

Role of Visual Merchandising Elements on Customer Engagement and Purchase Intention in Fashion Retail Stores: An Empirical Study

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Abstract

Visual merchandising (VM) plays crucial role where it attracts customers and influences their buying decisions with the elements like “store layout, lighting, window displays, and product arrangement”. In-store exploration of merchandise by the customers arouses consumer’s perception towards VM like “interacting with products, differentiate a retail brand among competitors” helps in contributing brand preferences and encouraging buying intentions. VM is a planned technique which aims to enhance a brand’s appeal and showcases its special features playing important role in shaping the shopping experience. Dedicated and experienced in visual enhancement marketers are employed by the brands seeking to create attractive store atmospheres favourable to positive shopping meets. With the changing requirements of the customers, retailers witnessed the evolution of different retail formats where the retailers only survives with the footfall of the customers. Attracting more customers to the stores is important for the retailers so as to increase the footfall. They use promotional measures and changing the style of operations including visual merchandising in order to attract more customers to the stores. A sample of 388 fashion retailers were surveyed to know different Role and impact of Visual Merchandising (VM) Elements on Customer Engagement and Purchase Intention in Fashion Retail Stores. The study concludes that there is significant impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention.

Keywords: Visual Merchandising, Customer Engagement, Purchase Intention, Fashion, Retail

Introduction

Visual merchandising is the art to display the products in an aesthetic way which stimulates the purchasing desires among the consumers. This technique creates large store traffic and eventually increases the product sales in the store. Highly creative customers develop a certain image of the store in their minds. The key responsibility of the managers is to make sure that both the exterior and interior of the store is designed according to the image that the target market has developed in their minds. The viewpoint of the store must be designed in a manner that appeals the customers and is also high convenient for them (Soomro, Kaimkhani & Iqbal, 2017). A clear and consistent identity must be developed by retail businesses extending all through their service and product offerings

which in turn leaves a long-lasting positive impact on the customers. This polished image plays vital role as it inspires impulse buying where it reinforces advertising initiatives that aims to boost the sales. Planned VM communication is the effective way of retail stores for cultivating a positive customer perception and driving impulsive purchasing behaviour (Hashem, 2019). No matter what is the size of the store is, retailers increasingly rely on visual merchandising to remain competitive in the market. With the increase in digitalisation of the retail, the strategies like “as augmented reality (AR), artificial intelligence (AI), and omnichannel experiences” are becoming necessary for the success of the fashion stores. Effective VM improves brand image and drives the sales. At present, huge section of consumers all over the world are using digital interactions before making any purchase which makes it important to integrate the technology into the layout of the store and visual merchandising as well. VM stimulates the purchase desires of the customers while they come in direct contact with the retailers (Amritha and Krishnaveni, 2022). VM communicates about identity, and values of the brand. The relation amid the layout of the store and the purchasing intentions is significantly positive affecting buying intentions of the buyer even if the shop’s traits increase or decrease. The store shares a constructive and vital link with consumer’s purchase intention. The purchase intention is influenced by the growth and decline of the product display quality. There is a positive and significant link amid the colour, light and the purchase intention. The rise and decline of the colour and the light will affect customer’s buying intentions. The studies also show that there is no link amid the cleanliness and purchase intention of the customers. There is a strong influence of brilliantly illuminated spaces and lightning on purchase intention (Lee & Lee, 2021). It is necessary to adapt to different consumer needs which forces all the industries to have different advertising strategies so as to get competitive business. For consumer diversity, most common planned targeting strategy is market segmentation. This segmentation is done on the basis of sex and age which is very important for the fashion stores. VM element is very important for all the fashion stores where retailers aim to create layout that encourages exploration and also makes sure that access to popular products is easy. Optimized space layout is the base of the success of shopping malls facilitating smooth customer’s movement and easy navigation (Astarini and Utomo, 2023). A well-planned VM simplifies the shopping process. On the other hand, customer’s behaviour is hurt by crowded store spaces as it limits their movement, create difficulty in exploration, and makes the shopping experience less enjoyable. “Walking speed, traffic flow, and customer attention” are all reduced in crowded stores. In spite of attracting more customers, crowded places lead to reduced profit, making customers stressed and uncomfortable, shorter visits, and less purchases as well. Retailors must implement different strategies to overcome these issues. Welcoming and inviting ambiance is created through lights, music and décor. Use different system for monitoring consumer’s movements, optimising shopping paths, and adjusting product position. The adaptability of these layouts makes sure that the strategies are flexibility and responsiveness and help the retailers to streamline the traffic. This also helps in improving the shopping experience of the customers. It is important to determine the optimal capacity of the stores to have a successful business. Upadhyay, Jauhari & Singh (2023) suggests retailers to focus more on creative and interesting introductory page of the online store. It is responsible to attract attention of potential customers and building positive brand image. Web graphics is highly influential quality of Online Visual Merchandising Element which helps in increasing the effectiveness of the website multiple times. It is important to have proper search filter in the web portal which helps the online customer to reach to correct product. VM “educates the customers, creates desire, and finally augments the selling process” where different elements like “store displays (product display, mannequin display, product shelf –position), window display, Store atmospherics (interior colour, lighting, music), Signage and Store-Layout, etc.” are helpful in influencing the purchase decision of the customers in the fashion stores. Raju (2022) revealed that the purchase decision of the shoppers is influenced by VM where its elements like “Window display, store displays, store atmospherics, signage, and store–layout” plays crucial part in attracting the shoppers into the store. Customer’s attention is captured by planned placement of products. In order to accelerate the sales activities, the store managers must focus more on VM techniques where they can use VM strategies to interact with customers and attract and invite them into the stores.

