

**MENTOR | The Journal of Business Studies**

Faculty of Commerce and Management, Eastern University, Sri Lanka

JBS

Impact of Visual Merchandising on Impulse Buying: A study on Clothing segment in Kurunegala District

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ABSTRACT

The evolution of visual merchandising brought about a new process of shopping. It is an art of presentation, which puts the merchandiser in focus. Visual Merchandising includes different types of visual merchandising techniques. Visual merchandising is used in all the fields such as fashion, technology, accessories market and so on. It is today a lifeline of clothing retail stores because clothings have short product life cycles. The purpose of this paper is to investigate the relation between visual merchandising and impulse buying among clothing retail consumers in Kurunegala district. Questionnaires which contained measures of impulse buying, window display, mannequin display, floor merchandising, promotional signage and cross merchandising were administered among 400 consumers who resides in Kurunegala divisional secretariat area. The outline for analysis is reliability test for dependent and independent variables, descriptive statistic Pearson correlation test and finally, multiple linear regression analysis to illustrate the greater effect on impulse buying. The results of the present study showed that the mean value for the variables were high *ie* the score is more than 3.5. Correlation analysis showed that there were weak positive relationships ($r = 0.104, 0.107, 0.211, 0.101$ $p < 0.05$) between mannequin display, floor merchandising, promotional signage, cross merchandising and impulse buying while strong positive relationship ($r = 0.729, p < 0.05$) between window display and impulse buying. And it is proved that there is pivotal relationship between types of visual merchandising practices and impulse buying.

Keywords: Impulse buying, Window display, Mannequin display, Promotional signage, Cross merchandising

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1. Introduction

According to the report "The Report: Sri Lanka 2016" published by Oxford Business Group indicates retail becomes one of the Sri Lanka's fastest growing sectors. The retail industry in Sri Lanka has emerged as one of the most dynamic and rapidly growing industries today. Clothing retail industry is a very volatile one. There is a high degree of competition among the clothing retail market and most of the clothing retailers are fighting to attract customers as well as to stand out from the rest and to be the best clothing retail chain in the country (Wanniachchi & Kumara, 2016).

As sky is the limit for business and it is unable to undertake the need for association of customer and increasing competition, marketing has become an unavoidable and resourceful object especially in today's world. There is a need for an effective marketing practice in view of customer buying in order to maintain sustainable competitive advantages in market place. According to Khaniwale, (2015) Consumer buying involves the study of individuals and the method they employ to choose, utilize, and set out products and services to fulfil their wants and the effect that these methods have on the consumer and the society as a whole. Moreover, it is experimental that, distribution function takes more prominent part of marketing and retailing sector has changed very rapidly. Today clothing retail shops have become leading business practice in retail sector in Sri Lanka. As a result of big competition developed among clothing retail shops the in-house promotion and visual merchandising have become more important in market stimuli.

In Sri Lankan context most of clothing retail shops are using visual merchandising as point of sales promotions within their clothing retail premises. Clothing retail industry is a very volatile one. At present many of the marketers reasonably assume that a considerable influence can be made on impulse buying decision of consumers through visual merchandising. Visual merchandising enhances the attractiveness of a store and its perceived image from the viewpoint of customers by affecting as mentality. Atmospheric stimuli that please the actual and emotional needs of consumers enhance the degree of consumer participation in a store, leading to favorable purchasing behaviors.

The problem centered in this study will focus on influence of five types of visual merchandising on consumer's impulse buying in clothing retail shops. The type of visual merchandising used as one prediction in this study as follows Window display, Mannequin display, Promotional signage, Floor merchandising, Promotional Signage and Cross merchandising.

