The Impact of Visual Merchandising on Consumer Impulse Buying Behaviour

Khurram L. Bhatti and Seemab Latif

In this Post-modern Era the present competitive situation in all the businesses are characterized by a huge cut throat competition and almost at any time the companies and retailers are ready to pay for undifferentiated merchandising. The retailers today are using the merchandising tool to differentiate themselves from other competitors and to be prominent in the market and attract the customers. So many researchers give their contribution in this topic by exploring the different things which causes the customer impulsive buying but still there are more to be determined. The reason of this study is to identify the association among customer impulsive buying and visual merchandising on buying behavior of customers in stores. This learning was based on primary data and which was composed through the questioners. In this study the 350 questioners were floated but we got 344 questioners which were completed the data was collected from the customers in the big super marts and self-service stores of Rawalpindi Pakistan. We defined four hypotheses window display, forum display, floor merchandising and shop brand name, these hypothesis were tested for regression analysis by using Statistical Packages for Social Sciences (SPSS) software. We found that window display, forum display, floor merchandising and shop brand name (independent variables) were significantly associated to consumer impulse buying behavior (dependent variable). However forum display is negatively related to consumer impulse buying and window display, floor merchandising and shop brand name are positively related to consumer impulse buying behavior.

Key Words: Visual merchandising, Impulse buying, Forum display, Floor Merchandising.

Introduction

We can describe visual merchandising “everything the customer sees both exterior and interior that creates a positive image of a business and result in attention, interest, desire and action on the part of the customer” Bastowshoop et al., (1991), p.1. Visual merchandising ranges from window displays including forum display and floor merchandising along with promotion signage Mills et al., (1995). As presentation of goods is often the most crucial factor in decision making Oakley, (1990). Four dimensions of store atmosphere i.e. visual (sight) aural (sound) olfactory (smell) and tactile (touch) which are significant in customers’ choice of products, Mc Goldrick, (2002). The visual merchandising is purely marketing based terminology and represents

Khurram L. Bhatti, Department of Management Sciences, National University of Modern Languages Islamabad, Pakistan, Email: bhattikhurram@hotmail.com
Seemab Latif, Department of CSE, National University of Science & Technology Islamabad, Pakistan, Email: seemab@mcs.edu.pk
the most important marketing tools and represent the most direct means of communication to the product which means that any promotional signage like billboards, banners, posters, panaflexs, bunting, placards, pamphlets, shop boards, shelf markers and hand bills of any company, shop or brand which customer can see or visualize during his visit to the market or during shopping. Visual merchandising is not all about this it also includes the layout of the stores, the shelving styles of the stores, the sections of the stores, the atmosphere of the stores and the brands available in the stores. It is visual product identification, the brand concept and the means of establishing the relationship between the consumer and the product to generate the sales, among the many marketing strategies visual merchandising is the one which establish closer communication with consumer and direct interaction.

Impulse buying is a rapid convincing, hedonically compound purchase behavior in which the quickness of the impulse purchase decision precludes any thoughtful, intentional contemplation of alternatives Kacen, (2002). Findings of early researchers have shown that impulse buying accounts for substantial sales across a broad range of products categories Bellenger, Robertson & Hirschman, (1978). Impulse buying is a pervasive aspect of consumers’ behaviors and a focal point for strategic marketing plans Rook, (1987). Impulse buying may be defined as a purchase decision made in-store with no explicit recognition of a need for such a purchase, prior to entry into the store Kollet & willet, (1967); Kollat, (1966); Ballenger et al, (1978). On the other hand these all factors of visual merchandising will leads the consumer towards impulse purchasing. Impulsive buying is generally considered as unexpected buying, it is basically described as the shopping which shopper does not plan in advance. This impulse buying behavior is recognized by the shopkeepers and they use to design their shops layout, shelving, branding, and do much more to attract the consumer or shopper to influence them to make impulse buying and generate revenues. This phenomenon has been tremendously increasing during the last decade and the reason behind this is a sturdy connection linking mass merchandising and the impulse purchase. Now marketers and retailers are working on how to attract the shoppers to do more impulse buying or unplanned purchases. For this the companies are working on the stores environment and collecting information and doing research on how they can influence consumer purchasing behavior for their brands.

The main purpose of this paper is to study the influence of impulse buying on window display, on forum display, on floor merchandising and on shop brands name by the customers in store.

