



# Impact of Visual Merchandising in Retail Stores

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## Abstract

The scope of visual merchandising is growing rapidly with advances in technology. Retailers need to ensure their visual merchandising has stronger impact, as competition in the present scenario is high, and retailers are ready to spend more on visual merchandising to attract customers. Visual merchandising has become a tool which can be used by many retailers. The current study examines the impact of visual merchandising, store layout, in-store product display, window display, and promotional signage on impulse buying behaviour of customers in retail stores. The Overview of the study suggest that visual merchandising elements do have a significant impact on impulse purchase in retail stores, with store layout having the highest impact, followed by promotional signage, and window display, while in-store product display did not have a significant impact on impulse purchase. Further, for only store layout had a significant positive impact on impulse purchase on the other hand, store layout, window display and promotional signage had significant positive impact on impulse purchase.

Keywords: visual merchandising, layout, impulse buying behaviour, purchase decision

## Introduction

“The Effect of Visual Merchandising on Customers’ Purchasing Decisions”. The fierce competition in the market today has led retail stores to increasingly use visual merchandising to differentiate themselves from competitors, which would ultimately help increase their brand recall in the minds of the customers.

Visual merchandising is the process through which a retail store’s display of products is made attractive, and enticing to the customer, not only as a stimulus to enter the store, but to create an impression in the customer’s mind. It is a way in which the store can communicate the style and the sense of potential customers. The objective of visual merchandising is to ensure the awareness of customers and to increase the level of perception and comfort of customers. The ultimate objective of visual merchandising is to add value to retail store and to make the customer’s experience easier and better, in order to induce them to purchase more products from the store. The visual merchandiser combines elements such as exterior designs, along with interior elements such as floor layouts, internal displays, window displays in creating a positive store image.

The positive atmosphere and design created by visual merchandising is to attract customers in the store and make them feel satisfied. Elements such as the displays and the music in the store add to the positive atmosphere, and encourage the customer to purchase more. Also, when the customers have good experience in the store, they are attracted back to the store for repeat purchases.

Visual merchandising can also induce impulse purchases, i.e. spontaneous, unplanned purchases by the customer, where the decision is made inside the store, in response to the stimuli in the store such as product placement in the store. Retailers try to increase impulse purchases by making the visual merchandise more attractive, and they constantly change the to increase the impulse purchase. Consumers look for a differentiating factor which gives a retail store its uniqueness.

## **.Visual Merchandising**

The visual merchandising is the tool which is used by retail store to attract the customer or shopping to do the unplanned buying .it is defined as the presentation of a store or brand and its. Everything that customer sees, it may be exterior or interior which creates a positive impact on customer. Visual merchandising's strategic roles are communicating the brand and its offer to similar target customers in all markets. It differentiates merchandise and the retail brand from competitors selling comparable products Consumers 'perceptions of visual merchandising can pique their interest and motivate additional in store merchandise exploration .Used in visual merchandising provide information adds to consumers' cognitive understanding of visual merchandising optimizes sales and profits. Tools for visual merchandising is colour, fixtures, signage, lighting, aroma.

### **Window Display**

Retailing starts with attracting customers and enhances the sales of merchandise. The first thing that cover the people is the exterior of the store. If a storefront is well designed that can easily attract the customers and stimulate to purchase more, spend time within the store. The retail window displays play a vital role as it allows the viewers to come into the store and check out the products. It is an effective tool to use to impulse the consumer behaviour.

### **Store Layout**

Layout of the store consists of four elements: selling space, merchandising space, customer space and personnel space. Store layout is the logical arrangement of where the things have to be placed. Effective layout enhances the consumers purchase decision and repurchase intention. Layout have efficient space utilization, easily accessible, flexibility and product arrangement. Consumers expect to easy access without any hindrance in the store, it creates the positive emotions and enhance the purchase decision.

### **Lighting**

Store lighting generally delivers high ambient level and it is used to highlight the merchandise in the store. Lighting should make certain objects illuminate or reflect. A visitor's eye is automatically see the brightest part of the store. It is important to make lightning doesn't cause any tension in the eyes of the viewer.

In-store lighting stimulate the consumer's emotions and purchase decision. Light have to be place in inside the store and outside the store. A good lighting system helps to create a sense of excitement and happiness, they will spend more time in the store.

There are 3 types of lighting:

- Primary lighting - which illuminates the store in general.
- Accent lighting - which is concentrated on specific areas to attract customer's attention.
- Atmosphere lighting - which gives a distinctive and definitive brilliance without shadow.

### **Colour**

Colour is one of the most important elements of visual merchandising. Proper selection of colours is essential to attract the customer's attention. Colours affect people on an emotional level. Hence, fitting selection of colours has to be used in order to affect the customer in a right way.

### **Music**

In-store music is a prime factor that every retailer has to consider. There are two types of music soothing and arousal. Soothing music should lead to buoyant moods which should encourage positive evaluations and behaviours. The tempo of music, volume and type of music can affect the customer's perception and decision in the store. If they feel very happy, they will spend more money and time and positively recommend to other people to buy. It also creates the repurchase intention.