2. Literature Review

Visual Merchandising

Visual merchandising as an art/science to present various categories of goods at the store in a way that is visually effective and appealing with an emphasis on communicating with consumers with the help of pictures and presentations (Sachdeva & Goel, 2015). Visual Merchandising as a silent salesperson, as its tools does not speak but definitely convey their sales message through visual appeal. In order to fulfill the changing expectations of today's customers, retailers need to place greater emphasis on presentation of merchandise. Retailers have to understand the importance of shopper's expectations and provide the right environment to lure them (Thomas, Louise, & Vipinkumar, 2018). Chaudhary and Jadhav (2014) through

their study said that virtual merchandizing is the art of creating visual displays and arranging merchandize assortments within a store to improve the layout and presentation and to increase growth, sales and hence in turn the profitability. Especially in retail sector marketers try to increase their revenue by using most of the marketing strategies. Visual merchandising as a marketing technique in which the retailers enhances both the exterior and interior of their store in order to attract their target customers (Mattila & Wirtz, 2008). Visual merchandising is one those in store marketing tools that actually triggers unplanned buying among the consumers. In this technique the marketers visually enhances their outlet by creating an aesthetic atmosphere, appropriate shelf arrangement, attractive window display, cleanliness (Chandon, Hutchinson, Bradlow, & Young, 2009).

Types of Visual Merchandising

Window Display: Window display is the first point of visual contact a consumer has with a store and the starting step of the retail experience. Kouchekian & Gharibpoor (2012) contributed through his research by stating that there are numerous retailers out there offering same kind of products to the consumers. However, the thing that differentiates one retailer from another is the way he exhibits his products that draws the attention of the customers. Window display is one of those attractive measures highlighted by (Mopidevi & Lolla, 2013).

Mannequin Display: Mannequins can be defined as “an assembled model of the human body used by retailers to demonstrate their products, especially to exhibit the draping of apparel” (Jain, V; Sharma , A; Narwal, P, 2012). Mannequins are also used to show how to mix and match colors, garments and accessories (Sen, et al., 2002). Mannequins can generate a positive response from customers because of the ability to visually see the clothing offered allowing the customer to get a mental picture of the store brand (Kerfoot, et al., 2003).

Floor Merchandising

Store layout, also known as floor layout (Davies & Tilley, 2004). That refers to how the different sections and aisles of a store are organized with the basic and simple objective of getting customers shop longer and buy more. Floor layouts are extremely important because they strongly influence in-store traffic patterns, shopping atmosphere, shopping behavior, and operational efficiency (Vrechopoulos, O'keefe, & Doukidis, 2004)

Promotional signage

Promotional signage is defined as a ‘wording used either alone or in conjunction with in-store display to convey product or promotional information to customers with the purpose of informing and creating demand for the merchandise’ (Kim, 2003).

Moreover, regarding the different elements that can lead to an impulse buying, low prices including price reductions, sales promotion and discounts are considered as having direct effects on consumers’ buying decisions (Tendai & Crispen, 2009).

Cross Merchandising

The cross merchandising is used by retailers to market or promote products from different products together. Retailers today face increasing competition in their markets, prompting them to focus on in-store merchandising (aisle and display placement decisions) and promotion (price and deal decisions) strategies to improve their shares of consumer purchases and wallets (Bezawada, Balachander, & Kannan, 2009). Retailers are going beyond category management to cross-category management initiatives involving merchandising and promotion (Levy, Grewal, Kopalle, & Hess, 2004).

Impulse Buying

Impulse buying is a rapid convincing, hedonically compound purchase behaviour in which the quickness of the impulse purchase decision precludes any thoughtful, intentional contemplation of alternatives (Kacen & Lee, 2002). Pentecost & Andrews, (2010) later argued that fashion-oriented impulse buying can be influenced by shopper's own positive emotions when shopping. Impulse buying or purchasing with little or no advance planning is also a form of low-involvement decision making (Michael & William, 2010). Impulse purchases are more likely to happen when shoppers evaluate the purchase as appropriate. Impulse buying may originate from consumer traits such as impulsiveness and optimum stimulation level, shopping enjoyment, or lack of self-control (Youn & Faber, 2000).

Visual Merchandizing on Impulse Buying

Many researchers conduct research on the visual merchandising on impulse buying behaviour (Mehta and Chugan, 2013; Bashar and Ahmad, 2012; McGoldrick, 1990; Marsh, 1999; Sujata et al., 2012). According to Lea-Greenwood, (1998) visual merchandising practices certainly influence customers' buying behavior. Research exposed that there is a direct proportional relationship between customers' buying behavior and in-store form/mannequin display, promotional signage and window display. Kim (2003) found a significant relationship between college students' impulse buying behavior and in-store form/mannequin display and promotional signage.

