

IMPACT OF VISUAL MERCHANDISING ON CONSUMERS' BUYING CHOICE WITH REFERENCE TO RELIANCE FRESH

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Abstract

The importance of visual merchandising cannot be ignored in this era where many purchase decisions are influenced by displays and presentations in store. The main objective of this paper is to study the influence of visual merchandising, on consumer buying choice according to store attributes most valued by consumers. In retail industry furniture and furnishing category has become more competitive. There are many players entering into organized format of retail in this category. Therefore, it becomes important for retailers to differentiate themselves from each other. As the products are similar, one of the area in which they can differentiate themselves is store presentation in terms of visual merchandising. To study which dimensions have an impact on purchase behavior of consumers, this study is undertaken by analyzing the impact of various dimensions of merchandising display such as store appearance, lighting, music, window display, mannequins and price tags at reliance fresh stores in Jaipur city. It is found that these variables have impact on purchase choice of consumers. For data analysis, mean and standard deviation are used for descriptive statistics. Cronbach's alpha was used for determining the predictive validity and reliability of the variables used in the study. The hypothesis is tested by using One Sample T-test.

Key Words: Visual Merchandising, Consumer Purchase, Reliance Fresh, Window Display.

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Introduction

The art of increasing the sale of products by effectively and sensibly displaying them at the retail outlet is called as visual merchandising. Visual merchandising refers to the aesthetic display of the merchandise to attract the potential buyers, prompt them to buy and eventually increase the sales of the store. In simpler words, visual merchandising is the art of displaying the merchandise to influence the consumer's buying behaviour. The store must offer a positive ambience to the customers for them to enjoy their shopping. The location of the products in the store has an important role in motivating the consumers to buy them. Sensible display of the merchandise goes a long way in influencing the buying decision of the individual. The end-user will never notice something which is not well organized: instead stacked or thrown in heaps. Proper Space, lighting, placing of dummies, colour of the walls, type of furniture, music, fragrance of the store all help in increasing the sale of the products.

Reliance fresh

Reliance Fresh is the convenience store format which forms part of the retail business of Reliance Industries of India which is headed by Mukesh Ambani. These stores sell fresh fruits and vegetables, staples, groceries, health and beauty, fresh juice, bars and dairy products. A typical Reliance Fresh store is approximately 3000–4000 square feet and caters to a catchment area of 2–3 km. Reliance Retail started its journey in 2006 with the opening of its first Reliance Fresh store. Today Reliance Retail operates over 500 Reliance Fresh stores across 80 cities and sells over 200 metric tonnes of fruits and over 300 metric tonnes of vegetables every day. Reliance Fresh is India's leading neighbourhood retail chain, synonymous with freshness and savings. With the three core promises of Fresh Hamesha, Available Hamesha and Savings Hamesha, Reliance Fresh is a one-stop-shop for fresh shopping, fresh savings and fresh happiness.

Tools and techniques used for visual merchandising

Visual merchandising builds upon or augments the retail design of a store. It is one of the final stages in setting out a store in a way customers find attractive and appealing. Many elements can be used by visual merchandisers in creating displays including color, lighting, space, product

information, sensory inputs (such as smell, touch, and sound), as well as technologies such as digital displays and interactive installations.

Review of literature

Diamond and Diamond (2003), emphasize on the purpose of visual merchandising in their attempt to define the concept visual merchandising. The authors state that visual merchandising can be defined as the presentation of a store and its merchandize in ways that aim to attract the attention of potential customers and motivate them to make purchases.

Groepel-Klein (2005), studied different empirical studies and found that the store atmosphere has a strong influence on consumer behavior, and store image. The study further concluded considering the empirical studies that the store atmosphere has a strong influence on consumer consideration of the merchandise and arouse consumer reaction towards the store. Impulse buying and store display are not correlated. Floor merchandising is also correlated with impulse buying.

