



VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES

Iuliia Sukhodoeva

THE EFFECT OF VISUAL
MERCHANDISING ON CUSTOMERS'
PURCHASING DECISIONS

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ABSTRACT

Author	Iuliia Sukhodoeva
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In fashion industry, retail environment is more and more saturated, with additional challenges coming from E-commerce. In this bachelor's thesis, the ability of visual merchandising to serve as a tool maintaining a company's visual consistency, attracting new customers and adding competitive advantage was studied.

The research was ad-hoc and explanatory. Both desk and field research were executed. The data gathering method for this study was quantitative survey. The data was collected based on convenient sampling, and the sample size was 52 people.

The results of the study suggested that when it comes to brand recognition (especially decoding brand identity) and differentiation on a saturated market, visual merchandising is an important aspect. Visual merchandising techniques play a role in influencing purchasing choices, yet they are not the key tools for this. Research have also found that women tend to be more receptive to visual cues and promotional offers than men.

Keywords Visual Merchandising, Apparel Retail, Fashion Industry, Store Layout, Mannequin Display, Product Display, Purchasing Decisions

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1 INTRODUCTION

The name of this thesis is “The Effect of Visual Merchandising on Customers’ Purchasing Decisions”. This paper will be addressing fashion industry. This thesis will reflect on the importance of visual merchandising, its ability to benefit and maintain a company’s visual consistency, to attract new customers, and stand out among other brands (add competitive advantage), among other things.

This paper will approach the topic from a perspective of a brand image consistency. This perspective is interesting because nowadays there is an unbelievable amount of fashion brands on the market and consumers have the widest choice ever. Thus, it is excessively important for brands to stand out and clearly define the personality of a brand, which, obviously, must be unique. Visual merchandising is one of many tools that fashion companies can use to identify themselves and help the brand to enter and secure its place in the targeted section of the market.

In addition to the previously mentioned aspects of this perspective, this paper will also include thoughts on the importance of physical store experience in the age of e-commerce.

Objective

The objective of this thesis is to study the connection between visual merchandising and purchasing decisions and find out how important the role of visual merchandising is in brand image creation and maintenance.

The thesis research will be limited to fashion industry. Even though many technology and food stores also have interesting and noticeable approaches towards VM, this thesis’ main focus will be on big department stores, small independent designer shops and luxury level boutiques.

Problem statement

The aim of the study is to gain insight into the relevant theoretical information on visual merchandising, into up-to-date information on branding, consumer behavior, e-commerce and competition in today’s fashion market. Using this insight, conclusions will be made

regarding the relationship of VM with brand image, consumer purchasing decisions and competitive advantage of a given brand.

Key Concepts

Visual merchandising (VM) (here and after an abbreviation VM will be used) are means by which a retail store's display of products is made appealing, attractive, and enticing to the customer, not only as an encouragement to enter the store, but also to create a certain image in the customer's mind (Dash M., Akshaya L., 2016).

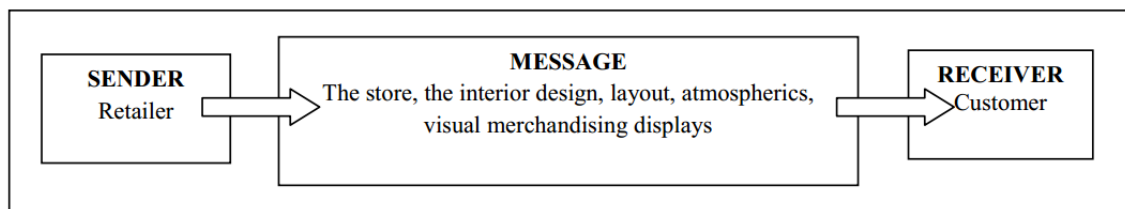


Figure 1. Visual Merchandising Communication Process (Bell, J. and Ternus, K. 2006)

E-commerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions (Shopify).

According to Kardes (2002), consumer behavior is the study of consumer responses to products and services and to the marketing of products and services. According to Solomon and Rabolt (2004), consumer behavior is the study of the process of individuals or groups selecting, buying, using or disposing services, products, ideas or experiences, to satisfy their needs and desires.

2 THEORETICAL FRAMEWORK

The window of a store is a presentation of the brand - a tool of visual communication, which has only one chance to assure the target audience is drawn to enter the store.

Today, stores like Bloomingdales in New York, Le Bon Marché in Paris and Selfridges in London fascinate and influence visual merchandising teams at every level of the industry, all over the world to study their themes, and to then interpret and translate those in window displays of their own stores (Lea-Greenwood, G. 2012).



Figure 2. An example of a window display at Selfridges (Lucy Bourton, itsnicethat.com)

Below, the main elements that visual merchandising consists of will be introduced.

2.1 Elements of visual merchandising

There are four main elements of visual merchandising, which are:

1. Store exterior
2. Store layout
3. Store interior
4. Interior display

2.1.1 Store exterior

Store exterior consists of three parts:

1. Marquees
2. Entrance
3. Window display

Marquees are an architectural awning that outstretches over the entrance. When talking about store entrance, customer convenience and store security are the most important functions of it. Usually, smaller outlets have only one entrance, but bigger establishments, such as department stores, boutiques etc. normally have more than one entrance. Nowadays, a few different types of entrances can be used: revolving, push-pull, as well as electronic doors.

A silent salesperson of a store is a window display, since it creates the first impression of the store in the consumer's eyes, thus it should be considered the most important element. It initiates selling process even before the customer enters the outlet. There are various types of window displays: closed, open-back, angled, arcade and cornered (Kavitha, A. and Sahithi, P. Fibre2fashion.com).

Generally windows are themed for seasons and occasion periods such as Valentine's day, Easter and Christmas. The Christmas windows of numerous retail chains are a noteworthy element in their very own right, providing customers retail entertainment.

It is not strange to see visual materials which have been utilized in a campaign reproduced in windows and inside the stores. This is a coordinated way to deal with fashion marketing communications, in which the client is reminded of seeing the brand out of the store environment. Using the same visual materials as in the campaign is also an illustration of economies of scale: only one shoot for a campaign requires a professional photographer,

models, makeup and hair artists, stylists and post-production activities, so it makes sense to use the same visual outcome again (Lea-Greenwood, G. 2012).

2.1.2 Store layout

Layout of the store consists of four elements: selling space, merchandising space, customer space and personnel space.

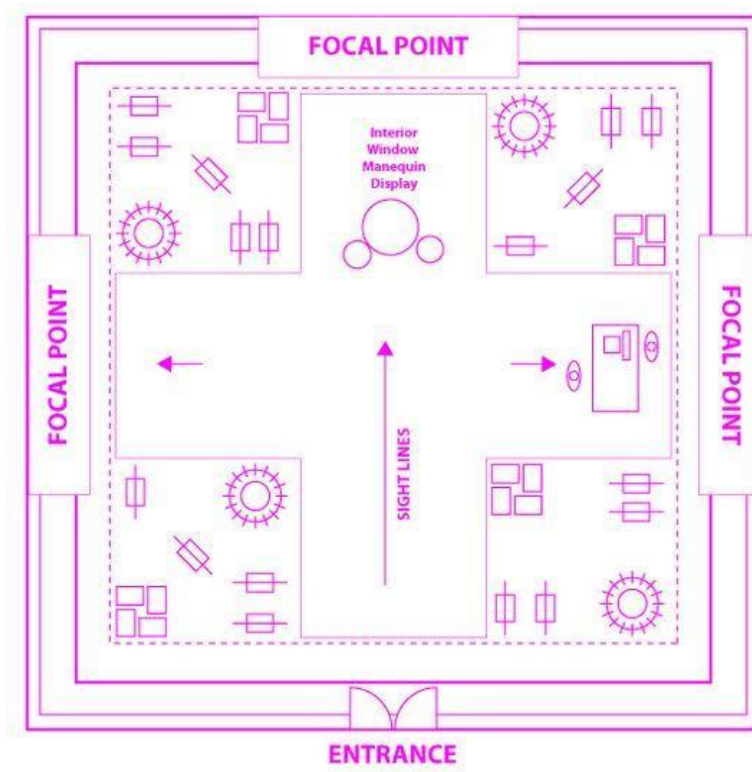


Figure 3. Store interior example (Yyupi.net)

There is a tool in VM called focal points, which refers to notably beautiful display vignettes. They can consist of any mixture of products. Located at the ends of store traffic patterns, high focal points draw customers throughout a store by giving them a destination.

2.1.3 Store interior

A store's image is directly affected by its interior. An important goal in designing interior of the store is to create a comfortable environment for customers to feel relaxed - a space where people want to spend their time, thus, make more purchases. It should be designed in such way so that visitors would not be confused, pressured with crowds or long lines. Floor and wall coverings, lighting, other design details and fixtures are all parts of the store interior.

2.1.4 Interior display

The purpose of interior display is to demonstrate the store's merchandise. A well-displayed merchandise enables customers to self-select, without help from the personnel. Displays can be closed, open, point-of-purchase, store decoration or architectural. Interior displays use fixture and props to hold the merchandise.

In addition to the above-mentioned elements, there are other aspects that are essential in a successful visual merchandising. They are:

- **Mannequins:** they are a physical portrayal of the brand and can convey in their style, posture and the way they are dressed what kind of store it is and what apparel is inside. This gives the passerby a quick message, helping them to understand if this store is for them (Lea-Greenwood, G. 2012). There are various types of mannequins: realistic, semi-realistic, semi-abstract, abstract and headless.
- **Color:** one of the most important elements of visual merchandising. Proper selection of colors is essential to attract customer's attention. Colors affect people on an emotional level. Hence, fitting selection of colors has to be used in order to affect the customer in a right way.
- **Lighting** should make certain objects illuminate or reflect. A visitor's eye is automatically drawn to the brightest part of the store. It is important to make sure lightning doesn't cause any tension in the eyes of the viewer. There are 3 types of lighting:
 - Primary lighting, which illuminates the store in general
 - Accent lighting, which is concentrated on specific areas to attract customer's attention

- Atmosphere lighting, which gives a distinctive and definitive illumination without shadow.

(Kavitha, A. and Sahithi, P. Fibre2fashion.com).

The factors to be considered when designing a store:

- When designing the sections, keep various categories of merchandise in mind;
- During designing the store, an architect or an interior designer should be able to maintain and acknowledge the merchandise layout plan, as it is the primary aspect for any retail store;
- The layout should be planned with a goal of a foot traffic of the visitors staying regulated;
- Facade is a crucial aspect of any store.

Visual merchandising relies on fundamental design principles, while using various materials and colors. Thus, a successful visual display is made in a variety of themes, colors, forms, fixtures, hangings, mannequins, platforms, paintings and wall-decoration, fabrics, table cloths and banners, tables and furniture, poles or stands, lighting effect, accessories and props and music (Dash M., Akshaya L., 2016).

With reference to Australian Retailers Association, tips on how to keep a store attractive and lively indicate the following:

1. Promotional displays: The first thing that a visitor's eyes should be drawn to are recommended to be either a promotional product, a new product, a seasonal product, a topical product, or the most popular product from the store's range. It is important that retailers have a captivating promotional display located front-and-center as customers come into the space. It ignites the interest and enthusiasm in the consumer, they would want to stop and turn into your store. But most importantly, a customer gets excited, regardless of being a regular there or a first-time visitor. It is vital to dedicate at least a part of window display to the products featured in a promotional display.

