A Study on Impact of Visual Merchandising on Consumer Buying Behaviour in Clothing Retail Stores

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Abstract – This paper presents a study conducted to identify the impact of visual merchandising elements on consumer buying behaviour, to identify the most appealing visual merchandising elements. The purpose of visual merchandising is to attract, engage and motivate the customer towards making a purchase, where it creates an impact on the consumer buying behaviour.

In this study, visual merchandising elements are categorised into two sections, exterior and interior elements for analysis and conclusions. Exterior elements are exterior signs, marquees, entrance, window displays. Interior elements are mannequins, colours, lightings, cleanliness, music, interior signs, space & layouts, creative display, video display, focal points, and fragrance.

To study the impact of above-mentioned elements, four leading clothing retail shops are identified in the areas of Kohuwala, Piliyandala, and greater Colombo. Two from those four retail stores are branded stores and other two are departmental stores. This has been done to get more realistic or representative sample of consumers as the data source. First, available visual merchandising elements in each store were identified and recorded. Primary data were collected from customers entering the store. Fifty customers from each store were randomly picked and given the questionnaire. The questionnaire was designed to collect general information (section 1) such as age group and gender. Section 2 dealt with how visual merchandising elements impact on them. The Likert scale is used to identify the level of impact from “strongly agree” to “strongly disagree”. Twelve elements, both interior and exterior, were considered for the questionnaire.

First, primary data were analysed to conclude, whether visual merchandising elements have an impact on the sample population. Primary data were analysed using spider web diagram. Primary data, a total of 200 samples was analysed as one cluster first, and then clusters were analysed gender wise to find out how male or female customers are influenced by visual merchandising and finally, age group wise clusters were taken to see which age group has a greater influence over visual merchandising elements. To draw the spider web diagram only the strongly agree and agree responses were considered. Then the highly influenced elements were identified in different clusters as well as on a total. Then compare the strategies use by international branded stores, when using these identified highly influencing elements. Suggest those strategies to the selected retail stores to improve the impact of the visual merchandising element and draw more customers into the store.

From the collected data it was showed that there were no any disagreed and strongly disagreed responses from the total sample population. It clearly shows that the selected visual merchandising elements have a positive impact towards consumer buying behaviour. 96% of the sample population accepted they believe those elements had influenced them to attract, engage or motivate them to experience the merchandise assortments. From the study, it was found that window display and mannequins are the highly influencing elements and also colour combinations, lighting, use of music and creative display also has a great influence over consumer buying.

Keywords: Visual merchandising, Consumer buying behaviour, Visual merchandising elements, Window display, Mannequins
1. INTRODUCTION

1.1 Project Introduction

According to (Matthysz, 2003), Visual merchandising involves everything the customer sees in approaching the store and after entering it. This includes the exterior appearance of the store, the store sign, display windows, interiors décor, store layout, fixturing, lighting, and the way the merchandise is presented and displayed within the store. Visual merchandising also includes activities that appeal to the customer’s senses other than the visual, such as music or fragrance.

Until recently, the activity was simply called display. However, visual merchandising is much broader than display, which is the impersonal visual presentation of merchandise and props. Visual merchandising, or visual presentation, is used to communicate fashion, value and quality attributes of a store to its prospective customers.

The purposes of visual merchandising are to educate the customer, to enhance the stores' image, and to encourage multiple sales by showing apparel together with accessories. Since the ultimate goal of visual merchandising and of retailing is to get the customer to buy, visual merchandising must entice the consumer into the store, effectively present the fashions the store has to offer, and show the customer how to wear and access them within the context of fashion trends. With increased competition, stores are trying to create more exciting, aggressive visual presentations.

According to (Khaniwale, 2015), Consumer behaviour involves the study of individuals and the method they employ to choose, utilise, and set out products and services to fulfil their wants and the effect that these methods have on the consumer and the society as a whole. Consumer behaviour refers to all the thoughts, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behaviour is the concept which answers what, why, how, when, and where an individual makes a purchase.

A few international researchers have contributed to the field by exploring the visual merchandising techniques which cause the customers impulsive buying, but still there is more to be determined. However, considerable research studies have not been undertaken on the impact of visual merchandising on consumers buying behaviour in clothing retail outlets of Sri Lanka. Hence, the purpose of this study is to identify the influence of visual merchandising techniques on consumer buying behaviour in Clothing Retail Stores.

