

“Impact of Visual Merchandising on Consumer Buying Behaviour. A Case Study of Big Bazaar”

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Abstract

In the fast moving world, the competition and challenges have been increased in the retail sector. Every retailers have aim to maximize profit through increasing sale. Retailers are using visual merchandising as a tool to attract the attention of customer in order to sale. The basic purpose of the study was to know the significance of relationship between the each visual merchandising variable viz lighting, Colour of display, Fixture, Mannequin, window display and consumer buying behavior. This study was based on primary data which was collected through the questionnaire. A questionnaire based on five point likert scale has been prepared for this study. Target sample of this research consisted of 348 Big-Bazaar consumer from four cities of India. We formulated five hypotheses: lighting, colour of display, fixture, mannequin and window display. Chi-square has been used to test hypotheses by using the statistical packages for social science (SPSS) software. We found that lighting, fixture, mannequin and window display variables are a positive relationship with the consumer buying behavior.

However colour of display is negatively related to consumer Buying behaviour.

Keywords: Visual merchandising, Lighting, Colour, Fixture, Mannequin and window display

1. Introduction

In the fast moving world, the competition and challenges have been increased in the retail sector. Every retailer has the aim to maximize profit through increasing sale. Retailers are using visual merchandising as a tool to attract the attention of customer in order to increase.

Visual merchandising is the art of creating visual displays and arranging merchandising assortment within a store to improve the layout and presentation and increase visitor and sales which put the merchandise in the spotlight. Visual merchandising informs the visitors, creates desire and finally augments the selling process. It coordinates all physical elements in a place of business so that it projects the right image to its customers. It sets the context of the merchandise in an aesthetically pleasing fashion, presenting them in a way that would convert the window shoppers into prospects and ultimately buyers of the product. The display of products which makes them appealing, attractive, accessible, engaging, and enticing to shoppers in a retail store. Visual merchandising utilises displays, lighting, smells, sounds, digital technology Colors & Textures, Fixtures and merchandisers presentation,

Visual merchandising helps convey the image of the brand and reflects the personality of the target markets that the retail store wants to attract.

Introduction of the industry

- In India, The retail is the second largest sector that provides employment to the country after agriculture. (Harjit Singh, 2008)
- About 12 million bricks and mortar shops exist in various parts of the country. Due to fast emergence of middle class and rising per capita income. (Harjit Singh, 2008)
- The retail industry is the largest industry in India with an employment of around 8% and contributing to over 10% of the country GDP. Retail industry in India is expected to rise at the rate of 25% per annum, being driven by strong income growth, changing life styles, and favourable demographic pattern. (Harjit Singh, 2008)
- According to the BMI (Brand Marketing India) reports of 2010, it made a forecast that the retail sales will grow from US \$ 353 billion in 2010 to US \$ 543.2 billion by 2014.

Big-Bazaar

Future Group, led by its founder and Group CEO, Mr Kishore Biyani, is one of India's leading business houses with multiple businesses spanning across the consumption space. **It is a subsidiary of Pantaloon Retail India Ltd, Future Group**, While retail forms the core business activity of Future Group, group subsidiaries are present in consumer

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finance, capital, insurance, leisure and entertainment, brand development, retail real estate development, retail media and logistics. In 2008, Big Bazaar opened its 100th store, marking the fastest ever organic expansion of a hypermarket. The first set of Big Bazaar stores opened in 2001 in Kolkata, Hyderabad and Bangalore.

2. Review of Literature on Visual Merchandising

The visual merchandising is the tool which is used by the companies or retailers to attract the customers or shoppers to do the buying. In which the retailer and the shopkeepers arrange their shops or do promotional activities that attract the shoppers by seeing the shop, promotions, their sign boards, atmosphere, shelf arrangement, using colour of display, lighting of the store, fixture, Mannequin, window display of the store and many other factors which attract the customer for buying.

According to Gibson G. Vedamani Visual merchandising is needed and its relevance is felt in today retail industry as the primary purpose of merchandising is presentation of products in a way that cause them to be sold quickly, and at the highest possible retail margin. Secondly the visual seduction that charms the customer results in add-on-sales. The third role of merchandising is the creation of the merchant's individual retail image-which relates directly to the lifestyle of the community and the customer. The targeted result of the activity of visual merchandising is on-going sales and customer loyalty.

