
Impact of Visual Merchandising on Brand Equity: An Empirical Study on Premium Apparel Retailers

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ABSTRACT:

*A complete, eye-catching and well-operative visual merchandising in retailer's shop can affect the level of customer satisfaction. Also, issues with the atmospheric elements in retailer's shop or shopping malls for instance less parking space, lack of proper signage, unpleasant outline and lack of ambience will decrease the number of footfalls. Most of the earlier studies have targeted on a very specific elements of atmospherics. But this study discusses the grouping of all relevant visual merchandising elements of retailer's shop. So the purpose of this study is to analyze the impact of visual merchandising on brand equity with reference to like- **Louis Philippe, Benetton, Levis, Arrow**. This paper also realizes the important elements in the retailer shop's atmospherics. Most of the literatures recommended that appropriate visual merchandising is very helpful in attracting the customers which is supported by quantitative qualitative techniques used for analysis.*

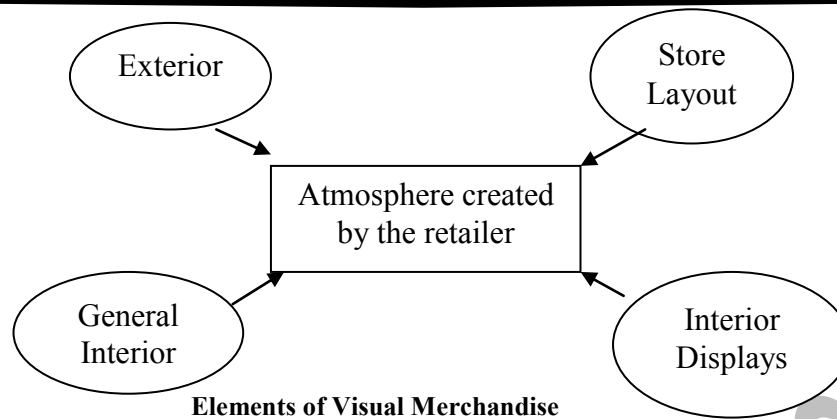
Key Words- *Visual merchandising, Brand equity, Customer satisfaction, brands*

INTRODUCTION

Visual merchandise is the presentation of a store and its merchandise in such a way to the point that will pull in the consideration of potential customers. It includes enhancing the store keeping the inside presentation the same as what is guaranteed all things considered. The end reason for visual merchandise is to help in making a deal. Visual merchandise exhibits a picture of whom or what the customer can be when utilizing the merchandise showed. It empowers in changing over a stroll by customer into a stroll in customer. Visual merchandise obliges a blend of abilities including imagination, aesthetic information and comprehension of store configuration. Color is a major fascination point in changing over potential customers into customers.

ELEMENTS OF VISUAL MERCHANDISING-

Making the best show obliges a comprehension of every perspective and working with them to make a strong showcase. There's a ton of inventiveness included and there's no single answer for any visual promoting issue, yet the adequacy depends on a visual merchandiser's capacity to join and adjust every one of the components. There are five components to visual promoting that apply paying little heed to where the presentation is or what's being showcased. Fitting sustenance marketing can transform an inactive looker into a dynamic purchaser.



Equity Models

Brand equity alludes to the estimation of a brand. In the examination writing, brand equity has been considered from two alternate points of view: psychological brain science and data financial matters. As indicated by psychological brain science, brand equity lies in buyer's consciousness of brand elements and associations, which drive quality recognitions. As indicated by data financial aspects, an in number brand name acts as a valid sign of item quality for incompletely educated purchasers and produces cost premiums as a type of come back to marking speculations. It has been experimentally exhibited that brand equity assumes an imperative part in the determination of equity structure and, specifically, firms have the capacity to charge cost premiums that get from brand equity in the wake of controlling for watched item separation.

Brand equity is a phrase used in the marketing industry which describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well-known name, as consumers believe that a product with a well-known name is better than products with less well-known names.

