

IMPACT OF COLOURS IN MARKETING

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Abstract

Colours play an important role in attracting the consumers and creating an image about the brand or retail store. Warm colours help in attracting the consumers and impulse purchases where as cool colours help in purchases where deliberation is required for decision making. With the help of colours companies are adding value to their product portfolio. In hospitality industry colours are decided according to the mood, ambience, design and the name. Internet- based and apparel companies are more experimental with colours than established ones like auto makers. Companies which are using colours as their USP has to maintain consistency in colour management.

Key Words: Warm colour, cool colour, colour management, established companies.

1. Introduction

Colours effects in store designing. Colours having both consumers drawing power as well as image creating potential in retail store designing. Consumers irrespective of colour preferences get attracted towards warm colours like red and yellow. Warm colours like red or yellow are better choice than cool colours like blue or green for physically drawing the consumers in display area, retail store. On evaluative factors warm colours like red or yellow are viewed as colourful yet negative, bright and tense where blue and other cool colours are viewed as positive relaxed and favourable. Retail application of colours suggests warm colours are appropriate for store entrance and window as well as for buying situations associated with impulse purchases. Cool colours are appropriate where consumers deliberate over purchase decision. Warm colours in situations where deliberation are common results into premature termination of shopping trip. On the other hand where impulse purchases are common warm colours produce a quick decision purchase.

2. Colours as Marketing Strategy

When APPLE launched the latest iPod Shuffle design in October 2006, the gadget was available in just one colour: silver. However, just three months later, Shuffle was available in green, purple, blue and orange – with a slug line that read, ‘Put some colour on’. One of the many functions of these Shuffles was, quite literally, to enable end – users to colour coordinate the device with their clothes.

In India, Sony is cashing in on the trend of gadgets becoming style statements by launching its range of Vaio laptops, cameras and MP3 players in multiple colours. Motorola India’s 2006 experiment with pink Razr led to a huge surge in brand’s appeal, resulting in the flood of colour handsets in the market. And TVS Motor has launched in 2007 Scooty 99 in partnership with Asian Paints, where consumers can pick a Scooty Pep+ from a range of 99 colours. TVS claims that in just one month, this range – which retails at 5% premium – accounts for 15% of Scooty sales.

With consumers opting for colours across categories, it is clearly becoming the marketing community’s latest white knight. According to studies conducted by Colour Marketing Group (CMG), an international association of designers, colour increases brand recognition by up to 80%, colour ads are read up to 42% more than similar ads in black and white, and it can be up to 85% of reason people decided to buy a particular product. Says Jack Braden foerder, president, CMG, “Smart companies are realising the need to customise by using colour. They have reached a point where the car is merely shell, and accessories act as extended wardrobe”.

Maruti Udyog was one of the first auto companies in India to acknowledge the impact of stunning colours - the bright yellow Zen had huge waitlists. Recalls Jagdish Khattar, ex-managing director, Maruty Udyog: “Cars were traditionally sold in white and silver. We thought yellow will give vibrancy and excitement to a brand that was already known to be peppy and young. The success of that move was not so much in terms of actual sales but in what it did to position the brand”. And although ‘non colours’ like white, silver, black and beige still account for 50% -

70% of car sale in India, the shift in consumer taste is amply evident. Khattar revealed that today red, and not white, is the 'signature colour' for popular Maruti Swift, While the purple Zen Estilo, the red and 'sunrise copper' SX4, the red, yellow and Caribbean blue Alto, and the wine red Esteem are hugely in demand.

Acknowledging its growing importance in decision making process, marketers have begun investing significantly on gaining insights into just how colour plays on the human mind. When Whirlpool India launched a range of coloured home appliances in 2004, its aim was to gain leadership by adding value to an existing product portfolio. "Since people are in a dynamic market environment, it seemed a good time to introduce our global initiative of Colour, Finish and Material (CFM) to Asian consumer," explains Hari Nair, director, Whirlpool Global Consume Design, Asia. He avers that company is reaping benefit of strategy: "when we launch new colour, our market share increases by as much as it would have if we were to introduce a new product altogether."

TVS Motor first introduced purple, orange and lavender Scootys as a part of its 'Splash Collection' in 2005 and 2006, backed the launch of the pink Scooty with high media spends. S.Sriniwas, GM marketing, TVS, admits that company never expected these colours to work so well. "Each colour we launched had an equal share in overall sales figure, and after we started selling pink, it contributed to 30% of sales," he says. It's this success that emboldened TVS to launch the Scooty 99 series in 30-40 Indian towns. "Initially, we were not sure which one would work. Now, pick any colour and it's seeing a huge off take – even the garish ones!" beams Sriniwas. Godrej Appliances, for its part, opted to increase the colour component when it decided to put the brand through a complete makeover. Godrej extensively used design and colour to target 25 – 35 year olds in an effort to move from the 'my father's brand' image to one that was more trendy. After engaging in a 'Mind Discovery' consumer research study and appointing colour consultants, Godrej introduced its EON range of refrigerators in four pastel shades – melon red, nectar yellow, icy blue and kiwi green. The result: pastel shades account for 60% of the company's fridge volumes. Says Kamal Nandi, vice-president – sales and marketing, Godrej Appliances, "We made a bold move by introducing pastels in fridges for the first time."

