# Original Research Paper

## Management

## VISUALISING VIRTUE OF VISUAL MERCHANDISING ON CUSTOMERS: A STUDY OF APPAREL RETAIL INDUSTRY.

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**ABSTRACT** The Retailing Industry is considered to be India's largest and fastest-growing Industry. It consists of a direct interface with customers and coordination of business activities. This study mainly assesses the impact of Visual Merchandising on Customers at Fashion Bazaar in Kochi. And it also tries to identify whether visual merchandising influence a customer's buying decision or not. As far as retail industry is considered, there are certain attributes which support visual merchandising decisions. Changing outlook of the customers compels the retailers to dedicate their time for creating effective store displays. This study reinstates the impact of different visual merchandising attributes like store design, layout, storefront, display themes, lighting, music, etc. on customers.

**KEYWORDS :** .Visual Merchandising, Customer, Buying Behaviour, Retail Industry, Apparel

## Introduction

Shopping has now become a part and parcel of one's life. It is not only an experience but also a celebration. Nowadays it is essential to check the visual merchandising which deals with the design, layout, promotional boards, signage, arrangement, etc. A good display attracts people to walk into the store and take a look around the store. It communicates the store image as well as reinforces the stores advertising effects. It creates a positive image among the customers. It is the best form of advertising especially in the world of fashion where the product lifespan is almost negligible. Visual merchandising is regarded as a 'silent salesman' that performs suggestive selling in a scientific and artistic way by display and presentation (Krishnakumar, 2014).

Visual merchandising can be defined as each and everything the customer visualize, both exterior and interior, which can create a positive image of a business and results in attention, interest, desire and action on the part of the customer. It includes the presentation of merchandise as well as other important, features that create the store's overall atmosphere.

The 5 sensory elements are the basics of visual merchandising. They are sight, sound, smell, touch and taste.

It is found that in Visual Merchandising all items in the display should have maximum attention without having the complications of featuring particular items or removing some items from the display (Chris, 1998).

Linda (2000) has argued that every retailer should follow the three Visual merchandising directions, i.e. the Woolworth's Style, the Woolworth's plus pricing very item style and the less is more style. The effectiveness of each style depends upon how well it is executed.

Visual merchandising has a great impact on the brand image of the store. The three major features like colour, applicability to the merchandise and presentation has a major impact on the store image and how the display supports it (Larry, 2007). According to Linda (2013), the image doesn't end as the customer leave the store. It would be taken along with them in the form of shopping bags, wrapping paper, etc. Holiday decor, mannequins, custom built, fabulous, fixtures, etc. are also important factors while making visual merchandising effective.

The visual merchandising elements include Exterior presentation, Exterior Signs, Marquees, Banners, Entrance and aisles, window displays. The principles of design include the Interior Presentation. There are props, Fixtures and signage that support visual merchandising. Each design factors play an important role in the sales procedure. There can be a great impact on the customer buying decision as well as sales for the visual merchandising. Visual merchandising is based on 'merchandising themes' which involves management, merchandising manager, visual merchandiser, sales associates and so on (Krishnakumar, 2014).

This study helps to know more about the effect of Visual

Merchandising on consumer buying behaviour and preferences specifically in the area of apparel purchasing. It also helps the company to gain an idea regarding the changing consumer behaviour with visual merchandising. This study also helps to understand the perception of customers with regards to the design, layout and other visual effects on the purchase decision.

## Problem Statement

Fashion Bazaar (FB) is a retail apparel store with huge product assortments. The growing competition between other Fashion Bazaar outlets as well as other retail outlets very well explains the need for a study regarding the appearance of the store. Each FB store would be given a target to achieve. Visual merchandising is also considered to have a greater impact on the consumers. Considering the three FB stores in Kochi, store in Bronze Mall is having a sale of about 77 percent. Even though the store is doing fairly well, it is necessary to know whether visual merchandising can improve the sales percentage. This knowledge can help the store to develop a competitive advantage over others in the same fashion business.
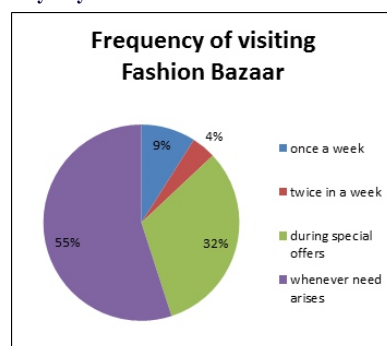
## Methodology

The primary data was collected directly from the customers who visited Fashion Bazaar, at Bronze Mall in Kochi as per the convenience by using a questionnaire adapted from Krishnakumar (2014) and also by the same questionnaire prepared in the Google docs mailed to customers' email. 100 useful filled in questionnaires were obtained within a period of four weeks time.

