

[Field Research]

## Study on the Need of Developing Manuals for Visual Merchandising for Traditional Market: Focusing on the Korean Rice Cake Shop

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### Abstract

**Purpose** - Korean traditional markets are falling behind the times, because they have not met the demands of social changes including: an overall improvement in standards of living, shift in purchasing form and propagation of cars. It is one of the most indigenous and conventional foods of Korea, taking a seat far in the corner of Korean traditional culture.

**Research design / data / methodology** - Korean traditional rice cakes however have their limits. They are produced and sold by independent shop owners who cannot compete with the brand power of franchise organizations. The leadership of administration is needed for these shop owners particularly in visual merchandising related to interior design and display.

**Results** - Additionally, the advent of major company-run rice cake cafe adds fresh fuel to the problem in addition to small but luxurious packaging. Small business owners need packaging technology for overall quality improvement of sales of rice cakes. Additional help is needed with the mode of packing to promote sales and win consumer confidence.

**Conclusions** - Further assistance with marketing for seasonal displays is needed as well as teaching business owners how to read graphic data. Regular specialized education for visual merchandising of rice cakes could help independent market owners win the competition against franchise-based organizations.

Keywords : Visual Merchandising, Korean Rice Cake, Traditional Market, Display, Manual.

JEL Classifications : L60, L61, L84.

### 1. Introduction

#### 1.1. The Need for Study

Gradually consumers have turned away from traditional Korean rice-cake shops because of their adherence to traditional ways in spite of rapid societal changes. Over the past few years, franchise enterprises based on their accumulated know-how of baking, have been

opening their rice-cake shops near traditional markets, threatening independent merchants. Even though rice-cakes are very tasty and of high quality, with no special marketing training, independent shop owners have lost their competitive edge because they continue to produce and sell rice-cakes in their old ways just as they have for several generations. Even young consumers have turned their faces away, because there has not been an interest and investment in the visual merchandising of rice-cake stores. Since the value of rice-cake as a health food has been proven it has begun to attract consumers' interest. There is now a drift toward spreading franchise rice-cake stores nationwide.

#### 1.2. The Range and Methods of Study

This study tried to apply the concept of visual merchandising to the rice-cake shops in Korean traditional markets using books as the focal point. Additionally, pictures of traditional rice-cake shops and franchises taken during a field survey in Seoul and Gyeonggi residential area and internet materials are assembled and used in this study.

This study suggests several plans for traditional rice-cake stores to survive through competition against franchises and methods to revitalize the markets' image. A comparative analysis between traditional and franchise rice-cake stores from the standpoint of visual merchandising will be offered, along with various problems facing independent market owners. Solutions are also given, including having traditional rice-cake store owners to realize the importance of developing a website and manual to market their goods. Ultimately, this study intends to enhance the competitiveness of traditional rice-cake store owners.

### 2. The Concept of the Korean Traditional Market and the Purpose of Visual Merchandising.

#### 2.1. The Concept of the Korean Traditional Market and the Current Situation.

Korean traditional markets have been a fundamental part of ordinary people's lives and a central axis of regional economy for a long time. These markets provide fresh agricultural, marine and livestock products as well as household items at a low price. However, these days traditional markets are losing their vigor. Major conglomerate-run

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large-scale distributors have now become a vital part of our everyday lives with the help of convenience. Still, traditional markets hold an important position in attracting customers taking into consideration their trading volume, the conditions of a location -close to a residential area- and the frequency of consumer's use.

### 2.1.1. The concept of the Korean traditional market

The traditional market is a deteriorated one, needing redevelopment and modernization. To revive the traditional markets, the focus must first be on urban locations. Of the 1500 markets nationwide, 30% are located around the city capital. Building on this, the suburban markets need to follow the city model. This would be an effective way to begin redevelopment and marketing.

### 2.1.2. Understanding the problems of traditional markets and the various efforts to revive them

There have been many social changes and demands that have affected the traditional marketplace such as: a shift in purchasing-style owing to the improved standard of living and increase in double-income families, the demands for reliable food as well as the interior design alteration in commercial space and the lack of parking spaces. Throughout all this change, the traditional markets have not conceded to those demands. The result however is a decline in revenue for shop owners and the disappearance of stores from the community.

