

Impact of Visual Merchandising on Consumer Buying Behaviour at Big Bazaar

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Introduction

Visual Merchandising today forms a critical element of retailing. Besides the facade and windows, which are clearly done up with an objective to attract passer-bys and induce walk-ins, there is also in-store decor that is designed to enhance the customer's comfort and convenience while shopping and overall, offer a superior shopping experience.

Consumer behavior studies have confirmed that the lure of a beautifully done up show window and a tastefully decorated facade, more often than not, prove irresistible as they walk in to check out what is on offer. It also ensures exclusivity since no two stores should look alike. Besides, when the mood and theme of such displays change at regular intervals, it makes certain that the store remains top of mind. Loyal customers have often been known to anxiously wait for the next display. 'Stickiness' in retail formats is also ensured by the imaginative use of colors, lighting, space, furniture and visual elements with regard to in-store displays.

Once customers walk in, it is but imperative to ensure that they enjoy their first encounter with the store. After all, repeat visits will only happen if a customer's first visit is a memorable one. The logical arrangement of counters, with clear passageways allows for easy access to merchandise.

Rather than getting lost in the big space that most large stores are, the customer feels more in control. Space is allocated to various product categories taking into account the number of SKUs stocked and shelves/counter space requirements are worked out accordingly.

Clear passages are provided for products, which require touch and feel. All impulse purchase driven products are also clearly displayed so that the customers can reach them without any hindrance. Also, it has been observed that when a person enters a room, the human eye moves in a Z pattern, i.e. from rear left of the room to right rear, followed by front left of the room to front right.

Care should be taken to do up the rear left end of the room in an appealing manner so as to guide the direction of vision and keep a shopper visually interested. A great deal of research has been undertaken on the impact of visual merchandising on consumer buying behavior.

Indian Retail Industry

India retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favorable demographic patterns.

The BMI India Retail Report for the third-quarter of 2010, forecasts that the total retail sales will grow from US\$ 353 billion in 2010 to US\$ 543.2 billion by 2014. With the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and III cities. The greater availability of personal credit and a growing vehicle population to improve mobility also contribute to a trend towards annual retail sales growth of 11.4 per cent. Mass grocery retail (MGR) sales in India are forecast to undergo enormous growth over the forecast period. BMI further predicts that sales through MGR outlets will increase by 154 per cent to reach US\$ 15.29 billion by 2014. This is a consequence of India's dramatic, rapid shift from small independent retailers to large, modern outlets

Big-Bazaar

The field of study was conducted at Big bazaar a unit of Pantaloons Retail (India) Limited. Pantaloon Retail (India) Limited, is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer market. Headquartered in Mumbai (Bombay), the company operates over 12 million square feet of retail space, has over 1000 stores across 71 cities in India and employs over 30,000 people.

The company's leading formats include Pantaloons, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain, blends the look, touch and feel of Indian bazaars with aspects of modern retail like choice, convenience and quality and Central, a chain of seamless destination malls. Some of its other formats include Brand Factory, Blue Sky, all, Top 10 and Star and Sitara. The company also operates an online portal, futurebazaar.com.

A subsidiary company, Home Solutions Retail (India) Limited, operates Home Town, a large-format home solutions store, Collection i, selling home furniture products and eZone focused on catering to the consumer electronics segment. Pantaloon Retail was recently awarded the International Retailer of the Year 2007 by the US-based National Retail Federation (NRF) and the Emerging Market Retailer of the Year 2007 at the World Retail Congress held in Barcelona.

Objectives of the Study:

Primary objective

A study on impact of merchandising products on the consumers' buying choice with reference to big bazaar

To identify the impact made by the modern promotional techniques (signage, posters etc..) along with the traditional visual merchandising strategies (Lighting, design layout preference, product display and cleanliness) in consumers' buying decision.

Secondary objective

Though the primary objective of the study is to study the impact of visual merchandising in relation to consumer buying decision the secondary objective of the study is to acquire the knowledge on over all function of Indian retail industry and its operations by observing a retail outlet – Big Bazaar, Hyderabad.

Review of Literature:

Retailers are facing a keen competitive market place and as a consequence of that they find many difficulties to differentiate their stores on the basis of product, place, people, price and promotion. Retail store elements such as color, lighting and visual merchandising have always been considered as having immediate effects on the buying decision making process. The emphasis has moved away from in-store product displays, towards elements that excite the senses of shoppers such as flat screen videos or graphics, music, smells, lighting and flooring that tend to capture the brand image or personality and help to create a unique environment and shopping experience (McGoldrick, 1990; Marsh, 1999).