2. Shelf Prime Real Estate: There are so-called Hot and Cold Zones in stores. A Hot Zone is a high foot traffic area. It is important to recognize store's Hot Zone as well as possible merchandise placement layouts in such zone. A Hot Zone is, in most cases, the first spot that shoppers will look at and would want to explore after they have entered the store. A shelf at an eye level, or even an entire compartment can be dedicated as a Prime Shelf Real Estate. Regardless of the size of space chosen, it is important to fill it with merchandise that corresponds a promotional display. The key is to make it clear for people that they can purchase from this area. Sometimes customers have a feeling that they are not allowed to touch the products on a promotional display, so using a composition of products in a window display, that is the same on the promotional display, which, in turn, matches Shelf Prime Real Estate, is a clever and easy to use path-to-purchase.
3. Pricing: The first thing most shoppers ask themselves is "how much is it?". The way that individualized pricing is communicated is a crucial part of VM. Pricing has to be visually matched with branding, scaled accordingly to the products, simple and clear. To make price tags easy to find and read, they should all look the same throughout the whole store. It is important to make sure that the pricing is brand aligned and correct. Having wrong prices assigned to products, can result in a negative customer experience, and cost a whole business some money.
4. Negative Space: In supermarkets and big discount stores, products are usually clogged in and stacked as tight as possible. This gives a customer a signal that the products are low in their value. In fashion retail environment, the goal is to boost the value proposition of the products. It can be done by the means of VM - one of the best approaches is to use a Negative Space technique. Negative Space is creating a space between products. This is a smart way to draw customer's attention to individual products, a customer will have an opportunity to browse the merchandise at ease, while enticing more interest in their mind. Negative space between the products signals that if such a big amount of space was dedicated to it, then it is important enough. This is the point where a perceived value of a product is boosted. When customers look inside the store through the entrance and windows, this layout technique can help to enhance the overall image of the store in their eyes. Negative Space technique can also be implemented in window displays.

5. Cleanliness: Cleanliness underpins all of the VM techniques that can be already in use in the store. If the windows and shelves are dusty, sticky and dirty in any way, it will make the whole VM undermined. (Australian Retailers Association, 2017).

Now that basic VM tools are covered, it is important to point out that nowadays technology is a crucial aspect of any business, including fashion retail. There are various software options that a store manager can use in order to keep VM strategy and execution in order and up to date. One example of this type of software is “Fashion Yield”. It is a program that is designed for fashion retailers who obtain merchandise based on their brand image. Integrating the design, buying and visual merchandising functions in this system means that no matter where the members of the team are, they can all simultaneously gather and share information. The program visualizes the varieties of merchandise, providing 3-D images that are developed to look as through the eyes of the customer. These images can then be communicated to stores so they can reproduce the layouts (Lea-Greenwood G., 1998).

2.2 Importance of visual merchandising

L. Frank Baum recognized the significance of window display as early as 1897. He also acted as the founding editor of *The Show Window* – a trade magazine in which he offered ground rules to retailers on the creation of compelling window displays. This early publication explored display across the store and was a source of guidance in this topic for a long time.

It has often been implied that “good” interior design in a store can maintain customers’ curiosity, help them to lower their mental resistance and lead to making a purchase (e.g. Omar, 1999; Walters and White, 1987; Kotler, 1974; Davies and Ward, 2002; Bitner, 1992). Retail space design and visual merchandising play a crucial role in creating this atmosphere for a client.

Consumer expectations regarding the in-store design have grown in the past years (Buchanan et al., 1999), and an intensified desire for shopping excitement have developed as well. If those expectations are not met, the brand might be re-evaluated in the eyes of consumers, which will lead to decreasing brand value. Of course, these issues, in part,

can be addressed through creative design of the physical environment of the store (Erlick, 1993; Levy and Weitz, 1996). According to Lamba (2003), the store's future depends on what the consumer sees and experiences at the store.

Ambitions to stand out among the competition and successfully cater the brand with all the values it represents, relies on retailers' ability to connect effectively with their target audience through the physical environment. This means that a comprehensive understanding of the target audience is needed. Considering that up to 90 per cent of the signals provided by an environment are assimilated with the eyesight (Edwards and Shackley, 1992), it means that many environmental signals in the retail context are communicated visually. Therefore, understanding of how to communicate brand and product images to customers through individual visual stimuli is crucial.

Even the fact that professional design services in the UK are increasing in popularity demonstrates the growing importance of the visual environment. According to a design agency Visual Line, a coherent approach to visual merchandising, when the merchandise, the presentation and the brand values are communicated in a unified way, will lead to a cost-efficient return on investment. (Lea-Greenwood G., 1998)

McGoldrick (1990) points out that visual merchandising is: "One of the visible elements of positioning strategy". He mentions that: "Visual merchandising is the result of a conceptual approach to store design and merchandise display". Olins (1992) writes that corporate brand management involves combining every element of the communications process, in order to cater a cohesive picture to the public, especially as international competition intensifies. In addition to that, Oakley (1990) indicates that in a crowded and alike marketplace: "Presentation is often the most crucial factor in decision making...", so it can be concluded, that visual merchandising is a very important aspect in a fight for consumer attention as well as in the creation of distinction and brand recognition.

2.3 Visual merchandising and brand image

In the fields of distribution, production and consumption, the idea of brand has become the ultimate element. There is very little that stays unbranded in this world, and, even those businesses that aim to create goods without the obvious visual trappings of "brand" do so by creating a clear and specific set of values around their products. Branding has, therefore, become one of the most important aspects of business examination regardless

of product or sector. Retailers have been just as engaged in branding challenges as the manufacturers of consumer goods, or those trading business-to-business services. (Barry J. Davies, Philippa Ward, 2005).

The retail industry, over the last decade, has undergone an immense revolution, with a sharp increase in competition. The fierce competition in the market today has led retail stores to increasingly use visual merchandising to differentiate themselves from competitors, which would ultimately help increase their brand recall in the minds of the customers (Dash M., Akshaya L, 2016).

2.3.1 What is brand's visual identity

Brand identification is a predominant aspect nowadays (Chevalier, M. and Gutsatz, M., 2012). Identification can serve as a powerful stimulating influence for a person and a vital one for the firm (Hughes, D.E. and Aheame, M., 2010. p. 82).

According to Jared Cullop (2016): "A visual identity is the visual aspect of branding that businesses create in order to evoke certain feelings and experiences with the brand". It comprises all the visual that a brand makes such as fonts, logo design, photos, and any other visual materials that are used to communicate the brand to the audience. Being a part of the branding strategy, visual identity broadcasts the general message and values of a brand through any visual matters.

2.3.2 How can visual merchandising influence and maintain the image of the brand

In a research conducted by Shona Kerfoot, Barry Davies, Philippa Ward, respondents considered the use of wood for flooring and hangers in the store design as an indication of a "more exclusive" environment. Wooden fixtures were also thought of as "often showing quality". Unsurprisingly, they also linked the material with being natural and making displays look "light and airy". But, the use of red as a fixturing color caused negative comments. It was perceived as being "tacky", "garish" and "in your face". These colors also brought down the respondents' viewpoint of the quality of merchandise, causing the customers to perceive the clothes to be of an average, below average or even cheap price. Given these findings, it is obvious that colors used in design elements of the store and

sensory features of materials are crucial factors that influence judgement of price and quality of the products offered, as well as facilitate the forming of an image of the brand itself. (Kerfoot, S., Davies, B. J. and Ward, P., 2003)

Section d (a design agency) recognizes the value of “controlling the customer experience” by visual cues, suggesting that the store which becomes a flagship of a brand should reiterate these brand elements in an international context for the brand to be recognized anywhere the customer sees it. For example, a British client visiting a Louis Vuitton boutique in the Mall of the Emirates in Dubai wants to experience the French Louis Vuitton atmosphere and culture and to receive the same agenda as they would in Louis Vuitton's Champs Elysées flagship store in Paris and this can be achieved by the means of visual merchandising.

Those retailers who have adopted the sometimes uncomfortable and vague area of design and visual merchandising are enjoying an approach to brand management that is more focused. Some managers even rename the visual merchandising function as visual marketing and employ brand managers whose responsibilities include taking care of the promotional elements of corporate brand communication. Putting together the correct visual merchandising strategy and technique to support the right product, price etc. is linked directly to achieving the most profitable and effective promotion for the brand (Lea-Greenwood G., 1998).

Moreover, Nicholas Ind indicates that if the retailer's strategy is not known, a test of the gathered visual information would reveal the brand. This also shows an extensive role that visual merchandising plays in communicating visually and, therefore, what a retailer stands for can be quickly decoded by the visitor of the store. This is especially important to keep in mind when operating in saturated and highly competitive market like fashion retail (Ind N., 1992).

Luxury segment of a fashion retail is a very important part of the market and very often it dictates the rules, sets the standard for the rest of the industry. In the luxury segment brands hold authentic power through the prestige of its stores (Moore et al., 2004), in the same way as the occupational prestige of the clientele leads to social and economic power. Status and prestige of the stores are used as analytical instruments when consumers compare brands. A certain atmosphere in the store along with its size give a consumer a sense

of prestige (Dawson, 1988). That is why, in the positioning strategy of luxury brands, flagship stores are a central element. (Moore et al., 2010; Moore et al., 2008).

Flagship stores are meant to build up the brand image (Moore et al., 2008). In markets abroad, where people sometimes are not aware of the brand heritage, luxury brands use the size and extravagance of flagship stores as an indicator of their power and status (Moore et al., 2010). As mentioned by Nobbs et al. (2012, p. 925), a certain language of the flagship stores exists: through art and design, the flagship broadcasts the brand philosophy and power.

Similar to a cathedral being seen as a representation of the power of church (Belk et al., 1989), a luxury store, especially its flagship, is the first visible signal of the luxury brand power. It is expected to be grandiose, noticeable from far away, and to present artistic details. It also should be immediately recognized as the visual icon of the brand, wherever the brand decides to establish.

In a research about brand social power in luxury retail conducted by Marie-Cécile Cervellon and Rachael Coudriet, one of the respondents pointed out: “I was disappointed when I discovered this store. It is very small. I have been a brand client for years and I visited many stores around the world. In Shanghai the main store is incredible. Last time I went, there was a giant trunk in the front. Very impressive (a French informant).”

Another respondent said “I passed in front of the store several times without noticing. Usually the windows are very high. One knows immediately that she is in front of that brand store. I wonder why the choice of this street which is very dark. I would have expected more light. The brand does not shine that way (an Italian informant)”.

The entrance door is one of the most crucial aspects which establishes respect. Clients feel the weight of the door literally and symbolically. The door is the symbol of the journey between the ordinary (the street) and the divine (the brand universe).

“To be honest, I do not remember this door. Usually I remember the doors because it is the first physical contact with the store. I have the feeling this store is less prestigious; they invested less in it” (Canadian informant) (Cervellon, M-C., Coudriet, R. 2013).

Inside luxury stores, the atmosphere is viewed as sacramental and admiring. The flagship store in particular is a shrine that demonstrates the brand product. It should be suffused with quiet, discreet lights and smell. The atmosphere should call for a moment of contemplation, much like in a library or a museum (Dion and Arnould, 2011):

“I feel bothered when I hear those tourists laughing heavily. Even worse when there is loud music in the background [...]. When in Rome, I visited Fendi 's main store. I could hear the sound of my walk on the raw stones” (a French informant).

“Once in a Ralph Lauren store, they had polished the wood with a wax which smelled just like it smells when you enter in a church. I still remember that smell” (an Italian informant)

In luxury retail, the products are represented as treasures, often covered by glass or shown on podiums like sculptures. The no-touching is a conduct which everyone, even newcomers, figure out right away when entering the store. Much like pieces of art are secured in museums, the products in luxury boutiques is protected. The interior is meant to enhance the products. The handling of the product is also very attentively done. Often times gloves are used to manipulate the most delicate materials:

“At Gucci in all stores, the brand ambassadors would put on gloves before touching the product in addition to rolling out a suede cloth to display the product on” (an American informant). (Cervellon, M-C., Coudriet, R. 2013)

Thanks to the comments respondents of the Marie-Cécile Cervellon and Rachael Coudriet’s research gave, it can be concluded that all of the above-mentioned elements, details and tools of visual merchandising have a very strong effect on consumer’s perception of a brand and its image.

In fashion retailing, the brand symbolizes the shopping experience itself (Davies and Brooks, 1989); thus, the way the brand is communicated visually must say something about the next step - shopping experience, which is an extremely important aspect that affects consumer behavior. This is a subject that will be covered in the next part of this paper.

2.4 Visual merchandising and consumer behavior

Consumers' world is full of ambience. Consumers react differently to the sensations and visual cues around them, when entering a clothing store; they either focus on those messages or they disregard them. Each message made by a fashion retailer is created for a certain reason. However, consumers happen to make a judgment of their own by adapting the idea that is communicated through a certain stimulus (for example, visual merchandising displays) to match with their individual desires, experiences and biases (Cant, Brink & Brijball, 2006).