As a result, the government established the Agency For Traditional Market Administration. Working with academic circles, the goal is to create awareness of how the market works and have educated independent merchants. This continued effort has succeeded in making merchants open to the idea of a change. That being said, it is time to take the next step forward to educate shop owners on the specific methods of how to accomplish this goal. Revitalizing traditional markets is possible when the merchants recognize the consumers' demands and improve themselves toward the consumer's need.

### 2.1.3. The visual merchandising of traditional markets

The traditional market owners have many difficulties in understanding and improving the conditions of their stores to meet modern demands. They began as independent merchants and have no knowledge of the new, modern marketplace. It can be overwhelming for independent shop owners to invest in visual merchandising. To aid with this, the Agency For Traditional Market Administration supports the traditional market remodeling business. Suggestions for independent market owners include: expanding parking lots, making specialized streets, installing arcades, and replacing signboards. However, aside from those basic reforms, it is essential that traditional merchants focus on producing reliable food and visual merchandising to attract consumers who are already accustomed to the large-scale distributors.

The competitors, large-scale distributors such as E-MART, LOTTE-MART and HOME-PLUS, are managing their stores by hiring visual merchandising experts and quickly responding to consumers' demands through regular re-branding exercises. In contrast, the traditional market environmental reform business is causing side effects by disregarding the uniqueness and individuality of each traditional market.

## 2.2. The Concept of Visual Merchandising.

### 2.2.1. Visual merchandising

One of the roles visual merchandising plays is in display. It makes it easy for customers to look around and choose their goods, giving the store a unified images along with a memorable interior design. The purpose of visual merchandising is to deliver the whole image of a store favorably at a glance to customers. The visual merchandising programme is as follows:

First, Select Subjects.

Choose one target class to focus on to boost overall sales.

The target class is a significant factor in deciding the image of the store. It is better to abstain from expanding to too many age groups but rather fix on one: 10~20s, 30~40s, or 50~60s. The price category of displayed products is determined by the income, education level and cultural background of the target subjects. Not all the customers of traditional markets are old people, so it is desirable to select the best customer base and then up size to another customer base.

Second, Select Products.

If dealing with expensive products, more attention must be paid to the interior and overall display. With lower-end products the focus should be on expanding display-stands and displaying more products. Additionally, increase the lighting level to catch the customer's eye.

Third, Differentiation Strategy of Display.

When purchasing products, if prices are equal, any consumer would pick out the most inviting and well-displayed. Effort needs to be made in the traditional market to differentiate their displays and interior design. One recommendation is to take a snapshot of other beautifully displayed products and try to follow it. Remodeling their display style would help traditional market owners attract customers.

Fourth, Giving Variety to the Layout.

Consumers are responsive to subtle changes. It is important for store owners to not sell products in all the same layout. Every given period of time, owners can change display colors, product locations or lighting fixtures. These display methods will help consumers in their choice of product and help the store avoid a stagnant image.

Fifth, the Diversification in Expressing Composition.

How to differentiate a store, in the same line of business, in the same traditional market? The interior design of a store is key. Colors, lighting and displays can make similar products pop-out at customers in a new way. Inspiration for design can come from the competition itself or smaller regional markets.

### 2.2.2. Facade

The facade encapsulates the front of building, signboard, show-window and entrance of a store. Like the first impression of people, the entrance and the front display of a store are very important to customers when deciding the store's image. The front display of a store has the role of attracting consumers, therefore it should be made to look as enticing as possible. Special set deals and packing products in a box with gift-wrap tied up with a ribbon will be a great help to sales.

The shop name will decide the image of a store. Easy-to-remember shop names are underlined to induce the return visits amid tough competition. Until now, not shop names but location has been important to traditional market because it has been run with regular customers as the center. To be an easy-to-remember and trusted store attracting new consumers, the importance of shop name as well as the color and logo type of signboard should be realized.

2.2.3. Interior design

Indoor space consists of the floor, walls and ceiling. Consumers take in the whole image of a store displayed with products, not only the products. The floor, walls and ceiling should be designed under the same concept.

2.2.3.1. Floor

As it comes in most frequent contact with the customers, the floor should be convenient to walk on and maintain. Besides being insulated, soundproof, and waterproof it should also be resistant to daily wear and tear. Also, occupying most of the visual space, the floor has a decisive effect on the color and the mood of a whole store. In the case of separated rooms for cooking and display, materials should be differentiated but color should be unified to look larger. Wood, stone and polyvinyl chloride resins are used for the display room of a store.

