



IMPACT OF VISUAL MERCHANDISING OF CLOTHING STORES ON IMPULSE BUYING BEHAVIOR

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Abstract

Due to increasing competition and the similarity of merchandise, retailers utilize visual merchandising to differentiate their offerings from others' as well as to improve the desirability of products. The purpose of this research was to investigate the relationship between customer apparel impulse buying behaviours and visual merchandising such that window display, mannequin display, floor merchandising and promotional signage. The study was conducted at 20 selected famous clothing stores in Ampara District. A response of 200 fashion cloth customers was collected through the structured questionnaire. and the multiple regression analysis was carried out using SPSS 25 to find the relationships between customer impulse buying and visual merchandising. The result of the present study shows that the significant ($p < 0.05$) positive relationship was observed among customer's impulse buying behaviours and window display ($\alpha_1 = 0.217$), mannequin display ($\alpha_2 = 0.332$), floor display ($\alpha_3 = 0.448$), and promotional signage ($\alpha_4 = 0.478$). The study reveals that visual merchandising should be considered a pivotal component of a strategic marketing plan in support of increased sale and positive image about retailer at fashion clothing stores. Further, shows the insight to Sri Lankan fashion retailers about types of visual merchandising that can influence consumers' impulse buying behaviours. The study recommends that even though impulse buying behaviour might have been more likely associated with external factors, it is strongly related to internal factor as well, therefore, this study could be extended to investigate both internal and external factors through the combination of the quantitative and qualitative research approach.

Keywords: Buying behaviour, fashion, in-store, visual merchandizing



Introduction

Impulse buying is of concern to manufacturers and retailers in grocery retailing. Over the past two decades, manufacturers have increasingly changed their strategic emphasis from conventional marketing levers and aimed at creating awareness, implementing marketing orientation aiming to influence in-store consumer decisions. The marketing strategy implemented in shops induces the customer purchases un-planned goods and services known as impulse purchasing (Liao et al., 2009). Fashionable clothing is a purchased good that signals to other people information about the personality and status of its wearer (McNeill & Moore, 2015). Fashion is bought in a large part of impulsively, because of its ever-changing style. Therefore, fashion retailers must be fully aware of the power of impulse buying in enhancing their revenues and they must concern more on merchandising to differentiate themselves from others.

Sri Lanka's fashion stores have emerged as one of the most competitive and rapidly growing industries, with many domestic and international players joining the industry. Besides, in a fashion retail context focusing on impulse purchases are far more important. In the next few years, Sri Lanka's organized fashion retailing is expected to expand multifold, driven primarily by evolving lifestyles, rising disposable incomes and favourable demographic segmentation. Therefore, the management must identify factors, which lead to impulse buying. Thereby they can focus on those factors to increase the impulse purchases. Hence the present study identified that there is a management decision problem; how can a fashion retail store increase the level of impulse purchases?" Based on literature below the researcher identified visual merchandising as one of the important factors, which influence a consumer's impulse support. Today's severe competition and the similarity of merchandise force each segment of the fashion industry to utilize visual merchandising to improve the demand for products. Apparel retailers, especially, place more importance on merchandising to differentiate their offerings from others. Then the research problem can be identified, "What is the impact of merchandising on the impulse buying behaviour of a consumer at a fashion store?"

Many fashion retailers in Sri Lanka are trying to win the market. Retailers must present their offerings in the best way to attract consumers. Although some of the stores have a different kind of target markets, it is obvious that each has to be special or unique among other competitors. Today with the dynamic & competitive environment and the similarity of merchandise force, it is essential that each segment of the fashion industry should utilize merchandising to improve the desirability of products to sustain in the market. Hence the present study investigated the influence of visual merchandising on impulse buying behaviour of the customers visiting cloth stores.

