

A STUDY ON VISUAL MERCHANDISING AND ITS IMPACT ON PURCHASES IN OFFLINE RETAIL STORES

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ABSTRACT

Visual merchandising (VM) is a widely used practice by organized retailers which provide experience shopping to the customer and makes him to purchase products instantly. Now, Visual Merchandising is used as a tool to promote the product and differentiate it from competitor's offerings. The VM is used both as a point of parity as well as point of difference in the retail industry. The VM plays a direct role in instigating the customers to make an instant decision of purchase while purchasing offline. The purpose of this paper is to get insight from the existing literature of VM and make a foundation for future researches in the context of organized retail. The study covers a meta-analysis of existing researches and tried to find the relationship between VM and customer buying behavior. The study finds a significant association between VM and Customers behavior on the basis of analysis done on previous studies. The elements of VM as such store atmosphere, facade, VM displays, lighting and store layouts were considered relevant by many researchers in order to compel customer to purchase instantly.

Keywords: Visual Merchandising, Store Layout, Facade, Retail, VM Displays.

Introduction

The Indian retail industry is expanding its canvas with a rapid growth in recent years. There is a huge potential of expansion in the Indian retail industry. On one hand, online retailers are conducting high sales by organizing big sales days while on other hand offline retailers are feeling a steep competition from e-commerce players to achieve their targeted level of sales. The offline retailer uses many strategies and practices to attract the customers at offline stores (physical retailstore) including Visual Merchandising strategy. Visual merchandising (VM) plays its important role in presenting the overall view of offline retail store that depicts merchandise in an aesthetical appealing way. The way, by which entrance of retail store, its store layout, arrangement of merchandise and season displays are depicted, come under the VM. The VM provides 'experience shopping' to customers. It creates an environment within the retail store that appeals the customers to try and purchase the products. The VM also gives message from retailer to its customer regarding the merchandise it offers. Besides the quality and taste the VM makes the customer to feel for the product. The modern retail has changed the way of offering products and services to the customers. Now, the customer is informed about the product and attracted to offline retail stores to make purchases in an organized retail environment. When, a customer is in the retail store, VM informs, guides and influences him to make a purchase instantly.

Visual Merchandising as a Concept

Ravazzi (2000) explain the VM as natural component of modern point of sale (POS) which facilitate contact between clients and merchandise. The VM helps the customers to come across the product visually, physically and intellectually before touching the product offered by the retailer. The role of visual merchandising is very crucial in sales of offline retail stores. According to **(Matthysz, 2003)**, "Visual merchandising involves everything the customer sees in approaching the store and after entering it. This includes the exterior appearance of the store, the store sign, display windows, interiors décor, store layout, fixturing, lighting, and the way the merchandise is presented and displayed within the store. Visual merchandising also includes activities that appeal to the customer's senses other than the visual, such as music or fragrance."

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Gormon (2006), stated that VM enhances products, facilitate brands, increase customer footfall and sales of the products. It increases visual appeal of products displayed for the purpose of the sale. **Mathew (2008)** posited that "Visual merchandising display is the presentation of merchandise at its finest. VM Display is the glamour, the spark, the stage, and sparkle that surrounds a store and makes the consumers stop, look, and buy what has been placed together with care and presented with skill."

Levi and Weitz (2009) postulated that the VM assists and motivates the customers to make their planned, unplanned or impulse purchases. They further stated that the VM provides joyful buying experience for customers. **Garvey (2010)** posited that "Visual merchandising encompasses all aspects of total visual impact of the store and its merchandise. Visual merchandising has come a long way from stock piling a table in front to live models posing in windows. Individual creativity, innovation, improvement in technology and artistic flair has played a major role in merchandise display."

Bhalla and Anuraag (2010) stated that VM displays make shopping effortless for customers by creatively depicting merchandise. They considered efforts of VM as silent sales persons. VM provides an environment for the customer to select the merchandise as experience shopping. In modern retail, the visual merchandiser gives the merchandise a look & feels that appeals the customer to purchase even when the customer enters the retail outlet with no prior plan to purchase. Many of the displays of VM are seasonal, occasional and creative ones. The purpose of the VM displays is to add visual advantage to the products which appeals the customer to buy.

