership between brand and customer.

Other researches show that in polygamy market customer can choose several brands and those will be preferable, which will provide the best satisfactory experience. Loyalty to a brand is a result of repeating satisfaction from purchasing. If there is no product on stock, to get satisfaction experience, other brand will be chosen. In that case to save loyalty despite satisfaction experience, loyalty programmes should work.

Basing on numerous researches, dynamic model of customer loyalty can be called the most progressive and fair. Trust is considered as necessary base, but not the one which is required for building-up a successful loyalty programme. Commitment shows the extent to which a customer would like to maintain valued relationship. (Donio, Massari, Passiante 2006.)

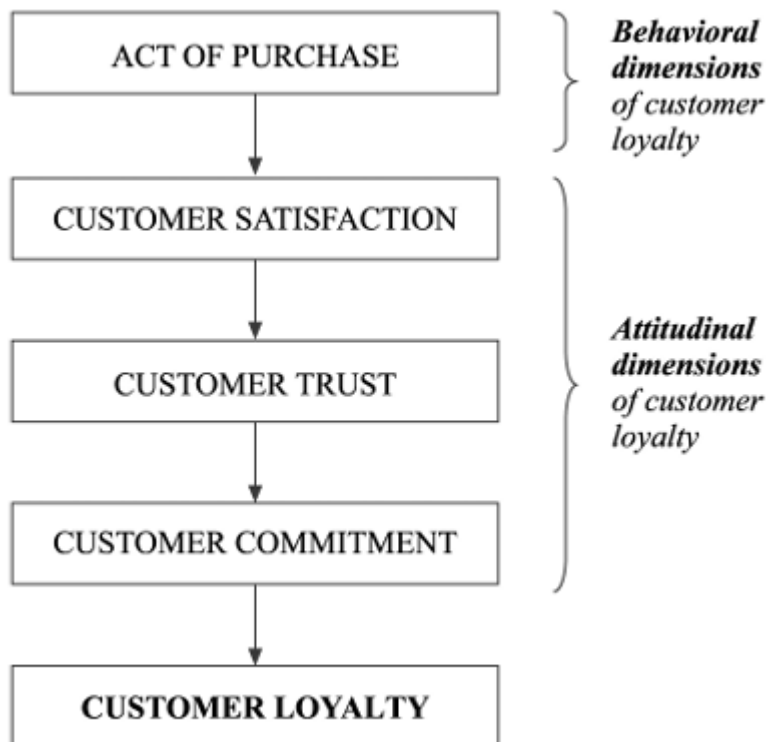


Figure 3 A dynamic model of customer loyalty

Successful loyalty programmes' factors and possible mistakes.

Studying literature about loyalty programmes, several factors were found, which will make the programme effective:

- integrate loyalty into the experience, to allow consumers fill loyalty programmes principles during making everyday shopping;
- use the data, which can be found during operating loyalty programme, for future interaction with consumers;
- build partnership;
- solve problems of customer and industry, offer extra services (Amazon resource solved one of the most extended problems of retailers – delivery, during maintaining of loyalty programme);
- make as large difference as possible between perceived value and real cost;
- allocate loyalty programme investments to the most profitable customers in target audience, follow their activities and amount of purchasing. (Nideau, Singer, 2016.)

Basing on business literature it was investigated that during construction and implementation of loyalty scheme, some mistakes also can appear:

- overload by data collection from the loyalty programme database. Too many data from the system can lead to pure and fast processing and as a result, this information may cause taking inappropriate decision.
- costs may overweight advantages. To exclude these possibilities, KPIs for loyalty programmes should be stated not only in money equivalent, but also suppose reduction in percentage of specified costs in the first 12 months. Loyalty programme can be also a cost-effective option, because it provides an initial point of differentiation and incorporate “club” concept as a form of social influence.
- another important item, which is worth to take into account while thinking over the structure is avoiding of copying of direct motivation systems, which competitors apply. On Russian sanitaryware market such systems are illegal and get clients used to getting cash reward without making any efforts to know more about brand and company (O'Malley 1998, pp. 47 – 55.)

During building a motivation programme those negative and positive factors should be taken into consideration.

2.2 Development of loyalty (motivation) programmes

Before 1977 marketing researchers stated three main types of loyalty: attitudinal loyalty, behavioral loyalty and composite loyalty. The last one combined first two and advice to consider both factors in order to make consumer loyal. In 1944 first Attitudinal loyalty was determined like preference over the time. After commercial view changed the description of “loyalty”, because businessmen investigated that customers can behave in loyal manner without special attitude or feeling to a brand. In 1950s a concept of “Behavioral approach” first appeared, which was based on taking into account random, but not rational choice. In 70s Loyalty was offered to be taken as composite concept and comprise both attitudinal and behavioral components. Many researchers consider that there are two factors strongly connected to loyalty affecting results of any loyalty programmes: satisfaction and trust. Some of them find direct correlation of satisfaction and trust, others believe that satisfaction not always means trust. (Rundle-Thiele 2006 , pp. 414–420.)

Loyalty programmes are recognized as a very efficient tool in B2C business. First they were implemented in the 90s and earned precise and wide attention in scientific and business literature, including books and journals. The customer loyalty systems’ creation is an example of integration of direct marketing into “mainstream” marketing, relying upon a consumer’s databases and direct communications. Before loyalty programme launching customer retention was estimated as an outcome from general successful marketing. After business literature began to focus on retention and estimated boost of profit of the organization depending on different percentage of retention, the opportunity for business became visible. Loyalty schemes have appeared in the era of “customer retention” though their appearance is not even a 90s phenomenon. They have been around in one form or another since the early 1970s, mostly in the US (O’Malley 1998, pp. 47 – 55.)

An early example of a working loyalty programme is a Frequent Flier Programme (FFP), implemented by Southwest Airlines. The programme called “Sweetheart Stamps” in promotion of the 1970s. The main idea was to allow business travelers to accumulate bonuses and take their partners on a free flight. Later principles and schemes of flight programmes changed, but still this type of loyalty programme is the most recognizable and

valuable one. Most of the modern loyalty programmes are based on the “AAdvantage Programme” introduced by American Airlines in 1981. Airlines were looking for an effective marketing solution which can assure increasing and saving of customer loyalty together with providing constant demand. Management of the company analyzed their database of passengers in order to find frequently flying passengers and forming an attractive proposal for them. New loyalty programme allowed travelers accumulate miles, which they earned during flights and spend later for services of airlines. Such offer became very beneficial for those who already had a lot of business flights and could get extra benefits for personal purposes. Later similar mechanisms of loyalty and motivation schemes were widely applied in hotel industry, retail, banking and other spheres. (O’Malley 1998, pp. 47 – 55.)

Even though the first well-known loyalty system appeared in the US, first customer clubs came from Germany as this country historically offered citizens different clubs and unions. Every German is a member of two or three clubs, so companies, originated from Germany understand well principles of work of such club or union schemes. Taking into consideration that German government for many years did not allow any discount to a certain group of people, all clubs were based on common interests or ideas, or as a variant motivation for a person to buy a product or brand. (Butscher, Stephan 2002.)

Combination of US discount systems and German loyalty clubs served as a ground for creation of multiply loyalty programmes with principles of club.

2.3 Implementation of a loyalty programme

Implementation of loyalty system or programme in a company is a long process, which requires not only understanding goals, but a clear plan of actions as well. Not only people directly involved in a project, but all interested sides, like related departments or management, should be taken into consideration. Loyalty system comes from relationship marketing, where main target is to create emotional connection with a brand or product. The customer should be given special conditions, which allow him or her to feel special as well. A success of well-established loyalty programme lies in detailed planning and taking customer’s point of view into consideration. Time, efforts and financial outcomes should be also estimated thoroughly. Process of setting up the loyalty programme requires first a general idea or concept behind it; secondly it should be manageable and sustainable. Usually measurement of loyalty programme is a satisfaction of customer, because it

influences the intention to buy in a positive way. In case the loyalty system is implemented for sales people, satisfaction influences the intention to sell a product. Variables in both cases could be choice, convenience, price and income.

Implementation of loyalty programmes requires well-thought approach and defining of several factors. Graham Roberts-Phelps in his book "How to turn a good business into a great one!" tells about the main three characteristics of a loyalty programme, which should be stated:

1) Overt or covert loyalty programme

Covert campaigns are announced to limited amount of customers indirectly through the mail, telephone or Internet. Execution is very important in such kind of loyalty approach, as any technical delay will affect negatively on the customer. Covert programmes help to calculate benefits, because it is quite easy to track phone calls or following links in Internet. Overt programme means public open programmes, available to everyone with clear basis rules and possibility to register for every user.

2) Soft or hard benefits

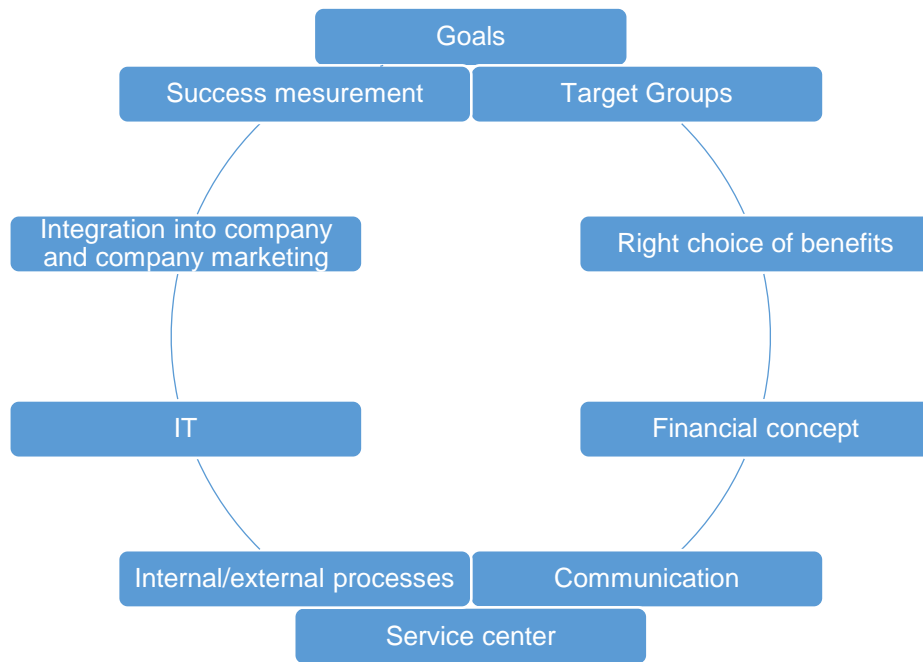
Soft benefits are less costly, and usually are provided in mass programmes. Hard benefits are more valuable and can be implemented in the club-structures loyalty programmes with limited amount of users.

3) Automatic or voluntary enrolment

Process of registration in loyalty programme can be automatized totally or give right of choice to the participants. Researches show, that possibility to choose makes the programme more valuable and interesting for the users. In general, voluntary enrolment programmes will grow slower than automatic, but ensure more integration of users into the rules and news of the loyalty programme. (Roberts-Phelps 2001.)

To ensure successful applying of loyalty programme the company should first understand goal which is desired to reach, not just follow customers or competitors.

In literature following elements of a customer loyalty programme are defined:



Graph 1 Elements of customer loyalty programme

Definition of two main factors will allow to create an efficient loyalty programme: target groups and selection of right benefits. Basing on these two factors it is better to focus on one of the variable structures: B2B programmes, customer cards, customer clubs, reward programmes, value-added services. A loyalty programme will work only in case benefits offered have a high perceived value for the customers. Each target group has its preferences and demands, which should be linked to the benefits. Next steps should be definition of budget and finance results. It is essential to determine long-term financial concept that covers all potential costs within the budget and shows planned financial results. After these three steps, project team should propose a clear communication plan, decide how often and through which channels loyalty programme should communicate with the members and how they will be able to make feedbacks. Internal communications should be discussed as well. Finally, it is essential to understand, how loyalty programme will be organized and managed and how to set up and use database in the most efficient way (Butscher, Stephan 2002.)

Customer loyalty program at the end is a carefully thought over promotional plan, which provides incentives to customers through added benefits. Customer loyalty programmes are widely used to increase sales and market share as effective marketing tool, but to become successful it should be individual and take into account a lot of things.

Before creating a loyalty programme, a research should be organized, which ensures approach from a broad perspective. Possible question for the research can include following topics:

- How do competitors organize their loyalty systems?
- How are loyalty programmes set up in other industries and other countries?
- What can we learn from business literature about principles of organization of successful loyalty programmes?
- What possible mistakes of loyalty systems implementation can we learn from business literature?
- Are there outside specialists whom we can consult?

Making preliminary research will ensure creating the most efficient structure (Butscher, Stephan 2002.)

The ultimate goal of every loyalty programme is to increase profit, revenue and share of the market, ensuring company and brand stability. But these goals are usually long-term ones, which can be achieved after intermediate goals are reached. Establishment of strong relationship with customers, which is the main purpose of loyalty programme, can become such bridge for making real base goals. Another aim of most loyalty programmes is to attract new customers through satisfied members of loyalty programme. Benefits from participation are widely discussed between manufacturers and retail stores and ensure that certain product has a higher profile in members' minds. The third main goal of loyalty scheme is to create a database. A well-maintained database that is loaded every day with up-to-date information becomes a powerful marketing tool for informing customers about company news, for direct mailing. Using the data from the loyalty programme is a strategic weapon. Ideally, the database not only contains demographic data, but detailed information about customer as well – purchasing behavior, preferences and so on. A customer loyalty programme has an advantage over other tools in that it achieves the goal of information collection more efficiently. By joining a loyalty programme, users already identify themselves as having special interest in a product or a brand.

Apart from main goals – increase market share, make strong relationship with customers, achieve retention, attract new customers, and create database, there may be secondary loyalty programme goals. Among them following intentions are listed:

- Increase product and brand awareness or company image
- Increase visits frequency by attracting customers to points of sales
- Increase frequency of usage of products
- Develop better quality service of customers and fast reaction
- Support company public relations activities through loyalty programme
- Support partners networks, if loyalty programme is created in partnership

To summarize, company should prepare a clear goal structure on the very first stages of loyalty programme structure negotiation, including core goals, main goals and secondary goals.

Although the definition of goals is extremely important, making decision on success management criteria is also essential. To enter second step, developers should formulate goals very precisely: “to get profit more than 100 000 euros in period of three months or find 50 new potential customers, goals should come valuable”. After this procedure, measurement of success will become realistic. This level will help to understand the efficiency of loyalty programme and take solution about its prolongation or rejection in the future.

As it was already defined before, no loyalty programme is possible without definition of the loyalty programme’s target groups, which should consist of those customers, with whom the sponsoring company wants to develop long-term relationships. In case of creation of loyalty programmes for some specific already stated groups, this step is obvious. Nevertheless if initiator has any doubts, first he or she should investigate several core moments: whether system is being developed for existing customers or potential ones and whether it should be targeted to the whole group or market or selected segments.

After required preparation steps are finished, it is time to think about the type of loyalty programme. Limited loyalty programmes cannot be joined by everybody and might suppose crossing some stated limits or paying joining fee. Open loyalty programmes, on the contrary, can be joined by anybody and usually do not have formal application process. The key

difference between any schemes of loyalty programs, stated in literature, are type and benefits, offered by the programme.

