

INSTRUMENTALITY OF VISUAL MERCHANDISING IN SHAPING CONSUMER BUYING BEHAVIOUR: EVIDENCE FROM CONTEMPORARY RETAIL ENVIRONMENTS

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Abstract

Visual merchandising has become an important tool for influencing consumer behaviour in competitive retail environments. Despite its growing relevance, limited evidence exists on the relative importance of different visual merchandising elements in shaping buying behaviour, particularly in emerging markets. The present study examines the role of visual merchandising in influencing consumer buying behaviour and shopping experience. The study is based on primary data collected from 110 respondents using a structured questionnaire. Statistical techniques such as mean ranking, Chi-square test, and ANOVA were used for analysis. The findings indicate that atmospheric elements such as music and lighting, along with promotional offerings, have a stronger influence on buying behaviour than structural elements. The results also show that while digital features influence all age groups similarly, physical features vary significantly across age groups. The study highlights the importance of effective store design in enhancing customer experience and influencing purchase decisions.

Keywords:- Visual Merchandising, Consumer Buying Behaviour, Retail Environment, Shopping Experience, Retail Atmospherics.

In recent years, the retail sector has become increasingly competitive, with firms placing greater emphasis on creating engaging shopping experiences rather than relying only on price and product differentiation. In this changing environment, visual merchandising has gained importance as a tool that helps

retailers influence how customers perceive products and make purchase decisions inside the store.

Visual merchandising refers to the way products and store environments are presented using elements such as layout, lighting, colour, signage, and displays. These elements together shape the store atmosphere and can affect customers'

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emotions, attention, and overall shopping behaviour. Earlier studies have shown that store environment and sensory cues can influence customer satisfaction, time spent in-store, and purchase intentions.

At the same time, there is still a lack of clarity regarding which specific elements of visual merchandising have a stronger influence on consumer buying behaviour, especially in emerging retail settings. Many studies focus on individual aspects such as lighting or display techniques, but fewer attempts have been made to compare the relative importance of multiple elements within a single study. In addition, consumer responses to these elements may vary across demographic groups, but such differences are not always examined in detail, particularly in regional markets.

This study attempts to address these gaps by examining how different visual merchandising elements influence consumer buying behaviour and shopping experience. It also looks at whether perceptions of these elements differ across age groups. By focusing on a regional retail context, the study provides insights that are relevant for retailers operating in similar market conditions.

2. Scope of the Study

This study examines the influence of visual merchandising elements on consumer buying behaviour and shopping experience in organised retail environments. The analysis is limited to selected visual merchandising factors such as store layout, product display, signage, lighting, and promotional elements.

The data were collected from consumers within a specific regional

context and therefore reflect the perceptions and behaviour of respondents in that area. The scope is further confined to physical retail settings and does not include online or virtual retail environments. The analysis focuses on identifying the relative importance of different visual merchandising elements and examining variations in consumer perception across age groups. Other factors such as pricing, brand image, and service quality are not considered within the scope of the study.

3. Significance of the Study

This study contributes to the understanding of how visual merchandising influences consumer buying behaviour and shopping experience in organised retail environments. By identifying the relative importance of different visual merchandising elements, the study provides useful insights for retailers to design more effective in-store strategies. The findings are particularly relevant for emerging retail markets, where organised retailing is expanding and consumer expectations are evolving. The study also offers practical guidance for retail managers in improving store ambience and enhancing customer engagement.

4. Statement of the Problem

In the context of increasing competition in retail markets, visual merchandising has become an important tool for influencing consumer behaviour. However, there is limited clarity regarding which specific elements of visual merchandising have a stronger impact on consumer buying behaviour. Existing studies often focus on individual aspects

rather than comparing the relative importance of different elements within a single framework. Moreover, variations in consumer perception across demographic groups remain underexplored, particularly in regional retail settings. This creates a need to examine how different visual merchandising elements influence consumer buying behaviour and shopping experience, and whether these perceptions vary across age groups.

5. Objectives of the Study

The study aims to:

1. Analyse the relative importance of different visual merchandising elements in influencing consumer buying behaviour.
2. Examine the role of visual merchandising features in shaping shopping experience.
3. Examine the variations in consumer perception of visual merchandising across different age groups.

6. Review of Literature

Visual merchandising has been widely recognised as an important factor influencing consumer buying behaviour in retail environments. Earlier studies highlight that store atmospherics, including lighting, music, layout, and display, play a significant role in shaping consumer perceptions and purchase intentions (Baker, Grewal, & Parasuraman, 2002; Turley & Milliman, 2000). These elements influence both cognitive and emotional responses, thereby affecting consumer decision-making.