2.2.3.2. Wall

Walls attract consumer attention despite being covered with appliances and other advertisements. Sometimes separating spaces as a display method, walls take the lead in the mood of a store with insulation, soundproof material and color. Glass, exposed mass concrete, tiles and bricks are used for the material of walls. Paint, wallpaper and fabric are used for finishing materials. Tiles are suitable for the space in which a lot of water and fire is dealt with.

2.2.3.3. Ceiling

Though the ceiling is less important than the floor or walls, installed lighting and the finishing materials of the ceiling can determine the atmosphere of a store. Most ceilings are finished in a simple bright color, however, with diverse lighting fixtures they can have a dramatic effect on the store environment. In the case of having a low ceiling, the store feels very stuffy, proper lighting can give a more spacious feeling. Ceilings should be cleaned regularly as they reflect the overall store's level of tidiness.

2.2.3.4. Lighting

Aside from its original function letting customers see the products, lighting is a leading factor in deciding the atmosphere of a store. Lighting should be designed to highlight products and give life to shop employees. It is important to chose lighting that does not overburden customer's eyes. The level of illumination plays a vital role in setting the price of a product. The lower price, the higher the level of illumination should be. Conversely, the higher price, the lower the level of illumination should be, highlighting products with other

spotlights.

2.2.4. Visual presentation & point of sale presentation

2.2.4.1. Definition of visual presentation (VP) and the importance of sight

Consumers use their five senses in perceiving products. As chart 1 below shows sight holds 87% of the efficacy of perception. It is more effective to stimulate customer's sight. VP section, space to show goods inside a store, stimulates the motivated customers to buy more products on impulse.

<Table 1> Sensory organ and efficacy

Sensory organ	Sense	Efficacy
eye	sight	87 %
ear	hearing	7 %
nose	smell	3.5 %
skin	touch	1.5 %
mouth	taste	1 %

2.2.4.2. Point of sale presentation(PP) delivers quality products to consumers

The superiority of fresh and quality products could not be demonstrated without consumer's recognition. There is a limit for sales staff to give first-hand recommendations. In that case, graphic panel or point-to-point would be alternatives. Give customers a chance to judge products on a free-sample stand or discounting service for a brief time. At the same time, guide consumers to a proper selection with the information about the merits and special features of goods. VP section equipped with a great product and well matched with a customer's lifestyle, could stimulate customers to buy goods mechanically.

2.2.4.3. Visual presentation colorful appeal

Using too many colors could cause confusion, but moderate colors could improve the image of goods. Choosing an easily memorable polished color is very important. The more various products are, the simpler interior color should be and vice versa. A study on how to highlight the color of goods is necessary.

2.2.5. Package & sign

Of course, goods are important, but packaging enhances the value of each good as well as promote the shop's name. Though the fundamental purpose of package is to protect and preserve goods safely, attractive packaging can catch consumer's eyes and play a crucial role to lead them to purchase.

Most traditional markets don't pay any attention to package design because of the cost and use simple black plastic bags. It is a missed opportunity to promote their products. People carrying their bags are walking advertisements of the printed logo representing the traditional market. One additional marketing strategy is to offer small rewards for returning bags. As in figure 2 below, the logo of 'Yeugkok

Bukbu Market' is transformed from a letter '역' of Hangeul(the Korean alphabet) symbolizing a side figure bowing politely.



<Figure 1> Shoes Package Design



<Figure 2> Yeukgok Bukbu Market Logo

### 3. Difference Between Traditional Rice-Cake Market and Franchise

Located in residential areas, most coffee shops or bakeries already employ visual merchandising, like stylish interior decoration and displays. Young consumers, who are familiar with this accept the rice-cake as one of their favorite foods however, rice-cake stores in traditional markets are different from those of bakeries and are usually patroned by older customers. There is no price differential between rice-cakes and bread so franchise rice-cake stores have been threatening traditional stores ability to compete. To attract the young and strengthen their competitiveness, visual merchandising is desperately needed.

