

# Factors of Visual Merchandising And Store Image and its Correlation With Purchase Decision of Women

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**ABSTRACT** - In India, one of the biggest ways of revenue generation, employment generation, increased turnover and many other growth factors is retail trade. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

The research investigates the impact of visual merchandising and store image on women purchase decision of apparels from organized retail outlets in Ernakulam. The researcher studies the impact of visual merchandising and store image with emphasis on factors such as colour, window display, coordination, signage / graphics, lighting, sensory and olfactory cues, store environment, trend information, store layout, planogram, merchandise assortment, appealing exhibition. The study also throws light on the influence of demographic variables towards impact of visual merchandising and store image.

Descriptive research design was adopted in this study, in order to describe and examine the extent to which visual merchandising and store image of an organized retail outlet influence the apparel purchase decision behaviour of women consumers. Structured questionnaire was prepared as an instrument to collect primary data. Secondary data from various journals, magazines, periodicals, books and websites have been used to identify the research gap. Quota sampling technique (Non-probability sampling technique) was adopted to select samples from the population

A well-structured questionnaire prepared based on the objectives of the study was used to collect data from 750 samples.

This study reveals that apparel retail outlet can utilize visual merchandising and store image to increase desirability of products and to help customers to be aware of the products as well as to create favourable purchase decision.

## I. INTRODUCTION TO THE STUDY

Retailing is much greater than a "space" or a "place to do business." Retailing is an environment and though the drivers behind a retail business decision may be predictable, the physical and psychological forces that create the ideal environment for each brand will vary significantly.

With recurrence of development in Indian economy, consumer purchase decision is a vital opportunity in the present retail sector. With cut throat competition and resemblance of merchandise in today's retailing sector each and every division of the retail industry has been forced to exploit visual merchandising and store image to boost the visibility and desirability of their products. Apparel retailers pay more importance on visual merchandising and bring an image to the store by which they differentiate their offerings from others. The tenacity of visual merchandising is to enlighten the customer, to

enrich the store image and to boost sales by displaying apparel well-adjusted with accessories. Big branded outlets, huge shopping malls, hypermarkets and even small well known retailers are the best popular hangout place for young women. In this study, the researcher has studied the factors that influence visual merchandising and store image with special emphasis on women customers purchasing apparels from organized retail outlets.

Grounded on various literature review, it is realistic to anticipate that visual merchandising and store image are a common external factor that inspires modern women consumers and can affect their purchase decisions. With regards to the various factors of Visual Merchandising the factors like colour, window display, coordination, signage / graphics, lighting and sensory and olfactory cues were taken in most of the earlier researches to assess Visual Merchandising, whereas Store image was assessed through factors such as store environment, trend information, store layout, planogram, merchandise assortment and appealing

exhibition. Moreover, purchase decision behaviour is determined by personal attributes, product attributes, store attributes and social attributes.

## II. OBJECTIVE OF THE STUDY

- To find out the key factors of visual merchandising and store image that influences purchase decision behavior of women customers who purchase their apparels from organized retail outlets in Ernakulam and to bring out the findings and suggestions of the present research study.
- To analyze if there is any correlation between the factors of Visual Merchandising and Store Image on Purchase Decision

## III. LITERATURE REVIEW

The retail sector of India has been rising at a noteworthy speed in the present decades. This has brought a revolutionary alteration in the Indian women's shopping attitudes (Singh & Tripathi, 2012). As per the study of Saad Ahmed & Sara (2015), it has been evaluated that **color** is an intrinsic factor which is associated with the consumers' expectations while taking buying decisions. Sankar & Sucharita (2002) commented that the customers spend only few seconds to view the **window display**. But, the organized retailers like the mall owners of Ernakulam can establish and manage their store image by window display. Hence, Chihmin (2009) analyzed this factor of visual merchandising and revealed that an attractive and effective window display can arouse the consumer's curiosity. According to Robert, Charles, Alice, Brian, & Anne (1999), the **co-ordination of the merchandise** is also an important factor of visual merchandising that makes an impact on the purchase intention and product evaluation in the apparel stores of the organized retail stores. On the other hand, Rahma & Purwanegara (2013) claimed that with proper co-ordination of apparels, the retailers can expect a high aesthetic response from the women customers. **Signage** is another essential factor of visual merchandising since it provides the short-cut communication technique regarding the products in the store in front of their customers which might result into customer attraction. Informing the customers with effective signs to identify the departments, to inform regarding the special events or discounts and to alert the customers regarding the products that are displayed embrace profit for the retailers by attracting the targeted consumers. (Amandeep, 2013). As per the research done by Syed Amir (2015), **lighting** is another factor of visual merchandising which creates an effect on the displayed products. **Sensory And Olfactory Cues** is also an important factor of visual merchandising to perceive a commercial atmosphere where sensory or olfactory cues make an impact on the customer behavior in respect to purchase quantity, consumption and sale (Osmud, 2012). There lies a connection between the purchasing