**Literature Review**

The visual merchandising is the tool which is used by the companies or shopkeepers to attract the customers or shoppers to do the unplanned buying. In which the marketers and the shopkeepers arrange their shops or do promotional activities that attract the shoppers by seeing the shop, promotions, their sign boards, atmosphere, shelf arrangement, section divisions, cleanliness and many other factors which attract the shoppers to do impulse or unplanned buying. Many others researchers conduct the
research on the visual merchandising or impulse buying by their perspective some of them are,

Mehta and chugan, (2012) has studied the contact of visual merchandising on shopper impulse buying behavior. He took sample size of 84 customers visiting the retail stores of India and find that window display has direct relation with impulse buying. However no significant relation is found between form display and impulse buying but floor merchandising shows direct relation.

Bashar and Irshad, (2012) has considered impact of form display, window display, promotional signage and floor merchandising by taking sample size of 250 Indian respondents by applying Pearson correlation. His findings are that window display and impulsive purchasing are positively correlated. Impulse buying and store display are not correlated. Floor merchandising is also correlated with impulse buying.

Sujata et al., (2012) has shown impulse buying as an antecedent to impulse buying. He has taken window display, form display, floor merchandising as independent variables. He has taken sample comprising of both male and females of age 18-45 and applied Pearson correlation. His conclusion is the strong correlation among window display, impulse buying and forum display. Low correlation is found between impulse buying and floor merchandising.

Vinamra et al., (2012) has studied impact of visual merchandising on consumer behavior towards toward women’s Apparel. His dependent variable is visual merchandising and independent variables are neutral role in influencing the purchase and significant role in influencing the purchase. He took sample size of 150 Indian women’s who were visiting shopping malls. His findings are that visual merchandising has a very strong impact on customer purchasing behavior. To some extant visual merchandising also leads to impulse buying.

Maria et al., (2010) has studied the impact of visual merchandising in shopping center’s fashion stores. His dependent variable was visual merchandising and independent variables were shopping store window according to gender, Factors valued by consumer on going into a store attributes that influence on purchase options according to gender. He took sample of 334 respondents and applied mean standard deviation as a statistical tool. His findings are that significant differences in the shopping center window display influences over consumer buying behavior according gender, little significant differences in the factors valued by consumers on going into a shopping center according to gender.

Mahmood and Ahmadinejad, (2011) has studied the role of store environmental stimulation and situational factors in impulse purchasing. He has taken impulse purchasing as dependent variable and environment of store, promotions, examination of goods, and availability of money as independent variables. He took sample of 329 customers visiting shopping malls of Iran and applied variance coefficient as statistical tool. His findings are that environment of the store is significantly correlated, visual merchandising is related.
Ridmi et al., (2011) has studied the impact on patronage intentions in supermarkets of selected visual merchandising techniques. His dependent variable is visual merchandising an independent is store layout, color, product display, music, lighting, cleanliness. He took sample of 384 customers who are visiting shopping malls of Sirilanka and applied regression as a statistical tool. His findings are that no relationship between patronage intentions and store layout. There is bond among color and patronage intentions. There is relationship between patronage intentions and product display. There is relationship between patronage intentions and music. There is connection among cleanliness and patronage intentions.

Dr Tausef, (2011) has determined the impulse buying of consumer for FMCG products. His dependent variable was impulse buying behavior for FMCG product and independent variables were classification by gender, classification by age, classification by education, classification by income. He has taken sample of 160 respondents of Jodhpur, a city in India. He used (SPSS Version 16) Factor analysis as a statistical tool. His findings were impulse purchasing and the customers of different age group were significantly different, impulse buying behavior and the customers of different genders were significantly different, and significant difference in education.

Sonali and Sunetra, (2012) has studied the unplanned purchasing triggering the senses in retail stores. His dependent variable was frequency of shopping and independent was gender of customers. He has taken sample of 100 customers visiting Indian shopping malls and used chi-square as a statistical too. His findings were that no significantly associated with gender of customers and frequency of shopping.

Objectives

- To find the impact of window display on consumer impulse buying.
- To investigate the role of forum display on consumer impulse buying.
- To study the relation between floor merchandising and consumer impulse buying.
- To study the impact of shop brand name on consumer impulse buying.

Research Hypothesis

Consumer impulse buying is influenced by many factors but we are testing it against the independent variables like window display, forum display, floor merchandising and shop brand name.

