

## MOVING BEYOND VISUAL MERCHANDISING AT HYPERMARKET: A PRACTICE-BASED VIEW OF PRACTITIONERS

**Norshahniza Sahari\***

Universiti Teknologi Mara (UiTM) Malaysia

\*Corresponding Author: [norsh239@uitm.edu.my](mailto:norsh239@uitm.edu.my)

**Akmal Aini Othman**

Universiti Teknologi Mara (UiTM) Malaysia

[akmal123@uitm.edu.my](mailto:akmal123@uitm.edu.my)

**Suhaidi Elias**

Universiti Teknologi Mara (UiTM) Malaysia

[suhaidi27@uitm.edu.my](mailto:suhaidi27@uitm.edu.my)

**Shahrinizam Manshor@Mansor**

Universiti Teknologi Mara (UiTM) Malaysia

[shahr633@uitm.edu.my](mailto:shahr633@uitm.edu.my)

**Norlina M.Ali**

Universiti Teknologi Mara (UiTM) Malaysia

[shahr633@uitm.edu.my](mailto:shahr633@uitm.edu.my)

**Abstract** – Intense competition in retail markets has encouraged hypermarket retailers and product manufacturers to use various marketing tools and efforts in attracting consumers to purchase their products in the store. Visual merchandising is also utilized by retailers to create competitive advantage that other retailers might not have. Although visual merchandising has been applied and practiced in various retail store especially in supermarket, fashion, apparel, and department store, the in-depth analysis of what actually takes place in strategy formulating, planning and implementation visual merchandising at hypermarket should be carried out for further understanding from practitioners' perspective. The main research objective of this study is to explore and understand the visual merchandising practices and its dimension particularly in hypermarket. Qualitative research was performed as a preliminary study for this research. Therefore, in-depth interviews with the practitioners that included managers and executives from Fast Moving Consumer Goods (FMCG) manufacturers, and

hypermarket retailers were conducted to have more complete understanding of visual merchandising and its practices in the hypermarket. The research results show that hypermarket retailers and product manufacturers clearly recognize the important role of visual merchandising and its dimension in attracting consumer to browse the products in hypermarkets that lead to consumer impulse buying behavior. However, they also address some issues pertaining to visual merchandising. This paper summarizes relevant literature and presents a proposed framework to facilitate the practitioners and academicians as well as for future scholarly exploration in understanding the visual merchandising practices from hypermarket context.

**Keywords:** Visual merchandising, hypermarket, retailers, consumer behavior

## I. INTRODUCTION

Each industry or retail store may have different visual merchandising techniques to satisfy the psychological needs of the customers. Previous researchers have studied various dimensions or variables of visual merchandising. Most of these visual merchandising elements are contributed and managed by retailers in the store. These elements include store layout, colour presentation, lighting, store design, shelves, music, signage, window display, cleanliness, mannequin, temperature and scent. However, some of these dimensions may not be applicable to certain retail stores.

From the academic or practitioners' perspective, there is still a lack of studies in understanding visual merchandising practices in hypermarket. A case study conducted in Isfahan hypermarkets found that although visual merchandising techniques is important but some retailers do not pay much attention when designing visual merchandising technique in establishing or new stores (Kouчекian & Gharibpoor, 2012). The researchers also recommended for future research to investigate the effect of other independent variables such as selling force of the producers of special brands in the store, cultural factor, consumer lifestyles, branding, manufacturers support and also the type of music that is used in the store environment on the customer buying decision. In fact, little attention on the influence of visual merchandising towards consumer behaviours specifically in large stores has been given in the academic literature (Lee, 2008).

Under the researcher's knowledge, no study has been conducted to study how visual merchandising influences consumer behaviour in hypermarket specifically for Fast Moving Consumer Goods (FMCG) in Malaysia. Therefore, this study will contribute to the literature and extend the limited knowledge of what are the elements and how important visual merchandising is to influence consumer buying behaviour at hypermarkets and the practices of visual merchandising in hypermarkets by practitioners, both retailers and manufacturers.

## II. METHODS

As this is an exploratory study, its purposes are to understand the background of a problem and to obtain the clearest clarification pertaining to the problem, at an initial investigation. Therefore, the researchers conducted the two methods of primary data collection (i.e. observations and interviews) to obtain the information. In this study, it is aimed to explore the visual merchandising dimension that are being practiced by hypermarket retailers and product manufacturers in hypermarket as well as to understand their perceptions towards visual merchandising.

