

# “Impact of New Concept Retail Stores on Consumer Buying Psychology in India”

Oshin Prashar, Mohit Kumar Ojha

**Abstract:** Indian retail industry is making rapid strides exhibiting considerable adaptations in customer shopping experience by moving from conventional methods to digitally innovative retail stores. Maximum population in India is either millennials or generation Z that are hypercognitive, integrated with virtual and offline shopping experiences. Considering these statistical facts, major retail giants like Lifestyle by Landmark in DLF Mall of India, Noida and Central by Futuregroup in Aerocity, Delhi introduced new concept stores by 2016. Initially, a drift in consumer behavior was evident as new concept retail stores prompted change in their psychology. This research is the study of- Impact of new concept retail stores on consumer buying psychology in India. An exploratory research is conducted in the form of questionnaire. The results indicate that visual merchandising in new concept stores have influenced customers on a subconscious level with an urge to explore what is new in the market.

**Keywords:** Visual Merchandising; Customer Perception; New Concept Retail Stores; Consumer Behavior; Adaptive Indian Retailing

## I. INTRODUCTION:

Retailing in India has shown a prominent upsurge all over the years, from owner manned small shops to being amongst the fastest growing markets worldwide. The concept of retailing has changed worldwide, with more adaptive market scenario comes the upgraded solutions and from being conventional retailers have drifted to digital innovations which is regarded as the new concept of retailing. New concept retail stores in India are technologically well-equipped assuring better consumer experience like Central, Aerocity in 2016 has redefined fashion and lifestyle retailing concept. Similarly, Lifestyle in DLF Mall of India, Noida which launched the same year as Central, was bestowed with the modern décor, minimalistic tech-savvy fixtures and subtle displays that revamped customers' shopping experience.

What is perception?

Perception is, *how we see and observe everything around.*

Multiple people might be at the same time exposed to same stimuli, under same conditions but how they interpret is an individual process based on their personal values and learnings.

Retailers have introduced this change in the market keeping consumer database in mind. With adaptive Indian population and ever evolving fashion came in advanced form of retailing where visual merchandising works upon 5 retail senses: sight, smell, taste, sound, and touch.

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New concept stores have very precisely analyzed and worked upon these five factors to offer better shopping experience to consumers, but the question that may arise could be: Are our consumers adaptive enough to accept the change retailers are offering? Do they really understand the difference in new and old concept stores? What part of population is still comfortable with the old concept of retailing?

This research proceeds from consumer's perception approach to visual display stimulus, with an attempt to consider new concept stores in retailing. This research can benefit retailers to understand how visual merchandising impacts consumer buying behavior.

## II. HOW DOES VISUAL MERCHANDISING EFFECT THE PERCEPTION OF CUSTOMER?

Usually consumers believe after they had made a purchase from a retail store with better experience, they might visit that particular store again, however, it is a reaction to a stimulus put by retailers that prompted consumer to perceive and decide to visit again. Shopping experience is highly influenced by the in-store displays (also known as feature areas or point of sale). Visual merchandising displays have an effect it has on customer perception has been said repeatedly before. The way products are promoted and displayed in a store can have a vast impact on consumer responses e.g. impulse buying decisions, basket size and how much merchandise the retailer sells.

Theory used in this project is about store design, mall management and customer perception:

A. Store Design- It provides an enriching shopping experience that benefits both, like, it encourages customer perception to make repeat visits, and in-turn have a long-term effect on encashing customer loyalty. Three elements of store design that helps customer perceive about the store is Store Layout, Signage and Feature Area.

B. Mall Management- It is the mall design that works effectively on the five senses. It affects the purchase behavior as it arouses customers' emotional and perceptual responses like visual displays, music, in-store scent, sound and touch.

C. Customer Perception- In this project, as we are analyzing two different concepts of lifestyle brand, DLF Mall of India lately emerged mall with new concept and as people like changes they prefer whatever is latest in the market as exploration is in trend.

GIP is an old concept mall and mall management has minimalistic approach of advertising the mall activities now, those customers who still are loyal with the mall come and visit.

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## THEORY USED IN THIS PROJECT

Store Design, Store Concept and Customer Perception are the major factors of the project report:

### A. Store Design

Store design objective is to attract customers to visit store again, increase the footfall and increase the time spent in store and finally the basket size. Store design eventually help retailers build customers’ perception and buying behavior.

There are three elements of store design:

#### 1. Layout

Store Layout defines the totalspace required for selling. Layout also consists of utilizing space, area planning and aisle arrangement. This project focusses on free-flow layout.

#### 2. Signage

Signage help locating the specific products offered in category of different departments

which provides product related information There are three types of signages: Category Signage, Promotional Signage and Point of Sale Signage.

#### 3. Feature Area

Feature Area is designed to get customers’ attention. They include:

*Window Display, Entrances, Fixtures, In-store displays and trend area, Dressing*

*Room, Cash Warp and Product Handling.*

### B. Store Concept

In Retail, there are old store concepts and new store concepts. Old Store Concepts basically comprises of old fixtures and techniques, for an exp. Lifestyle store GIP Noida is an old concept store and the presentation is in such a way that it does seem non-updated, whereas, new concept stores are newly constructed ones comprising latest techniques and presentation, for an exp. Lifestyle store DLF MOI Noida, customer footfall usually drift towards what is new and alluring and that is how a brand differentiates itself in market.

