



## VISUAL MERCHANDISING: An Integrative Review

### KEYWORDS

Visual Merchandising, Retailing, Marketing, Consumer Behaviour, Impulse buying, Store Layout, Window Display.

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### ABSTRACT

Reshaping is become a key phenomena in all the spheres of business. Market, marketing strategies and market structure were simple to understand. With growing complexity, variety and emergence of new techniques at very short intervals resulted to increase the vibrancy in the overall business environment. Shopping by an individual at one time was need based and also was mainly product centric. Customer was mainly focusing on the price and other attributes of a product. With increased range of products and developed customer attitude, proper display of the product holds the attention of the sellers. Eventually they started putting more money and efforts on the display of the product in order to fetch the attention of the customers. The concept of VM ( Visual Merchandise) holds its roots way back to the days of barter system. Gradually with the emergence of organized retail system in India the emergence of Visual Merchandise has also got its mark. The present research paper is an attempt to understand the concept of Retailing, Marketing in general and Visual Merchandising in specific. Further the critical reviews have been narrated so as to have a deep insight of the concept. Secondary data has been gathered for the purpose and the Library research and descriptive research is being used.

## 1. INTRODUCTION

### 1.1 Retailing

Retailing is a process of selling consumer goods or services to end consumer. However there is possibility that a consumer is not purchasing personally and there is an end customer who is purchasing on his behalf. Retailing can involve various channels of distribution to supply products / services from manufacturers / producers to consumers. It is different from whole-selling, where large amount of products are sold to few customers, however in retailing small quantity of products are sold to large number of customers.

According to the Oxford Dictionary, "Retailing is sale of goods to the public in relatively small quantities for use or consumption Rather than for resale." In other words, Retailing is selling after breaking the bulk. Retailing is derived from the French word retailer, which means "to cut a piece off".

According to Prof. Piushkumar Sinha and Prof. Dwarika Prasad Uniyal in their book, 'Managing Retail' Oxford University Press 2007, second impression, " Retailing is an integral part of the value chain in an organization. It is a function that provides the 'last mile connectivity' between an organization and its customers."

As per Dunne P.M., R.F. Luch and D.A. Griffith 2002, Retailing, Thomson South Western, 4th edn, p. 7, "Retailing involves the sale of merchandise from a fixed location, such as a store, for direct consumption by the customer. It can be defined as an activity that ensures that customers derive maximum value from the buying process. This involves activities and steps need to place the merchandise made elsewhere into the hands of customers or to provide services to the customers."

### 1.2 Marketing

Just putting a product for sale in an online or offline store is not sufficient for sales. Products do not sell on itself. Even good products need to be marketed, to be sold.

According to the Oxford dictionary, "Marketing is the action or business of promoting and selling products or services, including market research and advertising."

"The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements." – The Economic times.

Sometimes just working on the 4P's of Marketing is not sufficient. On a retail front, a retailer may not be able to make any changes in the product. Since price is also predefined, he might not be able to change that too and sometimes price is market linked and beyond the control of retailer. A retailer can not just move to another place if everything else is not working and helping the sales. Also customers too have different shopping choices like online and offline stores and similar merchandises are also available easily. Hence place also remains uncontrolled. Also running promotions on all the products all the time in a store is also not possible for all the retailers.

Hence at last the store itself becomes the ground for the tricky game, called Retailing. A retailer only has this trick called VM to play and charm his customers, which ultimately leads to sales in his store.

### 1.3 Visual Merchandising

Visual Merchandising helps customers to have an amazing shopping experience. For a Visual Merchandiser, a store is like a theatre. The walls & floor are like stage of theatre. The lighting, fixtures & visual communications makes the set of the stage & the merchandise play the characters in the show.

As per Karthik Ramamurthy & Ankur Hazarika (2009), in their article "The new science of retail" states that " the real challenge for retail management is to convert footfalls into sales". Footfalls are term given to the number of people entering a store. They may or may not purchase anything from the store but by just entering or visiting the store, it adds up to the total footfalls of the store. If they do not enter

and just pass by the store, they can not be counted as footfalls as their foot did not fall inside the store. This term 'footfalls' represent accessibility of a store. More number of footfalls means retailer has better exposure of his merchandise and hence a better chance of sales.

As per Kanika Aand (2012), in the article "Inspired by the world of art" states that "Indian retail is moving into 'second gear' with extensive attempts to constantly meet customer expectations. Given the shift of gear from merely creating awareness, it has its own advantage to harness and challenge to overcome."