The primary objective of the study was to assess the impact of visual merchandising on the buying behaviour and the buying decisions of the customers. Secondary objectives were,

- To study the attitude of customers towards visual merchandising on apparel buying decision
- To identify the visual merchandising attributes that influence apparel buying decision.
- To identify whether the purchasing decision is made before or after reaching the store.

## Presentation and Data Analysis
### How frequently do you visit Fashion Bazaar?



Frequency of visiting Fashion Bazaar

- once a week 9%
- twice in a week 4%
- during special offers 32%
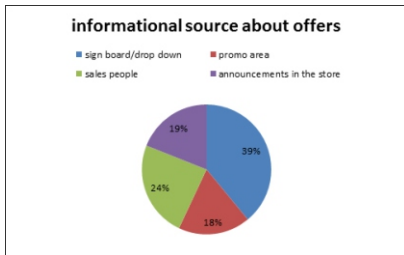- whenever need arises 55%

55% of the people are visiting Fashion Bazaar whenever the need arises whereas 32% of the people are visiting Fashion Bazaar during Special offers, 9% are visiting once in a week and 4% are visiting twice in a week.

**Do you prepare a list of items to be purchased in advance?**

**Whether list of items is prepared**

35 ■ Yes
65 ■ No
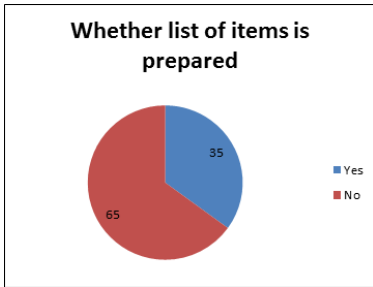
65% of the people do not prepare the list of items to be purchased whereas 35 percent of the people prepare the list of items to be purchased.

**While shopping how you do come to know about the offer for the day in the store?**

informational source about offers

■ sign board/drop down  ■ promo area
■ sales people  ■ announcements in the store

39%
19%
24%
18%

39% of the people come to know about the offers from the sign board/drop down, 24 percent come to know about the offers from salespeople, 19 percent of the announcements in the store and 18% from the promo area.

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| 1. Visual Merchandising is helpful in making apparel purchase decision. | 100 | 3 | 5 | 4.27 | .529 |
| 2.You prefer to shop in the store where visual merchandising is done attractively | 100 | 2 | 5 | 4.21 | .656 |
| 3.Storefront plays an important role in attracting customer to the store or you will be attracted by good storefront | 100 | 2 | 5 | 4.07 | .685 |
| 4.Store Design is also an important purchase criteria | 100 | 1 | 5 | 4.09 | .698 |
| 5.Visual merchandising done in accordance with the merchandise theme increases buying decision. | 100 | 2 | 5 | 3.89 | .737 |
| 6.Good lighting will enhance apparel buying decision. | 100 | 2 | 5 | 4.17 | .766 |
| 7.A good mild music will create mood and induce the purchase decision | 100 | 1 | 5 | 3.75 | .914 |
| 8.You like to see catalogues to make your purchase decision. | 100 | 1 | 5 | 3.43 | .987 |
| 9.You tend to buy on impulse, as seeing the PoP (Point of Purchase) display near the cash counter. | 100 | 2 | 5 | 3.38 | .814 |
| 10.Visual merchandising with related accessories will increase chances of a purchase. | 100 | 1 | 5 | 3.72 | .842 |
| Valid N (list wise) | 100 | | | | |

1) Since it is given a high score we could tell that People consider visual merchandising very helpful in making apparel purchase decision. The mean score given is 4.27.
2) A high score is given that people prefer to shop in the store where visual merchandising is done attractively. The mean score given is 4.27.
3) According to the people point of view store front plays an important role in attracting them. They have given a high score of 4.07.
4) People agree that store design plays an important role purchase design and it is given a high score of 4.09.
5) People agree that visual merchandising done according to the merchandise theme enhances the purchase decision. A high score of 3.89 is given to it.
6) People find good lighting to be helpful in enhancing the purchase decision and a high score of 4.17 is given.
7) People agree that a mild music will enhance the purchase decision and a high score of 3.75 is given.
8) An average score of 3.43 is given that not all people prefer to see catalogues during purchase.
9) An average score of 3.38 is given that not all the people buy on impulse as seeing the PoP display near the cash counter.
10) People agree that visual merchandising with related accessories will increase the chance of purchase decision and a high score of 3.72 is given.

