



Visual Merchandising: A Silent Salesman of Contemporary Retailer

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ABSTRACT

The present study is analyzing the various dimensions of Visual Merchandizing like color, product display, music, lighting and cleanliness in relation to its effect on retail customers. In practical implication it can be base for developing effective policy for attracting customers. Many studies have been done on huge footfalls in retail outlets but the real challenge is to convert these footfalls into the sales and visual merchandising is one of the ways to handle this issue effectively. The retailers to cope with this issue of huge footfalls still lower sales must adopt innovative steps to make customer to go for impulse buying. Using Correlation, ANOVA and Friedman study seeks to find out the significance and variance with demographic factors in addition to identifying major factors of visual merchandizing.

Keywords : Visual Merchandising, Footfalls, Organized Retailing

1. INTRODUCTION:

Visual merchandising plays a major role in retailing. "It is that which enhances products, supports brands, increases traffic and sales, adds visual excitement by way of strategically located and illuminated focal destinations in an environment, typically businesses and stores, defines and advertises overall personality and image." (Gorman). **The art of increasing the sale of products by effectively and sensibly displaying them at the retail outlet is called as visual merchandising.**

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' behaviors 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.

Besides, visual merchandising is also a powerful marketing tool as an external motivator in the consumer's impulse buying behavior. Indeed, impulse buying is significant for sales revenue; in fact it represents a substantial volume of goods sold every year (Bellenger et al., 1978; Clover, 1950; Cobb and Hoyer, 1986; Kollat and Willet, 1967) (cited in Supriya M. Kalla and A. P. Arora 2010).

This study will provide information as to why visual merchandising should be considered an important component 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 behaviors. The study focuses on analyzing the various dimensions of visual merchandizing with reference to retailers of Surat Region.

2. Literature Review:

Visual merchandising can be defined as everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire and action on the part of the customer." (Bastow-Shoop et al., 1991)

"Visual merchandising is a major factor often overlooked in the success or failure of retail store.

VISUAL MERCHANDISING IN RELATION TO IMPULSE BUYING BEHAVIOR

"In store browsing is the in-store examination of a retailer's merchandise for recreational and informational purposes without an immediate intent to buy" (Bloch, Ridgway, & Sharrell, 1989, p.14). Jarboe and McDaniel (1987) found customers who browsed in a store made more unplanned purchases than non-browsers in a regional mall setting.

Color:

Bellizzi et al. (1983) investigated the effects of color in retail store design. The results indicated that despite color preferences, subjects were physically drawn to warm color (yellow and red) environments, but they paradoxically found red retail environments to be generally unpleasant, negative, tense, and less attractive than cool color retail (green and blue) environments. (Cited in: Bellizzi and Hite. 1992)

Product display:

In a study carried out by Abratt and Goodey (1990) product display has been identified as an in – store stimuli. Simonson and Winer (1992) found that purchase behavior can be modified by the way in which inventory is arranged. Kumar and Leone (1988) maintain that point of purchase displays can be very useful in stimulating sales.

Music:

Bruner (1990) suggests that the genre of the background music is likely to produce stronger effects on perceptions and preferences. They reported that the impact of loudness on musical preference differed by gender, with females reacting more adversely than males to louder music. (Cited in: Oakes, 2000)

Lighting:

Mehrabian (1976) "believed that lighting was a chief factor in the environment's impact on individuals because brightly lit rooms are more arousing than dimly lit ones". (Cited in: Summers and Herbert, 1999) Areni and Kim (1994) found that consumers examined and handled significantly more items

under 'bright' lighting conditions than under "soft" lighting conditions.

Cleanliness:

A study by Carpenter and Moore (2006) indicated that both frequent and occasional shoppers across all retail formats indicated cleanliness as the single most important store attribute. Yun and Good (2007) declared that shopping in an immaculately clean store might generate image perceptions of cleanliness, contentment, or luxury.

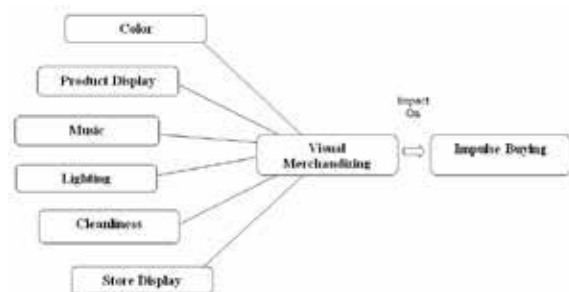
Store design or store Display:

It was also understood in Bellizzi and Hite (1992) study that displays are one of the most influential elements on unplanned purchases. Abratt and Goodey (1990) stated that point of purchase displays can be very useful in stimulating sales. In addition it was stated that the shoppers attach more influence to the floor of a store than to its ceiling.

3. METHODOLOGY

3.1 Conceptual Framework for the study

As per literature review studied dimensions of visual merchandising shown below are considered to be appropriate and taken up for this study visual merchandising and its impact on impulse buying among the retail customers of Surat Region.



