Whatever is Seen is Sold: Merchandise Mantra

Babita Singla  
Chitkara Business School, Chitkara University, Punjab, India.

Berenika Dyczek  
University of Wroclaw, Wroclaw, Poland.

Rosario Mercedes Huerta Soto  
Universidad Nacional Santiago Antúnez De Mayolo, Lima, Peru.

Jaheer Mukthar KP  
Kristu Jayanti College, Autonomous, Bengaluru, India.

Received February 20, 2021; Accepted June 10, 2021  
ISSN: 1735-188X  
DOI: 10.14704/WEB/V18SI03/WEB18106

Abstract

Purpose: This paper aims to analyze the effect of the future display to know the changing scenario of the promotion tactics used for sales especially the display matrix and its importance.

Design/methodology/approach: A complete of fifty retail stores were personally surveyed with a structured questionnaire. These retailers are spread across the well-developed Mall road area of Bathinda city. Simple statistical analysis like descriptive statistical analysis evaluates the effectiveness of future displays and understands consumers’ level of satisfaction was administered.

Findings: The preferences of the consumers indicate their priority for future display. The consumers’ preference of marketplace largely depends on the convenience in purchasing at the marketplace alongside the supply of attractive display, basic amenities, and affordability. Results suggest that the proper investment in retail merchandise with proper planning will help in selling more products with higher margins. It had been found that a lot of times consumers make their purchase on basis of the attractive display of products without an entire search and analysis about the merchandise. Hence, buyers are often attracted to a far better presentation and may pay more prices for it.

Research Limitations/Implications: This paper analyses the extent of satisfaction of the consumers under survey concerning future display. The retailers are in a relatively advantageous position in terms of awareness of the effectiveness of future displays.
**Practical implications:** The results may help the retail outlet owners to know the role of future display in an increment of store sales volume so that they will make better decisions within the emerging merchandise techniques as per the predictive retail environment.

**Originality/value:** The subject is comparatively less researched in emerging markets especially where organized retail remains in its early stages.

**Keywords**

Merchandise Plan, Customer Oriented, Impulse Buying, Retailing.

**Introduction**

The retail industry in India is growing at a very fast pace. The industry is shifting its focus from product-oriented to customer-oriented (Kotler, 1999). It means that in the earlier times, there were very few companies for manufacturing a particular type of product. The consumers had no choice, and they had to buy whatever is available and at the price decided by the manufacturer.

But as time has changed, the companies have become customer-oriented. Before launching any new product/services the company does a survey with the customer and analyses what the end customer wants to buy.

Whatever is produced needs to be made available at the right place for the end customer. In earlier times, the customer used to go to a local Kiryana shop for getting their daily needed items. Buyers were given the required material by the shopkeeper without entering the shop and exploring all the options available.

But in today’s times, modern retailers are preparing the exact merchandise plans i.e. what is to be kept on which shelf in which rack so that it attracts the customer.

Customer focus has shifted to impulse buying i.e. buying those items which were not planned before visiting the shop. The only reason for this is the right items are stocked at the right place in the shop. This paper analyses the importance of these strategies and proposing the suggestive plan.

Display/Merchandize plan at the point of Sales is the way in which the products are displayed at the Retail Store to get the attention of the customer and motivate/lure him to buy the product. The product advertisements shown in print / electronic media give only the basic idea about the product. When the consumer with an incomplete idea about the product in their mind visits the retail Counter, the product displays which are arranged in
such an attractive manner further fulfills the need to convert that urge of knowing the product into Sales. Store atmosphere act as a basic factor to motivate the customer to visit the store and ultimately create the repeat purchase. Retailers today strive hard to make the shopping convenient and user friendly for the visitors.

**Literature Review**

Exploration in showcasing has given extensive thoughtfulness regarding the matter of estimating client reaction to occasional advancements (Blattberg et al., 1990; Hanssens et al., 1990). Studies have discovered that occasional advancements can expand benefits (Hoch et al., 1994; Bemmaor & Mouchoux, 1991).

