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A Study of Influence on Visual Merchandising on Consumer Purchase Decision with Reference to Cadbury Products

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Abstract

It is highly apparent that certain FMCG products are highly influenced by the Visual Merchandising techniques adopted by the retailer. This research attempts to analyze the influence of Visual Merchandising on consumer purchase decisions with reference to Cadbury products. Hereby it is intended to analyze the effectiveness of visual merchandising on consumer buying behavior on Cadbury products. The below content explains the methodology of how this research is conducted. This study focuses to analyze the attractiveness level and the merchandising factors influencing the consumers to buy chocolates. This study is descriptive in nature, data were collected from 142 respondents belonging to Ernakulam, Kerala. A structured questionnaire with a Likert five-point measurement scale was used to collect the primary data. The findings of the study help to understand the effectiveness of visual merchandising on consumer buying behavior on Cadbury products.

Keywords*: - Marketing Management, Promotional Technique, Window Display and Visual Merchandising.*

INTRODUCTION

Visual merchandising is presenting or displaying products in a way that makes them visually appealing and desirable. Things like themed window displays, dressed mannequins, the arrangement of running shoes on a wall, and fresh fruits organized by color are all examples of visual merchandising. It can also be as simple as stacking toilet paper into a

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pyramid or as elaborate as recreating a scene from a fairy-tale. The point here is, visual merchandising is all about using artistic product displays to capture the attention and interest of shoppers. This practice has been promoted by retailers for developing floor plans and three-dimensional displays in order to maximize sales. This is generally done by using lights, different combinations of colors, and articles of decor to stimulate an observer and generate interest. This technique is widely used both in goods as well as services to highlight their benefits and features that they provide only because to attract, engage, motivate the customers for a making purchase decision.

This study is aimed to investigate the effectiveness of visual merchandising on consumer buying behavior on Cadbury products. How many consumers are prepared to pay for branded products, how important they consider price, brand, or other factors during their purchasing decisions. The Report aimed at a comprehensive literature review on visual merchandising, window display, Store appearance, price sensitivity, and willingness to pay.“Brands are like human beings. They are born, fed and nurtured, made strong and responsible so that they can be faithful friends of the people (customers), form mutually beneficial and satisfying relationships with them, and become their companions for life.

The brands form the potential for present growth and future expansion. They help the organizations conquer peaks at the time of booms and stay afloat and swim at times of depression”. Today almost all the companies are focusing more and more on building strong brands. The concept of visual merchandising and its management has come to the fore like never before. The companies are refocusing on selecting the different way of visual merchandising.

This is research pays attention to chocolates as one of the most consumed and popular food products among consumers across the globe. Based on the amount of cocoa employed during preparation, different varieties of chocolates are produced globally. As the global chocolate market is highly driven by the taste preferences of consumers, it is imperative that companies focus on product development and marketing strategies to gain a wider consumer base and capture new markets. The report presents an in-depth analysis of the growth trajectory of the global chocolate market along with the principal trends. The study also highlights the factors that are likely to

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affect the global chocolate market in a positive or negative manner. It also evaluates the prime elements at play in the market.

Indian Chocolate Market is growing, witnessing a CAGR 12.8% over the forecast period.

The India Chocolate Market is a growing appetite for premium chocolate and the availability of dark chocolate brands such as Lindt, Hershey, Toblerone among others has led to the increased market penetration for dark chocolates. Also, the low sugar content in dark chocolates is another reason for propelling the demand for dark chocolates, as consumers have become aware of high sugar intake and its link with chronic diseases like diabetes. Consumers in India have been shifting their preference towards chocolate products over traditional sweets. The rising disposable income of the middle-class population in the country has affected the market space for overall chocolate consumption. Indian Chocolate Market is segmented by type into Dark Chocolate, Milk, and White Chocolate. The market is segmented by product into Soft lines/Self lines, Boxed Assortments, Count Lines, Seasonal Chocolates, Molded Chocolates, and Other Product Types. The market is segmented by distribution channels such as Supermarkets/ Hypermarkets, Specialist Retailers, Convenience Stores, Online Channel, and Other Distribution Channels.