Next table show possible variants of limited and opened loyalty programmes:

Limited loyalty programmes	Open loyalty programmes
<ul style="list-style-type: none"> - Memberships fees - Stated requirements for members - Limited access - Clearly defined membership structure - Constant quantity of memberships - Database includes only members, really interested in products 	<ul style="list-style-type: none"> - Wider number of members - More complete database - Easy reach of potential customers - Segmentation and separate communications - Reaching huge number of members for making programme more cost-effective

Table 2 Two types of loyalty programmes

All conditions are not necessarily obeyed, but each type of loyalty programme can include number of characteristics. In general, limited loyalty programmes will be more suitable for companies:

- Trying to reach and reward top customers
- Preferring focused approach
- Having smaller budgets
- Playing in clearly segmented markets
- Playing in B2B markets

Open loyalty programmes will be a better solution for companies:

- Having little knowledge about current and potential customers
- Preferring more general approach
- Having long-term large budgets
- Playing in unsegmented markets
- Playing in B2C markets

In order to focus on main target groups, to limit financial investments and possible risks, and to increase efficiency, in able to use communication channel in the most efficient way as well, a limited loyalty programme is recommended in most cases.

Except of monetary and discount motivation, it is very essential to create a bond with a brand and company. For these purposes loyalty programme should be built in frame of club, where users feel unique and belonging to one general idea. Customer clubs have several main characteristics:

- A customer club is initiated and managed by the organization;
- Club structure helps to create communication process between organization and member, in some cases between members as well;
- Customer club offers value to its members, ensure common goal and certain benefits;
- Customer club is a marketing instrument and membership requires actions from the members: opening of personal data, taking part in events, getting news and other;

Such type of loyalty programme structure helps to provide not only direct bonuses, but form loyalty on higher level. (Butscher, Stephan 2002.)

The most important part of every loyalty programme is the benefit scheme that is offered to the members of the club or system. Factors, which influence perception of reward by participants of loyalty programme, where investigated. Despite constant growth of number of loyalty systems on the market, there appeared debates about validity of such schemes for the consumers and companies. Some argue that loyalty cards are not appropriate for the rewarding in loyalty systems. The reward itself is the key mechanism to attraction customers to participate in a loyalty programme. Jennifer Rowley in her research "Building brand webs. Customer relationship management through the Tesco Clubcard loyalty scheme", telling about Tesco Clubcard loyalty scheme, identified five major reward elements, which influence customers solution whether to participate in a loyalty programme or not:

- Cash value (equal to real things, to what it can be spent),
- Range of types of rewards proposed,
- Value of aspiration (how desirable the reward is for the customer),

- Relevance (whether it is possible to achieve the value),
- Convenience (whether it is easy to participate in loyalty programme).

Those important factors should be taken into consideration in the very beginning of construction of a loyalty system. (Rowley 2005)

The primary goal of a loyalty programme is establishing of close relations with customers, so the right choice is very important. When thinking about entering the loyalty programme customers will estimate their input (information, time, fee, membership obligations) against the outputs or rewards they will get. Only if the balance of input and output seems attractive, member will sign the programme. Well-organized balance is necessary for programme as well to get all the needed information from customers. (Ndubisi 2007.)

The right benefits are those which have right value for the customers. Some key elements, which can help, are following:

- High value. Only high value benefit will make membership attractive. In order to become precious, a benefit must meet expectations and have some exclusivity in comparison with other loyalty programmes;
- Perceived value. Customer should understand the value of reward and know it is high;
- Selected by customer. If reward meets customer opinion about successful reward, the programme will be desired.

In order to create appropriate rewarding system, rewards must be estimated from different sides. Such approach is possible with detailed preparation and arranging survey of customers.

There are some factors, described in literature, which determine benefits;

- The financial value;
- The relevance for the member;
- The ease of getting and using those benefits and accumulate necessary points and rewards. (Butscher et al. 2002.)

2.4 Reward systems for employees

The topic of the Master's Thesis dedicated to loyalty programme of separate persons. To get more information in certain employee motivation question, literature on reward systems in companies was studied. Producer cannot influence directly the increasing of wages of sales staff in retail stores, or improve working environment, or ensure promotion. It was investigated, which factors are most important for sales workers in frame of company to use them in non-direct motivation.

The connection between employees and their work has always attracted psychologists and other behavioral scientists. Main findings of these studies show that successful motivation is dependent on the personal aims and environmental characteristics. For creation of efficient system there cannot be a draft. Such kind of a system refers to multiply factors. Professionals said also that motivation affects behavior more than performance. That means that it is necessary to make a strong bond between job performance and employee's efforts.

Early researches suggested to use mostly financial compensation; later scientists proposed first to create worker-friendly environment. Behavior modification techniques were then developed to increase job performance. Due to these researches, for the successful motivation it is essential to ensure personal achievements of a worker. (Stredwick 2000.) Goal-setting system for instance got huge popularity in 1990 in Europe and America. The main idea was connection of goal striving with work behavior and as a result getting a high-performance motivation model. Anyway, the best way to get real understanding of what is motivating people is to ask them. During making a study interview method was used, in order to find out more data about ideal reward system of sales person in retail store of durable goods for home. To motivate or reward a person, it is important understand his or her needs. (Hiriyappa 2009.)

Other resources say that even the age of employee can affect structure of reward system. Experts say, that reward that attracts, retains, and encourages young employees, who are the potential source of new and fresh knowledge, is quite different from what of their older colleagues expect (Amar 2004, pp. 89 – 101).

During 20th century a lot of studies were run, such as research of Labour Relations Institute of New York In 1946. In 1980 and 1986 Kovach implemented a study of 1000 industrial

employees, in 1992 Carolyn Wiley. Every time they were asked to pick most important and least important factors in appreciation of their jobs. Last research showed importance of high wages.

Years	Most important factors	Least important factors
1946	Appreciation	Discipline
1980	Interesting work	Discipline
1986	Interesting work	Personal problems
1992	Good wages	Personal problems

Table 3 Factors in appreciation of job by employees

During the research participants defined five main factors of motivation:

- good wages;
- full appreciation for work done;
- job security;
- promotion and growth in the organization; and
- Interesting work.

In general results of these four researches showed that in the end of previous century the main aspects for motivation became *money and security*. Nowadays in the condition of financial crises and unstable economic situation in Russia, these two aspects stay valuable. (Wiley 1997, pp. 263 – 280.)

Trying to understand potential participants' loyalty programme more, literature about motivation systems for sales managers was studied. In fact, there are not so many previously published studies in the sales management literature about such kind of motivation. In study of Mehta, Anderson, Dubinsky (2000) the importance of nine sales manager rewards commonly found in sales organizations were gathered. These nine include salary and commission, bonus, fringe benefits, stock options, retirement plan, opportunities for promotion, perceived attitude of superiors toward the manager, achievement of market goals (e.g. market share, sales volume, profits), and retaining respect of salespeople. But in general, for sales managers direct revenue-generating activities are important, as those

professionals usually work on percentage from deal. Non-direct motivation system, which is initiated externally, not within the company, mostly supposes extrinsic rewards, such as salary and commission, bonus, fringe benefits, stock options. In addition to this, each sales person, depending on career level, has demand for intrinsic rewards which are connected with individual's feeling of self-accomplishment. (Mehta et al. 2000, pp. 507 – 524.)

Nevertheless, while intrinsic rewards may indeed be more powerful than extrinsic rewards, intrinsic rewards are additional, rather than basic. To give that extrinsic rewards is a core organizational reality.

Importance of motivation is really great, because lack of rewards in the company will most probably lead to the following:

- less interest of employees in their future actions;
- decreasing of performance of employees and relatively, organization performance and effectiveness;
- increasing of litigious behaviors of employees;
- decreasing of employee turnover and living standards;
- spreading of overall perception of organizational weakness and inequity;
- losing of confidence in the organization's employee competencies;
- appearing of conflict and sabotaging tendencies (towards peers, supervisors, subordinates, or the organization).

On the other hand, ineffective motivation system can also cause problems, such as less motivation of employees for their future activities, decrease of future performance of employee, general negative perception of company values and targets and other. (Datta 2012, pp. 479 – 501.)

On the contrary, *“the emphasis of the desired reward and recognition process is to stimulate employee involvement in the culture change towards continuous improvement and aims to recognize those individuals that provide an example of desirable behavior towards the company quality goals”* (London & Higgot 1997).

In case of brand sales, lack of rewards or ineffective reward system from the side of producer can lead to the decreasing of loyalty to a brand, decreasing of brand awareness in range of

sales people and consumer as well, accordingly decreasing of sales. Motivation system for sales persons in retail point of sales is a very important tool, which will directly affect success of brand development.

2.5 Reward programmes for channel partners

Third aspect which can help with successful motivation system creation is motivation of partner. It was decided to investigate sphere of forming of reward schemes for partners in frame of channel's motivation, as retail shops form separate channel, which should be influenced by producer.

Today marketing channels become independent participants of business, almost business organizations. Marketing channels are collected into organized network of separate organizations and agencies involved in the business process of supplying a product or service to consumers (Dhotre 2010).

In case of company-producer Edzacibaci with products under Vitra brand, two-level channel system is used: there are dealer and retail shop between manufacturer and consumer. Influence on the consumer is not considered in this work, only influence on another sub-level of above mentioned chain, namely sales teams in retail shop, is considered. In order to understand scheme of future reward system for retail sales teams, forms of motivation systems are already examined in general, which can be applied to individuals and types of reward systems for employees. In current sub-chapter forms of reward of retail channel and in common partners will be also analyzed.

Definition of retailer includes a big number of people and institutions, with huge variety of shop types: corners, shop-in-shops, department stores and many others. (Woodside 2010) Anyway, teams of retail store interact with end consumers directly, that is why this channel is so important to the producer.

In producer (or supplier)-dominated channels often first launch various reward and incentive programs for retailers to attain cooperation of last ones. In this part of chapter it is investigated, how channel management style or solutions may affect retailer's overall operations. Channel leadership, held by producer in two level supply chain, plays a significant role, because leaders usually provide retail with product information, sales and

service trainings, marketing support and many other coordination programmes. Moreover, producer can offer reward programmes for its channels, to establish more beneficial cooperation.

Retailers work directly with customers and as a result know what customers need and want, logically serving them appropriately will lead to a success. A performance-oriented producer requires from retailers' customer-friendly approach and providing superior service to end consumers. Retailer in its turn is waiting for a guideline from the supplier or producer, responsible for a brand. Leadership management proposes several approach to the relationship management of link between producer and retailer:

a) Participative style

In frame of motivation or reward system launching, this style becomes the most appropriate one. A producer encourages retailer to participate in decision-making process, waiting for the comments about situation on the market. Such kind of approach is fruitful for reward system implementation and getting feedbacks from the end consumers.

b) Supportive style

Supportive channel leader creates a friendly channel environment with respect and trust. Producer tries to form a pleasant atmosphere for communicating. Events for retail representatives, different associations - those measures will help to follow supportive style. Positive atmosphere is transferred with retailer to the customer and forms attractive image of brand. Such approach can be used for expensive brands, where retailer's chain is limited and customers are positioned like exclusive consumers.

c) Directive style

Directive leader provides specific rules and tasks to retailers, with assigning functions to be performed and terms: scheduling week and day activities and evaluating performance of retail shops. Such kind of relationship management could serve negative role because of lack of feedback from retailer and as a result from consumers. (Chang & Chen & Polsa 2003), pp. 132-139.)

Essential question in partner's motivation is to check value's creation. Successful alliance ensures creation of value, meaning that focus on partner gives advantage. (de Man 2013)

According to numerous sources, channel leader needs to take necessary actions to secure cooperation of channel partners. Motivation of channel partners plays an essential role in building a successful alliance and can be understood as leader efforts, expands on activities, associated with its role. At the end motivation is conceptualized to demonstrate intention of channel leader to invest into channel tasks. One of the known theories is an expectancy theory, which depends on the degree of expectation that an action will be followed with a given result and attractiveness of the result, which channel participant will get at the end.

Motivation programmes for channels can be categorized as economic and behavioral. Common reward programmes for channels include paying higher allowance, offering more beneficial trade discounts, providing advertising and promotion tools, training of sales people, giving logistics support and many others.

Channel partner performance can be estimated as a degree to which the channel partner would like to be involved in the motivation programme or actions and fulfilled channel's leader tasks. If channel partner behavior is goal-directed, it should be linked to reward. Level of performance of channel partner will determine the number or quality of rewards, it will get finally. A channel partner believes that if it reaches an increase in market share or brand awareness, or for instance sales quota, determined by producer, and exerts more efforts, it will get a reward, like trade discounts, quantity discounts, advertising support and other desired encouragements. Higher level of channel partner motivation should show more efficient channel partner performance. (Mehta, Anderson, Dubinsky 2003, pp. 50 – 85.)

2.6 Outcomes

In current chapter topics, which helped me to understand principles of building of successful motivation programme for retail shops are considered. The research in several directions is made: relationship management and loyalty programmes for consumers, reward system within the company and reward and motivation principals of channel partners.

Basing on research of business literature about relationship management, it becomes obvious, that motivation programmes aimed to reward repeating purchasing. Another aim

of every loyalty system is to create bond between customer and a brand. Loyalty is often understood like commitment to re-buy a certain product or brand. Valuable retaining customers, whom company attracts with loyalty programmes, further will make company's stable income, because they have commitment to a special brand and are less sensitive to price, changes of assortment, delays in delivery and other negative details. Committed customers not only buy a product, they invest emotionally to build a relationship with a brand. Basing on that outcome from theoretical background part, it is possible to form first preposition as following:

Proposition 1: Main aim of creating a loyalty programme by producer is to create commitment to a brand with retention customers.

Besides, according to business literature, creation of motivation programme has several main objectives:

- Increase loyalty to a brand through rewarding retaining customers;

In fact mostly companies' efforts in loyalty programmes are targeted to rewarding repeating purchases among the customers. Such kind of customers are less sensitive to prices and require less investments into types of communication than new ones. Those criteria make retention buyers very attractive for the company.

- To generate information;

It is always essential to understand who the best customers are, what their purchasing patterns are and how they usually behave. Strategically this data can be used for clear targeting, and sending important information about company or goods, such as publishing customer newsletters with information about novelties and product description, scheduling advertising or direct mail with requiring a feedback or estimation, sending questionnaires about quality of services and many others.

- Manipulate consumer behavior;

In developing era of digital technologies, it is very easy to find algorithms for influence into the big number of users (customers or sellers) and use this database for the sake of the company. Answers of users for the certain questions will give valuable information for the

company about quality, delivery terms, package, service and many other aspects. As the opened aim of loyalty programme is to reward a customer, hidden aim is to manipulate the behavior within a sophisticated system in order to encourage a buyer to try new product or service. Such approach can ensure diversification of business. For instance, last five years retailers in Russia have led consumers to buy petrol, pharm and other different from grocery goods.

Proposition 2: Between main objectives of loyalty programme we can define creation loyalty to a brand, manipulating customers' behavior and creation of database.

From the current chapter it was investigated, that commitment in loyalty systems is built up with the help of several factors: satisfaction, trust and commitment. Customer loyalty is a way to create competitive advantage in a tense competitive world, where companies have to be active to create any added value, which is why it is very important to build a correct connection with a brand. Loyal customers are more suspicious about negative information about a brand, than non-loyal. Some researchers call loyalty a partnership between brand and customer.

Proposition 3: There should be real trust and attitudinal commitment to a brand for real loyalty to exist.