Visual Merchandising is the art of presentation, which puts the merchandise in focus. It educates the customers, creates desire and finally augments the selling process (Mohan & Ojha, 2014)

## 2. OBJECTIVE & RESEARCH METHODOLOGY

It is an attempt to understand the term Visual Merchandising and to have an assessment over the work done so far. To review the literature, secondary data has been collected from authentic sources and databases. The type of research used is Integrative Review of Literature and is Descriptive in nature.

## 3. REVIEW OF LITERATURE

### 3.1 VM: Role of Merchandiser and his strategies

Berretto Anton (2007) pointed out in his article "Tricks of the trade" that the basic components of store design are color, texture, light and music which can enhance store appeal and ultimately invites the customer to touch the product.

Gibson G. Vedamani in his book *Retail Management: Functional Principle and Practices*, mentioned about three roles of Visual Merchandising. First is presentation of products in a way that can lead them to be sold quickly with highest possible margin. Second role is the visual seduction charms the customer which leads to the add-on sales. Third role is to create merchant's individual retail image. Gibson also mentioned about three challenges to be faced by Visual Merchandisers. First challenge is to balance the store atmosphere as per the store image. Second challenge is to influence customer buying decision with the help of VM tools and design elements. Third challenge is to balance the cost associated with store design elements with sales and profits.

Gibson in his book also mentioned about roles of a Merchandiser. According to him, a Visual Merchandiser helps in enhancing sales and customer experience. He gave a list of duties for a Visual Merchandiser, some of which are – planning and executing VM theme and displays, arrangement of props for displays, arrangement of required fixtures and lighting, working on floor plans, training personnel on the sales floor to create displays, organizing racks and shelves where merchandise is kept, etc.

Andrew J. Newman and Peter Cullen (2007) in his book *Retail Environment and Operation* defines the role of merchandiser is to target right customers, with right merchandise at the right time in the right place. The term 'Merchandising' involves stages like Planning, sourcing, buying, arranging, displaying and space management of products.

Dalal M. (2010) in his article on 'Managing Merchandising' defined Merchandising as process to provide right goods, at the right time, through right medium, at the right place, in the right mix, of the right quantity, from the right source.

Dalal M. (2010) in his article 'Mechanics of retail merchandising' states that a retail merchandiser has to keep a watch on sales pattern of all the retail outlets, compare them with expected sales to take corrective actions. Merchandiser have to keep an eye on market trends and is required to respond accordingly.

### 3.2 VM: Retail Communications

Kerfoot, Shone; Davies, Barry; Ward, Philippa (2003) in their article 'Visual Merchandising and the creation of discernible retail brands' focused on relation between Visual Merchandising and Retail Communication. He also stated that both academicians and practitioners of Visual merchandising, believe that Visual communication is an important aspect of retailing.

Nair, Santosh (2011) in his article 'Inspired by Passion' said that Mass Media has taken central stage. Marketing always goes through budget constraints. But Visual Merchandising is still a preferred marketing tool. Retailers have understood that major contribution to the selling of merchandise is in-store presentation and lesser contribution is from other marketing and advertising communications.

### 3.3 Visual Merchandising & Shoppers' buying behavior

Rani (2012) in her research on impact of visual merchandising on consumer buying behavior explained about several factors which makes and impact on consumer behavior like eye catching window displays, product presentation, sales & clearance signs of the stores and special promotional signs.

Mohan & Ojha (2014) in their research on impact of visual merchandising on consumers' purchase decision in apparel retail states that there is a considerable impact of factors discussed in the research on consumers' purchase decision. They also suggested that retailers should use these tools wisely to make their products more appealing to prospective customers.

Mishra & Agnihotri (2012) in their research on assessing the role of organized In-store Visual Display determinants on consumers' shopping behavioral intentions in India reveals the major VM determinants and their impact on consumer behavior, which can help the store managers to increase sales. The research is focused on an organized grocery store setup.

Seock and Lee (2013), in their research on understanding the importance of Visual Merchandising on store Image and shopper Behaviors in home furnishings retail setting, identified the important visual merchandising factors and their relationship with store image perception and consumer behavior. This research is focused only on home furnishing retail setting.

Kim J. (2013), in his research study on the effect that VMD in store has on purchasing products, found that there were three factors of VMD in store. First was experience before purchase, second was self-satisfaction and third was store environment. In addition to these, recreational factors were also found important.

### 3.4 Visual Merchandising and impact on Store sales

Khan and Kumar (2016), in their research on Influence of Visual Merchandising over retail store sales, used co-relation analysis to determine the comparison of various element like product display, store ambience, floor merchandising, promotional strategy and discount signage with store sales.

