

Role and Impact of Retail Innovation and Visual Merchandising in Improving Consumer Purchase Intention towards Fashion Apparel in Bengaluru

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ABSTRACT

Fashion apparel shopping has witnessed a paradigm shift in the past couple of years. The customers are not only concerned with the utility of the garment but also with the aesthetics of the retail store and ease of the shopping process. As a result, fashion apparel retailers are now focusing on two key areas, retail innovation, which includes digital payments, smart billing, self-checkout, and loyalty programme and visual merchandising, which encompasses store layout, lighting, window displays, signage, and product placements to enhance the purchase intention of the customers. This paper focuses on the impact of the retail innovation and visual merchandising on the buying behavior in the context of fashion apparel shopping in Bengaluru.

The data for the current research was collected from 210 respondents in the Koramangala locality of Bengaluru who were chosen through a convenience sampling technique and provided with a structured questionnaire. The analysis of the results was done using descriptive statistics and Pearson's correlation analysis. The current paper explores the research objectives: identifying the key factors affecting consumer attraction to fashion apparel stores; examining the relationship between retail innovation and purchase intention; developing strategies for fashion apparel retailers to increase purchase intention. The result of the research shows that the respondent was majorly influenced by product placement and lighting which are key components of visual merchandising. Further, smart trial rooms and digital payments are the preferred choices among various retail innovations. The study also revealed that there was a moderate level correlation between retail innovation and purchase intention($r = 0.465$). Based on the results, a set of recommendations have been provided to the managers of fashion apparel stores in Bengaluru to improve the store environment and adopt appropriate retail innovations to increase the purchase intention of the customers.

Keywords: Retail Innovation, Visual Merchandising, Purchase Intention, Fashion Apparel, Consumer Behaviour, Bengaluru

INTRODUCTION

The fashion apparel sector is among the most competitive industries in today's world, particularly in a city such as Bengaluru. The consumer in this region is especially savvy and has high, if not unrealistic, expectations from the retail setups in the shopping malls and other retail outlets. As such, a typical retail set up has to go out of their way to woo these customers into buying products. It is in this regard that fashion retail stores have adopted two different but interconnected strategies. These include retail innovation which comprise digital payments, smart billing counters, self-checkout counters, loyalty schemes and omnichannel retailing. The other strategy is visual merchandising which entails the design of the retail space, lighting, window displays as well as the display of merchandise in counters and shelves. Bengaluru emerges as a prime location for conducting this study on visual merchandising and retail innovation due to the huge professional youth population as well as a tremendous number of organized retail stores. From small scale single brand retail stores multiple retail shops and big shopping malls, Bengaluru has it all. A keen look at the organized retail sector in the city shows that there is intense competition for customers between these different retail establishments. As such it is imperative for these retail stores to understand what draws customers to their premises and what influences their purchasing decisions. Although there is a wealth of information on both visual merchandising and retail innovation there is limited research, especially from the Bengaluru region, linking these concepts to purchase intention. This paper seeks to fill this research lacuna by considering the role of both visual merchandising and retail innovation on the purchase intention of customers in Bengaluru, specifically in Koramangala. The paper will be guided by three specific objectives.

REVIEW OF LITERATURE

1. Sachitra and Konara (2023) studied how visual merchandising both inside and outside the store affects impulse buying in clothing stores. They used a quantitative method and collected data through a questionnaire. Their results showed that window display is promotional signage and mannequins are among the biggest reasons for unplanned purchases.
2. Akhilendra and Aravendan (2023) studied the relationship between fashion trends and visual merchandising in the apparel industry. They used survey and secondary data analysis. Their results showed that visual merchandising has a big effect on store displays, branding and how well a store is able to attract customers.
3. Zhang and Huang (2024) studied how visual marketing affects the purchase intention of Chinese fast fashion customers. They used the Stimulus Organism Response theory and a method called fsQCA. They found that store layout, lighting and window display all have a significant effect on purchase intention, and that visual marketing is a low cost way for fast fashion retailers to influence customers.
4. Qarem, Ozburak and Onur (2026) studied how innovation and online shopping are changing clothing and accessory retail spaces. Their research showed that things like virtual fitting rooms, interactive technology and omnichannel retail increase both customer satisfaction and shopping efficiency. They said that physical retail spaces need to be engaging in order to compete with online platforms.