behavior and **store environment**. The customers try to respond more on the basis of the services and products offered to them (Anna & Jochen, 2009). **Trend Information** is another factor which influences the purchasing decision of women customers. Both men and women prefer to purchase the products that are trendy and suits the present fashion. The organized retailers of India including the stores present in Ernakulam should include the factor of trend information as their promoting strategy so that they can present trendy apparels in their shops (Amit, 2010). **Store layout** has made a significant influence on the overall performance of the Indian retailers by its impact on information processing, attitude towards a retail establishment and purchase intentions (Tshepo, 2009). The retailers can improve their **planogram** by applying lean six sigma technique so that they can make necessary changes starting from the workflow execution and planning till designing and creating the planogram or executing the same in the stores (Sarit, 2011). **Merchandising assortments** can include easily carried products at a cheaper price than others to make an impact on the consumer buying behavior (Alireza & Kheiri Dizeji, 2014). The merchandise assortments should be formed in such a way so that the developed products entice and attract the buying consumers. In order to influence the purchasing decision of women, the apparel retailers of Ernakulam can focus on an innovative advertising technique by developing **appealing exhibition** of the products. The customers react positively towards this type of advertising technique and tend to buy the products to enhance the brand sales (Lauren, 2007).

## IV. RESEARCH DESIGN

Descriptive research design was adopted in this study in order to describe and inspect the degree to which visual merchandising and store image of an organized retail outlet influence the apparel purchase decision behaviour of women consumers. This research has used both primary and secondary data to disclose the perceptions about the research topic. Primary data for the research study was collected through structured questionnaire and literature survey method was adopted to collect secondary data. Since a sampling frame was not available, the researcher was not able to adopt probability sampling technique; therefore quota sampling technique (Non-probability sampling technique) was adopted to choose samples from the population, because the exact population of women consumers who purchase from selected organized retail outlets in Ernakulam is unknown.

### 4.1 Determination of Sampling Size

Many formulae have been articulated for defining the sample size subjected upon the accessibility of data. Researcher has used the below stated formula for computation of sample size for an unknown population.

$$\text{Sample size } n = (ZS / E)^2$$

Where, Z score at 5% significance level = 1.96

S = Sample S.D from pilot study of 50 samples = 0.6987 (Largest SD among all the items given in the questionnaire)

E = Sampling error 5 % = 0.05

Therefore,

Sample size  $n = (1.96 * 0.6987 / 0.05)^2 = 750.159 \sim 750$ , where  $n = 750$

## V. DATA ANALYSIS

### 5.1 Women Customers' perception towards factors of Visual Merchandising

**Table 1. Women Customers' perception towards factors of Visual Merchandising**

Factors	Mean	Std. Deviation
Colour as a factor	14.066	4.347
Window display	11.180	3.545
Coordination	14.913	4.681
Signage / Graphics	18.589	6.094
Lighting	17.669	6.896
Sensory and olfactory cues	9.946	4.128
Visual Merchandising	86.365	26.219

Table 1 summarizes various descriptive statistical measures of factors of visual merchandising. The mean scores of colour as a factor and coordination ranges from 4 to 20, whereas the mean scores of window display and Sensory and olfactory cues ranges from 3 to 15. Signage / Graphics and Lighting has the mean score of 5 to 25 and the overall mean score of visual merchandising ranges from 24 to 120. From the above table, it is understood that women customers were influenced by Colour, window display, Coordination, Signage & graphics and lighting, whereas they are moderately influenced by sensory and olfactory cues. However, the overall influence of visual merchandising in the organized retail outlets in Ernakulam is satisfactory.

