THE EFFECT OF VISUAL MERCHANDISING ON CONSUMER BEHAVIOUR

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ABSTRACT

The arena of Visual merchandising is moving very fast in the Indian retail sector making its presence both nationally & internationally. Several consumers think they only purchase products when they go shopping, however time and time again they purchase the experience of shopping as well. The experience of shopping is highly influenced by the visual merchandising displays presented in the store. Apparel retailers, especially, place more importance on visual merchandising to differentiate their offerings from others'. The way products are displayed and promoted in apparel retail stores can have a vast impact on consumer responses and how much merchandise the retailer sells. Through this research a deeper understanding about the impact of visual merchandising on consumer buying behaviour in shopping centre fashion stores can be studied. The main objective of this paper is to study the influence of visual merchandising, especially the one related to the shop-windows, on consumer buying behaviour. The way products are displayed and promoted in apparel retail stores can have a vast impact on consumer responses and how much merchandise the retailer sells. The results of this research will mainly demonstrate the differences not only in the store attributes valued by consumers but also in consumer buying behaviour according to the merchandising techniques used.

Keywords: *Visual merchandising, buying behaviour, retailers, consumer.*

INTRODUCTION

Visual merchandising (VM), or visual presentation, is the means to communicate a store/company's fashion value and quality image to prospective customers. "The purpose of visual merchandising is to educate the customer, to enhance the store/ company's image, and to encourage multiple sales by showing apparel together with accessories". It reminds people to buy by attractively presenting products or services at a critical juncture in the buying process. It includes window displays, interior displays, and outside displays. Decorative glass storefronts, colorful signs, creative window displays, effective store layout and design, lighting, plush carpeting, and brightly painted walls are all elements of a total visual merchandising program. Although it is usually associated with retail businesses, it is also part of the promotional mixes of other types of businesses that market goods or services.

Shopping malls, hyper markets, Branded outlets and even small time retailers know now that these places are a popular hangout places for young people. India is on a path of becoming consumer driven society populated by one of the fastest growing middle classes in Asia. Here the philosophy of Mahatma Gandhi "Consumer is the King" has to be the guiding force. Window shopping, mall hopping, eating out , conspicuous consumption, moving and shopping in groups is best time pass for even the most hardened buyers. The Indian consumer now demands state of the art service, global standard of the product, and international level of shopping experience. In view of this trend the VM, in India, is fast emerging as a lucrative and much sought after profession.

RETAILING INDUSTRY

The retail sector has been at the helm of India's growth story. The sector has evolved dramatically from traditional village fairs, street hawkers to resplendent malls and plush outlets, growing from strength to strength. According to the Indian Council for Research on International Economic Relations (ICRIER), India is the seventh-largest retail market in the world, and is expected to grow at a CAGR of over 15% till FY14. In FY12 retail sales reached Rs. 15,300 bn and amounting to around 38% of India's GDP at current market prices. According to the Central Statistical Organization (CSO) estimates, the total domestic trade (both retail and wholesale) constituted 13.0% of country's GDP in 1999-2000, which has gone up to 16.1% in FY12.

During the last few years, the Indian retail market has seen considerable growth in the organized segment. Major domestic players have entered the retail arena and have ambitious plans to expand in the future years across verticals,

formats, and cities. For example, companies like Reliance, Tata, Bharti, Adani Enterprise, have been investing considerably in the booming Indian retail sector. Besides, a number of transnational corporations have also set up retail chains in collaboration with big Indian companies.

The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 95-96% of the total Indian retail industry. However, going forward, the organized sector's growth potential will increase due to globalization, high economic growth, and changing lifestyle. Moreover, high consumer spending over the years by the young population (more than 31% of the country is below 14 years) and sharp rise in disposable income are driving the Indian organized retail sector's growth. Even small towns and cities are witnessing a major shift in consumer lifestyle and preferences, and have thus emerged as attractive markets for retailers to expand their presence.

Although the growth potential in the sector is immense, it is not without challenges that could slow the pace of growth for new entrants. Rigid regulations, real estate costs, high personnel costs, lack of basic infrastructure, shrinkage, and highly competitive domestic retailer groups are some such challenges. Additionally, resource constraints at shopping mall projects are also delaying completion and disrupting many retailers' entry strategies.

The consumer market in the developed countries is saturating, and therefore, big retail companies in those countries are increasingly expanding their footprint in emerging countries like India, China, and Russia. Even though 100% FDI is not permitted in the retail sector, India continues to attract leading global retailers to start retail business through local alliances. For example, recently, Wal-Mart has opened its first store at Amritsar (Punjab) in a Joint Venture (JV) with Bharati Enterprises, and it is also planning to expand its footprint to other parts of India. The fact that the penetration of organized retail in BRIC countries is much lower than the developed countries is acting as an added advantage for these retail giants.