Bhalla and Anurag (2009), defined Visual merchandising as the presentation of any merchandise at its best (1) color coordinated (synchronized colors); (2) accessorized (related products/ props); and (3) self-explanatory (descriptive/illustrative). It is one of the final stages in the process of setting up of a retail store which customers would then find attractive and appealing.

Ebster and Garaus (2011), define visual merchandising as “the art and science of presenting products in the most visually appealing way”, emphasizing on the communication with the customers through images and presentations.

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 analysis was used to conduct this study. The Findings suggested 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.

Park (2014), argued that the proper and effective visual merchandising including illumination helps in differentiating the retail brand, contribute to brand preference and encourage the brand preference.

Pillai et al., (2014), found that customers are influenced by attractive windows displays, proper store layout, and appealing visual merchandising themes. The study recommended the proper utilization of visual merchandising as an effective tool of converting potential customers into real customers. The study further concluded that the most important aspect that consumers value most in visual merchandising are proper lighting and attractive display themes.

Vinamra et al., (2015), has studied impact of visual merchandising on consumer behavior toward women's Apparel. His dependent variable is visual merchandising and independent variables are neutral role in influencing the purchase and significant role in influencing the purchase. He took sample size of 150 Indian women's who were visiting shopping malls. His findings are that visual merchandising has a very strong impact on customer purchasing behavior. To some extent visual merchandising also leads to impulse buying.

Significance of the Study

This study will provide information as to why visual merchandising should be considered an important component of a strategic marketing plan in support of sales increase and positive store/company image. This study will also provide insights to retailers about types of visual merchandising that can influence consumers' buying behaviors.

Purpose of the study

The purpose of this research paper is to open significant venues for application and integration of applying aesthetics to retail store through ambience factors. To study which dimensions of visual merchandising have an impact on purchase behavior of consumers, this study is undertaken.

Objective of the study

This study is conducted to know the impact of visual merchandise on consumers buying choice with reference to reliance fresh.

Research methodology

The present research has employed a combination of exploratory and descriptive research designs for preparation of this paper. This study includes variables; store appearance, lighting, music, window display, mannequins, and price tags. These variables are measured using 5 point Likert scale with responses ranging from “Strongly Agree”=1, “Agree” = 2, “Cannot Say” = 3, “Disagree” =4 and “Strongly Disagree” =5.

Data collection

Primary data on customer views on visual merchandising at Reliance fresh was collected through a structured questionnaire. There is also a use of secondary data collected from the various journals, books, and websites and from reliance fresh store managers.

Hypothesis

Ho: Visual Merchandising does not affect the customer buying decision at reliance fresh store.

Ha: Visual Merchandising affects the customer buying decision at reliance fresh store.

Sampling and sample size

The population of the research study consists of current buyers at Reliance fresh stores in Jaipur city. Non-probability convenience sampling techniques has been employed to select the sample unit for the study. Such a selection is undertaken as the unit represents the sample in a better way and reflects better relationship with the other variable of the study. The questionnaire was administered on 270 respondents from three reliance fresh stores of Jaipur city; which were includes rajapark store, malviya nagar store, and jawahar nagar store. But only 193 respondents provided their views for the paper.

Table 1: demographic details of the respondents

Sr. No.	Categories	Frequency	Percentage (%)
1. Gender	Male	152	78.75
	Female	41	21.24
2. Age	Less than 19	22	11.39
	19-29	118	61.13
	29-39	42	21.76
	Above 39	11	5.69
3. Income(Monthly)	Less than 15000	28	14.50
	15000-25000	131	67.87
	25000-35000	21	10.88
	Above 35000	13	6.73
4. Occupation	Student	83	43.00
	Government job	29	15.02
	Profession	19	9.84
	Private job	62	32.12

Source: Authors

Research tools

For data analysis, mean and standard deviation are used for descriptive statistics. Cronbach's alpha was used for determining the predictive validity and reliability of the variables used in the study. The hypothesis is tested using One Sample T-test. The data collected from respondents was analyzed with the help of Statistical Package for the Social Sciences (SPSS).