Review of literature

Merchandizing factors that impact the impulse purchasing behaviour of a customer can be found in the literature. Baker et al. (2002) studied that consumers' beliefs about the physical

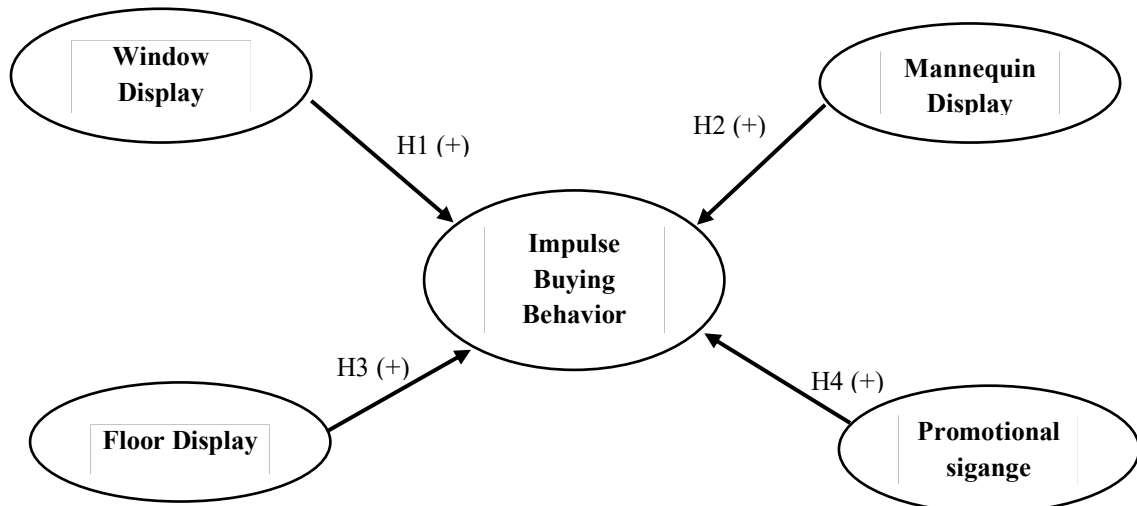


attractiveness of a store had a higher correlation with a choice of a store than did merchandise quality, general price level and selection. This supports the notion that consumers' choice of a store is influenced by the store environment, of which visual merchandising plays a vital role this view is consistent with Bowers's (1973). Today many retailers are concentrating on window display to pull passerby's concentration and eventually to convert buyers into customers (Alvesson & Willmott, 2012). Impulse buying takes place consequent to contact to in-store stimuli. In-store stimuli remind the customer of their shopping needs thus leading to an impulse purchase, (Zhou & Wong, 2004). To increase unplanned purchases of products retailers primarily use in-store stimuli as promotional techniques. In-store display, point of purchase displays, on-shelf positions, on-shelf position and in-store demonstrations are promotional techniques used (Chandon et al., 2009; Nordfält & Lange, 2013; Zhang, 2006). Further, Flamand et al. (2016) found that there was a positive bond among the length of shelf space given to an impulse product brand and high Customer acceptance. Thus, the in-store window display is an important factor influence unplanned purchasing.

Floor merchandising is another factor in determining upland purchasing behaviour of a customer. Vishnu and Raheem (2013) and Bhatti and Latif (2014) found the positive correlation between visual floor merchandising and consumer impulse buying behaviour. Impulse buying is related to ease of buying, this phenomenon has been progressively increased during the last decade for the reason attributed to the relationship that exists between impulse buying and floor display merchandising. Floor visualization provides a favourable environment for impulse buying; and in return, unplanned buying has twisted the expansion of certain floor merchandising techniques. The innovative way of floor visual merchandising dimensions that are relevant and improve the purchasing momentum of customers visiting the stores (Mehta & Chugan, 2012). The occurrence of impulse buying could be attributed to exposure to in-store stimuli such as visualization of cloths and floor branding acting as reminders of shopping needs (Moayery et al., 2014). Therefore, producers need information on the effectiveness of consumer purchasing behaviour for their brands up to an extent which influences the in-store stimuli. On the other hand, retailers also need similar information to calculate the effectiveness of resources designed to generate additional sales and perhaps to differentiate their stores from other competitors. According to this, the following hypothesis developed.

Another factor that determines the impulse buying is promotional signage. Karbasivar and Yarahmadi (2011) predicted a positive relationship between consumers' apparel impulse buying behaviour and promotional approaches studied through cash discount and free items. Promotional tools were the prominent strategy to raise impulse purchasing in grocery stores (Hultén & Vanyushyn, 2011). Further, the sales promotion inside the shop influences the impulse of the customer to purchase. Liao et al. (2009) found that both the sales advertising technique and its interaction impact with product appeal provide important impacts on the purchasing of reminder impulses. A crucial role of promotional signage was found in determining the impulse purchasing of supermarket customers (Nishanov & Ahunjonov, 2016). Thomas et al. (2018) stated that retailers can

support customers in finding the right products through signage, through which customers would be able to identify needs, leads to customer satisfaction. The influential factors identified from the selected literature is summarized as a conceptual framework as illustrated below (Fig 1).