THE FOUR STEPS OF BRAND BUILDING

Building an in number brand, as indicated by the Customer-Based Brand Equity Model, can be considered as far as a consecutive arrangement of steps, where every stride is dependent upon effectively accomplishing the past step. All strides include fulfilling certain goals with customers both existing and potential customers. The principal step is to guarantee recognizable proof of the brand with customers and a relationship of the brand in customers' brains with a particular item class or customer need. The second step is to solidly set up the totality of brand importance in the psyches of customers i.e., by deliberately connecting a large group of unmistakable and impalpable brand associations. The third step is to evoke the best possible customer reactions to this brand personality and brand importance. The fourth and last step is to change over brand reaction to make a serious, dynamic dedication relationship in the middle of customers and the brand.

LITERATURE REVIEW

Xiaofen Ji' Chen Pang (2006) studied about the current online visual merchandising practices on the attire e-vendors in the US and China. The sites were substance investigated by way of presentation, presentation strategy and item parts. Some noteworthy contrasts were found between the US and China's attire sites chose. *Mikael Jern (2007)* proposed a novel approach for Visual Space Management (VSM) which is shown with a different connected perspective application (VisMT) that investigates retail information identified with space execution. VisMT incorporates well known data perception representations and a 3D intelligent design of store floor arranges with retail information sources. A novel methodology with retail space administration examination, which is a cooperative energy of 3D design store floor, arranges normal intelligent data perception techniques and various connected perspectives. *Kanna Miwa and Soemon Takakuwa (2008)* proposed a procedure for re-enactment demonstrating in store merchandizing utilized for the part of request to inspect customer streams in retail locations. The main objective of this research is to propose a methodology for build a reproduction model utilization of the POS information. The techniques for recognizing the entry time and directing inside store are portrayed by utilizing POS information. This study essentially broke down customer clog and the cash registers' usage. *Chenyi Jin (2009)* investigated about the difference among visual merchandizing from the traditional offers of showcase is not the increment of presentation ways but rather the idea overhauling. The visual merchandizing shows the substance and society of a sure brand and stresses the significance of the visual merchandizing of design way of life in comparing to the market's situating, style, utilization and additionally debilitating pattern of the qualification among brands. *Li Li et al., (2011)* studied about the aspects of psychological craving from consumer's response on setting up a decent brand picture as the answer for the issue and the visual way of life as an imperative piece of the brand picture. The imperative purpose of visual components administration lay on the proper order and plan and additionally the essential work for the act of configuration. Visuals components base assume is an essential part in the unification of brand picture on the grounds that it can accomplish the quick outline and item. *Chen-Yu Lin (2015)* demonstrated about the liable and valid measure of perceived retailer creativity (PRI) in Taiwan. The data are collected in terms of both subjective and quantitative examinations. A subjective substance examination from six centre gathering meetings finishes up a particular type of PRI. The quantitative study which contains four shoppers gives an exploratory and corroborative component investigation in inspecting the legitimacy of PRI scale. Shopper view of retailer imaginativeness can be conceptualized as feelings about brand, insights and conduct reactions evoked by store-related boosts that are an offerings' piece, administrations, outline and exercises of a store. For this review the four measurements have been recognized like to be specific, seen item related, administration related, advancement related and experience-related development capacities about the visual merchandises.

RESEARCH METHODOLOGY

Objectives-

- To know the impact of visual merchandising on brand equity.

- To know the different elements of visual merchandising. .
- To study limitations of visual merchandising on brand equity.

Hypothesis Formulation-

- H1- Visual merchandising has direct impact on brand equity.
- H2-Majority of customers makes their decisions mainly on the influence of visual merchandising.

Study area

The study would be carried out in the leading apparel brand showroom in the Bengaluru market.

Selected apparel brand

The apparel brands selected for this study are Levis, Louie Philippe, Benetton and Arrow.