Lately, there has been growing interest in "slow-food" or "well-being food." The role of rice-cakes as a breakfast, snack, or gift food are being newly reinterpreted. Korean traditional rice-cakes have their limits in spite of their superior quality. They are produced and sold by independent merchants in a traditional market. Particularly, in the visual merchandising related to interior design and display, they cannot be compared with franchise organizations having brand power. In conglomerate-run rice-cake cafes, rice-cakes are luxuriously packaged and the menu is diversified. Support for the visual merchandising under the leadership of Agency For Traditional Market Administration, in the form of manuals for independent shop owners, is absolutely needed.

### 3.1. Meaning and Superiority of Rice-cake

#### 3.1.1. Origin of rice-cake.

Started with agrarian society, traditional rice-cakes have a variety of kinds and tastes developed along with agricultural technology. Recipes extend from the Joseon Dynasty period. The domestic rice-cake industry has grown over time and widely recognized through the 1988 Seoul Olympics. However, the meaning of the Korean traditional rice-cake has been fading away as a result of the simplification of traditional rituals, and popularization of westernized foods including the word "cake" itself.

Still, the Korean traditional rice-cake is generously patronized as a food for ancestral rituals, wedding, parties and everyday consumption. It is one of the most indigenous and conventional food of Korea. The rice-cake, like the rituals it oversees, has an aspiration to live in peace and have an abundant life.

#### 3.1.2. Various kinds of rice-cake.

There are over 250 kinds of rice-cakes. They are classified by regions, baking materials and according to recipes: such as steamed, fried, boiled and pounded.

- Steamed rice-cake: main ingredient is rice flour. Steamed rice-cake without a layer is called SEOL-GI rice-cake, the steamed rice-cake with a hick layer SI-RU rice-cake and the steamed rice-cake with thin layer PHUN rice-cake.
- Fried rice-cake : it is rice-cake fried with on a hot plate, commonly compared to a pancake.
- boiled rice-cake : a boiled, pounded rice-cake is called GYEONG-DAN, formed into chestnut-size lumps and covering with different kinds of powder.
- Pounded rice-cake : we can get pounded rice-cake, like INJEOLMI or JEOLPYON, after steaming non-glutinous rice flour or rice flour in the steamer and pounding it in a large mortar.

The main ingredients include rice flour, glutinous rice, wheat, barley meal, oatmeal, and corn flour. Nuts, spices, fruits, vegetables and many different medicinal ingredients are added to make a wider and more colorful variety.

- Cereals : mung beans, bean, red beans, sesame
- Vegetables : water parsley, radish, gourd, cucumber, suk-zu, lettuce, pumpkin, cabbage
- Fruit : chestnut, walnut, pine nut, jujube, acorn, green plum, citron, peach, persimmon
- Mushroom : shiitake mushroom, manna lichen, pine mushroom
- Flower : chrysanthemum, rose, an azalea, wisteria blossoms
- Root : deodeok, lily, sweet flag.
- Leaves : swamp laurel. pine needles, pine endodermis, mugwort.

#### 3.1.3. Quality of rice-cake

Rice-cake provide various nutrients, along with the main ingredient rice and non-glutinous flour, beans, red beans, mung beans, peas and cowpeas are good source of vegetable protein. Nuts, for example chestnut, jujube, walnut, pine nut, peanut and pumpkin seeds are

good source of fat. Fruits and vegetables, such as apples, persimmons, citron, strawberries, lettuce, white radishes, pumpkins, potatoes, taro, sweet potatoes, spinach and carrots are a good source of vitamins and minerals that are essential to our health. Compared with the nutrients of fast food, the various and natural materials of rice-cake are vastly superior. Another marketable quality is letting people know that food is your medicine, your medicine is your food.

### 3.2. Traditional Market Rice-cake Store and Franchise Rice-cake Store.

Traditionally, rice-cakes were so precious that they could only be eaten on special occasions or memorial services for ancestors. Today, rice-cakes are being marketed a super food, that promotes well-being. With boastful, showy colors, rice-cakes are presented as a gift or entertaining food on a hundred-day-old baby celebration, first-birthday party, 60th birthday party or wedding.

In this arena, rice-cakes from traditional markets are not meeting the demands from consumers. Their packaging seems inappropriate for gifts because the stores are not presenting gift package options.

