VISUAL MERCHANDISING – A SILENT SELLING STRATEGY OF RETAILERS

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ABSTRACT

As the concept of large retail stores gains ground in India, the practice and concept of Visual Merchandising is likely to grow exponentially. In the western countries Visual Merchandising receives highest priority in commercial planning of a product. As seasons change, the merchandise collections / planograms too change in a retail store. When such changes take place the store too undergoes a transformation in decor and visual presentation to appeal to the consumers while announcing new arrivals in merchandise collection. This phenomenon of transformation of visual presentations and displays of merchandise accompanied by relevant thematic props, is still very new in India. Visual Merchandising and Displays have a storyboard effect communicating innovatively to the customer besides being a 'Silent salesman for a retail store’. Visual merchandising today forms a critical element of retailing. Besides the facade and windows, which are clearly done up with an objective to attract passers-by 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.

Keywords: Atmospherics, Communication, Retailing, Shopping Experience, Visual Merchandising.

Introduction:

Visual Merchandising (VM) is the art of presentation, which puts the merchandise in focus. It educates the customers, creates desire and finally augments the selling process. This is an area where the Indian retail industry lacks adequate knowledge and expertise. This inadequacy is best reflected in poor presentation/display and communication in various national and international exhibitions. Visual merchandising is the activity of promoting the sale of goods, especially by their presentation in retail outlets (New Oxford Dictionary of English, 1999, Oxford University Press). This includes combining products, environments and spaces into a stimulating and engaging display to encourage the sale of a product or service. It has become such an important element in retailing that a team effort involving the senior management, architects, merchandising managers, buyers, the visual merchandising director, designers and staff are needed.

Consumer behaviour 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.

The store derives as much of its identity, character and gravity from its physical contours, as from the products it houses and the individuals who manage the transactions there in. It includes not only the products on sale but also the decor, the shop floor and ceiling, restrooms and trial rooms, staff uniforms, lipstick color of female personnel and tie knots of male personnel. It is also inclusive of the attitude of your personnel who interact with customers. Hence everything that makes an impact on the perspective customer is part of visual merchandising. Usually, visual merchandising guidelines directs how the store is set up, ranging from what type of fixtures to use in each area, use of store logo to distance of shelves from each other and many more. Visual Merchandising achieves the following:

- Inform and alert the customers about the products offered creatively and effectively.
- Enables a successful selling process, from browsing to buying.
Sets the context of the merchandise thus, establishes the linkage between fashions, product design and marketing by keeping the focus on the product.

Everything you do in the store must fit into the image you chose to create. Creation of a recognizable image, effective communication of the same through multiple media leads to customer recognition and loyalty. Studies indicate that a retailer has roughly seven seconds to capture the attention of a passing customer. The following elements combine to form a distinctive image that not only reaches out and grabs the customer's attention, but also makes a positive impression within those precious seconds. The image makers are: an identifiable store name, a powerful visual trademark, an unmistakable storefront, an inviting entrance and a consistent and compelling store look. The entire store experience would be said to have an effectively working visual merchandising if each of the above would be consistent in reinforcing the brand image. For example: an inviting entrance is crucial in stopping the customer and establishing a positive first impression, but all is lost if the inside of the store does not reinforce this message instead create feelings of confusion. This signals to the customer that exterior image will not be fulfilled the inside. Truly impressive stores consistent in all the efforts from the store front to the stock room. An exciting entrance presentation, an effectively promotional offering, a powerful interior display, in-store animation events all serve as magnets to draw customer in.

Displays must be able to stop people in their tracks, but also incorporate the latest fashions and take account of the wider cultural, political and economic trends. All have an impact on the buying habits of the customer. Make no mistake; this is not just about dressing mannequins; it requires creativity and the innovative use of themes, props, light, music and color to establish an environment that triggers the impulse to buy. At the heart of visual merchandising is the fact that shoppers want to be entertained and demand inspiration and excitement as part of their retail experience. Retailers who achieve this are rewarded with the most precious gifts of all, loyal customers and better performing stores. Those that get it wrong, invariably lose out. Visual Merchandising is hence much more than functional configuration of space, layout and consumer flow, it also is a powerful communication and an experience enhancer and differentiator of the displayed merchandise even when product similarities are overwhelming.

Visual Merchandising in India:

The Indian retail industry is estimated to have a market size of $180 billion accounting for a national GDP of 10%. It is poised to see a growth of 11-12% per year. India is placed sixth in the global retail development index and it is predicted that there will be 1000 - 1500 stores by next year. The Indian retail business has the capacity to employ over 2 million in new jobs within the next 6 years. About 60% of these are expected to be in the area of fashion and lifestyle, and visual merchandising is one key area for the same.

