

VISUAL MERCHANDISING DISPLAYS: THE FASHION RETAILER'S COMPETITIVE EDGE?

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Abstract

Visual merchandising has been called the silent salesman and retailers will be wise to use this silent salesman to enhance their total offering. This makes the in-store environment the perfect tool for fashion retailers to create a competitive advantage that other retailers might not have. The main research objective of this study was to explore if visual merchandising displays can be utilised to create a competitive advantage in fashion retail stores. A secondary objective was to explore the effect that visual merchandising displays have on a fashion retailer's retail image. Qualitative research was performed by means of focus groups and the respondents were selected by means of purposive sampling. Thereafter, the data was analysed using thematic analysis. The results indicated that visual merchandising displays not only influence store image by communicating product quality and store character, but that they also create a purchasing environment that encourages impulse buying.

Key Words: Visual Merchandising Display, Fashion Retail, Strategy, Competitive Advantage

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1. Introduction

The South African retail industry has developed and grown extensively in recent years, supported by an escalation in retail space and the number of shopping malls in the country (Provincial Treasury, 2012). The past decade has seen the retail space in South Africa expanding to the former townships with the development of malls and shopping centres such as the Maponya Mall in Soweto where top national and international brands have their flagship stores. This widespread growth in the retail industry could be ascribed to stable economic growth and a rise in disposable consumer income, as well as high consumer optimism (Thomas White International, 2011). The South African retail industry is the largest in the sub-Saharan region and is ranked as the 20th largest retail market in the world (Thomas White International, 2011).

A "retailer" is defined as an organisation that sells goods to consumers for their own personal use. It can therefore be said that a fashion retailer is a business that sells clothing and clothing-related items (such as accessories) straight to consumers, also for their personal use.

South Africa has a wide range of fashion retailers who are all competing for a share of the consumer's wallet. The ranks of the better-known clothing retailers include Woolworths, Truworths and Foschini. Not only do these retailers face competition from brick and mortar stores, but they are increasingly getting competition from online fashion retailers which have grown positively over the past

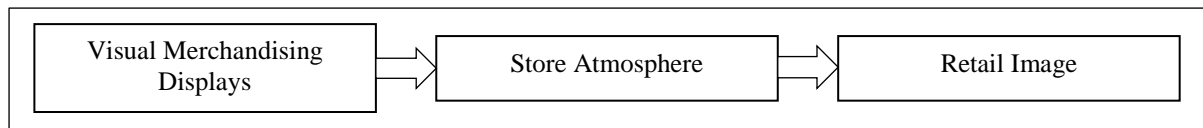
years (Thomas White International, 2011). On the other hand, even though online retailing has shown great potential in recent years, factors such as being able to feel and touch the clothes – and being able to try the clothes on in store – draws customers back to brick-and-mortar outlets. Factors like these motivate retailers to lure consumers to enter their stores by providing the most stimulating and visually attractive store atmospheres and in-store environments. This encourages an atmosphere where consumers can shop easily for fashion in different styles, fabrics and colours. These factors all link to the image the retailer wants to project to the market.

2. Literature Review

2.1 Retail Image

A well-planned in-store environment influences a retailer's image which, in turn, affects consumers' shopping behaviour and their choices as to where they spend their money (Reardon, Miller and Coe, 2011). For a fashion retailer to be successful, it is important to create a distinct and consistent retail image in the mind of the consumer – one that spills over to all their service and product offerings.

A retail image is defined as how a retailer is perceived by customers and others (Evans and Berman, 2013). It is reasoned that retail image is one of a retailers' most treasured assets (Reardon, Miller and Coe, 2011). Figure 1 illustrates how a retail image is formed in the mind of consumers.

Figure 1. Forming a retail store's image

Source: Adapted from Evans and Berman, 2013

It can be inferred from Figure 1 that a fashion retailer's image is influenced by the visual merchandising displays in store, which in turn depends to a large extent on the atmosphere that is created by the retailer. Store atmosphere can be defined as those of a store's physical features that develop a retail image to attract customers to that store (Evans and Berman, 2013). A retailer's store atmosphere has a decisive influence on consumers' shopping behaviour, the amount of time a consumer spends in store, and the likelihood that the customer will return for repeat purchases.

When a retailer takes a practical, integrated atmospherics approach to building their retail image, correctly displaying their products, encouraging shopping behaviour and improving the physical environment, that retailer is engaging in visual merchandising and display (Evans and Berman, 2013). Therefore, visual merchandising displays can assist in creating a favourable store atmosphere that will, in turn, form a positive retail image that could lead to a competitive advantage. This aspect is discussed next.

2.2 Visual Merchandising Displays

Visual merchandising displays include everything from posters and graphics, fixtures, props, window displays and lighting to the way that the merchandise is presented.

Due to the fact that consumers today live in a self-service age with saturated retail markets, the in-store environment is becoming increasingly important to retailers. Russel (2015) explains that a visual merchandising display strategy is about "...enlightening your target consumers through creative nonverbal communication." Visual merchandising displays are used by fashion retailers to launch new merchandise to consumers in the most decorative and appealing way. By using visual merchandising displays, the in-store environment becomes a silent salesperson (Bell and Ternus, 2008).

Visual merchandising displays can perform different functions in fashion retail stores. Some of the more important functions are to support the retail strategy, to support sales, to communicate with consumers and to assist in communicating the fashion retailers' brand image to consumers (Levi & Weitz, 2009 and Pegler, 2012).

