

Visual Merchandising: Does it Matter for Your Brands?

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Abstract

Visual Merchandising is a significant aesthetic practice that helps a company and retailer to create the brand image at POS. Visual Merchandising is an art of presenting products in different ways at the retail store. The purpose of this study is to discuss the importance of merchandising for firms, History of Visual Merchandising and its elements by empirical evidences. This paper will cover theoretical perspective of merchandising, its impact on consumer buying behavior, sales, and on overall brand image. This study concluded that Visual Merchandising is the key to gain the competitive advantage against rivals in the market and it helps the firms to increase the sales, to create brand image, to attract the customers towards the products. So the firms should make strategic long term planning's to execute the visual merchandising at the POS (Point of Sale).

Keywords: Visual Merchandising. Consumer Buying Behavior and Brand Image

Introduction

Visual Merchandising is used for the product management in some way that is linked with the Presentation of products within retail stores in best specified way. Merchandising is a very broader concept which will be discussed in this paper in different phases.

Today every company wants to gain a competitive edge against their rivals in the market, trying to do best in terms of quality of products, service offerings with the products, cost effectiveness, etc. Companies always spend a lot of money for creating its brand image in the mind of consumer. But many times, they neglect the retail front which is the face of the brands. In other words, the wrong method of product display at the shop shelves can be threat for any brands. Visual Merchandising is an art of presentations of goods in a retail store which educates the customers and creates desire to purchase the product.

Due to the Competition and similarity of the product, companies use visual merchandising to differentiate their brands, to increase the desire of the product, to attract the customers and to get return in terms of Sales. VM is very important to take the differentiation and competitive edge form the competitors. It has become a natural component of each point of sale and it is a direct silent contact between company's product and the customers. In Pakistan, Most of the Companies and Retailers are not awarded with the benefits of the Merchandising and how much merchandising is tricky for them to boost up the brands image and sales. Merchandising tends to reinforce this sense of trust and the most important message among the confusion of shelves. The important tasks that merchandising should fulfill are;

- 1) Remind the central and actual theme used in merchandising activity and repeat it always so at the moment when the intention to buy is strongest in the consumer mind, customer will remember everything associated with the specific brand that was communicated by merchandising techniques.
- 2) Focus on the visual image of the product and draw the attention of the customer by making the special display of the products along with the packaging, arrangement and colors.
- 3) Point of Sale/Sales Outlet is a basic element that should be taken into consideration. Whenever, we think about merchandising, display than Store Layout comes first. Shelves Layout in the store, atmosphere of the store, product positioning and the traffic flow in the store are key elements for merchandising so these factor can affect quality of merchandising significantly. Product Range must be long for attractive display of the products in the shelves. A firm that has only one or two products cannot do the effective merchandising as others can. Shelve Space also matters in effective display of the long range products. So many firms assigned the share of shelves to each product according to some decided plan-o-gram.

This paper has been divided into two sections; first section will discuss the merchandising concept with different aspects briefly and in the second section, we will discuss merchandising impact on Consumer buying behavior, Sales, and on Brand image.

Objectives of the Study

The aim of this study is to explore the concept of Merchandising with its consequences and describe briefly the importance of merchandising. The Main purpose of this Study is to communicate with the firms and retailers that Merchandising is the Need for the business in Pakistan. This paper will also discuss Merchandising impacts on Sales, Impulse Buying Behavior, and Brand image.

History of Merchandising

In the 1840s, when the new technology of large production was introduced, Departmental stores were responsible to perform the window display at a higher level. At that time Large Windows were taken for the Visual Merchandising as theatrical Broadway show.

Aristide Boucicault opened the world biggest Departmental store named “Le Bon Marche” in 1852. There was a need to create shop design to sell all sort of products and to attract people. This Departmental Store was the pioneer in keeping a huge quantity of products and large space of window. In 1909, Gordon Sefriddle revolutionized the world of Visual Merchandising by leaving lights on at night and introduced the concept of window shopping. Public could enjoy while returning to the home even when the store was closed.

Salvador Dali made the creative criteria of window display in 1930’s. At that time, it was very fascinating to do the window display for their stores to attract the people. In the 1960s, Mary Quant was the first designer who used window for display and promote social trends.

With the development of the new technology in the 1990s, Gucci and Prada were displayed in the windows and both were the Super Brands at that time. These brands were able to produce the massive marketing budgets, mass marketing campaign and other features that made them most desirable in the Market. Today in the 21st Century, visual Merchandising has become a very broader concept and many companies and retailers have been moved to attract the customers through display of the whole retail store. Visual Merchandising was just a synonym of “display” in the past but now a day’s it has been transformed into a wider concept. Now the visual Merchandising encompasses a wide range of activities like, signage, product presentation, shelve display, store layout, POSM (Point of sale Material) and window displays.