Live Bytes: Crowd puller

"As retail gets more competitive, VM is the only crowd puller within the mall," says Mr B.G. Uday, Managing Director, Garuda Mall, Bangalore. VM involves shopper research, creating an identity for the retailer and of course, creating a commercial to trigger the entire promotion process. In fact, companies are now moving from brand thinking to retail thinking. "As purchase decisions are made at the store, design interventions are needed to attract more customers."

Earlier, top-of-the-line budgets used to garner a huge chunk of the promotion budget (close to 80 per cent), but now retailers have flipped the entire allocation process with below-the-line promotion taking up 70 per cent of the share. The VM industry in the country is still largely unorganized like the retail sector. But rough estimates of the VM spend in the country gives a figure of Rs 200 crores, and growing `100 per cent every year'.

Literature Review:

Joseph A Weisher (2011) denotes that more merchandise is sold as a result of in-store presentation than all other forms of marketing and advertising. Visual merchandising is governed by the common principles of design, balance, emphasis, proportion, rhythm and harmony. It works on attracting the attention of the customer, creating an interest for the product/service and creating a desire to own the product and then, initiate the decision to make the purchase. The role of visual merchandise largely depends on the type of retail organization, and the importance accorded to the role of visual merchandising. A study conducted by Dawes (2008) specified the
importance of Visual Merchandising and fundamental principles that need to be applied thus leaving an impact on
customer’s mind and perception. With more and more companies using tools to grab customer’s attention, the
window display industry is now a big business. This article discusses upon on how there is no better way of
grabbing someone’s attention than the first instance, and a well-dressed window just does that.
Gates (2007) signifies the importance of communication between retailers and suppliers regarding the
display of the grocery produce in different retail stores, in his report. The report signifies that the key is for the
suppliers and retailers to act as partners when pushing produce and they should meet half way on promotions,
communicating each of their needs along the way so it’s a win-win situation for both of them. Bustos (2004)
oberves that often the designers neglect the display window while making a plan for a new store. The research
emphasized on the importance to plan the display window, manpower team (visual merchandising team) and set
an annual budget accordingly. The windows are seen as an exterior element and once the store is opened, its display
window becomes one of the important marketing tools. And also identifies that the display windows should be
customized according to the products which are to be displayed in the windows. The use of creative flooring,
lighting, backdrops and mannequins are the principles of effective Visual merchandising.
Georganne Bender (2003) reveals that the merchandise can be displayed on shelves horizontally and
vertically. Visual merchandising is believed to encourage purchase as the products are displayed in the line of vision.
As mentioned above, color can also be used to attract attention and the vertical use of color is called ‘Color
Ribboning’, which is always a better choice over Color Blocking, the horizontal use of color. The store atmospheres
discussed by Peter Smith (2002), indicates that it is the design of an environment with the help of visual
communications, lighting, color, music and scent, to stimulate customers perceptual and emotional responses and
thereby influence their buying behavior. Aesthetics on the other hand, takes into consideration factors like the actual
size of the store, the actual size of the store, the colors, textures etc, used within the store to create a particular look
and feel for the store. Texture deals with the look and feel of materials.

Need of the Study: Visual Merchandising & Retail Communications:
Selling a product (convenient/shopping/specialty) is incomplete without communicating its image. To
build long term brand loyalty, in addition to the quality of the product, right image is very much needed. To attain
this, many companies invest huge money the promotions. But many businesses neglect the retail front which is the
face of the brands. In other words, the way the products are displayed at the retail shelves, the way the sales people
communicate to the consumer etc. are the some of the issues, which if not handles well can be a great threat to the
brands image. Visual Merchandising (VM) is the art of persuade, which puts the merchandise in focus and in
perspective too. It educates the customers, creates desire and finally augments the selling process. This is a nascent
area of the Indian retail industry; therefore Visual Merchandising is an important support for retail operations
throughout the ‘Retail Life Cycle’ (See Figure1: Retail Life Cycle).
It gives the business an edge over competition. Strategically used, visual merchandising can even create a brand identity. It establishes a connection between merchandise and customer’s expectations. The right kind of Visual Merchandising boosts the sales graph rise upwards. This is achieved by creating an environment not only to attract a customer but also to retain his/her interest, create desire and finally augment the selling process. Customer expects to spend less time for shopping and prefers one step multi brand retail formats and hence significance of visual merchandising is on increase. As per the opinion of Hemendra Mathur, senior consultant of KSA technopark based on the third annual consumer outlook study that the consumer is getting time saved and the time spent on shopping (both grocery and non-grocery) has come down. Further the study reveals that are increase in the impulse and unplanned purchases in the certain categories. Visual merchandising helps in the increase of impulse buying.

