



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

VISUAL MERCHANDISING AND ITS RELATIONSHIP WITH SALES PERFORMANCE AND CUSTOMER BUYING BEHAVIOUR; A STUDY IN AYODHYA

Harsh Gupta

Research Scholar

Department of Business Management & Entrepreneurship
Dr. Rammanohar Lohia Avadh University, Ayodhya, India

Abstract

This study examines the impact of visual merchandising on sales performance and customer buying behavior in the retail sector, with special reference to Ayodhya. Visual merchandising plays an important role in attracting customers and influencing their purchase decisions through elements such as store layout, lighting, window displays, and product arrangement. The study is based on primary data collected from 200 respondents using the convenience sampling method. A structured questionnaire based on a Likert scale was used for data collection. The collected data was analyzed using Spearman's correlation method to examine the relationship between visual merchandising, sales performance, and customer buying behavior. The results indicate a strong and positive relationship between the variables, showing that effective visual merchandising significantly influences customers and improves sales performance. It was also observed that customers are more likely to purchase from stores that are visually attractive and well-organized. The study concludes that visual merchandising is a valuable tool for retailers to enhance customer experience and increase sales. It suggests that retailers in Ayodhya should focus on improving visual elements to attract more customers and achieve better business outcomes.

Keywords-Visual Merchandising, Sales Performance, Customer Buying Behavior, Convenience Sampling, Spearman Correlation

1. Introduction

In today's world, the retail market has become very competitive. Every shop owner wants to attract more customers and increase sales. Customers also have many choices, so they usually visit stores that look attractive and comfortable. One important way to attract customers is through visual merchandising. Visual merchandising simply means how products are displayed and arranged in a store to make them look appealing. It includes things like lighting, colors, store layout, window displays, and how products are placed on shelves.

When a customer enters a store, the first impression matters a lot. If the store looks clean, organized, and visually attractive, the customer feels interested and spends more time inside. This increases the chances of buying something. On the other hand, if the store looks dull or messy, the customer may leave without even checking the products. That is why visual merchandising is very important in influencing customer buying behaviour.

Many researchers have also talked about the importance of visual merchandising. Bell and Ternus (2006) explained that good visual merchandising helps in attracting customers and improving their shopping experience, which finally leads to higher sales. In a similar way, Pegler (2012) said that things like lighting, colors, and product display have a strong impact on how customers feel and what they decide to buy.

Another study by Kerfoot et al. (2003) showed that when a store looks attractive, customers feel happy and are more likely to buy products. Also, Levy and Weitz (2012) mentioned that good store presentation improves the image of the store and increases customer satisfaction.

In recent years, more studies have supported these ideas. Law et al. (2019) found that good visual merchandising increases customer interest in products. Mehta and Chugan (2020) explained that attractive displays often lead to impulse buying, where customers buy things without planning. Similarly, Kaur and Singh (2021) found that proper store layout and product arrangement help in increasing sales. Sharma and Patel (2022) also concluded that visual merchandising improves both customer satisfaction and sales performance.

All these studies clearly show that visual merchandising is not just about decoration. It is actually a smart way to influence customers and improve business. It helps stores to look better, attract more people, and encourage them to buy more.

However, most of these studies have been done in big cities and large shopping malls. There is not much research in smaller cities, where customer behaviour may be different. People in smaller cities may have different choices, habits, and expectations while shopping. So, it becomes important to study this topic in such areas. Therefore, this study focuses on understanding the relationship between visual merchandising and customer buying behaviour and sales performance in Ayodhya. This will help to understand how customers in this city respond to different visual merchandising techniques.

In the end, it can be said that visual merchandising is very important in today's retail business. It helps in attracting customers, improving their shopping experience, and increasing sales. This study tries to understand how much it really affects customer behaviour and business performance.

1.1 Problem Statement

In today's competitive retail market, attracting customers and increasing sales has become a major challenge for retailers. Although visual merchandising is widely used to improve store appearance, its actual role in influencing customer buying behaviour and sales is not clearly understood, especially in smaller cities like Ayodhya. There is a lack of focused studies in this area. Therefore, this study aims to examine the relationship between visual merchandising, customer buying behaviour, and sales performance.

