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Effect of Visual Merchandising on the Buying Behavior of Customers in Delhi & NCR Region

Abstract

Retail is one of the fastest growing sectors in India. Organized retailing has really changed the set up of the retail outlets. Many concepts have been introduced and modified and one of them is visual merchandising. The retail players have started paying attention on how the store looks and how the goods are organized in a logical manner so that it can attract customers. Customer's perception has changed. The appearance or physical evidence has become important to them. The buying decision process of the customer is greatly influenced by the presentation of the goods at the retail outlets. From retailers' point of view, visual merchandising can greatly affect the number of footfalls. A store should have an inviting appearance that makes the customer feel comfortable and yet eager to buy. Visual merchandising is a major factor often overlooked in the success or failure of a retail store. It is second only to effective customer relations.

Introduction

A successful retailing business requires that a distinct and consistent image be created in the customer's mind that permeates all product and service offerings. Visual merchandising can help create that positive customer image that leads to successful sales. "VISUAL MERCHANDISING IS A SILENT SALESMAN", that determines partially the success or failure of any retail store. "Visual Merchandising is everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire and action on the part of the customer." It includes the dramatic presentation of merchandise as well as other important, subtle features that create the store's overall atmosphere. It not only communicates

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the store's image, but also reinforces the stores advertising efforts and encourages impulse buying by the customer. Visual merchandising is a major factor often overlooked in the success or failure of a retail store. It is second only to effective customer relations. Eighty percent of our impressions are created by sight; that is why one picture is worth a thousand words. Each customer has a mental image of a store and its merchandise. A store should have an inviting appearance that makes the customer feel comfortable and yet eager to buy. Some businesses maintain a minimum staff to reduce costs, which means it is even more important for the merchandise to sell itself. Greater effort must be spent on merchandise displays that make it easier for the customer to find and purchase the items they want or need. The basic objective for visual merchandising is a desire to attract customers to a place of business in order to sell the merchandise. Visual merchandising is offered to the customer through exterior and interior presentation. Each should be coordinated with the other using the store's overall theme. Creating and maintaining a store's visual merchandising plan, however, is not a simple task. It is necessary to continually determine what the

customer sees. This evaluation from the customer's perspective should start on the exterior and work completely through the interior of the store. The present paper is based on the findings of a research study carried out in Delhi and NCR Region.

Objective

The main objective of the study was to analyze the buying behavior of consumer with respect to visual merchandising and to find out the correlation between various factors of visual merchandising and the buying behavior of customers.

Research Methodology

The sample element for this research is the customers in Delhi & NCR who visit retail outlets for purchase of merchandise. The sampling size taken for this project is 400 from 10 sites of the Delhi & NCR stores. For the purpose of this study probability sampling is used for the purpose of study. A structured questionnaire supported by personal interview was used to collect primary data for this study. X² Test measures the goodness fit of the data set. In other words, the two data sets associated or effective enough for any kind of measurement under study may be arrived at through x² Test.

Analysis & Interpretation

Question No. 1: Frequency of visit to retail outlet:

Table 1

Question Number 3: Brand Recall

Table 2

The survey shows that Friendly Sales People (Mean Rank 3.26) ranks the highest amongst the people when it comes to brand recall. However, there are other factors like Tag Line and Indoor Store Layout that have started making headway in peoples mind. Nowadays a catchy tagline, which people

easily associate with, goes a long way in being a deciding factor. The other factor, which is on the rise, is Indoor store layout, as it is a major factor in the shopping experience of a consumer. Good store layout eases the shopping of a consumer and greatly helps in brand recall.

Question No. 4: Factors affecting consumer buying decisions

Table 3

Factors	Mean Rank	Mean Rank
External Signage	Indoor Store Display	2.69
	2.70	
Indoor Layout	Sales personnel	2.66
	2.86	
Friendly Sales	Magazine News	3.10
	3.26	
Tagline	Peers Friends	3.26
	3.03	
Customer care	Family	3.29
	3.15	

Family (Mean rank 3.29) is the most important influencer of decisions regarding retail materials. Peers and friends rank a very close second. However, Indoor Store Display scores very low on this indicator. It ranks fourth (Mean Rank 2.69). This indicates that there is still a very long way to go for this factor, as it does not play a very influential role. However on the good side as organized retail is still in infancy stage, and if handled right, this could become a very prominent factor especially in case of impulse buying.

Question No. 5: Factors influencing the preference of customers over a store

There are various factors which rate very highly amongst the consumer.

It can clearly be seen from the table that there are various factors which rate very high with the consumers.

