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## **The Essential Attributes of Merchandising in a Successful Retailing Store**

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### **Abstract:**

Merchandising functions in such a similar way that advertising does when informing and reminding both potential and actual customers of a given product. It (merchandising) however exists to support and reinforce the primary job already done by the various mass communication vehicles of advertising that spread information and create awareness of products and brands outside the store premises. However, the main job of retail store merchandising occur in-store and at the point of sales. The main function of merchandising is to complement the functions of advertising in concrete terms and in form of in-store visual product display; and product demonstration along with the use of posters and signs that direct shoppers to easily locate aisles of various available stocks within the store layout.

**Key Words:** Appearance, Display, Merchandising, Store Layout, Store Traffic,

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### **I. INTRODUCTION**

This Paper looks into the characteristics of merchandising which in turn rest on a solid foundation of a good store layout; and its impact on consumer purchasing behaviour in retail stores. It proceeded by analysing the need for a careful planning and management of store appearance, store image, store traffic and store density.

Store merchandise display is seen as corroborating advertising and promotion effort. The store floor space influences a steady flow of customers within the store and around the store aisles. Therefore a careful customer flow analysis is advisable to be cleverly carried out in readiness for smooth retail operations.

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### **II. LITERATURE REVIEW**

#### *2.1 Store Appearances as a Patronage Boater*

It has become necessary in modern store retailing that the appearance of a store drives in more traffic to the retail store to give a strong competitive edge over competing retailers in the industry. According to Birtwistle and Shearer (2001) a good store appearance empowers the retailer to develop potential customers and retain also the actual or existing ones. It possesses the effect of positive store positioning and effective image building while creating and strengthen store, product quality and price differentiations and of course commensurate store services, as revealed by the investigators (Birtwistle and Shearer) who researched in to store appearance in 2001.

A store appearance and image provide the parameter with which customers measure retail store standards. A good store layout determines how efficiently store services could be delivered in a retail outlet.

Siu and Cheung (2001) provide six important factors to consider while planning an impactful physical store appearance. These are mentioned below:

Personal interaction; Physical appearance; Store policy; Problem solving ability; Retail premises; and the store convenience.

They concluded that the effect of physical appearance and store convenience are most effective to out strip competition given the marketing strategies to expose the products in the trade to consumers. These in effect build up good customer shopping exposure. Siu and Cheung (2001) however submitted that the greatest impact is to enhance the total store service quality; great customer retention rate; and the sustenance of future store patronage in that order.

## 2.2 The Store Image

In another vein, Thang and Tan (2003) posit that the various elements that constitute the store image and its appearance have massive effect on consumer's selection process for the stores. These elements of store attributes can be listed to comprise store atmosphere, store accessibility, merchandising, promotion, store and product promotion, store reputation, in-store service, store facilities and post-purchase satisfaction.

It is also posited that customer retention is largely based on post-transaction visit experience of the retail store. Many customers visit to some stores are sometimes based on spontaneity and leisure seeking and so their revisit would be measured by the amount of satisfactory services they received. So, the ratings of the in-store services may be important to some customers to stage a 'comeback back' when next they feel like. An unsatisfied customer with a negative post-store visit experience may not likely visit the same store again.

Thang and Tan (2003) have developed a stimulus response diagram to illuminate further on the explanations above regarding the elements of a stimulating physical store appearance.

## 2.3 Important Components of Store Elements That Ensure Quality of Products in Consumer Perception.

As a standard process in the mind of a shopper, Thang and Tan (2003) diagrammatically presented the most important characteristic of retail store attributes in a form of stimulus response model which is adopted here below.

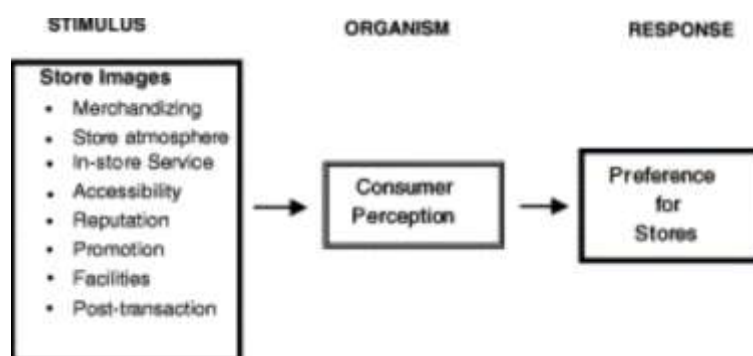


Figure 1.1 Atmospheric Stimulus –Organism-Response (A S- O- R) is a model of consumer retail purchase behaviour.

Source:- Thang and Tan (2003) Figure 1.1 above explains the stimuli of store elements which comprise merchandising, store atmosphere, in-store service, accessibility, reputation, promotion, facilities and transaction service.