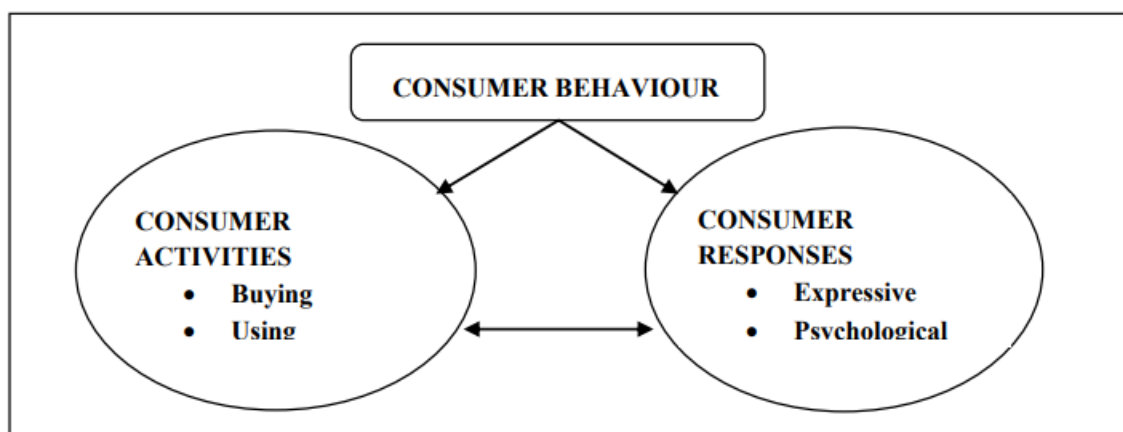


Figure 4. Consumer Behavior (Hefer, Y., and Cant, M. C. 2013)

Figure 4 illustrates that consumer behaviour is compiled of consumer activities and consumer responses, they both affect each other. Thus, a consumer's social, psychological and emotional responses will have an effect on their purchasing, utilizing and disposing activities, and vice versa. 3

An expressive response shows consumers' feelings, passions and their mindset. Additionally, Figure 4 also concerns psychological responses, which are comprised of a thought processes of a shopper, their principles, character and judgments, and could incorporate a consumer's feelings about a certain clothing store. A retailers' store atmosphere could also affect the consumer's purchase decision and this is going to be discussed below.

For example, if a person is looking for a pair new sandals, both happiness and uncertainty can affect their expressive response because, as a consumer, they will have to make a lot of decisions. The consumer is going to need to choose a specific store, brand, product, style and colour, along with payment method. As part of the responses mentioned in Figure 4, a consumer might envision wearing the sandals, making an abstract list of features the sandals should have to make the decision-making process easier for themselves.

When trying on different sandals, the consumer will compare various stores and brands, asking friends or family for opinions and noticing different advertisements in the shopping environment. If a shopper is not totally satisfied with the environment of a store, they can come to a cognitive choice not to go into that store, consequently choosing not to buy the sandals from that particular store.

Apparel retailers must determine how consumers will see and decode their visual merchandising display. It is vital to understand how consumers are really interpreting and seeing the displays. Apparel retailers focus on consumers' expectations when designing their next visual merchandising displays (Hefer, Y., and Cant, M. C. 2013). This conclusion will be further discussed below.

It is also an interesting detail that, when talking about luxury fashion retail, one source of power for such retailers lies in the brands' dominance over the client. Brand social power was defined by Crosno et al. (2009), as "the ability of a brand to influence the behavior of consumers", for example, paying a price premium for the brand (Aaker, 1991) or becoming devoted and committed to it. This type of social power in luxury retail brands, dominance over the client in particular, is created through the store environment itself, the relationship between the sales associate and the client, and finally the creation of an experience which is carefully coordinated, in order to create "adoration". The exceptional experience created in the store is less meant to please the customer than to impress them and create awe. In turn, this "symbolic domination" between the luxury brand and the client empowers the customer (Dion and Arnould, 2011). This is one of the examples of how the environment in the retail store can affect the customer.

2.4.1 Attraction of new customers

In a research about visual merchandising conducted by Shona Kerfoot, Barry Davies and Philippa Ward, the respondents said that the lighting transmits a positive feeling, the display “looks inviting” and “gives a feeling of seclusion and I’m special”. Unfavorable associations were connected with lighting that was seen as being “dull” or “basic”. In these cases the lighting was perceived to make the displays “feel cold”, in a uninviting and sterile sense (Kerfoot, S., Davies, B. J. and Ward, P., 2003). Thus, by not paying enough attention to visual merchandising tools and disregarding VM’s importance in general, a store manager is taking a risk of losing its potential buyers.

Another example VM’s effect on customer attraction mechanisms will be a research concentrated on female fashion in the UK, where it was found that the use of strongly contrasting colors or “uncoordinated” color arrangements was undesirable. In general, the use of a wide assortment of colors was considered to be “attractive and appealing” and had the potential to positively impact a visitor’s proneness to browse the products.

Mannequins were called “very visual” and respondents made unfavorable comments in relation to window displays that did not use mannequins. Such positive reviews can explain why mannequin use has been considered beneficial for browsing stimulation.

One of the retail store managers interviewed during the research process, explained that mannequins at the window display are sometimes dressed to look eye-catching and draw attention to the rest of the scope of clothing and accessories sold in the store. Customers may not necessarily buy the flamboyant version, but that display would draw them into the store to browse through more ordinary items in the range (Lea-Greenwood G., 1998). Indeed, an effective window display will attract a bystander or a passerby and turn them into browsers and, possibly, a purchaser.

2.4.2 Effect on purchasing decisions

In a research by Lea-Greenwood G. (1998) it was found that merchandise color had an instant impact on most respondents and generated significant amount of statements. These

tended to concentrate on the use of color as a key presentation element and positive comments were made on the use of color coordination across merchandise array – “... blue, white, pinks and denim go together”. In many cases color coordination was also associated with the reason for making multiple purchases, for example “... I would buy the cream top to go with the jeans” (Lea-Greenwood G., 1998).

Mannequins generated a positive response - customers considered it useful be able to “see designs”, “entire outfits” and “see what the clothes will look like on”. Such comments support the notion that mannequins influence multiple purchases (Kotler, 1974; Levy and Weitz, 1996; Morganstein and Strongin, 1992). A study conducted by Dash, M., & Akshaya, L. (2016) found that store layout has the highest effect on impulse purchasing, followed by promotional signs, mannequin display, and lastly in-store product display. In fact, for women, promotional signage and mannequin display had considerable positive effect on impulse purchasing, for men, only store layout had a significant impact. Even though it was not established for in-store product display to have a substantial impact on impulse purchase of apparels, it does set a positive ambience for the store, captivating customers and making them feel cozy in the store (Dash M., Akshaya L., 2016).

2.5 Visual merchandising and competition on fashion market

2.5.1 The rise of E-Commerce

According to Business Insider, Forrester forecasted that in the United States online sales will account for 17% of retail sales by 2022, which is 4.3% more than a projected 12.7% in 2017. The report also predicted US online sales to grow 13% in 2017, which is five times faster than estimated offline sales growth.

2.5.2 Challenges of physical retail stores

Brick-and-mortar retailers are now on the wrong side of the digital shift in retail, with many stuck in an alarming cycle of declining foot traffic, falling comparable-store sales, and increasing store closures. Brokerage firm Credit Suisse announced in a recent report, that more than 8,600 retail stores might close this year in the United States alone — which is more than the previous two years together (Business Insider, 2017). Global online retail sales are rising in numbers and the number was projected to reach 8.8% of total retail spending in 2018 compared to 7.4% in 2016 (Farber M., 2016).

While e-commerce is on the rise to success, retail stores are now facing a very challenging mission - they must figure out how to stay profitable in the age of digital commerce. One of the most obvious tools that retail businesses are implementing now is keeping stores competitive and relevant by making them a sort of fulfillment centers that attract customers and make them want to spend time in there (Business Insider, 2017).

2.5.3 Advantages of visual merchandising in current retail environment

The significance of creating experiences and communities that make customers want to visit stores and shop in them in the age when they can check out products and handle purchases online, is rising every day. But drawing people into the store is only one of the obstacles, while making them feel something during the visit is the real challenge. Nowadays stores need to have something that people would want to capture, recall in their mind and share with their followers on social media.

According to the founder of Retail Prophet Doug Stephens, the biggest concern in retail now is to figure out what customers are after. “If I’m going to put down my laptop or iPhone and I’m not shopping on Amazon, I want you to treat me to an experience that I can’t have online”.

Kate McCollough, who has an extensive background in set design for campaigns and fashion shows, agrees that today’s the real goal is creating an emotional response in the customer, and also motivating them to take photos, as this way a store can go viral on Instagram. McCollough says the essential elements in creating such environment in the store are bold colors and “something kinetic, such as blowing smoke or video”, similar to an art installation, lighting is also crucial (Fernandez, Ch. 2017).

Physical stores have a chance to win back the visitors by offering an alleviating remedy which features tactile joys that no gadget can offer. British architect John Pawson, who designed Madison Avenue boutique for Calvin Klein in 1995, and just recently renovated the interior of London’s Design Museum, says “what I do is emphasize all the things you can’t get digitally” when talking about his latest project - new Jil Sander boutique in Tokyo (Suleman, A. 2018).

Despite all the difficulties retail is facing now, American brand's Everlane sales per square foot are mid-pointing more than \$4,500, which is three times more than Canadian athletic apparel retailer Lululemon \$1,560 per square foot. According to chief executive of Everlane Michael Preysman, there are particular tactics for championing physical retail:

1. Make it look good. Polish and manifest the company's visual identity through the physical retail space.
2. A well-managed queue can be great for business. The shortage principle and the social proof rule, specifically, — demonstrate why a line is useful for a business like Everlane did. The brand permits up to 35 visitors into the store at once, guaranteeing a sufficiently high turnover without swarming the space.
3. Choose your neighborhood wisely. Instead of looking for a location with less competitors per square kilometer, Preysman has picked out areas where the Everlane customer would probably already be shopping. For example, Nolita in New York, which is near Soho's tourist buy but still very popular among locals.
4. Focus on the shopping experience first, experiential marketing second. Everlane's primary focus is to make the ordinary shopping experience pleasant. One option is to concentrate on cordiality and great reception, which means things like "making the line fun and creating a space that features the type of architecture we'd want in our homes." (Sherman, L. 2018).

After all, whether it is a store, the brand's online presence or campaign, it is critical that the message is consistent (Suleman, A. 2018).

Product launching events and events in general, special (for example, lounge) zones, art exhibitions and collaborations - those are all great ways to keep the ever-growing expectations of the modern customer interested in the physical retail space.

3 RESEARCH

3.1 Method

According to Verhoeven, a quantitative survey can be used for a study if the goal is to confirm certain theories and if data gathered will be utilized in a form of statistical results and numbers, which is the case with this research. Thus, the method for this research will be quantitative survey (Verhoeven, N. 2015. Ch. 1, pp. 30-32).

The goal of this study is to demonstrate the relation between visual merchandising and consumer behaviour as well as recognition of a brand, hence the research will be explanatory.

This will be an ad-hoc research, as it will be conducted only one time and for a specific situation.

Both desk and field research will be executed - existing information will be used by utilizing desk research. Additionally, new data will be accumulated by the means of field research (Verhoeven, N. 2015. Ch. 4, pp. 117-120).

3.2 Sample

The data was collected based on convenient sampling. The sample size turned out to be 52 people. During the data collection, it was assured to gather results from the audience as broad as possible (Verhoeven, N. 2015. Ch. 6, pp. 182-187).

3.3 Reliability and validity

To increase the reliability of the field research, survey questions are included in the final version of the paper, the survey was tested on other individuals before using for the target respondents and problems encountered during the research were monitored and analysed in section 3.7. Also, limitations of research, recommendations to improve the research process were included.

To increase the reliability of the desk research, the sources were accurately and completely referenced according to VAMK's guidelines.