CHANGING CONSUMER PREFERENCES AND SHOPPING HABITS

The prime reason for a paradigm shift in the shopping attitude of the Indian consumer is the change in their preferences and tastes. Due to the increasing use of IT and telecom, Indian consumers have become aware of brands and shops for lifestyle and value brands according to the need and occasion. Consumers will continue to drive the growth in the organized retail by expanding the market and compelling retailers to widen their offerings in terms of brands and in terms of variety. The spending on essential commodities has been steadily falling over the years, whereas the consumption of discretionary products has been growing at a healthy pace. On the other hand, the share of communication, entertainment, personal care consumption has been rising over the years. Changes in lifestyle have brought about a paradigm shift in consumption, which will undoubtedly continue to drive retail growth in segments like beauty, healthcare, telecom, and entertainment. Moreover, the rising reach of media coverage is increasing consumer awareness about products, their prices and services, which is likely to further encourage growth in the organized retail segment.

Changing Demographics: India is one of the youngest and largest consumer markets in the world with a median age of around 25 years, which is the lowest as compared with other countries. According to estimates, India's median age would be 28 by 2020. It is expected that over 53% of the population will be under the age of 30 by 2020, which means that the potential for the Indian retail segment will be enormous. Another plus about this population is that they will be more dynamic than the previous generations because their consumption is driven by wants rather than needs. Thus, the organized retailing, which thrives on lifestyle products, is expected to receive a boost because of the young population by 2020.

Increase in Working Population: India is the second-largest country in the world in terms of population, and is the largest consumer markets in the world owing to its favourable demographics. In 2008 India's working population (in the 15-49 years age group) constituted around 53% of the population as compared with 48.6% in the UK, 49% in the US, and 53% in Russia. Further, the increase in the number of working women has fuelled the growth in sales of discretionary items. There has been a 20% increase in the number of working women in the last decade.

The Retail business is booming these days, however, along with this, it also invites a lot of competition. With the large amount of options that customers have these days, it is very difficult for business to attract customers and increase customer loyalty. One way to do so is through effective visual merchandising. More and more retail businesses have started putting focus on the art of visual merchandising to increase footfalls and thus, increasing sales. This study explores women's decision making behavior based on how they are displayed in stores and in windows.

Visual merchandising commonly occurs in retail spaces such as stores and trade shows. The display windows, props (stage properties), mannequins, interior walls, counter displays, floor plans and vignettes, all comprise the retailer's visual merchandising efforts. It helps in:

  • Educating the customers about the product/ service in an effective and creative way.

  • Establishing a creative medium to present merchandise in 3D environment, thereby enabling long lasting impact and recall value.

• Setting the company apart in an exclusive position.
• Establishing linkage between fashions, product design and marketing by keeping the product in prime focus.
• Combining the creative, technical and operational aspects of a product and the business.
• Drawing the attention of the customer to enable him to take purchase decision within shortest possible time, and thus augmenting the selling process.
• Make it easier for the customer to locate the desired category and merchandise.
• Make it easier for the customer to self-select.
• Make it possible for the shopper to co-ordinate and accessorize.
• Recommend, highlight and demonstrate particular products at strategic locations.

Tools and Techniques Used for Visual Merchandising

Visual merchandising builds upon or augments the retail design of a store. It is one of the final stages in setting out a store in a way customers find attractive and appealing.

Many elements can be used by visual merchandisers in creating displays including color, lighting, space, product information, sensory inputs (such as smell, touch, and sound), as well as technologies such as digital displays and interactive installations.

a) Plan-o-gram

These guidelines are based on a Visual Plan .The visual plan is an actual photograph, a hand drawn illustration or graphic presentation of a display. It is also known as a plan-o-gram. A plan-o-gram is nothing more than a picture of how various fixtures, shelves and walls will present your merchandise. It is a simple but a very powerful concept because it takes into consideration research on buying habits of consumers. Creating a plan-o-gram forces the retailer to carefully evaluate which products go where and how many will be displayed. Of course, it also includes building and designing a store space that understands the theme, functionality and commercial viability of the fashion retailer. An effective store design can in many cases bring about much more sales than a substantial expenditure on an advertisement campaign. It allows visual merchandisers to plan the arrangement of merchandise by style, type, size, price or some other category. It also enables a chain of stores to have the same merchandise displayed in a coherent and similar manner across the chain.

