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A Research Proposal: The Effect of Visual Merchandising on Female Consumer Shopping Behavior

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A RESEARCH PROPOSAL: THE EFFECT OF VISUAL MERCHANDISING ON FEMALE
CONSUMER SHOPPING BEHAVIOR

Presented to
Dr. Martin W. Sivula

In Partial Fulfillment of
Research and Inquiry RSCH5700
Johnson and Wales University

By:
Caroline Ellis
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Abstract

The purpose of this qualitative research proposal is to investigate the effect visual merchandising has on female consumer shopping behavior. The retail industry is continually changing. Unless stores can differentiate themselves from their competitors, they will not survive in the retail sector. To give stores a competitive advantage, they need to have the newest and most unique; storefronts, merchandise mix, and overall store environment. Keywords below, will help define visual merchandising within the retail industry. The literature review section examines previous studies conducted with visual merchandising and female consumer shopping behavior, in addition to reviewing the intimate retail sector in the Asian markets. While techniques in visual merchandising and consumer shopping behavior differ culturally (and within different apparel sectors), the finding of this paper emphasizes the importance of merchandising and promoting the proper brand imaging to the customer. Two methods will be used to obtain data to understand the effects of visual merchandising on consumer shopping behavior. First, pre-tested questionnaires will be administered to two hundred and fifty women. Second, three focus groups will be conducted of eight participants each. The results of the questionnaires and focus groups will help managers, merchandise planners and retail industry specialists to better understand the female consumer's perception of visual merchandising and its impact on buying behavior.

Keywords: Visual merchandising, hedonic shopper, functional shopper, store atmospherics, exterior store atmospherics, consumer preference, S-O-R framework.

Introduction

The retail industry evolves every day, and there are numerous ways in which female customers can shop for apparel. Only a few years ago, in-store shopping was the shopping preference of consumer. However, with advanced technologies and online retailers, there has been a drastic shift in shopping behaviors. It is vital that brick and mortar retailers can differentiate themselves from online retailers that pose competitive threats, and create a personal and desirable shopping experience for female consumers.

For stores to do this, they need to provide an all-around unique and memorable experience, by using atmospherics to invoke environmental stimuli. One of the most significant ways stores can pull female shoppers in, is to utilize the concept of visual merchandising. Visual merchandising refers to the development of effective displays- i.e., displays that attract, engage and motivate customers. The purpose of visual merchandising is to create a pleasurable shopping experience and to enhance the value that motivates customers to make planned or impulsive purchases (Jain, Takayanagi, & Malthouse, 2014). Understanding visual merchandising strategies and the use of atmospherics within stores is key to enticing customers first to enter the store, second to elicit an emotional response, and lastly, to encourage purchases.

Although visual merchandising and the proper use of store atmospherics is vital to ensuring the differentiation between competition, stores need to understand their demographics and how they position their brand in customer's minds. Therefore, understanding why women shop the way they do and what entices them to enter a store is necessary to create an overall positive experience. Regardless of the retailer, it is important that all stores stay up to date with the latest visual merchandising strategies and understanding their female clientele.

This research proposal aims to better understand the effects visual merchandising has on female consumer shopping behavior in retail stores. Furthermore, it identifies the way women shop and how environmental stimuli affects their buying decisions.

Statement of the Problem

For in-store retailers to stay in business, it is necessary to understand the techniques that differentiate themselves from their competition. Examples of merchandising methods are; understanding customer's perceptions of brand image, and the effects of environmental stimuli on consumer's emotions and shopping behaviors. Without truly understanding these concepts, retailers cannot have success long-term.

Purpose of the Study

The purpose of this study is to identify the effect of visual merchandising on female consumer shopping behavior. This report also analyzes female shopping motives and preferences within different global retail markets specifically the Asian intimate apparel sector. The study will aim to investigate the effects visual merchandising and atmospherics has on consumers; concurrently examining techniques stores could implement to "keep up" with competition and entice female consumers to shop in their store. Several studies have been conducted individually regarding visual merchandising, and how female shopping behavior is affected. However, there is little research that has combined visual merchandising and female shopping behaviors specifically in the United States retail market.

Hypothesis

This study will aim to prove the following hypothesizes:

H1: Visual merchandising and store atmospherics directly impact female consumers shopping behaviors.

H2: Visual merchandising and store atmospherics are necessary aspects of retail environments to stimulate customer's emotions.

H3: Functional and hedonic customer motives, will influence the effect visual merchandising has on female shopping behavior.

Definition of Terms

The following keywords are used throughout this research study:

1. Visual Merchandising- the development of effective displays- i.e., displays that attract, engage and motivate customers. The purpose of visual merchandising is to create a pleasurable shopping experience and to enhance value to encourage customers to make planned or impulsive purchases. Elements of visual merchandising include mannequins, lighting, store design, graphics, signage, sound and show windows as a means of attracting shoppers (Jain et al., 2014).