The Indian consumer now demands state of the art service, global standard of the product, and international level of shopping experience. The point-of-sale (POS) promotion is steadily gaining a bigger slice of the promotion pie. The year 2006 saw some big spends, with large department stores like Shopper's Stop, Lifestyle and Westside spending in the range of Rs.30-40 Lakhs per season on visual merchandising. But the spend figure now stands at about 4% of the turnover. The Indian retail industry is waking up to the need for VM and the Indian society, attaining an international outlook is subconsciously creating a demand for it.

Objectives of the Study:

- To demonstrate the vitality of persuading the customer by Visual Merchandising.
- To elucidate the practices of Indian retailing firms and the implications faced by them in adopting and implementing Visual Merchandising.

Discussion:

Why there is a need of visual merchandising? It is often understood that it is a methodology of displaying, but far more than that it means initiating the complete process to a customer instead buying a product to possessing it, and creating an “aura” that meets consumer expectation with their changing taste. Particularly in case of textiles, In India the image of handlooms is still associated to old, classic and handmade coarse materials. It’s the high time that even government should understands the realities and take sustainable decisions to monitor the product management chain starting from extraction of raw material to design/product development to selling it or making it reach to the end users through various channels and interfaces. One of the possible ways is through multi-level retailing, and through tourism promotions for the clusters existing. Emphasizing upon special features of these products has to offer with its cultural, traditional and historical significance, thus, visual
merchandising can be one of the strategies of Department Stores, Heritage Parks or contemporary Haat like Dilli Haat.

The Run of Profits:
Displays, today similar characteristics as are apparent in most mature businesses trying to appropriate new economy developments and increasingly ongoing globalization, that being profits moving in absolute. Retailing and Marketing have therefore emerged as the preferred points in the value chain of Home Textiles and Handlooms too, as in other sectors. Even as the downstream value points other sectors struggle to survive, Retailing is booming as a sunrise sector in the country. Hence the importance of Retailing and further have Visual Merchandising which stands as an important facet of effective retailing.

The New Competitive Advantage:
Visual merchandising is a major factor often overlooked in the success or failure of a retail store. It is second only to effective customer relations. Visual merchandising can be defined as everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire and action on the part of the customer. A story can be told that communicates to the prospective customer what the store is all about. It includes the dramatic presentation of merchandise as well as other important, subtle features that create the store’s overall atmosphere. Eighty percent of our impressions are created by sight; that is why one picture is worth a thousand words. Each customer has a mental image of a store and its Merchandise. A store should have an inviting appearance that makes the customer feel comfortable and yet eager to buy. To gain such competitive advantage which should ‘sustainable’, the philosophy or practice of visual merchandising strategy should aims the following:

Aims of Visual Merchandising:
Visual Merchandising, aims at many objectives to be accomplished and the same below are enumerated

- **Facilitating Functional Shopping Experience:** Facilitating functional shopping experience through optimizing display of varied thereby easing choices and sampling.
- **Generate Experience:** Experience generation pertains to stimulation and management of the entire domain of the consumer’s senses and managing sensuality so as to be congruent with the consumer’s desires.
- **Strengthen the Brand/Identity:** If properly managed with due design congruence established, Visual Merchandise can add to the brand strength of the firms/cluster/zone whose brands are being retailed or the retail store brand where the experience occurs.
- **Maximize Sales Generation:** Effective visual merchandising helps in increasing sales through facilitation of consumer sampling and exposing the best of merchandise to the consumer.
- **Helps expansion of product categories through optimizing display of varied variants:** Effective visual merchandising also packs more punch in the pack through an optimum display of merchandise.
- **Building up Corporate Image:** Corporate Image of a retail store gets a boost like corporate brands if they get associations from effective visual merchandise of its products or if intra-store communications are adequately supported by store ambience and visual merchandise quality.

Retailing, Visual Merchandising and Value, Margin additions: The three major goals of a store should be to:
Even as the Indian industry and firms are obsessed with the tangible aspects of the product like quality and price, intangible value addition through Brands and Retail experiences is emerging as the most effective of profit adders. In the context hence Visual Merchandising needs to be appreciated as a potent value adder to Retail experience and from there to profits.