Sodhi and Kant (2012), in their research Visual Merchandising – A changing scenario, compared the status of VM between year 2005 and 2012 in the city Chandigarh. Survey method and Interview schedule was adopted for this research. They discovered that almost all the stores studied under this research use some form of VM tools to boost their sales.

Kim Jong Sung (2013), in his research paper 'A study on the effect that V.M.D. in store has on purchasing products' tried to establish a relationship between Visual merchandising Designs and Sales of the store. To collect the data, author visited mobile telecommunication stores and interviewed the customers about role and effect of VMD on their purchase decision. Author concluded with the result that

average time customers spent in the store was less than 10 minutes. Another finding of this research was that window displays and showcase displays were the most remembered VMD. Author concluded that the stores where customer experience in advance before purchasing, VMD should be applied accordingly.

Khan, Syed Md. Faisal Ali; Kumar, Devesh(2016), in their research paper 'Influence of Visual Merchandising over Retail Store Sales – A research report in Indian context', found that Visual Merchandising elements like displays, store atmosphere, signage, merchandise presentation etc. helps customers in their purchase decision. Authors used five Hypothesis and tested them using co-relation analysis. Factor analysis was also used for checking the reliability of the questionnaire. Authors concluded with the result that product display, store ambience, floor merchandising, promotional strategy and discount signage have significant impact on customers' buying decision. These impacts ultimately provokes the desire of purchasing.

### 3.5 Visual Merchandising - Nature & Function

Arora, Sharma and Singh (2007), in their research on Nature and functioning of Visual Merchandising in Organized Food retailing studied about various VM elements in a food retail store and their impact on Consumer behavior.

Gibson Vedamani in his book Retail Management, named Visual Merchandising as 'Silent Salesman'. According to him it is done by converting a passerby into a customer. It helps in communicating the features of the merchandise and thus promotes sales.

G. Surrender (2001) in his article, 'Visual Merchandising: the synergy to show, tell and sell', mentioned that it is Marketing which brings horse to water but Visual Merchandising makes the horse drink. He gave two aspects of Visual Merchandising – Commercial and aesthetic.

Nath P. (2010) in his article 'Mannequins: the art of silent sales' states that mannequins play the most vital role in sales promotion. Mannequins act as silent sales staff, who push the slow moving merchandise if used effectively. Mannequins can boost the sales immediately by 15-20% through impulse buying.

### 3.6 VM: Promotional Management

Lea-Greenwood, Gaynor (1998) in his article 'Visual Merchandising: a neglected area in UK Fashion Marketing' connected Visual Merchandising with Promotional Management. According to him, In-store displays are like television commercials, where products on sale are displayed / highlighted and sales staff describes the product aesthetics to the customers. Success can be measured in the form of sales. Merchandiser's role is to ensure that the supply is satisfying the demand.

Pegler, Martin M., in his book 'Visual Merchandising and Display' states that during economic recession, retailers try to avoid display budget and focus more on mass media communication. At that time too, display at Point of Purchase area becomes important and yields result in best economical way.

### 3.7 VM: Retail Branding & Store Image

Bagga Vikas (2009), VP, Marketing and Corporate Affairs, M & B Footwear, states that Visual Merchandising reflects Brand Identity at the store level. It attracts customers and communicates about the offerings.

D. Gopal Krishnan, S. Sakthival, K. Santoshkumar (2009), integrated Fashion Retailing with Brand Image. They mentioned that to compete with the International Brands, Indian Brands has to improve their Product range, improve the quality and improve the presentation. They concluded that customers buying trend is changing. Now customers are looking for quality, best price and time

management along with shopping experience. All such elements constitutes the Brand Image of the store

### 3.8 VM: Impulse Buying

Joseph Weishar (1995), states that shopping decisions are made in response to specific stimuli. Retailers need to understand such responses and act accordingly. Visual Merchandising is what provokes the urge of shopping. He also states that about 60 to 90% buying decisions are made at the point of purchase. He also added that what the eye sees, the body follows.

Saini, Chand; Gupta, Rakhi; Khurana, Ishant (2015), in their research paper 'Visual Merchandising and Impulse buying Behavior: A case of retail Industry', tried to find out the key elements contributing the Impulse buying behavior of customers in a store. On the basis of result of this research, authors concluded that color, presentation style, fixtures, quality of material and lighting are the few elements of VM, which contributes most to Impulse buying behavior of customers.

### 3.9 VM: Physical Environment and store design

Kerfoot, Shone; Davies, Barry; Ward, Philippa; (2012), in their article, 'Visual Merchandising and the creation of discernible retail brands', mentioned about three types of interior display – Merchandise display, POS (Point of sale) display and Architectural Display.

He also concluded that Ideally, the retail supply should properly be displayed on the layout, to maximize sales.