Subsequent research has focused on specific components of visual

merchandising. Product displays and window presentations have been found to attract customer attention, while store layout contributes to ease of navigation and overall shopping experience (Bhardwaj & Shukla, 2017; Sharma & Sharma, 2015). Visual cues such as colour and display aesthetics influence consumer perceptions, and sensory elements like music and lighting enhance customer engagement (Mehta & Soni, 2018; Verma & Patel, 2020).

In the Indian retail context, studies highlight the growing importance of organised retail presentation and cultural influences on consumer behaviour (Gupta & Gupta, 2018; Sood & Verma, 2019). More recent developments show that technological advancements and the growth of e-commerce have encouraged retailers to create more engaging and experience-driven store environments (Rani & Rao, 2019; Rani & Joshi, 2021; Shankar et al., 2016). Sustainability has also emerged as a consideration in visual merchandising practices (Mehta & Rani, 2022).

Despite the growing body of literature, limited empirical evidence exists on the relative importance of different visual merchandising elements within a unified framework. Most studies examine individual elements in isolation, and variations in consumer perception across demographic groups remain underexplored, particularly in regional retail contexts. The present study addresses these gaps by examining the influence of multiple visual merchandising elements on consumer buying behaviour and shopping experience.

7. Conceptual Framework and Hypotheses

The growing complexity of retail environments has increased the importance of visual merchandising as a tool for influencing consumer behaviour. In the context of organised retailing, visual merchandising is not limited to product presentation but extends to the overall design of the store environment, including layout, lighting, colour schemes, signage, and promotional cues. These elements collectively shape the shopping experience and influence how consumers perceive and interact with products.

Different components of visual merchandising do not influence consumers in the same way. Some elements, such as store layout and product display, primarily affect functional aspects like ease of navigation and product accessibility. In contrast, atmospheric elements such as lighting and music tend to influence emotional responses, which can lead to impulse buying and enhanced customer satisfaction. Promotional elements, including discounts and in-store offers, may directly stimulate purchase

decisions by creating a sense of urgency or value.

Given these differences, it becomes important to examine whether consumers assign equal importance to all visual merchandising elements or whether certain elements exert a stronger influence on buying behaviour. Understanding this relative importance can provide deeper insights into how retailers can prioritise their merchandising strategies.

At the same time, consumer perception of visual merchandising may vary across demographic groups. Age, in particular, can influence how individuals respond to both physical and digital elements of store environments. While younger consumers may be more receptive to digital features such as interactive displays, older consumers may rely more on traditional physical cues such as layout and product arrangement. These variations suggest the need to examine whether perceptions of visual merchandising differ across age groups. The conceptual framework of the study is presented in Figure 1.

Figure 1
Conceptual Framework of the Study



Based on the above discussion, the study proposes the following hypotheses:

Hypothesis 1 (H01): There is a significant difference in the relative importance of visual merchandising factors influencing consumer buying behaviour.

Hypothesis 2 (H02): There is a significant difference among age groups in their perception of visual merchandising features affecting shopping experience.

8. Data, Sample and Methodology

The study adopts a descriptive and analytical research design. The present study is based on primary data collected from consumers visiting selected retail outlets. The respondents were chosen on the basis of their shopping experience in organised retail environments and their familiarity with in-store merchandising practices. This approach ensures that participants are capable of evaluating different visual merchandising elements and their influence on buying behaviour.

Data were collected using a structured questionnaire designed to capture consumer perceptions regarding various aspects of visual merchandising and their impact on purchase decisions and shopping experience. The questionnaire included items related to store atmosphere, product display, promotional elements, and overall shopping experience. A total of 110 valid responses were obtained after screening for completeness and consistency. The sample size was considered adequate for conducting the required statistical analysis and drawing meaningful inferences.

In addition to primary data, relevant secondary information was collected from books, research articles, and journals to support the conceptual framework and interpretation of results. The collected data were coded and analysed using appropriate statistical techniques. Descriptive statistics and mean ranking were used to examine the relative importance of visual merchandising elements influencing buying behaviour. The Chi-square test was applied to identify whether significant differences exist among the factors influencing purchase decisions. Further, one-way analysis of variance (ANOVA) was employed to examine differences in shopping experience across age groups with respect to digital and physical visual merchandising features.

These analytical tools were selected based on the nature of the data and the objectives of the study, enabling the testing of hypotheses and facilitating a comprehensive understanding of the relationship between visual merchandising and consumer behaviour.

9. Results

This section presents the empirical results of the study based on the data collected from respondents. The analysis focuses on examining the influence of visual merchandising elements on consumer buying behaviour and shopping experience. The results are presented in a systematic manner to identify the relative importance of different visual merchandising factors and to test the formulated hypotheses.

