

A Study on Factors Impacting Visual Merchandising to Electronics Retailing

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Abstract

Visual merchandising for long has been a topic of interest for researchers and business practitioners. The concept itself is very intriguing and complex. The complexity of the matter is because it is very difficult to ascertain the impact of visual merchandising on consumer behavior. There have been many studies conducted to understand the concept of visual merchandising (G. The concept is of paramount importance today because of immense competition among businesses to capture the consumer's attention. A store has to display the product in a way that attracts the customer. Visual merchandising is an art of displaying things in an attractive way that could attract the attention of the customer and also persuade them to buy the product or service (Krishnakumar, 2014). An effective visual merchandising will play a significant role in the consumers' purchase decision and is a very important factor for a retailer's success. The study attempts to understand the impact of visual merchandising in the case of electronics retailing. The respondents for the study were consumers of a reputed electronics retailer in Bangalore city.

The research design followed for the study is descriptive research. The basic nature of the study is quantitative. A semi-structured questionnaire was designed and administered. The samples were chosen as per the convenience of the researcher. Non-probabilistic convenience sampling method was used for the selection of the samples.

The study is limited in its scope as the study was confined to Bangalore city. The number of samples considered is one more constraint of the study.

Keywords: Visual Merchandising, Retailing, Consumer Behavior, Electronic Retailing

Introduction

The concept of visual merchandising has been considered an important aspect of impacting consumer's perception of a retailer. A consumer is influenced most of the time by the visual appearance of the store. The current study is an attempt to understand the impact of visual merchandising for an electronic retailer. The study fundamentally will try to answer the question Does consumer give importance to visual merchandising when he visits an electronic retailer? A semi-structured questionnaire was administered in Bangalore city. The responses were recorded and analyzed. The main aim of the study was to understand whether the consumers observe the pattern of product display, appearance of the store, etc.

Literature Review:

Introduction to Visual Merchandising:

Visual merchandising is the art of displaying merchandise. It is one of the modern tools used by organized retailers (Balaji & Shalini, 2019). Paul J. Russell, the visual merchandising executive, and author explain that a visual merchandising strategy—a key component of a sound retail strategy—is “the art and science of enlightening your target consumers through creative nonverbal communication”. From gas pumps to established retailers visual merchandising plays a vital role in creating an impact on the consumers. In an era of competition, the retailer's stores must be up to date and portray an image that attracts customers to stores (Baker & Levy, 1992). Visual merchandising certainly is a way to accomplish this goal. Visual merchandising can be considered as a science of aesthetics and as the backbone of the retail industry (Randhawa & Rajani, 2017). Visual merchandising is a technique that visually makes a brand attractive and highlights the unique features of the store (Soomro, Kaimkhani, & Iqbal, 2017). Visual merchandising is considered a great tool for the promotion of merchandise in retail stores to increase sales.

Retailers spend a large portion of their marketing budget on advertising, direct mail, promotions, etc. These tools are effective ways of getting the customer's attention. But the retailer's most important sales pitch takes place when the customer sets his foot in his store through visual merchandising and customer service. The retailers today have understood the importance of visual merchandising and are giving a contemporary look and consumer-friendly design to their stores. The consumer today is prudent and is expecting to shop at a retailer with a good ambiance (Krishnakumar, 2014). Visual merchandising elements as lighting, signage, graphics, etc should be there to inform, entertain, and reinforce the customer's belief and should improve the customer's relationship with the products. The employees concerned with this craft have been called many names back in the 1970's they were referred to as visual merchandiser but now there are many names given to them as merchandise presentation, visual presenter, environmental designer, and so on. But the work these people execute is showing the products most attractively.

Importance of Visual Merchandising:

There are many channels now for consumers and shoppers to make a purchase such as they visit a store, buy online using the Internet, they can shop on their mobiles and there are catalogs to shop from. (Benjamapornkul, Rakthin, & Punnakitikashem, 2016). Whatever the channel may be visual merchandising is a vital component of the strategy. Visual merchandising is a part of the retailer's strategy to persuade the customer. The importance of visual merchandising in retailing can be ascertained by the fact that it is known as 'silent salesman. Visual merchandising is a great tool to attract the consumers from the street to the site and from the front door to selected product offers. The importance of visual merchandising can be stressed by the fact that many retailers are using new edge technologies as Big data in planning and executing their visual merchandising strategy. Sometimes signage's can be used to make

the customer better understand the services provided. Signage's can provide the direction a customer needs in a retail set up like banks providing them a clear picture of where what services are available and which employee provides what kind of service (Haslop 1994). Today's shoppers want convenience, service, entertainment, etc. The customer wants to enjoy his time in a retail store. The visual merchandising can create this customer-centric ambiance (Martin P 2012). The looks of the retailer matter because the customer takes pride in the store where he has bought the merchandise (VanTrees, 1999).

Perceptions of the consumer with respect to visual merchandising is beneficial for the retailer as it may arouse consumers in-store exploration, such as interacting with the products, it can differentiate a retail brand among competitors, contribute to brand preference, and encourage the customer's purchase intentions (Park, Jung, & Sullivan, 2015). Visual merchandising can create a compelling reason for the customers to visit the retailer with competition increasing the retailers are trying to find differentiating factors with their competition. Effective visual merchandising can provide that differentiating factor. Through visual merchandising retailers can help customers to find the right products through focused merchandising, intelligent store design and layout, and other visual merchandising practices, such as product displays, packaging, and signage can even better the chances of inducing a sale (Madhavi & Leelavati, 2013).