The A S–O–R. (Atmospheric Stimuli-Organism- Response). The model itemises the most important characteristics needed for an impacting store appearance and store image. It is essential for a customer based organisation to imbibe these characteristics for successful outings (Thang and Tan, 2003)

This includes merchandising, store atmosphere, in-store service, accessibility, reputation, promotion, facilities and transaction service. The A S–O–R (Atmospheric Stimuli-Organism- Response) Model of consumer retail purchase behaviour focuses on the most important elements to succeed with store appearance and image. In becoming a retail customer oriented business, management needs to be familiar with each of the elements in the model (Thang and Tan, 2003).

Most customers are satisfied when the store is perceived as a brand through its image. Retail stores are therefore under obligation to understand the good store attributes as enumerated above.

Retail store management should be aware that consumers are attracted when retailers observe neatness and imbibe pleasant environmental store atmosphere; and more especially when they know and feel that their needs are being satisfied.

It is when customers feel that their interest is made paramount that they feel loyal to a particular store. Most investigations show that most product brands in the retail outlets are judged by the store appearance of the store they patronise while they demonstrate their loyalty accordingly. A good store appearance is like a façade which offers itself for recognition and acceptance and constant patronage. Demonstrations of physical product merchandising also culminate in in-store appearance which also creates uniqueness in the eyes of the customer for product purchase decisions (Martenson, 2007).

In their own contribution, Quinn and Stewart, 2007 are of the opinion that all issues of retail store appearance are embedded in both "tangible and intangible attributes, "physical characteristics, pricing policy and product range" are seen to be the more tangible aspects that spur customers with higher range of basic physical and immediate reasons of where to hang their feelings - such as "physical store cleanliness, range of products, interior décor, quality and price of products"

Managers however feel that the higher scale of tangibility would ensure quicker adjustment of the elements to prevailing market situation if demanded. These elements are customer service; store reputation and character are seen to be of minor attributes of store elements of store positioning and appearance.

They are more dependent on consumers' feelings of staff assistance, "kindness, trust, store appeal and position." Therefore any necessary adjustment regarding the prevailing market will demand a prolong perception (Burt and Carralero-Encina, 2000).

### ***2.3 Effect of Appearance and Aesthetics in In-store Merchandising***

The appearance of a store and its aesthetic merchandising are perceived to be part of the factors that make –up the uniqueness of a store. Both the internal and external appearance of the store signals strong meanings in the mind and perception of the customers. The condition of a retail store building, whether modern or ancient premises contributes to the image of a retail store. It is the external design of a store that actually drives customers into it. They are therefore important elements that deserve strong aesthetic considerations. Internal store arrangement comes next. It is vital to undertake a careful arrangement of partitioning and positioning of the aisles for easy movements and reach of customers while selecting their merchandise. This by no means contributes to the uniqueness of a store. In designing the interior of retail store therefore demands a careful planning and management of available space to easily and conveniently accommodate customers' movements for a 'wonderful' shopping experience. Proper allocation of space to each section of product category deserves a lot of retailing ingenuity (Anonymous, 2007).

### ***2.4 Flow of Traffic and Customer Density***

The beginning of in-store retailing management is from the store layout. It is therefore very important to set up a good customer flow analysis, also known as traffic flow analysis. This will improve the store operations and performance. This is necessary when carrying out a major road map or a minor reorganisation of the store to facelift the existing model. It is also an important tool use to perfect a rearrangement of the store at any stage.

An investigation into customer buying behaviour will reveal how functional the store layout is performing; whether strong or weak. The analysis could be done on a large scale taking the whole store into consideration or a part of it (a department). It is simple to conduct. This is capable of making decision to be easily accomplished. The general aim of this customer flow analysis is to provide better ways of running the store as well as giving shoppers a good shopping experience. Layout analysis and merchandising strategy also elevate sales, store appearance are better improved, and creating more leisure like experience to the shoppers (Quinn and Stewart, 2007).

### ***2.5 The Power of Correctly Guided Store Layout***

A correctly design store layout creates easy traffic flow within store aisles. Aisles that are widely designed promote easy traffic flow within the store layout and customers are able to walk with convenience between aisles to pick their merchandise. Though this is more encouraged for the large departmental retail stores, it might not be so for speciality retailers. This is because investigation has proved that shoppers spend average of eight minutes in a store, it is therefore near impossibility seeing a large display of merchandise in a small store in so limited time. It therefore wise for retailers to provide layouts that could slow customers down so they would be able, to see more of the displayed merchandise without any recourse to creating traffic congestion or otherwise many customers may be disgusted in their shopping experience. It is therefore a popular strategy to 'load' more stocks at the back end of the store to encourage customers to spend more time to move around the store for their selections. (Traffic Flow: Make it Work to Maximize Sales, 2008).

