ANTECEDENTS OF VISUAL MERCHANDIZING DECISIONS: AN EMPIRICAL EVIDENCE

Bharathi S. Gopal, Rahul Gupta,
Associate Professor, Assistant Professor,
Institute of Management, Christ University CMS Business School, Jain University
Bangalore, India Bangalore, India

ABSTRACT

The primary purpose of this article is to evaluate the antecedents of decision making process in the Indian context. This article examines the role of store layout towards purchase decision. Furthermore, this paper also examines the influence of store ambience towards purchase decision. Adopting an empirical research design, a standardized questionnaire was employed to analyze the formulated research objectives. The geographical area of this study was carried out in retail outlets of leading sportswear brands in Bengaluru. Simple Random Sampling technique was used in this paper to collect data. After eliminating double-barreled statements, 312 completed responses remained (79.39% response rate). The proposed conceptual framework – “Visual Merchandizing Decisions Model” was tested using Structural Equation Modeling. The findings disclosed that there is significant impact of store layout and store ambience towards purchase decision with regard to sports apparels.

Keywords: Store Layout, Store Ambience, Purchase Decision, and Sports Apparels.
INTRODUCTION:

A hungry spectator base of over a billion people, a dozen sports television channels beaming sporting content round the clock, and a rapidly growing list of brands and corporates waiting to invest in cricket and other sport platforms signal the beginning of a deep and real renaissance in Indian sports (Dham and Mishra, 2015; Gohil, 2012; Gupta, 2009). Corporate houses also have the discretion to allocate part of the sum amounting to 2% of the net profit that it is mandatory for them to spend on corporate social responsibility to developing sport infrastructure and talent (Babiak and Wolfe, 2013). The second decade of the 21st century promises to be a transformational one for sports in India. For a country that could manage only seven individual medals in over a hundred years of participating in the Olympics, the unprecedented haul of six medals in the London Olympics in 2012 marked a quantum jump in India’s sporting prowess.

Consumer decision making has always been an area to explore both by marketers and academic researchers. The primary purpose of this article is to evaluate the antecedents of decision making process in the Indian context. With the ever-expanding portfolio of products and services, understanding how consumers make decisions is an inevitable aspect of designing marketing strategies. Such purchases involve customers who seek variety and novelty and those driven by inertia and require to be reminded (Assael, 2011). Decision making in-store, impulsive or otherwise involves both cognitive and affective factors. Store cues or in other words, visual merchandizing impacts cognitive and affective responses (Law, Wong, and Yip, 2012). Even at the subconscious level, store cues and display affected the consumer. Visual merchandizing displays enhanced consumer buying experience in subliminal ways (Cant & Hefee, 2012). In general, pleasant ambience and arousing in-store elements create an exciting atmospheric shopping environment (Herabadi, Verplanken, and van Knippenberg, 2009). Buying products on the spot and positive feelings aroused to see nice things in a shop are related (Verplanken & Herabadi, 2001).

Problem Statement:
The emergence of leagues in sports such as the Indian Premier league, Hockey India league, and Indian Badminton league have rekindled interest in sports among Indians. Changes in government regulations related to foreign direct investment in retail in 2012 are expected to boost the organized sportswear market (Tripathi and Kapoor, 2017). The Government of India has increased FDI in single-brand retail from 51% to 100% with conditions that relate mainly to domestic sourcing to the extent of 30% of local sales. Sports apparel and footwear brands have been present in India for more than two decades. Despite offering their global and economy product range for the Indian market at attractive price points, their sales have been hampered by the absence of quality retail spaces and high-profile association with individual sport and sports celebrities except cricket (Kadhiravan, 2010). All leading brands deploy visual merchandizing techniques to create an in-store environment conducive for buying, assuming that products and prices are fixed (Jin, 2009; Sengupta, 2016). However, this paper explores the antecedents of decision making process in the Indian context. Consequently, this paper would shed light on the staggeringly authoritative but less researched constructs.

Research Questions:
a) What is the impact of store layout towards purchase decision?
b) Does store ambience determine purchase decision?

Research Objectives:
1) To evaluate the role of store layout towards purchase decision.
2) To examine the influence of store ambience towards purchase decision.