A qualitative study was employed as an initial stage in gathering factors that were likely to point to visual merchandising' elements in hypermarket retailing. The utilisation of a qualitative approach allows the researcher to gain better understanding and provides openness to the inquiry. Since hypermarket retailers and product manufacturers utilize various types and elements of visual merchandising, this exploratory study's findings could extend the literature and give greater understanding of the current situation in hypermarkets.

Prior to the start of this study, observations have also been done in selected hypermarkets to understand the hypermarket in-store environment, the facilities provided by the hypermarket retailers and product manufacturers as well as to understand the merchandising activities that are carried by promoters, visual merchandisers and staff of the hypermarkets. Apart from that, an observation on the consumer buying behaviour was also done to have better understanding on the demographic profile of the consumers and buying patterns at the hypermarket.

Consequently, from the observation, it helps the researcher to shape the interview questions. The in-depth interviews with more open-ended or semi-structured questions have been used to allow the relevant variables to emerge. The information provided in the semi-structured questions was designed to facilitate the researcher.

As shown in Table 1, six participants (i.e. two from hypermarket retailers, and four from Fast Moving Consumer Goods - FMCG product manufacturers) were interviewed. All these participants have several years of working experiences that are related to visual merchandising practices. The face-to-face interviews were held at their convenient time to ensure that the discussion was held informally and in a relaxed situation to encourage spontaneous comments.

**Table 1** Frequency Profile of Participants

No.	Industry/ Field	Length of Service	Position
1.	Hypermarket Retailer	20 years	Store Manager (Fresh Department)
2.	Hypermarket Retailer	3 years	Executive – Group Leader (Marketing)
3.	Product Manufacturer (FMCG)	17 years	Manager – Domestic Sales Operation
4.	Product Manufacturer (FMCG)	11 years	Sales Manager
5.	Product Manufacturer (FMCG)	17 years	Manager – Domestic Sales
6.	Product Manufacturer (FMCG)	14 years	Senior Executive (Marketing)

### III. RESULTS AND DISCUSSION

Accumulating evidence from the interview with six practitioners was compiled and analysed. A number of factors were mentioned during the interviews. The factors were not ranked according to importance as the purpose of this study is to identify the variables that are most often used by them in the hypermarket.

To start the conversation, the researcher first asked for their opinions and perceptions of visual merchandising. Generally, based on their understanding and practices, visual merchandising is a planned activity that focuses on the product or merchandise presentation as well as the presentation of the

store in particular manner to attract attention of consumers in making a purchase. They believed that visual merchandising is also a part of communication process between retailers or product manufacturers and consumers in providing information through visual media in the store. Hypermarket retailers also said that visual merchandising is an effort or approach made to display the stocks available in the store in an attractive and visible way to make consumers feel like buying the products on the spot. Another respondent defined visual merchandising as:

*'It is an art of product presentation in retail store or shop which emphasizes on merchandising activity to attract, engage, motivate and create desire for consumers to buy a product.'*

*'It is something visible that attracts people's eyes when they passed by it.'*

According to (Pegler, 2012) who wrote a book on Visual Merchandising and Display, visual merchandising is the presentation of merchandise at its best. Other author defines visual merchandising as the art and science of displaying and presenting products on the sales floor and in the windows with the purpose to increase store traffic and sales volume (Balgaoonkar et al., 2014). Meanwhile Wu (2014) defined visual merchandising as product presentation that communicates product concepts with customers in order to optimize product sales and profits. Therefore, in the context of hypermarkets, visual merchandising can be defined as a planned and coordination of product display and presentation in the store, and its props in an attractive and creative way to stimulate consumers' desire to purchase the product.

Secondly, the practitioners were asked about the importance of visual merchandising. All of participants agreed that visual merchandising activity is important to their company. For instance, the participant from hypermarket retailers commented that:

*'The main purpose of visual merchandising is to increase the sales volume by stimulating the customer's purchase appetite and desire. Usually a customer buys product that he or she wants to buy based on rational decision, but*

*with the help from visual merchandising, it can trigger the impulse buying.'*

Meanwhile, another participant from product manufacturer believed that visual merchandising is like a silent salesman that communicates to consumers without the appearance of salesman in the store, but it influences and helps consumers to make buying decisions in the store. Therefore, retailers and product manufacturers must display the product in a creative way to enhance the shopping experience in the store.