b) Window Displays

Window displays can communicate style, content, and price. Display windows may also be used to advertise seasonal sales or inform passers-by of other current promotions. The main goal of display is to showcase the products within the overall display area. Customers give three to five seconds of their attention to window display. The retailer's visual message should be conveyed to the customer in that short period of time. The arrangement of window display should go with the product and should not suppress them to make it discernable to the eye. Props are items used for display purposes like mannequins, theme based products and accessories. Highly specialized props fabricated from a variety of materials are available/created by experts for VM. Mannequins are the most widely used props for Visual Merchandising in fashion. Today, one can choose from various types like abstract, articulated, custom, ethnic, headless or junior, to name just a few.

c) Colors

Color is one of the most powerful tools in the Visual Merchandising segment. It is a visua perceptual property. Colors can be associated with emotions, special occasions and gender. It attracts attention and pulls more customers into the store. A retailer has to focus on the right choice of color that would match with the theme of display. It is not possible to satisfy everyone all the time, but it is possible to cultivate the taste of customers gradually and purposefully. A right choice of colors in the display items can turn walkers into stoppers and significantly convert them into customers. It is therefore mandatory to choose the right color for the right theme of display. A Halloween display would require black color in the display theme. Valentines theme should be ruled by red color supplemented with pink and white. A display of baby accessories should reflect light shades of pink and blue colors. A Christmas display should contain colors of red, green, gold and silver.

d) Display Themes to Support the Product

A theme is a display of sale items of similar categories, e.g., a display of kitchen accessories. It is essential to have themes for all retail displays. They can be romantic, wild, or capricious, and capture people's imaginations. A good theme will lure the customer with a shopping mood into the store. Themes mainly depend upon the retailer's imagination and creativity. Focusing on the right theme rather than creating a display with expensive raw materials is the key to successful window display. A shoe store theme can be a group of elves buying shoes. A theme for display of casual wears can be a group of mannequins sitting casually at a get together in different poses. Related themes will tug the heartstring of the customers and will pay off.

e) Store Layout or Floor Plan

Clear passages are provided for products, which require touch and feel. All impulse purchase driven products are also clearly displayed so that the customers can reach them without any hindrance. Also, it has been observed that when a person enters a room, the human eye moves in a Z pattern, i.e., from rear left of the room to right rear, followed by front left of the room to front right. Care should be taken to do up the rear left end of the room in an appealing manner so as to guide the direction of vision and keep a shopper visually interested.

f) Illumination and Lighting

A great deal of research has been undertaken on the impact of lighting on a customer's purchase behavior. Results clearly indicate that in general, stores that are brightly lit, with the lights cleverly blending with the interiors lead to higher customer comfort, and as such, more sales. Different types of lighting and interiors are used on different floors, the change reflecting the various products that are on display on a particular floor, the proposed target audience and the time of the year. The ladies floor, for instance, is most often subtly lit with soft lights or then again, in summers, cool bluish lights are used to impact an impression of coolness and comfort. The careful use of spotlights helps add to the appeal of products such as crystal and jewellery. Studies show that proper lighting can increase merchandise sales by up to 20%. Effective lighting is a key in the sale of merchandise in helping to create that favorable first impression of the merchandise and its surroundings. Good lighting can guide the customer's eyes, reveal the color and cut of the merchandise, show the styling and tailoring details and emphasize the good qualities of the outfit, helping the merchandise to be pre-sold to customer.

g) Signage

Signage related to various product sections are put up clearly to demarcate areas, allowing customers a clear understanding of what is stocked where. With various brands having their own pull, brand signage are also put up within the product sections so that customers can find their favorite brands easily. Additionally, within the product sections, signage help to publicize the various promotional schemes that might be running in the store. Stores also make use of signage's to indicate the facilities/services available at the store, such as washrooms, cafe, etc. Proper signage has been shown to increase the sale of an item by over 40%. As much as 80% of all sales are generated at the Point of Purchase (POP) by signage, displays and events within the store. Signage is the "silent salesperson" for the retailer and must reflect the correct brand image. There are various types of signage. For example:

- 'Promotional' signage which informs the customer about off price events or schemes;
- 'Location' signage which directs the buyer to specific departments or merchandise;
- 'Institutional' signage which gives information on store policies, charitable events, etc., and
- 'Informational' signage provides product related information like special features, benefits, sizes, price, etc.

h) Human Resources

Most stores have an inhouse team of visual merchandisers who coordinate with the marketing team as well as the in-house merchandisers and suppliers. Each time any major changes in decor are contemplated, they present the visual display concepts to the group for analysis and selection. Subsequently, the same is executed. The visual merchandising team also makes projections visa-vis returns per sq. ft for each section and each brand stocked. On promotions related visual merchandising, the inputs of the advertising agency are also sought so that the in-shop communication is in line with the tactical promotions advertising. With cost of visual merchandising generally amounting to 1% of sales, this is one communication tool that clearly has an edge over others in terms of drawing in shoppers, increasing flow of traffic and increasing sales.