While investigating specific features of loyalty programmes, it was also defined characteristics of successful loyalty scheme, such as using the data of participants, building partnership with them and making the difference between cost and value. These features underline built propositions.

Big section of current chapter is describing implementation process of loyalty programme, because this stage is very important for understanding of the process. Implementation of loyalty system in a company is a necessary stage after defining of goals and objectives, which is based on detailed planning. First step in planning implementation is laying in the defining of type of loyalty programme. After that defining of target groups and right benefits comes. A loyalty programme will work only in case benefits offered have a high perceived value for the customers. Next steps should consist of definition of budget and finance results. Finally, it is essential to understand, how loyalty programme will be organized and managed and how to set up and use database in the most efficient way.

Proposition 4: Set up of loyalty programme should be based on consistent steps: define target groups and benefits, define budget and financial results and ensure proper management.

While understanding of implementation process, two others question were studied: what reward will be beneficial and what exact type of structure will be sufficient in my explored field. Limited loyalty programmes cannot be joined by everybody and might suppose crossing some stated limits or paying joining fee. Open loyalty programmes, on the contrary, can be joined by anybody and usually do not have formal application process. It is supposed for the target audience of sales teams of retail sanitaryware shops limited type of loyalty programme will be suitable, as number of those shops, selling specific brand, is not very big. It is essential as well to create a bond with a brand and company. From the business literature it is obvious that for these purposes loyalty programme should be built in frame of club, where users feel unique and belonging to one general idea. Basing on this idea, I formed a proposition:

Proposition 5: Club structure of loyalty programmes provides stronger communication process between organization and members.

The most important for user's part is proposing value for them. Factors, which influence on perception of reward by participants of loyalty programme, were investigated. When thinking about entering the loyalty programme, customers will estimate their input (information, time, fee, membership obligations) against the outputs or rewards they will get. Only if the balance of input and output seems attractive, member will sign the programme. In general, rewards should be desired and valuable for participants and understandable in terms of calculation. The other point of reward is necessity to earn reward in loyalty programme.

Proposition 6: Rewards should be desired and valuable for participants and understandable in terms of calculation.

The topic of Master's Thesis is dedicated to loyalty programme of separate persons. To become more educated in certain question of employee motivation, literature on reward systems in companies was studied and investigated what factors influence the employees most of all. During years different systems of staff motivation were popular and each had their own focus, such as money, realization or something else. Later scientists came to conclusion that it is not possible to have a set up draft, and gave a scale of values, where

good wages and security came on first places. Basing on those findings, I suggested that for the motivation programme in retail shops, money factor will be also the most important one.

Proposition 7: Successful motivation or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants.

In general business literature findings underlined importance of motivation programme for sales staff, because pure motivation causes less desire from the workers in getting their reward and leads to negative perception of the company or brand.

In order to investigate the research question of Master's Thesis from different points, overview of reward programmes for channel partners was addressed. It was investigated the influence of producer on retail channel. Producer can propose to retail shops some beneficial motivation scheme in order to get useful information or make sales process more effective. Performance-oriented producer can influence direct customer through retailer. Business literature defines different models of motivation of channel partner, such as participative, supportive and directive. Basing on its description we can use participative style as the most appropriate for motivation programme, as investments here in partner supposes feedback from channel. The greater the reward is in motivation programme, the bigger involvement the producer will feel from retail channel.

Proposition 8: Supportive style, which supposes investments and getting back information, is the most appropriate for motivation programme. Participants of reward programme are ready to apply more efforts in reaching goals, stated by producer, if they get a desired or bigger award as a result.

3 Methodology

The main objective of Master's Thesis is to form a platform for the guideline of creation of a loyalty programme. Studies are executed, based on the information about defined company: Russian representative office of Eczacıbaşı holding owned the brand of sanitaryware products Vitra.

In this chapter, research methods will be defined. The best type of research for current topic study will be qualitative ones, which allow create theory or solution after forming of research question, acquiring the data and doing the analyses. Such approach will be the most successful because there is no existing structured loyalty programme in the market of Sanitaryware in Russia at the moment, which would be possible to explore and improve.

Main research question sounds like “*How can a production company on sanitaryware market can create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?*”, and requires practical approach with study of company case. Based on the type of the question, it is possible to define that case study is exactly appropriate, because main questions for case study usually are questions “How” and “Why”. Nevertheless, case study relies on similar techniques with a history, it adds two sources of evidence not usually included in the histories review: direct observation of the events being studied and interviews of the persons involved in the events. (Yin 2013) In this study it is planned to observe the company Vitra itself in terms of applying loyalty programmes, main competitor of Vitra from the market and current loyalty schemes on the market. For data collection interviews with representatives of retail shops and dealers and observation of the market will be used. Case study is also a preferable method when we are talking about real-life context, which is very fair for current research.

After all case study was chosen as one of the most efficient qualitative methods because it allows compare loyalty programmes of main Vitra competitor. The research will be limited with two production sanitaryware brands Vitra and Roca, because the last company is positioned as the main competitor of Vitra on Russian sanitaryware products market in the same price segment.

For data collection within case study following instruments will be used:

- Observation, including internal company documents study.
- Interviews;

Analysing of data will be made with a help of category forming and testing of propositions. Building a case study, in background framework propositions of creating successful loyalty system will be tested, and after getting empirical findings, actual data will be linked to

propositions. Those propositions, which cannot be tested due to lack of evidence, will be examined basing on personal view and experience.

Basing on analyses, recommendations for creation a set of guideline of implementing a successful loyalty programme for sales teams in sub-dealers retail stores will be created.

Following companies will be used as case units: Vitra company, competitor company, current loyalty systems of separate retail shops on the market/

All steps of study research will be described and investigated further in current chapter.

3.1 What are qualitative methods?

The goal of qualitative studies is getting a deep understanding of a situation. In-depth understanding is based on researcher immersion in the phenomenon to be studied, gathering data, which provide a detailed description of events, situations, and interaction between people and things, providing deep and detail analyses. It is concerned with things that really happen in organizations as researchers and people experience them, which means qualitative study is the most appropriate way of research of such practical situations and solutions' implementations as the case includes. Furthermore, qualitative studies are crucial in the study of managerial performance and marketing activities within and by organizations, such as creation of loyalty programme, aimed to increasing loyalty, as these cannot be adequately studied in neatly arranged compartments in isolated and artificial settings (Carson, Gilmore, Perry, Gronhaug 2011).

Recent years have witnessed a significantly increased interest internationally in applying qualitative research methods to the study of social and cultural processes. (Jensen & Jankowski 1991)

There is a wide range of techniques available for use in qualitative research in marketing management settings, which includes participant observation or contributions, content analysis, conversational analysis, observation, in-depth interviews, focus groups, action research and learnings, grounded theory, ethnographic studies and case studies.

In Master's Thesis case study methodology with interview and observation for gathering data and propositions testing for analyses are used.

3.2 Case study

Case study has always been a common research strategy in psychology, sociology, political science, social work, business and community planning. Case studies are found more frequently nowadays in economics and marketing as well. This type of study shows the explanatory and not just descriptive or exploratory functions of single-case studies (Yin 2013.)

Defining a research question is the first step for choosing right research method. Research question of study is *“How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?”*, and requires practical approach with estimation of main competitor.

The research problem of case study is usually a 'how and why?' problem rather than a 'what' or 'how should?' problem. The case-based research methodology usually tends to address research problems within the interpretivist paradigms rather than the positivist. Any prescriptions about the best way of doing things that a case researcher wants to make are made after doing the research and are speculative - they are placed in the 'implications' section of the report rather than the 'conclusions' part. Because the research problem that is the focus of a case based research project is a 'how and why' one, it usually involves a relatively complex, social science issue about which little is known. (Carson et al. 2011.)

After definition of research question, case study method is not the only alternative to choose. It relies on similar techniques with a history, but it adds two sources of evidence not usually included in the alternative method: direct observation of the events being studied and interviews of the persons involved in the events. (Yin 2013.) Histories are preferred where there is no access to the situation and actual behaviour patterns. The case studies are successful in examination of contemporary events but without manipulating with behaviours, otherwise it is better to use experiment approach.

A common concern about case studies is that they provide little basis for scientific generalization. In this Master's Thesis generalization is not needed because of the very narrow solution which is needed to find a guideline for loyalty program for exact brand on specific market. Case study becomes one of the best techniques, because it allows to learn motivation methods of direct competitors, which influences directly finding a solution.

In other words, definition of case study can be as follows: Case study “is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin 2013).

Application of case study requires detailed designing. The simplest way to make a design of case study is to connect empirical data to research question and respectively to conclusions. The most appropriate way is to create a logical plan with following components: forming of study question and sub-questions, finding propositions, defining units of analyses, linking data to propositions and interpreting findings. Selection of appropriate units for case study comes from the definition of research question. Normally time boundaries should be stated as well, especially if event becomes the unit. Interpretation of findings can be also managed with numerous ways, the most widely used are pattern analyses and content analyses (Yin 2013.)

Case studies are split to single and multiply designs. Single structure supposes testing of clear determined theory or propositions in one or several units. Also if some certain phenomenon or typical case are examined, single case study is used. If two or more units are used, single case study should be executed in embedded variant. Multiply case studies commonly are used for testing of some innovations and suppose multiply experiments. Experts advise to use two-case studies instead of one-case to understand the situation or phenomenon deeply.

Case study is used as the most efficient tool, because it gives clear understanding of competitor’s strategies and helps understand needs of sub-dealers or retail shops. In case of competitor’s brand Roca study of materials and observation are used, in case of brand VitrA interviews are used as well.

3.3 Interview

Interview is a very convenient and important tool, which gives multiply view to research question. "For our purposes, an interview will refer to a face-to-face verbal interchange, in which one person, the interviewer, attempts to elicit information or expressions of opinion or belief from another person or persons". (Mishler, George 2013.)

At one end, an interview can be similar to formal conversation with an individual that explores the person's perceptions of a chosen phenomenon. Such conversations have virtually no structure or direction placed on them by the interviewer since their main aim is to explore the internal reality of the respondent (Carson et al. 2011).

Also more structured interviews can be applied, which are directed and are a form of realism research where perceptions are interesting not for researchers themselves but for the picture that they present of an external reality.

In the study semi-structured interview with a list of obligatory questions and open questions, where respondents can give extended answer, not limited with variants, are applied. Such kind of interview will help understand the situation more deeply and explore it from many sides. Interviews will be held in order to investigate interviewees' proposals and expectations from loyalty programmes. Interviews with sales teams of retail shops will be held with a form of questionnaire, sent through e-mail.

Most interviews are planned in three ways. Firstly, the overall objective of the interview should be sorted out within the context of the whole project. In this Master's Thesis this stage is finding a research question *"How can a production company on sanitaryware market create efficient loyalty programme for sales staff of retail shops on the territory of Russia?"*

Secondly, an interview guide or protocol is then written as an instruction for the researcher during the interview. The guide has some general, open ended interview topics that address the overall objective. Common topics, which include sub-topic questions are: general information about retail shop in terms of brands, current level of loyalty to Vitra brand and knowledge about brand of sales team, ideal loyalty programme, online mode of work of loyalty programme.

Thirdly, within each of these general topics, there will be more particular topics that are raised only after the general topic has been raised. For example, a topic such as "current level of loyalty to Vitra brand and knowledge about brand of sales team" is followed by more precise questions, which are testing proposition 6. All interview questions and detailed explanation of their forming are given in chapter "Data collection".

3.4 Observation

Observation method originally came from anthropology and sociology for testing sub-cultures within a society. Today observation has become a highly popular method for marketing researches in numerous spheres of life and business (Boote & Mathews 1999).

Observation is an appropriate methodology for conducting market research when at least one of the following items is met: (1) the phenomenon under investigation is easily observable; (2) the investigated phenomenon is a social process; (3) the phenomenon occurs at a subconscious stage; (4) the consumers under investigation are unable or do not want to communicate with the researcher (Boote & Mathews 1999) In this study observation is used as it gives opportunity to check current situation on the market.

Observation is realized by visiting a “field” site of case study company or sphere with a goal to get understanding about relevant behaviours or conditions. Observation protocols include in most cases report from meetings, sidewalk activities, office work, factory work, trainings and others. Observational evidence is important for getting full picture of examined question. Research based on the observation of the external world in general, and human behaviour specifically, has a long history and is applied constantly in different kinds of research (Lee, Nick, Broderick 2016).

Observation evidences become useful as additional method of data collection to the core one (Yin 2011) Before starting an observation, researcher should ask four important questions: “What” – to understand what he or she is looking for, “Why” – why this information is needed, “How” – question about type of observation (participant or non-participant) and preparations, to be done before start of observation process, “When” – to define time of observation (Slack, Rowley 2000).

Generally observation is handled within a standard scheme: establishing goals - going to the field or gathering data - recording data - analyzing data – consolidating data and making conclusions (Walle 2015).

3.5 Qualitative data analyses

The analyses of data become next step in the series of steps throughout the research process. It comes after all data is collected and field is studied. Generally speaking data

analyzes is simultaneously connected with data collecting. In process of gathering replies to interview questions or making survey notes, researcher is already stating some outcomes. That is why it may be hard to split data collection and analyzing chapters within one research study.

Starting the section of the work about data collection first possible findings were limited with specific data. In this case getting the proves for the propositions, formed in theory background, is the main aim. This approached helped in data analyzing, which was based on test of propositions. Besides finding proves, observation and interview methods of collecting data are used for getting answer to main research question and sub-question of this Master's Thesis. All findings will be described in section with recommendations for creating a set of guidelines to develop a loyalty programme.

Some experts state that all qualitative data analyses are priori inductive and comparative (Merriam 2009).

Globally speaking data analysis is a process of making sense from data, collected by researcher, and interpreting some results, and first of all it should answer questions – research question and questions, stated by researcher in theoretical part. These answers experts call categories or themes or findings. Main task in the beginning of analyzing was to define categories of evidences from empirical data which test specific propositions. Such categories were determined due to clear stating of all propositions in the beginning of data analyzes part.

Analytical or axial coding while making categories from interview and observation parts is used. Coding included notes, with meaning close to certain propositions, which allowed finally categorize all empirical data accordingly to theoretical propositions. Establishing a chain of evidences helps to get deep understanding of studied phenomenon. Specific data of evidences in empirical part would support conclusions in theoretical background. Those propositions which cannot be tested due to lack of evidence, are examined basing on personal estimation of the research question. Working under the topic of this Master's Thesis, a personal view and opinion were formed, which helped in assessing propositions. Observations were executed as a part of case study, using two case units, the companies, producing sanitaryware on Russian market.

Common aim of qualitative data analysis is to develop a theory of the phenomenon under study from the analyses of empirical data (Denzin, Lincoln 2011). The main goal of this study is to find a practical solution of the research question. Careful and precise data analyses will help to create an efficient set of recommendations for developing a guideline of loyalty programme implementation. In the final part of data analysis, where recommendations for making guideline for the development and implementation of loyalty programme are given, I a table with all findings from empirical researches will be shown, including tested propositions.

4 Data collection

4.1 Questionnaires

In total three rounds of interviews were held: one verbal interview was conducted with a representative of Vitra dealer on first week of April, later during April-May 2016 and additionally in March 2017 forty six interviews with representatives of retail points of sales were held. Questionnaire for retail shop representatives was sent in a special web-form, easy to fill in. The last step of gathering interviews was devoted to getting results by mail from retail shops representatives and lasted till the end of May.

