

## Visual Merchandising in Retail Sector

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### ABSTRACT

*This study is theoretical in nature which can be a base for an individual to obtain an idea of the concept of visual merchandising. Visual merchandising is defined as an act and art of displaying goods or products in retail store in an attractive way with the aim of drawing customers' attention and promote sales. This acts as an appropriate media to make the customers understand the product clearly. An individual who is responsible for the act of visual merchandising is a visual merchandiser who creates several displays using available products and properties. In this article, the concept and purpose of visual merchandising along with the definition of merchandising is explained. A brief of Indian retail sector is given as gaining awareness of upcoming retail strategies and products is important for every visual merchandiser and also a retailer to keep their strategies updated. In addition, key elements, materials and methodologies of visual merchandising are also explained that helps a visual merchandiser and retailer to formulate appropriate and attractive visual displays. The importance of visual merchandising to a brand is also explained.*

**Keywords:** Merchandising, Visual Merchandising, Retail Sector, Retail Strategy, Visual Merchandiser.

### INTRODUCTION:

#### What is Visual Merchandising?

Merchandising is an act in a retail industry which promotes the product sale to a consumer. In retail in – store, it states the variety of products that exist for sale along with its display in a way that the customers get attracted towards them and make a purchase. In the context of retail commerce, merchandising defines the process of sales through selection and design of the product, packaging, pricing and display which encourages consumers to spend more. This process involves discounting patterns, physical appearance and display of products, and the decisions regarding the products to be offered to which customers at what time.

Through merchandising, one can understand the payment process and terms of an invoice. The pricing problems including markups and markdowns can be solved through codified discounting methods. It enables to find the item's net price after single or multiple trade discounts and can compute a single discount rate which is equal to a sequence of multiple discounts. Additionally, the amount of cash discount for which a payment is to be done can also be calculated.

Visual merchandising is an act in a retail industry that is practiced to develop floor plans and also three – dimensional displays through which the sales can be increased. Through visual merchandising, goods along with services can be displayed in order to highlight their quality, characteristics and advantages. Attracting customers, motivating and making them to purchase the products are the main purposes of visual merchandising.

### LITERATURE REVIEW:

Beretto Anton, in his article “Tricks of the Trade”, stated that the vital elements that are to be taken into consideration while preparing a visual display are color, texture, light, music which are important to enhance the visual appeal of the store, and attracts customers.

Gibson G. Vedamani, in his book on retail management stated that in today retail industry, visual merchandising is very important as it is related to the visual presentation of the products that promote the sales and gain highest margin. It creates an image of the product in the view of a customer which in turn customer loyalty is increased. He also stated three challenges faced by visual merchandisers. The first challenge is keeping the atmosphere of the store consistently with its image; the second challenge is influencing the decisions of customer buying through layout and atmosphere of the store and finally third challenge is to monitor and control the budget for every display to get higher sales and profits. He also explained some of the important duties of a visual merchandiser like proper planning of visual merchandising themes and creating displays; arranging display props; fixtures and lighting; analyzing floor plans and requirements; training the staff to explain the display to customers and finally organizing merchandise on racks etc.

Andrew J. Newmen and Peter Cutter (2007) in their book 'Retail Environment and Operation' defined a merchandiser as an individual who focuses on right people with appropriate merchandise at a right time in the right place. Here, the right people refers to customer's needs and wants, right place refers to sufficient space in the store to display the products which involves planning, sourcing, purchasing, arranging, displaying and space management of goods services. The coordination of these functions make a retail business successful.

Dalal. M (2009) in his article 'Managing merchandising' defined the process of merchandising as a group of activities which are formulated to offer right goods at the right time through an appropriate medium for a reasonable price in the right quantity mix from an appropriate medium for a reasonable price in the right quantity mix from an appropriate source according to business requirement. He also described retail merchandising as a continuous process of sales in different retail outlets, comparing them with sales expected and performs suitable actions.

MC Goldrick, (1990, 2002) stated that visual communication is accepted as an essential concept of retailing by many practitioners and academic also. Wolters and White (1987) defined visual merchandising as an activity that relates the selection of effective merchandise with its display effectively which effects the psychological and behavioral aspects of the customers that lead to purchase.

Andrew J. Newman and Peter Cullen, in their book 'retail environment and operations' stated visual merchandising as a display in order to enhance the interest and desire to purchase a product among a consumer. Fixtures, decorations, signs and samples of products are included in this activity of creating window and floor displays. He stated that visual merchandising enables a retailer to divide entire store space into different categories for men, women, kids etc. and finally concluded that the products displayed for visual displays are not for sale but they contribute for sale.