1.2 Problem Identification

According to the report “The Report: Sri Lanka 2016” published by Oxford Business Group indicates retail becomes one of the Sri Lanka’s fastest growing sectors. The retail industry in Sri Lanka has emerged as one of the most dynamic and rapidly growing industries today. Clothing retail industry is a very volatile one. There is a high degree of competition among the clothing retail market and most of the clothing retailers are fighting to attract customers as well as to stand out from the rest and to be the best clothing retail chain in the country.
In Sri Lanka, clothing outlets use different types of visual merchandising elements to attract the customers, but comparatively apply less of advance elements, rapidly used in the world. Moreover, some of the retail stores apply these elements without proper mechanism and standards, thereby not achieving the expected results. This leads to loss of facilities with those elements. On the other hand, customers do not perceive the effect of the applied element, thereby level of sales expectation is not realised.

1.3 Aim & Objectives

1.3.1 Aim

The aim of this research is to study the influence of visual merchandising elements on consumer buying behaviour by focusing on selected clothing retail stores in Sri Lanka, to identify the highly influential visual merchandising elements and then comparing the results with that of international retails stores, to decide on improvements can be made to attract more customers in Sri Lankan context.

1.3.2 Objectives

- To study on the highly influential visual merchandising elements applied in international branded clothing retail stores.
- To explore the elements of visual merchandising used in clothing retail stores in Sri Lanka in comparison to the elements used in international retail stores.
- To study the impact of visual merchandising on consumer buying behaviour.
- To analyse the highly influential visual merchandising elements on consumer buying behaviour in Sri Lanka.

2. LITERATURE SURVEY

2.1. Visual merchandising elements

Visual merchandising techniques can be divided as follows;

Figure 1: Visual Merchandising Elements
2.2 Past research findings

Saini, C., Gupta R., Khurana I. (2015) have studied the effect of Visual Merchandising on consumers’ impulse buying behaviour and found out the key elements of Visual Merchandising contributing the most for impulse buying. The study found that visual merchandising practices certainly influence customers’ buying behaviour and leads to Impulse buying as well. The results suggest that the themes that linked most strongly to purchase intention were: merchandise colours, presentation style, awareness of fixtures, pathfinding, sensory qualities of materials and lighting.

Kaur, A. (2013) proved that there was a relationship between customers’ buying behaviour and in-store form/mannequin display, promotional signage and window display. The study also provided insights about types of visual merchandising that can influence customers’ buying behaviours. Three most important factors of visual merchandising namely attractiveness of window display, innovative assortments and cleanliness and neatness of store/ store environment have been identified. The conclusion of his research is that the visual merchandising has a direct relation with the sales performance. Customers get attracted, hence increasing the store's footfall, which ultimately has a positive impact on the sales figures.

Jadhav R.A., Chaudhary P.V. (2014) research study was focused on determining the important factors of visual merchandising which influence consumers' perceptual process, buying behaviour and in-store promotion activities. Various visual merchandising techniques had been considered and studied their impact on the buying behaviour of the customers and also tried to understand and explain the relationship between impulse buying and visual merchandising. Visual merchandising served as a significant influence on the retail experience and the shoppers’ decision-making process. It provides a competitive advantage and helps in building the overall image of the store.

Madhavi, S., Leelavati T.S (2013) presented the results of an initial investigation on “visual merchandising” and its effects on purchasing behaviour. The scope of the study was to study the influence of visual merchandising, especially the one related to the shop-windows, on consumer buying behaviour according to store attributes most valued by consumers. The themes that linked most strongly to purchase intention were: merchandise colours, presentation style, awareness of fixtures, pathfinding, sensory qualities of materials and lighting. The study proved sufficient evidence that retailers can utilise visual merchandising to increase the desirability of products and to help customers to be aware of the products as well as to create favourable attitudes.

Makhal, A.B (2015) found that there is an interaction or relationship between the type of shopper and the visual merchandising elements. The Estimated Marginal Means for both fixed factors confirm the same. The Posteriori Tests reveal that in terms of scores, shoppers have given maximum importance to Set 3 elements-music, aroma, arrangement of merchandise, aisle space, lighting and store cleanliness; followed by Set 2 elements- flooring and in-store signage; and lastly Set 1 elements- wall color/texture and store exterior; in respect of lifelong customer loyalty.
3. METHODOLOGY

3.1 Procedure and the work plan

The proposed methodology is shown in Figure 2. First, a comprehensive literature survey was carried out. Then select data sources, data collection methods and the data analysis methods were decided.