In the basic food item industry, an assortment of reaction models is created upheld store-level information for brands and classes (Blattberg & Neslin, 1990 for an audit). As of late, some retailer-situated class streamlining started to incorporate family unit scanner board information gave by A.C. Nielsen. Vilcassim & Chintagunta (1995) create a one-period model that mutually advances costs for a few substitute items for promoting. Tellis and Zufryden (1995) use whole number programming to improve cost limiting bolstered a family stock model to catch the dynamic example that utilization has on buy rate, however, don't think about ideal promotion determination. Notwithstanding, these buy models have bolstered family unit stock levels which are attached to utilization rates, as against office and shop buys, which will in general be driven more by motivation and watchfulness. Introductory edges in attire are for the most part on the request for 40% to half as against 15% to 25% which is run of the mill in grocery stores. These higher beginning edges leave more space for intermittent markdowns. Additionally, office and shop retailers control their advancement plans, since they're not driven by producer bargains.

As of late, an assortment of papers has considered ideal estimating for items that have a firm selling season. Gallego & Van Ryzin (1994) consider an ideal control model for deciding the most straightforward value direction when clients are displayed as Poisson appearances with a known appropriation of reservation costs. They acquire a response at the instance of exponential cost affectability, which is moreover accepted during this paper; however, their model does exclude contrasts because of the period. Bitran & Mondschein (1997) consider stochastic powerful programming models for deciding the most straightforward value direction for an item that has occasional variances sought after. Enhancements of the subsequent nonlinear target work are performed through the usage of a Fibonacci search for the instance of Poisson client appearances with reservation
costs taken from a Weibull conveyance. Allaway et al. (1987) think about the ideal allotment of different kinds of promoting and coupons across retail divisions with a discrete ideal control plan. Ideal leeway costs, i.e., lasting markdowns, are considered inside the nearness of interest vulnerability by Lazear (1986), Pashigian (1988) & Subrahmanyan and Shoemaker (1996).

The statistical surveying papers referred to above give strategies to estimating advancement reaction, which might be essential for creating enhancement techniques, yet for the most part don't give concluding calculations to streamlining limited-time plans, subject to asset requirements. The ideal control definitions for advancements are commonly restricted to the value variable. Inside the general ideal control structure, including extra viewpoints such promoting choices and limitations on assets would significantly expand the intricacy of the investigation. Allaway et al., (1987) considered various special factors practically like those during this article, however the structure of their model confines its material 196 Journal of Retailing Vol. 74, No. 2 1998 to the improvement issue we consider. Their straight reaction capacity and target work with quadratic punishments can't oblige the nonlinear deals reaction model, occasional factors and compelled benefit expansion that are considered here.

The Need for the Study

It is clear from the above-mentioned facts, that there is an urgent need to understand the changing scenario of the promotion tactics used at the point of Sales especially the Display matrix and its importance. There is a need to understand the psychology of the common man whether they are satisfied with the way these retailers are approaching them. Hence researcher is presenting the research titled “Whatever is seen is Sold; Merchandize Mantra”.

Objectives

The objectives of the study include

1. To analyze the effect of the in Store display.
2. To interact with the consumers, evaluate the effectiveness of in-store displays, and understand their level of satisfaction.

Methodology

1. Research Design: Descriptive.
2. Research Plan.
   a. Data Source – Primary Data and Secondary Data.
   c. Research Instrument – Open-Ended Discussion with the customers.
   d. Sampling Plan -Convenience Sampling.
   e. Sampling Unit – 50.

A Framework of the Survey

To understand and develop different variables, the researcher focused on the following parameters:

- Method of displaying the products used inside the store.
- Visibility of the store and the products from the marketplace outside.
- What is the level of accessibility of the products for the consumer inside the store?.
- What are the reasons for impulse repurchases i.e. why consumers ending up buying up those products which are not planned beforehand?.
- Whether the consumer is comfortable while purchasing at these stores / what problems does he/she face?.
- Suggestions for converting a visitor to a satisfied and repeat consumer.

Data Analysis and Interpretation

As compared to the earlier times, when the consumer had very little choice as the number of brands were very limited and there was a very limited point of sales. The consumers were forced to buy what was available in the market to fulfill their needs. But today, a consumer has a lot of choices available. And retailers are leaving no stone unturned to lure the consumers towards their brand.

During the visit to various retail stores in Bathinda, Punjab, and surrounding areas and then conducting the secondary data analysis also, the researcher came up with some very important observations which are enlisted below:

   a) **Window Dressing:** It is the showcase of item in the show window of the retail outlet. It makes the enduring early introduction. It likewise draws in the consideration of passers-by just as possibilities and welcomes them along these lines to enter the store (Berman, 1998). Mostly the retailers display their premium / well
known / newly launched products in the glass at the front of the store and the products are visible from the road outside very clearly. These displays:

- Reminds the consumers about their need.
- Lures them to come inside the store.
- And to explore the available products.
- Which finally attracts them to buy the product.