During the interview, propositions from theory background were tested. As propositions linked to objectives, structure and implementation of loyalty programme are better to check in observation part, interview was used to check propositions, devoted to conditions of motivation, terms and other details that are important for users.

Confirmation for the following propositions were found:

Proposition 1: The main aim of creating a loyalty programme by producer is to create commitment to a brand with retention customers.

Proposition 3: There should be real trust and attitudinal commitment to a brand for real loyalty to exist.

Proposition 5: Club structure of loyalty programmes provides stronger communication process between organization and members.

Proposition 6: Rewards should be desired and valuable for participants and understandable in terms of calculation.

Proposition 7: Successful motivation or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants.

Proposition 8: Supportive style, which supposes investments and getting back information, is the most appropriate for motivation programme. Participants of reward programme are ready to apply more efforts in reaching goals, stated by producer, if they get a desired or bigger award as a result.

Due to desired findings, structure of two interviews in the following manner was built. Questions for retail shop representatives and dealer's representatives are different in order to get full understanding of the current situation from several points of view.

Interview with retail shop representative:

- "What brands of sanitaryware are presented in your shop?" is an open question, which is aimed to get general knowledge about retail shop and understanding whether this shop already sells goods under Vitra brand or not.
- "How would you estimate the level of loyalty of end consumers to Vitra brand? From 1 to 10?" is a closed question with variants of answer, which aimed to show common level of loyalty to a brand.
- "Do you prefer to sell goods under Vitra brand?" is another closed question with two variants of answer "Yes" and "No". This question will help to understand level of commitment to a brand.
 - o "If you replied "Yes" to previous question, would you like to continue selling Vitra or not and why?" a sub-question, which targeted to understand motives of sales people and check Proposition 1 as well.
 - o "Do you know Vitra brand, do you have enough data about it?" an open question, indirectly testing proposition 5. Answer to this question helps to understand the need of sales people to participate in unique information system.

- “Do you need more information (sales arguments) about Vitro brand to sell it successfully?” a closed question with two variants of answer “Yes” and “No”, indirectly testing proposition 5. Answer to this question helps to understand the need of sales people to participate in unique information system.
- “What other brands do you prefer to sell and why?” another open question, which will give information about most successful motivation programmes on the market.
 - “How do other brands in sanitaryware market motivate your staff?” an open question, which serves several aims: to investigate competitor’s motivation strategies and test proposition 6 and 7.
- “Will you sell certain brand again, if you have commitment and trust to a brand?” a closed question with two variants of answer “Yes” and “No”, tests Proposition 1.
- “Is trust to a brand important in making the decision what to sell?” a closed question, which aimed to test Proposition 3.
- “Would you like to participate in a closed club, where all needed information about brand will be gathered?” a closed question with two variants of answer “Yes” and “No”, testing Proposition 5. Answer to this question helps to understand the need of sales people to participate in club-structured loyalty programme.
- “What is an ideal loyalty programme from your point of view for the sales staff of your shop?” an open question. This general topic shows how representatives of retail points see a perfect loyalty programme. Sub-question of this question helps to test propositions 6 and 7.
 - “How would you like to get motivation?” a closed question with three variants of answer: Money, Incentive trips, Other. This question is testing proposition 7, about type of reward.
 - “Is it important for you to understand conditions of motivation programme and possibilities of getting a prize? – closed question, aimed to test proposition 6 and 7
 - “Will you participate in a motivation system with clear understanding of possibility to get a valuable prize, but without understanding of rules?” a closed question, aimed to test proposition 7
 - “Would you be ready to make more efforts in reaching goals of motivation programme if you knew that you would get bigger reward? (for instance: 100%

goal fulfilment gives EUR 100 prize, 120% goal fulfilment – EUR 120 prize and so on) Or do you prefer to have one stated goal? an open question, which will test Proposition 8.

- “What is the preferable term in months for a loyalty campaign?” an open question, testing proposition 5, about the term of loyalty programme.
- Would you like to participate in an online loyalty programme and see immediate result? – a closed question with two variants of answer “Online and see my results immediately” and “Through live connection to brand representative”, which allows to test proposition 6 in terms of clearness of system and getting results.

Interview with VitrA dealer representative:

Almost all the questions in interview for dealer representative are open, because interview was held personally.

- “How do you work with retail point of sales or sub-dealers? Are you in contact with them?” is a general question, which helps to understand current situation and estimate importance of implementation of centralised loyalty programme for retail points.
 - “How many working hours monthly do you spend contacting the sales representatives of retail shops or sub-dealers?” this sub-question is also targeted to getting information about average time of contact of dealer with sales representative.
- “What is current level of loyalty of end consumer to VitrA brand in retail points of sales? From 1 to 10?” This is closed question with variants of answer, which aimed to show common level of loyalty to a brand.
- “Do sales points prefer to sell goods under VitrA brand?” a closed question with two variants of answer “Yes” and “No”. This question will help to understand level of commitment to a brand.
 - “If you replied “Yes” to previous question, what do you think would they like to continue selling VitrA or not and why?” a sub-question, which targeted to understand motives of sales people and check Proposition 1 as well.
 - “Do sales representatives in retail points of sales know VitrA brand, do they have enough information about it?” a closed question with two variants of answer “Yes” and “No”, indirectly testing proposition 5. Answer to this question

- helps to understand the need of sales people to participate in a unique information system.
- “Do they need more information (sales arguments) to sell products under Vitra brand?” a closed question with two variants of answer “Yes” and “No”, indirectly testing proposition 5. Answer to this question helps to understand the need of sales people to participate in a unique information system.
 - “What is an ideal loyalty system like from your point of view?” an open question. This general topic shows how representatives of retail points see a perfect loyalty programme. Sub-question of this question helps to test propositions 6,7 and 8.
 - “How do other brands motivate sales staff in retail points of sales or sales staff of dealer?” An open question, which serves several aims: investigate competitor’s motivation strategies and testing proposition 6,7 and 8.
 - “Would sales representative of retail shops or sub-dealers prefer to get direct money motivation or indirect motivation – gift cards, trips, other services?” – a semi-closed question with 3 variants of answer: Money, Incentive trips, Other. During interview this question was answered as open type, with examples and additional information. This question is testing proposition 7, about type of reward.
 - What do you think, would retail points like to participate in a closed club, where all necessary information about brand will be gathered? A closed question with two variants of answer “Yes” and “No”, testing Proposition 5. Answer to this question helps to understand need of sales people to participate in a club-structured loyalty programme.
 - “Will sales people in retail points sell certain brand again, if they have commitment and trust to a brand?” Closed question with 2 variants of answer Yes and No, tests Proposition 1.
 - “Is trust to a brand important in making decision what to sell?” Closed question, which aimed to test Proposition 3.
 - “Would sales representatives of retail points or sub-dealers like to participate in an online loyalty programme and see immediate result?” Closed question with two variants of answer “Yes” and “No”, which allows to test three propositions 5, 6 and 7 in terms of clearness of system and getting results.

4.2 Observation goals and method

During the observation process, propositions 2 and 7 were proved. For data collections internal and open data of case companies were used, and information from the market of sanitaryware, delivered by sales people as well.

First two questions of observer “What” and “Why” are explained in the case with propositions below, for which proves are to be found:

Proposition 2: Between main objectives of loyalty programme we can define manipulating customers' behavior and creation of database.

Proposition 7: Successful motivation or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants.

For finding replies to questions internal documents of company and observation of already launched loyalty programmes from the market were used.

Replying on question “How”, non-participant observation was picked, because information was gathered from sales team of production company and the author didn't participate herself in the process of data gathering. Indirect observation was preferred as information was mainly got from the reports and conversations with sanitaryware market representatives. Choice between covert and overt types of observation in this study is not evident as during observation sales team asked guiding questions from representatives of sales points. (Slack, Rowley 2000.)

4.3 Observation of the market of sanitaryware in Russia

The Russian market of bathroom solutions is not one of the most dynamic markets in Europe, which is constantly evolving and experiencing growth. The main reasons for this are the Russian mentality and lifestyle, which favour more durable products, and the low purchasing power of the population. However, competitiveness of the market stays tense. The Russian sanitaryware market has always been relatively small in relation to the size and population of the country, despite the high level of housing activity under communist rule. During the Soviet times, the Russian market for ceramic sanitaryware (CSW) was supplied entirely by its domestic industry and that of the former republics, with small portions of Czech and

Finnish imports for the "elite" market. Most Russian manufacturers have increased production capacities over the last decade. The growth in production capacities is estimated to exceed the growth in consumption and it might lead to an increase in competition that will mainly affect companies operating in the low and middle priced segments. Further, overproduction might lead to the growth of Russian export volumes, particularly to FSU (Former Soviet Union) countries.

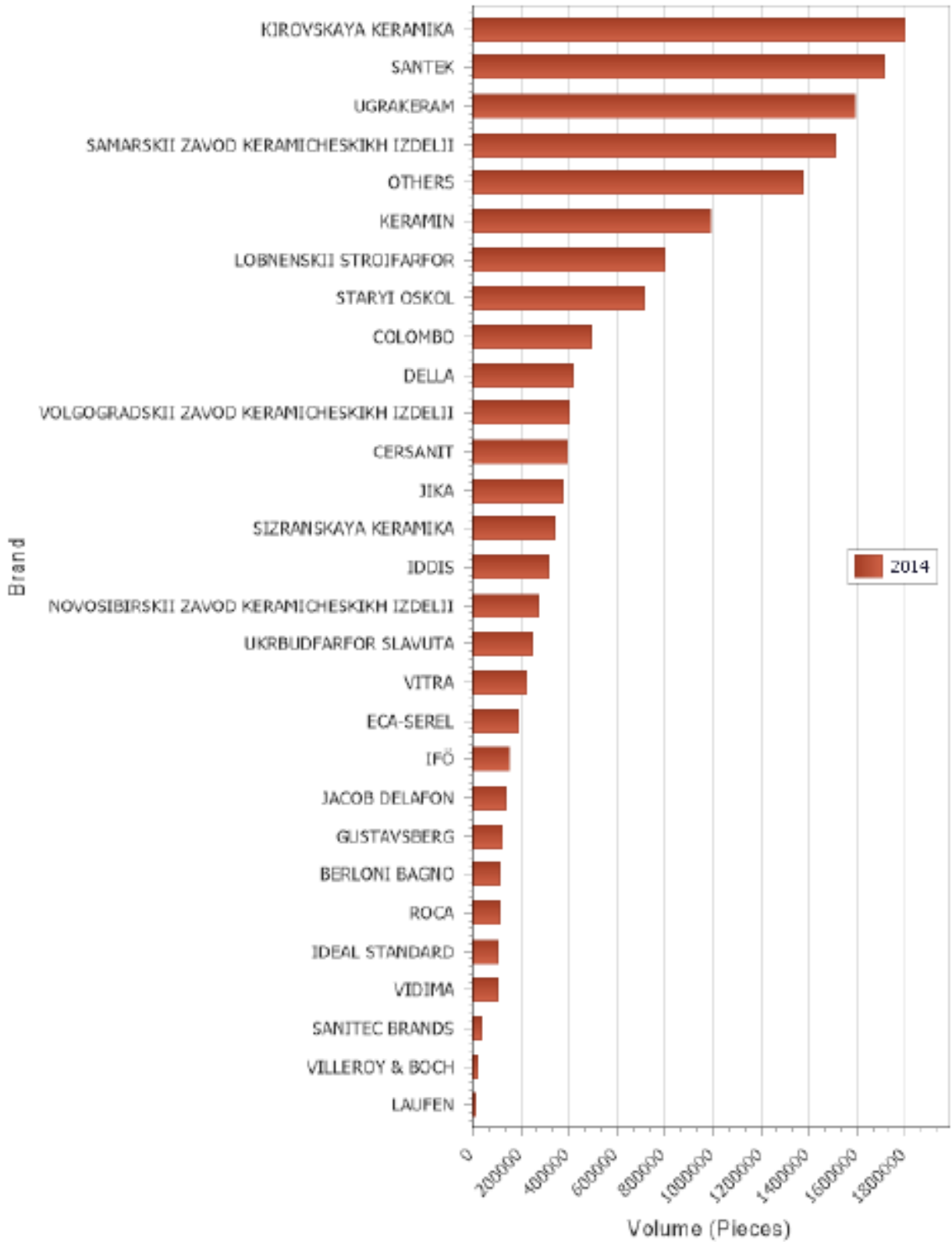
The ceramic sanitaryware market remained fairly stable in 2014-2015 due to the economic crisis in Russia. Major Russian manufacturers and Ukrainian importers experienced a decline in sales, while Chinese imports and sales of medium sized Russian manufacturers increased due to improved distribution policies and investments in the retail network.

Main case company Vitra is a sanitary ceramic brand, belonging to Eczacıbaşı group with headquarter in Istanbul.

Total Value of ceramic sanitaryware (CSW) market in Russia is EUR 213.8 M. Vitra is presented in the Middle and partly with some collections in Middle-Up and Middle-Low sectors. In 2014-2015 some of the sanitaryware market players due to the crises of 2014 shifted artificially from Upper & Luxury to Economy & Lower. (BRG Building Solutions 2015.) This means that in 2015 Vitra brand has more competitors and should find extra advantages for the end consumer and motivations reasons for dealers. At the same time rising of the value of € and \$ currencies led to the rising of prices of main European competitors, who do not have local production, which gave opportunities for reaching high sales in the 1st quarter of the 2015. In general, according to BRG Building Solutions' statistics report, in 2014 Eczacıbaşı increased its ceramic sanitaryware market share to 1.5% - from 1.12%, while a share of its main competitor Roca Group is about 25%. (BRG Building Solutions 2015.)

From the statistic data it is clearly seen, that Vitra brand does not hold leading positions in CSW Russian market, in spite of quite fast growing for the previous 3 years. Marketing budget for 2015 for Vitra bathroom business is close to 10.5% from sales budget, and allows to create an effective promotion plan for each channel. To increase market share in 2015-2016, one of the important marketing strategy steps becomes creation of an effective system of loyalty of retail points of sales staff, as management understands their influence on end consumer decisions.

MARKET SHARES : ALL CERAMIC SANITARY WARE



Graph 2 Brands on CSW market. Vitra's position on CSW market in 2015

4.4 Case company Vitra. Loyalty programmes for retail shops which Vitra uses.

Vitra is one of the flagman brands in portfolio of industrial building division of Turkish holding Eczacıbaşı. Eczacıbaşı Group was founded in 1942 with eight persons in a small manufacturing house, and currently already includes more than 40 companies, and employ twelve thousand workers. Combined net turnover of 2014 exceeded 2.3 billion euros. The main activities of the Group are allocated into building products, healthcare solutions and consumer goods. Finance, mining, welding, information technologies and property development are additional fields of activity of Eczacıbaşı Holding. In the motherland country of business Turkey, the Group is holding leading positions in almost all of the sectors, and have built highly effective distribution networks in the country for following industries: pharmaceuticals, fast-moving consumer goods and building products. Turkish Holding owns commercially valuable brands of bathroom and tiles solutions Vitra, Villeroy&Boch, Burgbad and Engers, offering products on the level of world's top producers of bathroom spaces. (Eczacıbaşı 2014.)