5. Choi (2023) studied technology management in apparel retail and manufacturing. The findings showed that using digital technology like AI and blockchain makes operations, inventory management and customer experience better, and that this became even more important after the pandemic.
6. Gudonaviciene and Alijosiene (2015) studied the role of visual merchandising in impulse buying for clothing and shoe stores in Lithuania. Their results showed that both window display and store interior design have a considerable effect on customer buying decisions.
7. Park, Jeon and Sullivan (2015), the researchers tried to examine the effect of visual merchandising in fashion retailing on consumers' attitude towards brands as well as their intention to purchase. The researchers discovered that appealing displays and attractive visuals help in creating a good image for the brand and compel consumers to purchase the products. In this regard, the researchers concluded that visual merchandising proves to be an effective tool for increasing purchase intention among consumers.
8. Kapustina and colleagues (2020) studied the new digital strategy being used in the retail sector. They said that retailers need a flexible approach and modern digital technology in order to perform well and stay competitive in a changing market.

RESEARCH GAP

The majority of previous researchers have examined the topic of visual merchandising and retail innovation separately, whereas in most of the published studies. Studies have been conducted in India and very few of them are focusing on both the concepts together in an integrated manner. Moreover, very few researchers have explored the retail innovation and visual merchandising practices in Bengaluru. It should be noted that customer behavior and buying pattern may differ in different Indian cities and countries. Therefore, it is important to conduct research in a specific city like Bengaluru, which focuses on the retail innovation and visual merchandising practices, along with understanding the relationship between them and purchase intention.

RESEARCH OBJECTIVES

- To identify the major factors that attract consumers towards fashion apparel retail stores in Bengaluru.
- To find out the relationship between retail innovation and consumer purchase intention towards fashion apparel stores.
- To suggest effective retail innovation and visual merchandising strategies for improving consumer purchase intention in fashion apparel stores.

HYPOTHESIS

To find out the relationship between retail innovation and consumer purchase intention towards fashion apparel stores

the following hypothesis was framed and tested using Pearson's Correlation Analysis:

H0 (Null Hypothesis): There is no significant relationship between retail innovation and consumer purchase intention towards fashion apparel stores.

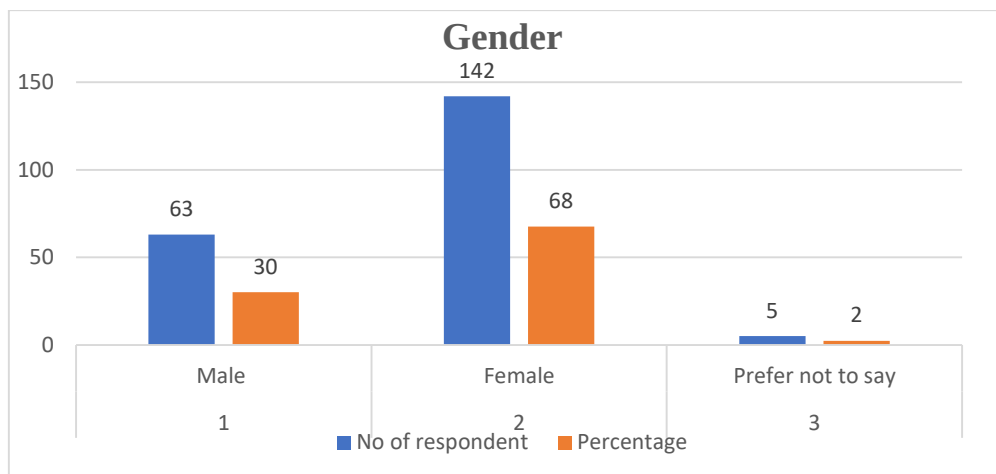
H1 (Alternative Hypothesis) : There is a significant relationship between retail innovation and consumer purchase intention towards fashion apparel stores.

DATA ANALYSIS AND INTERPRETATION

4.1.1: Total No of Gender

SL.NO	Gender	No of respondent	Percentage
1	Male	63	30
2	Female	142	68
3	Prefer not to say	5	2
	Total	210	100

Source of data : Primary Data



Interpretation:

Looking at the table above we can see the gender distribution of the sample of 210 students who participated in the survey. Out of the 210 respondents, most of them 142 students identified as female which represents 68 percent. Then 63 students identified as male which is 30 percent. Lastly, 5 students did not state their gender which accounts for 2 percent of the total number of students surveyed. It can be concluded from this data that there are more females than males who participated in the study.