Dark Chocolate Holds A Major Share. The pervasive health and wellness trend continues to influence the dark chocolate market, with manufacturers incorporating organic ingredients and natural sweeteners. In the recent past, the demand for dried fruits, as well as blueberries and cranberries has witnessed steady growth in the manufacture of dark chocolate. Consumers are concerned about the impact of their food intake on their health and wellness. The health benefits associated with dark chocolate are high, owing to the high percentage of cocoa present in it. Thus, the high-quality premium dark chocolates are consumed comparatively more. Moreover, consumers are ready to pay for premium and high-quality products, thus the penetration is growing, as the consumers are more inclined toward the brand and quality of the chocolate. The market is extremely distributed towards a number of clients with a variety of product lines. We have dumplings, jellies, lollipops, toffees, and sugar candies. Given the enormous population of India, it comes as a surprise that the country's intake of chocolate per capita is slightly less than

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twenty percent. Contrast that with more than seven kg in most developed nations. Nevertheless, last year Indians enclosed twenty-two thousand tons of chocolate and consumption is increasing at 10-12 pc per year. The chocolate market size was estimated at around 16,000 tons, priced at around Rs. 4.16 billion in 1998. Volume production, which in the three years preceding 1998 was more than 2 hundredth pa, delayed henceforth. Both chocolate and sugar confectioneries have tremendously low levels of penetration, indeed, even under biscuits, reaching 56% of households. Market growth within the chocolate section has hovered “between” ten to twenty. Within the last 5 years, the class has big by 14-15% on a median and can expect it to continue growing at an analogous rate within the next 5 years. The market presently has near to 60mn customers and that they square measure chiefly situated within the urban areas. Growth can chiefly come back through a rise in penetration as financial gain levels improve. Most of this consumption is in the cities, however, and India's rural republic is kind of ' chocolate-free. ‘The very truth, however, is that 3 quarters of the Indian Rural Areas Council. "In India, average seasonal temperatures hit 43 degrees and Celsius. Chocolate melts at thirty-six degrees of blood heat. "In India, chocolate consumption per-capita is tiny at 20gms compared to around 5-8 kg and 8-10 kgs in most European countries, it is declined by 3.7 percent and 11.7 percent, but the chocolates still grow at the speed of twelve.6%.

The research problem is mainly concerned with understanding the effectiveness of visual merchandising in influencing the consumer purchase behavior of Cadbury products. This study will provide details for improving sales by understanding consumer attitude. Promotional activities play a major role in marketing their products. This project will help the company to understand the level of influence of visual merchandising on consumers. That will also help them to improve the marketing technique of products and increase the turnover of the company.

Statement of the Problem

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Objectives of the Study

The importance of understanding visual merchandising and its impact on modern day markets is vital to the wealth and growth of most industries. The aim of this report is to put into perspective the functional values of visual merchandising as well as assess its role in the consumer purchase decision-making process.

- To study the impact of visual merchandising in influencing the consumer buying behavior of Cadbury Products.

- To examine the awareness level of customers with respect to Cadbury products.

- To study the level of influence of whether visual merchandising on buying behavior.

Scope and Significance of the Study

As this study explores the behavior of the chocolate consumers, it is applicable to consumers of the chocolate industry in Kerala.

Limitations of the Study

The main limitation of the study is that the consumers were very reluctant to answer the question and the response may be biased. Also, this study is limited to chocolate consumers.

REVIEW OF LITERATURE

A literature review is a select analysis of existing research that is relevant to your topic, showing how it relates to your investigation. It explains and justifies how your investigation may help answer some of the questions or gaps in this area of research.

