

“A study of impact of visual merchandising on buying behaviour of consumers for apparel stores in Mumbai”

1. Introduction

The visual merchandising is one of the main part of retail stores. The store that does not have a proper visual merchandising will affect their business. It will help to guide the customer in a store with the proper signages. With the proper visual merchandising will make the customer to stay for a longer period in the store to make them to purchase something from the store. The visual merchandising will stimulate the brand recognition, browsing, purchase intentions. The visual merchandising display can guide the customer in the store without the help of the store staff. That reduces the confusions of the customers to find out the product what he/she wants. It will help to highlight the potential connection between display, the development and the communication of the retail brand. In the retail business, the shopping ambience has become important now, with the retailer giving their stores a contemporary and consumer-friendly design, and consumers expecting to shop in a store with good ambience. Shopping has become a brand experience rather than merely a transaction. The moment of real purchase takes place at the point of purchase where the decision on how much to buy is made. The store's future depends on what the consumer sees and experiences at the store. Retail design and visual merchandising play a crucial role in creating this difference. Visual merchandising, also regarded as a 'silent salesman', is the science and art of suggestive selling by display and presentation. Visual merchandising's focal points are placed strategically in the store and communicate the features and benefits of the merchandise.

Today retailers are facing a keen competitive market and are finding it increasingly difficult to create a differential advantage on the basis of product (merchandise), price, promotion, place, people and at this point the store itself becomes a fertile and having a last opportunity for market differentiation. Today's customers have many shopping choices, as the merchandise is available easily. Some make purchases on the internet they don't have to worry about the long hours of operation, parking or getting large purchases home. So as compared to the past with development in technology retailers job have become more difficult. Retailers need to create an exciting store design with innovative merchandising techniques to make people come and visit the stores.

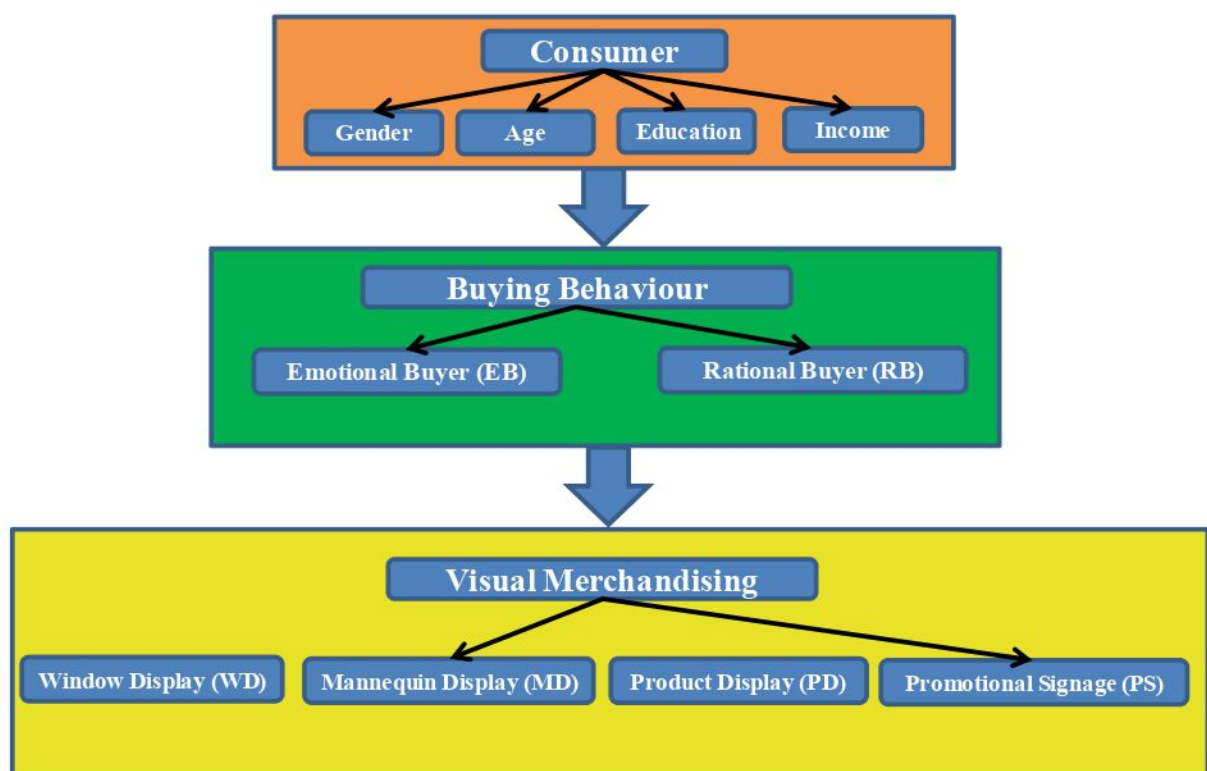
Visual merchandising is a field that began as display, where the sole focus was to create visual appeal. However, merchandising is much more than making something looks nice. Indeed, authors now explicitly recognize that merchandising serves the primary goal of assisting store sales, and thus merchandising directly impacts store features including design, signing, merchandise placement, and ultimately store image. In order to get successful in merchandising, students must have interdisciplinary academic knowledge and skills, in addition to practical knowledge and skills that exist outside of the classroom. This study helps to bridge the academic fields of visual merchandising and consumer behaviour with practical skill development in order to facilitate insights and best practice for evidence-based in-store decisions that will meet the ultimate visual merchandising goal: increasing sales.