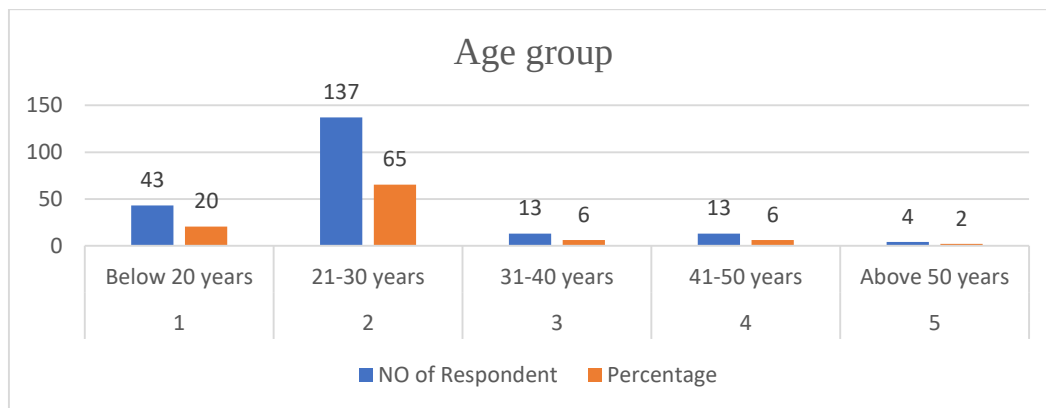
Inference

From the inference made from the interpretation of the results of the statistical analysis above shows that majority of the participants are women representing 68 percent compared to the 30 percent for the men. Therefore, it can be assumed that the survey results will be more representative of what women tend to buy and how they shop compared to the men.

4.1.2: Age Group

SL.NO	Age Group	NO of Respondent	Percentage
1	Below 20 years	43	20
2	21-30 years	137	65
3	31-40 years	13	6
4	41-50 years	13	6
5	Above 50 years	4	2
	Total	210	100

Source of data : Primary Data



Interpretation:

The above chart indicates the age distribution of the 210 respondents who participated in the study. The respondents fell into different age brackets with 137 (65%) of them being aged between 21 and 30 years. On the other hand, 43 respondents (20%) were aged below 20 years. The second and third highest respondent groups comprised 6% of the participants each and were aged between 31 and 40 years, and 41 and 50 years respectively. Only 4 respondents (2%) were aged above 50 years. It is evident that most of the consumers who participated in the study were young adults. Therefore, the study findings can be generalized to represent the views of consumers in the 21–30 years age bracket on the retail innovation and visual merchandising plan.

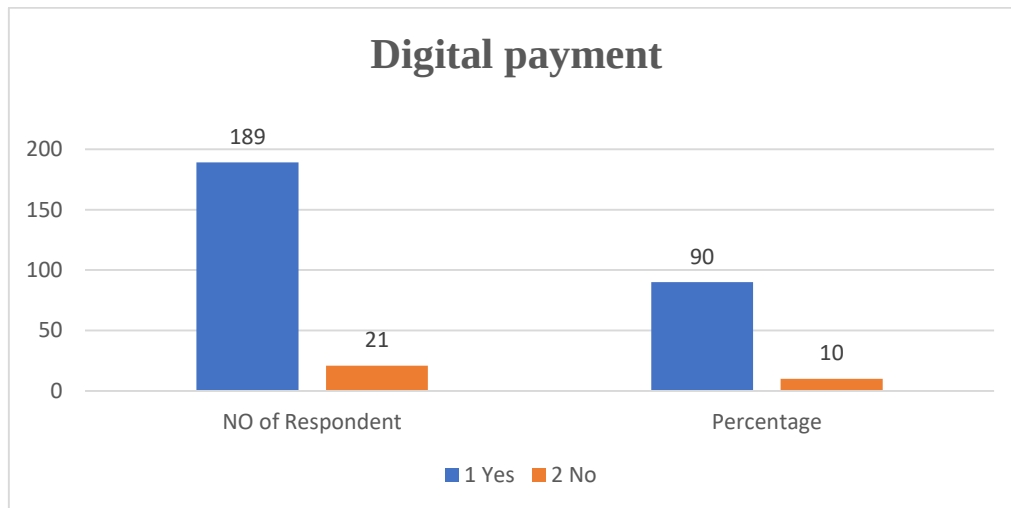
Inference: since most of the respondents fall within the 21–30 years age bracket, the study results can be generalized to represent the views of consumers within this bracket. the study results are more reflective of the views of young adult consumers as compared to other age brackets.