Vitra is one of the very few global brands, offering concept of complex solutions for bathroom spaces. Applying of the core values of the Group – prominent design, to the bathroom concepts, Vitra offers inspiring solutions in a wide range of products, with precise attention to smallest details. Eczacıbaşı Group supplies millions of Vitra pieces of ceramic sanitaryware to more than 75 countries from 15 factories in Turkey, Russia, Germany and France, together with matching solutions of bathtubs, faucets, bathroom furniture, shower zones and accessories. (ibid.)

Production capacities were developed together with marketing increasing activities. Global marketing experience with promotion of high quality brands and thoughtful communication campaigns, in line with innovation cultivation, made Holding brands valuable and well known all over the world. In design sphere Vitra collaborates with such famous international designers as Christophe Pillet, Ross Lavgrove, NOA, Pentagon Design, INDEED and many others (ibid.)

In 2011 Eczacıbaşı holding expanded production into Russian Federation with building of two factories near Moscow and a show-room in Moscow. The aim was to become a leading supplier of bathroom solutions to the fast growing construction market. Marketing activities

in Russia were always focused on rising of brand awareness and expanding of Vitra brand's presence in retail and professional markets. Integration in the project field resulted with realization of such projects as IKEA hypermarkets construction, Sheremetievo airport, Marriott Hotels chain, Renaissance SAS hotels, around 30 hotels in Sochi and Olympic sports buildings (ibid.)

As production company Vitra sells products globally and on the territory of Russia through a wide range of official dealers which have purchasing contracts with Eczacibasi Russia. Dealers are located in different cities and towns within Russia, mostly big cities. Sometimes those distributing companies own show-rooms, but usually they work with numerous retail shops. Such distribution scheme means that on sanitaryware market in Russia, producer does not have direct influence on retail shops which display products. On the one hand the dealer should be involved in brand promotion in order to sell more, but on the other hand, the dealer usually it has a big portfolio of different brands and can replace "non-working" trademarks with goods from another producer. Following this, producer in its turn should arrange brand promotion activities not only for dealers, but for the sub-dealers or retail shops as well, in order to get bigger share in the market.

Standard practice of implementing of loyalty campaigns for retail shops includes:

- Free of charge samples of goods for arranging exhibitions with goods under the certain brand
- Free displays for exhibitions



Figure 4 Vitra show-room, Tyumen



Figure 5 Vitra show-room, Moscow

- Direct money motivation for sales staff in shops in frame of rules: exact money motivation for the exact type of goods (for example: 200 rub are given for washbasin, 300 rub are given for bathtubs, 100 rub are given for WC pan and others).
- Motivation with some valuable gifts for sales staff: cinema tickets, gift cards of shops and other
- Motivation of sales staff with special long-lasting motivation programmes, with determined rules and term (for example of motivation programme: term is May-June, conditions mean sales more than 4 mln RUB in prices of sub-dealers with VAT).



Figure 6 Leaflet with description of motivation programme “Formula 1”

Motivation was targeted to dealer’s sales teams. Target of sales was stated for several months in retail prices. Winners went to Formula 1 event in Sochi. Tour was paid by production factory Vitra, campaign was launched.

- Other short-term small loyalty schemes and programmes.

Producer can motivate sales staff of retail points in two ways: directly and through official dealers. Each approach has advantages and disadvantages: direct motivation supposes deep knowledge of points of sales, clear picture of quality of exhibition, personal contact to owners and sales persons. On the other hand, direct contact means extra expenses for business trips and working hours of sales representatives of producer, especially in case retail points are located in far corners of Russia, like Siberia or Ural regions. Currently Vitra goods are presented in more than 900 shops in the territory of Russia, and exhibitions are spreading every day. So it is logically not possible to reach every retailer using resources of producer.

Another approach is based on the dealer's work with retail points, who are their clients. The distribution of Vitra goods in Russia has noticeably improved over the last few years. A number of companies involved in distribution have become national or multiregional, with main offices in Moscow, Saint-Petersburg and Krasnodar. But even if there are signs of a national distribution network emerging, it is still very fragmented, with regions being underdeveloped and neglected and with very few official retail points of dealers in big cities. After all, as it was said above, dealers are not interested in spending their time and efforts for some brand promotion. More often they just ensure purchasing and sales of products, which are in demand, and wait for marketing support from the production companies. Making loyalty campaigns or actions together with distributor often brings less profit, because first ones do not disclose client's information, which can be used further by producer for future campaigns.

Due to above mentioned reasons, producers face a question, which became the main research question of this Master's Thesis: *How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?*

Above mentioned types of motivations usually suppose extended marketing budgets: one campaign's expenses usually make 2% of total yearly marketing budget. Considering the fact, that single loyalty campaigns do not represent the biggest part of the budget, financially making 3-5 campaigns during the year is not beneficial for the company.

The main purpose of this Master's Thesis is to create recommendations for making guideline for construction of centralized loyalty programme for sales team of dealers' stores and retail stores (sub-dealers) for VitrA brand in Russia, which will not involve dealers in the process of motivation of retail stores. This online type of loyalty programme should also ensure reaching of more than 500 retail points at least and help to make loyalty campaign is financial results more optimistic.

4.5 Case company Roca. Loyalty programmes which Roca uses.

Roca Group remains the largest manufacturer of ceramic sanitaryware in Russia and main competitor of VitrA on the market of bathroom solutions. Today Roca is active in 135 countries around the globe, owns 76 plants and employs around 22 000 people. Even though the Group is presented widely all over the world, Roca remains a family owned company financed entirely with Spanish capital, like almost 100 years ago. Company's share capital belongs entirely to the family group descended from its founders.

The turnover in 2014 totalled more than €2,000 million (Annual Report 2014, Roca Group).

Roca produces and sells a wide range of products required to fully equip the bathroom space: vitreous china sanitaryware, bathtubs, furniture for bathrooms, whirlpool bathtubs, shower trays, SPA and wellness solutions, hydro-massage cabins and columns, faucets, accessories and screens, tiles. Roca also produces kitchen sinks and taps.

The Group currently has a portfolio consisting of 32 trademarks—global, regional, specialist and DIY—which contribute common values of quality and reliability for customers and users in their respective markets, but with features that distinguish them from other brands in the competitive environment, there by delivering a differentiated and unique value proposition.

Since the year 2004 a subsidiary of Roca Group has operated in Russia - Roca Rus LLC. Today Roca has 7 factories producing sanitaryware in Russia. Local manufacturers of ceramic sanitaryware products Ugrakeram and Santek bring Roca the biggest part of turnover.

Gathering brands in different price segments, Roca Group occupies the biggest share of the market in Russia, but still uses traditional tools of motivation of retail sales points, as the rest

of the producers. Roca represents each brand through a wide chain of dealers and delegates in most cases retail points of sales motivation to main dealers.

Roca Group in Russia decided to save focus on direct contact with retail shops, and expand retail department, which is fully responsible for the communications with retail point managers. Retail department in Roca in Russia includes three persons, each of them in their turn in charge of certain regions. A possibility to communicate directly with retail points representatives allows to get deep understanding of the needs of retail chain and implement correct tools for each case: some points will need extra samples for exhibition, another money or trips motivation. Thus arranging of extra department means extra expenses for the company, besides motivation budget.

One of the main responsibilities of the retail department in Roca is the execution of corporate branding in points of sales, which also can be estimated as additional motivation for the shops. Although such tools motivate only managers, but not sales staff.

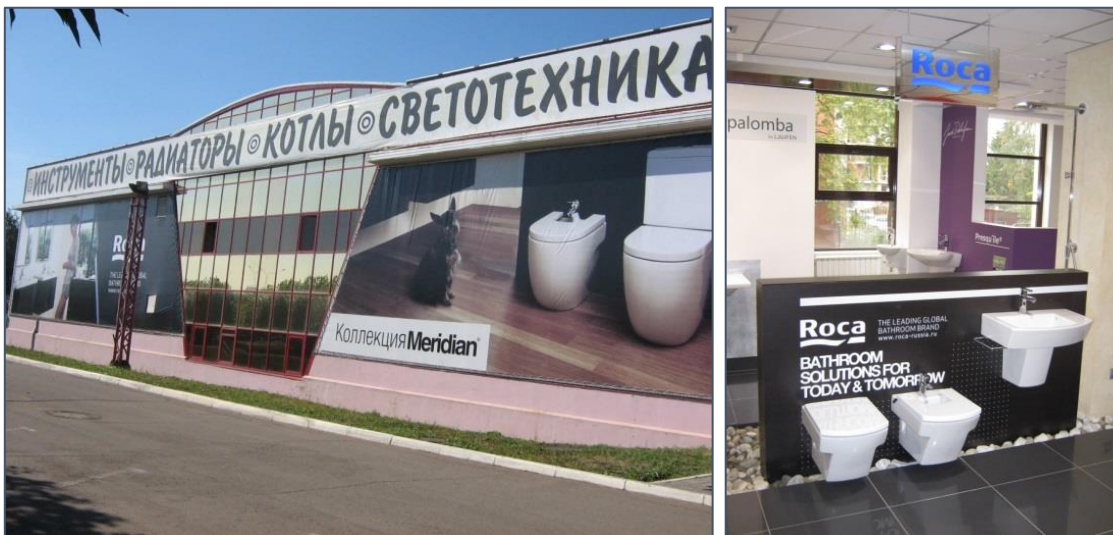


Figure 7 Example of branding of façade of shop with Roca brand. Interior branding with Roca brand

As other competitors, from time to time, Roca uses different kinds of monetary motivation programmes. All of them suppose direct contact of representatives of producer or official dealer.

There are several brands under Roca portfolio in different price sectors. Loyalty programmes for designers and design studios, which work with brands in mid-up and luxury segments Roca and Laufen, mostly contain incentive trips to native countries of brands – Spain and Switzerland. (Roca, 2015.)

4.6 Loyalty programmes applied in the market

Market of bathroom solutions offers different variants of motivations, where money motivation remains the most attractive for sales staff in retail shops.

Current motivation tools for retail sector, launched by production companies, can be split into loyalty programmes targeted to management and to sales teams. Last type of programme is not developed well. Loyalty programmes for management include:

1. Special discounts and bonus schemes
2. Free of charge branding and decoration of shop
3. Exclusive offers for product or series
4. Motivation trips to factories and abroad

Loyalty programmes for sales staff are usually based on direct money motivation:

1. Percentage from sales of products from specific brand or production company
2. Stated money reward for specific products
3. Loyalty programmes with stated period and sales targets. A reward in such kind of loyalty programmes is usually trips, tickets, and valuable presents.

All kind of current loyalty programmes are off-line and suppose direct contact with production company's representatives or delegating responsibility to dealer. Campaigns mostly are long-lasting because of lack of time of representatives of production companies. Necessity of personal contact also makes campaign expensive and non-profitable.

The main objective of this study is giving an idea for creation of an online loyalty programme for retail points, which will allow to avoid extra transport costs for production companies' representatives.

5 Empirical findings. Data analyses

5.1 Interview and questionnaire results.

This section will present the empirical results of the questionnaire. Forty eight interviews were held, forty six with representatives of points of sales and two with representatives of dealers. Such proportion is determined by intention to get feedback first of all from the target audience – retail points of sales. All interviews were held between 1st of April and 15th May 2016 and second round 1-30 March 2017. A special web-form for the interview was created and shared with respondents by e-mail.

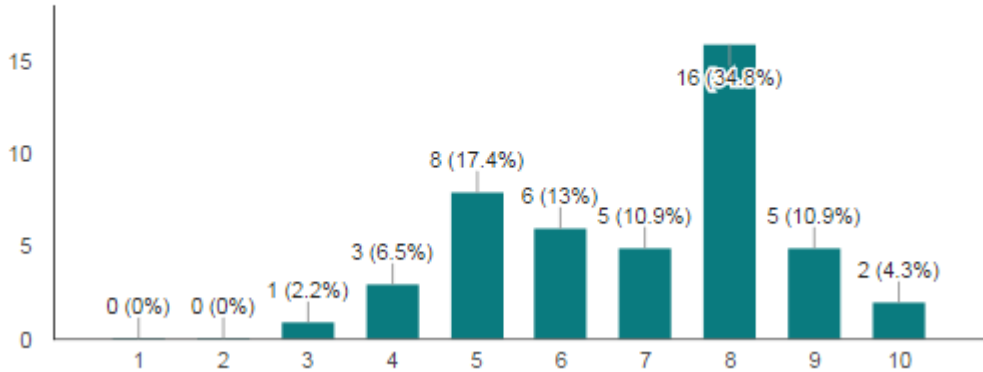
Figure 8 Web-form of questionnaire

A report about the results of the questionnaire is given in appendixes.

Starting to analyse answers from retail points, we can notice that many of retail points of sales already work with products under VitrA brand, selling to end-consumers on regular basis. Analytics of loyalty of end-consumers to VitrA show that it is on good level, 16 respondents from 46 estimated the level of loyalty as 8 from 10. Such results show, that implementation of loyalty programme for retail staff will obviously impact positively the sales, because very often sales staff influence the final solution of buyer. If the level of loyalty to

brand is not low, such influence will easily encourage person to buy a definite product. Next graph illustrates the level of loyalty of end-consumers to Vitra brand in accordance with feedback from retail points:

(46 responses)



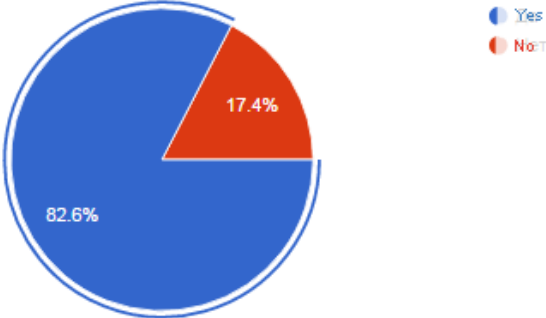
Graph 3 Illustration of answers to the question “How would you estimate the level of loyalty of end consumers to Vitra brand?”

In general, in accordance to results of interview, each point of sales besides Vitra brand has in portfolio at least 3-4 brands of main strong competitors. Answering a question “What brands of sanitaryware are presented in your shop?” respondents named: Roca, JacobDelafon, Ido, Ifo, Cersanit, Ideal Standard and many others. Moreover it is essential to see such good level of loyalty from end consumers to Vitra trademark.

Those who currently prefer to sell goods under Vitra brand in their shops, are not united when replying to the question about continues sales “If you replied “Yes” to previous question, would you like to continue selling Vitra or not and why?”. Less than half replied “Yes” with explanation that brand is interested because of good margin, 10 respondents told they will not continue with Vitra brand because of low awareness of brand on the market and 7 persons replied they do not know for sure their plans. Such statistics mean, that brand is attractive for retail shops because of trade conditions, but still it is not popular and is not in great demand. To make sales people who work with a brand become loyal and retention in sales, it is essential to introduce a loyalty system.

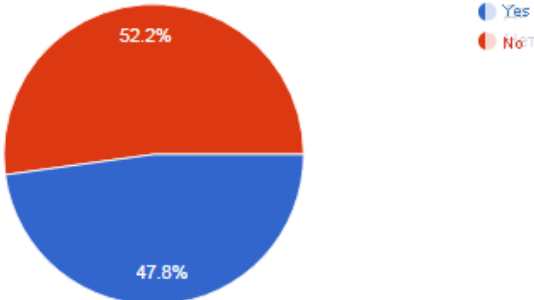
Talking about knowledge about brand of retail points' staff, we can notice that mostly representatives of retail shops know about Vitra brand and products: answering a question "Do you know Vitra brand, do you have enough data about it?", 80% of respondents replied "Yes". At the same time at least half of respondents need to get more information about series, novelties, and characteristics of products. Second sub-question in section, giving understanding about desired structure of system, "Do you need more information (sales arguments) about Vitra brand to sell it successfully?" was replied "Yes" by 22 respondents and "No" by 24. Last question in section "Would you like to participate in a closed club, where all necessary information about brand will be gathered?" was replied solid "Yes".