According to Dion (2004), customer crowding is not just a situation of store density, but it just occur to overlapping of 'density in a social and personal circumstances' which confronts people under seeming hindrance of a constraint space. Within these constraints is the difference between the available space and the needed amount of space. Therefore to avoid overcrowding and provide good services to customers, a proper understanding of what constitutes crowding and personal control must be duly assessed. The distinctive assessment of 'cognitive and affective' crowding must also be critically looked into as this will make way for a better assessment of retail store crowding because they are of varying results. This will equally yield a better understanding between the processes of crowding and personal control analysis.

### ***2.6 Merchandising: Merchandise And Display***

- To create easy search process for customers selection
- To enable a good in-store atmosphere and a lasting positive shopping experience to the customer

Both aims have their distinct importance to a varying level, depending on customer category and type of store. The primary intention of the retailer is to make the search function easy for the shopper. It is for the customer's good to get their needs easily within a reasonable amount of time while in the store. Store signs are made clearly readable and simple, not to create distraction but rather to attract and simplify their search process while moving round the store aisles (Zentes et al., 2007)

McIntosh (2007) also asserts that merchandising is more than just arranging products on the display stand. It forms part of the total image of the organisation. Therefore it should be considered as an integral part of the retail marketing programme. In some quarters, especially to the small business operators, Merchandising and display are seen as being superfluous and unnecessary and that, they constitute a waste of resources. The mistake most retailers make, especially the business start ups, they see marketing expenses, utilities, rents, staffing and inventory as important but merchandising and display are out of the way. They make this erroneous judgement that merchandising and product display are bogus but forgetting that, they are the height of advertising in an in-store retailing outlet.

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### III. METHODOLOGY

#### 3.1 Research Design

The study was mainly designed to investigate the essential attributes necessary for merchandising activities in a successful retailing store. The research design is meant to provide guidance in the process of collecting data for the investigation.

In this work the simple research canvas approach was adopted to actualise the project.

#### 3.2 Method Of Data Collection

After examining the various available sources of data collection, the author arrived at the use of desk (secondary) and primary research methods as the most appropriate. Previous works of researchers on the research area of study were reviewed and primary data was collected while recognising and pursuing the need for accuracy and reliability for a dependable outcome.

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### IV. DATA ANALYSIS

#### 4.1 The Need for Merchandising and Display in A Retail Environment

In today's retailing perspectives, merchandising and display are both essential tools for retailing success. They cannot be divorced from the retail environment and a reasonable budget must be intended and executed during sales marketing budgetary allocation even in a small retail start-up, no matter how small. Eye catching retail display can make the shopping class to go out of their ways (spending their valuable time) to quite more distance retailers in search for merchandise; particularly where they can actualise their satisfaction to the maximum. According to Kim and Jin (2001) - "Pleasant shopping atmosphere positively affects the shopping time and the money that customers spend in a store as well as the emotion of shopping".

#### 4.2 The Buying Process

Hu and Jasper (2006) assert that the combination of the entire store attributes as provided by the retailer create the complete impression formed by customers and this informed the purchase judgement made by these customers.

As a departure from the past, whereby in-store display are mainly projected as a means of in-store promotion, today retailers have discovered more roles for in store display. They are now aware that displays communicate brands information and create effective image building which makes customers to establish reasonable buying decisions while still developing eye catching aesthetic pleasure to make the customers visit an enjoyable one. These elements also make customers develop more positive inclination towards product and quality of service. They therefore feel more re-assured and confident with a store embellished with all these merchandising cues.

Equally, they also feel the store image when high standard individual attention is given to each customer. In fact customers are assured of the quality of the product they are buying when product posters (graphics) abounds in-store that serve as educating the consumer how the brands are used, benefit derives, as well as warnings such as product allergy.

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### V. SUMMARY AND CONCLUSION

In summary, as an axiom to retail trading, retail stores should keep the satisfaction of the buyer's need as most paramount as they can. Retailers must ensure proper store layouts in order to ease and attract shoppers to easily walk around the store to buy more merchandise than they might initially have planned to do (Levy and Weitz, 2007). Retailers are to be reminded that sales are accomplished only when buyers actualise their intentions. They should therefore be always ready to stimulate buyer's right attitude toward their stores always. This will alleviate buyers fear with a trust of retailer's sales messages in their mind despite some retailers' product claims may not be tangent to customers understanding and not commensurate with their buying plans loyalty (Miranda et al., 2005). Finally, Babakus et al. (2004) are of the opinion that merchandise quality and effective customer service affect greatly the performance of a retail outlet. This in turn reflects on sales and patronage growth, with customer satisfaction sealing up the retailers operations.

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