To ensure internal validity, the right respondents were selected. To provide construct validity, survey questions were as specific as could reasonably be expected and different sub questions aimed at one aspect at the time were asked. To secure external validity, adequate sampling method was used (Verhoeven, N. 2015. Ch. 6.5 pp. 187-198).

3.4 Data collection

The data gathering method for this research will be a quantitative survey.

3.5 Data analysis

First stage of the analysis of the thesis survey will be to summarize and describe the responses to each of the questions – carry out univariate analysis.

According to the Dr Todd L. Grande (2015), the choice of question dictates the types of analysis that is going to be used. Questions can be divided into three types (levels of measurement):

1. Continuous questions (or numerical) - any questions that can be answered by a number.
2. Category type questions (or nominal questions) – when participants select from a list of categories (eg. Male/Female etc.) that cannot be ranked from lowest to highest.
3. Ordinal questions –this type of questions is similar to category type, but instead of categories being independent, there is some sort of order between them (eg. Age: 18-25, 25-35 etc.), these levels can be ranked from lowest to highest

In the questionnaire used for this research, open-ended questions were also included (“Country of residence” and others).

To analyse ordinal type of questions, as well as category type, the frequency of response needs is going to be counted. The result is usually reported using percentages, bar charts and pie charts.

For continuous types of questions, measures of central tendency (averages, such as mean, median and mode) will be used. Dispersion is also a useful method for analysing these

type of questions. One way to do so is to use range (difference between smallest and largest responses), another – to use standard deviation.

3.5.1 Univariate analysis

Below, a univariate analysis of each question is illustrated with pie charts, tables and description of those.

Part 1, Question 1: Gender

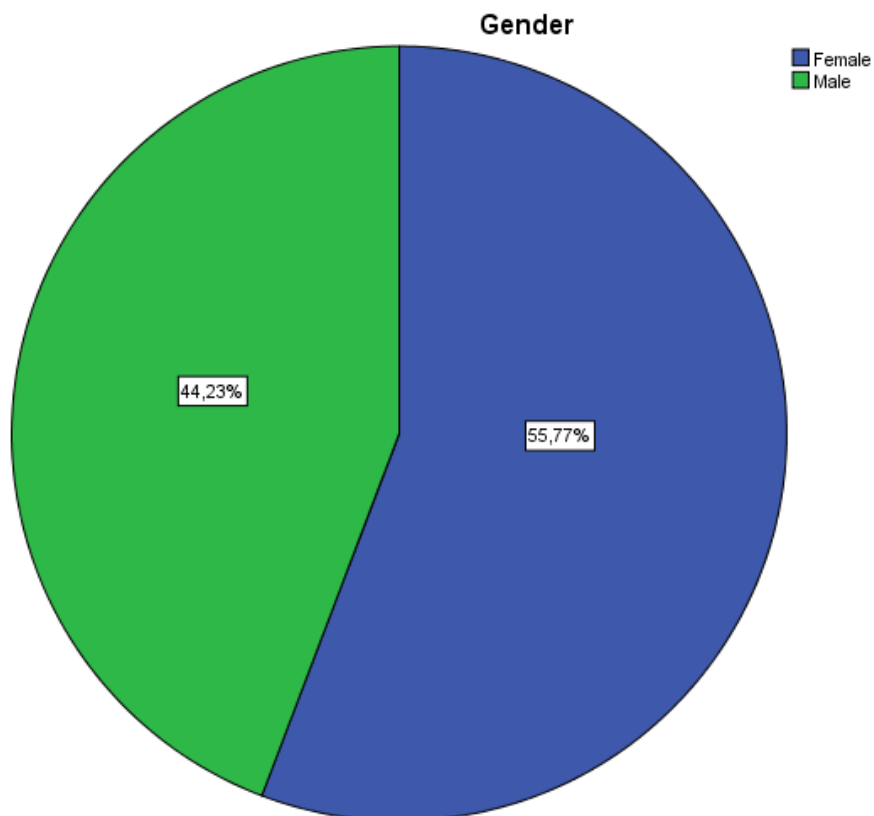


Figure 5. Part 1, Question 1 Pie Chart

As pie chart shows, the number of female and male respondents is almost equal – there are 11.54% more female respondents.

Part 1, Question 2: Age

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	19	1	1,9	1,9	1,9
	20	8	15,4	15,4	17,3
	21	3	5,8	5,8	23,1
	22	6	11,5	11,5	34,6
	23	10	19,2	19,2	53,8
	25	4	7,7	7,7	61,5
	26	5	9,6	9,6	71,2
	27	3	5,8	5,8	76,9
	29	2	3,8	3,8	80,8
	30	1	1,9	1,9	82,7
	31	1	1,9	1,9	84,6
	32	1	1,9	1,9	86,5
	33	1	1,9	1,9	88,5
	35	1	1,9	1,9	90,4
	37	1	1,9	1,9	92,3
	38	1	1,9	1,9	94,2
	39	1	1,9	1,9	96,2
	48	2	3,8	3,8	100,0
	Total	52	100,0	100,0	

Figure 6. Part 1, Question 2 Table

As it can be seen on the table, base of the respondents is diverse, when it comes to age – people who took part in the questionnaire are from 19 to 48 years of age, most were 23 years old.

Part 1, Question 3: Country of residence

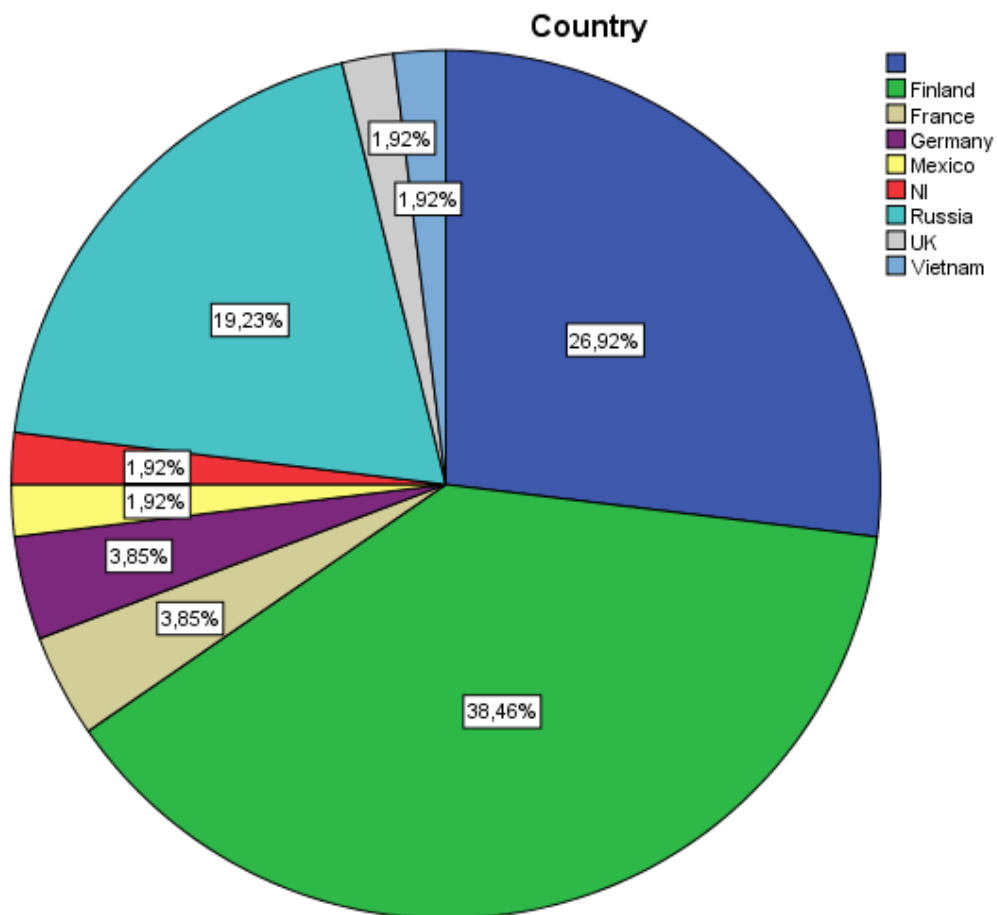


Figure 7. Part 1, Question 3 Pie Chart

* The dark blue section the represents respondents who chose not to answer this question

Pie charts indicates that in total, people from eight countries took part in this research questionnaire. Most of the respondents are residing in Finland, the second most popular answer was Russia.

Part 1, Question 4: Occupation

Occupation				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	9,6	9,6	9,6
Administrational work	1	1,9	1,9	11,5
bartender	1	1,9	1,9	13,5
Cashier	1	1,9	1,9	15,4
Customer service representative	1	1,9	1,9	17,3
Engineer	1	1,9	1,9	19,2
Food and beverage	1	1,9	1,9	21,2
Insurance agent	1	1,9	1,9	23,1
Legal Case Officer	1	1,9	1,9	25,0
Make up artist	1	1,9	1,9	26,9
manager	1	1,9	1,9	28,8
Marketing manager	1	1,9	1,9	30,8
Office worker	1	1,9	1,9	32,7
Retail	3	5,8	5,8	38,5
Retailer	1	1,9	1,9	40,4
Sales	1	1,9	1,9	42,3
Sales assistant	1	1,9	1,9	44,2
self-employed	1	1,9	1,9	46,2
Seller	1	1,9	1,9	48,1
Student	23	44,2	44,2	92,3
Student/Accountant	1	1,9	1,9	94,2
Student/DJ	1	1,9	1,9	96,2
Trade	1	1,9	1,9	98,1

Waitress	1	1,9	1,9	100,0
Total	52	100,0	100,0	

Figure 8. Part 1, Question 4 Table

As figure 8 demonstrates, the questionnaire respondents have a very diverse background.

Part 1 of the questionnaire served as a simple tool for collection of background information about the respondents to ensure answers from a diverse audience and to, later, use them as independent variables for the bivariate analysis of the answers. Considering that the amount of male and female respondents is almost equal (44.23% of male respondents and 55.77% of female respondents), the age of the respondents varies significantly (from 19 to 48 years of age) and that there is a considerable number of answers from countries other than Finland, where the paper is written, (seven other countries), the diversity of respondents was indeed achieved and good material for background variables was established.

Part 2 of the questionnaire “Visual merchandising and brand image” was aimed at proving that brands can be recognized by the means of VM, that brand values can be communicated to the customer through VM, thus proving the theory by Nicholas Ind that was presented in chapter 2.3.2 “How can visual merchandising influence and maintain the image of the brand” of this paper. The theory suggested by Nicholas Ind is the following: if the retailer’s strategy is not known, a test of gathered visual information would reveal the brand.

Part 2, Question 1: Window displays communicate the image of the store to me

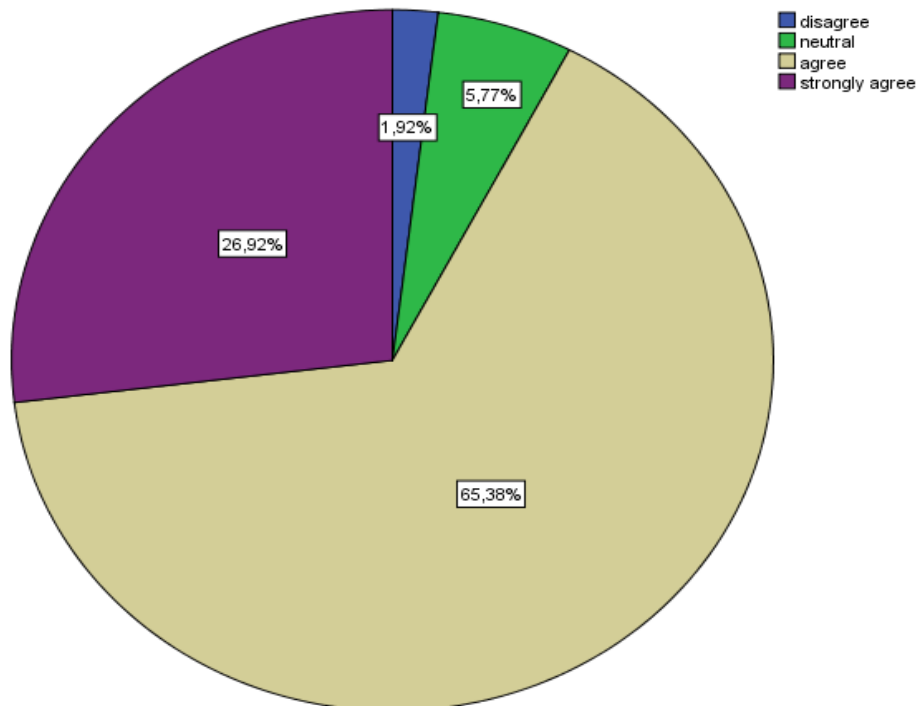


Figure 9. Part 2, Question 1 Pie Chart

Figure 9 indicates that 65,38% of the respondents agreed that window displays communicate the image of the store to them, 26,92% strongly agree with this statement. This proves that in the eyes of the consumer, brand can be a least partly decoded through the window displays.