The significance of window display related to purchasers’ buying behavior has received least consideration in the literature. However, since the physical attractiveness of a store influenced consumer’s choice of a store Darden at al., (1983) and the first impressions of the store is created normally at the first level, it can be recommended
that it is influenced by window display, to some degree at least, store of a customer’s choice when they do not plan with a precise purpose of visiting a particular store and buying a particular item. The first step is to attract customers to purchase and pull them in the door. Today many retailers are concentrating on window display to pull passerby’s concentration and eventually to convert buyers into customers Diamond and Diamond, (1996)

- H1. Consumers who do impulse buying are significantly influenced by window display.
- H0. Consumers that does impulse buying is not significantly influenced by window display.

Impulse buying takes place consequent to contact to in-store stimuli. In-store stimuli remind the customer of their shopping needs thus leading to an impulse purchase Kollat & Willet, (1969). To increase unplanned purchases of products retailers primarily use In-store stimuli as promotional techniques. In-store display, point of purchase displays, on-shelf positions and in-store demonstrations are promotional techniques used Abnett & Goody, (1990). Cox (1970) found that there is a positive bond among the length of shelf space given to an impulse product brand and high customer acceptance. Impulse buying is also influenced by On-shelf position. Consumers have a natural trend to spotlight and observe at eye level. Therefore, unplanned purchase in retail stores can be increase by displays Peak & Peak, (1977); Quelch, (1983). The Pope/ Du Pont Consumer Buying Habits Study (1977) focused on unplanned buying in supermarkets. As per the study, it appears that all supermarket purchase decisions were made approximately 65% in-store and the impulse buying was over 50%. Customers respond positively and quickly to buying stimuli such as products, salespeople and/or store environments. Increased experience to stimuli also enhances the chances of recognizing product needs and leads consumers to process new product information Iyer, (1989). There are positively some factors which are significant in spurring impulse buying and these factors include mass distribution, low price, and marginal need for the product/brand, self-service, prominent store display, mass advertising, small size and ease of storage. This also implies that products that are more costly and require more time and effort are less in impulse buying. Cobb and Hoyer, after an extensive research concluded that unplanned buying do very little “in-store information processing” but importance quality almost as much as do shoppers who plan well in advance.

- H2. Consumers who does impulse buying is significantly influenced by forum display.
- H0. Consumers who do impulse buying are not significantly influenced by forum display.

Impulse buying is related to ease of buying. This phenomenon has been progressively increasing during the last decade and a reason could be attributed to the relationship that exists between impulse buying and mass merchandising. Mass merchandising has given a favorable environment for impulse buying; and in return, unplanned buying has twisted the expansion of certain mass merchandising techniques. Impulse buying may be defined as a purchase decision made in-store with no explicit recognition of a need
for such a purchase, prior to entry into the store Kollat & Willett, (1967); Kollat, (1966); Bellenger et al, (1978). Occurrence of impulse buying could be attributed to exposure to in-store stimuli, the latter acting as reminders of shopping needs Kollet & Willett, (1969) and, in part, to incomplete measure of purchase plans Kollet & Willett, (1969). In India, retail sector is experiencing an unprecedented boom. Coupled with a rising discretionary income of the vast Indian middle class, the brands at the various retail outlets are jostling to grab maximum eyeballs so as to enter the shopping basket of the Indian shopper. The Indian shopper is as susceptible to impulse buying as shoppers in the world over. The question that arises here and is of supreme interest to all marketers and retailers alike is how to induce the Indian shopper to make more and more unplanned purchases. To this end, producers need information on the effectiveness of consumer purchasing behavior for their brands up to which extent this influence the in-store stimuli. Retailers also need such information to calculate the effectiveness of resources designed to generate additional sales and perhaps to differentiate their stores from the competitor's.

- H3.Consumers who does impulse buying is significantly influenced by floor merchandising.
- H0.Consumers who does impulse buying is not significantly influenced by floor merchandising.