Literature Review

Nyagba & Tsetim (2022) found VM as an important retail strategy whose aim is to enhance the product aesthetics. This helps in driving sales and also contribute to overall brand identity and culture both. While investigating the impact of VM on buying behaviour of the consumers within the retail store it is found that “window displays, lighting, and signage” are the key elements of success of the business. It is revealed that “window displays, lighting, and signage” significantly affects consumer’s buying behaviour in the fashion store. In the retail settings and atmosphere, these elements of VM act as “potent stimuli for purchases”. Its effective combination showcases the brand and improves the customer shopping experience, and fosters an encouraging shopping environment. It is important and advisable for the retailers to understand the expectations of the shoppers and customise their displays accordingly in order to attract the customers to the stores. In addition, retailers makes sure that the lights of their stores must complement the interiors which in turn will increase their purchase. Further, the retailers must assess different forms of signage and try the one which has the potential to show maximum impact.

Gupta (2026) found a significant and positive impact of VM on both “sales performance and customer buying behaviour”. There is a strong and positive relation amid the variables which means that effective VM significantly affects customers and also helps in improving sales performance. It is also found from the study that the customers like to purchase from the stores that are “visually attractive and well-organized”. VM is a valuable tool which help the retailers in enhancing customer experience and increasing sales as well. The study suggests the retailers to improve visual elements in order to attract more customers and get better results out of their business. VM makes sure that key products and promotions are prominently featured.

Sadachar et al (2022) revealed that VM is used by the fashion retailers to boost their sales and also improve the layout of stores from all the sides (inside and outside). Purchasing decisions is influenced by highlighting key products and their promotions. The customer experiences are personalised by the modern retailers by using “behavioral data and artificial intelligence”. Retailers analyses the flow of the customers and digital interactions in order to dynamically adjust the “product layouts and promotional campaigns” so as to maximise “conversions and customer loyalty”.

Basu, Paul, & Singh (2022) revealed that VM has develop progressively important in modern retail research and application. Even though. VM was first seen as an important part of the atmosphere of the store, its role has now expanded beyond just visual elements. It is indicated that VM was primarily thought as a “product-centric display function” is now associated to the store atmosphere which includes broad spectrum of functions of store wide display. It is noticed that elements of VM in “online and offline stores” cannot be flawlessly switched. While there are number of offline VM tactics that can be remained relevance in the online format but still there will be notable difference amid the two.

Jaini et al. (2021) found that a well-executed VM settings has the potential to improve the appeal of the store. This will effectively help in encouraging impulsive purchasing behaviour of the customers. The key elements of VM includes different components like “window displays, lighting, colour, materials, artistic compositions (such as mannequins and graphics), props, product presentation, store layout, interior design, and promotional signage, music, floor displays, utilitarian features, signage, logos, banners, landscapes, store fixtures, and decorations” contributing to the overall visual appeal. Beside the presentation of the products, elements like “colour scheme within the store environment, background music, lighting ambience, and cleanliness” also plays crucial part in attracting the intentions of the customers to enter the stores and purchase.

Kumar et al (2025) revealed that planned VM elements like “window displays, store layout, and lighting” significantly improves “brand perception, customer engagement, and purchase intentions”. In addition, the quality of the products and reputation of the brand plays vital role in shaping consumer’s loyalty. “Service quality dimensions, staff behaviour and checkout efficiency” all contributes to customer satisfaction. The study highlighted the requirement of the integrated approach to VM which helps in aligning with the position of the brand and consumer expectation as well. Retailors may use these insights for enhancing the “shopping experience, optimizing store layouts, and implementing targeted marketing strategies”. There is huge contribution of the study

to the growing body of knowledge on retail management which offers practical implication for the brands that seeks to strengthen the customer relation in the increasingly competitive market.