Kerfoot, Shone; Davies, Barry; Ward, Philippa (2003) in their journal of retail and distribution management, focused on the coordination between visual merchandising and retail communication. This states that these two aspects are noted as important elements in retailing. He stated that visual merchandising is related with the way of visual communication of products to the customer and also the process of decoding the message appropriately which has a high impact of buying process of a customer.

Waters S. in her article 'Attractive displays' suggested some tips in order to form an attractive and appropriate window display by using the tool box and the concept of visual merchandising. She opined that an attractive display of product can draw the attention of a customer, promote the sales, and welcome a season through new products. She also explained many ways of creating effective visual displays by using color, focal point, and size of objectives, lighting, simplicity and signages. She finally concluded that little skill is required to create these displays.

Santosh Nair (2011) in his article 'Inspired by passion' said that visual merchandising is losing the attention of retailer as the mass media is increasing no a days for marketing a product. But slowly they realized that it is better to present a product in an attractive way rather than using different forms of communications for marketing and advertising. She suggested that awareness is required to be an effective visual merchandiser.

Choudhary (2008) in his article 'Trends in visual merchandising in India' described the macro visual merchandising trends that exist in huge formats. He stated that the technique of presenting merchandise in a fashionable way which is attractive and also convey a story is known as a display. He also stated that displays include the use of mannequins and many other props which make the displays look more attractive and effective too. He also stated that the music also plays a vital role in making a customer relaxed. He finally concluded with a word that visual merchandising is stated as a technique known as 'Silent Sales man' which is frequently used in the market to enhance the sales by attracting the customers.

Le – Greenwood, Gaynor (1998) in the international journal of 'Retail and Distribution management' combined visual merchandising with promotional management. He stated that visual merchandising was originated and also related with skills from the television, cinemas and magazines. The retailer should take care of the quantity of merchandise before displaying which means the displayed product should meet the demand.

Young Ha Kwon Wi – Suk – and Lenon Sharron in their journal of fashion marketing and management stated that visual merchandising acts as a strategic tool in fashion marketing through which the consumers can be attracted. Harris (1998) stated that visual merchandising is considered as very essential as its elements are completely responsible for the store's image among customers.

### **CONCEPT AND PURPOSE OF VISUAL MERCHANDISING:**

The concept of visual merchandising came into existence from nineteenth century when huge establishments like Marshall Field & Co. altered their wholesale business to retail firm in which the necessity of visual display of products increased in order to draw the customers' attention. Initially, in order to attract the customers, store windows were used for product displays but over time, it also moved to indoor and became part of interior design of a store which resulted in reduction of usage of windows for displays. Visual merchandising was considered as a science in the beginning of twenty – first century, but now it is regarded as one of the important tools in promoting a business which is mostly used to attract the customers.

Understanding the retail strategy, goals and objectives of a retailer is the responsibility of every visual merchandiser to practice them in the store. In past days, in order to attract the customers, retailers used to make advertising as their media for communication. Now a days, every retailer is creating their own unique image basing on the retail strategy. They are trying to obtain more consumers by offering them products with reasonable price, better quality with a good product mix (e.g. clothes of kids, ladies, men, home appliances, cosmetics, perfumes etc.) and easy their accessibility. They are also offering many national and international brands.

The exterior of the store is the beginning for visual merchandising which then spreads to interior portion. This process consists of the capability of designing window displays and styling mannequins with trendy colors and designs which stimulate customers in order to think the store consists of everything they want which in turn make them purchase. Following the trends and fashions is very essential for effective visual merchandising. Determination of patterns of in – store traffic flow is also included in visual merchandising that helps to identify the best places to display the items so that customers are able to see them.

Nature of the brand and its characteristics which is reflected by the store design can be developed through visual merchandising in which the in – store environment and brand advertisements like signages and pictures are included. These elements help to build a unique brand which can be differentiated from its competitors, in turn, brand loyalty can be created and premium pricing can be allowed on the products. A portion of brand strategy that is included in process of visual merchandising is obtained through research on the target customers about their needs, wants and values through which a retailer to prepare an appropriate store design with effective advertising that suit their consumers.

### **OBJECTIVES OF VISUAL MERCHANDISING:**

There are many objectives of visual merchandising.

- 1) To create an image for a product according to the retail strategy.
- 2) To create an enjoyable atmosphere for a customer in the store through the usage of layouts, ambience, properties etc.
- 3) To allocate the products in the store in a way that is more accessible, attractive to the customer to purchase.

The main objective of visual merchandising is to increase the sales of a product through displaying them in an attractive way.