DATA COLLECTION PROCEDURES

Data collection procedure was done by analyzing the primary and secondary sources. The methods involved in the primary data collection were through focus group and cognitive interview methods. While it remains true that some of the information were collected via email and telephonic conversation, most of the data collection was carried out by conducting a field trip.

Questionnaires prepared for the survey were both of qualitative and quantitative types, which included open-ended and close ended questions respectively. For analyzing the impact of visual merchandises in the brand equity a data are collected from the sample of 1500 customers of age group from 18 years and above with family income of 7 lacs of Bengaluru markets.

The research questionnaires are addressed through a structured schedule to fit in the objectives of the study. Besides the primary collection, data collection from review of literature and documents, research reports by scholars, government, websites, etc. provided the relevant information, many of which were collected through hard copy and soft copy online. The data collection was no doubt a rigorous process and the most challenging part of all the research work combined, but through cooperation from the respondents and availability of some secondary sources, this study was made possible.

Sampling Method

The probability sampling usually occurs when the sample frame is quite small. For instance, the every individual in the population is well known and each of them has

definite probability of selection. A very random process will help to decide on a sample that would basically be based on individual probability.

In this research Stratified Random Sampling (Probability Sampling) technique will be used in when the data is collected in large quantity and when the data needs to be categorized by some of the expert's opinion which will be one key part of the research. For analyzing the randomly collected data from customers and the retailer the sample is separated into groups. Data will be stored and analysed in tables in form of rows and columns along with proper formatting of the data. The missing variables in the research will be ignored as the sample is very large, the analysis of incomplete data will be done in later stages of the research.

Data analysis procedures-

At the initial stage, data will be analysed by Stratified Random Sampling technique in which the samples will be analysed on basis of different region and different age group based on their experience. In the later from the conversation of the customers and the retailers the data are analyzed. Non-probability sampling technique will be used in when the data is collected in large quantity and when the data needs to be categorized by some of the expert's opinion which will be one key part of the research. Data will be stored and analysed in tables in form of rows and columns along with proper formatting of the data. The missing variables in the research will be ignored as the sample is very large, the analysis of incomplete data will be done in later stages of the research. Data representation will be done in the form of charts and graphs wherever possible. Correlation technique will be used as a main technique, which will find the relation between the variables of the data and will provide optimised output.

Statistical methods

The analysis uses following statistical tools to identify the significance between means and variance, following tests were conducted that includes: To find the association between the variables Non parametric Chi-square test is used. To identify the relationship between an independent and dependent variable multiple regression analysis is used and to analyze the degree of association, Correlation coefficient is used. Finally to find the variation between and among group ANOVA is used.

SCOPE OF THE STUDY

- The study is limited to the premium apparel brands (Louis Philippe, Benetton, Levis, and Arrow) only in markets of Bangalore.
- Industries to be explored for the research is only Apparel segment of retail industry.
- Researcher has focused only on 2 elements (Merchandise Presentation, Store Atmospherics) of VM.

LIMITATIONS OF THE STUDY

- The study is limited by the resource constraints.
- The accuracy of the data collected may not be assured.
- Due to resource constraints may not be able to have a repetitive process.

- The study population is restricted to Bengaluru only.

