The Relevance of Visual Merchandising for Online Retailers

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ABSTRACT

In response to consumer needs for online sensory experiences and ease of access to information, developments in online visual merchandising techniques can help to enhance the virtual environment for e-shopping. Online visual merchandising helps to reduce perceived risk for the consumer, so enabling Internet-based shopping to compete with—or to augment—traditional sales channels. The present analysis aims to test a hypothesized relationship between the visual merchandising techniques in use on those Web sites and the commercial success of fashion industry e-commerce sites (as measured by traffic data). The study uses content analysis to assess the visual merchandising techniques of 30 distribution companies in the clothing industry. On the basis of these findings, commercial enterprises of this kind using the online channel should be better able to understand the limitations and/or strengths of their current Web site, and to improve the effectiveness of their virtual environment for e-shopping.

Keywords: Apparel E-Tailing, E-Commerce, Online Visual Merchandising, Product Presentation, Visual Merchandising.

1. INTRODUCTION

Through visual stimulation and other techniques of communication, visual merchandising is a significant marketing tool for retail companies (Lea-Greenwood, 1998; McGoldrick, 2002; Pegler, 2001; Grossbart, et al. 1990). Visual merchandising can be translated literally as a “display of goods,” but this would be limiting, given the wider variety of actions it includes. Merchandise (goods) leads to merchandising—sales, in the sense of making the goods available to potentially buyers, or the commercial management of goods. Pegler (2001) defines it as “the method of presentation of the product intended to communicate the concept of the same product to consumers in order to maximize sales and profits.” Granted the multiplicity of definitions, visual merchandising essentially means selling a commercial

DOI: 10.4018/ijabe.2014100101
formula: service, choice, pricing, the brand image of the store. Once the frame (floors, walls, ceiling) is in place, it can be set in motion, so to speak, through visual merchandising (Baker et al., 1992). According to Pereira et al. (2010), visual merchandising endows a brand with its profile and represents the most direct communication tool to reach its target market. The general purpose of visual merchandising is to create desire, focusing primarily on optimizing the layout of goods in a display space designed specifically to stimulate the sensory perceptions of customers, and to involve them in an all-encompassing experience that goes far beyond the simple purchase action (Donovan & Rossiter, 1982).

In particular, it refers to the whole series of store activities designed and implemented with the dual objectives of increasing the marketability of products and developing and strengthening customers’ store loyalty (Golden & Zimmerman, 1986).

In fact, the display will guide and coordinate selection from a range of goods by customers (Poloian, 2003) and enhance the experience of shopping and buying. Indeed, aspects of visual merchandising that are incompatible with consumers’ expectations could even harm the store image. In other words, the approach to visual merchandising, as well as the store’s street presence and the area where the store is located, will influence the propensity of consumers to stay in the store, to buy, and to come back again (Colborne, 1996). Some visual merchandising cues have been found to impact on expectations for customer service, affecting, for instance, satisfaction with and ratings of salespeople (Stanforth & Lennon, 1997). Other studies have found that visual merchandising cues in window displays can affect consumers’ decisions to enter a store (Sen et al., 2002).

In the store, visual merchandising activity is developed in three strategic and operational steps: the classification and aggregation of goods, the rational organization of retail space (layout), and finally, the exhibiting of attractive and interesting products (display). Clearly, then, visual merchandising involves more than just exposing the product, although this remains the most striking and immediately apparent element. It is, in fact, impossible to make an effective product display space without having previously arranged the sale—that is, without having planned how to arouse the interest of customers in all parts of the store, and without allowing easy access to any combination of goods (Golden & Zimmerman, 1986; Grossbart et al., 1990). Visual merchandising also includes interior design, signage, in-store promotion, and product mix, all devised to attract customers (Harris, 1998).

The structure of the display, the layout, and the other elements of visual merchandising play an important role in the information phase of the buying process for the consumer. As stated by Yantis (1993), the selection of information from the visual display takes place in two ways: through selection dictated by objectives and through selection driven by the stimuli. Selection based on the objectives of the actor derives from information processing to check that the space or objects in the visual field are consistent with the goals and beliefs relating to intention to purchase. On the other hand, selection based on visual stimuli derives from certain properties of the stimuli themselves that can capture the attention, irrespective of the aims and beliefs of the observer (Belizzi et al., 1983). Each of these factors, or some combination of them, can affect the process of selecting information. Particular events or external stimuli may also affect this process (Folk et al. 1992). In both forms of distribution, visual merchandise is carefully designed to generate traffic and a higher volume of sales.

According to Colborne (1996), each type of store should have its own visual merchandising techniques in order to meet the social, psychological and physiological needs of consumers. The atmosphere in a department store may be more complex and sophisticated because it is necessary to present both a wide variety of products and services and a range of product categories with different prices and styles. Layout, shopfitting plans, and interior decor can be implemented so as to achieve the maximum
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