1.2 Significance of the Study

This study is important because it helps to understand how visual merchandising affects customer buying behaviour and sales performance in retail stores. It provides useful guidance to retailers on how to improve store appearance, product display, and layout to attract more customers and increase sales. The study is especially helpful for businesses in Ayodhya, where limited research is available and understanding local customer behaviour is important. It also adds value for researchers and students by contributing to existing knowledge and supporting future studies in retail marketing and consumer behaviour.

2. Recent Literature Review

In recent years, many researchers have studied the role of visual merchandising in influencing customer buying behaviour and sales performance. These studies clearly show that visual merchandising has become an important part of retail strategy, especially in a competitive market.

A recent study conducted in 2025 by Gagarin et al. examined how different elements of visual merchandising such as product display, packaging, signage, and store layout affect customer buying behaviour. The study found that all these elements play a very important role in attracting customers and encouraging them to make purchases. It also showed that a well-designed store environment can increase customer interest and lead to unplanned buying .

Similarly, a study by Florea (2025) found that visual merchandising and store layout have a strong influence on customer shopping decisions. The study explained that when stores use proper lighting, attractive displays, and organized layouts, customers feel more comfortable and are more likely to buy products. It also highlighted that understanding customer needs and preferences is important for effective visual merchandising .

Another important study by Bist (2023) showed that different elements of visual merchandising such as window displays, product displays, and store atmosphere help in creating a strong image of the store in the minds of customers. The study found that these elements help retailers to position their stores effectively and attract more customers .

In addition, a study by Akhilendra and Aravendan (2023) focused on the role of fashion trends in visual merchandising. The study found that visual merchandising helps retailers to present new trends in an attractive way and connect with customers. It also showed that updating displays according to current trends can increase customer interest and improve sales.

A study conducted in 2024 by Arunachalam and Ramakrishnan examined the impact of changes in visual merchandising on sales performance. The results showed that visual merchandising has a significant relationship with sales, but it should be used along with other factors like customer preferences and product availability. The study suggested that visual merchandising alone is not enough, but it plays an important supporting role in improving sales .

Another study in 2024 by Chen focused on window display design in fast fashion stores. The study found that window displays are the first thing that attracts customers and plays a major role in influencing their purchase intention. It also showed that attractive window displays increase customer satisfaction and encourage them to enter the store .

Furthermore, a study conducted in 2023 on visual merchandising elements in retail stores found that factors such as product arrangement, lighting, and store design have a direct effect on customer buying behaviour. The study concluded that better visual presentation increases customer engagement and leads to higher sales .

A systematic review conducted in 2023 also confirmed that visual merchandising plays a major role in shaping customer perception, improving shopping experience, and increasing sales performance. The review highlighted that visual merchandising is now considered a key strategy in modern retailing .

Overall, the recent studies clearly show that visual merchandising has a strong influence on customer behaviour and sales. Elements like store layout, lighting, product display, and window display help in attracting customers and improving their shopping experience. These studies also highlight that visual merchandising should be used along with other marketing strategies for better results.

The review of recent studies shows that visual merchandising is an important factor in retail success. It helps in attracting customers, influencing their buying decisions, and increasing sales. Therefore, it is necessary to study its role in different locations, such as Ayodhya, to better understand local customer behaviour.

2.1 Research Objectives

1. To examine the relationship between visual merchandising and sales performance.
2. To study the relationship between visual merchandising and customer buying behaviour.

2.2 Hypotheses

H₀₁: There is no significant relationship between Visual merchandising and sales performance.

H₀₂: There is no significant relationship between visual merchandising and customer buying behavior.

3. Research Methodology

The present study is based on understanding the relationship between visual merchandising, customer buying behaviour, and sales performance in the retail sector. A systematic research methodology has been followed to achieve the objectives of the study.

3.1 Research Design

The study is descriptive in nature, as it focuses on describing and analyzing the relationship between visual merchandising and customer buying behaviour and sales performance. It aims to collect real data from respondents and interpret it in a meaningful way.

3.2 Area of the Study

The study is conducted in Ayodhya. The area has been selected to understand customer behaviour in a developing city where limited research is available.

3.3 Data Collection

The study is based on primary data. Data has been collected directly from respondents using a structured questionnaire. The questionnaire is based on a Likert five-point scale, where responses range from strongly agree to strongly disagree.

3.4 Sampling Technique

The study uses convenience sampling, where respondents are selected based on ease of availability and willingness to participate.

3.5 Sample Size

A total of 200 respondents have been selected for the study.