### C. Customer Perception

Perception defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful picture of the world. It is how each person recognizes, selects, organizes, and interprets stimuli based on each person’s own needs, values, and expectations (Schiffman, Wisenblit 2019)

### CUSTOMER PERCEPTION AND VISUAL DISPLAYS

Consumers believe that they only purchase products when they go shopping, however mostly they purchase the shopping experience as well which is highly influenced by the visual merchandising displays used in store accordingly the perception of visiting again is build.

**For an example)** At Delhi-Noida-Direct Flyway the posters of Tom&Jerry Show are put up which is an **Absolute Threshold** for customer’s perception.

An **Absolute Threshold** is the lowest level at which a sensation is experienced by an individual.



## BASIC VISUAL MERCHANDISING FACTORS AFFECTING PERCEPTION

### Internal-

Merchandising, Windows, Mannequins, Store Lighting, Store Interior, Fixtures, Props, Signages and Directory

### External-

Store Façade, Store Entrance and Visual Promotions.

**Based on these factors we can compare the images:**

### 1. STORE EXTERIOR



### GIP Noida DLF MOI Noida

The exterior of MOI consists of all latest concepts in retail, like, open entrances where customer feels welcomed, even adopted by rival brands like Zara, H&M, and Forever21 etc.



2. FOCAL POINTS



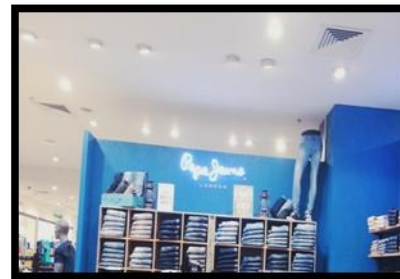
GIP

Noida

DLF MOI Noida

This reference image is of a merchandise promotional display, 'ALL ABOUT SHOES' where in GIP Lifestyle store they have used a sunboard material prop point-of-purchase display, on the other hand MOI Lifestyle have illuminating fixture display i.e. the prop will glow only if footwear would be kept on top of it.

III. LIGHTING



GIP Noida

DLF MOI Noida

Lighting are most influential factor in visual display and hence latest lighting techniques are usually preferred by every brand as retailers are well aware of the fact that which concept is beneficial for them, MOI have Drop Panel Lighting which gives customer an exclusive shopping effect whereas GIP uses Panel Flood Lighting.

4. MANNEQUIN DISPLAY



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GIP Noida DLF MOI Noida

Other than Brand Sales Staff, Mannequins are considered as Brand Representator as they showcase what all brand is about and what is in trend, hence mannequins should be kept in accordance to brand image as customer may link themselves and form a self image in mind, in Mall of India, Mannequin forms are different, as you can see in images the presentation has changed even when stores receive same docket.

### 5. MERCHANDISING AND FIXTURES



GIP Noida DLF MOI Noida

Merchandising and Fixtures are latest and interesting in DLF MOI Noida.

FINDINGS ON THE BASIS OF COMPARISON OF IMAGES

- As we've compared some very common elements of v.m. of both the store concepts, difference can be observed.
- Just on visual basis one can figure out the change.
- The usual effect on customers is different as they visit both the stores they can very well observe and compare, and that is how perception is build.
- It just takes 10-15 seconds for a customer to build a perception regarding the brand.
- Same docket is followed by both the stores but new concept stores allure customers more as they think new is the better and should be explored.
- Footfall of GIP, NOIDA is 7500 approx and MOI, NOIDA is 4500 approx and MOI seems to complete the store targets.

### SUBLIMINAL PERCEPTION

A process that stimuli received here are **too brief or too weak** to be **consciously heard or seen** may not be strong enough to be perceived by one or more receptors cells. It may be:

- 1) Briefly presented visual stimuli, just like LED Video display concept. Exp. CODE by Farhan Akhtar.
- 2) Auditory messages accelerated in low volume, exp. Store radio promoting Lifestyle offer or sale message.
- 3) Embedded or hidden imagery or words in print ads or on product labels, exp Lifestyle promoted in bold at escalator area in Dlf, Mall of India, Lifestyle.



## CONSUMER IMAGERY

About product, prices, quality, brands, services etc consumers have a number of enduring perceptions or images that are relevant to the study of consumer purchase behavior.

Questionnaire Survey proves the point.

E.g.: Consumers tend to shop in stores that have an image consistent to their own self-images, that explains why new concept store, Lifestyle have matched up to the target market of DLF mall and competitors.

Middle Class to High End Target Market can easily relate and find a comfort shopping scenario at new Lifestyle Stores.

Look out for some examples further:



Latest lighting techniques used in the women wear section

In Old Retail Concepts the Shop floor doesn't promote wardrobe type displays, whereas, in new concept stores the shop floor has wardrobe type display.



This is how customer imagery comes into action where customer links himself with the brand and perceives the brand is representing their image and shops with the motive of coming again which is also beneficial in a way that the walk ins of rival brands could be drifted.

## FINDINGS OF RESEARCH:

- The survey was conducted in Lifestyle of both DLF Mall of India and Great India Place Noida
- Questionnaire was designed for population size of 45,000 and circulated over the weekend in both old and new concept store, in order to find whether customer's perception change with respect to retail concept or not.
- The result as discussed by the organization signifies that customer's perception changed completely, initially they perceived Lifestyle, DLF MOI to be more expensive than GIP Noida.
- Customers want to explore what is new and latest as per the market trend.
- Most customers cross-checked the tag before making a purchase to ensure if prices were still the same.
- Loyal customers (aged 55-70) preferred old concept stores because they were well-versed with the parking scenario, staff and store policies.

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- Generation Z are more enticed with latest digital visual in-store displays, where as generation Y and X felt updated with the trends.

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