- Access (Mean Rank 4.22)
- Variety of Items (Mean Rank 4.44)
- Placement (Mean Rank 4.133)

The last factor is in direct consequence to visual merchandising

Table 4

Factors	N	Mean	Minimum	Maximum
Access	400	4.2222	1.00	5.00
Variety Items	400	4.4470	1.00	5.00
Placement	400	4.1338	1.00	5.00
Movement	400	3.8409	1.00	5.00
Uniform Emp	400	3.2323	1.00	5.00
Hygiene Store	400	4.2348	1.00	5.00
Ease Payment	400	4.1010	1.00	5.00
Customer Complaint	400	4.0960	1.00	5.00

Table-5

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Variety of Items (Mean Rank 5.36) placed in a store ranks the **highest** amongst the consumers. This indicates that consumers, now being pressed for time, prefer to shop at stores where they can buy each and everything needed for their households. **Hygiene of stores** (Mean Rank 4.99) and **Access to Stores** (Mean Rank 4.94) fight for the second spot. The **later factor** however reinforces **penetrative marketing**. The consumers want all the shopping to be done within **convenient distance** for households, as this shopping is mainly done by housewives. Therefore the company's strategy of framing itself as a neighborhood store will pay dividends.

The factors relating to visual merchandising, Placement of items (Mean Rank 4.73) and Movement within the store (Mean Rank 3.88) have started finding importance in the consumers mind, but they are still not the telling factors. However people have started realizing that these factors greatly ease and enhance the shopping experience, by placing items conveniently and saving time.

Question No. 6: Factors Responsible to make customers stay more in the store:-

The question relates to the subtle Visual and Sensory factors, on what is the consumer's preference of them in a particular store. These factors were measured on Semantic Differential

Table 6

The interpretation of these statistics is as follows:

Lighting in the Stores (mean -0.4167) indicates that consumers prefer the store to be well lit, but not on the brighter side. They prefer the stores to have that kind of lighting that is not harsh to the eyes.

Colours (Mean Rank – 1.0177) indicate that the consumer’s preference is towards stores that are colourful but are not overdone. This indicates a shift consumer’s pattern towards a more sophisticated behaviour where they believe colours are important but their use should be controlled.

Fragrance (Mean-1.69) indicates that even though the consumers want the store to smell good, they prefer its use to be subtle.

Music Volume (Mean – 1.84) indicates that consumers want the stores to play music, but its volume should be such so as not to be very obvious and should not disturb the conversation; basically they want the music to be in the background only. The consumers also indicated in this question their preference towards instrumental music in these situations.

Table 7

Factors	Mean Rank
Lighting Stores	2.86
Colours	2.64
Fragrance Store	2.31
Music_Vol	2.19

Lighting in the stores (Mean rank 2.86) is the most important visual and Sensory Perception factor as thought by the consumers interviewed.

They prefer the store to be well lit, but the lights should not be garish and must be soothing to the eyes. They also think that lights if properly installed and artistically used enhance the image of the store and make the shopping experience more fulfilling. Lights can be used in various ways, like they can be

used to highlight some particular items etc. Colours are also important and rank second (Mean Rank 2.64). Colours if used wisely can greatly enhance the look of stores and make it attractive to the consumers.

Question No. 7: Influence of Atmospherics:

The ratings of the factors for this question are as follows:

Descriptive Statistics

Table – 8

Factors	N	Mean	Minimum	Maximum
Shopping with enjoyment	400	4.2854	1.00	5.00
Spend Time	400	3.4874	1.00	5.00
Talk To Sales	400	3.1667	1.00	5.00
Spend Money	400	3.4545	1.00	5.00
Return Purchase	400	3.7172	1.00	5.00

The consumers interviewed believe that if a store has good ambience about it i.e. it has put Visual and Sensory perception merchandise into good effect,

it would cause them to enjoy the time spent in the store (Mean Rank 4.28). This would also influence consumers for return purchases (Mean Rank 3.7)

Table 9

It shows that if a store has good ambience it would result in patronizing of that store by the consumer as they would enjoy shopping in that store. We can also see that good ambience would influence the consumers to come back to the store for more purchases. Therefore for consumers to come back to stores again and again, it is imperative that store

has a good ambience. A good ambience is not one particular thing; it is a mixture of various factors which result in consumers feeling comfortable inside the store. These factors also induce the need for some products which was not realized earlier, in case of impulse goods.

Hypotheses Testing:

Implementation of Statistical Tool: Chi Square Test

Question No. 6 and 7:

Question 6: What makes you spend more time within the store? (Ambience)

Please mark according to your preference.

Lighting	Dull	Bright
Colors	Sober	Vibrant
Fragrance	Light/Subtle	Strong
Music	Soft	Hard

Very high = 5, High = 4, Neutral = 3, Low = 2, Very low =1

H0: Returning to the store for more purchase is independent of the ambience within the store.

H1: Returning to the store for more purchase is dependent on the ambience within the store.