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Visualmerchandising | 100 | 3.10 | 5.00 | 3.8980 | .40402 |
| Style/design | 100 | 2 | 5 | 3.94 | .600 |
| Colour | 100 | 1 | 5 | 3.66 | .831 |
| Price | 100 | 2 | 5 | 3.92 | .734 |
| Quality | 100 | 2 | 5 | 3.74 | .895 |
| How to dress | 100 | 2 | 5 | 3.79 | .868 |
| Size | 100 | 2 | 5 | 3.64 | .859 |
| Valid N (listwise) | 100 | | | | |

The overall visual merchandising is a given a high score along with style/design and price. Hence people consider style/design, price and the overall visual merchandising as factors that are helpful in apparel purchase decision.

Independent Sample T Test Difference of Mean

- The formula for independent sample T Test difference of mean is given as:

$$t = \frac{\overline{x1} - \overline{x2}}{standard\ error}$$

Standard Error =

$$\sqrt{\frac{n1\sigma s1^2 + n2\sigma s2^2}{n1 + n2 - 1} \left[ \frac{1}{n1^2} + \frac{1}{n2^2} \right]}$$

- Null Hypothesis Ho:- There is no significant difference in the mean score of visual merchandising, style/design, colour, price, quality, how to dress and size according to whether customers have prepared a list of items to be purchased.

**Group Statistics**

| | 18. Do you prepare a list of items to be purchased in advance? | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Visual merchandising | yes | 35 | 3.9657 | .42144 | .07124 |
| | no | 65 | 3.8615 | .39278 | .04872 |
| Style/design | yes | 35 | 4.17 | .568 | .096 |
| | no | 65 | 3.82 | .583 | .072 |
| Colour | yes | 35 | 3.89 | .796 | .135 |
| | no | 65 | 3.54 | .831 | .103 |
| Price | yes | 35 | 4.14 | .692 | .117 |
| | no | 65 | 3.80 | .733 | .091 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Quality | yes | 35 | 3.86 | .912 | .154 |
| | no | 65 | 3.68 | .886 | .110 |
| How to dress | yes | 35 | 3.83 | 1.014 | .171 |
| | no | 65 | 3.77 | .786 | .097 |
| Size | yes | 35 | 3.66 | .938 | .158 |
| | no | 65 | 3.63 | .821 | .102 |

## Independent Samples Test
Levene's test for equality of variance

| | | f | sig |
|---|---|---|---|
| Visual merchandising | Equal variance assumed | .049 | .826 |
| | Equal variance not assumed | | |
| Style/design | Equal variance assumed | .026 | .872 |
| | Equal variance not assumed | | |
| Colour | Equal variance assumed | .620 | .433 |
| | Equal variance not assumed | | |
| Price | Equal variance assumed | .001 | .978 |
| | Equal variance not assumed | | |
| quality | Equal variance assumed | .023 | .879 |
| | Equal variance not assumed | | |
| How to dress | Equal variance assumed | 3.662 | .059 |
| | Equal variance not assumed | | |
| size | Equal variance assumed | 1.604 | .208 |
| | Equal variance not assumed | | |

## T test for equality of means

| t | df | Sig(2 tailed) | Mean difference | Std.error difference | Lower(95% confidence interval of difference) | Upper(95% confidence interval of difference) |
|---|---|---|---|---|---|---|
| 1.233 | 98 | .220 | .10418 | .08448 | -.06348 | .27183 |
| 1.207 | 65.617 | .232 | .10418 | .08630 | -.06815 | .27650 |
| 2.937 | 98 | .004 | .356 | .121 | .116 | .597 |
| 2.961 | 71.362 | .004 | .356 | .120 | .116 | .596 |
| 2.023 | 98 | .046 | .347 | .172 | .007 | .688 |
| 2.049 | 72.344 | .044 | .347 | .169 | .009 | .685 |
| 2.274 | 98 | .025 | .343 | .151 | .044 | .642 |
| 2.314 | 73.287 | .023 | .343 | .148 | .048 | .638 |
| .960 | 98 | .339 | .180 | .189 | -.192 | .553 |
| .952 | 67.987 | .344 | .180 | .189 | -.198 | .558 |
| .325 | 98 | .746 | .059 | .183 | -.303 | .422 |
| .301 | 56.414 | .765 | .059 | .197 | -.336 | .454 |
| .146 | 98 | .884 | .026 | .181 | -.333 | .386 |
| .140 | 62.237 | .889 | .026 | .188 | -.350 | .403 |

The above table shows that significance value for style/design is 0.004, colour is 0.046 and price are 0.025 which is less than 0.05. Hence we reject the null hypothesis. It implies that the mean score of style, colour, and price varies according to whether the customer prepares a list of items to be purchased. ie; The mean score of style/design, colour and price for customers who prepares a list of items to be purchased is more than the people who don't prepare the list.