The physical in store environment has been examined in relation to various elements, for example: orienting factors (Davies and Ward, 2002); signage (Bitner, 1992); Spatial factors and ambient conditions (Davies and Ward, 2002), which Kotler termed "atmospherics". The work regarding physicality of in-store environment focuses on the

“communication” of elements through cues and stimuli that the consumer digests through a number of sensory modalities (visual, aural, olfactory, haptic and taste). Therefore, all literature commonly recognized as in-store environment depends on visual merchandising and other in store promotions.

Visual simulation and communication have long been considered important aspect of retailing by practitioners and academic alike (McGoldrick, 1990, 2002). This interest in the visual has – at one level within the retail context – coalesced to form the practices of “visual merchandising”. This is defined as the activity, which coordinates effective merchandising selection with effective merchandising display (Wolters and White, 1987, p.238). Visual merchandising is therefore concerned with both how the product and/ or brand are visually communicated to the customer and also whether this message is decoded “appropriately”. In this context, it will be affecting to a positive psychological or behavioral outcome, ultimately leading to purchase.

In a study of store choice behavior among audio equipment shoppers, Dash et al. (1976) found that the level of pre-purchase information regarding the brand determined the type of store chosen. Shoppers who had higher levels of pre-purchase information generally shopped at the specialty store, whereas shoppers with low pre-purchase information bought at departmental stores. This is mainly attributed to customers adopting a risk reduction policy with regard to their impending purchase. Kenhove et al. (1999) found that store choice is differentiated by the nature of the task. They studied the store choice decision across various tasks as described by the respondents, such as urgent purchase, large quantities, difficult job, regular purchase and get ideas. The chosen stores differed in their salience rating depending on the task the shopper intended to perform. The salience of the stores has also been found to be affected by situational factors.

In a study conducted by Mattson (1982), was found that situational attributes, such as time pressure and gift-versus self-shopping, can influence store choice and attribute salience. It is also indicated that the situational influence needs to be evaluated for every visit and hence some shoppers may change their choice because of situation specific drivers. These situational influences may be classified as the competitive setting, the individual’s situational set and the shopping occasion.

The atmosphere of the shopping environment can influence customer attitudes and their perceptions in relation to the overall quality of the store in terms of the uniqueness of the product, service levels (Baker, Grewal and Parasraman, 1994), the purchase price (Areni and Kim, 1993) and purchase volume (Milliman, 1982). The role of ambience in store choice has also been found significant. Kotler (1974) has proposed atmospherics as an important part of retail marketing strategy. It is also found that the shoppers determine the value of the merchandise based on monetary as well as non-monetary costs (Zeithaml, 1988).

It was found that recreation (a non-monetary value) was the major driver for visiting a regional shopping centre (Treblanche, 1999). The shopping experience, as created by the store environment, has been found to play an important role in building store patronage. Along with the merchandise, it triggered affective reaction among shoppers (Baker et al., 1992). It also contributes to creating store patronage intentions (Baker et al., 2002).

Research Methodology

Data Collection

The nature of research design chosen was descriptive one. So, as far as possible attempt was made to gather primary data. In that context, a detailed observation criterion was administrated, facilitating the observations process. The primary research was carried out in Big Bazaar, Hyderabad. And information was collected from customers who were purchasing products from the supermarket at the time of the study. Additionally, secondary data for conceptualization and operationalization of the matters and other purposes were also utilized through textbooks and web sites etc.

Data were collected through observations from 1000 consumers from four different age groups i.e. 20-30, 30-40, 40-50, 50-60 who walked in to the store at the time of study. There were no any rejected forms due to field investigation and personally filled criterion forms with observation. Most of the data pertaining to this study have been collected based on convenience sampling method.

Data Analysis

Descriptive method was used in presenting and analyzing the data. Descriptive tools such as frequency counts and percentages calculated for the statements on the criterion form in order to determine the impact of in store promotions on buying decisions.

Limitation of the Study

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.

Method adopted for the experiment

At Big Bazaar during the Mahabachat sale our aim was to sell the maximum Combi packs of provisions.

The following were the Combi packs bundle they made:

- Rs.444 – 5 kgs of sugar, rice and golden harvest atta
- Rs.555 – 5 kgs of pills burry atta, tilda long grain rice and 5 liters Gemini refined sunflower oil
- Rs.575 – 5 kgs of sugar, tilde long grain rice and 5 liters fortune refined sunflower oil
- Rs.589 – 5 kgs of sugar, aashirvad atta and 5 liters gold winner refined sunflower oil
- Rs.625 – 5 kgs of hello royal basmati rice, pills burry atta and 5 liters gold winner refined sunflower oil
- Rs.649 – 5 kgs of aashivad atta, daawat devya basmati rice and 5 liters gold winner refined sunflower oil.

For the first 3 days we didn't adopt any systems for the promotion, we sold average of 200 Combi packs.