The following quote is taken from the participant of product-manufacturer.

*'It is important to the company to apply visual merchandising technique and tools to promote new products, to inform customer of the current products' promotion and to create excitement in the store.'*

Thus, visual merchandising is a powerful and important tool for both hypermarket retailers and product manufacturers in influencing consumer buying behaviour. Previous researchers found that visual merchandising is a powerful tools to enhance the images of stores (Law et al., 2012), influence brand identification (Kerfoot et al., 2003), attract and encourage consumer to the retail outlet (Kiran & Mridula, 2015; Sahari et al., 2016), to communicate the products or brands to consumers (Lanjewar, 2014) and also to differentiate their stores with other competitors (Mehta & Chugan, 2014).

The participants were asked to share the elements/techniques/tools of visual merchandising that their companies use or practice in hypermarkets/supermarkets. Among the elements that are practiced and emphasized by hypermarket retailers are lighting, the use of banner and price card, colour arrangement, theme concept, the right temperature and lighting. The following quotation is taken from a participant of hypermarket retailers:

*'The colours in the store are arranged so that the same-coloured products are never displayed side by side. The theme concept is emphasized based on the festive promotion. For instance, we will highlight specific areas such as "Rendang Corner" during Hari Raya*

*period where the customers can buy all the ingredients for "rendang" at one place. Moreover, the right temperature can keep the original colours of the products to maintain the fresh look of the products. We also arranged a combination of natural light and different types of lighting like the use of full spectrum lighting to make the colour of fruits and vegetables much more vibrant.'*

On the other hand, the product manufacturers shared their experiences on the current practices of visual merchandising effort that they support hypermarket retailers by providing Point-of-purchase (POP) materials like vertical banners, shelf divider, bottle neck tag, shelf talker, rack and cooler decal as well as product brochures. They also emphasized on space buying in the hypermarket for displaying product on the block display, gondola end display and other cool zone, prominent area and high exposure area. So, both hypermarket retailers and product manufacturers allocate and spend a huge amount of money on visual merchandising tools and activity to attract consumers to browse and buy the products in the store.

Kouchekian and Gharibpoor (2012) found that elements like store layout, height of shelf, signage, cleanliness and lighting are important in stimulating consumer response that leads to purchase decision in hypermarket. In supermarket in Chennai, elements like banners, window displays, colour, lighting, interior presentation, fixture and floor space are more important to capture consumer's purchase intention (Meenakumari, 2013). Therefore, various elements of visual merchandising may be used and practiced by the retailers but it is questionable whether it is effective and practical to be used in different retail stores and areas.

The participants were asked on the props and tools that could be used as a part of visual merchandising effort that is seen as more suitable to be used in the hypermarkets. Among the feedbacks received are Point-of-Purchase (POP) materials, Point-of-Purchase (POP) displays, in-store digital media devices, and attractive product packaging.



## POP MATERIALS

All the respondents agreed that POP materials are important tools to attract consumer to browse the products and to create desire to buy the products. Among the POP materials that are commonly used in hypermarkets are shelf-talker, shelf divider, wobblers, price communicator, standee, floor stickers, neck-tag, and pamphlets or brochure. One of the hypermarket retailers' respondents added that these materials are used for several purposes:

*'Ceiling card is used to inform customers of the sales promotion period, any vouchers given and festive freebies. Meanwhile, a wobbler is usually attached to special-price promotional areas for members. Standee is used in the hypermarket to inform members or customers of the special price promotion for selected items.'*

## POP DISPLAYS

All the respondents emphasised that POP displays are very effective in stimulating consumer impulse buying. These POP displays are eye-catching areas for consumers and it is not only applicable to new product, but also to all existing and promotion products to remind consumers of the brand's existence.

It is supported by the hypermarket manager that stated:

*'Block display will attract the customer to buy because they have the mind-set that those products in the block or island display are usually promotion items. Even though the retailer makes it a double display (block display and shelf display inside department), we can see that products highlighted at the block display will reduce faster.'*

Another respondent pointed out that POP displays are generally encourage 70% of spontaneous or unplanned purchases in the hypermarkets.