What is Visual Merchandising?

Visual merchandising is an art of creating visual displays and arranging merchandising assortments within a store to improve the layout and presentation to increase the sales and profitability (Amandeep Kaur, 2013). Visual Merchandising can be defined as everything that is designed in the retail store to attract the customers. Visual Merchandising is the best tool for the companies to take the attention, interest or desire of the customers and it helps to impact positively on the consumer impulse buying behavior.

Mills, Paul and Moorman (1995) defined visual merchandising as “ the presentation of store and its product to the customer through team work of the company’s staff, retailers and merchandising departments in order to sell and merchandise products”. Visual Merchandising is the presentation of goods which should be color coordinated, accessorized, self-explanatory, and descriptive so that it will be appealing to the customer for buying. Visual Merchandising is also used to introduce the new products or brand extensions to the consumers as well as to decoration of the retail outlet. Visual Merchandising is considered as most important tool for sale in appeal of retail sector. Visual merchandising communicates the value of store’s fashion, image to the customers (Mohan & Ojha, 2014).

So the visual Merchandising is termed as the art of displaying merchandise/products in a way that is appealing to the customers. It sets the context of the merchandise in aesthetically pleasing fashion, presenting them in a way that would convert window shoppers into prospects and ultimately buyers of the products. Visual merchandising gives an aesthetic value to the display which actually convinces the customers to buy the product.

Merchandising Elements

Window Display

Window display is a creative method to present the products with the brief information that attract the customer to buy the products. Window display is most important and plays a vital role for the firm and retailer as well because it is the first meeting place with the consumer on store that creates a quick impression about the Brand and Store.

Customers acquire and utilize decision-relevant information as an integral part of decision making. From this perspective, window displays constitutes a key source of decision-relevant information in the external retail environment. Some researchers suggest that consumers may seek out store windows primarily as a leisure activity, to have fun and feel good. Window displays silently announce what customer can expect inside the store. It attracts attention, creates interest, and invites the customer into the business. It gives the brief introduction about the brands and retailer.

More importantly, certain types of information collected from window displays are likely to be diagnostic to the store-entry decision. Consumers may enter a store based on its window displays for several different reasons. For instance, they may enter the store to obtain further information about a specific line or item of merchandise that they saw displayed in the store window, whether or not they intend to purchase that item at that time in that store. Relatedly, consumers’ may enter the store to learn more about or take advantage of the sale they saw announced in the window display. More generally, store entry may result from consumers’ affinity for the types of merchandise a store displays in its windows. There are different types of window displays;

- 1) Exclusive Window

- 2) Open Windows
- 3) Semi-Closed Windows
- 4) Island Windows
- 5) Closed back Windows

80% of the impression can be created through window displays, because only one picture can worth of thousand words so the Window display plays an important role to create a first impression of the customer about the store.

Shelf Display

In the retail store, shelves are the key locations for the assortments of the products. During the product placement every firm wants that its brands should be visual for the customers to attract them for purchase. It is also beneficial for retailers to manage the space in the shelves efficiently. Shelf management is a difficult task for every retailer. Retailer can increase the sale by managing the shelves of store in a better way. Reorganization of the products in the shelves according to the planogram and stock keeping unit (SKU's) is necessary for the better and effective management of the shelves (Dreze, J.Hoch, & Purk, 1994).

Many Companies try to lock the shelves in the retail store for the merchandising of their brands according to its planogram. It is most beneficial way to introduce the product line of the company to customers and also showing the new products launched by the company. Results of one research conducted by a beverage company demonstrated that 44% of the customers accepted that they tried new products when they saw them on the shelves. There are two methods to place the products on the shelves which is vertical and horizontal.

Vertical presentation of the Products is used always for the demonstrations and it has been observed that when the products are generally presented in a vertical shape, the customers see the greater variety of the product assortments at an eye level. Everyone is naturally inclined to see from left to right. So companies always try to make the planogram of its product from left to right to present and it also happens when size of the product comes. When same products of a brand have different sizes than small size should be presented on the left and large on the right. It is more profitable for the retailers when the sale of large size product increases as compared to the small one because it's likely to be a higher price item. This trick works because most of the customers are right handed and they take large size unconsciously because it reaches closest to their right hand.

Variety of the shelves and height also matters in the shelf merchandising because variation in the shelf heights and longer gondolas are helpful to highlight the products and to create the attention of the customers. Shelf display makes the selling job easy and increases the retail sales individually and the firm's sales collectively. Shelf Merchandising also plays a critical role in the stock out situation because when products are merchandised on the shelves than it is easy to calculate that how much brands and SKU, s are short on the shelves.

