Visual Merchandising for Organic Retailer

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Consumer Behaviour: What does it influence?

- Kind of product presentation,
- Shopping atmosphere,
- Sales persons,
- Personal feeling.
Introduction

1. Conventional and organic supermarkets are seen as the most competitors for smaller organic retailers

2. The most competitive areas for organic retailer are apart from the assortment structure
   - the appropriate location
   - price / quality /service image
Visual Merchandising

- **Visual**: To make competencies visible for customers
- **Merchandising**: All measures which support sales
- **Visual Merchandising**: To send visual and emotional loaded messages to customers which support pleasure of shopping activity
- A shop is like the page of a magazine: huge space filled with a lot of small letters
- Only by using paragraphs, headlines and strong pictures readers really enjoy to read the magazine
Objective: To make the own assortment unique, attractive and fascinating for broad customer groups

Desires should be stimulated by emotional signals

Higher sales by:
- improving product visibility,
- emotional product messages,
- improving quality awareness,
- improving price images,
- improving service competencies
Challenges for organic retailers

- Optimise quality perception indoor and outdoor
- To handle flood of available single items in context of limited space
- Customer oriented product presentation and product placement
- Competence of sales persons
- Personal customer - shop owner relation
Potential which can be used by VM

Increasing sales by 20 – 50%

- Increasing average customer sales
- Customer loyalty
- Attract new customers
Stimulate impuls purchase activities

Effects of different placement of products

-68%  +65%  +78%

+15%  -80%

Zone 1  > 1,70m
Zone 2  1,20 - 1,70
Zone 3  0,80 - 1,20
Zone 4  < 0,80m

Source: Praxis-Studie Parfümerie, ACNielsen
Value upgraded product presentation

Whole Foods (USA)
Specific shop facings attract different customer segments
Potential customer groups for organic products
Post modern style attracts younger consumer groups with higher incomes.
Traditional and basic style attracts purists
Luxury presentation style attracts consumer groups with higher incomes.
Colourful attractive presentation style attracts a broad spectrum of quality oriented consumer groups.
Elegant but distanced presentation style attracts modern lifestyle oriented consumer groups.
Simple presentation style attracts altruistic consumer groups

Bioladen Basel (Schweiz)
Important attributes for preferred shopping places

- Pleasant atmosphere
- Frequent special price offers
- Able to taste products
- Friendly sales people
- Shopping fast and effective
- Broad assortment
- No stress factors
- Extension offers
- Low distance to shop
- Enjoy shopping
- Sufficient parking areas

Source: Institut für sozial-ökologische Forschung (ISOE), 2003
Critical competition areas for organic retailers

- Price image: too expensive
- Less favoured locations
- Shopping slow and less effective
- Less shopping comfort
- Needed conventional items has to be bought on separate markets
Potentials for organic retailers

- Mainly in fruits / vegetable area (unpacked sales) potential
- Better appearance of freshness
- Better care of assortment
- Broader organic assortment (e.g. exotic fruits, cheese, high quality bread)
- Better possibilities to position with regional messages
- Sales people are able to steer purchase activities
- More trustful in consumer’s eyes
Bioprodukte im Naturkostfachhandel
Tipps für erfolgreiches Verkaufen

Downloads to Visual Merchandising:
www.oekolandbau.de

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