

Neuromarketing in Food Retailing

Application of Neuromarketing in In-store Communication with a Customer

Chapter 5

BARBARA BORUSIAK – BARTŁOMIEJ PIERAŃSKI

FOODCOST



Co-funded by the
Erasmus+ Programme
of the European Union

Nature of in-store communication

In-store communication is primarily a component in the promotional activities of retailers. Retail promotion can be defined as any communication that informs, influences and prompts the target market about any aspect of the retail sponsor (Gilbert, 1999)

The characteristic features of in-store communication (regardless of the entity using this communication channel) are as follows:

- relatively long exposure time to the communication,
- limited possibilities for the customer to avoid the transmitted message,
- accompanying character of the impact: the customer receives the message while doing shopping, their attention is usually not focused on the communicated information,
- low level of awareness as to the impact exerted by means of a range of instruments, especially non-verbal ones,
- indirect nature of the impact by many instruments, generating mainly image-related effects.

What can be communicated by in-store communication?

- ▶ Useful information (opening hours, methods of payment, etc.)
- ▶ The retail store target
- ▶ The store brand personality (sincerity, excitement, competence, sophistication, ruggedness) Aacker, 1997
- ▶ The sources of competitive advantage
 - ▶ The range of assortment
 - ▶ The level of customer service
 - ▶ The level of prices
 - ▶ ...

Objectives of in-store communication

To achieve:

- the rate and amount of profit margin,
- the profitability of sales,
- the number of customers,
- the number of transactions,
- average transaction value,
- the level of customer retention (percentage of customers making repeat purchases) which is a manifestation of behavioural loyalty,
- the frequency of customers' visits.

Retailer' marketing instruments as forms of communication

- Selection of assortment
- Price and price tags
- In-store promotion mix
 - Sales promotion
 - In-store advertising
 - Personal selling
- Visual merchandising techniques (Buttle, 1984)
 - Store traffic manipulation
 - Store layout
 - Products allocation
 - Ambient techniques: **lighting, colours, music, scent, temperature** (Hultén et al., 2009)

In-store products allocation

- ▶ Category management as the main frame
- ▶ Type of product (demand item, impulse item, traffic generator, cash generator)
- ▶ Similar products should be placed together/close

Prices and price tags

- ▶ The level of prices
- ▶ Dynamic pricing
- ▶ The size of the price tag matters
- ▶ The colour of the tag

In-store promotion mix

- Sales promotion (special offers, reduced price...)
- In-store advertising (digital signage, posters, banners, leaflets...)
- Personal selling

Store traffic manipulation - why

- ▶ customers who shop in an entire store buy far more than those who shop in only selected areas;
- ▶ the longer a shopper spends in the store, the greater the purchase volume;
- ▶ traffic tends to concentrate on the store perimeter if not manipulated by the store.

Store traffic manipulation - techniques

- ▶ Store layout (aisle design, merchandise location)
- ▶ Music (type, volume, tempo)
- ▶ Lighting (colour, intensity, type)

Let's look at some examples...



Source: <http://obiektywryнку.pl/>

Summary

In this chapter the following topics were discussed:

- The definition and objectives of in-store communication;
- Forms of in-store communication;
- Store traffic manipulation;
- In-store products allocation.

References

- ▶ AAKER, J. L ., 1997: Dimensions of brand personality. *Journal of Marketing Research*, 34: 347–356.
- ▶ BORUSIAK B., 2009: *Merchandising*. Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu: Poznań.
- ▶ BUTTLE F., 1984: *Merchandising*. *European Journal of Marketing*, 6/7: 104-123.
- ▶ GILBERT D., 1999: *Retail Marketing Management*. Prentice Hall: Edinburgh.
- ▶ HULTÉN, B., BROWEUS, N., van DIJK, M., 2009, *Sensory Marketing*, Palgrave Macmillan UK.