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## Effects of Visual Merchandising on Consumer Perception in Stores at Bhubaneswar

Anuradha Mishra

Research Scholar, Department of Business Administration, Utkal University, India-751004

Dr. Bidhu Bhusan Mishra

Professor, Department of Business Administration, Utkal University, India-751004

### Abstract

India has witnessed rapid growth in organised retail over the last few years. Retail stores in India have transformed themselves from traditional to modern and into chain stores with locations in other places throughout the country. The strong competition has encouraged retailers to use various marketing tools to attract customer and also to maximize the profit. Visual Merchandising is one of the important tools to be used by retailers to attract customers. In this study, visual merchandising elements such as window Display, Interior Presentation, mannequin display, store layout and colour and lighting are taken to verify the impact on the perception in stores. 160 questionnaire are administered and 106 response has been recorded for the study. The questionnaire was designed to collect general information like age, occupation and gender, and the impact of VM on the consumers' perception regarding the store and its products. The result of the study indicated that different elements of visual merchandising have influenced the consumers' perception across all age and income groups of customers.

**Key words:** Traditional Store, Chain store, Visual Merchandise, perception

### Introduction:

Visual Merchandising refers to the art of showcasing the same goods in the most attractive manner with the end purpose of making a sale (Swati Bhalla, Anurag S, 2010). Robert Colborne(1996) opines that VM is a commercial art form that enables a retail sales associate to work in all art media to communicate information such as promotion, price, style, newness, use, trend, stock quantities, mood and lifestyle to the customers. By using visual merchandising tools we can influence the buying perception of the customer. The changing behavior of the costumers can be caused by visual merchandising (Gagan Kumar Gouda).The VM plays a key role in creating an exciting shopping interior and exciting displays and in presenting merchandise in a knock-dead style(Robert Colborne,1996). Creative VMs can design and produce looks that range in appeal to consumers at both the low end or at the upper end buying range. They must constantly control their efforts to produce displays and environment that fit the store's image.

However consumers transpire to make their own decisions by adapting the message that is created by certain sensations or stimuli (such as Visual merchandising) to fit in with their own unique experiences, desires and prejudices (Cant et al., 2006:114). He also defines perception as "the process by which people select, organize and interpret information to form a meaningful picture of the world, through the five senses namely, sight, hearing, smell, touch, and taste. Another definition by Blythe (2008:91) states that "Perception is a process of converting sensory input into an understanding of how the world work. Perception is consequently a process of examination in which the outside world is passed through a filter and only the most significant or appealing things make it through the filter and impact the consumers (Blythe, 2008:92). In simple terms, perception is the way consumers figure out things.

Consumers are exposed to different sensations and marketing communication stimuli on a daily basis. These sensations and stimuli could include advertising, store displays, colours, sounds, packaging and more. The perceptions that form from these sensations and stimuli often act as triggers for certain actions and influences consumer behaviour. Consumers make decisions and take actions based on what they perceive to be the truth. It is therefore important that apparel retailers understand the whole concept of perception in order to determine what influences consumers to make purchasing decisions (Cant et al., 2010: 54).

### **Review of literature:**

Visual merchandising is effectively displaying and artistic creation the product retailers wants to sell which creates a unique space on the customers mind and motivates them to make purchase (Diamond & Diamond, 2007). The motive of this is to make customer aware about the store offerings, to create the stores image, and to encourage multiple sales (Frings, 1999). The message is clearly conveyed to customers by eye-catching store display, effective signage and certain other significant aspects of clothes arrangement. The way merchandise is arranged does influence store choice decision (Gajanayake et al., 2011; Wanninayake & Randiwela, 2007).

Eye is one sensory organ that helps to receive many visual stimuli from the surrounding that are processed and impact of the same is created in the minds of customers. Visual merchandising is very important in retailing as about 60 to 75% of the information collected about the environment is done with help of eyes (Passewitz et al., 1991). Visual merchandising is defined as the presentation of a store and its merchandise in a manner that will attract customers and motivates them to purchase through the teamwork of the stores advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by the store/company. This can be done by planning the merchandise that are to be featured and location they are supposed to be placed, which will appeal customers (Diamond & Diamond, 2007). Retailers gradually realized that selling the product wasn't only important but they should also have satisfaction and convenience of shopping. In other words visual merchandising is selling

the product by selling ambience of store. Hence, this makes cost effective and competent way of marketing than other means of communications.