VM construct is made up of different elements. **Wanniachchi and Kumara (2016)** classified visual merchandising elements into two categories of exterior and interior elements. The elements as such signs, marquees, entrance and window displays were reckoned as exterior elements while mannequins, color's, lightings, cleanliness, music, interior signs, space & layouts, creative display, video display, focal points, and fragrance were considered as interior elements.

Consumer Buying behavior in Retail

Consumer buying behavior (CBB) is a widely researched construct. The study is confined to consumer decision making process in the offline retail store only. Generally, the customer feels a need to be fulfilled and goes to the retail store to satisfy the needs. But now the scenario for consumer decision making has been changed due to growth of middle class, increase in the disposable income of the customer, availability of choices and increase in the standard of living. Generally, customer makes purchases in planned and non-planned way. In both ways VM plays an important part. In planned purchases, VM helps the customer to select desired products by VM displays. While in non-planned purchases, VM reminds and compels a customer to make purchase. The effectively implemented VM strategy triggers a customer and results in an impulse buying behavior of customer and adds to overall sales of the product. **Khaniwale (2015)** explained the consumer behavior as how customer choose and utilize the products and services to fulfill their wants.

VM and CBB in the Context of Organized Retail-Review of Literature

Greenwood (1998) concluded that VM elements impact the customer buying behavior. He stated that there was significant positive relationship found among promotional signage's, in store displays and consumer buying behavior.

Turley and Milliman (2000) researched on store atmospherics and its effect on consumer buying behavior. They found that the visually appealing store atmospherics has direct effect on consumer behavior and he spends more time in the store.

Age (2004) conducted a research to understand effect of store atmospheric on consumer shopping behavior. He found that store atmosphere is directly relate to customer buying behavior and compels the customer to spend more time in store. The findings of the study revealed that the customers who were impressed by store atmosphere, spent more time & money in that store.

Kim (2012) conducted a research on college going students to understand the impulse buying behavior of them. He found that there exist a significant relationship among impulse buying and promotional signage & in-store displays. He also found that as far as college students are concerned window display and floor merchandise were not found significantly relevant to appeal the students to go for impulse purchase. Yet, he found that all the elements of VM are interrelated and collectively become cause for impulse purchase among college students.

Pillai, Iqbal, Umer, Maqbool and Namrata (2011) conducted research on VM and found that the brand image is enhanced by visually pleasing displays at retail stores. They also found that the customer considers VM elements as most rated factors which compel him to go for real shopping in place of window shopping.

Kouчекian and Gharibpoor (2012) highlighted that VM elements as such store design, lighting, store layouts, colors, height of shelves and cleanliness are most contributing factors in insisting customers to reach to purchase decision.

Michael and Cant (2013) stated that the effect of VM displays on consumer buying behavior is confined to a limited amount. The VM only guides the customers to reach to the desired merchandise. They found that personal preferences of the customers impact more on consumer behavior as compared to VM displays.

Kaur (2013) found a significant relationship between in-store form display, window display, promotional signage and customer buying behavior. She identified cleanliness in store, attractive window display and innovative assortments as three most important factors that influence customers to purchase. The effective usage of VM elements increases customer traffic and sales performance of the store.

Gupta (2013) found that lighting and colors are the most significant elements of visual merchandising. They found favorable responses of customers towards colors and lighting as far as purchase behavior of customer is concerned. They found significant impact of these elements on consumer buying intentions as well. The signage as element of VM also found relevant to provide generic product information from the customer's point of view.

Miremadi and Koei (2013) found that staff management, visual merchandising and visual communication were given more importance by shoppers in Iranian retail environment.

Madhavi and Leelavati (2013) elaborated that awareness of fixtures, appealing qualities of lighting & materials, presentation style, path guidance and color of merchandise are significantly related to customer's purchase intention in offline stores. They further stated that VM display increases the chances of purchase and work as a stimulus which compels the customer to go for purchase.