4.1.3: Do retail innovations such as digital payment and smart billing improve your shopping experience?

SL. NO	Do retail innovations such as digital payment and smart billing improve your shopping experience	NO of Respondent	Percent age
1	Yes	189	90
2	No	21	10

Total	210	100
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Source of data : Primary Data



Interpretation:

The table provides information on what respondents think regarding improvements in their shopping experience due to retail innovations, such as digital payments and smart billing. According to the information provided, out of 210 respondents, 189 (90%) said that retail innovations indeed improve their shopping experience, while 21 of the survey participants (10%) claimed the opposite. The results seem to imply that most respondents think positively of retail innovations and believe they help improve their shopping experience.

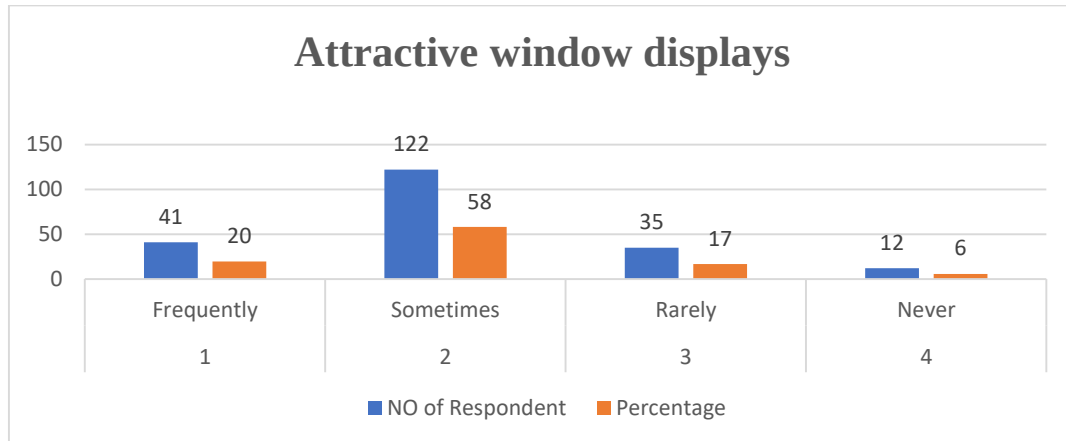
Inference:

The survey results show that 90% of the participants note that digital payment and smart billing options make their shopping experience better. This means that retail innovations are vital in delivering excellent customer experience.

4.1.4: Have you entered a fashion apparel store because of attractive window displays or store appearance?

SL. NO	Have you entered a fashion apparel store because of attractive window displays or store appearance?	NO of Respondent	Percent age
1	Frequently	41	20
2	Sometimes	122	58
3	Rarely	35	17
4	Never	12	6
	Total	210	100

Source of data : Primary Data



Interpretation: In an overview of the survey results, it portrays the respondents' views concerning whether they have gone into a clothing shop as a result of utilizing its good appearance. Out of 210 participants, 122 of them (58%) declare that they sometimes go into a shop because of its appealing design; thus, this is the largest group of participants. Meanwhile, 41 respondents (20%) confirm that they do it frequently, 35 respondents (17%) indicated that they do it rarely, and only 12 respondents (6%) stated that they never went into a store because of its exterior design. Therefore, the above-mentioned facts can prove that visual merchandising is important in terms of attracting buyers.