Stimulus in retailing includes space related, product related and people related aspects of the display (Quartier et al., 2008). The main focus of visual merchandising is space related aspects which includes visual stimulus. Space related category is divided again into functional, aesthetical and atmospheric aspects. Consumers are attracted to these entire stimuli which are learned and a perception for the store is developed by consumer in mind about that store. Visual stimulus impacts the most when it comes to perception building. Visual merchandising involves store window, store directions, in posters, unit top poster / visual, placement of products, highlighting products in the store. Amount of time shopper spends in the store depends on how good they feel being there (Underhill, 2009). The longer a shopper remains in the store the more shoppers will buy. Hence, it is important that the visual stimulus and ambience is soothing so that customer remains in the store for longer time. Good in-store signage is the important final element of store presentation and promotions. Visual merchandising is an important component in maintaining the ambience and customer satisfaction. It includes both interior and exterior of the store. Both of them are equally important to enhance store image (Agnihotri & Oburai, 2011).

There are three types of interior display: Merchandising display, Point-of-sales display and Architectural display (Omar, 1999). In store cues include floor display, lighting, music, space design, directional signage, fixtures and hardware, props and decorative and mannequins. These in-store cues influence customer's perception for store (Milliman, 1982; Bellizzi et al., 1983; Eroglu & Machleit, 1990; Grewal et al., 2003). Pleasing in-store atmosphere provides hedonic utility and helps in buying more (Ailawadi & Keller, 2004). The emphasis has moved away from in-store product displays, towards elements that excite the senses of shoppers such as flat screen videos or graphics, music, smells, lighting and flooring that tend to capture the brand image or personality and help to create a unique environment and shopping experience (McGoldrick, 1990). Good exterior invites customers; develops interest and attention (Passewitz et al., 1991). It is a silent sales person and within 10 seconds good sign draws attention. Almost 75% of the customers remember store entrance as it generates first impression (Passewitz et al., 1991).

The store exterior includes window display, retail premises and façade. Visual merchandisers have understood the importance of window display long time ago and hence they were known as window trimmers (Gopal V, 2006). Window display is a medium which creates first impression in customer's mind to enter into the store and promotes the idea of store image (Passewitz et al., 1991; Mehta & Chugan, 2013). Customers lose interest if same window display is kept for long time (Passewitz et al., 1991) and if it is attractive draws them in the store. Physical attractiveness of the store affects highly to the customers in their store selection (Darden et al., 1983). It has frequently been suggested that "good" interior design within a store can maintain customer interest, encourage customers to lower their psychological defence and make a purchase (Omar, 1999; Davies & Ward, 2002). The main reason for

store interior is to develop desire for the merchandise, present available merchandise and enhance impulse purchase (Passewitz et al., 1991). The key facets within merchandising display are identified within the literature as: Layout, (Levy & Weitz, 1996; Wanninayake & Randiwela, 2007), fixtures (Levy & Weitz, 1996; Passewitz et al., 1991), merchandise (Davies & Ward, 2002), presentation techniques (Buchanan et al., 1999), colour (Gajanayake et al., 2011; Passewitz et al., 1991), light (Gajanayake, 2011 ; Wanninayake & Randiwela, 2007; Passewitz et al., 1991), mannequin (Davies et al., 2003), and hygiene (Gajanayake et al., 2011; Wanninayake & Randiwela, 2007) Consumer expectation regarding in-store design have increased (Buchanan et al., 1999) and there is also a heightened desire for shopping excitement, which can in part be delivered through innovative design of the physical environment (Levy & Weitz, 1996).

