

## Visual merchandising displays effect – or not – on consumers: The predicament faced by apparel retailers

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### Keywords

Retail industry; retailers; visual merchandising display; consumer perceptions; marketing stimuli; apparel.

### Abstract

*Since the beginning of time, retailing has been with us. Through the years, the processes and systems used by retailing have been tailored and modified in order to meet the demands of the consumers. Similarly, the in-store activities aimed at the consumer has been growing and changing. In the early stages of retailing, the focus was solely on merchandising, but even merchandising has evolved and it became more absorbed, specialized and specific. This has led to this study focusing on visual merchandising displays and its effect – or not – on consumer expenditure. A great deal has been said about visual merchandising displays and the way it affects consumers and their behaviour. Consumer behaviour (with the focus on consumer perceptions) towards visual merchandising displays were therefore examined and assessed in this study. The main research question that pended from this study was to determine the effect of visual merchandising displays on consumer behaviour, with the focus on consumer perception. Explorative research was performed and qualitative data were collected by means of naïve sketches and focus groups. The data was analysed by means of thematic analysis. The key conclusions that could be drawn from the research is that the perceptions that is formed by consumers in terms of visual merchandising displays are subconscious in creating attention and desire to further examine the goods on offer and aesthetically to decorate the store.*

### Introduction

Apparel retailers often ask whether the visual merchandising displays used in their stores add any benefit or worth to the customers experience and value. Retailers want their stores to entice consumers into their stores, helping them to find the goods they need and to encourage them to make planned, unplanned and spontaneous purchases and ultimately provide them with an enjoyable shopping experience (Levi & Weitz, 2009). If these displays do not have this desired effect the question comes to pass if it has any value to spend time and money on these displays.

The visual merchandising displays and the type of environmental stimuli these visual merchandising displays create in apparel retail stores could have an effect on consumers' perceptions, which is "... the practice where a person observes, selects, organises and reacts to environmental stimuli in a significant way..." (du Plessis & Rousseau, 2003). It is therefore important that visual merchandising displays fashioned in an apparel retail stores influence a consumer to approach that store and make a purchase. In the current world wide economic recession and adversity it has become progressively more important that apparel retailers establish how their visual merchandising displays are perceived by consumers. In this way they will be able to determine how consumers are truly seeing their product, and how they understand these products.

This study proceeds from a consumer response centered approach to visual merchandising stimuli, in an attempt to holistically think about this area of the retail industry. The study could be beneficial to apparel retailers as consumers' perceptions towards visual merchandising displays were uncovered. The same findings can practically be applied to apparel retailers anywhere in the world with some adaption to meet local circumstances and behaviour.

## Literature review

### Visual merchandising displays in apparel retail stores

Visual merchandising displays can be regarded as "... visual features that create attention or pleasure in a store with the aim of enhancing the shopping experience of the customer" (Mathew, 2008). These displays are also known as feature areas. Fundamentally these displays or feature areas are used to beautify and decorate a store by adding further objects, props, fixtures, materials, posters, frills, and colours to a store in order to enhance the appeal of the products on offer. The elements of visual merchandising displays, among others, include: store design, signage and graphics, atmospherics, fixtures, and props. These elements are used in the process of visual merchandising display.

The goal of visual merchandising is to display a store together with its merchandise in such a way that it will draw the attention of a possible consumer (Levi & Weitz, 2009). According to Mathew (2008), visual merchandising is the creation of visual displays and the arrangement of merchandise assortments within a store to improve the layout and the presentation of the store in order to increase store traffic and sales. The visual merchandising display process is often referred to as being the "silent salesperson" by providing the consumers with information by means of visual mediums as well as by suggestive selling (suggestions to add items to a consumers' original purchase) (Bhalla & Anuraag, 2010). These visual merchandising displays make use of inventive techniques in order to save the sales person's as well as the shopper's time by making shopping easier and quicker.

The retail industry has changed considerably over the years and this has created (and continues to do so) a number of challenges to retailers in the form of visual merchandising displays. New formats decode into new ideas and originality. For example, Pegler (2010) pointed out that due to the size of super stores and department stores, they need to be "warmed up" by using the correct atmospherics and display methods. Visual merchandising displays are often used to launch new products or brand extensions to consumers as well as to beautify a store. This is a planned and orderly approach to display the stock that is available in the store. Visual merchandising displays is used to great effect in retail outlets to carry out different functions such as to assist sales, to aid the retail strategies, to converse with consumers and to assist in communicating the apparel retailers' brand image (Levi & Weitz, 2009 and Bell & Turnus, 2008). It is the aim of the retailer to use visual merchandise displays to draw customers in the store by means of window displays and then through visual merchandising displays to create or increase sales. Retailers realize that the way in which they use visual merchandising displays has the power to create images about the products in the mind of the consumers - images that will affect future support and perceptions of the product and brand. Visual merchandising displays are now a significant tool for retailers in order to draw and lure consumers into their stores.