**Contemporary issues in visual Merchandising practice:**

Most stores have an in-house team of visual merchandisers who coordinate with the marketing team as well as the in-house merchandisers and suppliers. Each time any major changes in decor are contemplated, they present the visual display concepts to the group for analysis and selection. Subsequently, the same is executed. The visual merchandising team also makes projections vis-à-vis returns per sq. ft. for each section and each brand stocked. On promotions related visual merchandising, the inputs of the advertising agency are also sought so that the in-shop communication is in line with the tactical promotions advertising. With cost of visual merchandising generally amounting to 1% of sales, this is one communication tool that clearly has an edge over others in terms of drawing in shoppers, increasing flow of traffic and increasing sales.

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 maze 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 lighting on a customer’s purchase behaviour. Results clearly indicate that in general, stores that are brightly lit, with the lights cleverly blending with the interiors lead to higher customer comfort, and as such, more sales. Different types of lighting and interiors are used on different floors, the change reflecting the various products that are on display on a particular floor, the proposed target audience and the time of the year. The ladies floor, for instance, is most often subtly lit with soft lights or then again, in summers, cool bluish lights are used to impact an impression of coolness and comfort.
Visual Merchandising Problems:
Often arising problems in the area of visual merchandising are either of the below:

Too much quantity on display reduces the comfort levels of consumers and reduces his delight in the store. It also does not help him functionally purchase goods for most seem to him not relevant. Also here time taken to sample goes up exponentially and hence total purchase is often reduced.

Inadequate Display is just as adversely affecting as too much of display. If the best is not shown, why should the customer feel drawn? Also if display is not enough it does not tempt the consumer to sample and finally purchase.

Confusing Display where classification of products and product categories is not respected, often leads to incoherence at the end of the consumer and takes away his moods of decisiveness for purchase. It also gives competition a greater score.

One product category overshadowing the other: In departmental or life style stores when one product category overshadows another, the shadowed category naturally not only suffers lesser sales and profits but also a loss of image which later reflects in the long run.

Color distortion in the store leading to consumer grievances: Color distortion often leads to sharp complaints from consumers of being cheated and being passed off, products, which they did not intend to buy. It reduces the re-purchase on the part of the consumer and hence affects the store image and sales.

VM Failures in India: Two failures in the area of Visual Merchandising in India are given below along with the cause/facet of their VM that has made them a failure.

<table>
<thead>
<tr>
<th>Company/Brand Name</th>
<th>Cause/facet of failure on VM front</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vimal</td>
<td>Looks like a street corner shop/showroom</td>
</tr>
<tr>
<td>Saga</td>
<td>Appears too costly than is</td>
</tr>
<tr>
<td>Shakuntal</td>
<td>No congruence between Merchandise and Thematic Ambience designed</td>
</tr>
</tbody>
</table>

Recommendations: Indian Lessons in Visual Merchandising:
India has been rich always in its Visual Merchandising although the corporate retail phenomenon is a relatively new one. Visual Merchandising has been practiced through times immemorial. Craft products, Paintings, Hangers and other elements have been always used to create an aesthetic or thematic Visual Merchandising ambience. It is profitable hence to explore the mythological and cultural and symbolic aesthetic richness of our civilization nation. This forms the first lesson for Visual Merchandising and more specifically the thematic visual merchandising. Further it is necessary to remember that Visual Merchandise is only a part of the larger Visual Experience. In this context it is necessary to factor in specific Indian choices and here our experience suggest us to-

1. Respect softness and the light of colors.
2. Employ Paintings, Sculpture, Craft products enrich the ambience and Visual

Hopefully an appreciation and practice of visual merchandising anchored in the Indian cultural matrix shall enrich march of Indian business in life style retailing to begin with, expanding slowly to encompass retail experience as a whole.

Virtual Visual Merchandising:
Virtual Visual Merchandising is a promising high-tech and emerging technique of Visual Merchandising. It may either be practiced by the e-stores on the net or may be used on computer monitors or screens in the stores themselves. Needless to say the dynamics, and spatial dynamics here are much different then otherwise and virtual reality techniques and special effects often add to the effects of visual merchandising and overall store experience.
Conclusion:
In view of this trend, Visual Merchandising (VM), in India, is emerging as a lucrative and much sought after profession. There are various institutes, in the country and overseas, offering courses in visual merchandising. Visual Merchandising spend had indeed doubled in 2006, compared to the last couple of years. Where fashion retailers traditionally spent approx. 1.5 to 2% of their turnover on visual merchandising in earlier years, the spend figure now stands at about 4% of the turnover. The Indian retail industry is waking up to the need for visual merchandising and the Indian society, attaining an international outlook is subconsciously creating a demand for it. The government is also gearing up by organizing various training programs and allocating funds for participation in world trade fairs & exhibitions. There is a mushrooming of companies manufacturing fixtures, props, display systems etc. as well as providing complete visual merchandising solutions for fashion retailers.

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