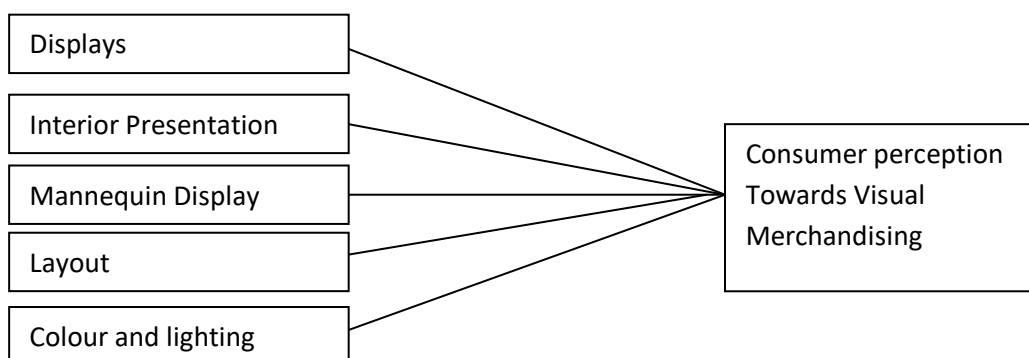
Therefore, different literatures have commonly recognized the in-store environment to be dependent on visual merchandising and other in store promotions. To sum up, visual merchandising helps in maintaining overall image of the retail store in the mind of customer The dimensions like ambience, window display, floor display, mannequin display, signage and props are most important than in-store environment. According to above research studies, some researchers have argued that in-store environment is critical component of store choice behaviour and while some others have argued that various other variables such as ambience, window display, floor display, mannequin display, signages and props are most important than in-store environment. However, these previous research studies provide evidence that the store perception is affected by the interior and exterior presentation by the retail stores.

#### Research Objectives:

1. To analyze the effectiveness of different factors of Visual Merchandising.
2. To study the consumer perception towards Visual Merchandising.

#### Research Methodology:

**Research Framework and Hypothesis Formulation:** We have argued that Visual merchandising having an effect on consumer perception. Based on the review of literature, a research framework designed and the hypotheses are framed to study the under laying relationships.



**Figure 1: Theoretical Framework**

H1. Different elements of Visual Merchandising influence the consumer's perception in the selected stores at Bhubaneswar

More specifically:

H1a. Displays at stores as an element of VM is related to consumer perception

H1b. Interior presentation as an element of internal design is related to consumer perception

H1c. Mannequin Display is related to consumer perception

H1d. Layout as an element of floor space management is related to consumer perception

H1e. Colour and lighting is related to consumer perception

### **Data collection**

Data used for this research paper were collected through a self-administered questionnaire. A total of 106 respondents in a well developed residential area were interviewed personally to know the awareness and perception towards organized retail stores. The product categories under the study included all types of apparel in various organized stores located in the city. The sample is purposive and it covers all age groups to make the study more effective. The sample was randomly selected and the data are collected by giving equal importance to each respondent in spite of age, sex, education and purchasing power. Visiting time for interviewing the potential respondents was selected so as to suit their convenience. In about 75 per cent cases, the survey questionnaires were personally collected by interviewing individually. The study has been done particularly on organized retail store.

### **Research instrument**

The survey questionnaire was structured with two parts. The first part included questions related to Consumers' demographic profile and purchase behaviour in terms of frequency of purchase, average expenditure, marketplace, and the perception towards different stores. The second section was designed to obtain information on the elements of Visual merchandising and consumer perception. The individual perceptions of consumers on visual Merchandising attributes such as Displays, Signage, mannequin and music were measured, on a Likert-scale anchored on 1 'Strongly Agree to 5 'Strongly disagree' For the current study Visual merchandising constructs were identified i.e., Displays, interior presentation, Mannequin display, Layout and colour and design. The variables are grouped in to five factor that are displays, interior presentation, mannequin display, layout and colour & lighting were adopted from, Neha P. Mehta, Pawan Kumar Chugan (2014), Yolandé Hefer (2012) and Gagan Kumar Gouda(2015).

### **Data Analysis & Interpretation**

The collected data were digitized in an SPSS spreadsheet and a simple statistical analysis to assess the factors of visual merchandising which included descriptive statistical analysis, cross-tabulation and frequency distribution was carried out.

**Table 1: Gender of the respondents**

Gender	Frequency	Percent
Female	51	48.1
Male	55	51.9
Total	106	100.0

Source: Field Data

It is observed from the above table that 48% of respondents are female and 51 % are male respondent which mean a balance has been maintained between these male and female respondents to avoid gender biasness. During the stage of data collection itself, attempt was made to keep the gender profile of the respondents such as to depict as close as possible the sex ratio in India which is 933 females per 1000 males, i.e. nearly 48% of Indian population consists of females and nearly 52% of Indians are male. Thus, the present study is in line with sex ration in India and in that sense the present study is gender neutral so far as Indian consumers are concerned. The respondents came from all the strata in society, be it be students, housewives, self-employed, government servants or people working in private corporate.