Mondol et al. (2021) found that store layout is positively and significantly related to purchase intention of the customers. Along with this product display, colour, lightening is positively and significantly associated with purchase intention of the customers. No significant and positive relation is found amid “cleanliness and consumer’s intention to purchase”. The understanding from the study results help the “policy makers, government and entrepreneurs” in making their fashion stores more attractive and appealing. Fashion retailers are enabled to build more “insightful, engaging online shops” boosting the sales of the stores by increasing the footfall.

Jangid and Kumar (2026) revealed that shopper’s behaviour is significantly affected by VM where customer attraction and engagement is strongly influenced by the elements like window displays and lighting. It is highlighted in the study that effective VM is a decorative tool and a planned marketing approach which helps in enhancing the “customer experience, and strengthens brand image”. It also helps in increasing the sales in the retail sector of fashion. The “customer attention, store entry, and purchase decisions” are all significantly influenced by the elements like “window displays, lighting, mannequins, colour schemes, and store layout”. “Window displays and lighting” are most effectively used to attract customers and improve product appeal. In addition, VM helps in improving the overall “shopping experience and strengthens the brand image”. This makes the effective use of VM essential for retailers that are looking to “attract customers, increase sales, and remain competitive” in the fashion industry.

Objective

1. To know different Role of Visual Merchandising Elements on Customer Engagement and Purchase Intention in Fashion Retail Stores.
2. To measure the impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention.

Research Methodology

A sample of 388 fashion retailers were surveyed to know different Role and impact of Visual Merchandising (VM) Elements on Customer Engagement and Purchase Intention in Fashion Retail Stores. The study is qualitative in nature and the data collection method used was random sampling. Statistical tool called multiple regression was applied to get the end results of the study.

Findings

Table 1 is demonstrating the general profile of 388 people that were surveyed to conduct the study in which 54.9% are male and 44.1% are female. Among them 25.0% belongs to age group 26-35 yrs, 42.3% are from the age group 35-40 yrs, and rest 32.7% are above 40 yrs of age. 20.9% are from department stores, 24.2% from speciality stores, 20.4% from boutiques, 25.3% from exclusive brand outlet, and rest 9.3% from other kind of fashion stores.

Table 1 General profile of the respondents

Variable	Respondents	Total %age
Gender		
Male	213	54.9
Female	175	45.1

Total	388	100
Age		
26-35 yrs	97	25.0
35-40 yrs	164	42.3
Above 40 yrs	127	32.7
Total	388	100
Types of stores		
Department store	81	20.9
Speciality store	94	24.2
Boutiques	79	20.4
Exclusive brand outlet	98	25.3
Others	36	9.3
Total	388	100

Table 2 Role of Visual Merchandising Elements

Sl. No.	Role of Visual Merchandising Elements
1.	Visual Merchandising (VM) arranges products in an appealing and organized way
2.	A well-designed VM helps in attracting customers
3.	Visual merchandising makes it easy for the customers to find what they need
4.	VM communicates about identity, and values of the brand
5.	Effective VM improves brand image and drives the sales
6.	A well-planned VM simplifies the shopping process
7	Welcoming and inviting ambiance is created through lights, music and decor
8	Customer's attention is captured by planned placement of products
9	Purchasing decisions is influenced by highlighting key products and their promotions
10	VM makes sure that key products and promotions are prominently featured
DV	Overall impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention

Multiple Regression

Table 3, 4, and 5 shows the relationship of the 10 independent variables and 1 dependent variable which is “overall impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention.”

Table 3 “Model Summary”

“Model”	“R”	“R Square”	“Adjusted R Square”	“Std. Error of the Estimate”
1	.765 ^a	.586	.575	.54403
a. Predictors: (Constant), Visual Merchandising (VM) arranges products in an appealing and organized way, helps in attracting customers makes it easy for the customers to find what they need, communicates about identity, and values of the brand, improves brand image and drives the sales, simplifies the shopping process, Welcoming and inviting ambiance is created through lights, music and décor, Customer’s attention is captured by planned placement of products, Purchasing decisions is influenced by highlighting key products and their promotions, and makes sure that key products and promotions are prominently featured				

The Value of adjusted R square is 0.575, which means that the model explains around 58% of the variation. Table 4 shows the values of ANOVA, which is significant (sig. value below 0.05) which reflects the impact of independent variables is significant on dependent variable.