Martin M. Pegler while introducing his book ‘Visual Merchandising and Display’ sixth edition (Fairchild books new York) specifies that during a recession , depression or in a financial crunch , Store owner may take money out of the display budget and put more money into media , advertising . However, television, radio and print ads are worthless unless there is a follow-through the store. Here, at the point of purchase, is where display or merchandise presentation becomes absolutely necessary.

Alexandra Roach (2010) in his book ‘The Golden rules of Visual Merchandising’ defines “Visual Merchandising as promotion of goods through attractive and engaging product display design to encourage the sale of a product or service. VM doesn't just refer to a special promotion display; it refers to the presentation of an entire store.” Display or visual merchandising is ‘showing’ merchandise and concepts at their very best, with the purpose of making sale. It may not always result in

selling the displayed merchandise, but it conveys to the customerThe value of the merchandiseThe message of store image/ Brand imageSales promotion or idea through window display or in-store displayThe concept behind the display Today's creative and talented retailer Joseph Weishar of New Vision Studios said that shoppers make their purchases based in response to specific stimuli, and retailers who want to increase their sales need to understand those responses and merchandise those store accordingly. Visual merchandising is what directs shoppers to buy products.

He further states that while sales promotion and advertising may bring customers to the store, visual merchandising is what directs them to the products. Between 60% and 90% of all buying decisions are made on impulse at the point of purchase. “In-store impulse sales are driven by the visualization of the product in the right atmosphere,” said Weishar. “Visual merchandising is the key.” The whole point of visual merchandising, the speaker noted, is to get the customer to stop and browse. To achieve this, in-store presentations must make the product stand out, to catch the consumer's eye from a reasonable distance. And what the eye sees, he added, the body follows.

According to Berretto Anton, visual merchandising acts as “Tricks of the Trade” thatwhen used effectively, the basic components to the concrete aspect of store design - colour, texture, light, music - can enhance store appeal; it also invites a person to touch and is what the body remembers.

According to Andrew J Newman and Peter Cullen in their book Retail Environment and operations, Visual Merchandising refers to display to increase consumer interest in and desire for the products offered for sale. It includes the use of fixtures, decorations, signs and samples for the merchandise to create window and floor displays. The items used in visual merchandising are not normally for sale, although they may include items similar to those on sale. However the items on sale may also contribute to the visual image of the store. Visual merchandising may help divide the store into recognizably different areas, such as men and women's clothing and create different moods in each according to the target customer.

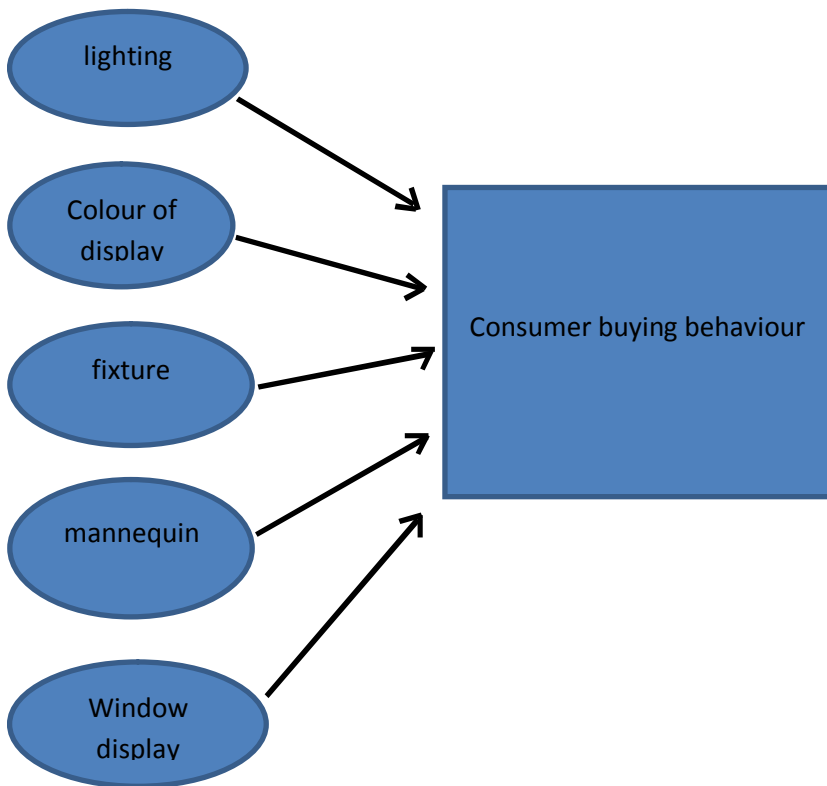
3. Objectives of the Study:

- To find the impact of lighting on consumer buying behaviour
- To investigate the role of colour on consumer buying behaviour.

- To study the relation between fixture and consumer buying behaviour.
- To study the impact of Mannequin on consumer buying behaviour.
- To find the impact of window display on consumer buying

4. Problem Statement

“HOW VISUAL MERCHANDISING INFLUENCES THE CONSUMER BUYING BEHAVIOUR”



Theoretical Framework

5. Research Methodology

Table1: Plan of the Study

| | |
|----------------------------|---|
| Research Approach | Deductive Research Approach |
| Research Design | Descriptive Research Design |
| Sources of data collection | Primary method of data collection |
| Research instrument used | Self -Administered Questionnaire |
| Research Technique | Questionnaire(Survey method) |
| Sample location | Big Bazaar ,Cities like Patna, Delhi, Ahmadabad & Bangalore |
| Sample techniques | Simple Random sampling |
| Sampling unit | Customers of Big Bazaar |
| Sample size | 348 Customers |
| Target Population | 15 years to 70 years |
| Research Data | Non parametric |
| Scale of Measurement | Nominal / Ordinal scale(5 point likert scale) |
| Analysis of Data | Descriptive & Inferential Statistics |
| Statistical Tool | Chi-square. |
| Variable of Study | Visual Merchandising(lighting, colour of display, Fixture, Mannequin & window display |

On the basis of above table, the deductive approach will be used to formulate the hypothesis. Thedescriptive research design is used to arrive at conclusion of the study. Theself-administered questionnaire has formulated for the primary method of data collection. A questionnaire based on five point likert scale has been prepared for this study.Data was collected by the simple random sampling method. Target sample of this research consisted of 348 Big-Bazaar consumer from four cities of India.we formulated five hypotheses:lighting,colour of display, fixture, mannequin and window display.chi-square has been used to test hypotheses by using the statistical packages for social science (SPSS) software.

6. Interpretation of data according to Demographic Demographic Profile of Respondents

TABLE: 2

| Particular | Category | Frequency | % |
|---------------------------|---------------------|-----------|--------|
| % Gender | male | 189 | 54.31% |
| | Female | 159 | 45.68% |
| Age | 15-30 | 213 | 61.20% |
| | 31-45 | 96 | 27.58% |
| | 46-60 | 36 | 10.34% |
| | 60 and above | 3 | 0.86% |
| Educational Qualification | Non-Matric | 3 | 0.86% |
| | Intermediate | 24 | 6.8% |
| Income | Graduation | 156 | 44.82% |
| | Post-Graduation | 99 | 28.44% |
| | Professionals | 66 | 18.96% |
| | Up to 2 lac | 164 | 47.12% |
| Occupation | 200001-4 lac | 95 | 27.29% |
| | 400001-6 lac | 59 | 16.95% |
| | 600001 and above | 30 | 8.62% |
| | Business executives | 42 | 12.06% |
| | Service officer | 171 | 49.13% |
| Occupation | Students | 78 | 22.41% |
| | Homemaker | 30 | 8.62% |
| | Others | 27 | 7.75% |