To carry out the research, four retail stores were selected, namely Dilly & Carlo outlet in Flower road, Embark outlet in Dickman road, ODEL outlet in Kohuwala and CIB outlet in Piliyandala.
3.2 Questionnaire for Customers

As per the work plan, first visit selected outlets and record the present aspect of visual merchandising elements, then two types of data sources were selected as primary and secondary data. For primary data fifty walk-in customers randomly picked, and gave the questionnaire to be filled. The purpose of the data collection and the technical terms in the questionnaire were explained to them with suitable photographs.

Figure 4(a): The designed questionnaire
Figure 4(b): Visual aids for the designed questionnaire

4. RESULTS & DISCUSSION

4.1 Visual merchandising elements in selected shops

A total of two hundred samples were collected and the collected data was analysed using spider web diagram. A spider chart is a graphical method of displaying multivariate data in the form of a two-dimensional chart of three or more quantitative variables represented on axes starting from the same point. In a spider chart, a point near the edge represents high value and a point closer to centre on any axis indicates a lower value.

Available visual merchandising elements were identified and recorded.

- Exterior signs

The purpose of the signs is to gain customer awareness and announce the store identity. There are promotional, directional, location and informational signs.

Figure 5: Exterior signs- Informational & different themes

- Marquee

A special type of signs is used to display the name of a store. Leather, wood, metal or plastic material used.

Figure 6: Marquee applied in stores
• Entrance
Important to attract customers from visual appeal. Straight, arcade and angle store front designs are different types.

Figure 7: Entrance - Straight Store & Angled front

• Window display
Get attention, create interest and invite people to the store. They are regularly updated to show the latest products in the store. Enclosed, open back, corner, showcase, angled and semi-enclosed are some of the window display types.

Figure 8: Enclosed, Semi-Enclose & Live model window displays

• Mannequins
Essential for enhancing the appeal of the clothing by showing how it looks when put on. Realistic, semi-realistic, abstract, semi-abstract, headless and three-quarter mannequins are some types that are frequently used.

Figure 9: Mannequins - Abstract & Semi-Realistic

• Colours
The first element, which consumers respond in selecting or rejecting a garment, is colour. Warm, cool and neutral are the three main colour categories. According to the season, colour combinations change.

Figure 10: Multiple Colours & Light to dark colour arrangements
• Lighting

Use to draw attention to a part of the area or a specific item in the display or to coordinate parts of the total area. Soft lighting creates an intimate and inviting space, while bright lighting creates a modern feel. Floodlights, revolving, flashing, and spotlights are commonly used types.

Figure 11: Different lighting types used at stores

• Interior signs

Brand identification of specific products, identity classification of products, offer direction to various departments, and announce upcoming events and providing information about product benefits are some common purposes of using interior signs.

Figure 12: Different interior signs

• Space & Layout

It represents how effectively the retailer utilises its space. The objectives of store design are to guide the customer around the store and entice increase of purchase, to create a balance between sales and shopping space, to create an effective merchandising presentation and use multi-level to provide sense and variety.

Figure 13: Different sections in a store
• Creative display

According to seasonal themes creating different displays & arrangements and use of different folding and hanging methods are categories of the creative display. Props and fixtures are commonly used.

![Figure 14: Seasonal Displays and Folding & Hanging methods](image1)

• Focal point

A focal point is a place that peoples’ eyes will immediately focus on when they first look at the display. Creating an attractively highlighted area with mannequins, accessories and attractive designs is important.

![Figure 15: Different focal points](image2)

• Cleanliness

The cleanliness of the store and items is the very important. Maintain shop floor and fit on rooms and racks and other fixtures in a cleanly manner.

• Music

Western classical slow music played except at CIB. Background music makes customers tend to spend more time and make choices freely.

• Fragrance

For fragrance air fresheners are used.

4.2 Results of customer base analysis

Total responses

Total responses were analysed to see the impact of visual merchandising elements on consumers. Below graph shows 96% of the total responses are either agree or strongly agree that visual merchandising elements impact their buying behaviour.
Gender information

Gender information graph shows, that 72% of the sample responses are on female consumers and only 28% of the male.