LITERATURE REVIEW:

Brands that use a strong retail strategy have explored themed flagship brand stores and found that such retail servicescapes are engaging and attractive (Kozinets et al., 2002). This resulted in more time being spent in the store, willingness to explore and impulse buying (Mehta & Chujan, 2012; Turley & Milliman, 2000). However it needs to be understood that an interplay of motivation to purchase, cognitive load and in-store factor, like display type influences decision-making in the stores (Oh & Petrice, 2011). Another perspective to consider is the effect of ambient, social and design factors of the store and its influence on decision making. The interactive effects of the ambient and social factors on consumers’ positive feelings or pleasure indicate that when social environment is low, the ambient factor plays a crucial role (Baker, Levy, and Grewal, 1992).

Store Layout:

Despite the trend in online shopping, visuals of retail store creates positive shopping experiences leading to reduced perceived risks and finally purchases online (Breugelmans and Campo, 2010). Thus, irrespective of
purchases online or in the store, visual retail servicescape helps retailers to forge relationships with customers (Breazale& Pander, 2013). It was concluded that retail store to be a behavior shaper. Retail stores involving a high level of sensory involvement with a vast array of cues that affects perceptions, attitudes and images. Dynamic design, layout, color, architectural and merchandizing schemes influences customer behavior as an attention creating medium, a message creating medium and an affect creating medium.

Visual merchandizing has been examined from three different perspectives – its influence on consumer behavior, its relationship with consumer lifestyles and socio-cultural backgrounds; its relation with the products and services on offer; and its influence on arousal, interests, perceptions and evaluations. To a larger extent visual merchandizing cues benefit when aligned with the product or brand under consideration. Stores selling fashionable products should use store cues such as props in window displays, maintain a large window size and warm background colours to brighten the stores. Visual merchandising cues in fashion stores like window display, sounds, lighting, fragrances, products on display, store layout and well-dressed mannequins are valued most by shoppers. In such stores, these cues influence shoppers of either gender to evaluate their store experiences. Use of such cues attracts walk-ins and impulse buying. However the use of cues also benefits the store image. Improving store’s ambient conditions chances store evaluations and shopping experiences (Mattila&Wirtz, 2001). With visual merchandizing largely being the focus of organized retail, the display of products as an in-store cue positively impacts impulse sales in self-serve formats (Jain, 2011). Visual merchandizing cues that include merchandise colour, presentation style, use of mannequins help in formation of favourable store brand image (Kerfoot, Davies, and Ward, 2003). Marketers also are seen to use visual merchandizing along with another promotion tool such as public relations (PR) or advertising. A PR event for a brand engaging customers in store increases the sale of the brand relative to those brands that have no such customers engaging events (Lockshin& Knott, 2009).

However irrespective of the wide array and innovative cues being used, store environment strategies should reflect the social cultural relevance of the products displayed (Lawet.al., 2007). Researchers have classified this wide range of atmosphere variables as external variables, general interior variables, layout and design variables, point of purchase and decoration variables and finally human variables. The Mehrabian-Russell Affect Model explains that an individual’s perceptions of and behavior within a given environment are the result of the emotional states of the individual created by the environment. The stimulus factors of colour, store layout, lighting induces emotional states of pleasure and arousal. This leads to an approach behavior that includes willingness or desire to move towards and explore the environment (Bakeretal., 1992).

Specific store layout factors such as size of the store or the floor, aisle width, clutter well-spread merchandise impacts the behavior of consumers in the store (Smith and Burns, 1996). Customers expect the presence of a power aisle especially in a warehouse or grocery retail setting. These power aisles carry low priced products and thus a merchandizing plan influencing the price perception of products in the power aisle is crucial to meet price expectations of customers (Smith and Burns, 1996). The exterior of the store like window display and the store image which is a combination of several factors, affects behavior inside the store. Specific to window displays, spotted light and warm color can arouse interest in merchandise. Similarly the number of props in the display if small helps in the formation of favourable perceptions (Somoon&Sahachaisaeree, 2010). Customers through window displays seeking inferred information look for cues on store image such as ambient and design elements and product fit information like life-like mannequins. Stores that provide such cues attracts more walk-ins (Sen, Blockm, and Chandran, 2002). However several variables required to arrive at a window display model that positively affects store image, positioning, value and quality of products which is the result of an individual’s cognitive and affective processes (Kermson&Sahachaisaeree, 2010).