Andrew .J. Newman and Peter Cullen (2007) in their book ‘retail environment and operation’ define a merchandiser as one who targets the right people, with the right merchandise at the right time in the right place. The right people are retail customer’s wish to target. The right place means that the store must have a suitable quantity of floor space and appropriate merchandise for the area it is located in. According to him, when we think about the task of merchandising a retail store we tend to forget about all the efforts required in choosing and sourcing the products and services displayed. Merchandising is not just about laying out items on shelves. It is concerned with the planning, sourcing,

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buying, and arranging of these products and services. So one can say that the term 'merchandising' is used to describe many aspects of the planning and presenting of stock. It also refers to the intermediate stages, which the products pass through from the original source to the end consumers. These stages are planning, sourcing, and buying, arranging, displaying, and space management of products or services. It is a coordination of these and other functions that make for a successful retail business. Merchandising is necessary for most types of products and services. The stages of merchandising are discussed below in detail.

Dalal M. (2009), in the article 'managing merchandising', defines the merchandising process as a set of activities designed to provide the right goods at the right time through the right medium at the right price in the right mix of the right quantity from the right source as per the requirement of the business. Dalal M. (2010) explains that 'planning wisely' writes that large-format stores (lfs) and exclusive brand outlets (ebo) are shifting to the concept of 'shop and sell' and the depth and width of the product mix depends on factors such as method on a display of merchandise, nature of merchandise, conversion ratio i.e. Total periodic walk-ins divided by the total number of bills raised.

Santosh Nair (2011) in the article "inspired by passion" says that "today as mass media takes the central stage when the budget is allotted, visual merchandising is always given an afterthought. Nonetheless, the scenario has drastically improved. However, it's about time retailers understood that merchandise is sold as a result of in-store presentation rather than all other forms of marketing and advertising communications. Once this awareness and realization seeps in, visual merchandising will explode like never before"

Chaudhary (2008) in the article 'Trends in Visual Merchandising in India' had described the macro trends of visual merchandising that are prevalent in larger formats According to them visual techniques in these markets are subtle, aesthetically appealing, and yet economical. They further mentioned that display is a technique of showcasing merchandise by putting them in a fashion that is aesthetically appealing and at the same time is able to convey a storyline. They also mentioned that Displays are done using mannequins and other props which make the displays attractive and

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effective. They further mentioned about the music played in most of the stores keep the atmosphere lively and relaxed. They concluded by stating that visual merchandising is a technique called 'Silent Salesman'; and is widely used in the market to increase footfalls and attract shoppers and make shopping a pleasant experience for one and all.

Karangutkar, and et.al., (2016) conducted a study with the objective to understand the factors that influence the loyalty behavior of customers towards brick-and-mortar departmental fashion retailers in Pune city. The study has been conducted by keeping one of the leading departmental stores in reference, but the findings of the study are generalized and can be applied to other fashion retailers of similar or non-similar formats. Fashion is one of the fastest-growing categories and continues to grow at an exponential growth rate due to increased fashion awareness and aspirations. Today we can see that fashion product account for a substantial percentage of the products sold across a broad range of merchandise categories. Research on fashion retailing has been based on varying conceptual definitions of the construct and has focused primarily on in-store retailing. A number of researchers have made important contributions to the understanding of the loyalty behavior of shoppers towards fashion retailers. Therefore, the consumer behavior of an important sector of the millennials is worth to be researched. Here the researchers are trying to understand the variables that influence shoppers' loyalty behavior which is nothing but the "preferential" behavior of the shoppers towards a specific retailer's stores. During this research, the researchers found that some of the major influencing factors are shopping atmosphere-ambiance, fashion image of the retailer (retailer as a brand), fashion image of the Private Labels, and the effectiveness of the loyalty program offered by the retailer.