Part 2, Question 2: Product display on the image looks eye-catching

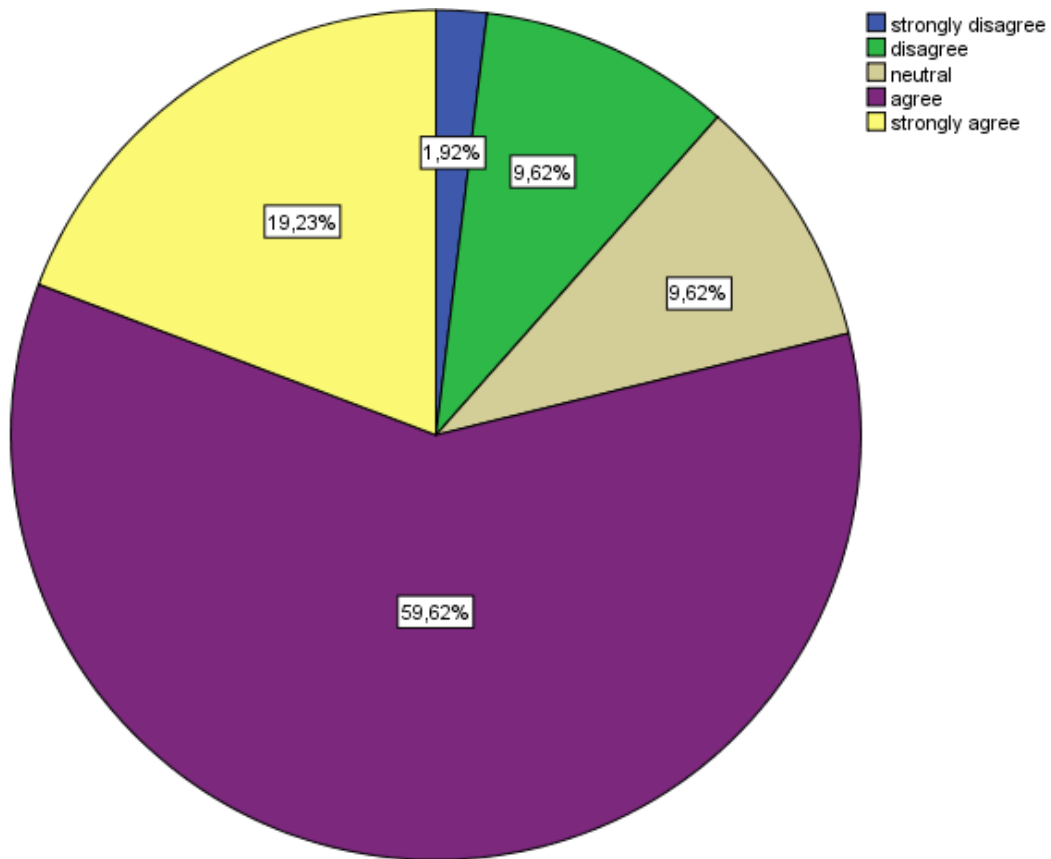


Figure 10. Part 2, Question 2 Pie Chart

Next, the respondents were presented an image of a Chanel (the logo of the brand was blurred) store exterior and interior. 59,62% agreed that this product display looks eye-catching.

Part 2, Question 3: Window display on the image makes me want to go into the store and browse the merchandise

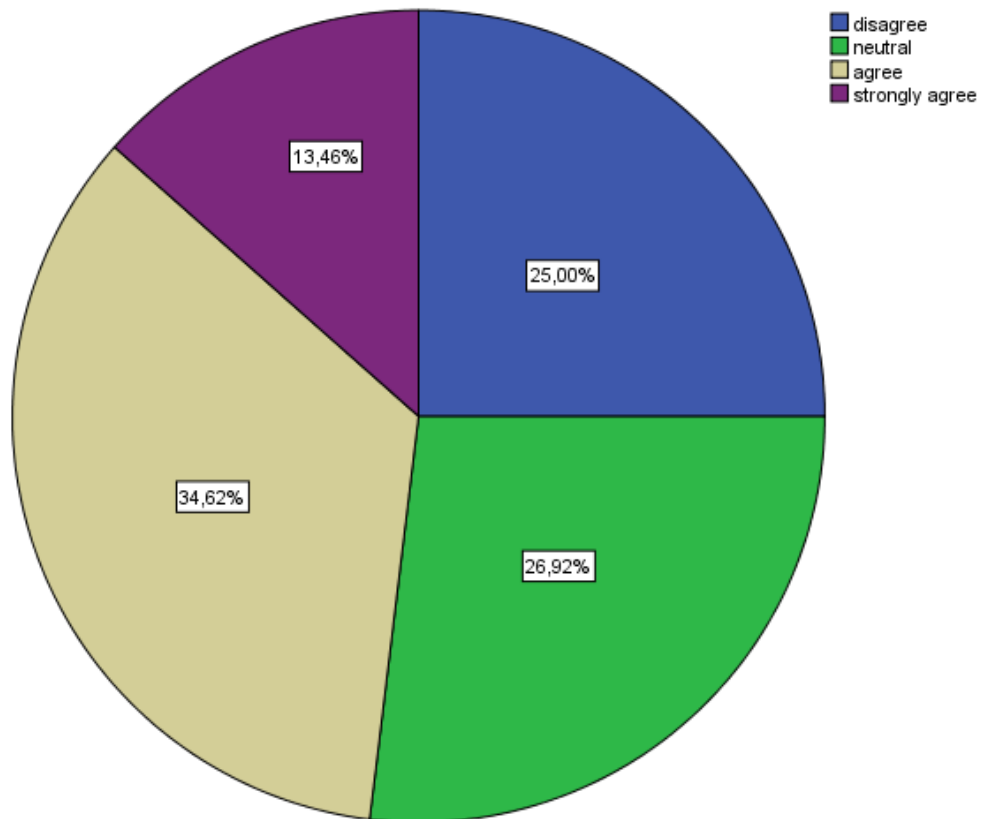


Figure 11. Part 3, Question 2 Pie Chart

Figure 11 shows that 34,62% agreed that window display makes them want to go into the store and browse the merchandise.

Part 2, Question 4: The display on the image makes me want to purchase presented items

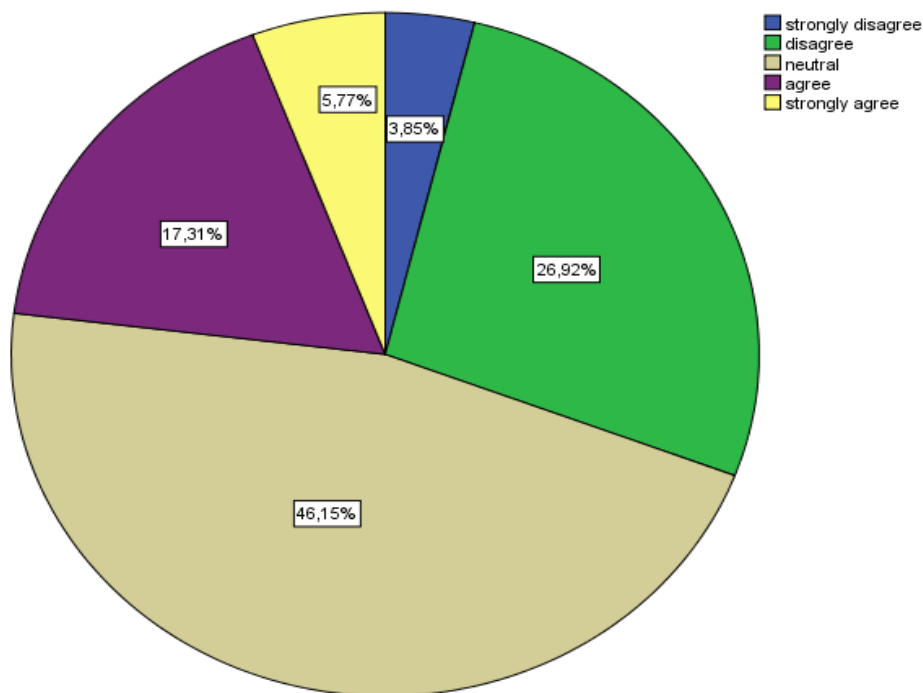


Figure 12. Part 2, Question 4 Pie Chart

However, when asked if this product display makes them want to purchase the presented items, 46,15% remained neutral and 26,92% of the respondents disagreed. This leads to a conclusion that an eye-catching window and product displays are a great way to attract the attention of customers and draw them into the store, but the next steps to influence the purchase need to be done by sales staff, marketing efforts of the company etc.

Part 2, Question 5: How would you describe a brand with such a window display (where 1 is inexpensive, 5 is expensive)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2	1	1,9	1,9	1,9
3	10	19,2	19,2	21,2
4	22	42,3	42,3	63,5
expensive	19	36,5	36,5	100,0
Total	52	100,0	100,0	

Figure 13. Part 2, Question 5 Table

22 out of 52 people rated the brand as 4, where five is expensive and 1 is inexpensive. Chanel, is indeed an expensive, luxury brand (only one bag would cost 5000 euros on average (Spotted Fashion, 2018)).

Part 2, Question 6: How would you describe a brand with such a window display (where 1 is modern, 5 is classic)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	modern	12	23,1	23,1	23,1
	2	15	28,8	28,8	51,9
	3	12	23,1	23,1	75,0
	4	11	21,2	21,2	96,2
	classic	2	3,8	3,8	100,0
	Total	52	100,0	100,0	

Figure 14. Part 2, Question 6 Table

Most respondents rated the brand as 2, where 1 is modern and 5 is classic. Chanel is a brand with a heritage (established 1910), but it is now targeting a younger audience, which results in a more youthful, modern design (International Directory of Company Histories, 2003).

Part 2, Question 7: How would you describe a store with such a window display (where 1 is spacious, 5 is crowded)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	spacious	19	36,5	36,5	36,5
	2	17	32,7	32,7	69,2
	3	10	19,2	19,2	88,5
	4	6	11,5	11,5	100,0
	Total	52	100,0	100,0	

Figure 15. Part 2, Question 7 Table

As figure 15 shows, majority have also ranked the store as 1 – spacious, which is true – luxury boutiques aim at keeping low capacity, as it was mentioned in this paper earlier.

Part 2, Question 8: How would you describe a store with such a window display (where 1 is inviting, 5 is uninviting)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	inviting	10	19,2	19,2	19,2
	2	18	34,6	34,6	53,8
	3	13	25,0	25,0	78,8
	4	9	17,3	17,3	96,2
	uninviting	2	3,8	3,8	100,0
	Total	52	100,0	100,0	

Figure 16. Part 2, Question 8 Table

Lastly, most have ranked the store as 2, where 1 is inviting and 5 is uninviting, which again proves the brand to be decoded correctly – luxury boutiques, like any other retail space are aiming at attracting customers, but there is a certain atmosphere of sanctity in those boutiques that are being created, which can even make some people uncomfortable (see page 19 of this paper). It can be concluded that in this case brand values and identity were decoded successfully and the VM techniques, indeed, revealed the brand's identity without the help of the logo. But the same can not be said about recognizing the brand – only 4 people out of 52 have recognized Chanel on the picture, as it is illustrated by figure 17 below.