2. Customer Motives (Jain et al, 2014).

Hedonic Shopper: Shopping for pleasure or amusement

Functional Shopper: Shopping to acquire a necessary item- rational and goal driven shoppers

3. Exterior Store Atmospherics: represents the first contact point between the consumer and retailer. Persuading customers to enter the store and subsequently purchase (Pantano, 2016).

4. Store Atmospherics: the environment that is brought about by a coordinated visual display of merchandise and the ease and mobility within the store (Thang & Tan, 2003).

5. Consumer Preference: refers to the consumers' hierarchical prioritization of the stores because of their patronage to the store. It is the proclivity of consumers for certain stores over others (Thang et al., 2003).

6. S-O-R Framework- Stimulus- Organism- Response (S-O-R) has been used to study shopping behavior. In this framework, the store environment (stimulus, S) is assumed to influence consumers' internal evaluations (organism, O), which leads to behavioral responses (response, R) (Jain et al., 2014).

Theoretical Framework

There has been extensive research conducted to understand the effects of visual merchandising and its correlation to female shopping behavior in retail environments. Most of studies conclude that visual merchandising strongly influences shopping behaviors. Some of the elements that impact shopping behavior are as follows: store atmospherics, display windows, merchandising, overall shopping experience, and the role merchandising has when influencing customer's emotions. These elements affect the way customers view retail stores and overall brand image.

Literature Review

Many studies have been done relating to visual merchandising, store aesthetics and how it influences consumer shopping behavior. Numerous aspects contribute to understanding why consumers shop the way they do, and how visual merchandising and displays affect customer's emotions and purchasing behaviors. To thoroughly understand this concept, this paper reviews different studies that include: storefront window displays, consumer entry decisions, elements of

visual merchandising and store aesthetics, as well as the integration of modern technologies to promote products to customers. Each of these studies correlates with one another, and the effects visual merchandising has on consumer behavior.

A study conducted by Jain, Takayanagi, & Malthouse, explains retailer's reliance on promotional strategies such as visual merchandising, as a means of standing out to buyers. Visual merchandising is used throughout the retail industry. Some of the areas visual merchandising can be found are storefront window displays and in-store displays. Jain, Takayanagi, & Malthouse, examine the importance of storefront windows on consumer perception and buying behaviors. Two methods of collecting data are used. After conducting twenty in-depth interviews, researchers developed a survey- based on the S-O-R framework and distributed it to two hundred and nine female customers. The participants viewed randomly assigned storefront windows and were asked to answer seven questions about their perception of what they saw. There were five components that made up consumer's responses: social, informational, hedonic, and image related. Additionally, it was found that storefront windows which elicit these responses can create a "good feeling" enhancing purchasing power. This study enables managers and merchandisers to incorporate elements of visual merchandising that customers respond well to, both environmentally and emotionally (Jain et al., 2014). The study correlates with visual merchandising strategies and its effects on consumer shopping behavior, because without understanding the customer and the way they view storefront displays; stores will not be able to influence customer's emotions.

When considering visual merchandising, and the effect it has on consumer behavior, it is essential to discuss aspects of merchandising specifically in storefront windows, that are visually appealing to the consumer. Store window displays are typically used to influence consumer

perceptions of store/brand image and, ultimately store entry decisions (Oh & Petrie, 2012).

Pantano, examined the effects of engaging consumers through storefront window displays by incorporating interactive technologies. Retail is as competitive as ever, and retailers must continue to emerge and be ahead of the “next popular thing”. The study consisted of six focus groups lead by moderators. The focus groups focused on behavioral and perception questions. At the end of the focus groups, participants engaged with integrated technology that would be found in storefront windows, and asked to comment on their attraction to such technology. Moderators asked participants what the most prominent aspect of an enticing storefront window included. The findings concluded that there is significant importance to the aesthetical elements of the storefront window, with an emphasis on brightness and lighting. While the integration of interactive technologies can enhance storefront windows if effectively used, storefront visual merchandising can also impact consumers shopping behavior and store entry decision.

Although, visual merchandising of storefront windows is a crucial to attracting customers to a store, another aspect that influences consumer shopping behavior is the interior aesthetic stimuli of a store. The proper use of aesthetics creates a positive or negative atmospheric environment, directly influencing consumers buying decisions. A study done in China examined the effects of visual merchandising, store aesthetics and the response to store displays in the intimate apparel market on consumer buying behaviors ("Visual Merchandising Strategies," 2012). There are cultural differences between the way female consumers shop in Asia, and how they perceive visual merchandising. The study concluded that Asian consumers also view visual merchandising as a vital aspect of influencing purchasing decisions. However, one cultural difference found that, Asian consumers preferred to see intimate apparel displayed functionally and femininely, rather than uniquely. Another study conducted in China within the intimate

apparel market aimed to investigate the relationship between visual merchandising elements and consumer affective response (Law, Wong, & Yip, 2012). The study concluded that female consumer participants between the ages of 25-35 evaluate visual merchandising two ways: hedonically and functionally. Hedonic shoppers accept visual displays while functional shoppers do not, and in some instances, elicit negative emotional responses to visual merchandising methods.