### The South African apparel retail industry

Various definitions of retailing exist, each with their own core attributes. Retailing can be defined as a set of business actions that add value to the products and services sold by an

organization to consumers for private or family use (Levi & Weitz, 2009). It can therefore be inferred that an apparel retailer is a business which sells clothing and clothing related products, directly to the consumer for their own use. These products could include clothing, accessories, shoes, hair products, makeup and more. Most importantly, apparel retailers are the mechanism through which fashion/apparel reaches the consumers (Easey, 2009). Apparel retailing today makes it possible for consumers to purchase local and international fashion products at affordable prices (Gopalakrishnan, Sakthivel, & Santhoshkumar, 2009). Fashion is no longer exclusively available to the rich and famous. The retail industry is a key contributor to the economic expansion and well being in a country. The fact that hefty numbers of people are employed in this sector means that it has a severe influence on people's way of life.

As the statistics point out, the retail industry in South Africa is one of the major donors to the economy's total income (Statistics South Africa, 2010). The retail industry in South Africa has expanded and developed in the past decade from 19 million in January 2000 to R47000 million in December 2011. Most of the growth that has taken place has been in the general dealer's category, plus in the textiles, clothing, and footwear and leather goods categories (apparel industry).

Table 1: Contribution of each type of retailer to the retail trade sales

Source: Statistics South Africa. 2011. Retail trade sales. Statistical release P6242.1. December.

Type of retailer	October to December 2010 (R million)	Weight 1/	October to December 2011 (R million)	Difference between October to December 2010 and October to December 2011 (R million)	% change between October to December 2010 and October to December 2011	Contribution (% points) to the % change in total sales 2/
General dealers	53 972	36,7	57 522	3 550	6,6	2,4
Retailers of food, beverages and tobacco in specialised stores	14 506	9,9	15 006	500	3,4	0,3
Retailers in pharmaceutical and medical goods, cosmetics and toiletries	8 848	6,0	9 176	328	3,7	0,2
Retailers in textiles, clothing, footwear and leather goods	32 946	22,4	36 417	3 471	10,5	2,4
Retailers in household furniture, appliances and equipment	10 053	6,8	11 188	1 135	11,3	0,8
Retailers in hardware, paint and glass	9 888	6,7	11 044	1 156	11,7	0,8
All other retailers	16 953	11,5	18 393	1 440	8,5	1,0
<b>Total 3/</b>	<b>147 166</b>	<b>100,0</b>	<b>158 746</b>	<b>11 580</b>	<b>7,9</b>	<b>7,9</b>

1/ Weight is the percentage contribution of each type of dealer to the total retail trade sales for the three months up to the current month of the previous year.

2/ The contribution to the percentage change is calculated by multiplying the percentage change of each type of dealer with its corresponding weight, divided by 100.

3/ Figures have been rounded off. Therefore discrepancies may occur between the sums of the component items and the totals.

Pretoria: Statistics South Africa. p. 3.

Table 1 above shows the contribution of each type of retailer to the percentage change in retail trade sales at fixed 2008 prices. The largest contributors to the 7, 9% increase were retailers in textiles, clothing, footwear and leather goods, followed by general dealers and all other retailers (Statistics South Africa, 2011)

It can be inferred from the statistics that the apparel retail industry is a significant player in the gross domestic product of the country, and that the apparel retail industry is a main contributor to the overall retail industry growth that has taken place in the past decade (Statistics South Africa, 2011). It is for that reason important that the apparel industry keep on looking at ways and means to stay original and to generate methods to expand as competition is becoming increasingly ferocious and rigorous.

With the demands placed on consumer's disposable income and the worsening economic climate the competitive environment has changed and consumers are now in a position to be more challenging and choosy - extending the strain on retailers. As a result of the above factors existing in the apparel retail environment today, every retailer strives to lure consumers to enter their store - and this is done by having the most stimulating and visually appealing retail environments. The plan is to create an atmosphere where consumers can shop in an enjoyable and visually pleasing environment for the colours, fabrics, value and styles they want. In order to achieve such visually appealing retail environments, retailers make use of visual merchandising displays.

