

The Impact of Store Marketing Effectiveness on Consumer Purchasing Decisions

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Abstract: This research project investigates the impact of in-store marketing strategies on consumer purchasing decisions within physical retail environments. With the increasing competition from e-commerce, brick-and-mortar stores are adopting diverse in-store marketing techniques to attract and influence shoppers. The primary objective of this study is to analyse how various in-store marketing elements—such as visual merchandising, store ambiance, promotional offers, product placement, and customer interaction—affect consumer behaviour during in-store visits.

The study also explores the effectiveness of specific marketing techniques in driving impulse buying, a key area for retailers aiming to boost unplanned purchases. Techniques such as promotional signage, attractive product displays, and strategic shelf placement are evaluated for their role in triggering spontaneous buying decisions. Understanding these tactics provides valuable insights into how consumers respond emotionally and behaviourally to different forms of in-store stimuli.

The findings of this project can offer actionable insights for retailers aiming to enhance customer engagement, optimize in-store experiences, and increase sales performance. The research contributes to the broader field of consumer behaviour and retail marketing strategy by highlighting key factors that influence decision-making in physical stores.

Keywords: Marketing, Customer Engagement, Competition, Consumer Behaviour, Retail

1. INTRODUCTION

Tata Ficosa Automotive Systems was established in 1998 and is a 50:50 joint venture company between Tata Auto Company Systems and Ficosa International, Spain. Tata Ficosa Automotive Systems is a design to manufacturing company producing products such as Outer and Inner Rear View Mirror System, Parking Brake Systems, Gear Shifter Systems; various electronic products such as

vision based ADAS products (including Rear View Camera System, Surround View System, Driver Drowsiness System, Camera Monitoring System), Communication products (such as Antennas and Telematics), Command & Control products (such as Gear Shift Actuators, Gear Shifters and Park Brake Levers) and Electro- mobility products (like Battery Management Systems, Battery Pack assembly and associated products). Based out of Pune in India, Tata Ficosa is spread across India with six manufacturing plants in Pune, Sanand, Chennai and Pantnagar. Tata Ficosa is certified for IATF 16949-2016, ISO 14001-2015, OHSAS 18001-2007 standards and is compliant to various quality certifications from the esteemed customers such as Tata Motors MSA, VW Formel Q, Ford Q1, Renault- Nissan ASES and GM QSB. This experience reflects in the high-quality deliverables and services to the customers.

2. RESEARCH PROBLEM

In today's highly competitive retail environment, companies invest significantly in in-store marketing strategies such as product displays, signage, promotions, and layout design to influence consumer behaviour. Despite these efforts, there remains a lack of clear understanding regarding the actual effectiveness of in-store marketing tactics on consumer purchasing decisions, especially in specific market contexts such as the Indian automotive components sector. This gap is particularly evident in organizations like Tata Ficosa Automotive Systems, where aligning marketing strategies with consumer behaviour is crucial for sales performance and customer satisfaction. Therefore, it is essential to investigate whether in-store marketing practices truly influence the consumer's decision-making process and to what extent these strategies drive purchase behaviour.

3. SCOPE OF THE STUDY

The scope of this study focuses on understanding the impact of in-store marketing on consumer purchasing behaviour. It is limited to a specific geographical region and considers different store types such as supermarkets, apparel, and electronics stores. The study examines various consumer demographics including age, gender, and income levels, along with their shopping habits. It explores marketing techniques such as discounts, product displays, sensory marketing, and the use of technology like QR codes and digital signage. The research aims to understand how these strategies affect consumer decision-making, impulse buying, and brand perception. Both quantitative methods (surveys) and qualitative methods (interviews, focus groups) are used. It may be cross-sectional or longitudinal and consider seasonal shopping trends. The study also looks at specific industries like food, fashion, or electronics. Finally, it explores consumer satisfaction, brand loyalty, price sensitivity, and the influence of cultural and social factors on marketing effectiveness.