## One-Way Analysis Of Variance

The formula for One Way Analysis Of Variance is given as:
* Compute T (total of all individual items)
* Workout correction factor $= \dfrac{T^2}{n}$
* Find out the square of all item values and take its total, subtract the correction factor from this to obtain total SS

Total SS $= \sum Xij^2 - \dfrac{T^2}{n}$

SS between samples $= \dfrac{\sum Tj^2}{nj} - \dfrac{T^2}{n}$

| Source of variation | Sum of squares | D.F | Mean square | F ratio |
|---|---|---|---|---|
| Between sample | | k-1 | SS btw/k-1 | |
| Within sample | | n-k | SS within/n-k | MS btw/MS within |
| total | | n-1 | | |

* Null Hypothesis Ho:- There is no significant difference in the mean scores of visual merchandising, style/design, price, colour, quality, how to dress and size according to the frequency of visit of customers.

## Descriptive

| | | N | mean | Std. Error | Std. dev | lower bound | upper bound | min | max |
|---|---|---|---|---|---|---|---|---|---|
| Style/ design n | Once in a week | 9 | 4.22 | .833 | .278 | 3.58 | 4.86 | 3 | 5 |
| | Twice in a week | 4 | 3.75 | .500 | .250 | 2.95 | 4.55 | 3 | 4 |
| | During special offers | 32 | 3.91 | .530 | .094 | 3.72 | 4.10 | 2 | 5 |
| | Whenever need arises | 55 | 3.93 | .604 | .081 | 3.76 | 4.09 | 2 | 5 |
| | total | 100 | 3.94 | .600 | .060 | 3.82 | 4.06 | 2 | 5 |
| colour | Once in a week | 9 | 4.11 | .782 | .261 | 3.51 | 4.71 | 3 | 5 |
| | Twice in a week | 4 | 4.25 | .957 | .479 | 2.73 | 5.77 | 3 | 5 |
| | During special offers | 32 | 3.84 | .677 | .120 | 3.60 | 4.09 | 2 | 5 |
| | Whenever need arises | 55 | 3.44 | .856 | .115 | 3.21 | 4.14 | 2 | 5 |
| | total | 100 | 3.66 | .831 | .083 | 3.50 | 4.07 | 1 | 5 |
| price | Once in a week | 9 | 4.22 | .667 | .222 | 3.71 | 4.73 | 3 | 5 |
| | Twice in a week | 4 | 3.50 | .291 | .645 | 1.45 | 5.55 | 2 | 5 |
| | During special offers | 32 | 3.81 | .780 | .138 | 3.53 | 4.09 | 2 | 5 |
| | Whenever need arises | 55 | 3.96 | 666 | .090 | 3.78 | 4.14 | 2 | 5 |
| | total | 100 | 3.92 | .734 | .073 | 3.77 | 4.07 | 2 | 5 |
| quality | Once in a week | 9 | 4.11 | 1.054 | .351 | 3.30 | 4.92 | 2 | 5 |
| | Twice in a week | 4 | 3.25 | .957 | .479 | 1.73 | 4.77 | 2 | 4 |
| | During special offers | 32 | 3.72 | .888 | .157 | 3.40 | 4.04 | 2 | 5 |
| | Whenever need arises | 55 | 3.73 | .670 | .117 | 3.49 | 3.96 | 2 | 5 |
| | total | 100 | 3.74 | .895 | .089 | 3.56 | 3.92 | 2 | 5 |
| how to dress | Once in a week | 9 | 3.67 | 1.118 | .373 | 2.81 | 4.53 | 2 | 5 |
| | Twice in a week | 4 | 4.50 | .577 | .289 | 3.58 | 5.42 | 4 | 5 |
| | During special offers | 32 | 3.91 | .777 | .137 | 3.63 | 4.19 | 2 | 5 |
| | Whenever need arises | 55 | 3.69 | .879 | .119 | 3.45 | 3.93 | 2 | 5 |
| | total | 100 | 3.79 | .868 | .087 | 3.62 | 3.96 | 2 | 5 |
| size | Once in a week | 9 | 4.11 | .928 | .309 | 3.40 | 4.82 | 2 | 5 |
| | Twice in a week | 4 | 4.50 | .577 | .289 | 3.58 | 5.42 | 4 | 5 |
| | During special offers | 32 | 3.66 | .827 | .146 | 3.36 | 3.95 | 2 | 5 |
| | Whenever need arises | 55 | 3.49 | .836 | .113 | 3.26 | 3.72 | 2 | 5 |
| | total | 100 | 3.64 | .859 | .086 | 3.47 | 3.81 | 2 | 5 |
| visual merchandising | Once in a week | 9 | 4.17 7 | .549 .238 | .183 1 | 3.755 3.771 | 4.600 4.528 | 3.20 4 | 4.90 4.50 |
| | Twice in a week | 4 | 4.15 0 | .438 .347 | .119 0 | 3.695 3.766 | 4.011 3.953 | 3.10 3.20 | 4.90 5 |
| | During special offers | 32 | 3.85 3 | .404 | .077 5 | 3.817 | 3.978 | 3.10 | 5 |
| | Whenever need arises | 55 | 3.86 0 | | .046 8 | | | | |
| | total | 100 | 3.89 8 | | .040 4 | | | | |

## ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Style/design | Between Groups | .907 | 3 | .302 | .835 | .478 |
| | Within Groups | 34.733 | 96 | .362 | | |
| | Total | 35.640 | 99 | | | |
| Colour | Between Groups | 7.055 | 3 | 2.352 | 3.678 | .015 |
| | Within Groups | 61.385 | 96 | .639 | | |
| | Total | 68.440 | 99 | | | |
| Price | Between Groups | 2.002 | 3 | .667 | 1.248 | .297 |
| | Within Groups | 51.358 | 96 | .535 | | |
| | Total | 53.360 | 99 | | | |
| Quality | Between Groups | 2.223 | 3 | .741 | .924 | .432 |
| | Within Groups | 77.017 | 96 | .802 | | |
| | Total | 79.240 | 99 | | | |
| How to dress | Between Groups | 3.126 | 3 | 1.042 | 1.400 | .248 |
| | Within Groups | 71.464 | 96 | .744 | | |
| | Total | 74.590 | 99 | | | |
| Size | Between Groups | 6.187 | 3 | 2.062 | 2.961 | .036 |
| | Within Groups | 66.853 | 96 | .696 | | |
| | Total | 73.040 | 99 | | | |
| Visual merchandising | Between Groups | 1.102 | 3 | .367 | 2.343 | .078 |
| | Within Groups | 15.057 | 96 | .157 | | |
| | Total | 16.160 | 99 | | | |

The above table shows that the significance value for colour is 0.015 and size are 0.036, which is less than 0.05. Hence we reject the null hypothesis. It implies that customers see visual merchandising to know more about colour and size according to the frequency of visit to the shop. That is, customers who visit the store twice in a week see visual merchandising to know more about colour and size.

**Findings and Discussion**

Majority of the people are visiting fashion bazaar whenever the need arises and then during special offers. Only a few people are visiting once in a week and twice in a week. These customers normally do not prepare the lists of items to be purchased. Often from the sign boards and also from the salespeople most of the customers come to know about the offers.

Customers consider attributes of a retail layout such as visual merchandising, store display, storefront and good lighting as important while making a purchasing decision. Overall visual merchandising, style/design and price are given high scores by the customers. The mean score of style/design colour and price for customers who prepares the list of items to be purchased is more than the people who don't prepare the list. Customers who visit the store twice in a week see visual merchandising to know about colour and size.

The result of this study suggests that much consideration and emphasis should be given to storing design and storefront so that they are very attractive to the customers. Emphasize should also be given to the style/design and price while doing visual merchandising. This should be given not only on special offers but every day with appropriate and suitable signboards. The display should be done using themes mainly in accordance with the merchandise being sold. Proper and effective lighting should be done to enhance the display effects. The factors to be considered in lighting decisions are the type, colour, location, the intensity of the light, etc.

**Conclusion:**

Despite the various limitations, an intense attempt has been made to acquire and sort the details and make available it as accurate as possible The study shows that visual merchandising plays an important role in apparel purchase decision of the consumers. Consumers' outlook changes regularly and retailers must understand the importance of these outlooks and offer them a friendly environment to attract and retain them. Apparel retailers must consider various factors like store design, layout, storefront, display themes, lighting, music, etc. while making a visual presentation. Visual merchandising needs inventive, creative and presentation expertise, and also requires good preparation. Retailers should distribute a certain proportion of their sales for visual merchandising. It gives a competitive advantage and facilitates in creating an overall image of the store.

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