### **Consumer perceptions**

The world consumers live in is loaded with atmosphere. When entering an apparel retail store, consumers act differently towards the stimuli and ambience around them; they either pay attention to it or overlook it. Each and every message fashioned by an apparel retailer is done with an explicit purpose in mind. However consumers become apparent to make their own decisions by familiarizing the message that is created by certain feelings or stimuli (such as visual merchandising displays) to fit in with their own unique desires, experiences, and prejudices (Cant, Brink & Brijball, 2006).

Figure 1 shows that various elements (proxemics, kinesics and paralanguage) contribute to a store's atmosphere and that the store atmosphere could have an effect on the consumers' perceptions of a specific store (Blythe, 2008). Consumers' perceptions of a store's atmosphere can ultimately lead to positive buying behaviour (Evans, Jamal & Foxall, 2009).

The first group of components that influences consumer perception (depicted in figure 1) are proxemics, kinesics and paralanguage. Proxemics refers to the use of physical space in conveying a perceptual stimulus. For example, a sales assistant in a retail store might stand too far away from the consumer which could be interpreted as the sales person disliking the consumer, or stands too close which could invade the consumer's personal space. Paralanguage refers to the way words are used. Speaking to loudly or too softly, too quickly or too slowly can influence how a message is conveyed to the consumer. Kinesics is the reading of body language, for instance facial expressions and motions or more formally, non-verbal behaviour (Blythe, 2008). Together, proxemics, kinesics and paralanguage add to a store's overall atmosphere which has an influence on the consumer's general perception of the store.

The second group of elements presented in figure 1 includes decor, in store music, behaviour of shop sales people, other consumers, and store layout, and these also have an influence on the atmosphere of a store. The most important element in terms of this research study is décor. Décor includes the use of visual merchandising displays to furnish and decorate a store. In-store music forms part of store atmospherics and store layout falls within visual merchandising which is not the focus area of this study. As figure 1 indicates, store décor has an

impact on the overall store atmosphere and ultimately affects the consumers' perceptions of the store and the goods the store offers.

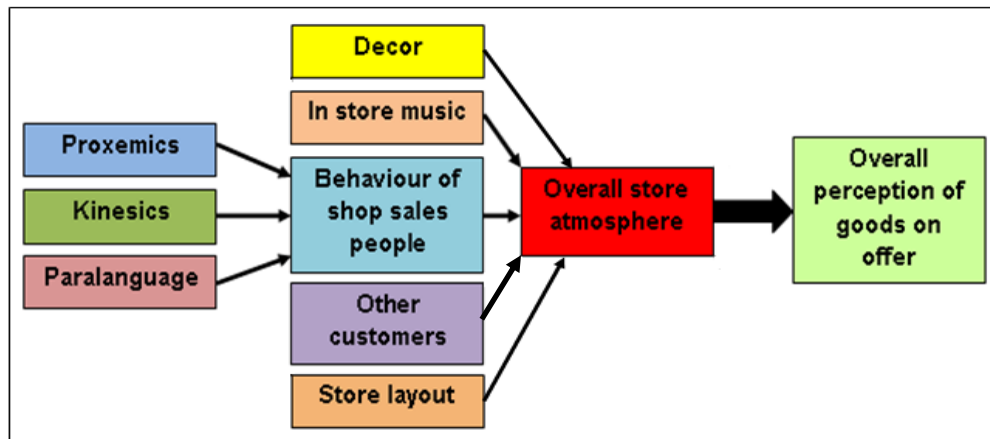


Figure 1: Perception and visual merchandising

Source: Adapted from Blythe, J. 2008. *Consumer behaviour*. London: Thomson. p. 97 and Evans, M., Jamal, A & Foxal, G. 2009. *Consumer behaviour*. 2nd ed. England: John Wiley & Sons Ltd. p. 67.

A consumer's judgment to visit/revisit an apparel retail store can be prejudiced by the visual merchandising displays used in store. If consumers' perceptions - "a process of examination in which the outside world is passed through a filter and only the most significant or appealing things make it through the filter and impact the consumers" (Blythe, 2008) - of the visual merchandising displays are optimistic they can decide to return to the store; however if they have a downbeat perception they might not return to the store again. As a result, the retail environment that is created by using visual merchandising displays is able to guide consumers' thoughts about the merchandise, the service quality and the consumers' satisfaction of the store.

Levi and Weitz (2009) indicate that the consumers' perceptions of a store's atmosphere depend on the consumers' shopping goals. When consumers are shopping for something that they consider as an unfulfilling mission, they prefer to be in a comforting and relaxing environment; however, if consumers are shopping for enjoyment they prefer being in a thrilling environment. It can therefore be inferred that consumers' perceptions may have an impact on the way they act towards a store and its merchandise.