3. Methodology**Study Population**

The population was taken from Kurunegala district's workforce under the divisional secretariat by using data of department and census and statistics.

Sample Size and Sampling Technique

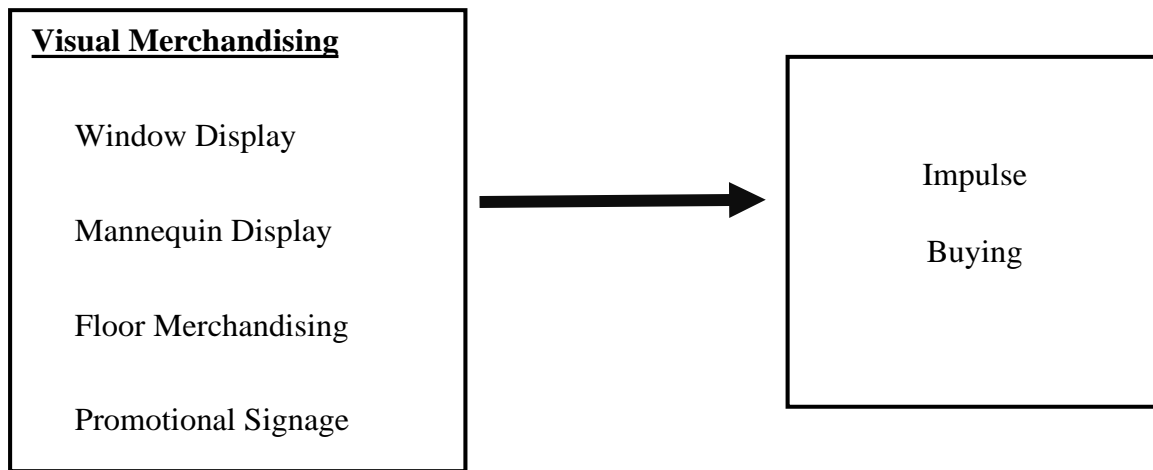
Total numbers of 400 respondents were selected by stratified random sampling method and in order to collect the data required for the study.

Conceptual Framework

A conceptual framework describes as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel & Ramey, 1987). Based on the proceeding literature and research question, the conceptual framework for this study is shown follows. It was conducted based on causal relationship of some dimensions of visual merchandising on impulse buying.

Independent variable

Dependent variable



Source: (Moayery, Zamani, & Vazifehdoost, 2014)

Figure 1: Conceptual Framework

Data Collection

Primary and secondary data were incorporated in this study. As a primary data collection, data were collected from the selected sample over a period of two weeks using the questionnaire (five point Likert scale) method. As a secondary data collection, various published and unpublished researches, journals, books, newspaper articles and internet sources were considered

Method of Data Measurements

The variables in the research model (window display, Mannequin display, Floor merchandising, Promotional signage, Cross merchandising and Impulse buying) were measured through questionnaires with Five Point Likert scale and demographic factors measured through nominal scale which were completed by the respondents themselves appropriately as they perceived respond to each and every questions.

The following is the decision rule for Univariate Analysis

Range Decision attributes

$1 \leq X_i \leq 2.5$ Low level

$2.5 < X_i \leq 3.5$ Moderate level

$3.5 < X_i \leq 5.0$ High level

Where X_i = mean value of a dimension/variable

The following is the decision rule for Correlation Analysis

Range Decision Attributes

$r = 0.5$ to 1.0 Strong Positive Influence

$r = 0.3$ to 0.49 Medium Positive Influence

- r = 0.1 to 0.29 Weak Positive Influence
 r = -0.1 to -0.29 Weak Negative Influence
 r = -0.3 to -0.49 Medium Negative Influence
 r = -0.5 to -1.0 Strong Negative Influence

Method of Data Presentation

The data collected using of questionnaire and evaluated by using the software SPSS version 22.0. Data is presented under two categories as personal information and research information. Personal information is presented with frequency tables. Research information is presented with the help of descriptive statistics and correlation and regression.

4. Results and Discussion

Analysis of Reliability of the Instruments

The reliability of the instrument was measured using Cronbach's Alpha analysis. It measures the internal consistency of the instrument, based on the average inter-item correlation. The result of Cronbach's alpha test is shows in table 1 which suggests that the internal reliability of each instrument was satisfactory. All the Cronbach α value is above 0.7 indicates an acceptable internal consistency of the scale.