Do you know Vitra brand? Do you have enough data about it? (46 responses)



Graph 4 Level of obtaining data about Vitra brand

Do you need more information about Vitra brand to sell it successfully? (46 responses)



Graph 5 Split of answers about required extra information about Vitra brand

Analyzing joint combination of answers, which are given for the last three question, we can make a conclusion that proposition 5 “Club structure of loyalty programmes provides stronger communication process between organization and members” is fair in conditions of contemporary market of sanitaryware. Representatives of retail sales points would like to get information about brand in centralized information system, where club structure will be the most appropriate.

While implementing online system of motivation producer should take into consideration this feedback and propose learning data for all the participants of system or club.

Open question “What other brands do you prefer to sell and why?” helped understand background for successful motivation programmes on sanitaryware market in Russia. From the competitors, retail shop representatives mostly picked Roca (Spain) and Jacob Delafon (France) brands for the high awareness among end consumers; scope of producers were chosen for convenient type of motivation: cash money; third popular answer was good education programmes. As we see from the answers, if brand is not strong on the market, effective motivation programme, implemented by producer, is an important factor for building a loyalty of sales person to a brand.

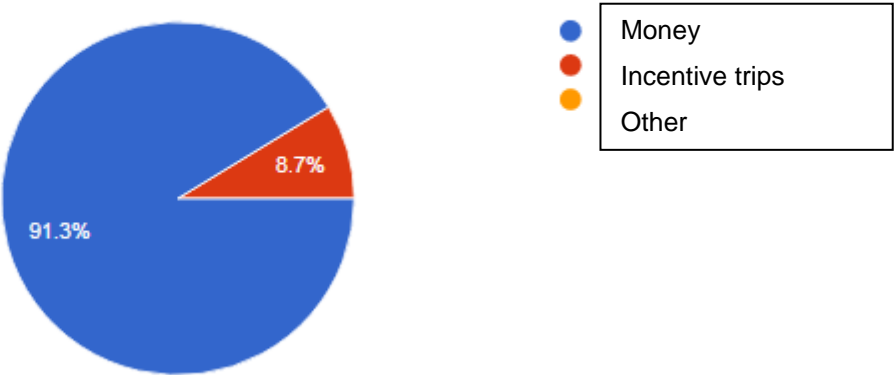
Sub-question in section, aiming to investigate parameters of ideal motivation system, “How do other brands in sanitaryware market motivate your staff?”, helped to understand competitor’s motivation strategies and test propositions 6 and 7. Among perfective motivation awards from other brands monetary motivation and valuable prizes were the most popular ones: sanitaryware competitor offers monetary rewards per sold pieces of products, for instance 200 rouble per washbasin sale. Some other producer presented following types of reward: household appliances, trips, and gift certificates. All answers were based on specific rewards, which participants got after reaching goals, stated by producer, which confirms proposition 6. Most answers included monetary rewards, which proves proposition 7.

“Will you sell certain brand again, if you have commitment and trust to a brand?” was a closed question with 2 variants of answer “Yes” and “No”, and directly tests Proposition 1. Next question “Is trust to a brand important in making the decision what to sell?” was aimed to test proposition 3. All participants gave positive answers to these closed questions.

Next question, which served for testing proposition 5 “Would you like to participate in a closed club, where all needed information about brand will be gathered?” also got 100% positive replies.

Answer to a question “How would you like to get motivation?” helped to prove proposition 7 “Successful motivation or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants.” Talking about desired reward from loyalty programme, sales representatives of retail shops voted for money reward (91%), 9% chose incentive trips and other rewards. From 42 respondents who preferred money motivation mostly suggestions for motivation included direct money motivation (exact sum per one sold item) and percentage or bonus from number of sales. Other rewards assumed valuable gifts. Those variants were proposed to a question - “What is an ideal loyalty programme from your point of view for the sales staff of your shop?”. Besides direct confirmation of proposition 7, respondents indirectly confirmed proposition 6, because they gave clear financial targets. System without clear targets is not attractive for potential users.

How would you like to get motivation? (46 responses)



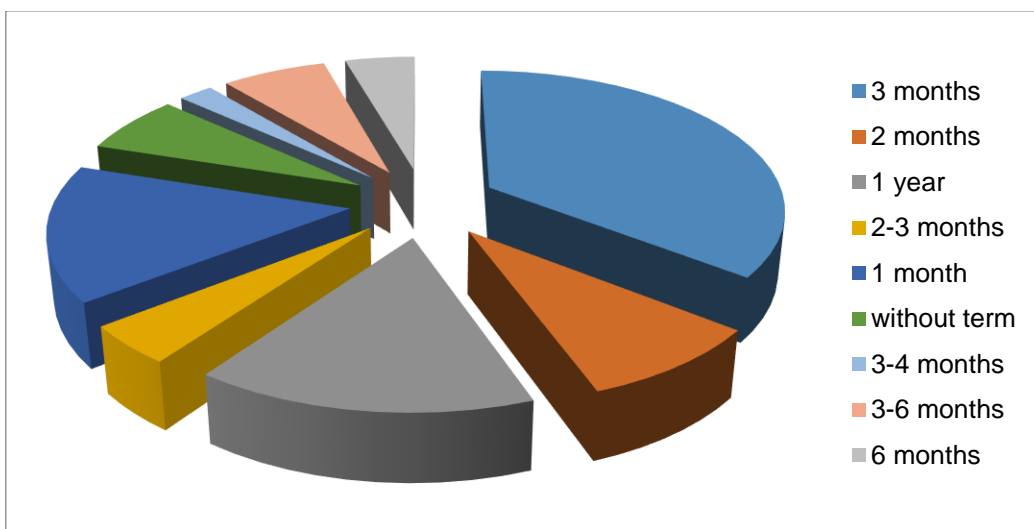
Graph 6 Required type of motivation

Closed question “Is it important for you to understand conditions of motivation programme and possibilities of getting a prize?” tested propositions 6 and 7 and got 100% of answers “Yes”. Seventh proposition was also tested in next question “Will you participate in a motivation system with clear understanding of possibility to get a valuable prize, but without

understanding of rules?” Only 2 respondents replied “Yes”, the rest told or “No”, or admitted possibility to agree if amount of prize is huge.

Proposition 8 “Supportive style, which supposes investments and getting back information, is the most appropriate for motivation programme. Participants of reward programme are ready to apply more effort in reaching goals, stated by producer, if they get a desired or bigger award as a result.” was tested by question “Would you be ready to make more effort in reaching goals of motivation programme if you know that you will get a bigger reward? (for instance: 100% goal fulfilment – EUR 100 prize, 120% goal fulfilment – EUR 120 prize and so on) Or do you prefer to have one stated goal?”. This question gave participants right to choose type of structure of motivation programme. Forty two out of Forty six respondents replied they are ready to make more efforts in order to get bigger prize.

Question “What is the preferable term in months for a loyalty campaign?” is testing part of proposition 6 about terms of loyalty programme: “...with clear terms of motivation campaign to ensure security of participants.” All respondents gave clear terms of desired loyalty programme. Preferred term for loyalty programme is limited within one and three months, shorter term is hard for fast launching and gathering results, longer term for following the campaign. Still from answers it is possible to find a year motivation or half a year. Thirty six percent respondents voted for 3 months term for loyalty campaign, both “6 months” and “1 month” variants of answer got 16%. Rest of the variants were less popular.



Graph 7 Preferred term of loyalty programme in retail shop

According to research, it is preferable to state a short term of loyalty programme for sales staff in retail shops. Usually counting of results and arranging of payments takes several weeks as well, which leads to enlarging of whole process for a couple of weeks. As long as sales personnel's positions are not very stable, long-term programme will not be attractive for sales staff in retail points of sales.

One of the most important questions for me as a researcher was "Would you like to participate in an online loyalty programme and see immediate result?" with two variants of answers: "Online and see my results immediately" and "Through live connection to brand representative". Answers to this question allowed to test proposition 6 "*Rewards should be desired and valuable for participants and understandable in terms of calculation*" in terms of clearness of system and getting results. Online platform for loyalty programme will allow to create open contest between participants, where everybody will observe their achievements and participate in reaching sales goals.

Results of questionnaire showed that 89% of respondents prefer online systems of loyalty and less than 10% would like to communicate to brand representative. Such positive trend for Russia means that guideline for creation of online system of motivation of sales staff in retail points will be demanded among producers in sanitaryware market.



Graph 8 Results of questionnaire about online principles of work of loyalty programme

Answers, which I got from representative dealers in frame of questionnaire, are close to answers from retail points. In general they put lower level of loyalty of end-consumers for Vitra brand, but have more knowledge about brand (all three respondents put 7 on the scale

of 1 to 10). Deep understanding of product and market also allowed them to give more informative answers: “I assume in general the level of loyalty of end consumer is close to 6, in south regions it can reach 8-10, in central and North regions of country – up to 5””, says Elena Badragan, purchasing manager of Vitra’s biggest official dealer. Answers to this question served like preliminary test for proposition 5. All respondents admitted lack of knowledge and easiness of getting information from centralized system.

Answering questions about possible direct contacts with sales points, managers limited their answer with “regular mailing of price-list and rare customer visits (once a month)”. In common such visits take 1 hour of working time of sales representative: “I don’t have an opportunity to visit all my clients, even during the whole year, because many of them are placed in different regions of Russia. Cost of one visit can reach 50 000 roubles, in case the client is situated in Siberia, for instance. Implementing of online programme could help support business without additional investment”, comments Tatiana Morozova, project director in company Hogart. This section of answers helped me understand in general the importance of creation of centralized online loyalty programme, in order to make work of company more efficient.

In terms of awards all respondents agreed that most efficient type of award is money motivation or bonus system, confirming proposition 7. Unlike sales staff in retail points, representatives of official dealers pointed incentive trips motivation as essential part of reward structure in loyalty system. In general all respondents noted, that whatever type of reward is used, targets and rewards should be clear and understandable, confirming propositions 6.

5.2 Analyzing results of observation

During observation process proofs for several propositions stated in theoretical background section were searched. First output, which is possible to make from empirical part, is that biggest producers of sanitary ware on Russian market are currently using some types of loyalty programmes, and see potential in this marketing tool for strengthening of market positions and earning loyal sales men. As distributors who directly work with retail points of sales are overloaded with work with many brands, producers currently need to think how to improve alliance with retail points of sales by themselves and find reply to the main question

of the work: *How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?*

Second output proves Proposition 2 about significant value of retail shop contact data: “Between main objectives of loyalty programme we can define manipulating customers’ behavior and creation of database”. Current loyalty programmes, used by Vitra and competitors, showed that they all are based on personal contact of production company representative with sales staff in retail points. Main competitor of Vitra Roca even hired additional staff to execute loyalty policy. Close work of Roca company with retail points and keeping direct contact with retail shops’ representatives proves statement that company is highly interested in keeping database of retail shops.

Third output demonstrated that desired kind of rewards are all connected with money motivation.

Loyalty programmes for sales staff, which already exist in the market, are usually based on direct money motivation and can be split to following types:

1. Bonus to salary, which comes from sales of products from specific production company or brand
2. Stated money reward for specific products
3. Loyalty programmes with stated period and sales targets. A reward in such kind of loyalty programme is usually becomes trips, tickets, and valuable presents.

Wide popularity of loyalty programmes, based on monetary motivation proves Proposition 7: “Successful motivation or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants”.

6 Forming recommendations for Vitra company

Current chapter is devoted to giving recommendations for producer, in order to form in future instructions or guideline for applying online loyalty programme for retail shops. Recommendations in this part of Master Thesis will answer the main question: *How can a*

production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?

Current study will provide answers to researcher’s sub-questions as well:

- What makes a loyalty programme successful?
- What steps of implementation of loyalty programme exist?
- How to define suitable type of compensation or reward for users?
- How to make the system convenient for users and easy for understanding?

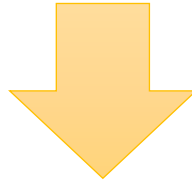
Recommendations in the sixth chapter are based: a) on propositions, which were formed in theoretical part in order to find answers to research question and sub-questions, and tested in empirical part, and b) pure findings from empirical and theoretical parts.

Tested and proved propositions	Main findings, proved propositions
<p><i>Proposition 1: Main aim of creating a loyalty programme by producer is to create commitment to a brand with retention customers.</i></p>	<p>Closed question of interview “Will you sell certain brand again, if you have commitment and trust to a brand?” directly tested first Proposition, all respondents gave positive answer.</p>
<p><i>Proposition 2: Between main objectives of loyalty programme we can define manipulating customers’ behavior and creation of database.</i></p>	<p>Current loyalty programmes often are limited with quantity of participants, because when company makes them separately, it doesn’t have enough time and money resources to cover all retail shops. In case of Vitra company, it works with more than 900 retail shops. Making loyalty campaigns or actions together with distributor often brings less profit, because distributors do not disclose client’s information, which can be used further by producer for future campaigns.</p> <p>Close work of second case company Roca with retail points and keeping direct contact with retail shops’ representatives proves statement that company is highly interested in keeping database of retail shops.</p>

<p><i>Proposition 3: There should be real trust and attitudinal commitment to a brand for real loyalty to exist.</i></p>	<p>Interview question “Is trust to a brand important in taking solution what to sell?” was aimed to test proposition 3. All participants gave positive answers to these closed questions.</p>
<p><i>Proposition 5: Club structure of loyalty programmes provides stronger communication process between organization and members.</i></p>	<p>Question from interview “Would you like to participate in closed club, where all necessary information about brand will be gathered?” was replied solid “Yes”. Respondent dealers’ representative also stated lack of centralized information field.</p>
<p><i>Proposition 6: Rewards should be desired and valuable for participants and understandable in terms of calculation.</i></p>	<p>All respondents from sales points and dealers noted that whatever type of reward is used, targets and rewards should be clear and understandable, confirming proposition 6. Question about other successful motivation systems “How do other brands motivate your sales staff? Showed that clearness of reaching desired goal is very important. Closed question “Is it important for you to understand conditions of motivation programme and possibilities of getting a prize?” tested propositions 6 and 7 and got 100% of answers “Yes”.</p>
<p><i>Proposition 7: Successful motivation or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants.</i></p>	<p>Seventh proposition was tested in next question “Will you participate in a motivation system with clear understanding of possibility to get a valuable prize, but without understanding of rules?” Only 2 respondents replied “Yes”, the rest told or “No”, or admitted possibility to agree if amount of prize is huge.</p> <p>In terms of awards all respondents agreed that most efficient type of award is money motivation or bonus system, confirming proposition 7. Wide popularity of loyalty programmes, based on monetary motivation also proves Proposition 7</p>
<p><i>Proposition 8: Supportive style, which supposes investments and getting back information, is the most appropriate for motivation programme. Participants of reward programme are ready to apply more efforts in reaching goals, stated by</i></p>	<p>Proposition was tested by question “Would you be ready to make more efforts in reaching goals of motivation programme if you knew that you would get bigger result? (for instance: 100% goal fulfilment EUR 100 prize, 120% goal fulfilment EUR 120 prize</p>