ANALYSIS & FINDINGS

Genders of Respondents

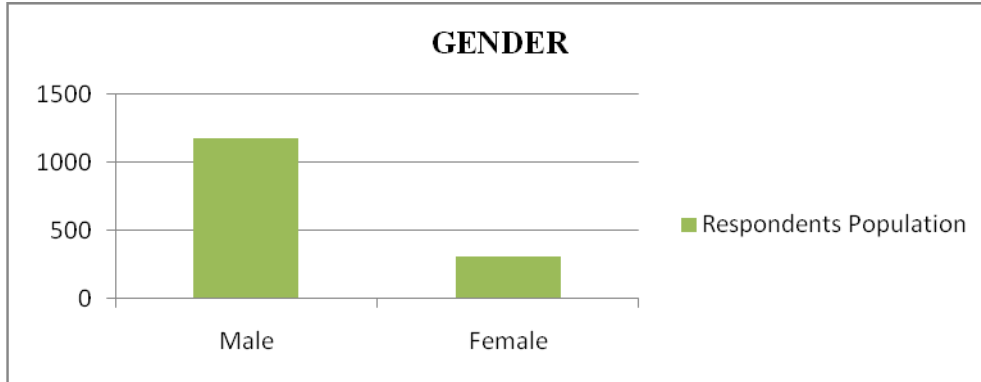


Figure represents the gender of the respondent. As per the survey there are 1183 male respondents which cover 79% of population and 312 female respondents which cover 21% of the given population. Therefore, the majority of the participants are male due to selected apparel brands are comes under the men's wear.

Age

This research is limited by the respondent's age like respondents below 18 years are not included for data analysis.

Age Distribution of Respondents

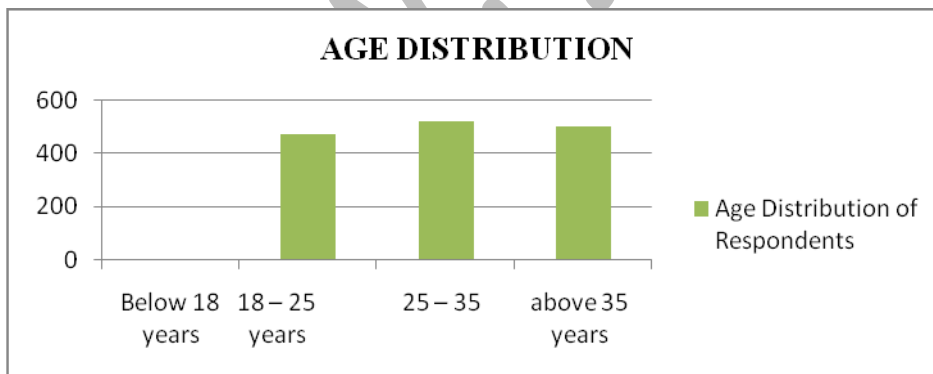


Figure represents the age distribution of the respondents. This research is carried out to the persons above the age of 18. As per the survey, 473 respondents are in the age group of 18-25 years which cover 31% of the population. 524 respondents are in the age of 25-35 which cover 35% of the population. 503 respondents are in the age group of above 35 years which cover 34% of the population. Therefore, majority of the respondents are in the age of 25-35 years.

ORGANIZATION

Respondents Working Sector

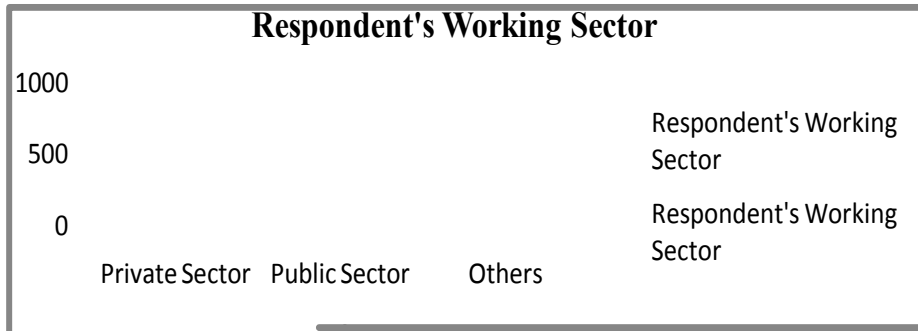
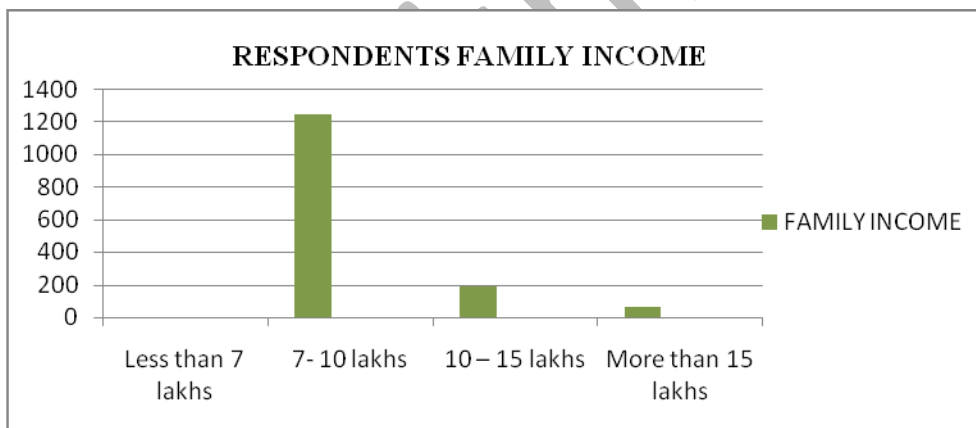