Table 1: Reliability Analysis for Overall Variables

Variable	Cronbach's Alpha Value	Number of Question Items
Impulse buying	0.753	05
Window display	0.772	02
Mannequin display	0.937	04
Floor merchandising	0.840	03
Promotional signage	0.790	04
Cross merchandising	0.750	03
Visual merchandising	0.712	16

Table 1 demonstrated the reliability for independent variables and a dependent variable. According to this study the overall variable Cronbach's Alpha Coefficient for window display is 0.772, mannequin display is 0.937, floor merchandising is 0.840, promotional signage is 0.790 and cross merchandising is 0.750. The dependent variable impulse buying shows a reliability of 0.753 and independent variable of visual merchandising shows a reliability of 0.712. When the Cronbach's Alpha coefficient value is above 0.70 is considered and accepted as reliable instrument. In this study also, Cronbach's Alpha Coefficient values for overall variable are above 0.70, so it is indicated that all items considered as reliable, which suggest that the internal reliability of each instrument was satisfactory.

Univariate analysis

Demographic factors have divided into five categories. Such as gender, age, educational level, income level and preferred clothing retail stores.

Table 2: Analysis of Demographic Data

Demographic Factors	Classification	No. of Respondents	Percentage (%)
Gender	Female	216	54
	Male	184	46
Age	20-29	190	47.5
	30-39	114	28.5
	40-49	84	21
	50-59	12	3
Educational level	Passed up to G.C.E. (O/L)	36	9
	Passed up to G.C.E. (A/L)	173	43
	Under graduate	75	18
	Graduate	116	29
Income Level	<20000,	101	25.3
	20000-39999,	194	48.3
	40000-59999,	79	19.8
	>60000	26	6.5
Preferred Clothing Retail Store	ODEL	40	10
	NOLIMITE	63	15.8
	Fashion Bug	57	14.3
	Sriyani	56	14
	CIB	82	20.5
	ASB	51	12.8
	Other	51	12.8

Table 3: Descriptive Statistics for Independent Variables

Indicators /Variable	Mean	Standard Deviation
Window display	4.2125	.61403
Mannequin display	4.16	.817
Floor Merchandising	4.22	.607
Promotional signage	4.10	.402
Cross merchandising	4.37	.562

Based on the data from Table 3, mean value of cross merchandising is 4.37. Therefore, based on the decision rule, cross merchandising towards the consumer's impulse buying behavior in Kurunegala district is strong. And also mean values of the window display, mannequin display, floor merchandising and promotional signage are in strong positive as 4.2125, 4.16, 4.22 and 4.10 respectively. All visual merchandising dimensions have high level according to decision criteria.

Table 4: Descriptive Statistics for dependent Variable

Indicators /Variable	Mean	Standard Deviation
Impulse buying	4.31	.463

According to the variable of impulse buying has high level at its customers in clothing retail stores in Kurunegala district (Mean=4.31). In addition, most of the respondents expressed the common opinion regarding the variable of impulse buying (SD = 0.463).

Correlation

Table 5: correlation analysis for types of visual merchandising

Variable		Impulse Buying
Window display	Pearson Correlation	.729
	Sig (2- tailed)	.000
Mannequin display	Pearson Correlation	.104*
	Sig (2- tailed)	.037
Floor merchandising	Pearson Correlation	.107*
	Sig (2- tailed)	.032
Promotional signage	Pearson Correlation	.211**
	Sig (2- tailed)	.000
Cross merchandising	Pearson Correlation	.101*
	Sig (2- tailed)	.044

According to Table 5, shows the results of Pearson Correlation between types of visual merchandising and impulse buying. Visual merchandising dimensions are significant ($p < 0.05$). There is a strong positive

influence between window display and impulse buying. The mannequin display, floor merchandising, promotional signage and cross merchandising have weak positive relationship with impulse buying.

Multiple Regression Analysis

The fourth objective of this study is to examine the impact of visual merchandising on impulse buying of clothing retail stores in Kurunegala. To explore this the following multiple regression analysis is performed.