For the fourth and fifth day researchers were given targets for the sale of Combi packs. So the researchers decided to add up extra visual merchandise to make the customer available of those packs. So the researchers decided two place one close to the customer bag zone there the researchers displayed all the Combi packs in a decorated table along with the signage displaying the offers in an attractive way and the second place was quite close to customer service desk the entry for the customers to the shop we adopted the same method as earlier.

Researchers enclosed the details for one hour of the study as it was very tough to record the actual data for over a period of time. But the end result was we achieved the targets for all these days. For the fourth day we were given target of 300 Combi packs and

we sold around 320 packs and for the closing day we got the target of 400 and sold close to 447 packs. Over all the method worked very well and played a vital role in achieving the targets.

This study focused on the visual merchandizing and consumer buying decisions. The main objective of this study was to examine the influence emerged from visual merchandizing and the usage of new media's into the VM such as postages, signage's themed displays for influencing consumer's buying decisions. The finding shows that influence emerged from visual merchandising on consumer's buying decisions is strong. Table 1 clearly shows that highest mean value of visual merchandising is 59.9 from the age group of 30 -40 shows that people belonging to this group is highly attracted towards visual merchandising. It was represented in strongly influenced score category.

However, visual merchandising consists of four variables such as lighting, design layout, product display and cleanliness, all of those variables, have considerable influence in selecting specific supermarket outlet. The usage of new mediums in a unique way has a strong influence in buying decision. The majority of respondents (31 & 30.5) mentioned that posters and product displays majority themed displays in supermarkets outlets strongly influence on their buying decisions.

In the same time, 30% of respondents have indicated that product display strongly influence on their buying decisions. Moreover, the frequency of product display is 310. It is more close to the higher level of strongly influenced score category. The findings show that 30% of respondents have indicated that posters are strongly influencing their store buying behavior. The smallest value equal to 19 that represents the moderately influenced score category. Most of the customers mentioned that in-shop promotions are one of the most important factors of attractive in-store environment of supermarket outlets. According to the findings, 191 respondents have indicated in-shop promotions will affect in a strong and moderate way respectively on their buying decisions. Though signage has low impact actually it helps in gaining the passer-by attraction and from results it is also clearly shows that in-shop promotions and product displays holds the consumers for a long time results to the buying decision. Therefore, the quantitative figures show that visual merchandising has significant impact in buying decisions

In addition to the in-store variables, most of consumers consider price of goods, location, and customer service and parking facilities etc. When customers are ranking the relative importance of factors affecting to the buying decisions, most of customers have given first and second priority to visual merchandising as it conveys them clearly what the product is and whom it is meant for also at the same time it also informs the consumers about the offerings and discounts associated with that product. Second and third largest amount of customers mentioned price of goods and location of the outlets.

Recommendations

The research findings of present study have more practical orientation and which is important for the marketers in supermarkets sector. Hence, the study recommends the following.

1. Visual merchandising is the most important variable in in-store environment among the tested variables. It can significantly influence on consumer's buying choice. Therefore, application of more attractive visual merchandising materials in their promotions will help to obtain better results. The lighting, Design layout, themed displays and cleanliness are the key elements of visual merchandizing programs.
2. Most of customers are willing to purchase products from super markets from 6.00p.m. To 9.00p.m. In weekdays and 10.00a.m. To 8.00p.m. During weekends. Therefore, visual merchandisers can pay special attention to make attractive environment in the supermarket premises and make action to control the rush condition.
3. Spaces between shells (Passage), cashier counters layouts, height of shells, no. of Gondola, number of impulse counters, sanitary facilities, height of roof are key variables of design layout that helps to make customer relaxation, convenience to selection of products, reduce average waiting time and encourage the impulse purchasing etc.
4. When designing the product display, Supermarket managers should pay special attention on category layout, canola (Light ceiling), color separation, lighting box, category name of product shells.
5. When planning for themed displays for special offers or for festive seasons, the theme of the display and creativity should match the offer for example when planning for valentine special it's very important that pick color should be used for the display

6. Damaged items on the shelves and dust will make bad image towards the supermarket outlets and design of floor tiles can make significance influence to feeling of pleasure at shopping time.
7. Majority of customers respond to the lighting more positively. They specially mentioned that lighting helps to select correct products, reduce the time wasted and feel relaxation during the shopping tours. Therefore managers can select appropriate lighting system that creates satisfaction of psychological needs of customers.
8. The background music will also encourage customers to spend extra time in supermarkets. However, it has low significance relative to the other elements of in-store environment. It will help to encourage customers to make impulse purchasing decisions in supermarkets. And also customers will consider the shopping in such a supermarket is one of entertaining exercise. The soft and classic music are highly recommended than other type of music.

Conclusion

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.

With globalization and the retail boom, visual merchandising is growing in leaps and bounds. It is not simply concerned about decorating a store beautifully; but must also symbolize the brand keeping the target audience in mind.

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