### 5.2. Women Customers' perception towards factors of Store image

**Table 2. Women Customers' perception towards factors of Store image**

Store Image Factors	Mean	Std. Deviation
Store Environment as a factor	13.438	5.192
Trend Information	10.245	4.010
Store Layout	13.634	5.354
Planogram	16.178	6.917
Merchandise Assortment	9.681	4.212
Appealing exhibition	9.800	4.098
Store Image	72.978	28.355

Table 2 summarizes various descriptive statistical measures of various factors of store image in organized retail outlets. The mean scores of trend information, merchandise assortment and appealing exhibition ranges from 3 to 15, whereas the mean scores of store environment and store layout, ranges from 4 to 20. Planogram has the mean score of 5 to 25 and the overall mean score of store image ranges from 22 to 110. From the above table, it is understood that women customers were influenced by store environment, trend information and store layout, whereas they were moderately influenced by planogram, merchandise assortment and appealing exhibition. It is also found that the overall influence of store image on women customers purchasing from organized retail outlets in Ernakulam is at a moderate level.

### Findings and Suggestions

### 5.3 Women Customers' perception towards factors of Visual Merchandising

The end results of descriptive analysis on Women Customers' perception towards factors of visual merchandising shows that among the various factors of visual merchandising, signage / graphics (18.589) and lighting (17.669) are the most important factors which attracts women customers to the organized retail outlets in Ernakulam. Signage is the design used to communicate a message or provide information about products or brands to a specific group where graphics is used to create any display information to a particular audience, henceforth this attracting factor designed by the retail outlet draws attention of women customers. Lighting creates an intimate and inviting space for the women customers. Therefore signage / graphics and lighting have received highest impact on the perception with regards to the factors of visual merchandising.

### 5.4 Women Customers' perception towards factors of store image

With regards to the store image of the organized retail outlets in Ernakulam the women customers' opined that planogram is the most important factor that framed the store image of a retail outlet in the minds of the women customers with a highest mean value of 16.178. Planogram is used as a device to increase the purchase of a consumer, which indicates how and where definite products are positioned on shelves or displays, so planogram enables convenient shopping for women customers with less effort spent for searching different products in the store, henceforth it has secured a good score and proven to be a vital factor in perception towards factors of store image.



### 5.5 Women Customers’ perception towards factors of purchase decision behaviour

In general the purchase decision behaviour of the customers would be based on the personal attributes, product attributes, store attributes, and social attributes.

The results revealed that women customers are mostly influenced by Product attributes (i.e. price, quality, reliability, aesthetics, size, colour, weight, volume, smell, taste, touch, quantity, or material composition of the product), with a mean score of 19.493 which has high influence on purchase decision of the consumers.

### 1.6 Correlation Analysis - Interrelationship between factors of Store image and Visual Merchandising

**Table 3 Interrelationship between factors of Store image and Visual Merchandising**

S.No	Store image Vs. Visual Merchandising Factors	Colour as a factor	Window display	Coordination	Signage / Graphics	Lighting	Sensory and olfactory cues
1	Store Environment as a factor	0.469**	0.622**	0.630**	0.641**	0.832**	0.744**
2	Trend Information	0.449**	0.594**	0.601**	0.613**	0.808**	0.816**
3	Store Layout	0.446**	0.597**	0.603**	0.616**	0.805**	0.813**
4	Planogram	0.406**	0.554**	0.556**	0.569**	0.803**	0.899**
5	Merchandise Assortment	0.415**	0.558**	0.560**	0.573**	0.803**	0.896**
6	Appealing exhibition	0.423**	0.567**	0.568**	0.577**	0.811**	0.802**

Note: \*\* represents the correlation coefficient (r) between the factors are significant at 1% level of significance.

The above table 3 summarises the interrelationship between the factors of visual merchandising and store image. This table gives a clear picture that all the above mentioned relationships are significant at 1% level. In general, the correlation coefficient value in the range of 0.10 denotes ‘small effect’, in the range of 0.30 specifies ‘medium effect’ and more than 0.5 signifies a ‘strong effect’.

Store environment is having stout relationship with lighting by having a correlation coefficient of 0.832 (83%), which is shadowed by Sensory and olfactory cues, Signage / Graphics, Coordination, Window display, Colour as a factor with correlation coefficients of 0.744, 0.641, 0.630, 0.622 and 0.469 respectively.

Trend information is having healthy relationship with Sensory and olfactory cues by having a correlation coefficient of 0.816 (81.6%), which is trailed by lighting, Signage / Graphics, Coordination, Window display, Colour as a factor with the correlation coefficients of 0.808, 0.613, 0.601, 0.594 and 0.449 respectively.