UNDERSTANDING THE CONSUMER BEHAVIOR

Consumer behavior studies have confirmed that the lure of a beautifully done up show window and a tastefully decorated facade, more often than not, prove irresistible as they walk in to check out what is on offer. It also ensures exclusivity since no two stores should look alike. Besides, when the mood and theme of such displays change at regular intervals, it makes certain that the store remains top of mind.

Loyal customers have often been known to anxiously wait for the next display. 'Stickiness' in retail formats is also ensured by the imaginative use of colors, lighting, space furniture and visual elements with regard to in-store displays.

Once customers walk in, it is but imperative to ensure that they enjoy their first encounter with the store. After all, repeat visits will only happen if a customer's first visit is a memorable one. The logical arrangement of counters, with clear passageways allows for easy access to merchandise.

Rather than getting lost in the maze that most large stores are, the customer feels more in control. Space is allocated to various product categories taking into account the number of products stocked and shelves/counter space requirements are worked out accordingly.

Studies indicate that a retailer has roughly seven seconds to capture the attention of a passing customer. The following elements combine to form a distinctive image that not only reaches out and grabs the customer's attention, but

also makes a positive impression within those precious seconds. The image makers are: an identifiable store name, a powerful visual trademark, an unmistakable storefront, an inviting entrance and a consistent and compelling store look and hook.

VISUAL MERCHANDISING IN RELATION TO IMPULSE BUYING BEHAVIOR

In-store browsing may be a link between internal and external factors, as an important component in the impulse buying process as well as a link between consumers' impulse buying behavior and retail settings including exterior and interior display. "Jarboe and McDaniel (1987) found customers who browsed in a store made more unplanned purchases than non-browsers in a regional mall setting. As a customer browses longer, she/he will tend to encounter more stimuli, which would tend to increase the like hood of experiencing impulse urges. This supports Stern's (1962) conceptualization of impulse buying as a response to the consumer's exposure to in-store stimuli. Shoppers may actually use a form of in-store planning to finalize their intentions (Rook, 1987). The store stimuli serves as a type of information aid for those who go to the store without any predetermination of what they need or buy, and once they get into the store, they are reminded or get an idea of what they may need after looking around the store. In other words, consumer's impulse buying behavior is responses made by being confronted with stimuli that provoke a desire that ultimately motivate a consumer to make an unplanned purchase decision upon entering the store. The more the store stimuli, such as visual merchandising, serves as a shopping aid, the more likely the possibility of a desire or need arising and finally creating an impulse purchase (Han, 1987; Han et al., 1991).

The importance of window display in relation to consumers' buying behavior has received minimal attention in the literature. However, since a consumer's choice of a store is influenced by the physical attractiveness of a store (Darden et al., 1983), and the first impressions of the store image is normally created at the façade level, it can be suggested that window display may influence, at least to some degree, consumers' choice of a store when they do not set out with a specific purpose of visiting a certain store and purchasing a certain item. The initial step to getting customers to purchase is getting them in the door.

DATA COLLECTION AND FINDINGS

This research presents the results of an initial investigation on "visual merchandising" and its effects on purchase behavior. The research utilizes semi-structured interviews with a small sample of female consumers. The primary research was carried out by using questionnaire at six malls, i.e., Lifestyle, Shopperstop, Kalanikethan, Metros, Maanya, Athihoya located at Vijayawada.

Demographic Profile of the Sample				
Age group	20-30	31-40	41-50	51-60	60 above
Frequency	6	20	25	9	3

Income Status of the Sample				
Income	<10000	10000-20000	20000-30000	30000-40000	40000 above
Frequency	10	24	16	7	6

Education Status of the Sample				
Education	Ssc	Inter	Graduation	Post graduation	doctorate
Frequency	5	14	29	11	4

Family Status of the Sample				
Family status	Low	Middle	Middle upper	Upper	above
Frequency	11	21	19	7	5

In Store Factors of Purchases

Factors	Price	Visual merchandising	Offers	Sales personnel	Others
Frequency	4	40	11	5	3