Figure represents the occupation of the respondent. As per the survey, 751 respondents are in private sector organization which covers 50% of the population. 282 respondents are working in public sector organization which covers 19% of the population. 467 respondents are in other work which covers 31% of the population. Therefore, majority of the respondents are working in the private sector.

FAMILY ANNUAL INCOME

Respondents Family Income



The above demonstrates the annual family income of the respondents. Since this research is limited to respondents with family income of below 7 lakhs so respondent with family income below 7 lakhs are not considered for analysis hence their percentage is 0. Out of 1500 samples 1248 respondents have the family income of 7-10 lakhs at the percentage of 83%. 13% of respondents have the family income of 10 – 15 lakhs with 186 respondents. More than 15 lakhs of family income is for the 66 respondents at the 4%. On the whole majority of the respondents are with the family income of 7-10 lakhs which also includes the retailers with family income above 7 lakhs.

RESPONDENT’S VIEW ON SHOPPING:

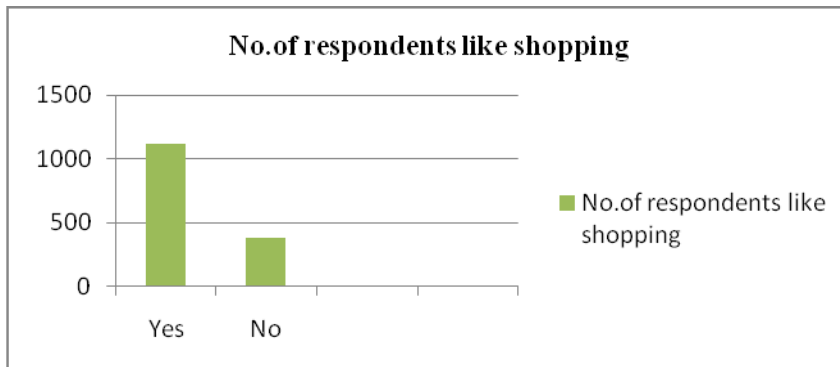


Table describes that number of respondents like shopping from the collected data 1118 people like shopping which covers 75% of population and 382 samples not like the shopping as shown in figure 4.5 which means in 1500 samples most of them like shopping.

SHOPPING PER MONTH:

Respondents Shopping Behavior



Above table shows the respondents shopping per month. From the table 4.7 and figure 4.6 demonstrate that 694 respondents have the habit of 2 times shopping per month which covers the 46%. 639 respondents are used to shop for 2 to 5 times shopping per month which covers the 43% of total population and 167 respondents have the habit of shopping more than 5 times per month which covers the overall percentage of 11%. So the above results demonstrate that most of the respondents have the shopping habit of 2 times per month.