*'Yes. Block display and Gondola end display will stimulate about 70% of the unplanned purchases. When we (hypermarket retailer) make it double display (gondola end and shelf display), we can see that the sales of the product at the gondola end will decrease faster than on normal shelves and we have to replenish the stock more often.'*

## IN-STORE DIGITAL MEDIA

Although developed and western countries have used in-store digital media devices more frequently and consistently, due to the high cost of new technology and digital media devices, they have not been invested heavily or practised in the hypermarket in Malaysia. However, all the respondents agreed that in-store digital media (for instance Pop-up RFID technology, LED visual, electronic flat screen displays, tablets) are very helpful in attracting consumers to browse the products and providing product information to the consumers. As quoted by the hypermarket retailers below:

*'LED visual at checkout counter should be used to inform the customers on current and future promotion. The flat screen display can be used to inform and advertise the product on the shelves or during the roadshow. Tablets should be provided and attached near the product shelves to create customer awareness and provide product information to the consumers.'*

One of the respondents from product manufacturers agreed that:

*'LED visual can be used as a communication and visual tool. QR and bar code scan via mobile phone can assist the consumers on the product information as well as to inform consumers of current product promotion or contest. Due to high cost, we only implemented this to selected outlets'*

## PRODUCT PACKAGING

More interestingly, all the respondents agreed that attractive product packaging can attract and increase customers' desire to browse the product and read the information on the package. Beyond its main function of protecting the content of the product, it is seen as a tool to increase the curiosity and excitement for the first-time users.

*'Nowadays consumers are more creative and niche. Product packaging is not only meant to secure the ingredients, it may also be designed for ease of use, easy storage and multipurpose application. This will be an advantage to compete with the existing competitors.'*

Finally, from the interviews, four from six participants agreed that visual merchandising will lead to impulse buying.

*'Yes, visual merchandising has given an impressive recommendation to customers to browse the product in the hypermarket which can lead to impulse buying.'*

*'Yes. Colour of the product, arrangement of the product on the shelves and gondola end as well as lighting must be right and accurate to boost up consumer desire to purchase spontaneously.'*

On the other hand, two participants disagreed that visual merchandising will influence consumer impulse buying in the store as consumers are well planned and have their shopping lists before they visit the hypermarket.

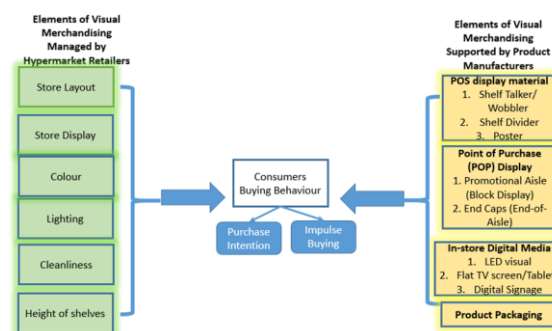
*'I do not agree that visual merchandising will help to reduce consumers' self-control or influence impulse buying. Reasons being the consumers nowadays are generally well planned on the item they want to purchase. With the tight budget, very unlikely it will end up with any unplanned purchases.'*

Therefore, many product manufacturers are working with hypermarket retailers and spend more on advertising, packaging, POP materials and POP in-store display to call the consumer's "first moment of truth" – the three to seven seconds when a customer notices an item on a store shelf. So, no doubt that visual merchandising is vital in influencing consumer impulse buying especially for fast moving consumer goods (FMCG) that are low cost and frequently purchased in hypermarkets.

#### IV. CONCLUSION

In conclusion, to researcher's knowledge, this is the first qualitative study to explore the perceptions and practices of visual merchandising by hypermarket retailers and FMCG product manufacturers in Malaysia. Based on a detailed examination of practice by retailers-manufacturers, a conceptual study of visual merchandising and framework could be

developed in the next research to link the visual merchandising dimension that acts as a stimulus for practitioners and consumer buying behaviour that acts as a response. Figure 1 below summarized the elements of visual merchandising that are practised by hypermarket retailers and product manufacturers in their daily hypermarket's activities.



**Figure 1** Visual merchandising's elements in hypermarkets

In the retailer's strategy, visual merchandising facilitates creating an innovative platform to present merchandise in 3D environment, thereby making it possible to have a long-lasting impact on the customers and recall value (Krishnakumar, 2014a). Visual merchandising requires good planning as well as innovative and creative presentation in the hypermarket. Therefore, hypermarket retailers should allocate a certain percentage of their sales for visual merchandising effort.