Meanwhile, professional franchise brand companies are opening their rice-cake stores nationwide using their knowledge from operating their bakeries. They can already supply completed products manufactured in their headquarters as well as promote their high-class image through their signboards, interior design and modern display.

#### 3.2.1. Facade & sign design

There are many rice-cake stores in the traditional markets. Some have been operating their shops from generation to generation, and some are retaining their regular customers because of their taste.

These shops are threatened by franchise rice-cake cafes or specialized stores that spring up around traditional markets. Something must be done to protect regional bakery shops from the threat of the conglomerate distributor-run franchise. To be able to compete against franchise stores, window-displays, including signboards, must be improved. There is enough competition between the taste of the products that winning the competition in attracting customers is necessary.

Figure 3 below shows a common rice-cake store in a traditional market putting up a banner with no signboard display. It is selling cheaper rice-cakes to customers without attention to its interior display. Figure 4 below shows the store BIZEUN, launched by a leading bakery company PARIS BAGUETTE. After being introduced in 2006 the franchise spread rapidly. They are expressing traditional and modern styles with a black acrylic and wood signboard. Figure 5 below, DAY OF DDUKBO, opened the first store in the franchise market in 2003. Operating 150 affiliated stores, they appeal to customers with their friendly name. Demonstrating mildness with soft brown, most DAY OF DDUKBO are located around traditional markets and appeal to customers with a system of internet ordering and home delivery service.



<Figure 3> Traditional rice-cake store facade



<Figure 4> Bizeun facade



<Figure 5> Day of dduk-bo facade

#### 3.2.2 Visual presentation & point of sale presentation

As figure 6 shows, traditional rice-cake stores display wrapped rice-cakes on styrofoam dishes in front of the store without a price-tag. The inside space of the store is used as a bakery. Rice-cakes that are sold are replaced haphazardly with new packages to fill table space and are displayed according to their prices regardless of colors or kinds of rice-cake. Traditional rice-cakes do have one main advantage over the franchise shops, their freshness. They are aimed to be sold by the end of the day. Confidence in the product is lost however as the rice-cake leave the shop without a mark-of-origin.

Figure 7 below shows how BIZEUN is highlighting the Korean tradition with dark brown store fixtures. The modern interior makes the store stand out over other bakery shops. Additionally, the quality of the product is raised with an elegant container. It displays some rice-cake varieties packed in a giftbox on the upper part of a wall. Figure 8 shows the inside of DAY OF DDUKBO. It expresses a warm feeling of a Korean-style house with and trying to mix Korean

traditional colors. It displays products-for-gifts and the model of a rice-cake separately on the surface of a wall. They also operate a modern preorder system.



<Figure 6> Traditional display



<Figure 7> Bizeun interior



<Figure 8> Day of Ddukbo interior

of each product to impress the importance of it visually on consumers, strengthen its competitiveness and differentiate it from competitors. The more the BI Logo Type is remembered by consumers, the more reliability and preference that brand develops. Thus, the brand identity, represents a management philosophy and the presentation of a rice-cake reflects one of the very important visual image factors. Most franchise rice-cake stores are using black logos in a brush handwriting style to invoke the Korean traditional style. BIZEUN's image is diverse and unifying at the same time by using pink, blue, orange and olive green packaging and interior. DAY OF DDOKBO is assigning a feminine touch with a pink flower meanwhile YEDASON, promotes good manners and understanding with colorful hearts in indeterminate forms. For traditional rice-cake merchants it can be a difficult choice to choose a character's shape and the color of the signboard, assigning that work to the local sign-maker's shop. It's not easy to get a well-designed signboard because most of local sign-makers do not have the professional design and marketing knowledge that franchises have access to. The 'Affairs of Agency for Traditional Market Administration' should provide the design consultant groups and provide the design services to traditional markets.



<Figure 9> Traditional rice-cake packing



<Figure 10> Bizeun separately packing



<Figure 11> Yedason packing



<Figure 12> Day of ddukbo packing

3.2.3. Packing & brand identity

The traditional rice-cake stores sell their products on a styrofoam plate giving the consumer no guarantee of food hygiene. The traditional market does have cheaper prices but may have more reluctant customers as well. BIZEUN's products are each wrapped separately, with an accurate mark-of-origin and a display-effect that highlights each rice-cake's color. The muffin-formed rice-cake is wrapped separately to be eaten one at a time. YEDASON is selling its products packed like a finger cake in a hexagonal box, taking care to maintain each rice-cake's individual shape. DAY OF DDOKBO allows consumers to choose their goods. They offer a multipack with various flavors. This can function as a midday meal substitution or a present for all sorts of occasions.