### **A BRIEF OF RETAIL SECTOR:**

The Indian retail industry is one among the rapid growing industries in the world. Indian retail industry is predicted to grow to US\$1,100 trillion by 2020 from US\$680 billion in 2017. Globally, India is considered as the fifth largest adopted destination for retail sector. The country is one among the highest in the terms of availability of per capita retail store. Due to the development of retail sector in major cities and metros along with Tier – II and Tier – III cities, India's retail sector is growing rapidly. The factors that are responsible for the growth of Indian retail market are strong growth of economy, change in demographic profile, increase of incomes, urbanization, change of consumer tastes and preferences.

In recent times, the online retail industry is increasing day by day. Online retail store is estimated to increase at the rate of 31% in order to reach US\$32.70 billion in 2018. The revenue obtained from online retail market is estimated to increase to US\$60 billion by 2020. Organized retail entry is forecasted to increase from 7% in 2016

– 17 to 10% in 2020. By 2025, India is supposed to become third largest consumer economy in the world with US\$400 billion.

The increase in the participation of foreign and private industries has given strength to Indian retail industry. Large retail industries are attracted towards the price competitiveness of India and it became their sourcing base. The sourcing from India for global retailer like Walmart, GAP, Tesco and JC Penny is increasing and in turn establishing their own industries rather than being a third – part buying officer.

The Indian government has formulated several programmes in order to attract Foreign Direct Investment (FDI) in the retail industry. 51% FDI in multi – brand retail and 100% in single brand retail have been approved by the government with an idea to strength the business in India and also planning to approve 100% FDI in e – commerce. This may result in transforming India into a fashion retailing market with many young and adult consumers, increasing disposable incomes and effective FDI norms.

## **RETAIL STRATEGY:**

Retail strategy is considered as retailer's vision. Every company's functions are arranged / planned according to this vision to enhance the sales, build customer loyalty, formulate and instrument company's goals. Price strategy, product strategy, placement strategy or a promotional strategy are included in retail strategies.

### **• Price Strategy:**

The mission of a retailer is price driven. The visual merchandiser presents a product by focusing on its price to make it easier for the customer who is price conscious. The retailer, in case of middle class target customers, need to provide the quality products at an affordable price which makes the consumers feel that the obtained value for money. In the same way, the retailer offers products with high price for elite class customers to make them convinced towards the product according to their taste and preference. In the other context, some consumers feel that higher the price, better the quality. In this case, the retailer needs to consider the price of the competitors before deciding his/her final product price.

### **• Product Strategy:**

The mission of the retailer is product driven. The visual merchandiser divides the entire store space into many sections according to product categories like kids, women, men etc, display the particular product and make them visible and accessible for the customer. In general, the stock of a retailer is 30:70 in which 30% is the products of their own brand and 70% goods are of established brands which can be both local and international brands, which already have their own brand value. This makes a retailer easy to sell his/her own products along with established brands. Some retailers concentrate on their own brands as they possess good control over the garment manufacturing factors, quality, price of the product, along with their distribution, display and promotion. There will be high returns without any interference in the retailers working process. This is because there are no any intermediaries which eliminate the commissions and in turn increase profit margins. In this context, the customers are benefited in the way that all the categories of customers are provided with all kinds and wide range of products through retailers that matches their tastes and preferences.

### **• Placement Strategy:**

The strategy of a retailer is also placement driven. The visual merchandiser initially tries to understand the retailer thoughts of selecting the target customers like kids, women, me etc. and target suppliers. He / she also analyses the brands of competitors that are present in the market related to the particular category. This is important to track the market competition, new products and markets, trends which are important to provide the consumers better products. This research can be done through a marketing agency which involves the classification of population and deciding the target customer. This process involves the evaluation of demographic trend of the country's population which gives information regarding the bunch of the brand.

### **• Promotional Strategy:**

The strategy of a retailer is also promotional driven. The visual merchandiser formulates and executes all the promotional strategies and programmes. This promotional strategy consists of recognizing the valued customers through collecting data from various segments and understanding their wants and needs regarding style, price and quality of a product etc. Customer service and loyalty programmes, advertising process, programmes related to in store sales also discounts should be carried out to increase the consumers and maintain them along with festive programmes and contribution to social aspect should also be present.

### **Key elements of visual merchandising:**

In visual merchandising, there are five key elements that are to be considered as essential for any display irrespective of the type or place of display. Effective visual display can change customer to a consumer. Every

aspect is to be understood and applied appropriately in order to create a best display. High creativity is included in visual merchandising. There is no any unique solution in order to resolve the problems that are associated with visual merchandising, its effectiveness depends on the visual merchandiser's capability in order to incorporate and balance all the elements.

### **1. Color: The Soul**

The soul of the display is the color. Through color, an appropriate atmosphere can be arranged and communicate directly with consumers. Among all the colors, green indicates health and freshness, orange specifies friendly nature, red shows energy, black indicates elegance, and blue indicates reliability and yellow indicates happiness. In addition, it should also be ensured that the colors and their combinations used for display should match with the merchandise.