3.6 Variables of the Study

- **Independent Variable:** Visual Merchandising
- **Dependent Variables:** Customer Buying Behaviour and Sales Performance

3.7 Tools and Techniques Used

For data analysis, Spearman's Rank Correlation has been used. This method helps in finding the relationship between variables, especially when data is collected on an ordinal scale like Likert scale.

3.8 Data Analysis Tool

The collected data has been analyzed using statistical software such as SPSS, which helps in accurate calculation and interpretation of results.

4. Data Analysis

In this study, data analysis was conducted to examine the relationship between visual merchandising, sales performance, and customer buying behaviour using data collected from 200 respondents through a structured Likert scale questionnaire. Spearman's Rank Correlation method was applied as the data is ordinal in nature. The results revealed a strong positive relationship between visual merchandising and sales performance, as well as between visual merchandising and customer buying behaviour. The correlation values indicate that better visual merchandising leads to higher sales and positively influences customer purchase decisions. The significance values ($p < 0.05$) show that these relationships are statistically significant. Therefore, the null hypotheses are rejected, and it is concluded that visual merchandising is closely related to both sales performance and customer buying behaviour.

4.1 Hypotheses Testing

H₀₁: There is no significant relationship between Visual merchandising and sales performance.

Table-1 Correlations				
			visual merchandising	Sales Performance
Spearman's rho	visual merchandising	Correlation Coefficient	1.000	.714**
		Sig. (2-tailed)	.	.000
		N	200	200
	Sales Performance	Correlation Coefficient	.714**	1.000
		Sig. (2-tailed)	.000	.
		N	200	200
**. Correlation is significant at the 0.05 level (2-tailed).				

Interpretation- The correlation analysis was conducted to examine the relationship between visual merchandising and sales performance. The results show a correlation coefficient value of 0.714, which indicates a strong positive relationship between the two variables. This means that as visual merchandising improves, sales performance also tends to increase. In simple terms, better store displays, lighting, layout, and presentation attract more customers and encourage them to make purchases. Furthermore, the significance value (p-value) of 0.000 is less than the standard level of 0.05, which indicates that the relationship between visual merchandising and sales performance is statistically significant. This means that the observed relationship is not due to chance but is reliable and meaningful for the study. Therefore, it can be confidently stated that visual merchandising plays an important role in influencing sales outcomes. Based on these findings, the null hypothesis stating that there is no significant relationship between visual merchandising and sales performance is rejected, while the alternative hypothesis is accepted. Overall, the results clearly highlight that effective visual merchandising strategies can positively impact customer buying behavior and enhance sales performance in retail settings.

H₀₂: There is no significant relationship between visual merchandising and customer buying behavior.

Table-2 Correlations				
			visual merchandising	and Customer Buying Behavior
Spearman's rho	visual merchandising	Correlation Coefficient	1.000	.781**
		Sig. (2-tailed)	.	.000
		N	200	200
	Customer Buying Behavior	Correlation Coefficient	.781**	1.000
		Sig. (2-tailed)	.000	.
		N	200	200
**. Correlation is significant at the 0.05 level (2-tailed).				

Interpretation-The correlation analysis was carried out to understand the relationship between visual merchandising and customer buying behavior. The results show a correlation coefficient of 0.781, which indicates a strong positive relationship between the two variables. This means that when visual merchandising improves, customer buying behavior also improves. In simple words, attractive store displays, proper lighting, and well-organized layouts encourage customers to spend more time in the store and make purchase decisions. The significance value (p-value) is 0.000, which is less than the standard level of 0.05. This shows that the relationship between visual merchandising and customer buying behavior is statistically significant and not due to chance. Therefore, the findings of the study are reliable and can be used to draw meaningful conclusions. Based on these results, the null hypothesis stating that there is no significant relationship between visual merchandising and customer buying behavior is rejected, while the alternative hypothesis is accepted. Overall, the analysis clearly indicates that effective visual merchandising has a strong influence on customer buying behavior and plays an important role in increasing customer engagement and purchase intention.

