



The Impact of Visual Cues on Consumer Purchase Decision Making Process: An Empirical Investigation

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Indian consumers (Post Liberalization era) is becoming more and more demanding. As the Different Syndicate research study shows that the demographic profiling of Indian consumers is suggesting that we are a young nation (as approx major chunk of people are under 35 years of age). The new age Indian consumers are more and more demanding as for them the choices are more important. The utilitarian aspects of product are useful for them but more of frills as well as packaging are creating a major impact on Indian Youth! The purchase decisions are becoming more and more inclined towards the visual and other aspects of the product rather than core value delivered by the product .

INDIAN RETAIL INDUSTRY – CHANGING TREND

India is witnessing an unprecedented consumption boom. The economy is growing at the rate between 7 and 8 percent. The implication of this is improvement in income dynamics along with demographics and growth in consumption pattern

Retailing in India is currently estimated to be US\$ 200 billion, of which organized Retailing (i.e. modern trade) makes up 3 percent or US\$ 6.4 billion. Organized Retail is expected to grow at the rate of 25-30 percent p.a., and is projected to attain US\$ 23billion by 2010.1 At these levels, organized retail would constitute up to 9 percent of overall retail sales.

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Indian retail – the right enablers are falling to place (Abstract from KPMG REPORT)

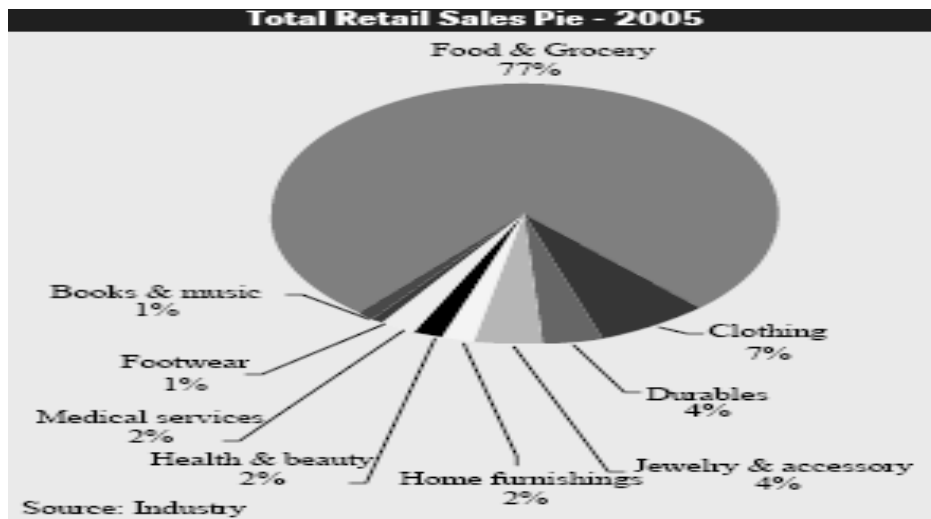
There are multiple factors driving Indian retail growth. With roughly 60 percent of the total population below 30 years of age, favorable demographics are expected to drive consumption across categories. The purchasing power of a young consuming middle class has been talked of since the time of economic liberalization in 1991. However, it is only today that we are witnessing the spending power associated with this consumer segment. For example, 50percent of cellular phone purchases in the past year were by the under-30 agegroup². This consumption is expected to continue due to the aspirational nature of spending associated with this consumer segment. The AC Nielsen Online

Omnibus Survey 2005 rates India in the highest category of Aspiration Index In Asia, along with China, Indonesia and Thailand.³

This leads to the consumerism The Indian consumers' lifestyle and profile is also evolving rapidly. India has one of the youngest populations in the world with 54% of the population below the age of 25. Discretionary spending has seen a 16% rise for the urban upper and middle classes and the number of high income households has grown by 20% year on year since 1995-96. There is increase in the consumption pattern and the trend is moving more value driven to association of key values .*the Entrepreneur category has replaced the employed people as one of the category where the key consumption as the key. 40% of primary wage earners in the top 2-3 social classes in towns with a population of 1 million or more are self employed professionals and businessmen. This has driven growth in consumption of productivity goods, especially mobile phones and two and four-wheelers.*

FIGURE -1(Source KSA Techno Pak Report 2004)

³ Indian Retail on the Fast Track –Bridging the Capability gaps – KPMG FICCI REPORT 2007



The above data and figures suggest that there is specific need to understand the CONSTRUCT which can affect the purchase decision making process. The objective of our paper is to undergo the research to have a better understanding of how frills or visual cues, to be more specific can play a role in decision making process. As different research studies suggest that impulse is one the most important construct in store communication and plays a major role in purchase decision making process.