### **2. Landscaping: The Ups and Downs**

The promotion of goods is called as landscaping. This acts as a best medium to draw the attention of customers and to highlight the products. In the process of landscaping, the size and shape of merchandise are to be considered because this helps the merchandiser to know about the amount of spotlight required for the product.

### **3. Texture: The Touch and Feel**

Variations in texture can improve a display. The softness of natural wood can be balanced with the manmade wire which is in rough pattern. Moreover, textures have a meaning. For example, an industrial feel can be brought through wire; a local and fresh atmosphere can be seen through wood, and shiny and durable appearance from metal. Make a plan of what the atmosphere is required and evaluate the textures that match the plan.

### **4. Communication: The Storyteller**

Many studies proved that signs act as a medium to engage the customers. The signages should be easily read and understandable. This can be done through language, colors and also font. These signages not only represent new products but also can be used as price tags and also for describing store – made goods.

### **5. Décor: The Finishing Touches**

Décor is the final step in visual merchandising which improves the display's entire theme without any disturbances. There are three important elements i.e. size, number and color which are to be considered in this final step.

## **MATERIALS AND METHODOLOGY:**

Multiple considerations go into effective visual merchandising. Visual merchandising involves using the following elements appropriately.

- Flooring, like carpet, tile or marble, which influence the customer buying process.
- Lighting (types and brightness) which affect the appearance of displays to the customers.
- Décor (colors, wallpapers and shelving) which have an on store's overall atmosphere.
- The cloths and body language of mannequins which is useful to convey the total message.
- Display designs that should be done appropriately by considering harmony, lighting, color, emphasis, rhythm, proportion and follow the design principles.
- Exterior signage which also includes that conveys the customer about the business and creates an initial impression.
- Walkways and entries that should be blunt into the overall design of the building.
- Landscaping that can enable the customer to understand and draw their attention towards the product.
- Window displays that attract the shopper and direct them towards the store.

## **ROLE OF A VISUAL MERCHANDISER:**

Visual merchandiser is an individual who utilize his/her designing skills that are necessary to promote the image of the products and organizations/stores. Window and in – store displays of products are created by them for retail shops and departmental stores.

They create an imaginative and eye – catching displays of products with a main aim of attracting the customers and encouraging them to purchase. Their role includes:

- 1) Analysis of trends in lifestyle and designs to make sure that they reach the target customers.
- 2) Developing themes for display through communicating with other members.
- 3) Preparing designs and floor plans to make the maximum utilization of space available.
- 4) Gathering materials like props and lighting.
- 5) Visiting other stores and attending some training programmes to get updated regarding new styling methods.
- 6) They should also be responsible to prepare the designs within the budget allotted.

### **Importance of visual merchandising in a retail store and brands:**

In the concept of retail merchandising, the activity of presentation of the products in a way which enhances the sales is termed as visual merchandising. The garments in all the apparel stores are placed in racks, but the vital aspect in this is displaying them in an attractive way which increases the sales. This point is considered as important point of visual merchandising in retail stores.

- **Easy identification of products:** As visual merchandising is an art of displaying the products to attract the customers, they are displayed according to many patterns. This helps the customers to identify the products they need easily. This means, when a product is displayed in an appropriate way, automatically, the attention of a customer will be diverted towards the product. This involves the use of mannequins, props etc.
- **Quick movement of products:** In the case of presence of surplus stock and you need it to be sold faster, visual merchandising helps to achieve this through the display of that particular stock with the help of mannequins, signages etc. For example, displaying the surplus stock on mannequins and placing “FOR SALE” signages next to them.
- **Positive shopping experience:** As through visual merchandising, the products are displayed in a way to attract the customers to increase the sales; this enables the customers to gain a positive shopping experience. This is one of the important things that make your store differ from the others.
- **Media to explain new products:** If a new product is launched and if you need to promote it to increase the sales, initially the customers need to understand the features of that product. Visual merchandising helps a retailer to display the product using many techniques and props to make the customers understand the products clearly.

### **CONCLUSION:**

Visual merchandising is considered as one of the important tasks that are to be followed by the retailer which is very essential to attract the customers towards the store. Every retailer should follow the changes that take place in the retail sector in order to meet the market competition by offering the products that satisfy the customers' wants and tastes.

For every retailer, visual merchandising is accepted as one of the best ways to attract the customers. Hence, visual merchandiser should follow the basic elements of visual merchandising, its materials and methodologies. They should be aware of the role as a visual merchandiser and know the importance of the displays he/she make. If a retailer utilizes the concept of visual merchandising in an appropriate way, automatically the sales can be increased along with the image of the store.

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