

# IMPACT OF DIMENSIONS OF VISUAL MERCHANDISING ON CONSUMER BUYING DECISION WITH REFERENCE TO FOOD PRODUCTS AT SELECT RETAIL STORES

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**ABSTRACT** - Visual merchandising is increasingly adopted by retailers to attract consumers. In the light of competition, retailers need to create an exciting store design with innovative merchandising techniques to make people come and visit the store, enhance consumer experience thereby leading to sales. This empirical study is undertaken to analyse the various visual merchandising techniques used by retail outlets with reference to food products and also assess its impact on consumer buying decision. A structured questionnaire was administered to 100 respondents using convenience sampling technique at three retail stores in Bengaluru City. The study revealed that product display, well designed store layout, window display, lighting, store ambience, accessibility to products and visibility from shelves, colourful assortments of products are among the important aspects of visual merchandising that drive consumers to purchase food products at the retail store. One-way Analysis of Variance was used to test the hypothesis which proved that visual merchandising techniques have a significant impact on consumers buying decision.

**KEYWORDS**- Visual merchandising, consumer buying decision, retail store design, food products

## INTRODUCTION

Consumers today face an almost unlimited array of merchandise to compete for their time and resources. In such times, retailers have to focus on providing interactive and engaging in-store experiences to its customers. Visual merchandising is all about presenting the merchandise and the overall store in an appealing manner to the customer in order to offer engaging in-store shopping experience to the customer.

Visual Merchandising techniques include well-designed store layout, flooring, lighting- its types and brightness which can affect how displays appear to customers, store decor, shelving, display design among many others which affect the overall atmosphere of the store. With respect to food products, shelf placement, promotional placements, lighting, fresh food displays, store layout etc. are among the key factors which capture customer attention.

## REVIEW OF LITERATURE

Asirvatham M.A.P. and Mohan (2018) in their study, attempt to explore the recent trends in visual merchandising, highlighting the importance of visual merchandising for retailers to meet shoppers requirements through increased in-store customer experience. Grewal D et al. (2017) focused on the future of retailing emphasizing on 'visual display and merchandise offer decisions' as one of the key aspects engaging customers today. The study highlights that visual display will enable retailers to make their merchandise stand out from competition on the shelf. Jalil et al. (2016) review the literature related to store atmospherics, perceived value, customer satisfaction and behavioural intentions in a conceptual setting and present a research model which aims to examine the relationship between store atmospherics such as facility aesthetics, ambience, spatial layout, perceived value and behavioural intentions mediated by customer satisfaction. Kerfoot et al. (2003) study visual merchandising and its effect on purchase behaviour and brand recognition. The authors engage in a semi-structured interview technique with a small sample of female undergraduate students and use stimulus materials such as photographs taken in a department store. Their study reveal that purchase intention was strongly linked to merchandise colours, presentation style, awareness of fixtures, sensory qualities of materials and lighting. The study highlights that visual merchandising aspects do not totally determine purchase, but makes it four times more likely. Mehta and Chugan (2015) analysed the dimensions of visual merchandising affecting the purchase behavior of customers of electronic product category. Specific dimensions considered were window display, store front, merchandise presentation, store layout and organization, shelf display, floor merchandise, wall mount display, signages, graphics and store environment. The study found that window display and store front have impact on purchase behavior of consumers. Mowrey C.H. et al. (2017) through analytical and algorithmic approaches capture the dynamics of a travelling shopper's field with respect to a static rack layout. The study reveals that alternate rack layouts allow for more of a rack's facing to appear in the shopper's visual field. The authors introduce a set of visual-spatial statistics quantifying the effect a retail layout on a shopper's visual experience. Rathee V. and Prakash C. (2017) in their study present a review of literature with a focus on knowing the customers insights on visual merchandising and its effect on customers buying decision while shopping. The authors suggest that retail store's future depends on what the consumer sees and experiences at the store.