Table 6: Multiple Regression Analysis

Model	Unstandardized		Standardized	t	Sig
	Coefficient		Coefficient		
	B	Std. Error	Beta		
Constant	.839	.231		3.624	.000
Window Display	.543	.025	.719	21.421	.000
Mannequin Display	.055	.019	.096	2.904	.004
Floor Merchandising	.059	.026	.077	2.236	.026
Promotional Signage	.087	.040	.075	2.141	.033
Cross Merchandising	.081	.027	.099	2.966	.003

The results in the above Table 6 indicates that, the significance of t-value is 0.000 ($p < 0.05$). The unstandardized constant statistic is 0.839 it shows that the model would predict if fall all of the independent variables zero. Coefficient table helps to identify which among the independent variable most impact variable on dependent variable. According to Table 5.24 beta value under standardizes coefficient, it is concluded that window display ($t=21.421$, $p<0.05$, $\beta =0.543$) is the most impact factor to the impulse buying. According to the contribution, promotional signage ($t=2.141$, $p<0.05$, $\beta=0.087$), cross merchandising ($t=2.966$, $p<0.05$, $\beta =0.081$), floor merchandising ($t=2.236$, $p<0.05$, $\beta =0.059$) and mannequin display ($t=2.904$, $p<0.05$, $\beta =0.055$) are important factors to the impulse buying respectively. Based on the evidence it is concluded that the window display, mannequin display, floor merchandising, promotional signage and cross merchandising are positively impacted on impulse buying of consumers in clothing retail stores in Kurunegala district.

5. Conclusion, Recommendations and Future Directions

Conclusion

First Objective: According to the descriptive analysis results, mean value of window display shows as 4.21, mannequin display shows as 4.16, floor merchandising shows 4.22, promotional signage shows 4.10 and cross merchandising shows 4.37. Therefore, based on the decision rule, indicates there is a high level in

window display, mannequin display, floor merchandising, promotional signage and cross merchandising on impulse buying.

Second Objective: According to the descriptive analysis results, mean value of impulse buying shows as 4.31 and value of standard deviation is 0.463. Based on the decision rule, indicates there is a high level in impulse buying.

Third Objective: Third objective of the research is to explore the relationship the types of visual merchandising with impulse buying in clothing retail stores in Kurunegala district. Correlation analysis was used to achieve this objective. Researcher identified there is a weak positive relationship ($r = 0.104, 0.107, 0.211, 0.101$ $p < 0.05$) between mannequin display, floor merchandising, promotional signage, cross merchandising and impulse buying while strong positive influence ($r = 0.729, p < 0.05$) between window display and impulse buying.

Forth Objective: Forth objective of the research is to explore the impact of visual merchandising on impulse buying. According to the study window display, Mannequin display, Floor merchandising, Promotional signage and Cross merchandising are significantly impact on impulse buying in clothing retail stores in Kurunegala district.

Recommendations and future directions

In visual merchandising creates a psychological impact on the minds of the consumers and can capture attention. They reflect one's moods and thus, add meaning. Therefore, visual merchandising play a vital role in creating a positive shopping experience. Hence, retailers should be careful at the time of selecting the proper visual merchandising tools in their fashion shops. The shop managers should always supervise these personally so as to increase the sales.

The findings of this study provided sufficient evidence that retailers are utilizing visual merchandising. But retailers should use some visual merchandising strategies than others to help customers being aware of the products as well as to create favorable attitudes. According to statistical data, window display is most important factor to give awareness and favorable attitude about new trends of clothes, promotional signage is another important strategy to give information about promotion.

The study revealed that visual merchandising has a great influence on impulse buying. Thus it will be very important for retailers be the forefront endorsers of new merchandising techniques in the clothing stores. The retailers need to be convinced by the values and the strategic benefits of visual merchandising in order to grant the required financial and non-financial support that help to take best chances to sustain a competitive advantage. Also, retailers should pay much attention to establish specialized visual merchandising techniques.

The present study continued with clothing segment though it can be examined in other segments also. And since this study limited only within Kurunagella district wherever it is falling into patriarchal society, researchers can extend it to other districts where matriarchically practices taking places. This study can be conducted in longitudinal study to changes understand the impulse buying behavioral patterns.

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