PREFERABLE PLACE FOR SHOPPING:

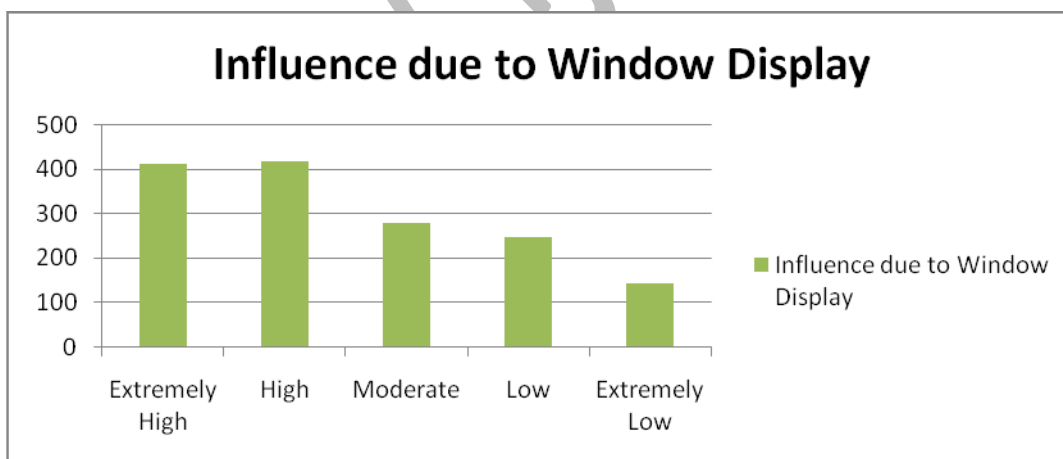


The table shows that regular shopping place for the respondents. Among the 1500 respondents 524 are preferred to shop at malls which cover the 35% of total population. 518 respondents are selected shop at brand oriented shop of 34% and 458 respondents like to shop at other places which cover the 315 of population.

IMPACT OF VISUAL MERCHANDISES ON THE BRAND

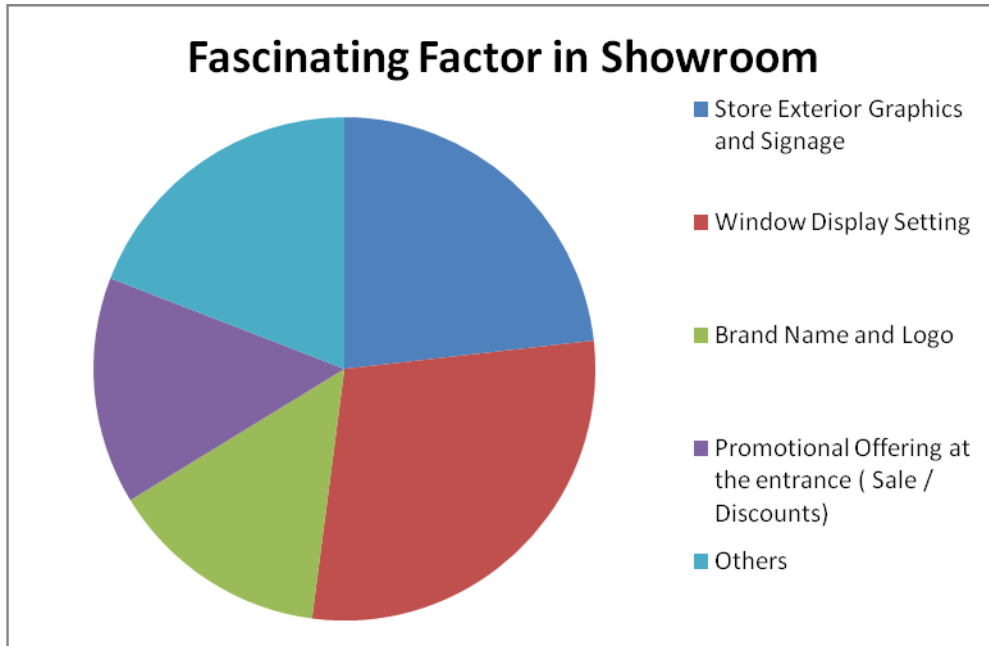
This section analyze about the impact of the visual merchandise on the brand. Since the research objective is to analyze the impact of the visual merchandises on the brand. The data collected are analyzed in this section to find the impact caused by the visual merchandise on apparel brand sales.