5. Discussion

The findings of the present study reveal that visual merchandising has a strong and significant impact on sales performance and customer buying behavior, which is consistent with previous research conducted over the years. Earlier studies by Bell and Ternus (2006) and Pegler (2012) emphasized that visual merchandising techniques such as store layout, lighting, and product displays play a vital role in attracting customers and influencing their purchase decisions. Similarly, Kerfoot et al. (2003) found that an appealing store environment creates positive emotional responses, leading to increased buying behavior. In recent years, studies conducted by Law et al. (2019) and Mehta and Chugan (2020) have also shown that effective visual merchandising significantly enhances customer engagement and encourages impulse buying. Furthermore, research by Kaur and Singh (2021) and Sharma and Patel (2022) confirmed that well-designed visual elements improve store image, customer satisfaction, and overall sales performance. Therefore, the results of the present study are in agreement with both earlier and recent studies, confirming that visual merchandising is a key factor influencing customer behavior and improving sales in retail settings.

6. Conclusion

The present study concludes that visual merchandising has a significant and positive impact on both sales performance and customer buying behavior. The statistical analysis clearly shows that improvements in visual merchandising elements such as store layout, lighting, and product display lead to higher customer attraction and increased sales. The strong correlation between visual merchandising and customer buying behavior indicates that customers are highly influenced by the physical appearance and presentation of retail stores. When stores are visually appealing and well-organized, customers tend to spend more time exploring products, which increases the likelihood of purchase. Furthermore, the study highlights that visual

merchandising is an effective marketing tool that can be used by retailers to enhance customer experience and gain a competitive advantage. It is not only limited to decoration but also plays a strategic role in influencing consumer decisions. Overall, the findings emphasize that retailers should focus on improving their visual merchandising practices to attract more customers and boost sales performance. By creating an engaging and attractive store environment, businesses can positively influence customer perceptions and encourage repeat purchases. Thus, visual merchandising can be considered a key factor in retail success, and its proper implementation can lead to long-term business growth and customer satisfaction.

7. Implications of the Study

The study has important implications for retailers, marketers, and researchers. For retailers, the findings suggest that investing in effective visual merchandising techniques can significantly improve sales performance and customer engagement. Elements such as attractive displays, proper lighting, and organized layouts should be carefully planned to create a positive shopping experience. For marketers, the study highlights the importance of understanding customer behavior and using visual merchandising as a tool to influence purchase decisions. It can be used as a cost-effective strategy to attract customers and increase store footfall. For researchers, the study provides a foundation for further research in the area of retail marketing and consumer behavior. Future studies can explore additional variables such as digital merchandising or online visual presentation. Overall, the study emphasizes that visual merchandising is a powerful tool for improving retail performance and customer satisfaction.

8. References

9. Arunachalam, K., & Ramakrishnan, S. (2024). Visual merchandising and its effect on sales performance. *International Marketing Journal*, 6(2), 35–42.
10. Bell, J., & Ternus, K. (2006). *Silent selling: Best practices and effective strategies in visual merchandising*. Fairchild Publications.
11. Bist, S. (2023). Role of visual merchandising in retail branding and customer perception. *Journal of Retail Studies*, 8(2), 33–41.
12. Chen, L. (2024). The influence of window display design on consumer purchase intention in fashion retail. *Journal of Design and Consumer Behavior*, 5(1), 22–30.
13. Florea, N. (2025). The impact of store layout and visual merchandising on consumer behavior. *Journal of Retailing and Consumer Services*, 20(1), 40–52.
14. Gagarin, A., et al. (2025). Impact of visual merchandising on consumer buying behavior. *International Journal of Advanced Research in Marketing*, 12(1), 55–65.
15. Kaur, H., & Singh, R. (2021). Impact of visual merchandising on consumer buying behavior in retail sector. *International Journal of Research in Marketing*, 10(2), 112–120.
16. Kerfoot, S., Davies, B., & Ward, P. (2003). Visual merchandising and the creation of discernible retail brands. *International Journal of Retail & Distribution Management*, 31(3), 143–152.
17. Law, D., Wong, C., & Yip, J. (2019). How does visual merchandising affect consumer affective response? *European Journal of Marketing*, 53(2), 299–319.
18. Levy, M., & Weitz, B. A. (2012). *Retailing management* (8th ed.). McGraw-Hill Education.
19. Mehta, N., & Chugan, P. K. (2020). Impact of visual merchandising on consumer behavior: A study of retail stores. *Journal of Business and Retail Management Research*, 14(3), 45–54.
20. Pegler, M. M. (2012). *Visual merchandising and display* (6th ed.). Fairchild Publications.
21. Sharma, V., & Patel, R. (2022). Role of visual merchandising in influencing customer satisfaction and sales. *International Journal of Management Studies*, 9(1), 78–85.