While analyzing the window dressing aspect among various shops, researcher analyzed that the retailers had chosen the window which opens on a busy square and leads the prospects into the shop. Also:

- Some retailers used glaring glasses which dazzle the eyes of prospects.
- Some retailers were changing the arrangement of goods during business hours.

b) **Visibility Factor:** The product samples or the video advertisements showing the usage of the product are displayed inside the store at a more visible position; i.e. either at the direct eye level position at the end of the aisle (which can be viewed straight while moving through an aisle) or by using the attractive / big size font which can be read from the far away distance.

c) **Focused product:** Some of the retailers create clutter around one product. They display a lot of advertisements in the form of wobblers, shelf mats, on product stickers all pasted on the same product. And the related products are kept around it to showcase the complete usage of the system and to fully capture the visitor’s attention. E.g. one of the retailer had kept the CPU, UPS, Speakers, Table, Sound System, DVD Player **to highlight the newly arrived LCD Screen.**

d) **Use of Floor Display Racks:** Some of the retailers use the floor display racks which are movable racks and can be placed on any place in the store while hosting a number of product categories. These displays add to the normal planned purchase and are mostly placed at the entrance of the store.

e) **Use of Counter Top Displays:** These are the small display racks used to display products at the place where space is really limited. e.g. near the cash counters. These stimulate the customer to buy the products while waiting for their turn of billing; without actually having the need for it. E.g. In the stores of MORE, Archie's; researcher saw some assorted chocolates, small gifts etc. displayed along the cash counter.

f) **In store signages of related products displayed in the section:** In some electronic stores, researcher saw that in the section where the LED TV were displayed, the signage on the wall above those were highlighting the benefits of smart TV (next
product in the hierarchy). The customers who were inspecting LED TV were motivated to buy smart TV and guiding them to that section thus influencing the purchase behaviour.

g) **Stocking of related items together**: The related items were stored in one individual section, so that when consumer enters that section to buy the planned product they find the related product range and this gives rise to the unplanned purchase also. E.g. All personal care goods in one section, food items in one section, Grocery in one section, and so on.

Researcher saw one customer having the list of Face Cream, and Soap mentioned in the list in the hand; but when he went to personal care section he also placed Hair gel and shampoo bottle in his purchase trolley.

This also made the consumer feel comfortable in the store and he finds the store environment hygienic.

h) **Product Shuffling and Occasional change in display**: Some of the retailers told us that they have the practice of changing the products on display after a specified time period. E.g. Electronic products (TV, Refrigerator, Washing Machine, etc.) which are on display are changed with the new pieces after every 30 days and the earlier pieces on display are packed in their boxes. This is done so that the bright and new products are always seen on the display shelf; secondly the products if kept for longer time in display will become unsalable and will go to scrap after some time.

i) **Showrooms**: One of the store which was selling the tiles and bathroom accessories have created special showrooms for selected models of Wash basins and Bathrooms. To showcase the special Glass made Wash Basin costing Rs. 10000, they had created the space where it was fitted on wall. The luxury taps, the special designed mirror, Towel Stand, Towel, and Soap Case etc. were adding to its beauty.

In the same shop, they had kept a luxury Bathroom (complete set up) costing nearly Rs. 1.5 Lacs. It was kept at one place on the second floor and around it the atmosphere of the home was created and it was luring the visitors towards itself.

j) **Show cases**: These are the glass boxes displaying a product manufactured by a particular company. These show cases are found inside the shops as well as at the selected public places where the dummies of the products are kept highlighting the benefits and features of the product.
Also those shops which are selling luxury products usually display the products inside the glass based show cases in different angles.

k) **Use of Live Video messages around the store visible from all angles**: Most of the retailers especially the electronic product sellers run the live videos and have created arrangements in the stores so that whichever section the customer is in, he/she is accessible to the motivational video messages. The pre-recorded audio/video messages add a new dimension to products which need demonstrations.

l) **Exclusive display of the Unique products**: The exclusive 50 litres small refrigerator is kept in the middle of the way to Microwave oven section. Since this product was newly launched, and the retailer wanted to attract the attention of the visitors towards this new arrival, this strategy was adopted and it brought excellent results in terms of acceptance.

m) **Use of Roll Up Banners**: The roll up banners (standees) are kept in the front of mainly high involvement products wherein the whole features of the product are listed on the banner. This further adds up to the decision making of the customers while they are in the store. They are used as a cost-effective tool in communicating marketing message to target customers without the hefty cost.

n) **Using of Known Brands as attention magnet**: Most of the retailers who are selling more than one brands use the display strategy in which they keep the well-known brands at the entrance / window dressing. The consumer recognizes this trusted brand. This builds their trust in the store and also develops the faith in the quality of other less known brands.