Sachdeva and Goel (2015) in their study through observations and interactions with customers, analysed the impact of store design on customer buying behaviour with reference to jewellery products. The research proved that customer re-visit to the store was attributed to store layout and design. Shagal S. et al. (2016) studied aspects of visual merchandising in retail industry. The analysis affirmed that respondents gave most emphasis on ambience followed by store lighting, colour and cleanliness. Thomas A.K. et al. (2018) carried out a descriptive research at Reliance Trends using a structured questionnaire administered to 100 respondents in Cochin and Kottayam to assess the impact of visual merchandising, on impulse buying behavior of customers. The research showed that intelligent store design and layout, and other visual merchandising practices, such as product displays, packaging, and signage affect the impulse buying behavior with the effect of promotional offerings at the entrance being comparatively very high. Varshneya G. and Das G. (2017) explored underlying dimensions of experiential value capturing four distinct dimensions which may be termed as cognitive value, hedonic value, social value and ethical value through development of a scale. The study carried out predictive modeling which indicated that experiential value predicts purchase intention.

**OBJECTIVES**

The study is conducted to achieve the following stated objectives:

- 1) To determine the consumer demographics and frequency of visit to the select retail stores
- 2) To understand the various visual merchandising techniques used by retail outlets
- 3) To ascertain the impact of visual merchandising on consumer buying decision

**RESEARCH METHODOLOGY**

The current study adopts a descriptive research design. The main purpose of descriptive research is to describe characteristics of a population or a phenomenon under study (Zikmund, 2000). This study describes the various aspects of visual merchandising that drive individuals’ buying behaviour at retail stores. Three established retail outlets located in Bengaluru city with high footfalls was considered to collect data. A structured questionnaire was administered to 100 consumers who visited the considered retail outlets. The sampling design used was convenience sampling. The questionnaire was a blend of different types of questions including dichotomous, multiple choice, open ended and Likert-scale questions to achieve the stated research objectives. While the questionnaire was largely self-administered, for a few respondents the authors played the role of enumerators and recorded responses.

A detailed analysis was carried out using MS EXCEL and SPSS and the key findings are presented using tables and graphs. Along with graphical representation, the following hypothesis were developed and tested connecting the key objectives of the study.

*H<sub>0</sub>*: Visual merchandising techniques do not have a significant impact on consumer buying decision.

*H<sub>1</sub>*: Visual merchandising techniques have a significant impact on consumer buying decision.

**DATA ANALYSIS**

Key aspects of data analysis are presented below using tables and graphs. Tables 1 to 4 below represent demographic elements of respondents and frequency of visit to the store. Graph 1 and Table 5 present findings with respect to customer response to various dimensions of visual merchandising.

**Table1: Age**

	Percent
20 to 24	39.0
25 to 29	33.0
30 to 34	20.0
35 to 39	5.0
40and above	3.0
Total	100.0

**Table2: Monthly income**

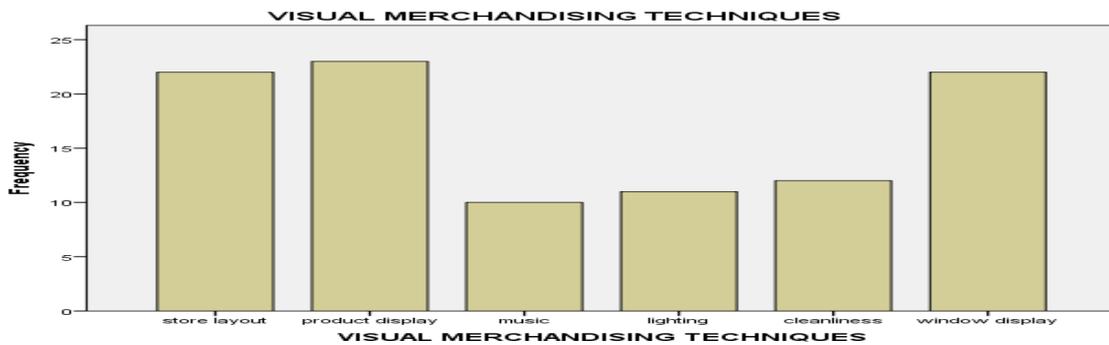
	Percent
below 10000	24.0
10001 to 15000	17.0
15001 to 20000	24.0
above 20000	35.0
Total	100.0