Not only are store atmospherics and visual merchandising essential qualities for retailers to influence consumer shopping behavior, but it is necessary for retailers to understand their target market. When a store understands the way their customer shops, it is easier to appeal to them through targeted visual merchandising techniques.

A study conducted by, Thang and Tan, explored the consumer perception to the preference of retail stores through an empirical assessment of multi-attributes of store image. The study used the S-O-R framework and Likert scale, to examine the relationship of consumer retail behavior. Customer perception of a retail store (merchandise, store experience, brand image, etc.) directly affects the consumers store preference. Although visual merchandising and store atmospherics are essential in the retail environments, there are other aspects which influence consumer preference and behavior (Thang & Tan, 2003). Three hundred and fifty questionnaires were distributed at random to female consumers. The findings found that factors which influenced consumer shopping behavior and store preference were as followed; 1. Merchandising, 2. Store accessibility, 3. Reputation of the store, 4. In-store service, and 5. Promotions. This study further proves the importance of visual merchandising and its effects on female consumer shopping behavior (Thang & Tan, 2003).

Methodology

Design

This qualitative study aims to understand the effects visual merchandising has on female consumer shopping behaviors. To test the hypothesis proposed at the beginning of the report, two phases will be conducted. Primary data (phase 1) will be collected by, administering pre-tested questionnaires to two hundred and fifty women between the ages of 23-55 who shop in upscale stores on a regular basis. The women will be selected from frequent shopper lists from six of the most well-known stores throughout the country (USA). To ensure the validity of this study, the women selected, must have shopped in each of the six stores at least three times within the past eight months. This will ensure the responses to the questions are not biased towards one store. The purpose of this, is to obtain the most accurate understanding of visual merchandising and the correlation between female shopping behavior.

The second part of this study (phase 2) will consist of three focus groups of eight randomly selected women from the two hundred and fifty women who answered the questionnaires from phase 1. The purpose of choosing the women at random is to ensure the results are not biased. The focus groups will last an hour and a half with a moderator. The groups will be recorded with audio and video devices (with the consent of each participant). Additionally, the groups will be observed by three other researchers via a two-way mirror. After the focus groups, all sessions will be transcribed twice by different transcribers to ensure the most accurate responses.

**Note: All female consumers who participate in either the questionnaires or focus groups will be compensated for their time with a 50% coupon of their choice from one of the six retailers used in the study.*

Sampling

Two hundred and fifty women between the ages of 23-55, who shop in upscale retail clothing stores on a regular basis, will be chosen to participate in this study. The women will be selected from frequent shopper lists from six well known, upscale shops throughout the country (USA). In addition to being on the frequent shopper lists, participants must have also shopped in each of the six retail stores at least three times within the past eight months. The simple sampling method will be used in this study, (n=250) because the participants are selected out of the entire population of female consumers who shop in retail stores.

Instrumentation

This qualitative study will include two different methods of instrumentations to understand how visual merchandising effects female consumer shopping behavior. The two methods that will be used to collect data directly correlate with each phase of the study. Phase 1 participants will be given questionnaires, and phase 2 participants will participate in focus groups. The questionnaires (phase 1) will consist of ten questions and follow the Likert scale model, asking female shoppers to rank the importance of various aspects of a retail environment. The scale will be broken down as follows: 1. (strongly disagree) 2. (disagree) 3. (neutral) 4. (agree) 5. (strongly agree). The second phase (phase 2) will consist of three focus groups, each with eight randomly selected participants from phase 1. The focus groups will last an hour and a half with a moderator. Each focus group will be structured in a round table format, and participants will be asked to answer five questions. The final question of the focus group will require participants to look at three pictures and respond to how the visual merchandising within the images would affect their shopping behavior.

Phase 1: The questions below will be part of the questionnaires distributed to two hundred and fifty randomly selected female shoppers. The method used for phase 1 will follow the Likert scale model (See Appendix A).

Phase 2: The five questions below will be asked in the focus group portion of the study. Three focus groups of eight female participants will be asked to personally evaluate the effects visual merchandising has on their shopping behaviors. The focus group will open with an engagement question to introduce the subject of visual merchandising. The next three questions will be open ended exploration questions. The final question will be designed as the exit question. It will ask participants to evaluate three pictures of different storefront windows, and respond to each of the images, based on how the visual merchandising might affect their own shopping behavior. The purpose of the exit question is to see if any other perspectives of shopping behavior were missed during the focus group (See Appendix B).