Age group information

Age group information graph shows that 72% of the consumers’ belong to the age group 25 - 44 and majority is in the age group 25-34.
4.3 Results of customer questionnaire analysis

Total responses

Responses given to the questionnaire by the customers from all the four outlets is given in the table below;

Table 1: Total responses of the sample of 200 customers from all the four outlets

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window display</td>
<td>162</td>
<td>38</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Color combinations</td>
<td>155</td>
<td>45</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mannequins</td>
<td>151</td>
<td>49</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lighting</td>
<td>125</td>
<td>75</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>108</td>
<td>92</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Creative display</td>
<td>108</td>
<td>92</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Exterior signs</td>
<td>102</td>
<td>98</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Entrance</td>
<td>93</td>
<td>104</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interior signs</td>
<td>87</td>
<td>113</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Use of music</td>
<td>66</td>
<td>134</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Space &amp; Layout</td>
<td>55</td>
<td>84</td>
<td>51</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Video display</td>
<td>8</td>
<td>47</td>
<td>45</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

There were no any “disagree” and “strongly disagree” responses from the total of 200 customers randomly picked at each selected store. Above data were plotted in a spider web diagram to clearly identify the highly influential elements of visual merchandising.

![Spider web diagram - number of responses on each visual merchandising element](image)

**Figure 18: Spider web diagram - number of responses on each visual merchandising element**

This graph clearly indicates window display, colour combination and mannequins have the highest impact on consumer buying behaviour and lighting and use of music also have a greater impact too.
Store wise analysis

ODEL

Figure 19: Spider web diagram - number of responses on each visual merchandising element at ODEL

At ODEL window display, mannequins and creative display have the highest impact. And also colour combination, lighting and use of music plays greater impact too.

Embark

Figure 20: Spider web diagram - number of responses on each visual merchandising element at Embark

At Embark window display, colour combination and use of music have the greatest impact on consumers’. And also lighting, interior signs and entrance have a greater impact too.
Dilly and Carlo

Impact of visual merchandising elements at Dilly & Carlo

Figure 21: Spider web diagram - number of responses on each visual merchandising element at Dilly & Carlo

At Dilly & Carlo window display, mannequins and colour combination have the highest impact on consumers’. And also lighting, exterior signs and use of music have a greater impact too.

CIB

Impact of visual merchandising elements at CIB

Figure 22: Spider web diagram - number of responses on each visual merchandising element at CIB

At CIB window display, colour combinations and mannequins have the greatest impact on the consumers’. And also lighting, use of music, entrance and interior signs plays a greater impact too.
5. RECOMMENDATIONS

The highly influential or effective visual merchandising elements are window display, mannequins, colour combination, use of music and creative displays. Compared with international branded stores, following recommendations can be made for Sri Lankan retail stores.

- Some creative window displays are arranged without using dummies. It is quite different as customer attention is directly taken only to the clothing but the dummies.

  Figure 23: Mirror used & without dummies window display

- Digital Screens are considered as one of the most effective methods used in internationally mostly in major cities for effective communication with potential customers.

  Figure 24: Digital screen on window and inside

- It is evident that most customers can be inspired with the creative lighting arrangement. Some of the decorative lightings used in international stores shown in the picture, which has reflection property.

  Figure 25: Reflective lighting arrangement

- In addition, following international standards and concepts along with appropriate mannequins and creative arrangements can be displayed in interior sites, which enable stores to introduce their new fashions and key items in a more effective way.

  Figure 26: Mannequins with creative arrangements
6. CONCLUSION

According to the outcome of the study, it is clear that in Sri Lanka females do shopping more than the male. 72% of the sample of 200 randomly picked customers at four stores were female and only 28 % were male. The age group of 72% of the respondents was between 25 – 44 years and majority was between 25-34 years of age. It is clear that young working adults do shopping than other age groups. In Sri Lanka children clothing is decided by the parents. For older people, mostly their children do the shopping. According to the study, it is clear that visual merchandising elements play a vital role in the retail business and it has a great impact on consumers’ buying behaviour. The highly effective visual merchandising elements are window display, mannequins, colour combination, use of music and creative displays.

Under the recommendation, visual merchandising elements, adopted by international branded stores are indicated, hoping those elements will help the Sri Lankan retail stores improve their business.

REFERENCES