<p><i>producer, if they get a desired or bigger award as a result.</i></p>	<p>and so on) Or you prefer to have one stated goal?”. This question gave participants right to choose the type of structure of motivation programme. Forty two out of 46 respondents replied they are ready to make more efforts in order to get bigger prize.</p>
<p>Untested propositions</p>	
<p><i>Proposition 4: Set up of loyalty programme should be based on consistent steps: define target groups and benefits, define budget and financial results, create communication plan and ensure proper management.</i></p>	<p>Lack of structured loyalty programmes on the market did not allow to test current proposition.</p>
	<p>Extra findings from empirical and theoretical parts</p>
	<p>Interview findings show that online fast system of motivation is more convenient for users than traditional personal contact. More than 80% of respondents agreed to participate in an online project.</p>
	<p>Starting to analyse answers from retail points, we can notice that many of them already work with products under Vitra brand, selling to end-consumers on regular basis. Half of them will continue to work with goods under Vitra brand because of good margin, another half will be lost without a good motivation system.</p>
	<p>Desired term of loyalty programme fluctuates between one and six months, and “three months term” became the most popular answer in the questionnaire, sent to sales staff in retail points.</p>
	<p>One of important objectives of creating a loyalty programme is to save current sales persons loyalty to the brand and avoid losing them in a future.</p>
	<p>There are common mistakes while creating a loyalty programme: one of them is copying</p>

	other system without clear understanding of goals and desired results.
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RECOMMENDATIONS

Table 4 Propositions and main findings

6.1 Discussing empirical findings

This study is limited to sanitaryware market and territory of Russia. Companies Vitra and Roca were chosen as two main case units for case study. Both of these companies have production plants on territory of Russia and reach end consumers through the same logistics scheme: official dealer – retail shop (sub dealer) – sales team of retail shop, and both of them have to develop tools of influence on the last element of this chain - *sales team of retail shops*. I have worked for Roca in marketing department for three years, and currently am working as product manager in Vitra, and know about growing competition on the market of sanitaryware goods from inside the companies. From chapter “Observation of the market of sanitaryware in Russia”, it is clear that in spite of growing market, competition becomes tougher each year: due to economic crises in Russia, middle and middle-up price segments, where originally products under Vitra brand were positioned, were negatively affected most of all – consumers started to choose cheap or on the contrary luxury goods. Conforming last sentence, Russian Business daily literature states, that decline of real income was 4.7% in 2015, and real wages 10%, while real pensions dropped 3.1% (Zubarevich 2015). Moreover, Eczacıbaşı holding, owning Vitra brand, is aiming to increase its share of ceramic products on the Russian market from 1.5% to 5% in the nearest two years, due to the global strategy, which requires serious work with sales points. Currently the share of main competitor with production plant, Roca, is about 25% (BRG Building Solutions 2015).

In such heavy conditions and taking into account active development of players on the market, it is essential to develop marketing tools and influence the end consumer's opinion. One of approaches, which form the opinion of buyer – is a convincing behaviour of a sales specialist in retail shop. This part of Master's Theses presents analyses' findings in literature and empirical part on the topic and shows recommendations on creation of a guideline for applying a successful loyalty programme for sales staff in retail points.

Basing on previous literature, eight propositions were formed. Those of them which could be tested, were checked in the empirical part. All propositions and findings contributed to the identification of giving more specific recommendation about the possible loyalty programme implementation. A complex of recommendations gives answer to first sub-question "What makes a loyalty programme successful?".

The main aim of every loyalty programme is to create higher level of loyalty of customer (or sales team) to a brand (Mascarenhas, Kesavan, Bernacchi 2006, pp. 397 – 405). The main purpose of a successful loyalty programme for teams in retail shops is to create loyalty of both customers and sales people but last ones become target audience. Another question is the purpose of creation of such system.

Proposition 1 "*Main aim of creating a loyalty programme by producer is to create commitment to a brand with retention customers.*" Taking into consideration theory findings and this proposition, which was tested in empirical part with evidences, giving 100% positive answer to a question of interview "Will you sell certain brand again, if you have commitment and trust to a brand?", we can state the first recommendation to be included into guideline for loyalty programme creation:

Recommendation 1. Producer should remember that the main aim of creation of loyalty programme is setting of new higher level of loyalty to a brand and thus create commitment to a brand with retention customers. Those retention sales people (customer) will be more resistant to price fluctuations, delays in delivery and other possible negative things.

Empirical findings show that loyalty of end-consumers to Vitra brand currently is on good level, 16 respondents from 46 estimated the level of loyalty as 8 from 10. Such results from respondents mean that brand is not very new on the market, but nevertheless, statistics will change if producer does not motivate sales staff in retail points to propose Vitra brand to

buyers. Already half of the respondents are ready to stop offering Vitra products because of low awareness level and lack of promotion offers.

Trust to a brand will also help in building strong commitment. To a question “Is trust to a brand important in taking decision what to sell?” all participants gave positive answers to these closed questions.

Recommendation 2. Building trust with sales people, fulfilling promises is obligatory and will help to create loyalty to a brand.

Proposition 2 “Between main objectives of loyalty programme we can define manipulating customers’ behavior and creation of database” is coming from the main objectives of stating of loyalty programme, taken from the literature. From empirical data it is learned that making loyalty campaigns or actions together with distributor often brings less profit, because distributors do not disclose client’s information, which can be used further by producer for future campaigns. Closest competitor of Vitra uses only direct contacts with representatives of retail shops in order to build its own database of retailers.

Applying those objectives into the specific loyalty programme for Vitra brand, it is possible to give specific recommendation for objectives of loyalty programme, implemented by production company:

Recommendation 3. Producer should create a clear structure of objectives of loyalty programme:

a) Increase loyalty to a brand through rewarding of loyal customers.

Loyalty program can include numerous types of rewards, including money, discounts, sales bonuses, incentive trips and many others. How to choose appropriate type of rewarding will be described further in current chapter.

b) Generate information

Loyalty or motivation system could become a very important tool in terms of getting a base of retail shops within the specific territory.

c) *Manipulate consumer behavior*

Producer will have opportunity to inform immediately all retail points through centralized loyalty programme about any changes, such as changes of retail prices, or send education materials about novelties.

While creating a loyalty programme, producer should avoid common mistakes, which can be found in business literature.

Recommendation 4. Before creation a loyalty programme, the producer should be aware of all possible mistakes to be able to avoid them. Among them the most important is taking a decision about loyalty programme creation, basing on competitors' activity. (Wei-Ming at al. 2011.)

It is essential to understand the goals, stated in Recommendation 1; otherwise the system will not bring desired effect.

Existing loyalty programmes on Russian sanitaryware market are based on direct money motivation, which is illegal from tax legislation side. Copying of one of them will lead to penalties, which company has a risk to get from the government.

Fourth proposition from business literature review part sounds like "Setting up a loyalty programme should be based on consistent steps: defining target groups and benefits, defining budget and financial results, creating communication plan and ensuring proper management." Basing on this proposition, it is possible to define following recommendation and answer the second sub-question "What steps of implementation of loyalty programme exist?":

Recommendation 5. Setting up a loyalty programme should start from the definition of target group. In case of implementating a tool of influence on sales staff in retail points, which sell products under brand of factory, target group should be: sales persons in retail points of sales. If production company would like to motivate sales staff of dealer's companies or end consumers, it should choose another approach and not use recommendations given in this Master's Thesis.

Another core moment which producer should take into consideration while implementing a loyalty programme also came from proposition 4: it is very important to calculate all possible costs and financial outputs.

Recommendation 6. Budget and financial results should be defined on project preparing level. If project of implementing a loyalty programme is beneficial for production company, its structure or goals should be revised.

Next recommendations are answering the question about the best choice of type of reward: “How to define suitable type of compensation or reward for users?”

Recommendation 7. Production company should define monetary rewards for sales persons in shops in order to make loyalty programme efficient. Such reward scheme can be based on local currency or represented with bonus structure.

A loyalty programme will work only if benefits offered have a high-perceived value for the customers. As it was stated in previous chapter, reward in loyalty programme will be valuable for user only if it has high value for him or her, and user understands how specific reward was calculated. Proposition 7 “Successful loyalty or reward system of sales people in the retail point of sales, implemented by producer, should be based on financial reward, with clear terms of motivation campaign to ensure security of participants. To make it efficient, producer also should consider achievements of participants (performance) and state goals or limits”. To test this proposition where 46 answers gathered from retail shops’ representatives on question “How would you like to get motivation?” Ninety-one percent sales representatives of retail shops voted for money reward, 9% chose incentive trips and other rewards.

Recommendation 8. Sales people will participate in loyalty programme only if they get a reward. Type and amount of reward and possible limits should be attractive and clear for understanding.

Recommendation 8 came from testing of propositions 6 and 7 during analysing responses to questionnaire with sales people in retail points and representatives of dealers.

One possible variant of calculation of monetary motivation for sanitaryware market can be based on split of percentage from sales into different product groups. Motivation bonuses depend on type of product and are paid after reaching minimum level of sales accordingly to following table:

	Sales department managers	Sales people
Minimum level of sales, rub (after reaching this level bonuses can be paid), RUB	150 000	50 000
Programs, Percentage of sale, which is paid for total sales		
Faucets, %	1.5	3
Bathtubs, %	1.5	3
Wall tile, %	0.5	1
Ceramic products, %	1	2
Floor tiles and porcelain tiles, %	1	2

Table 5 An example of calculation of bonuses for reward scheme in loyalty programme. Quantity of bonuses will be equal to percentage of sales of exact programme

For implementing such kind of bonuses system, it is essential to foresee type of reporting documents and way of delivering of reward to a user. Reporting documents should show real sales of shop in quantities and roubles, and should be approved by the financial or general manager of a shop. Direct monetary reward is abandoned on the territory of Russia, possible ways for transferring rewards can be gift cards, bank debit cards, local payment system accounts and others, depending on financial processes of production company.

Besides stating type of reward and terms how to get it, it is important to remember that participants will participate more actively if they understand that it is possible to get bigger compensation. Proposition 8 suggested that “Supportive style, which supposes investments and getting back information, is the most appropriate for motivation programme. Participants of a reward programme are ready to apply more efforts in reaching goals, stated by producer,

if they get a desired or bigger award as a result.” This was tested by question “Would you be ready to make more efforts in reaching goals of motivation programme if you knew that you would get bigger reward? (for instance: 100% goal fulfilment – EUR 100 prize, 120% goal fulfilment – EUR 120 prize and so on) Or do you prefer to have one stated goal?”. This question gave participants right to choose the type of structure of motivation programme. Forty-two out of 46 respondents replied they are ready to make more efforts in order to get bigger prize.

Recommendation 9. It will be efficient to put multi-level monetary goals to make motivation programme more efficient.

An important step in implementing of loyalty programme is defining its structure. It were compared different types of loyalty programmes, basing on business literature, and described their characteristics. Choosing between limited and open loyalty or loyalty programmes a conclusion was made that limited loyalty programme will be more efficient for production company in sanitaryware market, as open systems are quite hard to manage and are usually implemented by widely known world brands in food industry, avia sales, sport industry and others. Moreover, limited loyalty programmes are more suitable for B2B markets and focused approach. Taking into account that one of the main targets is creation of bond between sales person and brand, it is recommended by experts to apply Club structure, where users feel unique and belonging to one general idea. Proposition 5 states “Club structure of loyalty programmes provides stronger communication process between organization and members”. This proposition was tested in interview by asking respondents about their willingness to be involved in brand life and get information and news about products. More than half of interviewed sales representatives in shops agreed to get data about brand and use this knowledge in work.

Recommendation 10. Limited loyalty programme with club structure is recommended for implementation to production companies on sanitaryware market.

Giving specific recommendations for a term of loyalty programme is also important. Empirical findings demonstrated that preferred term for loyalty programme is limited within one and three months, shorter term is hard for fast launching and gathering results, longer term for

following the campaign. More than 35% of respondents voted for three months term for loyalty campaign, both “6 months” and “1 month” variants of answer got 16%.

Recommendation 11. Duration of loyalty programme should not exceed six months. Preferable term of loyalty programme for sales persons in retail shop is three months.

The most “revolutionary” recommendation, which is possible to give, basing on empirical findings gives understanding about principle of work of loyalty programme. Interview results demonstrate that 89% percent of respondents prefer to work in online loyalty programme and immediately see results in centralized system. Observation part of my study explains that currently all loyalty programmes on the market are based on direct contact of production company representative with sales representative in shop, which requires costs enlarging from production companies. Online system implementation allows to cut those expenses. Moreover, time of contact is also very limited. Answering questions about possible direct contacts with sales points, managers of dealers limited their answer with mailing of price-list and rare customer visits, like once a month. Following recommendation was put in order to make loyalty programme profitable and highly efficient and to reply sub-question “How to make the system convenient for users and easy for understanding?”

Recommendation 12. System of loyalty should be available online to reach maximum effectiveness.

6.2 Set of recommendations for creation of a guideline for development and implementation of loyalty programme for retail shops

A set of recommendations for creation of a guideline for developing and implementating a loyalty programme in this chapter is aimed to answer main research question “*How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?*” and all sub-questions:

Recommendation 1. *Producer should remember that the main aim of creation of loyalty programme is setting of new higher level of loyalty to a brand and thus create commitment to a brand with retention customers. Those retention sales people (customer) will be more resistant to price fluctuations, delays in delivery and other possible negative things.*

Recommendation 2. *Building trust with sales people, fulfilling promises is obligatory and will help to create loyalty to a brand.*

Recommendation 3. *Producer should create a clear structure of objectives of loyalty programme:*

- a) *Increase loyalty to a brand through rewarding of loyal customers*
- b) *Generate information*
- c) *Manipulate consumer behavior*

Recommendation 4. *Before creation of loyalty programme, producer should be aware of all possible mistakes to be able to avoid them. Among them the most important is taking a decision about loyalty programme creation, basing on competitors' activity.*

Recommendation 5. *Setting up a loyalty programme should start from the definition of target group. In case of implementating a tool of influence on sales staff in retail points, which sell products under brand of factory, target group should be: sales persons in retail points of sales. If production company would like to motivate sales staff of dealer's companies or end consumers, it should choose another approach and do not use recommendations, given in this Master Thesis.*

Recommendation 6. *Budget and financial results should be defined on project preparing level. If project of implementation a loyalty programme will not be beneficial for production company, it structure or goals should be revised.*

Recommendation 7. *Production company should define monetary rewards for sales persons in shops in order to make loyalty programme efficient. Such reward scheme can be based on local currency or represented with bonus structure.*

Recommendation 8. *Sales people will participate in loyalty programme only if they get a reward. Type and amount of reward and possible limits should be attractive and clear for understanding.*

Recommendation 9. *It will be efficient to put multi-level monetary goals to make motivation programme more efficient.*

Recommendation 10. *Limited loyalty programme with club structure is recommended for implementation to production companies on sanitaryware market.*

Recommendation 11. *Duration of loyalty programme should not exceed six months. Preferable term of loyalty programme for sales persons in retail shop is three months.*

Recommendation 12. *System of loyalty should be available online to reach maximum effectiveness.*

7 Conclusions

This chapter finalizes the Master's Thesis by presenting the main findings and outputs, discussing managerial application and limitations and giving suggestions for final research.