Based on the above summary of respondents’ demographic profile, majority of respondents are male with significant percentage of 54.31% compared to the female respondents which only consist of 45.68%. Then, many respondents fall into the age group between 15-30 years old with 61.20%. Small portion of respondents fall into the age group above 60 years old with only 0.8.6%. Besides that, most of the respondents hold Bachelors (44.82%) for their highest academic qualification, second highest academic qualification fall to Post graduation holder with 28.44% while Non matric holder only 0.86% of them becomes least the respondent. By looking at their income of the respondents, majority of the respondents are Up to 2 lac which consists of 47.12% and 200001-4 lac income category of respondent is 27.29% and other respondent of income category consist of 8.62% which is the lowest percentages of respondents based on income level. Last but not least, for the occupation level, majority of the respondents come from

Service officer sectors with 49.13% while the lowest percentages come from the other sectors which are only 7.75%.

Figure .1 the percentage of the respondent based on gender

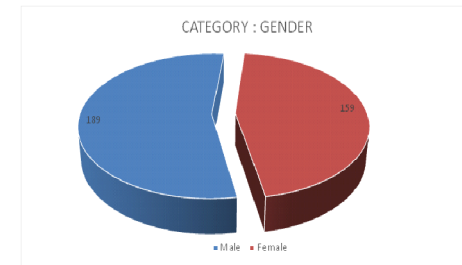


Figure .2 the percentage of the respondents based on Age group

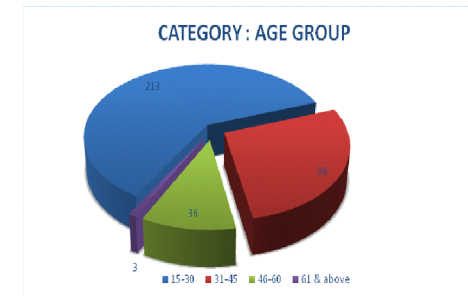


Figure .3 the percentage of the respondents based on Educational Qualification

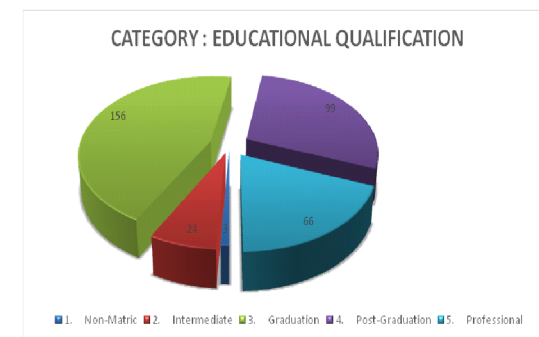


Figure .4 the percentage of the respondents based on Income level

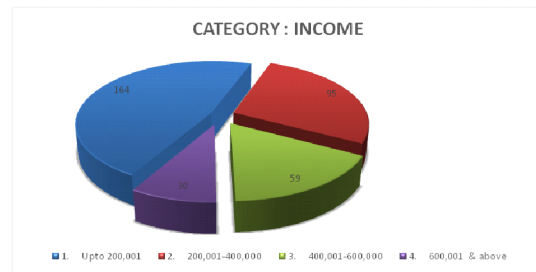
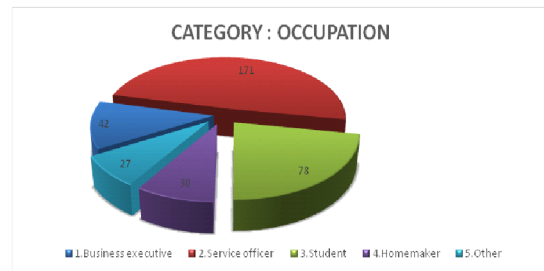


Figure .5the percentage of the respondents based on occupational level



6.1. Hypothesis Testing

The hypothesis for this study is as follow-

Hypothesis 1-

Ho: There is no significant relationship between lighting and consumer buying behaviour.

H1: There is significant relationship between lighting and consumer buying behaviour.

Hypothesis 2-

Ho: There is no significant relationship between the colour and consumer buying behaviour

H1: There is a significant relationship between the colour and consumer buying behaviour.

Hypothesis 3-

Ho: There is no significant relationship between the fixture and consumer buying behaviour.

H1: There is a significant relationship between the fixture and consumer buying behaviour.