**Store Ambience:**

In particular, there may not be one display inside the store that influences behavior and sales. A configuration of displays that include energetic and suggestive cues which is associated with lifestyle and trends of consumers may be more appropriate (Abidinand Aziz, 2012). Different products also need different display types as they may have different attention capturing abilities. Organizing all products according to color may not be relevant. Similarly use of other stimuli as an alternative to visual display components may also be required (Nordfält, 2011). Other specific cues like scent, lighting and music among others also seem to influence and aids consumer decision making. Illumination level in the store contributes to an approach behavior where consumers are willing to explore the store. Different illumination levels might have relative influence on different approach behavior like touching the products, picking the merchandise inside the store. However the appropriateness of music is crucial to creating positive experiences for the consumer. This results in favorable evaluations of in-store merchandise, more time being spent in the store and increase the purchase spend (Greenland and
McGoldrick, 1994; Morin, Dube, and Chebat, 2007). Music as a store cue also helps in distracting shoppers waiting at the sales counter (Bailey & Areni, 2006). Music and scent together can influence impulse buying (Mattila & Wirtz, 2001). Similarly fragrance coupled with product display affects purchase intention while display alone might not be an effective marketing tool (Marie, Yah, and Yoh, 2000). This very clearly indicates that in-store cues need to be combined in an effective configuration. Combination of stimuli like music tempo and music genre influences consumers’ emotional states of pleasure and arousal. This combination results in increased time spent in store resulting into cognitive processing of service quality and merchandise quality (Sweeney and Wyber, 2002). However over emphasis of a stimulus may not be effective. Simple scents results in increased cognitive processing and favorable shopping behavior leading to better sales (Herrmann et al., 2013). As a non-service element, music definitely creates a positive mood and improves in-store satisfaction. This constitutes the emotional level of learning for the consumer. Further music enhances the perception of quality and price which explains the cognition level of learning. Such shoppers are found to spend more time in the store because of the music played. This positive shopping experience leads to repeat visits and a positive word-of-mouth (Srivastava, 2013). Item placements in different aisles of the store can evoke different feelings and thereby influence the evaluation process (Desrachers & Nelson, 2006).

Conceptual Framework:

![Conceptual Framework](image)

**RESEARCH METHOD:**

Empirical research is adopted for this study as research design. A standardized questionnaire is employed in this study as research instrument to analyze the formulated research objectives using a five-point Likert Scale ranging from “1-Strongly Disagree” to “5-Strongly Agree”. The Cronbach's alpha reliability coefficients is used to measure the internal consistency. It was observed that the Cronbach's alpha coefficients were more than 0.70 expressing an excellent degree of internal consistency (Nunnally and Bernstein, 2010; Steyer and Schmitt, 1987). The geographical area of this study was carried out in retail outlets of leading sportswear brands in Bengaluru. The selected stores were franchised flagship stores selling apparel and footwear. Sportswear retailers’ ramp up their merchandizing activity during major sports events and researchers made observations about the widely used merchandizing cues across stores. The sample units were the customers of retail outlets of leading sportswear brands. At 95% confidence level and 5% margin of error, using Krejcie and Morgan (1970) Sample Size Determination Model, the estimated the sample size for this study was 393. Simple Random Sampling technique was used in this paper to collect data. After eliminating double-barreled statements, 312 completed responses remained (79.39% response rate). The proposed conceptual framework – “Visual Merchandizing Decisions Model” was tested using Structural Equation Modeling (SEM).

**ANALYSES AND DISCUSSION:**

**H1: Store layout will positively influence purchase decision**

The impact of store layout towards purchase decision is examined using Linear Regression. In this regard,
Window Display, Aisle Space, Merchandise Display, Mannequin Display, and Product Display are considered as independent variables and purchase decision is considered as dependent variable.

### Table 1: Role of store layout towards purchase decision

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.764&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.584</td>
<td>0.577</td>
<td>0.34724</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), Product Display, Aisle Space, Window Display, Merchandise Display, Mannequin Display

### Table 2: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.821</td>
<td>0.151</td>
<td></td>
<td>12.059</td>
</tr>
<tr>
<td>Window Display</td>
<td>0.288</td>
<td>0.019</td>
<td>0.589</td>
<td>14.890</td>
</tr>
<tr>
<td>Aisle Space</td>
<td>0.126</td>
<td>0.028</td>
<td>0.177</td>
<td>4.547</td>
</tr>
<tr>
<td>Merchandise Display</td>
<td>0.109</td>
<td>0.025</td>
<td>0.198</td>
<td>4.461</td>
</tr>
<tr>
<td>Mannequin Display</td>
<td>0.013</td>
<td>0.027</td>
<td>0.022</td>
<td>0.474</td>
</tr>
<tr>
<td>Product Display</td>
<td>0.044</td>
<td>0.020</td>
<td>0.083</td>
<td>2.180</td>
</tr>
</tbody>
</table>