Krutulyte, Costa, and Grunert (2009) asserted that brand name is commonly more influential than packaging. Varela, Ares, Gimenez, and Gambaro (2010) agreed, stating that the liking and buying of a product depends on more than just the sensory details. Consumers’ decisions are influence by Non-physical details such as brand and price. As a determiner of quality price has been interpreted, according to Jacoby, Olson, and Haddock (1971). Price is “concrete and measurable,” so the consumer trusts it more than most cues concerned with quality. However, Ares et al. (2009) suggested that higher price could have one of two effects on consumer preference: it could cause the product to seem higher in quality, or it could make the product less desirable because of the extra expense. A study by Krutulyte, Costa, and Grunert (2009) showed that price’s reliance as an indicator of quality varies by culture. Whatever effects price may have on quality perception are overshadowed by the effects of brand name. Brand has been cited among the “most important non-sensory factors affecting consumers’ choice decisions of food products” Varela et al., (2010). According to Keller (1998), brand is seen as a “promise, a guarantee or contract with the manufacturer and a symbolic mean and sign of quality” (as cited in Varela et al, 2010). Brand is communicated to the public through advertising.

To familiarize the public with their brand images, advertisers spend millions of dollars each year defined by Jacoby, Olson, and Haddock (1971) as the “subjective, emotional cluster of meaning and symbols that the consumer attributes to a particular brand”. Fichter and Jonas (2008) further define brand image as “the stereotype held toward a brand”. The familiarity garnered from exposure to brand image leads to increased liking and increased quality perception Wardle and Solomons, (1994), p. 180; Ares, Gimenez,
and Deliza, (2009). According to Peters-Texeira and Badrie (2005), “advertising is the most important factor that influences the purchase of a new product”. Numerous studies have established the extraordinary effects of brand name.

- H4. Consumers who does impulse buying is significantly influenced by shop brands name.
- H0. Consumers who do impulse buying are not significantly influenced by shop brands name.

**Problem Statement**

“How Visual Merchandising Influences The Consumer Impulse Buying Behaviour”

**Theoretical Framework**

![Diagram showing the relationship between window displays, forum displays, floor merchandising, shop brands name, consumer impulse, and buying behavior.]

**Variable**

**Dependent Variable**
- Consumer Impulse Buying Behavior

**Independent Variables**
- Window displays
- Forum displays
- Floor merchandising
- Shop brands name
Units of Analysis

We identify the big self-service stores or big marts in the city of Rawalpindi, Pakistan in which we distribute the questioners related to our variables to the customers irrespective of gender who are coming in these marts or self-service stores for shopping.

Cross Sectional Data Collection

We will use the cross sectional data collection in our research because in this research we will collect the data one time from primary source.

Data Collection and Sampling

The data was collected from the customers by using questioners in the super marts or big retailers shop who came there for shopping and they were also our samples. The 350 questioners were filled by the actual shoppers from which 344 were completed so we reduce our sample size accordingly. A five point Likert scale was used to compute each variable. We developed separate questioners for every variable and each questioner has 12 questions to see the impact of visual merchandising on customer's unplanned purchasing attitude.

Analysis and Discussion of Hypothesis

The regression analysis was used to assess the potency of relationship between dependent or independent variables and it was also conduct for the hypothesis testing in which consumer impulse buying behavior was dependent variable and each visual merchandising variable window display, forum display, floor merchandising and shop brand name used as forecaster in array to test if the hypothesis are significant or not. This further tell us how visual merchandising tools control the consumer unplanned purchase behavior.

To test whether there is any considerable affiliation among consumer unplanned purchase and the window display, to study this following hypothesis was developed:

H0: Consumers that does impulse buying is not significantly influenced by window display.

H1: Consumers who do impulse buying are significantly influenced by window display.
Table 1: Model Summary

<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>.903 a</td>
<td>.816</td>
<td>.779</td>
<td>.008065</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Windows Display

Coefficients a

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std.Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.670</td>
<td>.035</td>
</tr>
<tr>
<td>Windows Display</td>
<td>.062</td>
<td>.013</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Impulse Buying Behavior

The adjusted R-square (coefficient of determination) value is 0.816 as shown in the (table no1) is close to 1 (its maximum value). This validates the model that 81% of the time, data fits very well to the model. The variable windows display is positively contributing towards consumer impulse buying behavior and is significant at 5% and 10% level of significance (P-value = 0.005 < $\alpha = 0.05, 0.10$).

So according to the data hypothesis H0 is rejected and H1 is accepted that consumers who do impulse buying are significantly influenced by window display.

H0. Consumers who does impulse buying are not significantly influenced by forum display.