To build long term brand loyalty, in addition to the quality of the product, right image is very much needed. To attain this, many companies invest huge money on the promotions. But many businesses neglect the retail front which is the face of the brands. In other words, the way the products are displayed at the retail shelves, the way the sales people communicate to the consumer etc. are the some of the issues, which if not handled well can be a great threat to the brands image. Visual merchandising, once an unknown skill, is growing popular nowadays with the introduction of self service in retail stores off late and the number of changes taking place in supermarket merchandising methods, there has been increased emphasis on the kind of store layout, store building, fixtures, and equipment, color displays, window display and finally opinion building through in-store displays which has taken the art of retailing to higher applications frames.

The proposed study endeavour to find out how and to what extent outlets incorporate visual merchandising, that appeal to the customers and lead to a potential purchase. To research on the factors that impact visual merchandising decision and also investigate how effectively visual merchandising is used to attract customers who will eventually make a prospective purchase.

1.1 Conceptual Framework:

All consumers are directly or indirectly going through the process of visual merchandising. Knowingly or unknowingly there is certain impact of visual merchandising on consumers. This study consists of four demographic factors which are gender, age, education and income. VM may have different impact on different socio demographic factors. There are four independent variables which are 'Window Display', 'Mannequin Display', 'Product Display' and 'Promotional Signage'. Further study includes two dependent variables which are buying behaviour of consumers. These two dependent variables are 'Emotional Buyer' and 'Rational Buyer'.



2. Literature review:

Visual merchandising is the arrangement of backdrop, fixtures, props and mannequins to influence a consumer to go into the store and buy the product.

The location of the products in the store has a significant role in encouraging the customers to purchase them. Sensible display of the products goes a long way in influencing the buying decision of the Customer.

Visual merchandising is the art of displaying the products to influence the customer's buying behaviour.

Today's retailers are challenged to maintain costs control while fulfilling the needs of customers at the same time. In order to attain both goals, they are enforced to utilize retail space to its maximum i. e. to maximize sales per square meter of retail space. To do so they need to build an attractive store design and pleasant store atmosphere, so that consumers would increase their spending which will in turn overcompensate for the expenses of visual merchandising.

Ramandeep Sodhi, Rita Kant (2012) identified in their study that Visual merchandising is the art of presentation, which puts the merchandise in focus. Visual Merchandising provides silent service for the consumers, helping them in identifying their products easily. It comprises everything from display windows to fixtures used for visual management. **(Dawes 2008)** Window display is now a big business. Window displays depict your brand and business, and they attract customers and promote products.

The changing requirement for Visual merchandising has reflected by the increase in budget in their displays. Use of different props, fixtures and tools has increased. Visual merchandising is a smart way to display products with the intention to touch the customer's mind, striking the right chords in customer and arising in him a sentiment to possess the product in display, thus cleverly persuading customer to make an impulsive buying.