Floor Merchandising

Floor Merchandising is concerned with the floor layout of the store, the floor space should be effectively utilized to get the higher returns. Floor Display depends on the traffic flow inside the store that is path of navigation for shoppers to access all sides of the retail Store. In Floor Display, Racks and Moveable shelves matter a lot, these things should be on prime positions. Each firm wants to lock the Prime positions for their assets in the retail store so that their brands will create interest and attention of the customers to buy the product. Floor display can be executed outside the store if the space is available because it will push the customer to enter in the store. Exterior Floor display also creates the image about the retail store and customer makes decision in seconds to enter in the store.

Signage

Signage is not a very new term and it is used for promotions by the Firms and Retailers. In the start, the purpose of the signage was to communicate just basic information related with the store. But now it is considered as a vital part of the retail store to create a competitive and unique atmosphere of the Retail store. Each firm wants to communicate effectively the information about itself and its brands. It is a business link to the customers. The objective of the signage is to promote impulse "stop and shop" to create an image about the product or service. Signage delivers the message and creates image about the brands of the firms at point of Sale. There are four types of the Signage given below;

- 1) Promotional signs
- 2) Location Signs
- 3) Institutional Signs
- 4) Informational Signs

It makes easiest environment for good shopping experience. Digital signage is also a good tool where customer can see the promotional information, advertising and other information's about the particular Brand in the electronic Display.

Point of Sale Material

POS (point of sale) Material display is also an advertising technique to promote the brands of the firms. POSM Display also plays very crucial role when a company launches a new product in the market. Even POSM Display remains short term but it creates quick response of the customer at the POS about the Specific Product. Sometimes, Companies execute the bombastic POSM Display in the Market to advertise their short term promotional schemes to increase the sales of the products. This type is cost effective as compare to others methods of Merchandising. Posters, buntings, banners, wobblers, danglers, pamphlets, shelf talkers and strips are included in the point of Sale Material.

Merchandising and Impulse Consumer Buying Behavior

Visual Merchandising is a very broader concept that has greater impact on the business in different aspects. It creates attention of the customer at point of sale and forces silently to purchase the product. Firms and Retailers use visual merchandising to differentiate themselves from the competitors. It has power to change the customer decision at the time of purchase in the retail store if the store and product has been merchandised effectively.

Many researchers conducted the study on visual merchandising and its impact on the consumer buying behavior. Khurram L.Bhatti (2013) conducted a study to check the impact of visual merchandising on consumer impulse buying behavior. In this Study, 350 Questionnaire were floated and 344 were collected which were completed. The Data were collected from the super marts of the Rawalpindi. This study found that window display, floor merchandising and shop brand name had a significant impact on consumer impulse buying behavior. The study concluded that Visual Merchandising enhances the customers impulse buying behaviour at the Point of Sale.

Another Study found that Visual Merchandising is an itegral part of the retail store and it creates greater appeal to customer purchase decision. Visual Merchandising influences the customer for unplanned purchase decision (Ojha, 2014). Visual Merchandising gives competitive edge over the rivals in the market because it creates the brand identity. Ridmi et al., (2011) has conducted a study to analyse the impact on patronage intentions in supermarket of visual merchandising. He selected 384 customers from the shopping malls of the Srilanka. Store layout, color, lighting, product display, music and cleanliness were independent variables and visual merchandising was depended variable in this study. Regression techniqe was used and findings showed that product display, music, color and cleanliness have relationship between patronage intentions and visual merchandising. Another Study was conducted on impact of visual merchandising on shopper impulse buying behavior. Sample size was 84 customers visiting the retail stores of india and results revealed that Window display and Floor Merchandising has signifacant direct relation with consumer impulse buying behavior (Mehta and chugan, 2012).

Bashar and Irshad, (2012) studied the impact of form display, window display, promotional signage and floor merchandising on impulse buying behavior by taking 250 Indian customers. Pearson correlation alalysis was used to conduct this study. The Findings sguggested that window display, floor merchandising are positively correlated with impulse buying behavior of consumer. Store display is not correlated with the impulse buying. Overall this study showed that Visual merchandising has a greater impact on the consumer buying behavior. The impact of visual merchandising has been studied by many reseachers with many dimensions like gender and age of the consumer.