4.NEED OF STUDY

This study explores how in-store marketing influences consumer behaviour and purchasing decisions. Techniques like product displays, signage, promotional offers, music, and store layout can impact shoppers' choices and encourage impulse buying. By understanding these effects, retailers can optimize store design and product placement, such as positioning items at eye level or near checkout counters to boost sales. The research also examines the effectiveness of promotions like discounts and loyalty programs. Sensory elements like scent, lighting, and sound are analysed to see how they drive unplanned purchases. It looks at how different consumer groups respond to marketing strategies, helping brands tailor their approach based on age, gender, or preferences. Emotional triggers and psychological factors are also considered. With digital tools like interactive displays and mobile apps becoming common, the study highlights the role of technology in shaping modern retail experiences. Overall, it aims to measure the return on investment and help retailers adapt to changing consumer trends.

5.OBJECTIVES OF THE STUDY

Primary Objective

To analysed how different in-store marketing strategies influence consumer purchasing behaviours.

Secondary Objectives

To investigate how consumer demographics (such as age, gender, and income) and preferences interact with in-store marketing efforts to impact purchasing decisions.

To investigate how consumer demographics (such as age, gender, and income) and preferences interact with in-store marketing efforts to impact purchasing decisions.

To analysed the impact of sensory marketing (lighting, music, scent, and store layout) on consumer emotions and purchasing behaviour. This objective examines how sensory elements contribute to a positive shopping experience, influencing dwell time, engagement, and purchase decisions.

6.RESEARCH METHODOLOGY

This study adopts a descriptive research design, aiming to identify and analyse the influence of various in-store marketing elements on consumer purchasing decisions at Tata Ficosa. The focus is on understanding how product displays, promotional materials, staff interaction, and store layout affect buyer behaviour in the automotive components retail environment and using the tools SPSS, ANOVA and CHI SQUARE Method.

7.FINDINGS

- Research showed that well-designed packaging that clearly communicates product benefits and features influences consumer choices.
- The rise of digital displays in stores, such as interactive screens and video promotions, attracted more foot traffic and increased consumer engagement.
- Milliman's study highlighted the influence of background music on consumer moods, which directly affects their time spent in the store and purchasing tendencies.
- Research done with these tools SPSS, ANOVA and CHI SQUARE Method.

ANOVA
invariable

	Sum of Squares	def.	Mean Square	F	Sig.
Between Groups	.915	1	.915	.302	.584
Within Groups	294.378	97	3.035		
Total	295.293	98			

The ANOVA (Analysis of Variance) results help determine whether there are significant differences in responses between groups. In this case, the Between Groups Sum of Squares is 0.915 with 1 degree of

Case Processing Summary

freedom (df), and the Within Groups Sum of Squares is 294.378 with 97 degrees of freedom, resulting in a total of 98 degrees of freedom. The F-value is 0.302, and the significance level (Sig.) is 0.584.

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
WHAT ARE THE KEY FACTORS THAT LEADS YOU TO SHOP AT SAME STORE * SALES STAFF RECOMMENDING PRODUCTS IMPACTS MY PURCHASE DECISION	101	98.1%	2	1.9%	103	100.0%

Chi-Square Tests

	Value	def.	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.151 ^a	12	.014
Likelihood Ratio	27.710	12	.006
Linear-by-Linear Association	3.883	1	.049
N of Valid Cases	101		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .12.