Customers love to prefer new displays and it does have enormous effect on how products sale. Too much mess becomes an issue. It's all about making it attractive to the eye, but still sellable as identified by **Kerry Punzi (2017)**

The perception of the customers shows that the visual merchandising displays contributed to the image of the store and also added to the nature of the store. Spatial orientation and

flawlessly designed visual merchandising exhibits are themes that affect the customer's perception of an apparel retail store. Study proposed by **Michael Collin Cant, Yolande Hefer (2014)** that women are more attentive to the complete retail understanding which includes visual merchandising displays. In comparison, men look for signs in a store about where to find what they are searching for. From this study it was clear that an area that would benefit is the influence of visual merchandising displays on brand differentiation and recognition.

Premachandran Kiran, Sahay Mridula (2015) mentioned in their study of visual merchandising and customer needs in visual merchandising for a toys store where they analyzed expert's opinion stating that To get attraction and view, the signage showing categories are hanging from the top ceiling. Inspirational displays are done where the products are kept open to attract the customers. Every month they have a theme to present and the inspirational display is prepared according to that. The light should be lively, and well lit. White light is used for color blocking and yellow light is used for Aisle space.

There are majorly two techniques of visual merchandising in apparel store as **M Krishnakumar (2014)** reveals in his study and those are as mentioned below:

1. Interior Display
2. Exterior or Window Display

Interior Display

As a customer enters into the store, the interior display should direct and influence the customer to buy. The interior display of the store includes the following:

- Store Layout: The arrangement that assigns a specific location to each of the products departments as well as each of the non-selling regions; e.g., Men's/ women's wear.
- Store Design: The attractive style used by the store to express the image it wants to venture to the customer. This includes a choice of wall-coverings, furnishings, planters, carpets, dividers, pictures and shelves.
- Display Space: Free spaces which are used for display, e.g., built in shelves, platforms, islands, shelves used to hide recessed lighting, walls, shadow boxes and hangings.
- Vignettes: A merchandise or group of merchandises exposed in use in a small space is a vignette.
- Item Display: A single garment or accessory may be attributed in an item display
- Assortment Display: A display that demonstrates, uniqueness and prices of each of the style currently in a section of stock.

Exterior Display

An exterior display draws attention of the prospective customers who pass by or who are at a certain distance. The exterior display comprises: window display and store front.

- Window Display: A store window is useful for selling products, promoting an idea. The main function of a window display is 'to make the passerby purchase'. They are planned in such a way that they communicate different kinds of messages to the customer, to demonstrate seasonal trends in fashion colors or looks, to show how to be dressed in a specific merchandise to get a particular look, or to show what the store has available at a range of price lines.
 - There are different types of window displays used:
 - a) Closed-back window;
 - b) Corner window;
 - c) Elevated window;
 - d) Island window;
 - e) Lobby window;
 - f) Masked window;
 - g) Mock window;
 - h) Open-backed window;
 - i) Ramped or racked window and
 - j) Shadow-box window.
- Store Front: The store front is the area that is adjacent the entrance way. There are four different category of store fronts:
 - a) Straight front;
 - b) Angled front;
 - c) Arcade front; and
 - d) Corner front.

In the retailer's strategy, visual merchandising assists in creating an innovative platform to present products in 3D environment, thereby making it to have a long-lasting impact on the customer. Apparel retailers must mark various factors like store design, layout, store front, display themes, lighting, music, etc. while making visual arrangement.

The study conducted by **Yolandé Hefer, Michael. C. Cant. (2013)** indicates that the visual merchandising displays guide customers in the direction of the merchandise they are looking for and that it also guides their buying decisions.

In contrast **M. C. Cant, Mrs Y. Hefer (2012)** pointed out in his research that the perceptions of visual merchandising displays are subconscious in creating an attention and desire to peruse the products and aesthetically to decorate the store.

Unusual displays that help to tell the product line's story. By creating a clear-cut story about the store and showing people what's a new, sale should increase because customer get excited about new items as coined by **Laura Carroll (2012)** in Business Press article

It is found in **Derry Law, Christina Wong, Joanne Yip's (2012)** studies that attention should also be paid to the balance of an integrated cooperate images and professed localness while determining visual merchandising strategies. the research indicates that when products necessitate both utilitarian and aesthetic sides, social and local values should also be considered as they can affect consumer shopping mood, approach response and purchase decision.

- The utilitarian aspect correlates to the actual needs of consumers, such as garment deterioration, seasonal changes and occasions.
- The hedonic aspect covers that the perceived female image governs consumer interpretation and acceptance of visual displays.