Brand identity (BI) is designing a unified image from the features



<Figure 13> Bizeun BI



<Figure 14> Yedason BI



<Figure 15> Day of ddukbo BI



<Figure 17> Korea Institute of Design Promotion homepage

#### 4. Development of Visual Merchandising Manuals for Rice Cake Shop

##### 4.1. Developing a Design-supporting Homepage for Visual Merchandising

It's impossible and unreasonable to unify the interior and display of all the rice cake shops on a national scale because every traditional market has 2-5 traditional rice cake shops. Maintenance is not done regularly because a traditional cake shop is not managed like a franchise chain. Therefore, the Agency for Traditional Market Administration should develop a homepage for the rice-cake owners and update it regularly. In this way, independent rice-cake shop owners could develop a style and marketability suitable to their shops.

To develop an effective homepage proper marketing strategies are necessary. It is important to post ingredients and materials related to a particular rice-cake shop on the website and offer promotions for customers and benefits for shop owners. The homepage could also function as an educational venue where the merchandising experts can show examples by posting pictures of well coordinated and well-displayed rice-cake shops and displays. Site sharing is widely used by the Agency for Traditional Market Administration, is offering various image materials for products, packages or sign. Similarly, the professional materials of visual merchandising should be offered on the homepage of Affairs of Agency for Traditional Market Administration.

##### 4.2. Developing Display Manual for Rice-cake Store.

It would be impossible to try to regulate all traditional rice-cake shops. Each rice-cake store is unique and deserves a chance to thrive in the marketplace. Through promotion, education and support rice-cake shop owners can adjust their shops to complete in the modern market. Developing manuals and guides will help small business owners make these changes to compete.

<Table 2> Example of checklist for cleanliness of rice-cake shop

Checklist	5point	3point	1point
Dust off on products ?			
Wipe lamp ?			
Clean floor ?			
Straighten below display stand ?			
Empty wastebasket ?			
Arrange cleaning product?			
Check around counter?			
Wipe glasses and mirrors?			
Straighten warehouse stuff?			
Check packing papers?			
Check signboard ?			
Total			

##### 4.2.1. Making checklist for cleanliness

As a fresh food produced daily, the superiority of the traditional rice-cake over the franchise produced one is widely accepted. Putting cleanliness first is one of the ways to relieve customers' anxiety about hygiene during the process of production. When the display stands are clean it is a reflection of the process of production. It is important to keep the display shelves clean and smelling fresh.

Through the merchant association, small business owners can download a display-checklist therefore educating themselves on cleanliness procedures.



<Figure 16> Affairs of agency for Traditional Market Administration homepage

#### 4.2.2. Development display methods to help consumers choose

Goods should be packed in an appetizing array for consumers to choose from. Customers can also read the ingredients and notice what foods are in season or choose a healthy option. Store owners can follow the examples of good displays posted on a communal website.

#### 4.2.3. Alteration of image in Pursuit of Freshness.

Consumers get fed up with the same old packaging and rice-cake designs leading to sales stagnation. Changing the image of the standard rice-cake is a great strategy to promote sales. Providing samples of new rice-cake colors or forms every week or month will entice younger consumers to pursue the image along with the quality. In this way the traditional markets can attract younger customers in their 20~30s as well as the older, regular customers.

#### 4.2.4. Developing displays for special occasions

Special occasions always mean good sales in bakeries. To coincide with this, gift sets should be displayed making special events stand out- birthdays, Christmas, Parents' Day, Teacher's Day and other holidays. Pictures or samples of the rice-cakes should be displayed to help consumers pick out their favorite. Pre-order forms for rice-cakes as gifts should be introduced for customers who want to place and order a day or two in advance. Currently, ordering and getting rice-cakes within the day for a special occasion in traditional markets is impossible.