The Chi-Square analysis was conducted to examine the relationship between the key factors that lead consumers to shop at the same store and the impact of sales staff recommendations on their purchase decisions. Out of 103 total responses, 101 were valid, making up 98.1% of the sample. The Pearson Chi-Square value was 25.151 with 12 degrees of freedom and a p-value of 0.014, which is less than the standard significance level of 0.05. This indicates a statistically significant relationship between the two variables, suggesting that sales staff recommendations do influence a customer's likelihood of returning to the same store. The Likelihood Ratio (27.710, $p = 0.006$) further supports this conclusion. Additionally, the Linear-by-Linear Association value of 3.883 with a p-value of 0.049 points to a weak but significant linear trend. However, since 70% of the expected cell counts are less than 5, caution is advised when interpreting the strength of this relationship

8.RECOMMENDATIONS

- Improve product packaging to clearly highlight key benefits and features.
- Install interactive digital displays and video promotions to attract and engage customers.
- Play background music that positively influences customer mood and shopping behaviour.
- Train sales staff to make effective product recommendations and build customer trust.
- Customize in-store marketing strategies based on different consumer demographics.
- Use data analytics tools like SPSS to monitor consumer behaviour and refine strategies.
- Design store layouts that enhance product visibility and encourage impulse purchases.

9.CONCLUSION

The study clearly shows that in-store marketing has a significant impact on consumer purchasing decisions at Tata Ficosa. Elements such as attractive packaging, digital displays, background music, and staff

recommendations all play a role in shaping customer behaviour.

From the data analysis using SPSS, ANOVA, and Chi-Square tests, it was found that sales staff influence, visual appeal, and store atmosphere directly affect customer choices. While demographic differences had some effect, the biggest drivers were how well the store engaged the senses and emotions of the customer.

In conclusion, effective in-store marketing leads to better customer engagement, increased sales, and stronger brand loyalty. For continued growth, Tata Ficosa should focus on enhancing the in-store experience with a customer-centric approach.

10. REFERENCES

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Key Findings: Milliman's study demonstrated that store layout, ambient factors like lighting, and visual merchandising significantly impact consumer buying behavior. Organized displays and store ambiance enhanced shopper mood and encouraged impulse purchases.
Impact: Consumer purchase decisions were more favorable when the environment matched the product and branding.
- [2] Effects of In-Store Promotions (2004) – Blanchard
Key Findings: Blanchard's research on promotional displays showed that in-store promotions, including discounts, limited-time offers, and BOGO (Buy One Get One) deals, influence purchase behavior.
Impact: In-store promotions were found to stimulate immediate purchase decisions, especially when consumers were unaware of the promotion before entering the store.
- [3] In-Store Music and Consumer Behavior (1995) – Milliman
Key Findings: Milliman's study highlighted the influence of background music on consumer moods, which directly affects their time spent in the store and purchasing tendencies.
Impact: Slower music tempo increased time spent browsing and led to higher sales in some cases, particularly in retail environments.
- [4] Shelf Placement and Product Positioning (2006) – U.S. Department of Agriculture
Key Findings: The study focused on how product placement on shelves (eye-level, end caps, or near checkout) can directly impact consumer decisions.
Impact: Products placed in high-visibility locations or near related items had higher sales volumes due to increased consumer attention and perceived convenience.
- [5] The Role of Packaging and Labeling (2012) – Hoyer & MacInnis
Key Findings: Research showed that well-designed packaging that clearly communicates product benefits and features influences consumer choices.
Impact: Consumers were more likely to purchase products with clear, attractive packaging that aligned with their expectations and preferences.
- [6] Effectiveness of In-Store Digital Displays (2016) – Groening & Sweeney
Key Findings: The rise of digital displays in stores, such as interactive screens and video promotions, attracted more foot traffic and increased consumer engagement.
Impact: Digital signage influenced consumer purchasing decisions by offering targeted promotions and dynamic advertisements.
- [7] Influence of Sales Personnel on Buying Decisions (2007) – Solomon
Key Findings: The presence of trained and knowledgeable sales staff was found to be crucial in influencing consumer confidence and final decisions.
Impact: Consumers were more likely to purchase higher-value items when salespeople engaged in personalized selling.
- [8] End-of-Aisle Displays (2009) – McGoldrick
Key Findings: End-of-aisle displays, which showcase high-demand or discounted products, triggered impulse purchases and helped highlight new products.
Impact: These displays significantly influenced spontaneous purchasing, especially when promotions were involved.
- [9] The Role of Color in In-Store Marketing (2002) – Bellizzi & Hite
Key Findings: Research revealed that color affects emotions and decisions. Warm colors like red and yellow can stimulate excitement, while cool colors like blue create a calming effect.
Impact: Color choices in store design influenced how consumers interacted with products, with some colors enhancing