## **Temperature**

Ambient temperature in the retail store raise the customer shopping experience. They feel freshness while shopping. Retailer must examine the air quality in the store

## **Fixtures**

Fixtures are used in the retail store for displaying the merchandise. The common fixtures used in the stores are shelves, stand. Choosing the correct fixtures to your store enhances the customers and sales.

## **Floor merchandising**

The arrangement of merchandise according to planogram, in which merchandise is made available for sale to customers.

## **Cleanliness**

Cleanliness plays a vital role in retail stores, customers feel good if the store is clean. All of the visual merchandising techniques that can be already in use in the store. If the windows and shelves are dusty, sticky and dirty in any way, it will make the whole visual merchandising undermined.

## **Consumer Behaviour**

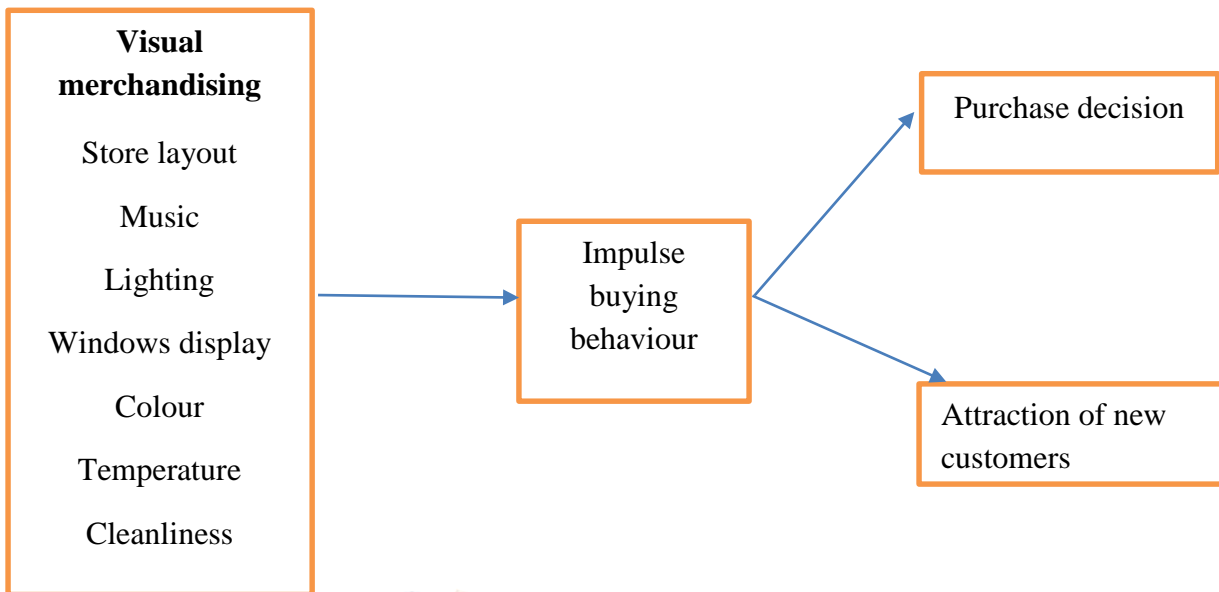
Consumers' world is full of ambience. Consumers react differently to the sensations and visual cues around them, when entering a store; they either focus on those messages or they disregard them. However, consumers happen to make a judgment of their own by adapting the idea that is communicated through a certain stimulus (for example, visual merchandising displays) to match with their individual desires, experiences and biases.

## **Purchase decision**

It is a customer buying decision it contains all the experience in learning, choosing, using and disposing the products which means customers have the desire to buy a product or make a choice. If the product is to satisfy the needs, then customer's purchase decision is to buy more. Store atmosphere influences the consumer emotional state that enhances the purchase decision in the store. An enhanced store experience encourages customers to return to the retail store and impact their decisions to repurchase.

## **Attraction of new customers**

In a research about visual merchandising conducted by Shona Kerfoot, Barry Davies and Philippa Ward, the respondents said that the lighting transmits a positive feeling, the display "looks inviting" and "gives a feeling of seclusion and I'm special". Unfavourable associations were connected with lighting that was seen as being "dull" or "basic". In these cases the lighting was perceived to make the displays "feel cold", in a uninviting and sterile sense (Kerfoot, S., Davies, B. J. and Ward, P., 2003). Thus, by not paying enough attention to visual merchandising tools and disregarding visual merchandising importance in general, a store manager is taking a risk of losing its potential buyers.

**CONCEPTUAL MODEL****CONCLUSION**

The aim of this paper was to how the visual merchandising elements impulse the buying behaviour of customers and purchasing decisions, to find out how important the role of visual merchandising is in the minds of customer. The research has shown that visual merchandising is an important aspect for purchasing a merchandise by stimulating customer's behaviour by visual merchandising elements. visual merchandising elements and tools may helpful to the retailer to build an attractive store atmosphere.

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