Store layout is having solid relationship with Sensory and olfactory cues by having the correlation coefficient of 0.813 (81.3%), which is shadowed by lighting, Signage / Graphics, Coordination, Window display, and Colour as a factor with the correlation coefficients of 0.805, 0.616, 0.603, 0.597 and 0.446.

Planogram is having fat relationship with Sensory and olfactory cues by having a correlation coefficient of 0.899 (89.9%), which is trailed by lighting, Signage / Graphics, Coordination, Window display, Colour as a factor with correlation coefficients of 0.803, 0.569, 0.556, 0.554 and 0.406 respectively.

Merchandise Assortment is having robust relationship with Sensory and olfactory cues by having a correlation

coefficient of 0.896 (89.6%), which is shadowed by lighting, Signage / Graphics, Coordination, Window display, Colour as a factor with correlation coefficients of 0.803, 0.573, 0.560, 0.558 and 0.415 respectively.

Appealing exhibition is having tubby relationship with lighting by having a correlation coefficient of 0.811 (81%), which is shadowed by Sensory and olfactory cues, Signage / Graphics, Coordination, Window display, Colour as a factor with correlation coefficients of 0.802, 0.577, 0.568, 0.567 and 0.423 respectively. Therefore, Ha23 hypothesis is acknowledged, which proved that there was noteworthy interrelationship among factors of store image and visual merchandising in organized apparel retail outlets.

### 1.7 Correlation Analysis - Interrelationship among Visual Merchandising, Store Image and Purchase decision behaviour

Ha1: Significant inter relationship exists among Visual Merchandising, Store Image and Purchase Decision Behaviour of women customers

**Table 4 Correlation Analysis - Interrelationship among Visual Merchandising, Store Image and Purchase Decision Behaviour**

Particulars	Visual Merchandising	Store Image	Purchase Decision Behaviour
Visual Merchandising	1	0.802**	0.787**
Store Image	--	1	0.829**
Purchase Decision Behaviour	--	--	1

Note: \*\* represents the correlation coefficient (r) between the factors are significant at 1% level of significance.

Table 4, depicts that correlation coefficient between the dimensions of visual merchandising and Store Image is

0.802, which means 80.2% optimistic associations are present and it is noteworthy at 1% level.

Similarly, 78.7% positive relationship exists between Visual Merchandising and Purchase Decision Behaviour, whereas very strong (82.9%) positive relationship subsists between Store Image and Purchase Decision Behaviour which is significant at 1% level. Therefore Ha24 hypothesis is accepted, which explored that there was significant interrelationship persists among visual merchandising, store image and purchase decision behaviour of organized apparel retail outlets.

## VI. FINDINGS

### 6.1 Women Customers' perception towards factors of Visual Merchandising

The end results of descriptive analysis on Women Customers' perception towards factors of visual merchandising shows that among the various factors of visual merchandising, signage / graphics (18.589) and lighting (17.669) are the most important factors which attracts women customers to the organized retail outlets in Ernakulam., henceforth it should be understood that these attracting factors in the retail outlet draws attention of women customers.

### 6.2 Women Customers' perception towards factors of store image

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In general the purchase decision behaviour of the customers would be based on the personal attributes, product attributes, store attributes, and social attributes. The results revealed that women customers are mostly influenced by Product attributes (i.e. price, quality, reliability, aesthetics, size, colour, weight, volume, smell, taste, touch, quantity, or material composition of the product), with a mean score of 19.493 which has high influence on purchase decision of the consumers.

### 6.4 Findings from Correlation Analysis: Intra-relationship among factors of Visual Merchandising

From the results of correlation analysis, it is found that there is an important intra-relationship among features of visual merchandising and store image. Moreover with regards to the features of visual merchandising, the maximum correlation coefficient of 89% exists between lighting and sensory & olfactory cues, whereas among the

factors of store image, 'trend information' is having strongest positive (89.5%) relationship with Store Layout. The end result of correlation analysis between visual merchandising with its factors revealed that colour as a factor is having robust relationship (i.e. 84.6%) with visual merchandising. Similarly, store environment as a factor is having strong (i.e. 87.6%) relationship with store image. The interrelationship correlation analysis between the factors of store image and visual merchandising indicates that Store environment is having stout relationship with lighting by having a correlation coefficient of 0.832 (83%) and all other factors are also having significant relationship with each other. The interrelationship correlation analysis between visual merchandising, store image, and purchase decision behaviour discovered that store image is having robust (82.9%) relationship on purchase decision behaviour, whereas the visual merchandising is having 78.7% on purchase decision behaviour.

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