Hypothesis 4-

Ho: There is no significant relationship between the mannequin and consumer buying behaviour.

H1: There is a significant relationship between the mannequin and consumer buying behaviour.

Hypothesis 5-

Ho: There is no significant relationship between the window display and consumer buying behaviour.

H1: There is a significant relationship between the window displays and consumer buying behaviour.

6.2Hypothesis test result

Table .3

| Visual Merchandising Elements | Pearson Chi square | df value | Asymp.sig Or P<.05 | Result |
|-------------------------------|---------------------|----------|--------------------|----------|
| lighting | 9.019 ^a | 1 | .003 | Accepted |
| Colour of display | 1.184 ^a | 1 | .276 | Rejected |
| Fixture | 18.125 ^a | 1 | .000 | Accepted |
| Mannequin | 6.355 ^a | 1 | .012 | Accepted |
| Window display | 15.813 ^a | 1 | .000 | Accepted |

On the basis of above table, thereis the hypothesis testing result of five variable of visual merchandising. The main purpose the study is to know the significant relationship between element of Visual Merchandising and consumer buying behaviour.I have formulated five hypotheses for research :lighting,colour of display ,fixture, mannequin and window display.Chi-square has been used to test hypotheses by using the statistical packages for social science(SPSS)software.

The chi-square of light is 9.019.and the P value is .003 as shown in the significance(2side) which is below 0.05.it means that it accept the alternatives hypothesis.this means there is significance relationship between lighting and consumer buying behaviour.Similarly the P value of fixture(.000),mannequin(.012) and window display (.000) are less

than 0.05 as shown in table. It means that fixture, mannequin and window display are positively related to consumer buying behaviour. However, the p-value of colour of display (.276) is more than 0.05. This means that there is no significant relationship between colour of display and consumer buying behaviour.

So the lighting, fixture, mannequin and window display are reject null hypothesis and accept the alternative hypothesis. But colour of display rejects the alternative and accepts the null hypothesis. So we can conclude that lighting, fixture, mannequin and window display are having significant impact on consumer buying behaviour. But colour of display is not having significant impact on consumer buying behaviour in the store of Big Bazaar.

7. Findings

- The most impactful visual merchandising element according to customers are lighting, fixture, mannequin and window display.
- There is no impact of colour of display on the consumer buying behaviour.
- Most of the customers visit here (about 47.12%) are having annual income up to 2 lac.
- Most of the customer (about 49.13%) of Big Bazaar belongs to service officer.
- Most of the visitors of Big Bazaar (about 61.20%) belong to 15-30 age group.

8. Conclusion

The study is conducted to investigate the relationship between the visual merchandising and consumer buying behaviour.

As per this study reveals that the consumer buying behaviour is significantly influenced by lighting, fixture, mannequin and window display. But consumer buying is not influenced by colour of display.

Majority of customer of Big Bazaar is having belongs to 15-30 age group.

According to this research visual merchandising tools do have impact on consumer buying behaviour. Specially lighting, fixture, mannequin and window display are having huge impact on buying behaviour of consumer.

The visual merchandising tool is used in Big Bazaar to attract the customer to visit the outlet and stimulate customer to purchase in order to increase sale.

9. Recommendations

- Big Bazaar should do some improvements in colour of display.
- As the 15-30 age group of the majority of the population living in four cities of India. Big Bazaar should keep more focus on grabbing the attention of youngster by implementing effective element of visual merchandising.
- As the majority of lower annual income is living in four cities, Big Bazaar should use proper arrangement of lighting, fixture, mannequin and window display in the store to attract the attention of youngster.

10. Limitations

- Time frame and resource for my research was limited.
- The study is confined just to Patna, Ahmedabad, Delhi, Bangalore
- Respondents were resisting to fill the questionnaire
- The qualitative research for this may differ in outcome
- Apart from visual merchandising, there is the influence of other mediums like television, newspaper, and radio used for communicating the Mahabachat sale at BIG BAZAAR – this has got the strong influence in buying decision. How strong a marketer/promoter are trying to promote the product if it is not needed for the customer then the customer won't be a prospective customer for that marketer.

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