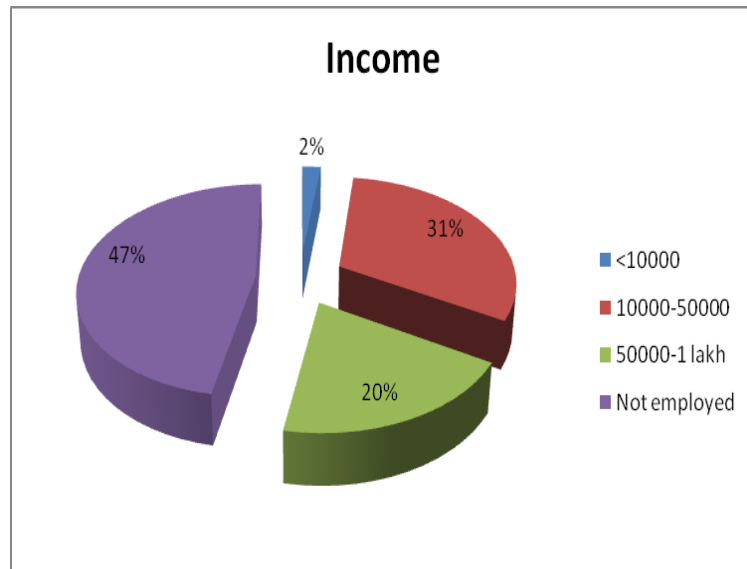
**Table 2: Age wise composition of the respondent**

Age	Frequency	Percent
Below 25	64	60.4
25-45	12	11.3
45-65	24	22.6
Above 65	6	5.7
Total	106	100

Source: Field data

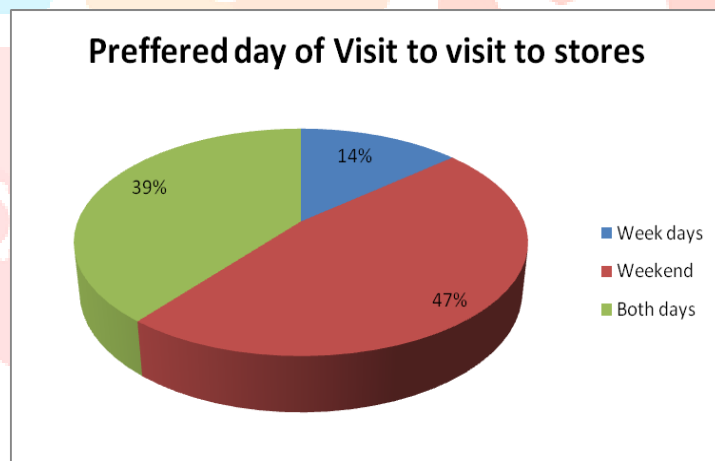
As regards present study, the age profile of the respondents was divided into five groups, viz. below 25 years, 25-45 years, 45-65 years, and 65-above. From the above table it was found that 60% of the respondents are belong to the category under the age of 25 in comparison to other categories, which shows mostly youths are more influenced and aware about the Visual merchandising concept.

**Fig: 2 Income wise composition of the respondents**

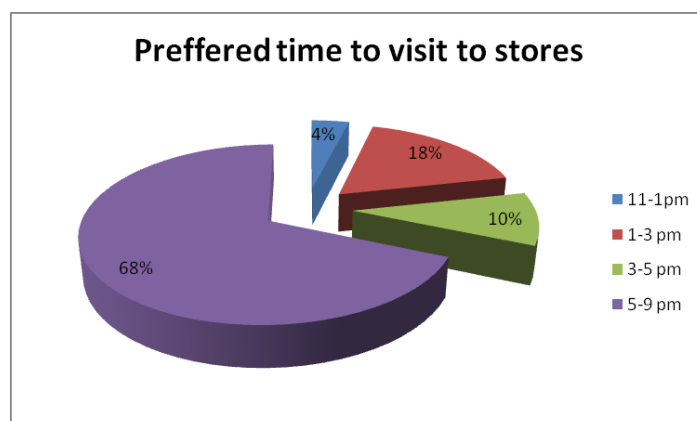


The above figure shows that 47% of the respondents are not employed which includes the students and the house wife category, which is the major contributors to the study. The next 31% of the respondents are from the income group of Rs 10,000 to Rs 50,000. And 20% from Rs 50,000/- to 1 Lakh a month which shows the the high purchasing capacity holders can visit the stores.