Taking above data in the backdrop, we propose to research on different aspects of visual stimuli and how it can affect the consumer decision making process. The key objectives of the paper are as follows:-

Objectives:

- 1) Understanding of the different visual cues and their possible impact on consumer Decision making process
- 2) Developing a theoretical frame work on the basis of different constructs which is being developed while studying the visual stimuli
- 3) Studying the effect that the visual cues create as a discriminating variable to

choose or prefer the specific category.

Methodology:

To establish and achieve the above said objectives the following methodology is being used

- 1) Secondary research is undertaken to have a better grasp of the different visual cues and their possible impact on the consumer decision making process. It would help derive the key constructs.
- 2) An empirical study is conducted employing the blind tests and demonstration across different categories derived through different samples.
- 3) Market Basket analysis is done to understand the different categories that consumers prefer through association rules and to establish the significant relationship between visual cues and the similar categories being selected in the Basket.

Review of the literature:

Peripheral cues Influence behavior bse they offer cognitive shortcuts⁴ Weight Influences Product Preference in terms of quality.⁵ Vertical horizontal illusions Influences purchase quantities⁶ the influences of peripheral cues on consumption volume.⁷ Peripheral cues may have substantial Influences on judgment and behaviour⁸.

⁴ Weighing your options: Effect of product weight on preference”

Scott D Swain :university of south Carolina

⁵ Can bottle speak volume? Effect of package shape on how much to buy Sha yang, University of south Carolina

Priya Raghubir, University of California at Berkeley

⁶ The influence of peripheral cues on consumption volume Brian winsink – University of illionis Koert van ittersum –university of Illinois

⁷ Diagnostic or rationale Value Roe And Monroe

⁸ Ragubir and Krishna (1999)

Raghubur and Krishna (August 1999) have also done a significant research in the area of visual cues and have identified three constructs which can be useful to understand the visual cues and their effect on purchase consumption . The three variables which are being identified are perceived volume, actual volume and perceived consumption.

There is no significant research done in Indian to understand the visual cues and their effect on purchase consumption in Indian context.

In the latter half of the paper, we had tried to find out the perception of the respondents and the understanding of the different visual stimuli through different categories .

THE EMPIRICAL STUDY:-

We asked 50 respondents (Post Graduate & under Graduate Students) to evaluate the different categories on volume dimension as well to identify the category where they feel the perceived volume for the said category is more than the other shapes. The study which we have conducted is a blind test where we have disguised all the information (Content Detail etc) as well as the brand name also of the product which is being tested.

The products which we have chosen for our study are cold drink bottles, Shampoo and Mineral water. For every specific product , we have asked respondents to compare different shapes (shapes which are available are -cylindrical ,bottle cans as well as one dummy shape where we have filled the square shape bottle with mineral water and the cold drink, for shampoo we have taken cylindrical shape and trapezoid shape) .

THE FINDINGS OF THE STUDY:-

- i) The 80 % of the respondents feel that always in all the category the elongated bottle have more volume (perceived volume more than the other shapes) .ii)
- ii) The respondents had found it very difficult to interpret the exact volume content for all the different shapes across the different categories.

- iii) Respondents have also highlighted that in some of the shapes gripping is so good that they feel comfortable in handling the bottle and which also affect their purchase decision.
- iv) Respondents feel that the different shapes also excite them some time and because of the difference in shapes, they include the product in their “consideration set”.
- v) As every one had nodded in positive sense, it is inferred that elongation is really one of the major reasons that makes them feel that the actual volume content in the bottle will be more than other shapes .
- vi) The respondents have also denied any significance or association which is being reflected through visual cues and type of the category which people prefer. *Not as such any significant association establish with the help of visual cues according to the respondent visual cues will not create any significant association between the category purchase and correlation on the basis of visual cues*

CONCLUSIONS :-

i) As stated earlier ,the underlying objective behind the research is to try to find out the significance impact of visual cues in the purchase decision making process. The Utilitarian approaches affect the purchased decision. But when we think of visual cues, the primary research suggests that the shape of the bottle creates an impact on the volume assessment of the product.

ii) Respondents also have bias toward some of the shapes as well as have the preference to specific shapes in different category . As the respondents are not aware of the actual volume, most of the purchase decisions are taken on the basis of perceived volume. Perceived volume has a significant association with the elongation aspect of the visual cues.

iii) . The market basket analysis study could not establish the association rule across the three different categories which are in the consideration set. The visual cues do not (restricted to the study) endorse the association rule across the different categories selected in the purchase basket .

The limitation of the study is that it is done only across three different sub categories in FMCG vertical .

FURTHER SCOPE OF RESEARCH;-

The further scope of research is that the study can be replicated in the other different categories as well is in non-FMCG sector. The association that is created through our study could be further extended into other product categories.

BENEFICIARIES OF THE STUDY:-

The study will be useful to retailers to plan their shelf space as well to the category manager to know that elongation creates an important role in deciding the purchase of the specific product Also it can make them aware of the fact that compromising on the shelf height and ignoring the elongated product can have impact on their sales data.

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