**Table 3: Occupation**

	Percent
Student	29.0
Private employee	42.0
Govt. employee	11.0
Self employed	18.0
Total	100.0

**Table 4: Frequency of visit to the store**

	Percent
once a week	38.0
once in 15 days	27.0
once a month	26.0
once in two months	9.0
Total	100.0



**Graph 1: Importance of Visual merchandising techniques**

From the above graph, 22% of the respondents are attracted to the store due to store layout and window display technique, while 23% are of the opinion that product display is important. 12% of the respondents consider cleanliness among the visual merchandising techniques attracting them to the store, while 11% consider lighting as important and 10% are attracted due to store ambience with music.

**Table 5: Customer response to dimensions of visual merchandising**

Dimensions	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Proper lighting fixtures	11	22	30	26	11
Colorful assortments	21	26	19	21	13
Accessibility of products	16	17	22	22	23
Presence of music	17	25	25	21	12
Visibility of different brands	14	19	19	24	24
Window display	15	20	22	24	19
Price tags/signage	12	24	18	25	21
Store layout	15	24	14	26	21
Aisle Space	19	20	19	23	19
Cleanliness	17	25	19	22	17
Frequent change of window display	26	22	20	22	10

**Table 6: Overall in-store shopping experience based on store design**

	Percent
Excellent	15.0
very good	38.0
Good	28.0
Satisfactory	15.0
Poor	4.0
Total	100.0

**HYPOTHESIS TESTING**

$H_0$ : Visual merchandising techniques do not have a significant impact on consumer buying decision.

$H_1$ : Visual merchandising techniques have a significant impact on consumer buying decision.

**Table7: Impact of visual merchandising dimensions on consumer buying decision**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	262.188	(k-1)=5	52.438	2.540	.033
Within Groups	1940.802	(n-k)=94	20.647		
Total	2202.990	(n-1)=99			

One-way Analysis of Variance technique was used in SPSS considering 6 dimensions of visual merchandising- store layout, product display, store ambience, lighting, colourful assortments and window display; to study the impact on consumer buying

decision. It can be inferred that the 'p' value is 0.033 and less than the significant value 0.05. The result is significant implying that visual merchandising techniques have a significant impact on consumer buying decision.

### FINDINGS

Majority of the respondents are private employees between the age group of 20-34 years with an average monthly income of about Rs. 20,000. Majority of the respondents visit the store at least once a week or a fortnight and are satisfied with the store appeal, availability of shopping baskets and variety of brands in the store. 71 % of the respondents expressed positive opinion about clear product visibility from the shelves. Majority of the respondents are of the opinion that product display, well designed store layout, window display and lighting are among the important visual merchandising techniques attracting them to shop at the store. About 66% of the respondents believe that colourful assortments of food products increase their attention towards it and accessibility to products and visibility from shelves as important factors grabbing attention and thereby leading to purchase. 70% respondents were of the opinion that window displays which provide information about products and signage in the form of price tags attract consumer attention. 68% of the respondents expressed that frequent change of window display helps them know about new seasonal merchandises in retail outlets. Majority of the respondents felt that consumer experience of the store can be increased with appropriate store lighting and ambience and well designed store layout. Hypothesis test is significant affirming that visual merchandising techniques indeed play a significant role in driving purchase decision.

### RECOMMENDATIONS

Retail stores should focus on colourful assortments of food products to increase the attention of the consumers towards them, which could directly result in increase of sales. Well-planned store with proper layout and good space to move with adequate aisle spacing simplifies shopping procedure and reduces time to pick the right product indirectly resulting in increase of sales. Hence retail stores should focus on planning and designing store layouts to increase accessibility and visibility of products. Frequent change of window display with product information helps consumer to learn about new seasonal merchandises in retail outlets, thereby increasing the knowledge of choices available to the consumers. Increased store ambience through music and lighting can further enhance consumer engagement at the store.

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