Part 2, Question 9: Do You recognize the brand?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	48	92,3	92,3	92,3
	Yes	4	7,7	7,7	100,0
	Total	52	100,0	100,0	

Figure 17. Part 2, Question 9 Table

Part 2, Question 10: If yes, can you name the brand?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	49	94,2	94,2	94,2
Chanel	3	5,8	5,8	100,0
Total	52	100,0	100,0	

Figure 18. Part 2, Question 10 Table

The last section of the survey concentrated on the relationship between VM and consumer behaviour.

Part 3, Question 1: I feel that the atmosphere in some stores makes me feel comfortable and makes me want to stay there longer

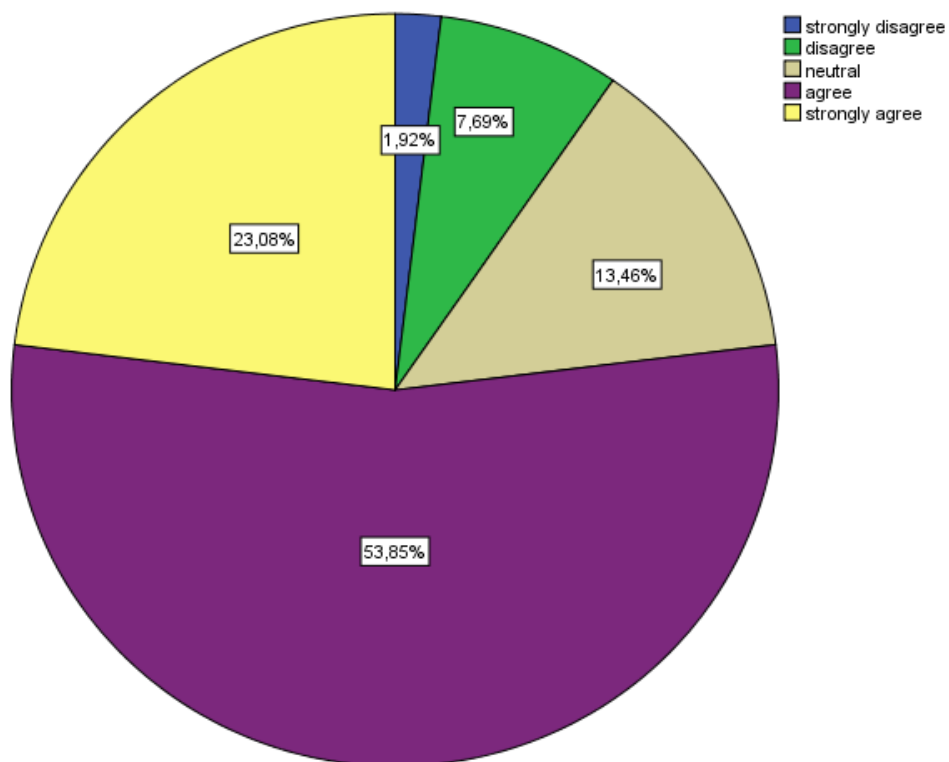


Figure 19. Part 3, Question 1 Pie Chart

53,85% of the respondents feel that the atmosphere in some stores makes them feel comfortable and makes them want to stay there longer.

Part 3, Question 2: I make purchases because of the way products are arranged in the store

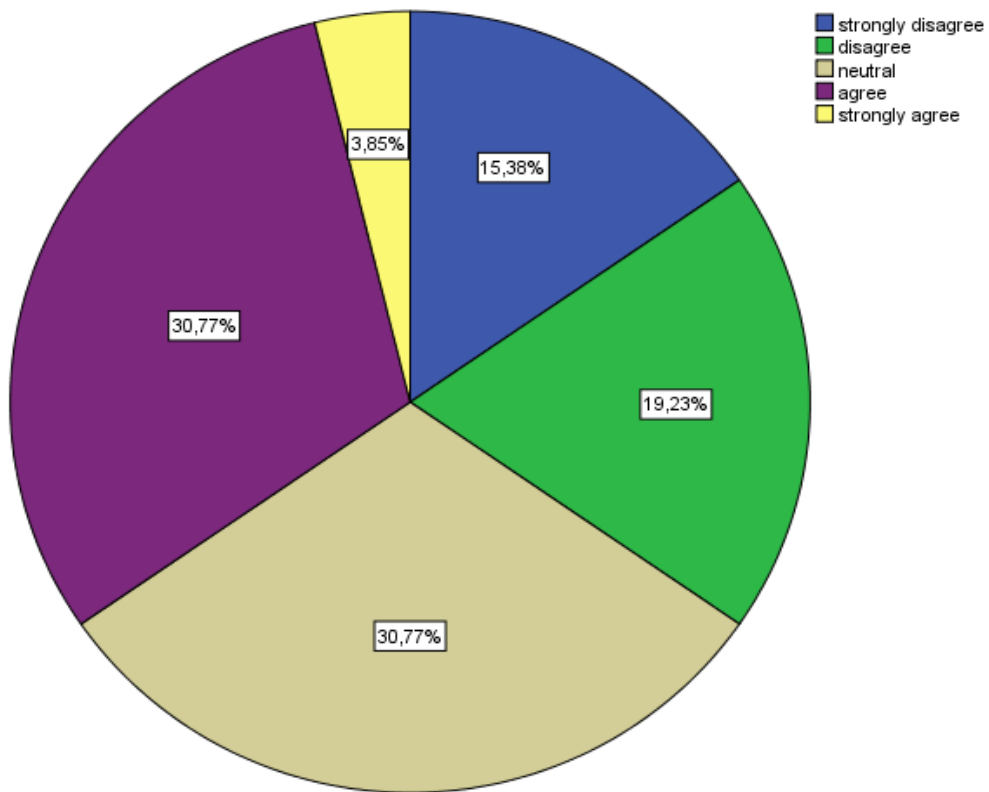


Figure 20. Part 3, Question 2 Pie Chart

An equal number (30,77%) of people have chosen “agree” and “neutral”, when asked if they make purchases based on the way products are arranged in the store.

Part 3, Question 3: I find myself entering the store because of how mannequin display looks

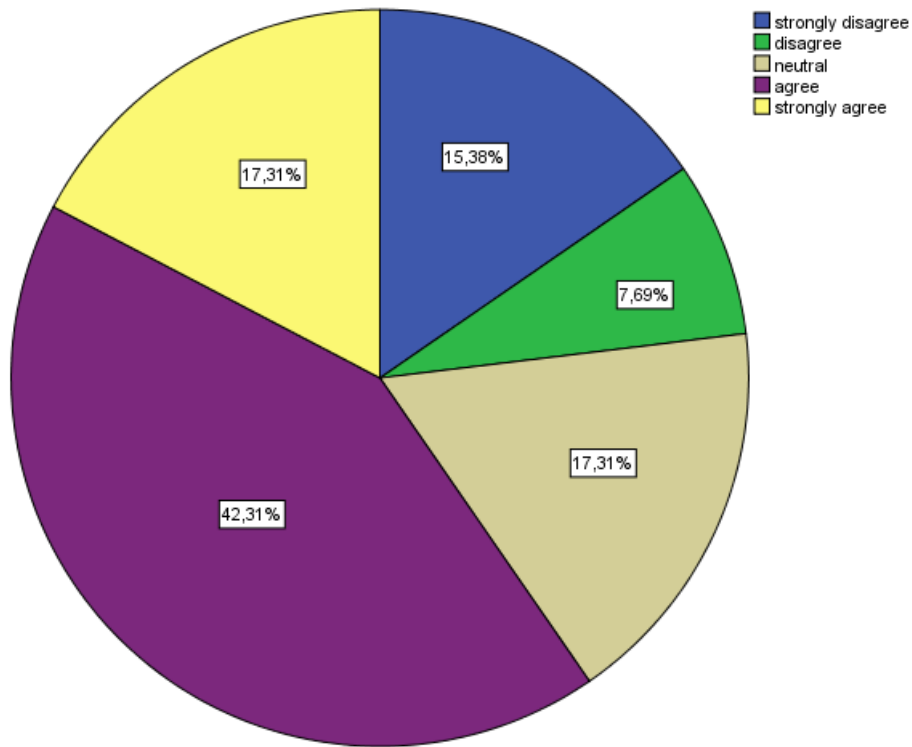


Figure 21. Part 3, Question 3 Pie Chart

42,31% of the people interviewed find themselves entering the store because of the way the mannequin display looks, which proves once again that VM is important when it comes to attraction of the customers.

Part 3, Question 4: If a mannequin display looks eye-catching, I often end up buying that product

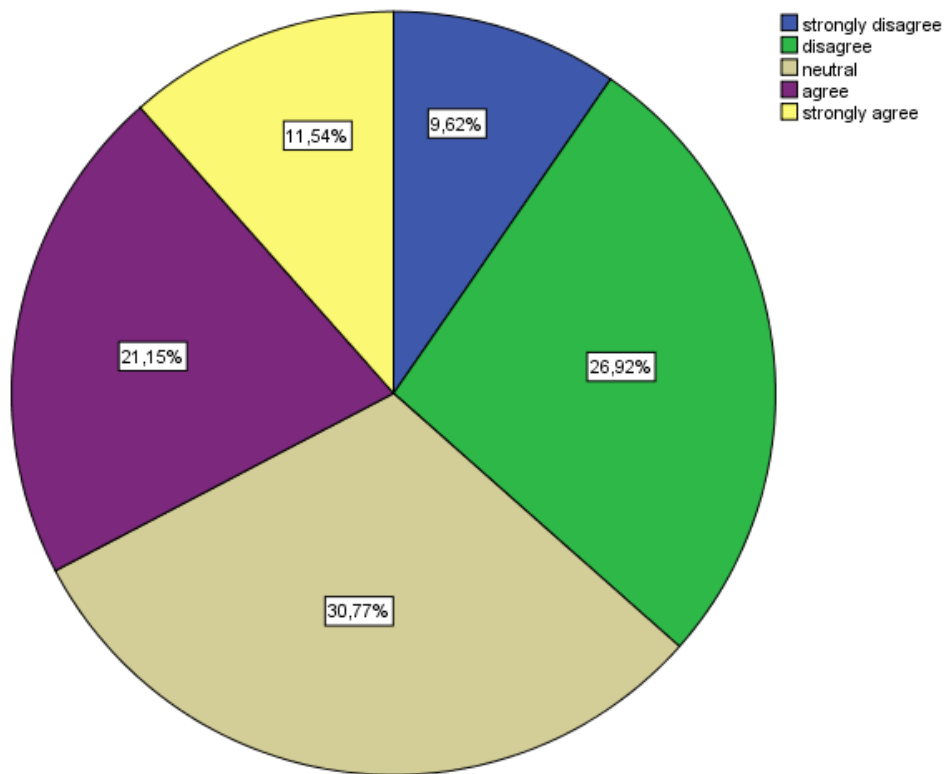


Figure 22. Part 3, Question 4 Pie Chart

The pie chart shows that 30,77% of the respondents remain neutral when asked if they often make a purchase in connection with a mannequin display looking eye-catching, which suggests that VM tools play a role in affecting purchasing decisions, but they are not the key tools for this.