Window Display



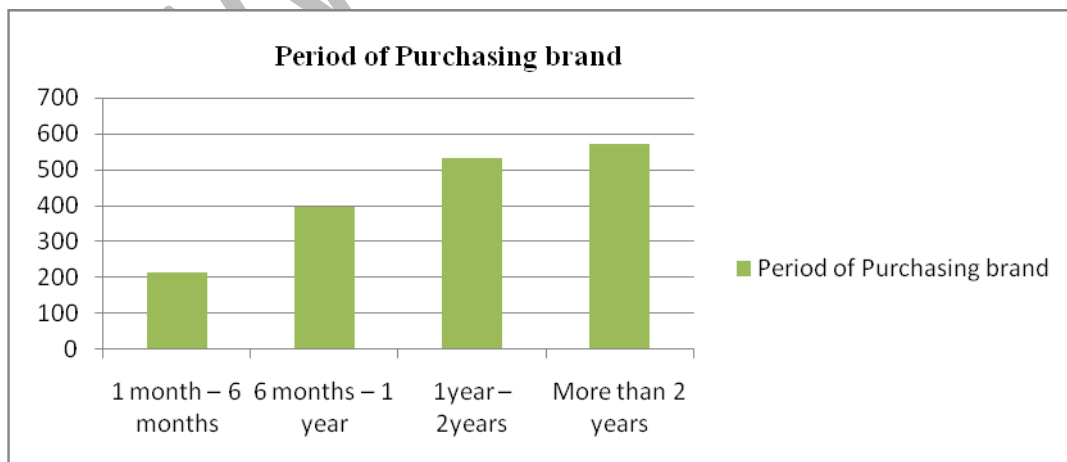
Among the 1500 respondents 27% of the respondents strongly agree that window display is the influencing factor of the showroom. 28% of the respondents also agree that window display as the influencing factor. 17% of respondents are disagreed that window display is not an influencing factor to buy. Also 9% of the population strongly disagreed with the window display is not an influencing factor.

FASCINATING FACTOR IN THE SELECTED BRAND SHOWROOMS



Among the 1500 respondents 348 customers like store exterior graphics and signage at the rate of 23%. While the 433 respondent’s likes the window display of the showroom at the percentage of 29. Where the 14% of the respondents suggested brand name and logo is the fascinating factor in the showroom. Promotional factor is the influencing factor to buy this product is suggested by the 219 respondents at the rate of 15%. 19% of the respondents show that others are the influencing factor to buy the product. On the whole from table 4.10 and figure 4.9 data analysis reveals that window display setting is the most fascinating factor in the selected brand showroom.

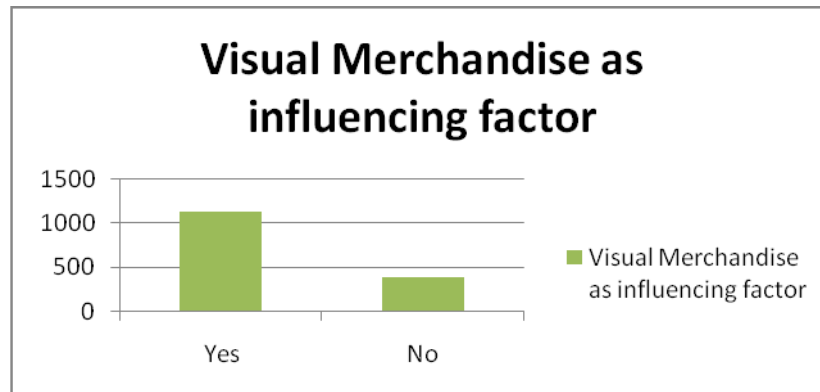
PERIOD OF PURCHASING THIS BRAND



For 6 months to 1 year 397 customers are purchasing this brand at the percentage of 26. For 1year to 2 years 531 are the regular customers for these brand showrooms which occupy the