Apparel retailers have to be familiar with how their visual merchandising displays are perceived by the consumers. It is necessary to identify what consumers are really seeing and how they infer it. By establishing how visual merchandising displays are perceived by the consumers, it could be beneficial to apparel retailers to support the internal focus of their visual merchandising displays with the consumers' expectations.

## Method

Due to the fact that thorough explanations in terms of consumer perceptions were needed, qualitative research was used in this study as it is research that determines the true meaning and new insights about the available data (Zikmund & Babin, 2010). The extent to which visual merchandising displays effect consumers' perceptions was studied by means of exploratory research. Exploratory research is used to scrutinize insights into a general nature of a research problem (Tustin, Lighthelp & Martins, 2005).

Because of the exploratory nature of the study, non-probability, purposive sampling was used. Non-probability sampling is a sampling method where the samples are grouped in a process that does not give all the individuals in the population an equal chance of being selected (Tustin *et al*, 2005). Subjects in a non-probability sample are usually selected on the basis of their accessibility or by the purposive personal judgment of the researcher. In purposive sampling, the researcher samples with a purpose in mind (Zikmund & Babin, 2010).

The inclusion criteria for the purposive sampling for this research study were as follows:

- People who buy clothing at apparel retail outlets in Tshwane
- People who are residents of in Tshwane
- People who read, speak and understand English
- People who have a cell phone and who have access to e-mail
- People that are willing and that have the time to participate in the study

Data collection was performed by means of crystallisation. Crystallisation is a post-modernist development of completing research and it is used in order to find various instances from many sources to find unification (Huberman & Miles, 1994). Focus groups, which are an unstructured, free flowing interview with a small group of people, usually between six and ten participants (Zikmund & Babin, 2010), together with naïve sketches, which are open-ended questionnaire that asks participants questions relating to a specific study (Hodder, 1994), were used to collect data from 16 participants (eight participants in each focus group). In this way, two forms of data were compared with one another to gain the most data possible from each participant.

The focus groups were based on the use of visual stimulus material. Photographs were taken of an apparel retail store in Tshwane and they were offered to the participants in the focus groups. The participants were asked questions derived from the research aims. The following questions were used to structure the focus groups (the same questions were also used in the naïve sketches):

1. What do you think about visual merchandising displays?
2. When you walk into a clothing store, what do you notice about the visual merchandising displays?

This research study was contextual in nature, therefore thematic analysis was used to analyse the data. Thematic analysis is an exercise in qualitative research which involves searching through qualitative data to identify any recurring patterns (Tesch, 1990). These patterns are then sorted into themes and categories. It is a process that organises and describes data in detail (Braun & Clarke, 2006).

## Outcome

The conclusion of the questions asked in the focus groups are examined in terms of two main themes and their underlying categories as outlined by Tesch's model (thematic analysis).

### **Theme 1: Participants' perceptions of visual merchandising displays changed from consumer to consumer with prominence on the subliminal nature of visual merchandising displays.**

Participants explained that visual merchandising displays are mostly noticed in a subliminal way, and that it is influenced by personal preferences, contextual aspects such as themes, type of store and brand or branding, gender to some degree, and sensory and cognitive aspects.

It appears that although the visual merchandising displays affect the consumers in terms of their total perception of the retail store, they are not completely reliant on the displays to make their purchasing decisions. In fact, if they are specifically shopping for a certain item, they may not even notice the displays unless the product they are searching for is, in fact, part of the display. These are all mentioned in the following paragraphs together with quotes to verify the findings. Below are a few quotes taken from the focus groups to illustrate the participant's views on this objective.

Four categories emerged from the first theme and are explained below:

- **Personal inclination**
  - When consumers are shopping for something that they deem as an unfulfilling mission, they prefer to be in a soothing and calming environment, however, if consumers are shopping for pleasure they prefer being in an exciting environment (Levi & Weitz, 2009).
  - Furthermore, the focus groups propounded the view that the after-purchase satisfaction is what often draws consumers back to a particular retail store, regardless of the visual merchandising displays. If the store fulfilled their shopping goals previously, they are also more likely to return. Similarly, no amount of great quality visual merchandising displays will draw consumers in if they have already decided that a particular store will not aid in fulfilling their shopping goals.
- **Features such as theme, store type and brand**
  - A consumer will often notice a particular theme that is being conveyed through a visual merchandising display, and will appreciate the store's attentiveness to social and environmental phenomena such as sporting events or seasonal changes. The focus groups also explained that they noticed ill-fitting themes in apparel retail stores, in terms of whether the items displayed are actually available in store, or whether it sends the correct message with the complement of the display.
- **Gender**
  - The focus groups agreed that there are sharp differences between male and female apparel consumers, in that women are more attentive to the complete retail experience that includes visual merchandising displays. Comparatively, men search for markers in a store about where to find what they are looking for. For example, if a man is shopping for a suit, he searches objectively for visual clues that will point him in the direction of the suit section, not paying too much attention to the style or manner in which the suits are displayed.
- **Colour**
  - The focus groups commented that colourful visual merchandising displays positively attracted consumer attention. It was also noted that the focus groups were very aware of colour displays that were realistic for the consumer, and not merely part of a fashionable display.