If visual merchandising can communicate the feeling and emotional dimension in consumers' cognitive system, it can connect to the future and potential consumption of the product. Thus, all these visual merchandising tools can be used by both hypermarket retailers and product manufacturers to communicate with different types of audience and target markets with different purposes. The collaboration between manufacturers and retailers is seen to be very important in minimising the cost of visual merchandising and duplication of their efforts.

The mutual agreement and collaboration effort between hypermarket retailers and product manufacturers can give more competitive

advantages and facilitate in creating an overall image of the store. Nevertheless, the interdependence between the product manufacturers' and the hypermarket retailers' marketing policies targeted to the same end market (consumers or final users) help both manufacturers and retailers to initiate visual merchandising, promotions, in-store activities and communication initiatives together as well as to reduce the competitive pressures between retailers and manufacturers. Therefore, a piece of information contributed in the study will also be significant in retailer-manufacturer relationship in practising visual merchandising in the hypermarkets.

For future research suggestion, researcher may study how and to what extend visual merchandising may influence on brand differentiation and identification, sales incremental volume and consumer buying behaviour in hypermarkets. The researcher shall also study either visual merchandising elements contributed by hypermarket retailers or product manufacturers that influence consumer buying behaviour the most. Perhaps, the collaboration and mutual agreement between hypermarket retailers and product manufacturers will bring more fruitful result to the company's profitability.

## V. ACKNOWLEDGEMENT

This research has been supported by Universiti Teknologi MARA (UiTM) Johor Branch, Malaysia and Perbanas Institute, Indonesia.

## REFERENCES

- Balgaonkar, V., Pabalkar, V., & Yelikar, R. . (2014). Visual Merchandising and Purchase Behaviour of Youth: A Cluster Analysis. *International Journal of Applied Services Marketing Perspectives*, 3(July-September 2014), 1158–1164.
- Kerfoot, S., Davies, B., & Ward, P. (2003). Visual merchandising and the creation of discernible retail brands. *International Journal of Retail & Distribution Management*, 31(3), 143–152. <https://doi.org/10.1108/09590550310465521>
- Kiran, P., & Mridula, S. (2015). Study of visual merchandising and customer needs in visual merchandising for a toys store. *Advances In Management*, 8(5), 17–22.
- Kouchekian, M., & Gharibpoor, M. (2012). Investigation the Relationship between Visual Merchandising and Customer Buying Decision Case Study: Isfahan Hypermarkets. *International Journal of Academic Research in Economics and Management Sciences*, 1(2), 2226–3624. [www.hrmars.com](http://www.hrmars.com)
- Lanjewar, J. (2014). Visual Merchandising and Consumer Behaviour. *Sai Om Journal of Commerce & Management*, 1(11), 24–32.
- Law, D., Wong, C., & Yip, J. (2012). How Does Visual Merchandising Affect Consumer Affective Response?: An Intimate Apparel Experience. *European Journal of Marketing*, 46(26), 112–133. <http://dx.doi.org/10.1108/03090561211189266>
- Lee, Y. E. (2008). *Relationships Among the Importance of Visual Merchandising, The Perception of Store Image, and Consumer Patronage Behaviors: An Empirical Analysis in the Home Furnishings Retail Setting*. University of Georgia.
- Meenakumari, S. (2013). Role of Visual Merchandise in Retailing of Supermarkets in Chennai. *Asia Pacific Journal of Marketing & Management Review*, 2(9), 120–127.
- Mehta, N. P., & Chugan, P. K. (2014). Impact of Visual Merchandising on Consumer Behavior: A Study of Furniture Outlets. *Universal Journal of Management*, 2(6), 207–217. <https://doi.org/10.13189/>
- Pegler, M. M. (2012). *Visual Merchandising and Display* (O. T. Kontzias (ed.); 6th Editio). Fairchild Books.

Sahari, N., Saidon, S., Basir, N. M., & Ismail, M. (2016). Visual Merchandising as a Strategy to Stimulate Consumers' Behavioural Intention: A Case of Department Store in Putrajaya. *Australian Journal of Basic and Applied Sciences*, 10(1(011)), 73–80.

Wu, J. (2014). *Consumer response on Online Visual Merchandising Cues: A Case Study of Forever*. University of Minnesota.