

Neuromarketing in Food Retailing

Application of Neuromarketing in Retailing and Merchandising

Chapter 6

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Merchandising in Retailing

“Merchandising is a phenomenon which uses various techniques and methods to make sure that only "our" product becomes the focus of attention of the consumer. Merchandising is the final and most important step to be taken in order to deliver goods at the right time, price and highest possible quantity to the consumer.”

The retail unit is made up of system components, which include:

- the goods,
- retail activities,
- mechanization and organizational means and equipment.

Later added:

- sales area,
- workers,
- construction and technical layout of operating units, to which can be allocated also the legislative, financial and communication elements associated with the sales.

Merchandising in Retailing

The basic dimensions of merchandising at the retail include:

- **organization of product placement** - based on the segmentation of markets and brands with the idea of better understanding of consumers;
- **management of shelves, brands and segments**
- **attraction of the customer's attention** - the arrangement of the shelves in the store, brand and the store layout, advertising at the point of sale, accessories, and furniture of the store creates the image and identity of the retail and they have to be attractive to the customers.

Based on the given dimensions, the merchandising can be divided into:

- **Organizing merchandising focused on the layout of goods**
- **Merchandising focused on the management of the retail range**
- **Merchandising focused on catching the customer's attention**

Current merchandising trends are: lightning, bright colours, good use of patterns, respect for the environment.

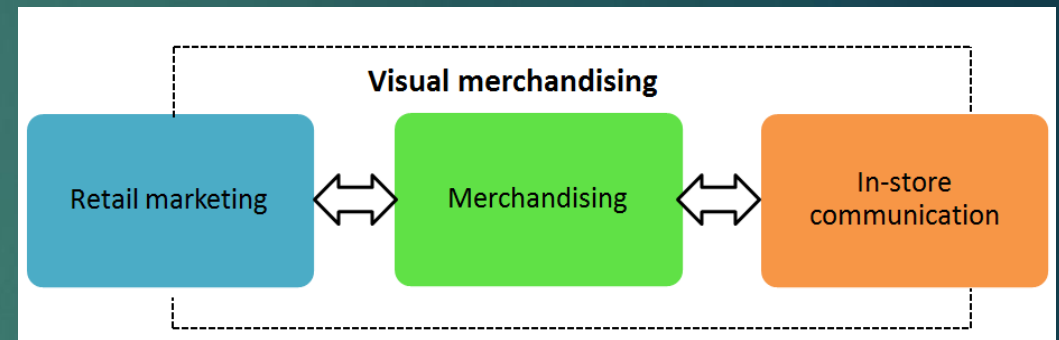
Visual merchandising in Retailing

Merchandising in sales units is closely related to the other two types of merchandising – *visual merchandising* and *sensory merchandising*

Visual merchandising "compels the prospective customer to stop, look and to buy through the use of visual presentation.

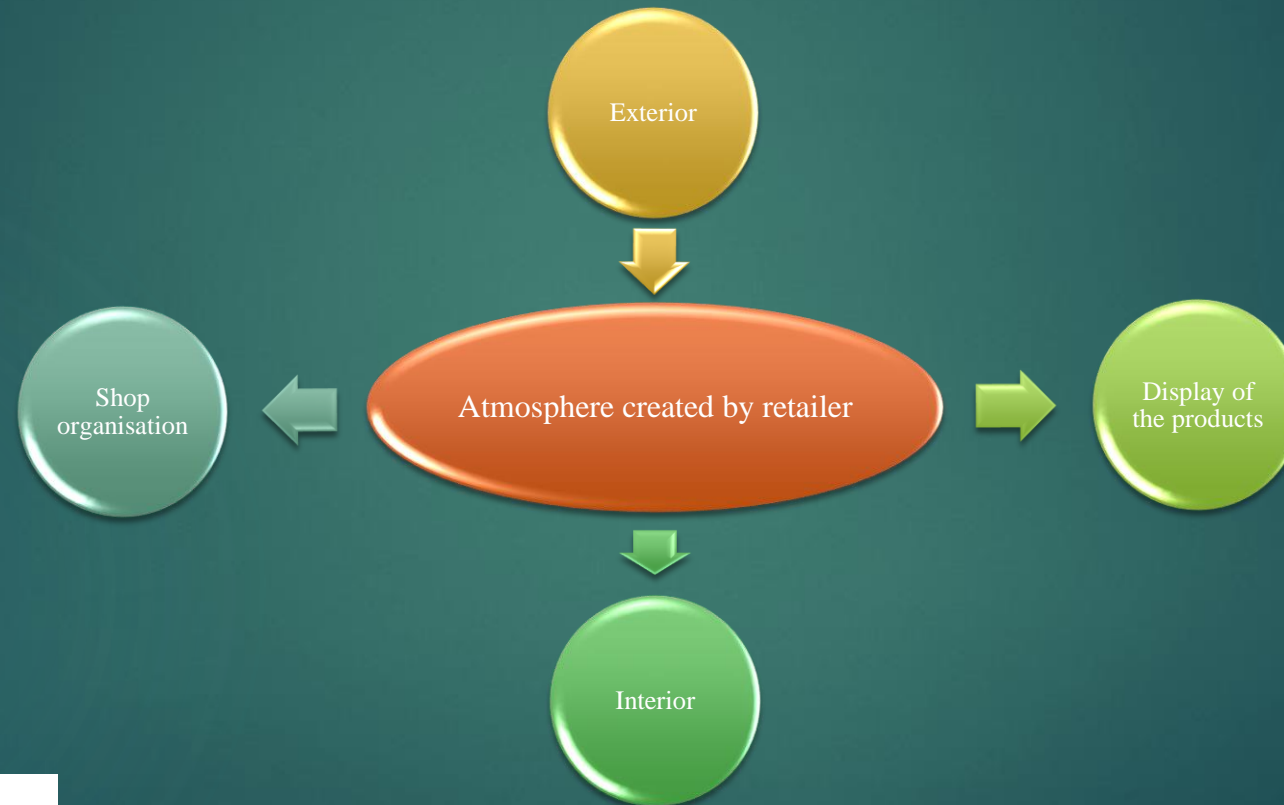
It can be implemented as follows:

- exposure of products in the most beautiful light;
- communication with customer;
- act in a customer-friendly way in order to make a customer buy the product/service;
- present the product from the customer's perspective;
- reduce disturbances in the shop.



Visual merchandising in Retailing

Multi-sensorial stimulation, as a part of visual merchandising, is crucial for ensuring the favourable purchasing atmosphere and welfare of customers in the sales area.



Sensory merchandising in Retailing

“Sensory merchandising can be defined as "a new form of marketing in retail using such factors that create an environment and atmosphere in the shop (music, aroma, colour, taste and tactile elements); causing consumers to respond positively to the purchase of certain goods.”

Lighting is used not only for accented lighting of food products, but also to induce photometric reactions in food products being sold.

People not only perceive colours in a certain way, but vice-versa the colours somehow affect humans too. Experts distinguish four ways:

- Physical effect of colour;
- Physiological effect of colour;
- Psychological effect of colour;
- Visual effect of colour.



Sensory merchandising - colours

We encounter colours in everyday life. They are all around us. For sighted people colours have meaning and are an important psychological tool. Up to 60-80% of visual communication we receive is associated with colours. Colours that surround us affect our subconsciousness.

People distinguish seven basic spectral colours:

- warm colours - red, orange and yellow;
- cold colours – green, blue, indigo and violet.

Warm colours excite us, cold colours are soothing.

Colour	Symbolism	Positive emotions	Negative emotions
blue	Sky Heavens Air Water Coldness	Peace Liberation Righteousness Devotion Trust Silence and Tranquillity Rest Relaxation Spirituality Intelligence Discretion Balance	Melancholy Submission Lethargy

Sensory merchandising - hearing

Hearing is another sense influencing the emotions. Music therefore represents an inherent element within the tools of visual merchandising. Music can affect not only the time spent in the store, but also an overall satisfaction of customers at the point of sale.

Music brings numerous advantages:

- Personnel acting more relaxed and friendly towards customers
- Encouraged customers spending more time in the shop
- Music plays a role while deciding on the choice of the store
- Music can help customers to overcome stress situations (e.g. waiting at the cash desk)

Sensory merchandising - aroma

Suitable fragrance can influence customer's emotions and behaviour, therefore sellers try to attack another one of them - the smell - through aroma marketing.

Correctly selected scents can enhance the experience from shopping, but can also act itself as an impulse to start shopping

Results of a survey confirmed that:

- 75% of our emotions are generated based on smell;
- and up to 80% of purchase decisions are impulsive.

Interesting information is that we remember only 2% of what we hear, only 15% based on taste, but up to 35% of what we smell. Pleasant scent improves our mood up to 40%, can positively influence the desire for specific product and customers are even in such case willing to pay more.

Sensory merchandising – climate

Climatic conditions (temperature, humidity, dust and ventilation) are an integral part of the shops internal environment. The greatest influence on the shoppers has the temperature.

Excessive heat can cause the fatigue of shoppers, which can reduce their concentration on the goods. Conversely, the low temperature shortens the time spent in the store.



Application of neuromarketing in visual merchandising

Neuroscience research provides relevant answers to the questions in the field of visual merchandising and communication at the point of sale:

- attractiveness of the shop's exterior (storefronts, entries, banners);
- attractiveness of the shop's interior (design, atmosphere, illumination);
- attractiveness of merchandising and its tools (displaying, organization of goods, POP and POS materials);
- consumer behaviour and decision-making process at the point of sale (immediate vs. planned purchases).

Behavioural studies in natural purchasing environment:

- Eye tracker
- EEG

Application of neuromarketing in visual merchandising in the retail can contribute to uncovering and understanding of real consumer preferences in grocery stores and significantly increase their competitiveness.

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Summary

In this chapter the following topics were discussed:

- The definition of Merchandising;
- Visual merchandising;
- Sensory merchandising; climate, aroma, hearings, colours;
- Application of neuromarketing in visual merchandising.