Kaur and Amandeep (2013) highlighted that the physical contours and the sales staff in the store represents its identity. The VM efforts impact the customers and compel them to purchase. They found an equitable relationship among VM elements and customers buying behavior. Jigna, **Ahir, Vishal and Mali (2013)** stated that the retailers use VM to differentiate their merchandise from their competitors.

Jadhav and Chaudhary (2014) conducted a research on identifying most crucial element of VM that influences customer's psychological process, in store activities and resulting a buying decision. They found VM as an influencer which compels the customers to go for impulse buying. They also highlighted that effective VM helps the store in image building and works as competitive advantage for the store.

Makhal (2015) stated a significant relationship between VM and type of shopper. He found that the customer gives more value to store atmospherics, floor merchandise, music, lighting, cleanliness and aisle space in comparison of in store signage, color & texture of walls and store exterior.

Saini, Gupta and Khurana (2015) studied the effect of VM on customer impulse buying behavior. The purpose of the study was to find most crucial elements of VM which drive the customer's impulse buying decision. The study explored the existing literature of offline and online retail. The finding of the study highlighted that elements of VM has significant effect on consumer buying behavior. They found VM as very relevant in the context of consumer's impulse purchase. The VM elements of merchandise colors, presentation style, awareness of fixtures, path finding, sensory qualities of materials and lighting were found relevant in consumer buying decision process.

Wanniachchi and Kumara (2016) conducted research to understand the relationship between visual merchandising and consumer buying behavior in the context of readymade garments. The study was conducted in four readymade garment retail outlets located in Colombo. A judicious mix of branded and non-branded retail stores were taken for the purpose of sampling. The findings of the study suggested that there was a strong impact found among the visual merchandising (VM) elements and customer buying behavior. Customers found elements of VM as appealing and compelling enough to attract them towards the merchandise. The customers found window display and mannequins as biggest influencing elements in their purchase decision. The elements such as color combinations, lighting, use of music and creative display were found relevant in consumer buying.

Prasad and Vetrivel (2016) conducted research in order to assess effect of VM on customer buying behavior in retail context. They identified VM as tool to describe the image of retail store and to differentiate the store those from competitors. They found fixtures, colors, window display, lighting and mannequin directly related with customer buying behavior. The study highlighted window display and in

store display as the force to drive customer to complete the purchase process. The study also recommended that the creative use of VM elements helps the retail store to attract customers and survive in the competition.

Agdayemawer and Kumar (2017) stated the importance of the VM in the modern time of retail in India. They conducted research on store attributes in order to understand the relationship between VM and customer buying choice. They gave stress on store presentation while competing with similar stores offering the same products and services. The study posited that the store appearance, lighting, music, window display, mannequins and price tags are the dimensions of VM in organized retail. The study found these dimensions very relevant in order to make customer purchase planned or unplanned.

Findings and Conclusion

The studies included in the review of literature highlighted many elements of visual merchandising and their importance in consumer buying decision process. The major elements of VM are given below:

- Store entrance and facade
- Signage (Internal and External)
- Window displays
- Mannequins and Dress forms
- Colors and lightings
- Cleanliness
- Music
- Aisles space & store layouts
- Creative display
- Video display
- Focal points
- Fragrance
- Aroma
- Floor Merchandising

The above mentioned VM elements are also depicted graphically in figure: 1. Offline retailer uses a combination of different elements of VM in order to attract, guide and force customer to purchase a product. As far as unplanned purchases are concerned, effective VM reminds and compels the customers to make a purchase decision. As per findings discussed of various studies, it is recommended that the offline retailer should work on VM elements like in store displays, lighting, colors, promotional signage and focal points to enhance the probability of purchase and close a sale call. While, some studies found that the use of VM is not a guarantee of sales to be done. But the importance of VM in the context of customer's retail buying process cannot be ignored.

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Figure 1: Elements of VM & CBB