**Theme 2: Participants perceived visual merchandising displays as an instrument that creates a purchasing background that adds to the retail practice.**

The participants expressed that the visual merchandising displays enhanced their buying experience in subliminal ways through the beautifying of the store and by creating a relaxed

environment to shop in. They also stated that the displays contributed to the image of a store through the quality of the product sold in store and the character of the store.

They also stated that visual merchandising displays are viewed as a promotional tool, for example: to convey branding, the product, product information and product quality. The participants said that in order for the displays to attract attention they should be well designed. If not, they only create irritation and it could be overbearing.

Four categories emerged from the first theme and are explained below.

- Visual merchandising displays enhance the consumers' buying experience in subliminal ways:
  - It beautifies the store (including a colourful environment and decorative in nature)
  - It creates a relaxed environment
- Visual merchandising displays contribute to the image of the store through:
  - The quality of the product sold
  - The character of the shop
- Visual merchandising displays are viewed as a promotional tool (for example: branding, product, information and quality).
  - Many participants were of the opinion that the visual merchandising displays were part of the store's product promotion strategy. Posters, mannequins, and clothes that are displayed in light boxes seem to affect the consumer, as the focus group explained that they thought that the reason these products were being promoted by these various displays was for the consumer to be enticed to buy them.
- Visual merchandising displays should be well designed to attract positive attention (if not, it creates "irritation" and could be "overbearing").
  - The focus groups explained that in order to have a positive experience in a store, the visual merchandising displays should be well designed but should limit the amount of décor that is used in the display. Furthermore, the focus groups explained that when merchandise is moved or scattered regularly because the visual displays change, it causes irritation and negative feelings towards the store's ability to satisfy the consumers' needs. Spatial orientation and perfectly designed visual merchandising displays are definitely themes that affect the consumers' perception of the store.

## Discussion and Conclusion

The participant's perceptions of visual merchandising displays were subconscious (intense enough to influence the mental processes or behaviour of the consumer) in creating curiosity and interest to further peruse the merchandise and aesthetically to beautify the store. The perceptions of the participants pointed out that the visual merchandising displays contributed to the image of the store and also added to the character of the store. Spatial orientation and perfectly designed visual merchandising displays are definitely themes that affect the consumers' perception of an apparel retail store.

Furthermore, consumers perceived visual merchandising displays as a tool to establish a 'purchasing' environment and as a vehicle to portray the brand of the store. The focus groups also explained that they notice ill-fitting themes in apparel retail stores, in terms of whether the items displayed are actually available in store, or whether it sends the correct message with the complement of the display.



The research study suggests that women are more attentive to the complete retail experience which includes visual merchandising displays. In comparison, men search for signs in a store about where to find what they are looking for. Other important aspects of visual merchandising that were identified were positioning of displays and the use of space, lighting, and the neatness of displays. Emotional responses to the visual merchandising displays ranged from feeling overwhelmed, as well as experiencing severe irritation or feelings of serenity and recreation.

What is noticed by the consumers in terms of the visual merchandising displays are mostly below the threshold of consciousness, and it is influenced by personal preferences, contextual aspects such as themes, type of store and brand or branding, gender to some extent, quality of the visual merchandising display and sensory and cognitive aspects.

### Limitations

The judgments of many outside the chosen participants were not represented. Future research could therefore aspire at identifying a more representative sample of South Africans from all walks of life. Similarly, the sample was primarily taken from people living in Tshwane, and consequently it was not geographically representative.

### Suggestions for future research

Based on the findings and the conclusions discussed above, various suggestions for future researchers can be offered. These suggestions are:

- From this research study it was clear that the respondents expressed behavioural responses to visual merchandising displays. An area that would benefit from more detailed investigation is the influence of visual merchandising displays on brand differentiation and identification.
- Although it is clear that the respondents expressed both affective and behavioural responses towards visual merchandising displays, an exciting study would be to discover whether visual merchandising displays have the capability to act as an Identifying factor, i.e.: whether consumers are able to recognize a store by only looking at the visual merchandising displays.

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