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Figure 1: Conceptual Framework

The present study was conducted to investigate the impact of visual merchandising factors used in clothing stores on impulse buying behaviour. Data were collected from 20 selected famous clothing stores in Ampara District. A response of 200 customers who visited the selected store was collected through a structured questionnaire in September 2019. The dimension of visual merchandising includes four variables such as; window display, mannequin display, floor merchandising and promotional signage. All the questions were structured ones with 5 alternatives and the responses were scaled using the 5-point Likert scale. Cronbach's alpha test was initially performed to test the degree of the inter-item consistency of an instrument and reliability of data for the analysis. Closer the Cronbach's alpha value is to 1, the higher the internal consistency reliability (Sekaran & Bougie, 2016). Among the variables, convergent validity was evaluated through correlation analysis and the influence of visual merchandising on impulse buying was tested via following multiple regression analysis (Equation 1) using the tools in Statistical Packages for Social Sciences' (SPSS 25) software. Impulse buying behaviour of cloth customers with hypothesis developed from past literature are given below;

H1: there is a positive influence of window displays on impulse buying behaviour.

H2: there is a positive influence of mannequin displays on impulse buying behaviour

H3: there is a positive influence of floor merchandising on impulse buying behaviour.

H4: there is a positive influence of promotional signage on impulse buying behaviour.

$$Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + u_i \quad (1)$$



Where, Y, X1, X2, X3, X4 are the impulse buying, window display, mannequin display, floor merchandising, and promotional signage respectively; α_0 is the constant term; $\alpha_1, \alpha_2, \alpha_3,$ and α_4 are the parameters to be estimated and u_i error term assumed with zero mean and constant variance.

Results and Discussion

Table 1 shows the demographic characteristics of the sample. The present study selected 70% female and 30%, males. Most of the respondent’s age between 21 - 25, where less participation was observed between the age of 31 – 35 years. Besides, most of the respondents were in the range of Rs. 21,000.00 – Rs. 30,000.00 of income only 12.5% of respondent were below Rs. 20,000.00 as monthly incomes.

Table 1: Demographic characteristics of sample

Characteristics		Percent
Gender	Male	40.0
	Female	60.0
Age	15 - 20	21.0
	21 - 25	22.5
	26 - 30	20.0
	31 - 35	6.5
	36 - 40	10.0
	41- 45	10.5
	45 or over	9.5
	Income	Below Rs. 20, 000
Rs. 21,000.00 – 31,000.00		39.5
Rs. 31,000.00 – 40,000.00		33.5
More than Rs.41,000.00		14.5

The correlation coefficients indicated in Table 2 illustrate that the constructs selected for all visual merchandising and impulse buying variables are significantly ($p<0.05$) convergent and valid measures for analysis. Further, every construct had a positive relationship among them for a variable.

Table 2: Correlation among selected constructs of variables

Variables	Correlation coefficient
Impulse buying behaviour	0.756**
Window display	0.851***
Mannequin display	0.653**
Floor merchandising	0.804**
Promotional signage	0.971**

** and *** are Significant at 5 % and 1% respectively

Multiple regression analysis was used in determining the impact of visual merchandising on customer impulse buying behaviour in fashion clothing retail shops. The results from multiple linear regression are presented in Table 3. The coefficient of determination ($R^2 = 0.814$) mentioned that the variation in impulse buying of fashion clothes was 81.4 % explained by the selected visual merchandising variable used in the model and the regression equation fitted with the data. Therefore, the following (Equation 2) estimated model was selected from the regression analysis. The standardized coefficient (α_i) values, p values for visual merchandising variables of the model reveals that that highest positive relationship observed for promotional signage and the lowest for window display with impulse buying of a customer at 5 % significant level.