Kleinman, Rebecca (2002), in her articles, 'Interiors as stylish as the clothes women wear daily' and 'Sleek surroundings: Design gurus are being enlisted to create store interiors as stylish as clothes' stated the importance of store environment and its relation with store image. Writer also mentions that when all the retailers of your competitor brand are flooding their stores with merchandise and presenting them with best possible VM techniques, designer stores or specialty stores are left lesser options to differentiate. One way of attracting customer to your store is its store design and experience.

Writer intends to convey that Store interiors are one third of the store experience. It should be distinct and painless or easy at the same time. A distinct store design can lead to distinct brand image and upper hand over your competitors.

### 3.10 VM: Sensory retailing

Tullman Mathew (2004) in his article 'Revitalizing Visual Merchandising' states that only visuals or window displays are not sufficient to grab customers. A visual Merchandiser must work on all five senses because information collected through all five senses sticks the mind more and can be remembered for longer duration. Only Visuals may lead to overdose for one sense and can further lead to disinterest of the viewer. Using all the senses, a retailer can engage the prospective customer for longer duration and may succeed to communicate his idea or product better.

Singh D (2008) in his article 'Art and Science of Visual Merchandising' gave results of his survey and concluded that all the elements of VM including exteriors, Interiors, Displays, layouts, mannequins, lighting and music helps in contributing experience to the customer through his senses, which ultimately leads to satisfaction and Brand recalling. This way Visual Merchandising helps in boosting sales of the store.

Smitha Samuel (2011) in her article 'Colorful Influence' mentioned that color used inside or on the exterior of the store helps in creating a distinct identity of the brand. It helps in creating a long-lasting impression the mind of viewer. It can guide eye movement and enhance mood.

### 3.11 VM: Interior Elements

Swoboda, Debby (2007), in her article said that even signages can work like silent salesmen. Creative messages like discount offers or promotional schemes can boost sales of even slow moving products to an extent.

Tyreman, David; Walton, Keith (1998), focused on importance of theme for displays in a store. According to them, Visual Merchandising is done not only on shelves but also on other prominent areas of the store too like Display area, Windows, aisles, end caps, showcase etc. Using a theme for a display helps in connecting the customer with the display and the product. Using other design elements like color or music or aroma will further help in building the mood as per the display theme.

Bapna M. (2010), in her article termed Windows Display as 'face of the store'. Customers' shopping experience begins with the first point of contact - Façade of the store. Design elements like Color, shape, mannequins, theme of the display etc conveys about the store and what is being sold in it. Window Display is like a calling card which induces them to walk inside the store, explore the products and then shop. To attract the attention of passersby, a store has a time span of around 10-15 seconds. Retailers must use new and innovative ways of attracting and holding their attention. A display created at the Window, is the first impression on the passersby and it conveys about the target customers and their demographic characteristics, the store is focused for.

### 3.12 VM: Cosmetic category

Young, Scott (2002), in his article 'Winning at Retail', mentioned about importance of location of cosmetics and beauty products in store layout. Such products are purposefully positioned near the entrance, mostly to capitalize the traffic flow. Counters are made attractive and extra natural color lighting is provided at the counter to increase visibility and color matching. Writer also states that more than 66% of the buying decisions for cosmetics are made at the point of purchase.

Clare Dowdy (2006), in the article 'Face Facts', discussed about the challenges of differentiating a cosmetic brand from its competitor brands in a store. All the brands are trying to catch attention of the customers, but they have only a few seconds or a glance to capture it. Brand needs to be creatively distinct without being overload of information. Writer also adds that too much of communication or efforts may confuse the customers and may create visual chaos. Displays should be planned well to avoid this clutter.

### 3.13 VM: Perfume Category

Skaredoff Lisa (2004), in the article 'Counter Intelligence', states that standing out for a perfume brand is much more difficult. Only quality cannot differentiate a brand in the era of modern advertising. Brands are focusing on building brand image to capture customers' attention.

Writer also states that being noticed is not going to serve the purpose, brands need to reinforce the image continuously. Retailers do not sell perfume as a product but as an experience.

## 4. RESEARCH GAP

It was found that in various researches, a relation was developed between Visual Merchandising and its impact on sales of the store. Elements of VM effecting sales were also established through few researches. However, in no research, a researcher could quantify the amount of impact of various elements on sales of store. Also there could be various possible arrangements of VM in a store. And no research could ever establish the level of significance of a particular type of display setting to sales of that section of products. It is a known fact that consumers' response to VM could be different in different demographic conditions. No research elaborates the relationship of demographic conditions with VM arrangements and

its elements.

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