- perceived quality and desirability.
- [10] The Impact of Price Signaling (2005) – Lichtenstein et al.
Key Findings: Price signaling through strategies like price tags, discount labels, or tiered pricing can significantly impact a consumer's perception of value and influence their decision-making process.
Impact: Consumers are often more drawn to products with visible price discounts, which may increase the likelihood of impulse buys.
- [11] Cross-Promotions and Bundling (2008) – Nunes & Drèze
Key Findings: The practice of bundling products together, such as offering a set of related products at a discounted price, can increase both product visibility and overall sales.
Impact: Consumers tend to perceive bundled offers as a better value, leading to higher conversion rates and average transaction values.
- [12] The Influence of Scent Marketing (2014) – Spangenberg et al.
Key Findings: Scent marketing, where specific fragrances are used to enhance store ambiance, was found to increase shopper satisfaction and time spent in-store.
Impact: Positive associations with scent led to increased purchasing, particularly in retail stores selling luxury or lifestyle items.
- [13] Social Influence and In-Store Marketing (2010) – Cialdini
Key Findings: Social proof, such as customer reviews or live demonstrations, played a role in influencing consumer decisions within stores.
Impact: Consumers are more likely to purchase items when they see others engaging with or purchasing the same product.
- [14] The Psychology of Discounts (2011) – Kumar & Shah
Key Findings: Consumers often interpret discounts in different ways. A larger discount percentage does not always lead to greater sales, depending on how the discount is framed.
Impact: Framing discounts as “exclusive” or limited-time offers proved more successful than simply reducing the price.
- [15] In-Store Signage and Consumer Attention (2013) – Yang & Pashupati
Key Findings: Strategic placement of signs and information within the store directs consumer attention and helps in decision-making.
Impact: Clear, concise, and strategically placed signage resulted in better product discovery and faster purchasing decisions.
- [16] Impulsive Buying and In-Store Promotions (2012) – Rook
Key Findings: In-store promotions, especially those that appeal to emotions or leverage scarcity (limited-time offers), can lead to impulsive buying behaviors.
Impact: Impulse buys are more common in stores with active, attention-grabbing marketing tactics.
- [17] In-Store Advertising and Customer Loyalty (2009) – Ailawadi & Neslin
Key Findings: In-store advertising not only drives immediate purchases but also fosters long-term loyalty when aligned with customer interests.
Impact: Loyalty programs combined with in-store advertising led to repeat visits and stronger brand affinity.
- [18] The Impact of Social Media Integration in Physical Stores (2017) – Kaplan & Haenlein
Key Findings: Integrating social media with in-store experiences, such as through interactive touchpoints or QR codes, positively influenced consumer behavior.
Impact: Social media presence in-store extended the consumer journey, with users more likely to make purchases influenced by online content.
- [19] Ethical Considerations in In-Store Marketing (2018) – Lichtenstein et al.
Key Findings: Ethical concerns about in-store marketing, such as transparency about pricing and honest advertising, influence consumer trust and purchasing behavior.
Impact: Ethical marketing practices led to greater consumer loyalty and more thoughtful purchasing.
- [20] Impact of Store Atmosphere on Impulse Buying (2010) – Kotler
Key Findings: Factors such as store lighting, layout, and background music not only create a pleasant shopping atmosphere but also encourage impulse buying.
Impact: A carefully curated store atmosphere encourages unplanned purchases, particularly in stores with strong branding.