Another Researcher has considered the effect of visual merchandising of appearls on impulse buying behavior. In this study she explores that how window display, interior display and other promotional signage in the field of fashion affects the impulse buying behavior of women. (Jain, 2013)

It has been also studied that visual merchandising affects more on the young generation as compare to the old. Dr Tausef, (2011) conducted a study on impluse buying behavior by the classification of age, gender, and education. He has taken 160 respondents as sample of his study and findings showed that impulse buying behavior and customers of different age group were significantly different. Visual Merchandising has diiferent impact on Customers with different gender and education. Another Study has been conducted by Khandai & gulla (2012) they used window display, forum display and floor merchandising as Visual Merchandising elements and its effects on impulse buying behavior. Both male and female with the age 18-45 were taken for this study and pearson correlation study was used to draw the conclusion. The Results Showed that there is strong correlation between window display, forum display and impulse buying behavior. There was low correlation among floor merchandising and consumer impulse buying behavior.

Kaur (2013) studied the visual merchandising and its impact on buying behavior of customer by taking 100 customers from chandigarh and results revealed that there is a relationship among impulse buying behavior and in-store forum, promotional signage and window display. Besides this, innovative assortments of the products, cleanliness, neatness of the store environment have been highlighted in this study. Visual merchandising practices influence the buying behavior of college students. It has been proved in past studies that there is a significant relationship among impulse buying and window display, promotional signage and interior display.

Visual Merchandising and Sale

Visual Merchandising is a way to display the goods to promote the sales. It is the way to present the products in attractive manners with the end objective of making the sale. Still in today's Economy, many firms and retailers avoid the visual merchandising due to its cost or unmanageable environment but in reality visual merchandising is more beneficial than its cost. Firms can get guidance from the professionals to reduce the errors, time and cost. Visual merchandising plays a role of "Silent Sales Person" that helps to attract consumers for generating high sales.

Deepak tiwari et.al (2015) have conducted study on impact of merchandising on customer satisfaction and thereby retailer's sales. In this study, self designed questionnaire was used to collect the data and 200 respondents were selected from Jabalpur and Gwalior city. The study proved that visual merchandising has a significant effects on customer satisfaction which ultimately results in higher sales. Besides this, the study also explored the importance of merchandising to increase the sale and discussed that merchandising techniques should be executed in a very proper way to enhance the sales of products.

Kumar, (2014) has described that visual Merchandising can increase the sale and it also improves the image of store. He observed the online and physical stores and concluded that firms and retailers can increase their revenues with the display of products and maximum exposure of merchandising.

The merchandising Factors like Layout of sectors of the store, placement of the product line, arrangement & display of products, combination of colors, promotional labels, and posters lead to an increase in sales figures. (Feijo & Botelho, 2012). The core purpose of the visual merchandising is to increase the market share through sales. Firms use these techniques to improve the value of brand equity with effective presentation of products at point of sales. Sometime merchandising may communicate new offers given by the company but normally all messages can be transmitted by the visual merchandising.

Sales promotion and Merchandising activities are launched by the company or a manufacturer at a POS to increase the Sales. Sales Promotion is seen as a short term way to increase sales drastically of the specific products but Visual Merchandising is a long term activity that helps to build the brand image, to draw the attention of customers towards the product especially at the moment to buy, to create brand equity and brand loyalty.

Conclusion

Research on Visual merchandising has been increased dramatically from the last few years. Visual Merchandising is a valuable tool for firms and retailers to get the series of advantages. It helps the retailer to understand the brand, to increase the sales by pushing the customer towards the product and it also teaches that how product should be segmented and displayed. It does not just push the customer for purchase but creates a good feel about the specific product and retailer. This study was conducted to elaborate the merchandising with different aspects to understand its importance. It is concluded on the basis of different researches that Visual Merchandising provokes the unplanned purchase by the customers and has significant role on the impulse buying behavior of the customer.

This study also discussed the different type of merchandising that could have an impact on buying behavior of the shopper. Such as Product assortment, Window Display, Shelf Display, POSM and signage have strong influence that help to create the brand image and brand equity. Now in the Modern age, many firms are using this tool to introduce new products and to take the competitive advantage against rivals. Because today's markets are characterized by over-supply and intense competitiveness in each sector. POS activity is considered as final dialogue between the customer and product. So while developing the communication strategy, modern companies must plan carefully to use the visual merchandising at a POS.

Suggestions

Firms should make a strategic plan in order to use the visual merchandising techniques because it plays a very critical role to directly influence customer at POS. So the Companies and retailers need to focus on innovative presentation of products, creative displays, and strategic assortment of the products in the shelves. Many Firms feel visual merchandising as highest unnecessary cost and retailers feel it as an unnecessary burden but visual merchandising has lot of advantages over than its cost. So Retailers and firms need to realize the long term strategy of visual merchandising.

More studies should be conducted to check the output of visual merchandising with the help of different models. In Pakistan, just few researches have been conducted on VM and few companies have been using this tool as well. There is a need to conduct different researches on visual merchandising so that many firms could realize the importance and effectiveness of VM at POS.

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