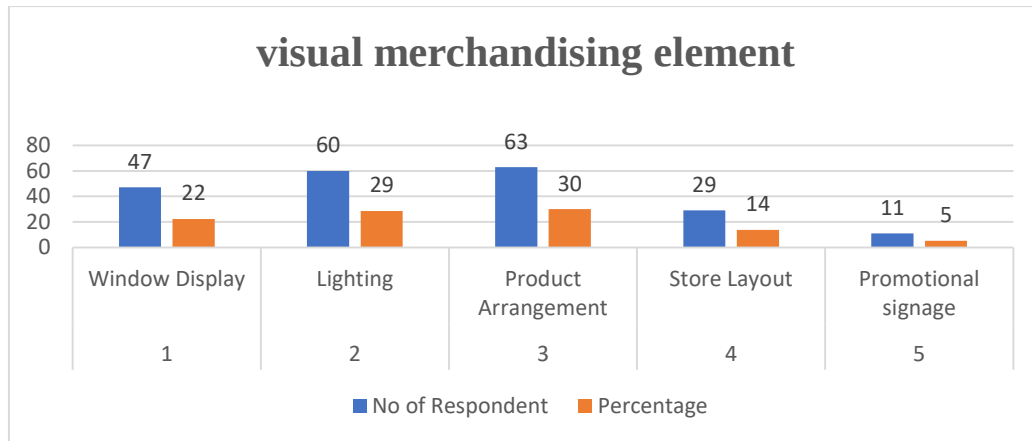
Inference:

The results reveal that 58% of the participants occasionally go into a clothing shop due to beautiful window displays or appealing store design. This implies that visual merchandising plays a good role in bringing customers to stores.

4.1.5: Which visual merchandising element attracts you the most

SL NO	Which visual merchandising element attracts you the most	No of Respondent	Percentage
1	Window Display	47	22
2	Lighting	60	29
3	Product Arrangement	63	30
4	Store Layout	29	14
5	Promotional signage	11	5
	Total	210	100

Source of data : Primary Data



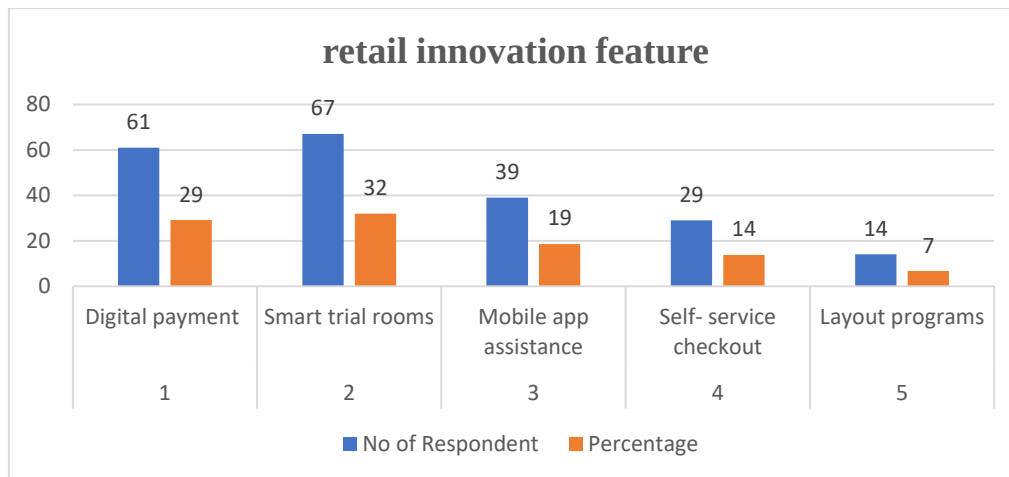
Interpretation: The table shows popular elements of visual merchandising from the perspective of survey respondents. From a total of 210 respondents, 30% (63 respondents) found product arrangement to be the most attractive aspect. The second most attractive factor was lighting, which was reported by 29% (60 respondents) as the most interesting feature of the store. Approximately 22% (47 respondents) of respondents selected window displays as the most attractive factor. 14% (29 respondents) reported store layout as the element that is most attractive in the store, with promotional signage being reported by only 5% (11 respondents) of respondents.

Inference: The results show that the two most important visual merchandising variables for the respondents are the product placement (30%) and the lighting (29%). This implies that using good merchandising and lighting strategies is crucial in attracting customers to purchase goods from apparel stores.

4.1.6: Which retail innovation feature do you prefer the most?

SL NO	Which retail innovation feature do you prefer the most	No of Respondent	Percentage
1	Digital payment	61	29
2	Smart trial rooms	67	32
3	Mobile app assistance	39	19
4	Self- service checkout	29	14
5	Loyalty programs.	14	7
	Total	210	100

Source of data : Primary Data



Interpretation: According to the table provided below, several retail technological innovations preferred by the participants of the survey are presented in a descending order. Most of the participants (67 out of 210) preferred smart trial rooms as the retail technological innovation. Thus, the majority of the respondents (32%) preferred those fashion apparel stores, which offered them smart trial rooms. A little less than a third of respondents (61 people) opted for digital payment systems. As a further point, 39 respondents believed that the use of mobile apps made shopping more convenient. Only 29 people chose self-service checkouts, and only 14 respondents preferred loyalty programs. Overall, the results indicate that the most working new technologies are used by customers in order to make their shopping more convenient.

