



VISUAL MERCHANDISING IN INDIAN RETAIL

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ABSTRACT

Visual merchandising is arrangement of merchandise to improve sales. Visual merchandising is the technique used in promoting the sale of goods .It is arrangement of merchandise in retail store to highlight the products to the customers, making them browse inside the store leading to impulse sales. Visual merchandising adds quality to retail experience. Visual merchandising helps to create desire to the customers. Visual merchandising is a global trend which is now having impact on Indian retail in a positive way. Visual merchandising is helpful in building brand and store image. Shopper's expectation and lifestyle of people are changing. Retailers have to create an environment in such a way to satisfy the customers. Retailers have to concentrate on in-store management and customize the global design in Indian way to become successful.

Keywords: Visual Merchandising, In-Store Management, Shoppers Expectation

Introduction

Indian retailing industry is the sunrise industry. It presently contributes about 22% of gdp and 10% of employment. India has more unorganized retailing compared to organized retailing. Vast demographics, increasing middle class people, young population, working wives contribute to the development of retailing in India. Visual merchandising is one of the techniques used by retailers to increase the sales. Visual merchandising is arrangement of merchandise inside the store to increase the sales. AT Kearney , a US based consulting firm states that India is the fourth most attractive destination among 30 countries in developing market.

Share of Organized Retailing in India

YEAR	ORGANIZED RETAIL SECTOR	SOURCE
2005	3.5%	AT Kearney
2008	5%	MC-Kinsey and Company
2010	8%	AT Kearney
2013	10%	AT Kearney

*Source derived from retail sector in India by Ashish Kumar

Importance of Visual Merchandising

Visual Merchandising creates a good shopping environment to the customers. By proper display with aisles visual merchandising provides convenience and comfort to the customers. Many studies has proven that a beautifully decorated store with good window display attracts more passerby converts them into shoppers. Visual merchandising elements with beautiful lighting, color, aesthetics of the store converts shoppers into customers. By displaying the products with price, highlighting the new products, customer comes to know about product information and new trends in the market. Visual merchandising elements like graphics and sign boards act as shopping guide to the customers. Repeat visit to the store by the customers happen only when the first visit to the store by the customer is memorable one. First visit to the store happen, only when first good impression is created by good external atmospheric which is possible through visual merchandising. This technique brings cleanliness to the store by neat and tidy arrangement. Impulse purchase products are kept at the eye level of the customers and also at

point of sales. Visual merchandising gives customer satisfaction, strengthens the brand image and drives more sales to the retail outlets.

Visual Merchandising in Indian Retail

Visual merchandising in Indian retail is still at the infant stage. It is well developed in western countries due to large percentage of organized retail. Though retail constitutes of 10% of our country's GDP organized retail is still at growing stage. Most of the Indian retail is unorganized due to poor infrastructure facilities. Indian government allows 100% fdi in single brand retail and 51% fdi in multi brand retail. Large retailers invest more on infrastructure and innovative techniques like visual merchandising. Small retailers think more money is needed to do visual merchandising but in reality it's not true. Creativity with visual eye, maintaining the store with good store atmospherics and clean itself fetches more customers inside the store and drive sales. India is a changing market with more youth population. Nearly 60% of population in India is below 35 years of age which means India has more capacity for shopping. There are more cultural and regional differences in India which dissuade the retailers from adopting a single format for India. Retailer has to localize according to region and culture. Retailers have to adopt the global design in Indian way. Customization in Indian way is necessary. The store should be designed in such a way that, the design should touch the heart of the customers. Brand messages in the retail outlets should be communicated through visual merchandising.

Creating a Pleasant Shopping Experience

Nowadays gap between organized and un-organized retailing is coming closer due to emergence of malls and hyper market. Indians give more importance to shopping now due to increase in middle class population and more number of working wives which increases the consumption power of the people. Creating a pleasant shopping experience is needed in small stores in India. Certain visual merchandising tips like clearing the aisles, keeping the store clean without dirt and thrashes, playing good and mild in-store music, proper eye-catching lighting inside the store, good aroma, proper signage system in local languages and good point of service terminals are necessary. A stores identity is brought by visual merchandising. Overall customer experience inside the store is affected by quality of retail experience provided by retailer. Providing a pleasant shopping experience result in customer satisfaction which in turn result in more sales.

Pleasure and shopping excitement to the customers come from in-store display, product and service communication and proper in-store management. Proper layout in the store helps time-bound customers to shop quickly.

Innovations in Visual Merchandising

Innovations in visual merchandising include combination of 2 or 3 techniques to produce a new technique to increase sales. Nowadays it is digital generation and young customers see the product online before coming to the store. To attract such people combination of old and new technique can be used. Touch screen and interactive technologies are used nowadays to attract young customers.

Young generations are interested in technology. Implementing technology in visual merchandising is nascent technique now. Retailers give more importance to window displays because every customer gives at least 2 seconds for the window display. Windows act as display providing new product trends to the customers and mannequins inside the window interact with customers providing visual pleasure in some high end stores.

Future of Visual Merchandising in India

Visual Merchandising has a great future in India. Indian consumers demand for international shopping experience nowadays. Due to globalization and FDI in retail, Indians are now exposed to so much of brands and luxuries which make them to demand more from retailers. Now visual merchandising is focused on organized retail outlet and also in larger cities. In future visual merchandising will be focused on rural areas and unorganized retail outlets.

Conclusion

Retailers have to adopt visual marketing to become successful. Nearly 70-80% of purchase decisions are made at point of purchase. Retailers have to view the business through the customer's eyes then only they can create an environment to lure customers. The unorganized retailers should provide more facilities and visual treat like organized retail outlet to provide good customer service and to attract customers. In-Store management should be properly done by retail outlet. Creating a safe, agreeable and exciting shopping experience is necessary even in unorganized retail. At present organized formats like malls, super market, hyper market and

multiplexes concentrate on hi-tech cities. The future of retailing lies in trapping the rural sector and providing them good retail outlet with visual ambience same as that of hi-tech cities.

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