Part 3, Question 5: I like purchasing products displayed in the cashier area

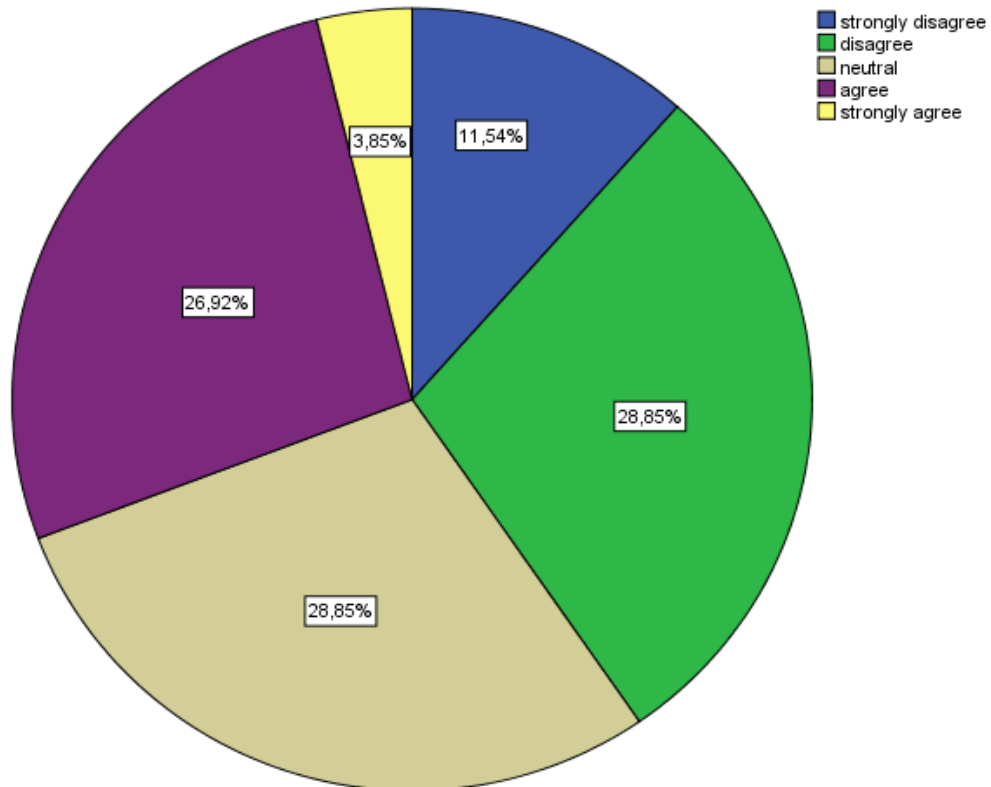


Figure 23. Part 3, Question 5 Pie Chart

The pie chart above indicates that 28,85% chosen “neutral” and “disagree” when asked if they like to buy products displayed in the cashier area.

Part 3, Question 6: If a product display looks eye-catching, I often end up buying that product

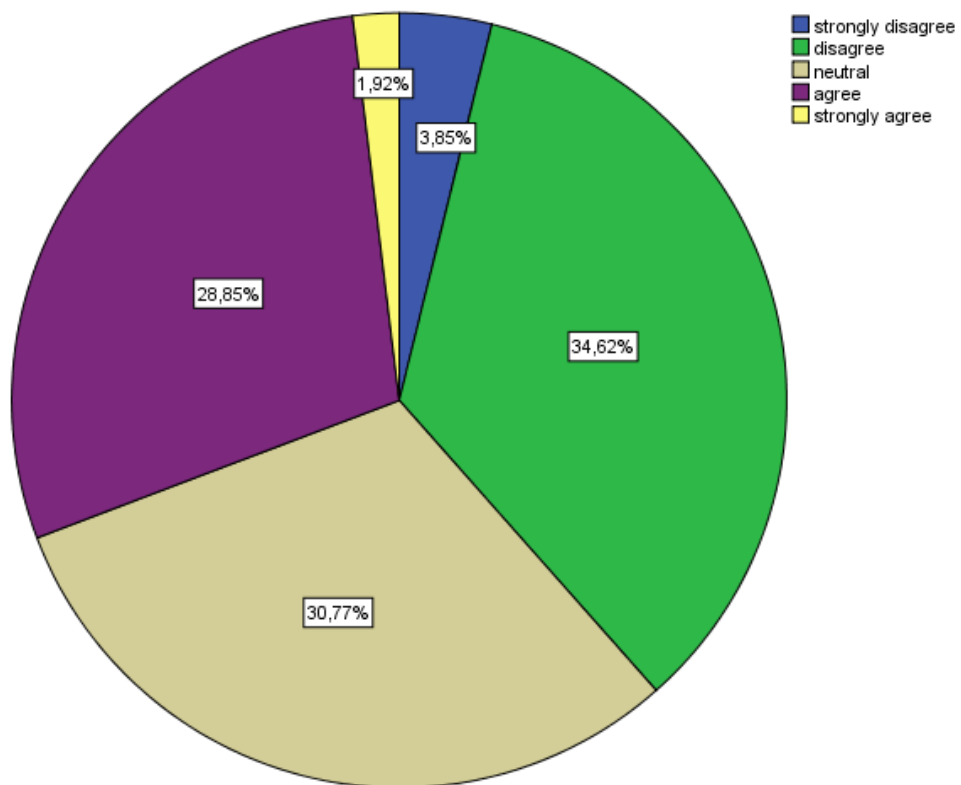


Figure 24. Part 3, Question 6 Pie Chart

Figure 24 shows that 34,62% disagree when asked if they often end up buying products from eye-catching display.

Part 3, Question 7: Sale and promotional offers in the store draw my attention to the products

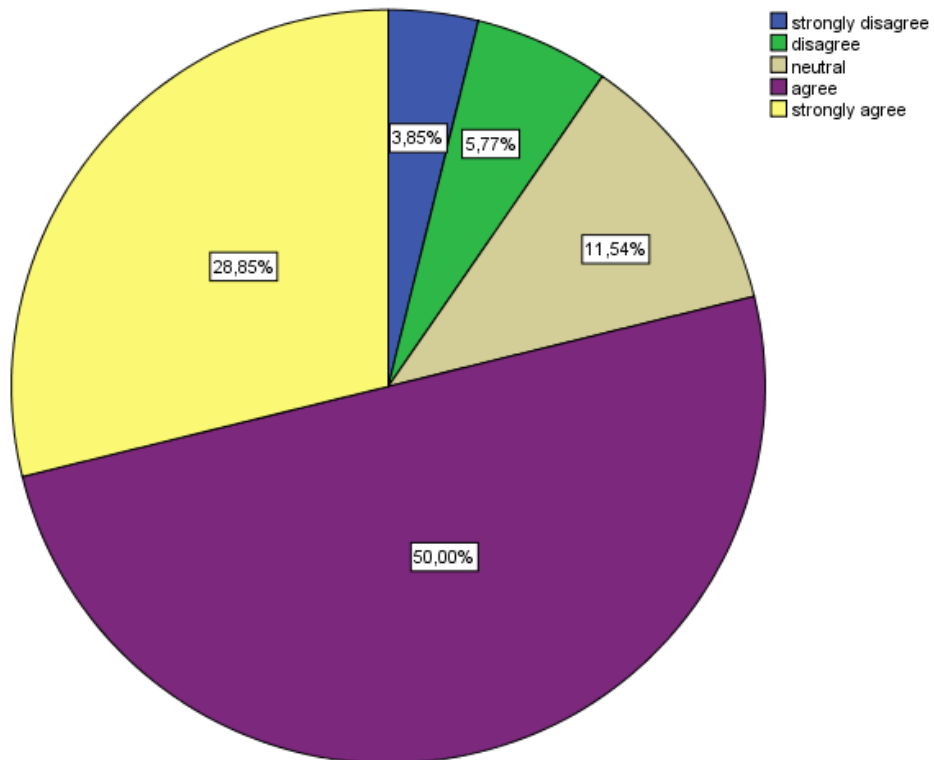


Figure 25. Part 3, Question 7 Pie Chart

Unsurprisingly, 50% of the respondents say that sales and promotional offers attract their attention, as figure 25 demonstrates

Part 3, Question 8: I make unplanned purchases if a product is on sale

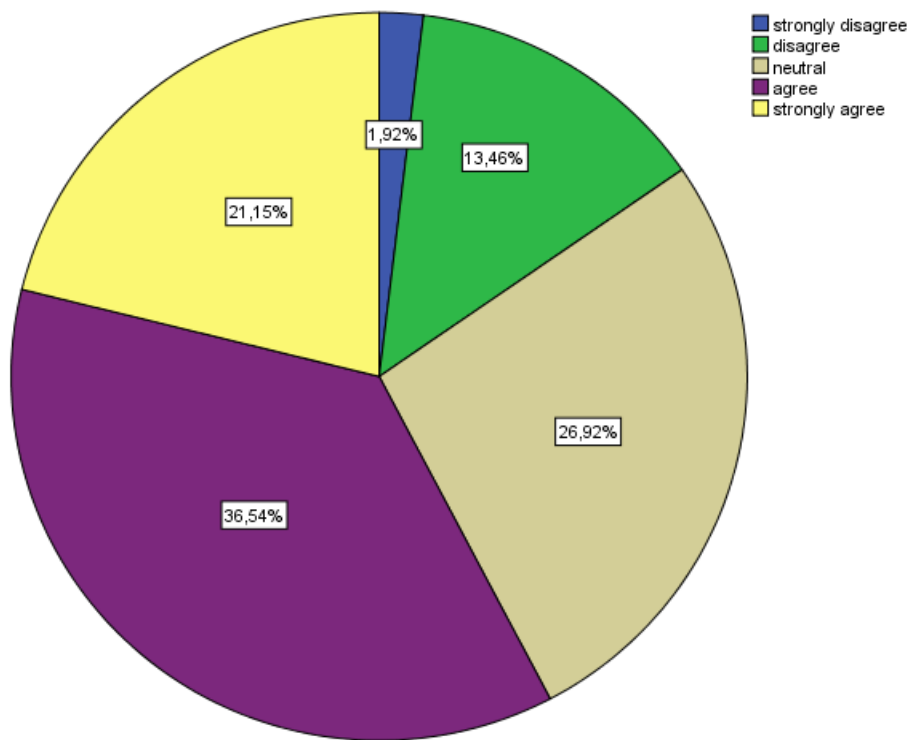


Figure 26. Part 3, Question 8 Pie Chart

As the pie chart above shows, most of the people interviewed chosen “disagree”, when asked if they make unplanned purchases when they see sale offers. These results illustrate that the way products are arranged and displayed in the store matters to the customers, but it does not necessarily increase the number of purchases, even when sales and promotional efforts are used.

Part 3, Question 9: A good store layout makes it easier for me to find desired products

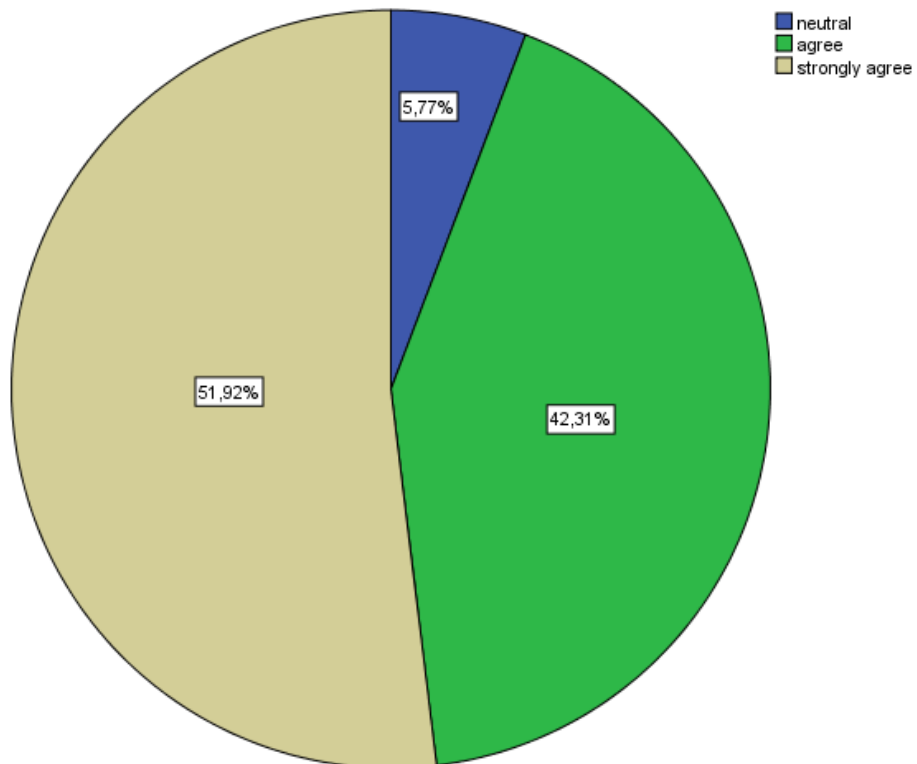


Figure 27. Part 3, Question 9 Pie Chart

Figure 27 demonstrates that 52% of people say that a good store layout makes it easier for them to find the products they need.