9.1 Factors Influencing Buying Decision

The descriptive statistics were analysed to understand the relative importance of different visual merchandising elements influencing consumer buying behaviour. The mean rank values indicate clear differences in the importance assigned to these factors.

Among the variables, music and lighting recorded the highest mean rank (3.40), suggesting that atmospheric elements play a dominant role in influencing consumer buying behaviour (Table 1). Promotional offerings ranked second (3.01), indicating that price-related incentives and in-store promotions act as strong motivators for purchase decisions. Store exteriors (2.97) showed a moderate level of influence, reflecting the importance of external appearance in attracting customers into the store.

Window display (2.82) and brand name and logo (2.80) recorded comparatively lower mean ranks, indicating that while these elements contribute to store identity and initial attraction, their direct influence on purchase decisions is relatively weaker. Overall, the results suggest that experiential and promotional elements exert a stronger influence on consumer buying behaviour than structural or identity-related factors.

The Chi-square test was conducted to examine whether there is a significant difference in the importance assigned to various visual merchandising factors influencing purchase decisions (Table 2) . The calculated Chi-square value is 15.592 with 4 degrees of freedom, and the corresponding p-value is 0.004, which is less than the 5 per cent significance level.

This indicates that the differences observed among the factors are statistically

Table 1
Descriptive statistics of Factors Influencing Buying behaviour

Factors	Mean Rank
Store exteriors	2.97
Window display	2.82
Brand name & Logo	2.80
Promotional offering	3.01
Music & Lighting	3.40

Source: Primary Data

Table 2
Chi-Square Test Results for Factors Influencing Purchase Decision

N	110
Chi-Square	15.592
df	4
P-value	.004

Source: Primary Data *Significant at 5 per cent

significant. Hence, the null hypothesis is rejected, and it can be concluded that consumers do not assign equal importance to all visual merchandising elements. Therefore, Hypothesis 1 (H01) is accepted, indicating that certain visual merchandising factors have a significantly greater influence on consumer buying behaviour than others.

9.2 Effect of Visual Merchandising on Shopping Experience

The descriptive statistics indicate the influence of digital and physical visual merchandising features on shopping experience across different age groups. For digital features, higher mean values are observed among respondents in the age groups 34 - 41 years (2.9167) and 26–33 years (2.8750), suggesting that these groups perceive digital elements such as interactive displays and electronic signage as more influential. Respondents aged 18 - 25 years reported moderate influence (2.3012), while those above 41 years showed relatively lower influence (2.1778). The overall mean score indicates that digital features have a moderate impact on shopping experience.

A similar pattern is observed for physical features (Table 3) . Respondents in the age groups 26–33 years (2.8958) and 34–41 years (2.8750) reported higher influence, indicating that store layout, lighting, and product display significantly enhance their shopping experience. In contrast, respondents above 41 years reported the lowest mean score (1.8000), suggesting comparatively lower sensitivity to these elements. Overall, the results indicate that both digital and physical visual merchandising features contribute positively to shopping experience, with relatively stronger influence among middle age groups.

The One-Way ANOVA test was conducted to examine whether significant differences exist among age groups in their perception of digital and physical visual merchandising features (Table 4).

For digital features, the F-value is 1.811 with a p-value of 0.150, which is greater than the 5 per cent significance level. This indicates that there is no statistically significant difference among age groups in their perception of digital visual merchandising elements. Although

Table 3
Descriptive Statistics of Digital and Physical Features Across Age Groups

Variables		N	Mean	Std. Deviation
Digital Features	18-25 years	83	2.3012	.87515
	26-33 Years	8	2.8750	1.15384
	34-41Years	4	2.9167	1.28740
	Above 41Years	15	2.1778	.50185
	Total	110	2.3485	.88179
Physical Features	18-25 years	83	2.2811	.74259
	26-33 Years	8	2.8958	.81132
	34-41Years	4	2.8750	.85391
	Above 41Years	15	1.8000	.50866
	Total	110	2.2818	.76351

Source: Primary Data

Table 4
One-Way ANOVA Results for Shopping Experience across Age Groups

Variables		Sum of Squares	df	Mean Square	F	Sig.
Digital Features	Between Groups	4.132	3	1.377	1.811	.150
	Within Groups	80.621	106	.761		
	Total	84.753	109			
Physical Features	Between Groups	7.906	3	2.635	5.021	.003*
	Within Groups	55.636	106	.525		
	Total	63.541	109			

Source: Primary Data *Significant at 5 per cent

variations in mean values are observed, these differences are not statistically meaningful.