It also points out that the need to be feminine sets the guidelines to evaluate visual stimulus in stores. Display elements, such as mannequins, color, lighting and props that put emphasis on feelings of feminine, tend to trigger negative affective responses in customers which finally have an effect on purchase intentions.

Mihir Dash, Akshaya L. (2016) found that for men, store layout had a positive impact on impulse purchase; on the other hand, for women, store layout, mannequin display and promotional signage had positive impact on impulse purchase.

Rajasekharan Pillai, Azmiya Iqbal, Habiba Umer, Aisha Maqbool, Namrata Sunil.

(2011) has investigated in their study that in case of apparels, mannequin industry has an important role to play provides an idea to the customer on how to wear a particular item, and the visual appearance attracts the buyer to go for the ultimate purchase.

Sathyanarayana S, Harshini C. S, Sudhindra Gargesa (2017) proposed that Mannequins were also the most perceived attribute in the store therefore the firm must focus on this issue. Store design and store layout are vital and must be planned according to the customers' ease and expectation.

2.1 Defining and understanding visual merchandising

On the one hand, retail pertains to the sale of goods or merchandise to final consumers or end users. Visual merchandising (VM), on the other hand, refers to art of showcasing or presenting the same goods or merchandise. Visual merchandising is the art of implementing effective design ideas to increase store traffic, creating an attractive product display can draw the customer in, promote a slow-moving item, announce a sale, or welcome a season. VM is the art and science of displaying merchandise on the shop floor to enable maximum sale.

Visual merchandising is:

- A tool to enhance merchandise on the floor.
- A mechanism to communicate to a customer and influence his/her decision to buy.
- Use season based displays to introduce new arrivals to customers.
- Educating the customer about the product or 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.

Visual merchandising is everything the customer sees both in exterior and interior of a store. A visual merchandiser determines what a customer sees. It is said that 80% of our impressions are created by sight. In a store both interior and exterior need to be coordinated using store's theme.

2.2 Defining type of buying behaviour

Consumer behavior is the study of individuals and the processes consumers use to search, select, use and dispose of products, services, experiences or ideas to satisfy needs and its impact on the consumer and the society.

There are two types of buyer

1. Emotional buyer

In this the consumer is persuade based on his emotion. The buyer does not try to reason out or logically analyse the need for purchase. He makes a buying to satisfy pride, sense of ego, urge to initiate others, and his desire to be unique.

2. Rational Buyer

In this, consumer is persuading based on impulses which arises on the basis of logical analysis and proper evaluation. The buyer makes rational decision after chief evaluation of the purpose, alternatives available, cost benefit, and such valid reasons.

3.1 Objectives of Study

1. To study impact of various methods of visual merchandising (Window Display, Mannequin Display, Product Display & Promotional Signage) on buying behaviour of consumers for apparel stores.
2. To study the relationship between demographic factors and buying behaviour of consumers for apparel stores.

3.2 Hypothesis of Study

- H₀₁:** There is no impact of Window Display (WD) of apparels on buying behaviour of consumer.
- H₀₂:** There is no impact of Mannequin Display (MD) of apparels on buying behaviour of consumer.
- H₀₃:** There is no impact of Product Display (PD) of apparels on buying behaviour of consumer.
- H₀₄:** There is no impact of Promotional Signage (PS) of apparels on buying behaviour of consumer.
- H₀₅:** There is no relation between the gender of consumer and their buying behaviour for apparel stores.
- H₀₆:** There is no relation between the age of consumer and their buying behaviour for apparel stores.
- H₀₇:** There is no relation between the education of consumer and their buying behaviour for apparel stores.
- H₀₈:** There is no relation between the income of consumer and their buying behaviour for apparel stores.

4. Research Design (Methodology):

For the said study primary data is required. Through structured questionnaire, information will be collected from consumers buying apparel from Mumbai area to test the reliability of the data.

The study will be done by using cluster sampling and simple random sampling. As *Cluster Sampling* is used in large geographical samples where no list is available of all the units in the population but the population boundaries are well defined. Areas defined for population boundaries are Greater Mumbai and Metropolitan Mumbai (As per Mumbai Municipal Corporation area coverage).

With the help of *Simple Random Sampling*, the sample size is randomly chosen from Cluster Sampling of the total population. By using Simple Random Sampling, the sample size of customer is 1000 which would be an optimum sample, one which fulfils the requirements of efficiency, representativeness, reliability and flexibility.