Fashion retailers have to determine what their consumers think about their visual merchandising

displays with the intent to determine the effect these displays have on their retail image – and to determine how this effect can be utilised to create a competitive advantage.

3. Methodology

The primary objective of this study was to determine if visual merchandising displays can be utilised to create a competitive advantage in fashion retail stores. A secondary objective was to explore the effect that visual merchandising displays have on a fashion retailer's retail image.

Qualitative research was used during this study as an in-depth understanding of consumers' perceptions about visual merchandising displays was necessary to answer the objectives.

Due to the exploratory nature of the study, non-probability, purposive sampling was used. Using a purposive sample, the researcher was able to garner the opinions of the target population. Due to the fact that the research study had a qualitative paradigm (and it was therefore not the goal to be representative) and was exploratory in nature, the sample was considered sufficient.

The data collection process was twofold. The participants were presented with the same questions twice, once in a focus group setting and once individually with a naïve sketch (a naïve sketch is an open-ended questionnaire that asks participants the same structured questions as in the focus groups). Two focus groups (each with eight participants) were held. As the gathered data was contextual in nature, a process called thematic analysis was used to analyse and interpret the data. Thematic analysis is a process where the collected qualitative data are searched through to identify repeated patterns which are then categorised in similar themes (Tesch, 1990). After the second focus group the data was saturated and it was found that the replies of the naïve sketches had common themes and categories. By comparing the outcomes of the focus groups and the naïve sketches with one another, an in-depth understanding of the consumer's perceptions in terms of the objectives was gathered.

4. Results

The general theme that emerged from the research was that the participants perceived visual merchandising displays as a tool that creates a

“purchasing” context that adds to the overall store image and shopping experience.

The participants expressed that the visual merchandising displays enhanced their buying experience in subliminal ways through the beautifying of the store and by creating a relaxed environment to shop in. The participants also stated that the displays contributed to the image of a store through highlighting the quality of the products sold in store and the character of the store.

The participants also stated that visual merchandising displays are viewed as a *promotional tool*, for example: to convey branding, the product, product information and product quality. The participants said that, in order for the visual merchandising displays to be useful, they should be *well designed*. If they are not well designed, such displays only create irritation and could become overbearing.

Four categories emerged from the general theme. These are explained below.

4.1 Visual merchandising displays contribute to the retail image of the store through:

4.1.1 The quality of the products sold and the character of the shop

The quality of the product is inferred from the quality of the display as well as from the quality of the materials used in the display. The character of the shop is enhanced by visual merchandising displays.

4.2 Visual merchandising displays are viewed as a promotional tool (for example: branding, product, information and quality)

Many participants were of the opinion that the visual merchandising displays were part of the store’s product promotion strategy. Posters, mannequins, and clothes that are displayed in light boxes (illuminated display boxes) seem to affect the consumer, as the focus group explained that the participants thought that the reason these products were being promoted through the use of these various displays was for the consumer to be enticed to buy them.

4.3 Visual merchandising displays enhance the consumers’ buying experience in subliminal ways

4.3.1 It beautifies the store (including a colourful environment and being decorative in nature)

The focus groups explained that, although they did not always consciously notice the visual merchandising displays, the displays definitely aided

in contributing to a pleasant experience as the store was more beautiful with decorated displays.

4.3.2 It creates a relaxed environment

The participants felt that a store with pleasing displays that were calming and well-designed enhanced the peaceful, relaxed atmosphere of that store. Even if the store did not offer the required product, participants still viewed it as a haven of tranquillity that they could enjoy.

The fourth category indicates how visual merchandising displays can be used as a competitive advantage in fashion retail stores:

4.4 Visual merchandising displays should provide context and cater for individual needs, by means of the following:

Providing information on the products in the store is an important outcome that should be realised by visual merchandising displays, in the opinion of the focus groups.

4.4.1 Change it regularly; keep it up to date

All the participants of the focus groups agreed that visual merchandising displays need to be altered regularly in order to keep the atmosphere of the store fresh and vibrant and competitive. This activity also denotes that new stock has arrived, or that new merchandise or products are on offer, creating more opportunities for the consumer to make a purchase decision.

4.4.2 Stay true to brand image

Consumers enjoy stores that have a strong but welcoming brand identity. It promotes loyalty and makes people feel comfortable with the quality and product offering that can be expected.

5. Conclusion

The visual merchandising displays used in stores guide consumers in the direction of the products they are seeking and also guide their product choice. The participants agreed that their buying behaviour is influenced on a subliminal level based on the quality of the visual merchandising which provides these retailers with a competitive advantage.

The perceptions of the participants indicated that the visual merchandising displays contributed to the image of the store and also added to its character. Spatial orientation and perfectly-designed visual merchandising displays are definitely themes that affect consumer perception of a fashion retail store.

Furthermore, consumers perceived visual merchandising displays as a tool to create a

“purchasing” environment and as a vehicle to portray the brand of the store. In order for visual merchandising displays to be used as a competitive advantage, consumers indicated that these displays need to be altered regularly so as to keep the atmosphere of the store fresh and vibrant. Consumers added that the visual merchandising displays should stay true to the brand image as this attracts loyalty and makes them feel comfortable with the quality and product offering that can be expected from the brand. Visual merchandising displays could be used as a competitive advantage if they provide context in terms of the merchandise on offer, and if they cater for individual consumer needs. This should be done by focusing on the context of the display, as well as by ensuring that individual consumers will enjoy a display because of its texture, its dimensions, its colour and its décor.

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