RESEARCH METHODOLOGY

In order to full fill, the above objectives of the study both primary and secondary data are used. The type of methodology adopted was descriptive qualitative research and convenient sampling design. Descriptive research design is a scientific method that involves observing and describing the behavior of a subject without influencing it in any way. The sample design is used for the study is a convenient sampling method. Convenient sampling is a non-probability sampling technique where the samples are taken

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from a group of people easy to reach. The sample size adopted was 142. Every single consumer is treated as a sampling unit in this study. Both primary and secondary data were used in this research. Primary data are those data which is original in nature and collected for the first time. Secondary data are those collected from secondary sources like websites, journals, etc. The methods used for the primary data collection are Personal interviews and Questionnaires. The secondary data are collected through company Books and the internet, Study reports from the internet, and Desk research under the guidance of my guide. A well-chosen sample will contain most of the information about a particular parameter but the relationship between the sample and the particular population parameter but the relationship between the sample and the population must be such as to allow true inference to be made about a particular from the sample (John Wiley, 1993). Descriptive statistics are used for analyzing the collected data. Bar diagram and pie chart were used for effective presentation.

DISCUSSION AND FINDINGS

It was found that the 51.4% of the respondents were Females, similarly 69% among the respondents belonged to the 21-30 age group. It was observed that 45.7%belonged to the 0-25,000 income group and 55% of the respondents were Under Graduates. Among the respondents 31.7% prefer White chocolates. The results showed that 27.5% of the respondents buys chocolates from school/ college canteens. The survey found that most respondents (62%) purchase Cadbury chocolates 2 - 3 times a week. In that 31.60% of the respondent's states that the store appearance influences them to buy. This proves that there is visual impact in buying decision. 12.06% of the respondents strongly agrees that they are influenced by the appearance.32% of the responses are having neutral statement against the impulsive buying on Cadbury products. Amongst all the responses 32.3% strongly agrees that they buy more when there are good offers. 41.5% agrees that they are attracted by the eye catchy display and thus are influenced for the purchasing. In the survey 30.9% strongly agrees that they tend to choose store based on the eye catchy window display. 36.6% have neutral state that they tend to choose by window display. Buying behaviour of respondents towards product with influence of their appearance. In this survey 43% of the responses were stating that they buy the product which is either appealing or unappealing, i.e. they are neutral in state. It's clear that appearance

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doesn't help consumers to buy a product but the value what they are getting from a product helps in purchase decision. Respondents were asked to answer that whether they get an idea of buying after what they see, 49.2% agree the statement that they get an idea of what they want to buy, i.e. consumers get an easy idea of the product because of the labelling and the packing that each company provides.39.4% agrees that they rely on the store display when they make a buying decision of chocolates. It is clear that visual impact of chocolate in buying decision is high. Consumers tend to buy product which are pleasing such as chocolates, so displaying it in definite manner will help the consumers to purchase more, gives them desire to buy more. So, in the study respondents were asked about the atmosphere the store. For which 42% agrees that a good atmospheric condition provided by the store resulted in longer time to spend in the store.

Atmospheric condition provided by the store influences to buy chocolates; people spend more time in the store for more if the situation is pleasant. Good fragrance, delighted ambience gives customer to spending more time in the store. 39% agrees that the respondents tend to look at the full rack of Cadbury products which are displayed in the store. 35.9% of the respondents agrees that when they are walking along the Aisle they tend to look at the rack where the chocolates are kept. Fully packed rack of chocolates attracts all age group and also influence to purchase.

CONCLUSION

In this study, the focus is given for the customer behavior in connection to aimed to the effectiveness of visual merchandising on consumer buying behavior on Cadbury products. Also, it analyses how much the Indian customers are into buying chocolates. It also tries to study how the visual merchandise impacts product purchases as well to understand the level of awareness among customers.

This study reflects that the consumers are influenced by the Visual Merchandising pattern adopted in displaying chocolates. The responses helped to explore the different views of the consumers regarding Cadbury's visual merchandising and consumers purchase decision. Visual is a key feature in marketing a product that helps to build consumer confidence irrespective of the competition. Cadbury is a well-known brand among chocolates. This study proves that the consumers are attracted and they are also influenced to

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buy chocolates. Especially youngsters are attracted more due to effective display.

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