**Fig 3 Preferred day of visits to stores**

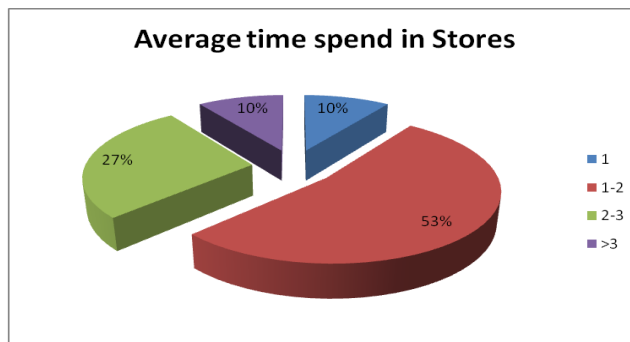


**Fig 4: Preferred time to visit to stores**



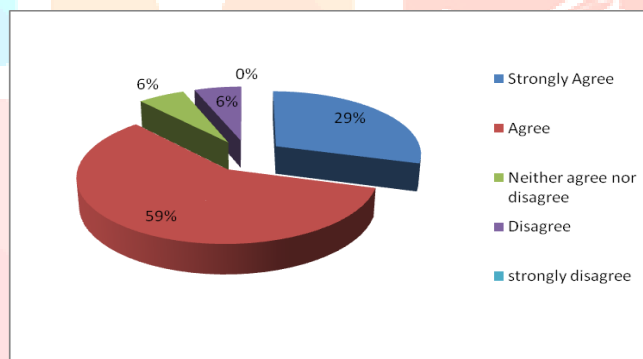
From the above fig 2 and fig 3 indicate that mostly 68% customers are preferred to visit the stores the evening time that is between 5 to 9 pm and they preferred any preferred weekend to visit comfortably to the stores to have a pleasant buying.

**Fig 5 : Average time spend in stores**

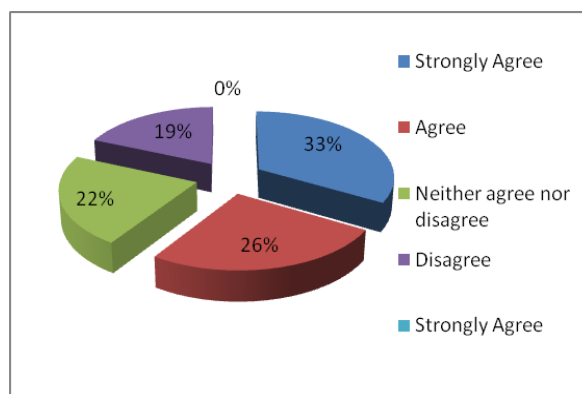


From the figure 5 it was reflected that 53% of the respondents were spending 1-2 hours in the store which indicates they are spending a pretty time at the store to purchase products. This has having a good impact on the consumers to go through the elements of Visual merchandising unknowingly. And the more time a consumer spends in a store leads to the positive perception towards the stores.

**Fig 6: Referring Retail Stores to friends**



**Fig 7: Over all Experience of Consumer on stores**



During the datacollection a beautiful facts comes out that 59% of the total respondent were agree that they are always referring there organised stores to their friends where as 33% of the respondents are strongly agree to that they will refereing the stores to their friend. Which reflects that their perception towards the stores are positive that because of the elements of the visual merchandising attracting the consumers



towards the store. From fig 7 it is reflected that The overall experience of 59% of the respondents are good on the store which is another indicator to consumer perception towards the store.