After collection of final data, it will be entered in to excel sheet. Data analysis will be done using SPSS software. For demographic factors table of classification will be obtained. Classified tables will be presented using suitable diagrams such as Pie diagram or Bar diagram and appropriate statistical techniques will be used as ANOVA, F-Test, Sample Independent T-Test, and Pearson's Correlation, Cronbach alpha which will help to established the relation between VM Method, Consumer Buying Behaviour & demographic factors.

Variables under the study are as follows:

- 1. Window Display (WD):** It is first variable of visual merchandising. WD is the first factor of attraction to trigger to walk in to the store. Rest of the variables may have cumulative impact on consumer. WD creates some perception of consumer about quality of store. Therefore, consideration of WD is important variable in visual merchandising.
- 2. Mannequin Display (MD):** This is second independent variable of the study. This variable is about featuring style and design on display.

3. **Product Display (PD):** This is third independent variable of the study. Arrangement of product, location of display of product, also makes some impact on buying behaviour. Product Display according to seasons and festivals is more effective.
4. **Promotional Signage (PS):** This is exclusive variable of visual merchandising. Impact of this variable may overcome all other variables. If information of PS is very effective and attractive
5. **Emotional Buyer (EB):** Neuroscientists emphasize that emotions play a central role in our decision making process. Criteria which impact emotional purchase decisions are highly personal. These criteria are Love/sentiment, Envy, Pride, Entertainment and Vanity. For emotional purchase decisions, it can be argued that the need does not necessarily have to be present in the first place.
6. **Rational Buyer (RB):**
Rational purchases are those purchases which are mainly based on objective criteria. These criteria are Profit, Security, Utility, Caution and Health. For these, rational factors outweigh emotional ones. We buy health insurance because we want to ensure getting the best possible treatment in the first place. Our emotional mindset towards the provider is secondary.
7. **Demographic Factors:** Gender, Age, Education and Income.

These purchases follow the five stages of consumer behaviour mentioned before very strictly:

1. An urgent need is recognized
2. Extensive research
3. Evaluation of alternatives
4. Purchase decision
5. Post-purchase evaluation
6. Rational purchases are accompanied by extensive research and comparisons of different products and offers. Pages like Amazon or price-comparison portals specialize in offering both an extensive range of products and detailed information on the products.

5. Limitations of the study

- Area

This study will only limit to Mumbai area. Since primary data will be collected from Mumbai region study will reveal results perception of consumers of Mumbai. Consumer behaviour may change according to the area. Perception about variables of visual merchandising is also likely to be different for different area.

Visual Merchandising Variable

This study will only consider four variables of visual merchandising as follows:

- I. Window Display(WD)
- II. Mannequin Display (MD)
- III. Product Display (PD)
- IV. Promotional Signage (PS)

Apart from these four variables there may be some variables which could be part of visual merchandising like store layout, Store design and atmospheric etc which may impact on consumer buying behaviour. This is another limitation of study.

6. Significance of study

- Study will help to understand most influencing variable of visual merchandising out of four variables i.e. window Display, Mannequin Display, Product Display or Promotional Signage.
- Study will also reveal attitude of buyer. It will help to understand nature and attitude of buyer. Further study can reveal proportion of emotional buyer and rational buyer. Is there any significant difference between the attitudes of buyer can be verified from the study?
- Study will also indicate attitude of buyer according to demographic factor. E.g. In study of gender where male respondents could be rational buyer in comparison to female buyer. Similar study is possible for other demographic factors.
- Visual Merchandising factors according to demographic factor. E.g. In study of gender where male respondents could be more influence by product display whereas female respondents could be more influence by all four methods.
- Main result of study is to understand impact of Visual Merchandising on buying behaviour. E.g. Emotional Buyers could be more influence by Visual merchandising methods.

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Chapter Scheme

The tentative chapter schema for the thesis will be as follows:

- i. Acknowledgment**
- ii. Preface**
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- iv. List of figures**
- v. List of graphs**
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 - 2. Chapter-2 Literature Review**
 - 3. Chapter-3 Research Methodology**
 - 4. Chapter 4- Analysis and Interpretation**
 - 5. Chapter 5- Scope and Limitation**
 - 6. Chapter 6- Suggestions**
 - 7. Chapter 7- Scope for future Study**
 - i. Bibliography**
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