As a differentiator, colour can work across industries. In 1992, when The Park Hotels was planning its restaurant, Zen, it decided to go in for a black and white decor as most oriental restaurants at that time had reds, golds and greens. Says Priya Paul, chairperson, Apeejay Surrendra Park Hotels: "Colours in the hospitality sector are by and large conservative and predict able, as most hoteliers want to appeal to masses. We have taken risks and it has worked well for brand." She adds that the mood, ambience, design

and the name of the restaurant are strong factors in deciding colour; Ginger – the hotel chain of the Indian Hotels Company – has used colours very effectively in its corporate branding and interior design.

3. Impact of Social Economic Change on Colours Choice

The appeal extends across SECs too. Latika Khosla, design director, Freedom Tree Design, a Mumbai based colour consultancy, says that trends moves through societal and technological change: "It travels geographically and across cultures." Nandi adds, "The success of our single door refrigerators is proof that it's not just the upper strata of the society that opts for colour." Whirlpool's Nair says that if 'fire engine red' works at the low end, wine and crimson will work at the top end of the market, and aspects like matching and lighting conditions will play an important role in influencing decisions. And as consultant Harish Bijoor points out, "In most part of rural India, colour is the first thing that is noticed on product, followed by shades, logo, icon and thereafter the print."

Experimentation with colour is on the radar of many companies world-wide, but to varying degrees. Darius A Monself IV, executive editor and creator, www.colourlovers.com, an open platform which provides colour solutions to marketers, says that a while a lot of upcoming firms like internet- based and apparel companies are more experimental, "established ones, like automakers, are not as adventurous." In fact, experimentation with colour demands a change in mind set within companies. Whirlpool's Nair reveals: "As most decisions to buy home appliances are taken by women, we brought on board mainly woman designers." After the success of its EON range, Godrej is now working towards launching a new set of air conditioners, washing machines, microwaves and DVD players during the festive season. Says Nandi: "We are currently conducting research for every category in order to make colour our brand's USP. If a product does not have a unique design, colour can add a lot of value."

From a corporate branding point of view, Per Jutterstrom, manager, NCS Global Colour Management, of the Scandinavian Colour Institute (SCI), says "Companies need consistency in their colour management, and are investing more time and money, allocating resources for colour insights." One of the NCS'S clients is furniture major, IKEA. The firm checks to make sure the blue use in the company's China store is the same as used in Sweden. Elsie Nanji, managing partner of the Publicis-owned brand design agency Red Lion, adds, "Companies have strong corporate colours which reflects their vision, and try to convey same shades to convey their vision."

While the fashion industry serves as a huge inspiration for marketers looking to experiment with colour, other includes home furnishings, hotels and restaurants,

cosmetics and websites. TVS's brand managers, for instance, constantly scan colours in lipsticks and nail paints for emerging colour preferences and trends. Meanwhile, industry players like Asian Paints are engaging in events aimed at increasing marketers' sensitivity to colour. Since 2005, the company has conducted the Colour Week in the first week of October, where professional across the sector congregate to discuss the benefits of colour. "We notice that both companies and individuals are a lot less conservative. We have customers who opt for three colours in single room. Earlier, trend starts from fashion, then slowly moves on to automobiles and finally into living spaces. Today that turnaround time has decreased and transitions happen much faster," says KBS Anand, vice-president – sales and marketing, Asian Paints. Khosla, who organised Lemon Tree design first colour conference and workshop in first week of September, 2007 said, "Today corporate are realising that it is not the spend on colour but the value they drive from implementing these insights that benefits brands. "NCS has started its India operation in 2007, Jutterstrom said that India is increasingly becoming important "as companies are paying more attention to colours and big brands are launching here too". The biggest challenge that companies face while introducing colour products is dovetailing marketing and design teams thinking – both needs to be clear on how a colour will communicated to the end consumer.

conducted MDPs in HIPA & SISI. His area of interest is marketing, retailing and strategic management.

4. Conclusion

Colours have both psychological and physiological impact on the mind of consumers. Warm colours like red or yellow are viewed as colourful yet negative, bright and tense where blue and other cool colours are viewed as positive relaxed and favourable. Companies in across the industries are using colours for product differentiation and building brand image. Some companies are using colours as core competency by doing proper colour management.

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