**Table: Correlations between factors of Visual Merchandising**

Variables	Display	Interior Presentation	Mannequin display	Layout	Colour & Lighting
Display	1				
Interior Presentation	0.355	1			
Mannequin display	0.991	0.371	1		
Layout	0.588	0.497	0.598	1	
Colour & Lighting	0.127	0.212	0.134	0.271	1

Source: Field Data

From the above table it is found that the correlation coefficient of Mannequin display of stores is more than 0.90 which means there is a strong relationship between Mannequin display and Displays which indicates the consumers have a better understanding on the Visual Merchandising those have coming to the store and spending hours more than 1 hour. Also it is we found that coefficient correlation of layout and Mannequin display is 0.598 which means the relationship between layout and mannequin display is moderate. And there is also a moderate relationship between 'Layout' with 'Display' in the stores; which shows customers are overall giving attention to all the elements of Visual Merchandising simultaneously while visiting to the store.

### Regression Analysis

The regression analysis has been done to study the impact of visual merchandising factors on consumer perception to stores.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.575	0.337		4.667	0.000
Display	0.255	0.118	0.278	2.154	0.036
Interior Presentation	0.256	0.134	0.251	1.912	0.021
Mannequin display	-0.144	0.068	-0.221	-2.113	0.037
Layout	0.243	0.112	0.271	2.219	0.031
Colour & Lighting	-0.017	0.074	-0.022	-0.231	0.818

Note: R=0.284, R<sup>2</sup>=0.81,  
Dependent variable = consumer perception, Significant at the 0.05 level

Source: Field Data

The results of regression analysis based on the data collected from the respondents indicated that Visual merchandising had significantly positive effect on consumer perception ( $p < 0.05$ ,  $\beta = .278$ ). Thus H1<sub>a</sub> proposing that display, is positively related to consumer perception, was supported by the study. Similarly, Interior Presentation had significantly positive effect on consumer perception ( $p < 0.05$ ;  $\beta = .251$ ). Hence, the hypothesis H1<sub>b</sub> was also supported by the study. Layout had significantly positive effect on consumer perception ( $p < 0.05$ ;  $\beta = .271$ ). Hypothesis H1<sub>d</sub> was also supported the by the study. But Manequine Display on the other hand has significantly negative effect on consumer perception ( $p < 0.05$ ;  $\beta = -.221$ ).and the

hypothesis H1<sub>c</sub> has not supported by the study for this stores. Finally, Colour and lighting is not at all related to consumer perception as the result is not significant.

## Conclusion

Now-a-days Retail industry has faced fierce competition. There are lots of players branded and non-branded, into fashion apparels catering nearly same kind of products. For apparel industry there is not much differentiation in terms of product. The only differentiation a marketer or a retailer can do is in terms of display. Visual merchandising here plays a vital role for marketing of products. Hence, the role of a visual merchandiser becomes prominent to increase the sales of retail outlet. As per the study conducted, perceptions of consumers towards various elements of visual merchandising in the retail outlets are different. Consumer's find displays, interior presentation and the layout of the stores are more effective than other dimension of VM. While mannequin display, colour and lightning has not much impact on the consumer to perceive the retail store. These elements is mostly liked by youths as because they understand the concept and more aware about the modern retail concept. Visual merchandisers of the retail outlets must strengthen the aspect on which they are perceived good. Also, they should work on rest of the dimensions on which they do not qualify as each of the dimensions is important in terms of visual merchandising.

Visual merchandising is a key which induces impulse buying. If any retail outlet falls short in any of the dimension as stated above, impact of that dimension on consumer which will induce purchase will not happen. Window display is a dimension which helps visual merchandiser to fetch consumers inside the store. It is the first impression of the store. Hence, all retail outlets must have a strong window display. Window display of the retail outlets should be changed at a regular interval with a proper colour and product information proposition so that consumers can come to know about the new arrivals. Product display should be well organized so that consumers do not have to work hard in search of the thing they want to purchase. All the sales persons are properly trained that they should help the customer as per the requirement not irritate them by force selling. Mannequin display also should display best of the merchandising so consumer sees it and can think how the same would look on them and can empathize with the apparel. Atmospherics also impacts great. It is a factor which helps customer stay long in the shop. The more a customer stays in the shop, more that person purchases. Hence, the atmospherics of retail store should be best and making consumers comfortable in the store. Some sitting space should be provided for senior citizens and children. All Visual Merchandisers and marketing managers should work more on these dimensions as it would be a non-expensive way of increasing sales of the store.

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