3.2 Objectives of the study:

- To find out the different factors which affect the effectiveness of visual merchandising.

- To study the impact of different demographical factors on visual merchandising and in turn on impulse buying behavior.

3.3 Hypothesis:

Statement 1: There is a significant variance between different age groups and visual merchandising.

Statement 2: Different factors of visual merchandising are related to each other.

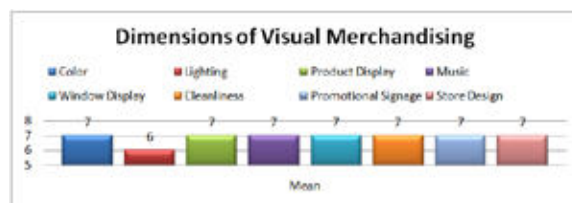
Statement 3: There is a significant relationship between different income group and visual merchandising.

3.4 Sampling and Method of Analysis

The Population of the study is the retail customers of Surat region. The consumers have been selected by simple random sampling technique through structured questionnaire. Only those retail customers were taken whose shopping experience were at least 6 months from organized retail stores in Surat City. The questions are measured by using Likert five point scales. The data & Information have been collected from 250 retail customers.

4. RESULTS AND DISCUSSION

Figure-1: Mean values of various dimension of visual merchandising of retail customers of Surat Region.



The figure-1 depicts that most of the retail customers do get influenced by visual merchandising because mean value of almost all dimension is higher than midpoint 6 ($\text{Min} + \text{Max}/2 = 6$). It means when the retail customer visit any retail outlet they tend to get influenced by above dimensions of visual merchandising.

Table 1: ANOVA- relationship between Dimensions of Visual Merchandising with Different Age groups.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Color	Between Groups	3.220751	4	0.805188	0.298925	0.878486
	Within Groups	659.9352	245	2.693613		
	Total	663.156	249			
Lighting	Between Groups	363.4049	4	90.85121	54.96004	0.000
	Within Groups	404.9951	245	1.653041		
	Total	768.4	249			
Product Display	Between Groups	6.470835	4	1.617709	0.48375	0.747668
	Within Groups	819.3052	245	3.344103		
	Total	825.776	249			
Music	Between Groups	8.848802	4	2.212201	0.772541	0.543978
	Within Groups	701.5672	245	2.86354		
	Total	710.416	249			
Window Display	Between Groups	10.20536	4	2.55134	0.846473	0.496921
	Within Groups	738.4506	245	3.014084		
	Total	748.656	249			
Cleanliness	Between Groups	20.23543	4	5.058857	0.971073	0.423955
	Within Groups	1276.341	245	5.209553		

	Total	1296.576	249			
Promotional Signage	Between Groups	30.40631	4	7.601577	2.920961	0.021852
	Within Groups	637.5937	245	2.602423		
	Total	668	249			
Store Design	Between Groups	30.95822	4	7.739555	2.425672	0.048647
	Within Groups	781.7178	245	3.190685		
	Total	812.676	249			

Table-1 exhibits that Lighting and Promotional Signage has significant variance with the age of the retail customers. It means lighting and promotional signage influence different age group of customers differently.

Table-2 Correlation Analysis- Variables (Visual Merchandising and Income Level)

Correlations		
		Income
Income	Pearson Correlation	1
	Sig. (2-tailed)	
	N	250
Visual Merchandising	Pearson Correlation	0.138
	Sig. (2-tailed)	0.028
	N	250
*. Correlation is significant at the 0.05 level (2-tailed).		

Table-2 exhibits that there is significant positive correlation between visual merchandising and income level of customers. It means as the income level of customer increases impact of visual merchandising increases.

Table 3: Friedman Analysis:

Friedman Test	
	Mean Rank
Promotional Signage	5.36
Color	4.85
Store Design	4.79
Cleanliness	4.55
Music	4.37
Window Display	4.26
Product Display	4.22
Lighting	3.60

Table 3: Exhibits that retail customers of Surat region are getting influenced by promotional signage most followed by color, store design, cleanliness, music, window display, product display and lighting. Above table also shows specifically which factors are having greater influence on retail customers with reference to visual merchandising and in turn impulse buying. So, retailers should focus on promotional signage followed by color, store design, cleanliness, music, window display, product display and lighting in order of priority.

5. CONCLUSION

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' behaviors 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 an important component of a strategic marketing plan in support of sales increase and positive store/company image. As per the ANOVA test Lighting and Promotional Signage has significant variance with the different age group of the retail customers. According to correlation analysis there is significant positive correlation between visual merchandising and income level of customers. It means as the income level of customer increases impact of visual merchandising increases. And Friedman test suggest retailers that in order to make visual merchandising effective retailers should focus on promotional signage followed by color, store design, cleanliness, music, window display, product display and lighting in order of priority.

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