Data Collection and Analysis

After the study, two hundred and fifty questionnaire responses will be collected, and the transcriptions of the focus groups will be reviewed. The questionnaires will be analyzed to understand: 1. the types of shoppers who answered the questions (hedonic or functional), 2. the importance female consumers place on visual merchandising, 3. the effects visual merchandising has on purchasing potential and 4. the importance of store atmospherics and its correlation to visual merchandising.

Next the focus groups will be evaluated, and conclusions will be made based on the answers provided by the five questions. Once the questionnaires' and focus groups have been thoroughly

assessed, and proven accurate, the final findings will be published using tables, charts, and figures. Additionally, extensive explanations of each of the findings will be provided, and possible further research will be discussed.

At the end of the study, each participant will be given a copy of the study and provided with an in-depth analysis. When the report is complete, it will be peer- reviewed to confirm its validity and published to academic journals.

Confidentiality of Participants

To ensure the confidentiality of each of the participants, any information collected during the study will be stripped of identifying factors, such as name, age and other personal information. Furthermore, the study will require that all participants sign waivers of consent before answering the questionnaires, and participating in the focus groups. Participants will be allowed to withdraw from the study at any time, without question. At the end of the study, each participant will be provided a copy of the study.

Suggestions for Future Research

Future research that can be further studied to understand the effects visual merchandising has on female consumer shopping behavior are as followed:

1. Exploring individual environmental cues in storefront windows, such as color and lighting (Jain et al., 2014).
2. Exploring the cost of innovative interactive technologies and retailers' willingness to adopt these technologies into their visual merchandising (Pantano, 2016).

3. Further exploring the relationships between storefront window displays and approach and avoidance behaviors using different display techniques (Oh & Petrie, 2012).

Discussion

The studies examined in this proposal, justify the research questions posed above. Visual merchandising and store atmospherics will directly impact female consumer shopping behavior. The need for unique interior and exterior visual merchandising within retail environments is critical in promoting sales and creating a positive brand image in customer's minds. Additionally, the importance of understanding a retailer's target market is highlighted within the examined studies to ensure that visual merchandising will evoke a positive, emotional response from the consumer, which will lead them to purchase merchandise. As the world of retail expands, it will be interesting to see how brick and mortar retail stores will continue to improve their visual merchandising strategies to stay ahead.

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Appendix A (Sample Questions)

Instructions: Please respond to the following ten questions honestly. There are no wrong answers, and we ask that all questions are answered. The reason for this study is to better understand the effects of visual merchandising and its impact on female consumer shopping behavior. Please use the following key to answer the questions below:

Key: 1. (Strongly Disagree) 2. (Disagree) 3. (Neutral) 4. (Agree) 5. (Strongly Agree), please circle your choice.

1. When I walk into a store, I am more likely to purchase something if the store environment is inviting and organized.
1 2 3 4 5
2. If a storefront window has a wide range of merchandise, I will walk into the store.
1 2 3 4 5
3. Interactive storefront windows and store displays are appealing to me.
1 2 3 4 5
4. When I shop in a store, I prefer to buy entire outfits (pants, top, accessories) based on mannequins and displays presented.
1 2 3 4 5
5. Store image is ONLY based on merchandise displays.
1 2 3 4 5
6. I will walk into a store if the display windows are eye catching.
1 2 3 4 5
7. I will purchase something in a store if the store environment positively excites me.
1 2 3 4 5
8. Store window displays are the most important aspect of the store.

Appendix B
Questions

Q1: Does it matter if your shopping environment is visually stimulating? Or does it not matter to you? Why or why not?

Q2: What is most important to you, the overall store environment (lighting, smell, music) or the displays and merchandise mix offered?

Q3: Why do you shop in certain stores over others?

Q4: Can you think of any specific storefront windows that had an impact on you? If yes, what was the store, and how did the window impact you? Did you end up purchasing something in the store because of the window display?

Q5: Next, I will hand out a book of three images. Please answer the questions below with a short response about your initial perception of the visual merchandising. How would the visual merchandising would affect your purchasing decision.

Image 1: ("Using The Installation Concept In Your Visual Merchandising Strategy & Designs," 2017)



Image 2: ("2017 Best Visual Merchandising Programs," n.d.)



Image 3: ("Visual Merchandising," n.d.)



Focus group participants will be asked to answer the following questions for each of the three pictures above.

Questions

Q1: What are your initial thoughts on the visual merchandise display?

Q2: Would you shop at this store? Why or why not?

Q3: Do you find these displays and storefront windows unique?

Q4: Provide a brief response to your overall perception of merchandise, display, use of color, use of lighting and anything else that might stand out to you.