Shelf visual merchandising techniques can maximize product attractiveness, create a good store atmosphere, and attract more customers accordingly. These techniques allow brand managers to differentiate their offerings from other competitors. The use of the proper fixtures by a retailer can increase incremental and impulse sales at a retail outlet by as much as 25 percent. Also, many retailers say that updated fixtures can significantly enhance their image with both existing and new customers. The layout of the store and arrangement of products encourages customers to shop in the entire store and view an extensive amount of merchandise (Randhawa & Rajani, 2017). Sometimes the place specifically the atmosphere of the place where the product is bought is more influential than the product itself (Kotler, 1973). Visual merchandising is the one which helps in creating that atmosphere or place. The high level of excitement and interest induced by visual merchandising among the consumers reduces their ability to assess their actions rationally and enhances the probability of impulse buying (Gudonaviene & Alijosiene, 2015).

Visual Merchandising Techniques:

The visual merchandising techniques can be categorized into the interior display and exterior display. The interior display guides and persuades the customer to purchase. The different components of interior display are store layout, store design, display space, signage's, item display, etc. the exterior display is the one that attracts the customer from a distance. It includes window display and storefront (Krishna Kumar 2014). The different components of visual merchandising can be given as the visual dimensions of color, brightness, size, shapes. Aural dimensions of volume and pitch. Olfactory dimensions of scent, freshness, and the main tactile dimensions of softness, smoothness, and temperature (Kotler 1973). An effective visual merchandising technique will influence these consideration factors of the customer. Many types of research have concentrated on some aspects of visual merchandising as window display, in-store form/mannequin display, floor merchandising, and promotional signage (Thomas , Louise, & Vipinkumar, 2018).

Objectives of the Study:

- a. To evaluate the visual merchandising parameters impacting the consumers

- b. To study the effectiveness of visual merchandising at the selected electronic retailer

Research Methodology

The research Design followed for the study is descriptive research. The data was collected using a structured questionnaire in the retail store. The customers visiting the store were the respondents of the study. The interviews were conducted right after the store visit of the respondents. Nonprobabilistic sampling technique was the sampling technique followed. The collected data was transcribed. The transcribed data were analyzed using the tool SPSS. A literature review was conducted by using various sources as EBSCO and Google Scholar etc.

Findings and discussion

The research has divulged many important aspects concerning visual merchandising and its relation to electronic retailers. During the study, it was revealed that the majority (52%) of the respondents agreed that they enter a retail store because of the attractive ambiance and display. The customers agree (54%) that visual merchandising efforts of electronic retailers do affect their buying decisions.

The consumers do observe the different product arrangements irrespective of who or what type of retailer he is. The podium display is the most effective (46%) display system followed by wall display (29%) at the electronic retailer. The respondents do observe the arrangements of the products as 47% of the respondents agreed that the product arrangements are excellent at the said electronic retailer. 87% of the respondents were satisfied with the product arrangements at the electronic retailer. The above analysis indicates that the visual merchandising efforts of the retailers are vital even for an electronic retailer.

To study the impact of visual merchandising on the respondent's various questions determining the satisfaction level with respect to visual merchandising efforts of the said electronic retailer were asked. Around 54% of the respondents are highly satisfied with the product arrangements, 66% of the respondents are satisfied with the lighting arrangements of the retailer whereas 49% are satisfied and 32% of the respondents are highly satisfied with the display of products. Around 30% of the respondents are highly satisfied with the cleanliness maintained by the electronic retailer. 44% of the respondents were satisfied with the communication related to the price tag.

42% of the respondents were satisfied with landscaping. 48% of the respondents are satisfied and 23% of the respondents are highly satisfied with the fragrance they experienced at the electronic retailer. This ascertains that customers are impacted by the visual merchandising efforts of any type of retailer and for an electronic retailer the visual merchandising is as important as for any other retailer. For an electronic retailer visual merchandising does play a pivotal role in attracting the customer, keeping him in the store for a longer period, and ultimately pursuing him to buy.

Conclusion:

Visual merchandising is an important tool for every retailer. It creates an impact on the consumers and is considered to be a silent salesman. Visual merchandising is an art as well as science. It includes everything in the store or a website that the customer sees. It creates a positive impact on the consumers and aids in his decision making. Visual merchandising is important for all kinds of retailers irrespective of his characteristics. The study establishes that visual merchandising is important for electronic retailers too. The consumers visiting electronics do appreciate the visual merchandising efforts of the retailer.

Limitations

There are bound to be certain limitations for every study and the current study is no exception. The limitations of the study are as follows

- a. The study was limited to the customers of the electronic retailer
- b. The survey was limited to 100 customers only
- c. Respondents considered were from Bangalore city

Practical implications and future possibilities of research

The study is pertinent in today's times and can have constructive implications such as:

- i. The study is likely to provide useful insights for electronic retailers concerning visual merchandising and different factors considered by consumers concerning visual merchandising.
- ii. The study should work as a reference to all the electronic retailers
- iii. The study should also act as a useful starting point for the researchers/academicians /scholars who aspire to further research in the domain of visual merchandising. Future research studies can be conducted concerning factors of visual merchandising as product arrangements, lighting, product display, the ambiance of the store, etc.

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