7.1 Main findings and managerial application

The main aim of Master's Thesis is contributing into development of a marketing tool, which will help producer of sanitaryware to increase market share and increase level of loyalty to a brand, influencing the retail channel. Objectives of work included the definition of core of motivation for sales teams in retail shops and possible schemes of reward systems for staff in retail shops, finding information about principles of work of loyalty programme and principles of reward, identifying main possible goals and results of creation of loyalty programme and exploration steps of implementation of loyalty programme in production company.

My research question was "How can a production company on sanitaryware market create an efficient loyalty programme for sales staff of retail shops on the territory of Russia?" Finding answers on the formed question, theoretical background by three dimensions – relationship management and loyalty (motivation) programmes for customers, reward system within the company and reward and motivation principals of channel partners, and formed propositions, was studied. Later in empirical part profs for them were searched, using case study.

In the research with a help of observation method current loyalty programmes were analysed, used on the market by two case companies Roca and Vitra, and requirements to successful loyalty system from potential participants were collected using a semi-structured

interview. Testing of propositions and collecting findings resulted in forming of a set of recommendations for creation of a guideline for development and implementation of loyalty programme for retail shops.

Main findings from empirical part proved propositions formed in theoretical part, including statements: that the main aim of every loyalty programme is creating a commitment to a brand with retention customers; creation of an efficient database is an important aim of the loyalty system implementation; successful motivation for retail shop representative is based on financial type of reward and clear targets and terms. Recommendations given in the last chapter were based on main empirical and theoretical findings: the set-up of a loyalty programme should be based on specified steps, including stating goals, defining budget and financial results; desired term of loyalty programme should not exceed six months; and loyalty programme should be centralized and set-up online.

In other words the aim was to create an effective set of recommendations, which includes principles of work of loyalty programme, preferable structure, steps for implementation and main requirements to reward type and duration

All recommendations were given to Eczacıbaşı Building Materials LLC with belonging rights for these data to the same company. Management of the company has plans to use the set of recommendations, formed in this Master's Thesis for preparing budget and schedule of project "Implementation of on-line loyalty programme for sales teams in retail shops, dealing with Vitra goods, on the territory of Russia".

7.2 Limitations and suggestions for further research

There are some limitations that should be considered during next researches and analysing the results. Theoretical background of this study was limited by investigation of topics, connected with reward system for retail chain and loyalty programmes for end consumers. Related topics such as brand awareness increasing, loyalty to a brand, methods and tools to increase brand awareness were not considered. Also it was avoided deep study of brand nature and brand building.

Case study of producers was made within one defined market of sanitaryware goods. Even for allied markets, such as building materials or decoration materials, additional studies

should be provided. Case study was applied for two production companies only, as they are main players in middle and middle-low segments on Russian market of sanitaryware. If researcher wants to get analyses of other price segments, he or she will need to execute analyses of other producers of sanitaryware, playing on Russian market.

The respondents of the questionnaire were located only within Russia and mostly in big cities. Producers who are going to implement loyalty programme for sales teams in retail shops in small cities should make additional research.

The target audience for loyalty programme only includes sales teams in retail shops and does not include end consumers, neither other channels as neither DIY stores or developers and building corporations. Master Thesis is devoted to creating a recommendation for implementing a set of guidelines about structure and efficiency of one exact centralised loyalty programme, which should meet stated requirements.

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Interview with retail shop representative:

- “What brands of sanitaryware are presented in your shop?” – opened question, which is aimed to get general knowledge about retail shop and understanding whether this shop already sells goods under Vitra brand or not.
- “How would you estimate the level of loyalty of end consumers to Vitra brand? From 1 to 10?” – closed question with variants of answer, which aimed to show common level of loyalty to a brand.
- “Do you prefer to sell goods under Vitra brand?” is a closed question with two variants of answer “Yes” and “No”. This question will help to understand the level of commitment to a brand.
 - “If you replied “Yes” to previous question, would you like to continue selling Vitra or not and why?” a sub-question, which targeted to understand motives of sales people and check Proposition 1 as well.
 - “Do you know Vitra brand, do you have enough data about it?” an open question, indirectly testing proposition 5. Answer to this question helps to understand the need of sales people to participate in a unique information system.
 - “Do you need more information (sales arguments) about Vitra brand to sell it successfully?” a closed question with two variants of answer “Yes” and “No”, indirectly testing proposition 5. Answer to this question helps to understand the need of sales people to participate in a unique information system.
- “What other brands do you prefer to sell and why?” another open question, which will give information about most successful motivation programmes on the market.
 - “How do other brands in sanitaryware market motivate your staff?” an open question, which serves several aims: investigating competitor’s motivation strategies and testing proposition 6, 7.
- “Will you sell certain brand again, if you have commitment and trust to a brand?” a closed question with 2 variants of answer “Yes” and “No”, tests Proposition 1.

Appendix 1 Questionnaire for retail shops representatives 2 (2)

- “Is trust to a brand important in making the decision what to sell?” a closed question, which aimed to test Proposition 3.
- “Would you like to participate in a closed club, where all needed information about brand will be gathered?” a closed question with two variants of answer “Yes” and “No”, testing Proposition 5. Answer to this question helps to understand need of sales people to participate in club-structured loyalty programme.
- “What is an ideal loyalty programme like from your point of view for the sales staff of your shop?” an open question. This general topic shows how representatives of retail points see a perfect loyalty programme. Sub-question of this question helps to test propositions 6 and 7.
 - “How would you like to get motivation?” a closed question with three variants of answer: Money, Incentive trips, Other. This question is testing proposition 7, about the type of reward.
 - “Is it important for you to understand conditions of motivation programme and possibilities of getting a prize? – closed question, aimed to test proposition 6 and 7
 - “Will you participate in a motivation system with clear understanding of possibility to get a valuable prize, but without understanding of rules?” a closed question, aimed to test proposition 7
 - “Would you be ready to make more efforts in reaching goals of motivation programme if you knew that you would get bigger reward? (for instance: 100% goal fulfilment – EUR 100 prize, 120% goal fulfilment – EUR 120 prize and so on) Or do you prefer to have one stated goal? – open question, which will test Proposition 8.
 - “What is the preferable term in months for a loyalty campaign?” – open question, testing proposition 5, about the term of a loyalty programme.
- Would you like to participate in an online loyalty programme and see immediate result? – closed question with two variants of answer “Online and see my results immediately” and “Through live connection to brand representative”, which allows to test proposition 6 in terms of clearness of system and getting results.

Interview with VitrA dealer representative:

- How do you work with retail point of sales or sub-dealers? Are you in contact with them?

Tatyana Morozova, OOO Hogart, Project director: *"I don't have an opportunity to visit all my clients, even during the whole year, because many of them are placed in different regions of Russia. Cost of one visit can reach 50 000 roubles, in case the client is situated in Siberia, for instance. Implementing of an online programme could help support business without additional investment"*

Elena Badragan, OOO Akvana, Purchasing manager: *"I do not work with them personally, only through sales people"*

- o How many working hours monthly do you spend to contact the sales representatives of retail shops or sub-dealers?

T.M.: *"1-1.5 hour"*

E.B.: *"More "Yes", than "No"*

- What is current level of loyalty of end consumer to VitrA brand in retail points of sales? From 1 to 10?

T.M.: *"7"*

E.B.: *"I assume in general the level of loyalty of end consumer is close to 6, in south regions it can reach 8-10, in central and North regions of country – up to 5"*

- Do sales points prefer to sell goods under VitrA brand?

T.M.: *"In general they do"*

E.B.: *"I do not know for sure, how they work with all brands, but I see, that we have sales of VitrA brand products"*

Appendix 2 Questionnaire for dealers' representatives with answers 2 (3)

- If you replied “Yes” to previous question, what do you think would they like to continue selling Vitra or not and why?
T.M.: *“Shops have good margin with Vitra sales, but without support from producer, shops can change it into another brand”*
E.B.: *“I know that other producers make a lot of motivations, and if Vitra will also support the sales persons, they will continue selling it”*
- Do sales representatives in retail points of sales know Vitra brand, do they have enough information about it?
T.M.: *“They know brand and sell it”*
E.B.: *“They know brand, but I am not sure they have enough information”*
- Do they need more information (sales arguments) to sell products under Vitra brand?
T.M.: *“Yes”*
E.B.: *“Hard to say, because I am specializing in purchasings”*
- What is an ideal loyalty system like from your point of view?
T.M.: *“Motivation bonuses, like percentage from sales, seminars, gifts, incentive trips to factories”*
E.B.: *“Financial programmes”*
- How do other brands motivate sales staff in retail points of sales or sales staff of dealer?
T.M.: *“Percentage from sales, valuable gifts, motivation trips”*
E.B.: *“I am not in direct contact with points of sales, but as far as I know mostly companies use money motivation”*
- Would sales representative of retail shops or sub-dealers prefer to get direct money motivation or indirect motivation – gift cards, trips, other services?
T.M.: *“Monetary motivation is the best type”*
E.B.: *“Money is always more attractive”*
- What do you think, would retail points like to participate in a closed club, where all necessary information about brand will be gathered?
T.M.: *“Yes”*
E.B.: *“Yes”*

Appendix 2 Questionnaire for dealers' representatives with answers 3 (3)

- Will sales people in retail points sell certain brand again, if they have commitment and trust to a brand?"

T.M.: "Yes"

E.B.: "Yes"

- Is trust to a brand important in making decision what to sell?

T.M.: "Yes"

E.B.: "Yes, because sales people are sure it quality in this case"

- Would sales representatives of retail points or sub-dealers like to participate in an online loyalty programme and see immediate result?

T.M.: "Yes"

E.B.: "Yes"

Appendix 3. Answers to Questionnaire for retail shops representatives 1 (2)

What is your name?	What is your company?	Phone	City	What brands of sanitaryware do you sell in your shop?	How would you estimate the level of loyalty of your VIVA brand? From 1 to 10?	Do you prefer to sell goods under VIVA brand?	If you applied "Yes" to previous question, would you be ready to have good margins and why?	Do you know enough data about it?	Do you need more data about VIVA brand to be successful?	What other brands you prefer to sell and why?	How do other brands market in your area?	Will you sell brand to a retailer?	Is it a brand important in decision what to sell?	Would you like to participate in a brand with other brands?	Would you like to participate in a brand with other brands?	Will you participate in a motivation system?	Would you be ready to make more efforts in reaching goals of motivation programme if you had a bigger reward? Do you prefer to have one stated goal?	What is the time period in months for loyalty campaign?	Would you like to see my results immediately?
Aleksey Dibov	Art Sarminka	+7 (854) 62515	Moscow	VIVA, Rocca, Jacob, Duch	6	Yes	Yes, good margins, good quality	No	Yes	Rocca, Jacob Duch because they are popular with cash and prizes	200 rubles for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	2 months	Yes, I will make my results immediately		
Lena Tunova	House of Sarminka	+7 (854) 62515	Moscow	Rocca, Duch, VIVA, Jacob, Duch	4	Yes	Yes, good margins, good quality	Yes	Yes	Rocca because they pay for each unit sold	prizes and bonuses for each unit sold	Yes	Yes	Yes	No, I prefer one stated goal	3 months	Yes, I will make my results immediately		
Vera Miron	Mirator Dom	+7 (837) 69213	Pereslavl	Rocca, Duch, VIVA, Jacob, Duch	4	Yes	Yes, good margins, good quality	Yes	No	Rocca because they pay for each unit sold	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Each month	Yes, I will make my results immediately		
Emelina Serey	IP Emakova	+7 (853) 7167708	Moscow	Rocca, Duch, VIVA, Jacob, Duch	6	No	No	No	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Yekaterina Obukhina	Kayros	+7 (851) 9642368	Komarovskiy	Rocca, Duch, VIVA, Jacob, Duch	8	No	No	No	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Emelina Obukhina	Elita	+7 (853) 7167708	Moscow	Rocca, Duch, VIVA, Jacob, Duch	8	No	No	No	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Zarina Titina	OOO Alantona	+7 (850) 3413568	Nanovo	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Yes, good margins, good quality	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Charmay Danila	Everything for bathroom	+7 (800) 0782738	Perm	Rocca, Duch, VIVA, Jacob, Duch	4	No	No	No	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Irina Khabakina	OOO ECO-360	Perm	Perm	Rocca, Duch, VIVA, Jacob, Duch	8	No	No	No	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Sergey Karyanov	OOO Pakov Konstruktiv	+7 (853) 2324363	Pereslavl	Rocca, Duch, VIVA, Jacob, Duch	6	Yes	Yes, better margins, good quality, but brand is not well-known	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Dmitry Babana	Santehnik	+7 (927) 292885	Yaroslavl	Rocca, Duch, VIVA, Jacob, Duch	5	Yes	Yes, better margins, good quality, but brand is not well-known	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Aleksey Kuznetsov	OOO Akvarel	+7 (851) 62515	Moscow	Rocca, Duch, VIVA, Jacob, Duch	6	No	No	No	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Evgeniy Babana	OOO Sanko	+7 (820) 2543368	Nizhny Novgorod	Rocca, Duch, VIVA, Jacob, Duch	6	Yes	Yes, good margins, good quality, but brand is not well-known	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Erten Roman	IP Nevanova	+7 (800) 1976218	Izhevsk	Rocca, Duch, VIVA, Jacob, Duch	7	Yes	Probably yes, better margins, but brand is not popular	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Liulia Sibir	Kermika	+8 (973) 9403308	Oymyakon	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Probably no, because brand is not popular	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Elvina Ermitazh	Pastreli	+7 (343) 3445138	Yekaterinburg	Rocca, Duch, VIVA, Jacob, Duch	10	Yes	Brand is not well-known	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Evgeniy Shikharov	Pastreli	+7 (853) 1428577	Izhevsk	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Good margins, low brand awareness	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Irina Shikhovitskaya	Internet shop "Santehnik"	+7 (853) 6565008	Nizhny Novgorod	Rocca, Duch, VIVA, Jacob, Duch	8	No	don't know, there are proposals from other brands	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Ekaterina Gerasimova	IP Kozlov	+7 (853) 7635408	Izhevsk	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Yes, if work with other brands, something interesting	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Anton Bagdasaryan	SH Trade	+7 (916) 6911200	Vladivostok	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Brand is not well-known	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Alexey Pechkov	OOO Kaptsov	+7 (851) 5941453	Komarovskiy	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Brand is not well-known	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Evgeniy Vinogradov	OOO Raitan	+7 (815) 691777	Yaroslavl	Rocca, Duch, VIVA, Jacob, Duch	8	No	Brand is not well-known	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Vladimir Pis	OOO Kaptsov	+7 (853) 6565008	Nizhny Novgorod	Rocca, Duch, VIVA, Jacob, Duch	8	No	Brand is not well-known	Yes	No	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Aleksandr Karamy	OOO Sarminka	+7 (853) 3445138	Moscow	Rocca, Duch, VIVA, Jacob, Duch	8	Yes	Yes, if VIVA will offer something interesting	Yes	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		
Andrey Lyubov	Imperia Karamy	+7 (800) 3583468	Cherepovets	Rocca, Duch, VIVA, Jacob, Duch	7	Yes	Yes, if VIVA will offer something interesting	No	Yes	Rocca, Duch, VIVA, Jacob, Duch because they are popular with cash and prizes	prizes and bonuses for each unit sold	Yes	Yes	Yes	Yes, I will make more efforts	Yearly	Yes, I will make my results immediately		