Table 4 “ANOVA”

“Model”		“Sum of Squares”	“df”	“Mean Square”	“F”	“Sig.”
1	Regression	157.666	10	15.767	53.272	.000 ^b
	Residual	111.579	377	.296		
	Total	269.245	387			
a. Dependent Variable: Overall impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention						
b. Predictors: (Constant), Visual Merchandising (VM) arranges products in an appealing and organized way, helps in attracting customers makes it easy for the customers to find what they need, communicates about identity, and values of the brand, improves brand image and drives the sales, simplifies the shopping process, Welcoming and inviting ambiance is created through lights, music and décor, Customer’s attention is captured by planned placement of products, Purchasing decisions is influenced by highlighting key products and their promotions, and makes sure that key products and promotions are prominently featured						

Table 4 presents the value of ANOVA and F value. The value in the significance column of the table 4 is .000 which means that one or more variables are significant on dependent variable. The impact of independent variables on dependent has been explained in the table 4.

Table 5 “Coefficients”

“Model”	“Un standardized Coefficients”		“Standardized Coefficients”	“t”	“Sig.”
	“B”	“Std. Error”	“Beta”		
(Constant)	.204	.195		1.047	.296
Visual Merchandising (VM) arranges products in an appealing and organized way	.080	.038	.081	2.125	.034
Helps in attracting customers	-.172	.047	-.188	-3.629	.000
Makes it easy for the customers to find what they need	.163	.052	.181	3.121	.002
Communicates about identity, and values of the brand	.033	.060	.033	.548	.584
Improves brand image and drives the sales	.177	.060	.178	2.943	.003
Simplifies the shopping process	-.176	.062	-.176	-2.831	.005
Welcoming and inviting ambiance is created through lights, music and décor	.132	.064	.128	2.066	.040
Customer’s attention is captured by planned placement of products	.355	.078	.352	4.572	.000
Purchasing decisions is influenced by highlighting key products and their promotions	.234	.075	.239	3.111	.002
Makes sure that key products and promotions are prominently featured	.105	.037	.109	2.823	.005
a. Dependent Variable: Overall impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention					

Table 5 shows that variables namely Visual Merchandising (VM) arranges products in an appealing and organized way, helps in attracting customers makes it easy for the customers to find what they need, improves brand image and drives the sales, simplifies the shopping process, Welcoming and inviting ambiance is created through lights, music and décor, Customer’s attention is captured by planned placement of products, Purchasing decisions is influenced by highlighting key products and their promotions, and makes sure that key products and promotions are prominently featured shows significant impact of Visual Merchandising Elements as the value in the significant is below the significant value (0.05) and the variables namely communicates about identity, and values of the brand has no significant impact of visual merchandising elements as the value in the significant column is above (0.05).

Conclusion

Visual merchandising plays crucial role in both “planned and non-planned” purchases where it offers customers a visual guidance to the products they required. This approach also helps in prompting impulse purchases. Visual Merchandising (VM) arranges products in an appealing and organized way. Extra inclination is witnessed in making spontaneous buying decisions when the shopper is encountered by these visual inducements. This highlights the important effect of VM on impulsive purchasing behaviour. The tendency of customers towards

impulsive buying positively affects the in-store product browsing which in turn increases the positive feeling and desire to make instinct purchases. A well-designed VM helps in attracting customers. These findings are helpful for the marketers to boost their sales and innovate their display strategies as well. An attractive window display helps in increasing foot traffic. Promotional activities and floor displays help in improving the overall shopping experience. It is essential for the marketers to creatively use these dimensions in capitalising the effectiveness of visual merchandising. Visual merchandising makes it easy for the customers to find what they need. Retailers keeps on focussing on VM to keep themselves different from their competitors. Companies embrace these insights and assess the performance to anticipate a bright future ahead. The role of VM in customer store engagement are identified by the variables like "Creating an Attractive Store Layout, Enhancing Brand Image and Identity, creating attractive Ambiance, and Highlighting Key Products and Promotions".

The study aims to know different Role and impact of Visual Merchandising (VM) Elements on Customer Engagement and Purchase Intention in Fashion Retail Stores. It is found that Visual Merchandising (VM) arranges products in an appealing and organized way, A well-designed, VM helps in attracting customers, Visual merchandising makes it easy for the customers to find what they need, and effective VM improves brand image and drives the sales A well-planned VM simplifies the shopping process. The study concludes that there is significant impact of Visual Merchandising Elements on Customer Engagement and Purchase Intention.

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