Inference: According to the received data, two popular trends in the retail sphere include smart fitting rooms (32%) and digital payments (29%). As a result, the overall number of survey participants pointed to the significance of innovative technologies providing customers with an opportunity to enjoy the process of shopping and make purchases smoothly.

RESEARCH METHODOLOGY

Research Design: Descriptive (approach)

Nature of data: Primary data

Sample size: 210 respondents

Sampling technique: Convenience sampling

	21. Retail innovations improve shopping convenience in apparel stores.	24. Inovative retail practices increase my preference towards a fashion apparel store.
21. Retail innovations improve shopping convenience in apparel stores.	1	

Data source: Structured questionnaire (5-point Likert Scale)

Statistical tools used: Descriptive statistics (percentage analysis) and Pearson's Correlation Analysis

24. Inovative retail practices increase my preference towards a fashion apparel store.	0.464808248	1
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Interpretation

The correlation analysis indicates that there is a moderate positive relationship ($r = 0.465$) between retail innovations that enhance convenience in shopping and consumer preference towards fashion apparel stores. This means that consumers who perceive retail innovations as having convenience value are more likely to patronize fashionable apparel stores than those who do not make such perceptions. It can be concluded that the implementation of retail innovations such as technological services electronic payment self checkout and personalization have a positive influence on consumer purchasing intentions.

OVERALL FINDING

- Product arrangement (30%) and lighting (29%) are the visual merchandising elements that attract customers the most in fashion apparel stores.
- 58% of customers said they sometimes enter a store because of an attractive window display, and 20% said they do this frequently.
- Smart trial rooms (32%) and digital payment (29%) are the most preferred retail innovation features among customers.
- 90% of customers agree that digital payment and smart billing improve their shopping experience.
- There is a moderate, statistically significant positive relationship between retail innovation and purchase intention ($r = 0.465$).
- Retail innovation and visual merchandising both play an important and complementary role in bringing customers into a store and encouraging them to buy.

SUGGESTIONS

- Strengthen display techniques and lighting inside the store as these were the aspects appreciated most by the customers, while signage and layout were less important.
- Maintain updated graphics in the shop windows as many customers were prompted to visit the store by an attractive display in the shop window.
- Equip the store with smart trial rooms as this is the innovation that customers would appreciate most in the retail environment.
- Ensure that digital payments and smart billing are efficient as they are now expected to be a standard feature and not an extra.
- Both online and offline options should be available to ensure that each customer can choose their preferred option and switch from one to another when needed.
- The staff should be trained to leverage the current technologies and displays in the store to maximize the benefit from them as they will be able to assist customers in accessing the smart options.

- Collect feedback from customers to understand their changing preferences and further develop the retail environment in accordance with their expectations.

CONCLUSION

The research aimed to determine the factors which attract customers to the apparel stores in Bengaluru. It also sought to establish the influence of retail innovation on purchase intention and the strategies that improve buying behavior. The research revealed several factors that are attractive to customers. It also showed that retail innovations had a moderate effect on purchase intention. Therefore the discussion recommends the combination of the two as a strategy for improving the purchase intentions of the customers and thereby increasing their buying behavior and it further reveals that the same combined strategy will not be effective in a retail store with inferior technology and display and that as such visual merchandising and retail innovation must be combined with proper employee training. Thus, in a highly competitive retail sector it is essential to focus on visual merchandising and retail innovation and employee training to increase purchasing behavior in Bengaluru.

LIMITATION OF THE STUDY

- In this study, the participants are limited to Fashion apparel stores in Koramangala, Bengaluru. Hence, this research may not be generalized for other areas or cities.
- This survey uses convenience sampling which means that there is a possibility that the findings do not represent the target population of fashion apparel shop customers in Bengaluru.
- The results of this survey are purely based on the responses collected from participants. The results were gathered using a questionnaire where the participant's responses might not be reliable since the information was self-reported.
- This present study was conducted at a specific point in time, therefore, the results may not be similar in the future due to changes in shopping behavior or technological advancements.

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