Analysis and interpretation

The Table 2 indicate that the descriptive statistical analysis for customer buying decision with respect to visual merchandising at reliance fresh stores of Jaipur city. The mean score ranges from 1.52 to 1.77, and the standard deviation ranges from 0.78 to 0.90. The average standard deviation being closer to 1, it indicates that there is uniformity in the views expressed by the buyers.

Table 2: Descriptive Statistic for consumers buying choice with reference to visual merchandising

Variables	N	Min	Max	Mean	SD
Store appearance	193	1	5	1.52	0.78
Lighting	193	1	5	1.69	0.85
Music	193	1	5	1.65	0.83
Window Displays	193	1	5	1.77	0.90
Mannequins	193	1	5	1.66	0.81
Price tags	193	1	5	1.71	0.90
Aggregate	193	1	5	1.66	0.84

Source: Authors

It is observed that majority of the costumers agree to the variable store appearance having mean value of 1.52 and lowest standard deviation among the given statements. Means customers prefer to shop in the store, where visual merchandise is done attractively. Costumers have expressed their views on impulsive buying as the statement, “Mannequin display promotes impulsive buying”, indicated the mean value of 1.66 with a standard deviation of 0.81. The rest all statements have recorded a mean value of less than 2 with standard deviation being less than indicating the customer’s views on Visual Merchandising influence on the customer buying decision at reliance fresh. The statement, “Visual merchandise with related accessories will increase chances of purchase decision”, has recorded highest mean value with maximum variability.

Table 3 One-Sample Statistics for Visual Merchandising impact on consumers buying choice

	N	Mean	SD	Std. error mean
Visual merchandise impact	193	1.6473	.52710	.03641

Source: Authors

Table 4 One-Sample Test for Visual Merchandising impact on consumers buying choice

	Test value=3					
	t	df	Sig(2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
Visual merchandise Impact	-33.578	192	0.001	-1.3527	-1.3965	-1.2341

Source: Authors

To test the hypothesis “Visual Merchandising does not affect the customer buying decision at reliance fresh store”, one sample T test was carried out with assumed mean value of 3. The calculated mean value of visual merchandising influence on the customer buying decision at reliance fresh is less than the assumed mean value 3 i.e., 1.6473 and the observed P value 0.001 is less than 0.05 as seen in the table 4. The mean difference value is negative illustrating the respondent’s affinity and magnitude towards agreement with the given statements. This result indicates that the above null hypothesis that Visual Merchandising does not affect the customer buying decision at reliance fresh store is rejected and the alternative hypothesis that Visual Merchandising does affect the customer buying decision at reliance fresh store is accepted.

Conclusion

From the analysis it was observed that majority of respondents expressed that, the aesthetic appeal of the store was excellent and that augmented their buying decision also lead to impulsive buying. Most of the respondents are highly satisfied with the store’s front arrangements and lighting system which has played important role in attracting the customers and to enriching their buying experience. Respondents said that mild music enhances their buying decision and also the visual merchandising with related accessories had increased the probability of impulsive purchase. Almost all the respondents agreed that price tag on merchandise mannequin displayed in the reliance fresh store and at the entrance had helped them to make conscious buying decision with reference to price and quality parameter. Many customers have suggested to maintaining the price tag on all display items so that they can make quick buying decision during the peak hours of shopping. From the study it is clearly understood that the arrangement of the displays in an

attractive manner initiates new interest about the products in the minds of the customer. By designing a proper themes and activating changes frequently one can thus be a proactive retailer. It is detected that most people are attracted into a store to buy a product after looking at the shop's visual displays. Store window display is a great way to lure people into the store, as it gives them a look at stuffs that they can assume to be present inside the store. They are also a great way to highlight certain types of merchandise. Signage is cost-effective gear for conveying a message or informing the customer about the merchandise available in the retail store. In-store displays are the major drivers to purchase as they compel customers to view products creatively presented and displayed inside the outlet.

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