Elements in Visual Merchandising

Elements	Window displays	Signs	Music	Colour	Lighting
Frequency	31	8	5	11	8

Table 1: Window Displays Increase Interest Towards Those Items Being Displayed

Opinion	No. of respondents	% of respondents
yes	54	85.71
no	9	14.28
Total	63	100

Figure 2: Window Displays
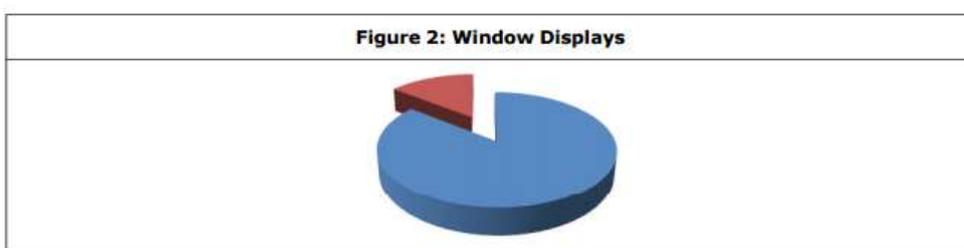
Table 2: Which Type of Store Design Women Prefer?

Opinion	No. of respondents	% of respondents
Flexible	45	71.42
Rigid	18	28.57
Total	63	100

Figure 3: Type of Store Design
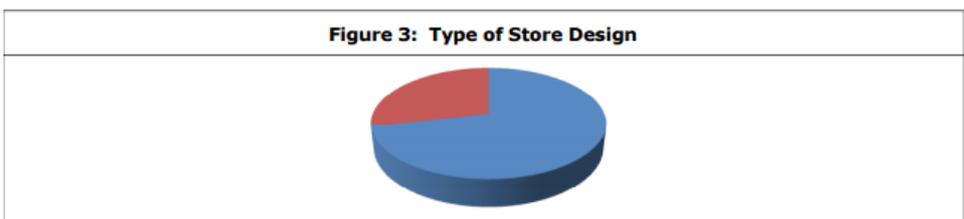
Table 3: Product Display in Store Have Impact on Buying Decision

Opinion	No. of respondents	% of respondents
Yes	38	60.31
No	25	39.63
Total	63	100

Figure 4: Product Display
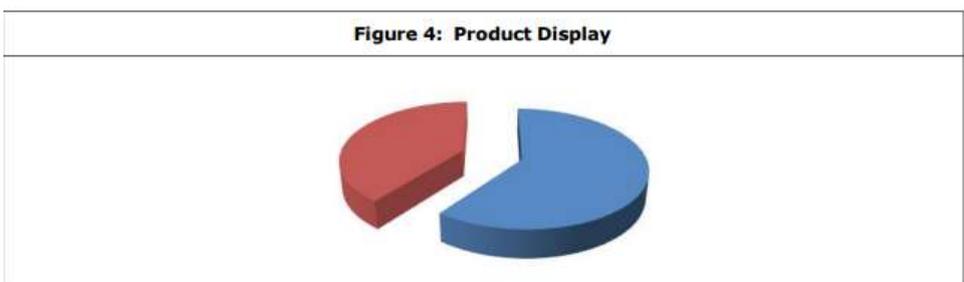
SUMMARY

As it is said, "You never get a second chance to make a first impression". In order to make VM work, the retailer utilizes VM to develop a powerful store-image effectively. Image can be described as the overall look of a store and the series of mental pictures it evokes within the beholder. Everything done in the store must fit into the image chosen for the store. Creation of this recognizable image is applied and communicated effectively through multiple media to gain customer recognition and loyalty. "Image is everything"

Due to increasing competition and the similarity of merchandise, retailers utilize visual merchandising to differentiate their offerings from others' as well as to improve the desirability of products. Since impulse buying is a pervasive aspect of consumers' behaviours and a focal point for strategic marketing plan (Rook, 1987), finding variables that influence shoppers' impulse buying urges and decisions and attempting to control these influencing variables through strategic marketing and merchandising activity is critical for retailers in order to survive in fierce competition. This study will provide information as to why visual merchandising should be considered components of a strategic marketing plan in support of sales increase and positive store/ company image. This study also will provide insights to retailers about types of visual merchandising that can influence consumers' impulse buying behaviours. The results suggest that the themes that linked most strongly to purchase intention were: merchandise colours, presentation style, awareness of fixtures, path finding, sensory qualities of materials and lighting. Initial findings suggest that liking of display does not totally determine purchase, but does make it four times more likely. These visual merchandising practices, serving as stimuli that provoke a desire that ultimately motivates a consumer to make an unplanned purchase decision upon entering the store, significantly influence consumer's impulse buying behaviors. The findings of this study proved sufficient evidence that retailers can utilize visual merchandising to increase desirability of products and to help customers being aware of the products as well as to create favorable attitudes.

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