Part 3, Question 10: I pay attention to the lighting used in the store

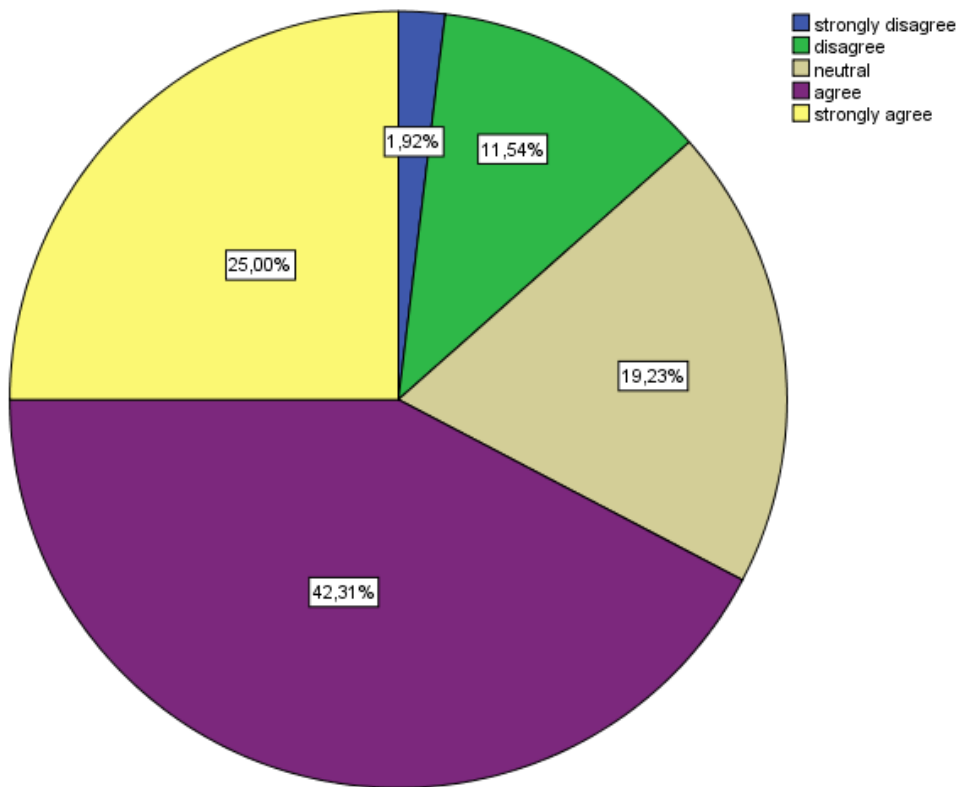


Figure 28. Part 3, Question 10 Pie Chart

Part 3, Question 11: I pay attention to the music in the store

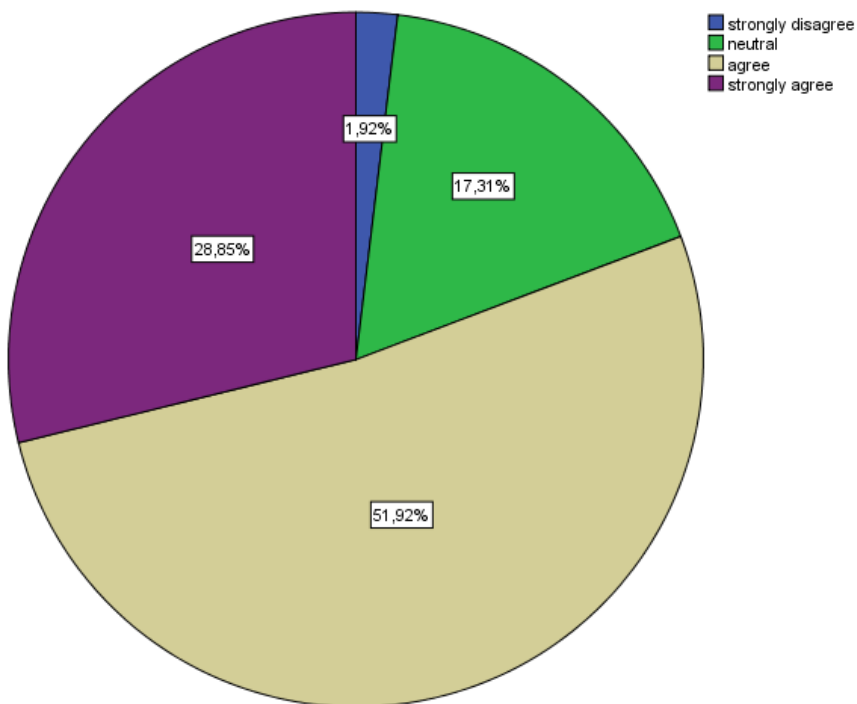


Figure 29. Part 3, Question 11 Pie Chart

As pie charts above illustrate, majority of people interviewed pay attention to music and lighting used in stores. This proves that music and lighting are undeniably important aspect of the retail environment.

3.5.2 Bivariate analysis

The next stage of the analysis will be bivariate analysis – looking at pairs of questions and seeing how they interact or how are they different. Crosstabulation is a tool used to do that.

First, an independent samples T-Test is going to be done to see difference in some of the opinions between the genders.

If Sig. (2-tailed) is 0,05 or below we can say that a statistical difference between the groups exists.

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
I find myself entering the store because of how mannequin display looks	Female	29	4,00	,964	,179
	Male	23	2,61	1,270	,265

Figure 30. Bivariate Analysis Table 1

		Levene's Test for Equality of Variances		t-test for Equality			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
I find myself entering the store because of how mannequin display looks	Equal variances assumed	8,364	,006	4,494	50	,000	1,391
	Equal variances not assumed			4,353	40,109	,000	1,391

t-test for Equality of Means		
Std. Error Difference	95% Confidence Interval of the Difference	
	Lower	Upper
,310	,769	2,013
,320	,745	2,037

Figure 31. Bivariate Analysis Table 2

Here Sig. (2-tailed) is 0.000, so there is a statistical difference between genders. On average, men answered 3 – neutral, and women answered 4 – agree.

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
If a mannequin display looks eye-catching, I often end up buying that product	Female	29	3,38	1,115	,207
	Male	23	2,48	1,039	,217

Figure 32. Bivariate Analysis Table 3

Independent Samples Test							
		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
If a mannequin display looks eye-catching, I often end up buying that product _____	Equal variances assumed	,301	,585	2,982	50	,004	,901
	Equal variances not assumed			3,007	48,659	,004	,901

t-test for Equality of Means		
Std. Error Difference	95% Confidence Interval of the Difference	
	Lower	Upper
,302	,294	1,508
,300	,299	1,503

Figure 33. Bivariate Analysis Table 4

In case of this question, Sig. (2-tailed) is 0.004, so there is a statistical difference between genders. On average, men answered 3 – neutral, and women answered 4 – agree.

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
I make unplanned purchases if a product is on sale	Female	29	3,90	1,047	,194
	Male	23	3,26	,915	,191

Independent Samples Test							
		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
I make unplanned purchases if a product is on sale	Equal variances assumed	,011	,916	2,297	50	,026	,636
	Equal variances not assumed			2,333	49,481	,024	,636

t-test for Equality of Means		
Std. Error Difference	95% Confidence Interval of the Difference	
	Lower	Upper
,277	,080	1,192
,272	,088	1,183

Figure 34. Bivariate Analysis Table 4

Here, Sig. (2-tailed) is 0.025, so there is a statistical difference between genders. On average, women answered 4 – agree, and men answered 3 – neutral.

It can be concluded that women tend to enter the store based on how a mannequin display looks more than men do, the same can be said about readiness to make purchases based on the mannequin display attractiveness – women are more keen to do so. When it comes to sales offers, women were found to be making unplanned purchases more often than men. These results can indicate that women are more sensitive and receptive to visual cues and promotional offers.

3.6 Limitations of the research

A small fraction of answers is going to be missing statistics on the country of residence - after the survey was sent out to the respondents, it was decided to add question about country of residence of the respondent into the survey. This paper covers visual merchandising in fashion industry all over the world, not specifically focusing on one country, which means that the answers should be gathered from as many different countries as possible.

Recommendations for further research are to focus on a more specific market, customer segment and narrow the industry down even more (for example, not to apparel retail in general, but to the mass market fashion in Finland or luxury fashion retail in the UK).

4 CONCLUSION

The aim of this paper was to see the connection between visual merchandising and purchasing decisions, to find out how important the role of visual merchandising is in brand image creation and maintenance.

The statistical results have indicated that attractive window and product displays are an excellent method to draw the attention of the clients and bring them into the store, however the subsequent efforts that would eventually lead to a purchase are up to the sales assistants, the marketing team etc. These results partly prove the theory described on page 11 of the thesis – good interior design and window displays in a store can maintain customers' curiosity, help them to lower their mental resistance and lead to making a purchase (Omar, 1999; Walters and White, 1987; Kotler, 1974; Davies and Ward, 2002; Bitner, 1992). The fact that 42,31% of the people interviewed for this research find themselves entering the store because of the way mannequin display looks, supports the theory explored by Lea-Greenwood G. (1998), where she found that mannequins are considered very visual by customers, and use of mannequins is seen as beneficial for browsing stimulation.

The research has shown that VM is an important aspect when it comes to decoding brand values and differentiation on the saturated market, VM tools have certainly uncovered the brand's identity without the assistance of the logo. This proves the theory by Kerfoot, S., Davies, B. J. and Ward, P., 2003 explained on page 14 of this paper: colors used in design elements of the store and sensory features of materials are crucial factors that facilitate the forming of an image of the brand itself.

But the same can't be said about recognizing the brand itself – just three individuals out of 52 have recognized Chanel on the image. It is important to take into consideration, however, that this might have to do with a quality and angle of the image.

VM techniques play a role in influencing buying choices, yet they are not the key tools for this. Survey results have proven that the way items are organized and displayed in the store matters to the clients, yet it doesn't necessarily increase the purchases, even when

sales and special offer efforts are used. The research has also found that music and lighting are undeniably significant elements of the retail environment that customers take into account when visiting a store. These findings support the theory by Dash M. and Akshaya L. (2016): in-store product display may not have a substantial impact on impulse purchase of merchandise, but it does set a positive ambience for the store, captivating customers and making them feel cozy in the store.

Additionally, bivariate analysis have showed that women are more sensitive and receptive to visual cues and promotional offers, which can mean that some of the marketing effort should be targeted more towards female audience.

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APPENDICES

Part 1: Respondent's details

1. Gender
2. Age
3. Country of residence
4. Occupation

Part 2: Visual merchandising and brand image

1. Window displays communicate the image of the store to me



2. Product display on the image looks eye-catching
3. Window display on the image makes me want to go into the store and browse the merchandise
4. The display on the image makes me want to purchase presented items
5. How would you describe a brand with such a window display (on a scale from 5 to 1, where 1 is inexpensive, 5 is expensive)
6. How would you describe a brand with such a window display (on a scale from 5 to 1, where 1 is modern, 5 is classic)
7. How would you describe a store with such a window display (on a scale from 5 to 1, where 1 is spacious, 5 is crowded)

8. How would you describe a store with such a window display (on a scale from 5 to 1, where 1 is inviting, 5 is uninviting)
9. Do you recognize the brand?
10. If yes, can you name the brand?

Part 3: Visual merchandising and consumer behaviour

1. I feel that the atmosphere in some stores makes me feel comfortable and makes me want to stay there longer
2. I make purchases because of the way products are arranged in the store
3. I find myself entering the store because of how mannequin display looks
4. If a mannequin display looks eye-catching, I often end up buying that product
5. I like purchasing products displayed in the cashier area
6. If a product display looks eye-catching, I often end up buying that product
7. Sale and promotional offers in the store draw my attention to the products
8. I make unplanned purchases if a product is on sale
9. A good store layout makes it easier for me to find desired products
10. I pay attention to the lighting used in the store
11. I pay attention to the music in the store