Table 3: Multiple linear regression analysis results

Variables	Coefficient (SE)	p - value
Window Display (X_1)	0.217 (0.087)**	.045
Mannequin Display (X_2)	0.332 (0.152)**	.025
Floor merchandising (X_3)	0.448 (0.168)**	.021
Promotional signage (X_4)	0.478 (0.249)**	.015
Constant (α_0)	4.029 (0.511)***	.000

** and *** are Significant at 5 % and 1% respectively, $R^2 = 0.814$

$$Y = 4.029 + 0.217 X_1 + 0.332 X_2 + 0.448 X_3 + 0.478 X_4 \quad (2)$$

Window display significantly ($p < 0.05$) impacted the customer impulse buying behaviour in fashion retail stores. There was a positive correlation between the value of window display to change and customer impulse buying behaviour ($\alpha_1 = 0.217$), which supported to the positive impact of the value of window display to change on customer impulse buying behaviour. Based on the regression analysis, the improved level of window displays in a fashion clothing store shows the availability of the goods and services



stimulate a customer to enter to the store and eventually make them purchase the product (Bhatti & Latif, 2014). A better window display draws attention, stimulates curiosity and encourages the customer to buy merchandise in the shop. This can be done in less than 11 seconds, as that is the average amount of time a person spends looking at a window display (Abarajithan, 2013). Therefore, retailers should be careful not to crowd too many products into windows that find the message difficult to determine. Mannequin display was an important factor found to be a significantly ($p < 0.05$) influential factor on customer impulse buying behavior in fashion retail stores. The impact from design of mannequin display was slightly strong ($\alpha_2 = 0.332$) and positive. Mannequin is a powerful tool used most of the fashion clothing retail shops to show the customers, how the cloth is attractive when wearing it. There is higher chance of taking decision to purchase a cloth when he or she supposed to see the cloth with a mannequin (Mehta & Chugan, 2012). Thus the mannequin is an important tool as far as the clothing stores are considered.

Floor merchandising significantly ($p < 0.05$) impacted on customer impulse buying behaviour in fashion retail stores. A strong positive ($\alpha_3 = 0.448$) relationship was observed between floor merchandising and impulse buying behaviour of fashion clothing customers as shown by Bhatti and Latif (2014). When a customer enters into a cloth store his or her eyes would move from the rear left of the room to the rear right first, then from the front left of the room to the front right (Madhavi & Leelavati, 2013). This suggests that the floor merchandising of the room should be carefully positioned in an enticing way to keep customers involved. A highest strong positive ($\alpha_4 = 0.478$) significant ($p < 0.05$) impact was observed in promotional signage. The finding is in line with a previous study (Thomas et al., 2018). Therefore, promotional signage is an identified most influential factor in stimulating the fashion cloth customer toward purchasing. The study reveals that the customer impulse to purchase a product is increase by promotional signage such as a discount, free and tours. From the analysis, it can be identified that there is a positive relationship between visual merchandising and customer impulse buying behaviour. The finding implies that the visual merchandising variables have an impact on fashion cloth customer's impulse buying behaviour.

Conclusion and Recommendation

Impulse buying has been described as an unplanned and an immediate purchase where the consumer has no prior plans to purchase. Simply it is associated with an unplanned and sudden purchase which is initiated on the spot. This research explored how the visual merchandising factors affecting the impulse purchasing of its customers as it is immediate with no pre-purchase decision. The findings showed that there was a positive vital link between the impulse buying behaviour of consumers and window display, mannequin display, floor merchandising and promotional signage and it was obvious that there was a significant association between the chosen visual merchandising practices and peoples' impulse buying behaviour. This indicates that these visual merchandising activities, which



function as triggers that cause an impulse that eventually motivates a customer to make an unplanned buying decision when entering the shop, dramatically affect the purchasing habits of customers. The findings of this study provided sufficient evidence, that retailers can utilize visual merchandising to increase the desirability of products and to help customers being aware of the products as well as to create favourable attitudes.

Visual merchandising not only communicates the store's image but also reinforces the store's advertising efforts and encourages impulse buying by the customer. Since the store itself can offer a unique atmosphere or environment, that may influence the consumer's decision, retailers should concern more on visual merchandising. Despite the fact that impulse buying behaviour might have been more likely associated with external factors, it is strongly related to emotional and behaviour. Even though the association was measured through survey questionnaires, it could have been difficult for the respondents to narrow down their emotions and behaviours through answering the questions in the structured questionnaire, therefore, research studies with the combination of quantitative and qualitative research methods could be recommended to get a precise decision in impulse purchasing of fashion clothing customers.

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