It is observed from Table 1 that the regression value ‘R’ is at 76.4%, the R Square value is at 58.4%, and the adjusted R Square value is at 57.7%. From the R Square value, it can be understood that the weighted combination of the predictor variables justifies 58.4% of the variance of dependent variable. It can be deduced that 58.4% variance in purchase decision is reported by store layout. Furthermore, Table 2 manifests the outcomes of correlation coefficient. It is ascertained from Table 2 that all the sub-scales of store layout: Window Display, Aisle Space, Merchandise Display, and Product Display are significant with purchase decision; except for Mannequin Display against purchase decision. Hence it is inferred Mannequin Display is not contributing purchase decision with regard to sports apparel.

**H2: Store ambience will positively influence purchase decision**

The influence of store ambience towards purchase decision is examined using ANOVA. In this regard, Store Lighting, Music Fit, and Fragrance are considered as dependent variables and purchase decision is considered as factor. It is noticed from Table 3 that all the store ambience variables: Store Lighting, Music Fit, and Fragrance are significant with purchase decision. Hence it can be generalized that store ambience play a pivotal role in purchase decision with regard to sports apparel and footwear.

### Table 3: Influence of store ambience towards purchase decision

<table>
<thead>
<tr>
<th></th>
<th>ANOVA</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Store Lighting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>45.229</td>
<td>39</td>
<td>1.160</td>
<td>7.575</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Within Groups</td>
<td>41.644</td>
<td>272</td>
<td>.153</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>86.873</td>
<td>311</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Music Fit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>41.805</td>
<td>39</td>
<td>1.072</td>
<td>4.422</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Within Groups</td>
<td>65.938</td>
<td>272</td>
<td>.242</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>107.743</td>
<td>311</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fragrance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>110.978</td>
<td>39</td>
<td>2.846</td>
<td>19.413</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Within Groups</td>
<td>39.871</td>
<td>272</td>
<td>.147</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150.849</td>
<td>311</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Structural Equation Modeling:
The proposed “Visual Merchandizing Decisions Model” is statistically analyzed using SEM in IBM AMOS. Prior to performing SEM, the primary suppositions are appropriated. Following are the model fit indices estimated for this study: CMIN/DF value of the model is observed to be at 3.544 evidencing a perfect fit; Comparative fit indices are ascertained at 0.966, 0.951, 0.942, and 0.921 demonstrating discretionary fit, absolute fit, complete fit, and borderline fit respectively; PCLOSE value is found to be 0.000 manifesting a perfect fit. Hence the proposed “Visual Merchandizing Decisions Model” is statistically accepted (Bowen and Guo, 2011; Byrne, 2016; Kline, 2016; Little and Card, 2013; Wang and Wang, 2013; Wendorf, 2002).

MANAGERIAL IMPLICATIONS AND CONCLUSION:
This research identified four store layout cues and three store ambience cues as significant to sportswear retail industry. Window display plays a critical role in inviting footfalls and hence creative window display acts a major visual merchandising cue (Somoon & Sahachaisaeree, 2010; Sen, Blockm & Chandran, 2002; Kernson & Sahachaisaeree, 2010). Arrangement of products through convenient product displays (Jain, 2011) is also another significant contributor to purchases. Aisle space and merchandise display have emerged as significant variables. Among the store ambience variables, music fit along with store lighting and fragrance have emerged as significant variables. Music fit as a cue is an indicator that the right kind of music for the products on display plays a crucial role in influencing purchases (Mattila & Wirtz, 2000) while an earlier study has pointed out the combination of music and fragrance and its influence on store image (Sweeney & Wyber, 2002). The study has also indicated that store lighting is a significant factor affecting purchase like in previous studies (Greenland & McGold, 1994; Morin, Dube and Cebat, 2007). Similarly, another cue that is significant is the fragrance in the store as pointed out in another study (Marie, Yah & Yoh, 2000). Further research can be carried out to determine the combination of several variables both within store ambience and store layout. Similarity research is required to determine the influence of external visual merchandizing cues in generating customer footfalls in sports retail. This study considered only ambient variables in influencing purchase decision. The impact of social variables in triggering purchase in a sports retail store can also be included in future studies.

REFERENCES:


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