H2. Consumers who does impulse buying is significantly influenced by forum display
The adjusted R-square (coefficient of determination) value is 0.749 as shown in the (table no2) is close to 1 (its maximum value). This validates the model that 74% of the time, data fits very well to the model. The variable forum display is negatively related to consumer impulse buying behavior but it is significant at 5% and 10% level of significance (P-value = 0.012 < \( \alpha = 0.05, 0.10 \)).

So according to data the hypothesis H0 is rejected and H2 is accepted that a consumer who does impulse buying is significantly influenced by forum display.

H0. Consumers who does impulse buying is not significantly influenced by floor merchandising.

H3. Consumers who does impulse buying is significantly influenced by floor merchandising.
Table 3: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.863</td>
<td>.745</td>
<td>.694</td>
<td>.009482</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Floor Merchandising

**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>1 (Constant)</td>
<td>2.424</td>
<td>.108</td>
<td>.863</td>
<td>22.511</td>
</tr>
<tr>
<td>Floor Merchandising</td>
<td>.171</td>
<td>.045</td>
<td>.863</td>
<td>3.823</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Impulse Buying Behavior

The adjusted R-square (coefficient of determination) value is 0.745 as shown in the (table no3) is close to 1 (its maximum value). This validates the model that 74% of the time, data fits very well to the model. The variable floor merchandising is positively contributing towards consumer impulse buying behavior but it is significant at 5% and 10% level of significance (P-value = 0.012 < \( \alpha = 0.05 \), 0.10).

So according to data the hypothesis H0 is rejected and H3 is accepted that a consumer who does impulse buying is significantly influenced by floor merchandising.

H0. Consumers who do impulse buying are not significantly influenced by shop brands name.
H4. Consumers who does impulse buying is significantly influenced by shop brands name.

**Table 4: Model Summery**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.802</td>
<td>.644</td>
<td>.572</td>
<td>.011210</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Shop Brand Name

**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>2.688</td>
<td>.049</td>
<td></td>
<td>54.619</td>
</tr>
<tr>
<td>Shop Brand Name</td>
<td>.060</td>
<td>.020</td>
<td>.802</td>
<td>3.006</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Impulse Buying Behavior

The adjusted R-square (coefficient of determination) value is 0.644 as shown in the (table no4) is near to 1 (its maximum value). This validates the model that 64% of the time, data fits very well to the model. The variable shop brand name is positively contributing towards consumer impulse buying behavior but it is significant at 5% and 10% level of significance (P-value = 0.030 < = 0.05, 0.10).

So according to data the hypothesis H0 is rejected and H4 is accepted that a consumer who does impulse buying is significantly influenced by shop brand name.
Findings and Conclusion

This research was conducted to inspect some exterior factors that manipulate the consumer unplanned purchase behavior. To investigate the relation further the learning attempted to explicate the affiliation among the customer's unplanned purchase behavior and the different types of visual merchandising. The key discovery of this learning was the visual merchandising positively manipulates consumer impulse buying behavior.

The results proved that the consumer impulse buying behavior was significantly influenced by the window display, forum display, floor merchandising or even with shop brand name. This study denotes that the consumer impulse buying behavior has a strong relationship with the window display because the study told us that when the consumer visualize the products which were displayed attracts the customers and arouse their urge to do impulse buying. The forum display also has very strong relationship because when the customer enters into the shop and sees the varieties of products displayed on the shelves in such a way that they pulled the customer to purchase which they were not actually planned to purchase. The floor merchandising also has a relationship with consumer impulse buying but according to the data it was moderate because when the customer was in the store for shopping they want to do it with concentration and interest and when the floor merchandising was performed the people avoid to listen to them and feel odd for being disturbed so when the floor merchandising was performed the consumer hesitate a bit to shop impulsively. The consumer impulse buying behavior and the shop brand name has a very strong relationship because when the shop succeeded in developing its loyal customers of its brands then whenever the customer saw that brand he/she wants to purchase it unplanned.

All this data effectively suggest that visual merchandising like window display, forum display, floor merchandising and shop brand name serve as strong stimulus, reminding and inspiring the customer to do impulse buying choice while stepping into the shop. Efficiently this study shows value of visual merchandising in considerate impulse buying.

Limitations of Study

This research suffered from the following limitations:

- The data was collected from Rawalpindi and the sample was geographically limited so the data from other cities may produce different results.
- The mechanism was limited to the quantitative method. The survey asked respondents to answer the questions from their unplanned buying experience as they were well aware of their manners and influences.
- The qualitative research for this may differ in outcome.
References