In contrast, for physical features, the F-value is 5.021 with a p-value of 0.003, which is less than the 5 per cent significance level. This indicates that there is a statistically significant difference among age groups in their perception of physical visual merchandising elements. Therefore, Hypothesis 2 (H02) is partially supported, as age significantly influences perception of physical features, while no significant difference is observed for digital features.

These findings suggest that while digital merchandising strategies may be applied uniformly across age groups, physical store elements require more targeted approaches based on customer demographics.

10. Findings

The study reveals several important insights regarding the role of visual merchandising in influencing consumer

buying behaviour and shopping experience.

The results indicate that not all visual merchandising elements exert the same level of influence on consumer behaviour. Among the factors examined, atmospheric elements such as music and lighting emerged as the most influential, suggesting that experiential aspects of the store environment play a dominant role in shaping purchase decisions. Promotional offerings also showed a strong influence, highlighting the importance of price-related incentives in driving consumer action.

In contrast, structural and identity-related elements such as store exteriors, window displays, and brand name were found to have comparatively lower influence on purchase decisions. While these elements contribute to attracting customers and building brand recognition, their direct impact on final buying decisions appears to be limited.

The findings further confirm that consumers assign significantly different levels of importance to various visual merchandising elements. The statistical results support the presence of meaningful variation among factors influencing buying behaviour, indicating that retailers should prioritise specific elements rather than treating all merchandising components equally.

Both digital and physical visual merchandising features were found to positively influence shopping experience. However, the level of influence varies across age groups. Middle-aged consumers (26 - 41 years) reported relatively higher sensitivity to both digital and physical elements, whereas younger and older groups showed comparatively moderate or lower responses.

Finally, the results reveal that age plays a significant role in shaping consumer perception of physical visual merchandising elements, while no significant difference was observed for digital features. This suggests that physical store attributes such as layout and lighting may need to be tailored according to demographic characteristics, whereas digital elements may be applied more uniformly.

11. Suggestions

Based on the findings of the study, the following practical implications are suggested for retailers:

1. Retailers should prioritise atmospheric elements such as lighting and music, as these significantly influence consumer buying behaviour. Investing in appropriate lighting design and background music can

enhance the overall store ambience and encourage purchase decisions.

2. Promotional strategies should be carefully integrated with visual merchandising. Limited-time offers, discounts, and in-store promotional displays can be strategically placed to attract customer attention and stimulate impulse buying.
3. Store layout and product arrangement should be designed to ensure ease of navigation and accessibility. Clear product grouping and logical placement can improve the shopping experience and reduce customer effort in locating products.
4. Retailers should adopt a segmented approach while designing physical store environments. Since age significantly influences perception of physical elements, store layout, lighting intensity, and display techniques can be adjusted based on target customer groups.
5. Digital visual merchandising tools such as interactive displays and electronic signage can be implemented consistently across stores, as their impact does not significantly vary across age groups. These tools can enhance engagement and provide additional product information.

Overall, retailers should treat visual merchandising as a strategic component of retail management rather than a purely aesthetic function. A well-designed visual merchandising strategy can improve customer satisfaction, increase engagement, and enhance sales performance.

12. Conclusion

The present study examined the role of visual merchandising in influencing consumer buying behaviour and shopping experience in retail environments. The findings highlight that visual merchandising is not merely a supporting activity but a significant factor shaping consumer perception and purchase decisions.

The study demonstrates that atmospheric elements such as music and lighting, along with promotional strategies, have a stronger influence on consumer behaviour compared to structural and identity-related elements. It also reveals that while digital visual merchandising features influence consumers consistently across age groups, perceptions of physical elements vary significantly depending on demographic characteristics.

Overall, the results emphasise the importance of creating a well-designed and engaging store environment that aligns with customer expectations. Retailers who strategically utilise visual merchandising elements can enhance customer experience, increase engagement, and improve sales performance in a competitive retail landscape.

13. Limitations of the Study

The study is subject to certain limitations. The analysis is based on a relatively small sample size confined to a specific regional context, which may limit the generalisability of the findings. In addition, the study focuses primarily on selected visual merchandising elements, while other factors such as pricing, brand image, and service quality may also influence consumer buying behaviour. Further, the data were collected at a single point in time, and changes in consumer preferences over time are not captured.

14. Suggestions for Future Research

Future studies may consider extending the analysis to larger and more diverse samples across different geographic regions to enhance generalisability. Researchers can also examine the role of digital and visual merchandising in online retail environments. In addition, further studies may explore the interaction between visual merchandising and other marketing variables such as pricing, branding, and customer service in influencing consumer behaviour.

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