Observed Frequencies:

Table 10

AMBIENCE WITHIN THE STORE	RETURN TO STORE FOR MORE PURCHASE					
	5	4	3	2	1	
7	4	10	1	4	9	28
6	7	5	4	1	5	23
5	16	23	16	5	6	66
4	11	45	35	13	4	108
3	20	45	24	4	3	96
2	5	21	7	3	3	39
1	11	2	10	6	11	40
	74	151	97	37	41	400

Expected Frequency =

As seen in the table, tabulated value = 36.415 at 0.05 level of significance

The calculated value = 80.61 (For Calculations, Please refer TABLE A in Annexure)

As calculated value > tabulated value, NULL hypothesis is rejected. Thus, the two variables that is returning to the store for more purchase and the Ambience within the store is

Now, degree of freedom = (r-1) (c-1) = 6 x 4 = 24

Categorization of products	Time spend within the store dependent on each other.					
	5	4	3	2	1	
Question No. 5 and 7:						
Question No. 5:	35	75	29	23	13	167
Question 7:	8	21	19	10	6	64
H0: Time spends within the store is independent of the Categorization of products.	10	10	10	4	5	37
H1: Time spends within the store is dependent on the Categorization of products.	4	6	6	8	8	31
Observed Frequencies:	146	82	58	36		400

Table 11

The calculated value = 30.30 (For Calculations, Please refer TABLE B in Annexure)
 Now, degree of freedom = $(r-1)(c-1) = 4 \times 4 = 16$

As seen in the table, tabulated value = 26.296 at 0.05 level of significance.

Question No. 5 and 7

Question 5 : very high = 5, high = 4, neutral = 3, low =2, very low =1

Question 7 :

H0 : Variety of items within the store is independent of the money spent within the store.

H1 : Variety of items within the store is dependent on the money spent within the store.

Observed Frequencies

Table 12

The calculated value = 40.47 (For Calculations, Please refer TABLE C in Annexure)

Now, degree of freedom = $(r-1)(c-1) = 4 \times 4 = 16$

As seen in the table, tabulated value = 26.296 at 0.05 level of significance

As calculated value > tabulated value, FULL hypothesis is rejected. Thus, the two variables that is variety of items and the money spent within the store are dependent on each other.

Findings

- Consumers surveyed have clearly indicated that the visits to the retail stores are need based & 35% customers visit the stores on need basis.

As calculate value > tabulated value, NULL hypothesis is rejected. Thus, the two variables that is Categorization of products and the Time spend within the store are dependent on each other.

- Friendly Sales people (Mean Rank 3.26) ranks the highest amongst the people when it comes to brand recall.
- Decisions regarding retail materials are mostly influenced by Family (Mean rank 3.29) and then by Peers and friends as they rank a very close second.
- Variety (Mean Rank 5.36) being the highest offered by the stores in case of items is the most attractive thing for the customers, that makes them visit the stores.
- Ambience counts a lot for the customers to prefer one store over another. This also makes

them shop with enjoyment and it also influences consumers for return purchases (Mean Rank 3.7) being the second.

- Certain other factors that influence the buying decision and the choice of stores are income, social class & occupation.
- Age group is a major deciding factor while determining brand recall of a store as it is different for youth and the older generation.
- Amount of money spent within the store is directly proportional to the variety of items offered.
- Ambience of a store is directly proportional to the customer's decision to visit the stores for more purchase.

Conclusion

The focus of this study was mainly to gauge the attitude of customers towards visual merchandising and how much it affects their buying behavior. Certain factors have been kept in mind that might be deciding factors while a customer chooses to shop in a store. The factors namely were promotional schemes offered by the companies, discounts, internal layout or appearance of a store including ambience and external layout or attractiveness. So keeping in mind this thing the study emphasizes on questions like what does an individual generally wants from a store and what is the most prominent factor that helps in brand recall of a store. These parameters and factors have been taken in mind as they relate to visual merchandising.

Visual merchandising and its related factors are highly associated and greatly influence the buying behavior of the customer. The customers seek a store in which the merchandise is being presented in a way that makes them comfortable while shopping and makes them return to the store for more purchases.

The study also helped decide the importance of visual merchandising in the minds of customers that consciously or sometimes even unconsciously makes them choose a store over others. Therefore, in this competitive scenario, visual merchandising should be given due weight age to attract customers.

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ANNEXURE

CHI –SSQUARE STATISTICAL TABLE:

TABLE A

CHI –SSQUARE STATISTICAL TABLE:

TABLE B

Fo	Fe	Fo-Fe	(Fo-Fe)^2	(Fo-Fe)^2/Fe
36	34.32	1.08	1.17	0.03
75	64.25	10.75	115.56	1.80
29	36.08	7.08	50.13	1.38
23	25.52	2.52	6.35	0.25
13	15.84	2.84	8.07	0.51
20	17.94	2.06	4.24	0.24
34	33.58	0.42	0.18	0.005
18	18.86	0.86	0.74	0.04
13	13.34	0.34	0.12	0.008
7	8.28	1.28	1.64	0.20
8	2.48	5.52	30.47	12.29
21	23.36	2.36	5.47	0.24
19	13.12	5.88	34.57	2.63
10	9.28	0.72	0.52	0.06
6	5.76	0.24	0.06	0.01
10	7.29	2.71	7.34	1.01
8	13.55	5.55	30.80	2.27
10	7.55	2.41	5.81	0.77
4	5.37	1.37	1.88	0.35
5	3.33	1.67	2.79	0.84

CHI –SSQUARE STATISTICAL TABLE:

TABLE C