**Conclusions and Recommendations**

With reference to the survey conducted, researcher come to the conclusion that the right investment in retail merchandise with proper planning will help in selling more products with higher margins. In Store displays tend to affect purchase behavior, especially in low involvement, repeat buying situations, e.g. when purchasing FMCG. In such situations, customers don't undergo an entire search and evaluation procedure and mostly look for optimal purchase decisions. More likely shoppers are going to be interested in a well presented product and are willing to simply accept the worth for a better value they perceive.

For new products release in the market creative display solutions are the key element:

- Shoppers generally make their decision to buy at a site within the primary few seconds of their visit, so it is vital to form a robust first impression.
Attractive display helps the shop owner to carry attention of the visitors once they enter the shop.

Interior display helps to:
- Sell the related items by storing them in one place.
- Assists the visitor to see and examine every product before they actually make the purchase.
- Supplements the advertising efforts of the manufacturer.

The Factors which Leads to Efficient Product Display Includes
- The visibility of the product inside the store.
- The clarity of the product and easiness to view the same. It was found that in stores, where the product was cluttered with too many messages / too many related products attached to it, it lead to confusion in the mind of the customer resulting in non-acceptance of the product by the consumer.
- There must be sufficient space available between the aisles for the visitor to walk freely.
- If the product is such that the consumer wants to handle it and feel it before purchase, then it must be kept within the reach of the normal human being. Some people reported us that the products are kept above the height of the normal people of this region and that they are not comfortable to call the salesman every time for each and every product.
- The sign boards hung in front of the store should clearly indicate the product range / class present inside. It should be properly distinctive and attractive.
- Some of the signboards / roll over banners were spotted with spelling mistakes. In the high involvement products / products targeted for niche customers, these small mistakes are not acceptable.
- Window dressing should be neat and clean and it should not be overcrowded.
- The over attractive colors which irritate the eyes of the onlookers should be avoided.
- The product change in the window should be done in the evening / closing time and not during the peak business hours.
- The backdrops / flex banner on the walls helps the customer in selecting the right article.

*Advertisement too has a role to play:* Along with the display in the store, it must be supplemented with the promotion of the store in the electronic and print media.
to attract the customers towards the store. Only then in store displays can play their role.

- **Avoiding irritation of the customer by repeating the things:** The “conditions applied” and the basic features needs to be printed and placed at the convenient location to clarify issues, and to avoid sales personnel from having to entertain the same inquiries over and over.

- **Effect of Show Rooms:** Creating different mixes and matches to show different combinations to the customers helps in penetrating the product features in the mind of the customers.

- **In tune with the other ways of promotion:** Whatever message the retail store has given in the other ways of promotion (Print, Electronic media) which has brought the customer to the store; the environment, display and the message inside the store should also be the same. Any lacunae in the same may lead to dissatisfied customer and hence losing the sales forever.

- **Understand the customer demographic:** The retailer must plan the display after analysing the profile of the consumers who are going to be most likely interested in the product that they are planning to showcase.

- **Make merchandise the focal point:** The general mistake which happens with most of the advertisements is that the viewer remember the advertisement, jingle, celebrity but can’t recall the product. Similarly, it was analysed that most of the retailers were focussing too much on the beauty of the store, colour combinations, decorations and the actual product which was to be sold was hidden behind it which was the reason of their low footfall.

- **Inadequate stock:** The most common mistake made by most of the retailers is that they advertise the product and then create attractive in store display techniques highlighting the feature of the product. But when the consumer demands for the product, it is not available in the stock. This leads to dissatisfied consumer. These retailers don’t understand that those days are gone when consumer used to order the product without actually touching and feeling it. Now days the consumer is very involved and informed consumer.

It is concluded that the retailers need to create very interactive environment. A good shopping involvement is a vital trait to make consumers’ feels more comfortable while shopping in these retail stores.
References