It is not always easy for sales staff to describe the quality and benefits of each rice-cake option. In this case a graphic panel or point-to-point would be a good alternative. In this way business owners can advertise the quality and freshness of their goods. A poster with a strong image or phrase can deliver a message more quickly and efficiently than a few words. Consequently the features, merits, new value, usefulness and convenience of rice-cakes are offered in the visual presentation section. Equipped with the great product composition, well matched with life style-and with the striking display a good visual presentation would induce customers to buy goods mechanically,

#### 4.3. Rice-cake Package Development and Distribution

Traditional rice-cake merchants do not consider the importance of packaging significantly, putting emphasis rather on freshness and taste. While this appeals to older, regular customers, to attract young consumers and lead to sales growth, improved packaging is essential.

Consumers choose products by not only their taste but also how beautifully they are displayed. Also, the fundamental purpose of a package is to protect and preserve goods safely. Consumers have a tendency to judge goods based on the quality of their packaging. The Affairs of Agency for Traditional Market Administration should develop and distribute packaging methods for traditional rice-cake shops with the aid of design consultants to give shop owners an opportunity to compete.

#### 4.3.1. Packaging in boxes

The packaging should be well-matched with various age-groups. Rice-cakes sold in bakeries are very colorful and often used for a wide variety of celebration rituals despite their high cost. Some traditional rice-cake shops are trying to keep with their own gift boxes and designs. However, without the proper materials many independent rice-cake shops are still falling behind. It is necessary to provide rice-cake shops with gift boxes and show them the proper ways to use and market their gift sets.

#### 4.3.2. Individual packaging

Contents should be displayed so consumers can inspect the products without opening the package. The diverse nature of rice-cakes allow the shop owner to create colorful display to attract customers. Young consumers prefer small or individual packaging, so the packaging should be made to meet consumer needs. Packaging should be adjusted according to the kind of rice-cake to avoid being messy or difficult to open.

#### 4.4. Visual Merchandising Education for Rice-cake Merchants

Specific methods about how to operate their shops are still difficult for many independent business owners. Separate education for shop owners is necessary. Examples given include: constructing a good interior, how to display products, how to pack boxes and how to tie a ribbon should be applied immediately for an instant effect.

### 5. Conclusion

The rice-cake is emblematic of the community spirit of Korea. It represents the seasons with its fresh fruits and vegetables, is essential to traditional celebrations and supplements nutrition. Recently however, the reinvention of the rice-cake through franchise rice-cake shops are threatening the lives of traditional ones. It is essential that traditional rice-cake shop owners understand the concept of visual merchandising and get cooperation from the departments involved.

In this study, the focus is on the visual merchandising methods needed to keep traditional rice-cake shops competitive in the modern marketplace. The steps necessary are outlined as follows:

First, the show window display, including the signboard of store, must be improved to compete against other franchise competitors. The facade of a store should be changed, with the help of a design advisory panel, to make a favorable impression on consumers. Taking into consideration each traditional market's own originality, design supports from cooperative system with regional universities are better than an across the board application. Extracting the individuality of each traditional market is key.

Second, the display method of each rice-cake dish must be improved. The use of harmless package containers instead of styrofoam plates as well as gift boxes and ribbons should be developed and distributed at affordable prices. Inside the store, clean and lavish

displays must be available to consumers.

Third, the visual merchandising manuals for rice-cake stores have to be developed. The manuals should be customized with consultation with the store owner according to the size of the store and products featured. Store owners should also be able to download materials from a communal homepage with tips on how to display products in store. Printable checklists should also be available to regulate cleanliness and daily duties.

Fourth, the visual merchandising education for rice-cake merchants should be accomplished. The most important feature is to provide information to educate merchants about the changing markets and circumstances surrounding sales. Customized intensive training seminars could be effective as well as highlighting effective display methods with pictures online. Singling out some rice-cake stores and showing their progress online would also be an inspiration and incentive to other shop owners.

This study has its limitations to be applied to other shops because it focus was on rice-cake shops in traditional markets. Through this study, the fact that changing visual merchandising is the only way to achieve the competitiveness of traditional rice-cake stores against franchise ones has been proved. As a world-class Korean traditional food, the rice-cake is a high value product. Hereafter, if the rice-cake manuals are developed, applied and compensate for defects, considering the distinct characteristics of the region and the customers' life-style, they could be applicable to other types of business too. The manuals, classified and administered by every type of business would contribute to and invigorate our traditional markets

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