35% of the population. For more than 2 years 572 respondents are purchasing this type of brands at the percentage of 36%. This analysis demonstrates that most of the respondents are using this type of brands for more than 2 years.

VISUAL MERCHANDISE IS THE INFLUENCING FACTOR TO BUY



The table demonstrate that 1126 respondents agreed that visual merchandises is the influencing factor to buy the selected apparel product which is of 75% of the total population. 374 respondents not agreed that visual merchandises is the influencing factor which occupy the 25% of the total population. This shows that most of the population agreed that visual merchandises the most influencing factor to buy the product.

CONCLUSION

The analysis of the collected data reveals that visual merchandises have direct influence on the customer buying behavior in the product. There is a significant positive relationship between the visual merchandises and the customer buying behavior. Also the findings show that for the brand sales visual merchandises is the important factor to purchase the brand. Few of the customers feel music and lighting are the disturbing factor to buy the product. On the whole collected data reveals that visual merchandises are the important influencing factor to buy the product. Other than visual merchandise quality of the product is also an one of the important factor to increase the sales rate of the apparel brand. Data collected from the retailer also demonstrate they concerned more about the visual merchandise of brand showroom. On the whole analysis of the collected data reveals that visual merchandise is one of the most important factors for the apparel brand sales.

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Questionnaire

Q1. Name (if possible):

Q2. Gender: Male Female

Q3. Your age Range:

Below 18 years 18 – 25 years 25 – 35 years above 35 years

If your age is below 18 years you can terminate the interview.

Q4. Your Family Annual Income:

Less than 7 lakhs 7- 10 lakhs 10 – 15 lakhs More than 15 lakhs

Q5. Occupation (if possible):

If you answered for Q5 go to Q6 else go to Q7

Q6. Type of Organization:

Private Sector Public Sector Others

If others please specify (if possible): _____

Q7. Do you like shopping: Yes No

Q8. In a month how many times would you like to go for shopping?

0 – 2 times 2 – 5 times more than 5 times

SECTION – II

General Outlook from Customers

Q9	<p>Which is the most preferable place for you to purchase the cloth?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Malls <input type="checkbox"/> Brand Oriented Shops <input type="checkbox"/> Low Price Shops <input type="checkbox"/> Where quality of cloth is good <input type="checkbox"/> Others (Please Specify _____)
Q10	<p>When you go for purchasing the cloth how well you notice the window displays in those shops?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Extremely High <input type="checkbox"/> High <input type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/> Extremely Low

Q11	<p>Of the following which do you consider as the most fascinating factor in this showroom</p> <ul style="list-style-type: none"> <input type="checkbox"/> Store Exterior Graphics and Signage <input type="checkbox"/> Window Display Setting <input type="checkbox"/> Outer sight of Store <input type="checkbox"/> Kind of Merchandise on display <input type="checkbox"/> Brand Name and Logo <input type="checkbox"/> Promotional Offering at the entrance (Sale / Discounts) <input type="checkbox"/> Others (Please Specify _____)
Q12	<p>Could you tell us, how long you have been purchasing this brand?</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1 month – 6 months <input type="checkbox"/> 6 months – 1 year <input type="checkbox"/> 1year – 2years <input type="checkbox"/> More than 2 years
Q13	<p>When you enter into this brand showroom, how well you like this brand?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Extremely High <input type="checkbox"/> High <input type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/> Extremely Low