Selling Cars through Visual Merchandising: Proposing Emotional Design Approach

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Abstract

Retail giants in every other industry have extensively used sophisticated visual merchandising techniques but they have been grossly underutilized in the auto industry. For this reason, there are no specific guidelines or manual provided to utilize visual merchandising elements inside the car showroom especially in automotive scene. By using strategic visual merchandising, car dealers can turn prospects into buyers. However, the visual merchandising elements must capture the emotion and perception of customers. Therefore, this study aims to identify the roles of visual merchandising inside a car showroom as stimuli that attract customers at the point of sale i.e. the car dealership and proposing emotional design approach in designing car showroom. By means of the proposed conceptual model, it should complement the current design approach in enhancing consumer purchasing behavior from the design perspectives. The conceptual framework has emerged from emotional design concept that allows the creation of desirable showroom design. As a result, this concept can be a guideline to facilitate marketer and dealer in designing a car showroom through visual merchandising elements.

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1. Introduction

Consumer purchasing behavior is the buying behavior of the final customers who purchase goods and services for personal consumption (Kotler and Armstrong, 2010). Kotler and Armstrong (2010) indicate that customers were influenced by 4 P's of marketing stimuli which are product, price, place and promotion as well as other stimuli in the customer’s environment such as economic, technological, political and cultural.

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The car showroom is relatively close to place, one of marketing stimuli that stimulates customers purchasing behavior. Many potential customers visit the dealer in the early purchasing process, not just at the end of it. Therefore, this study aims to identify the roles of visual merchandising inside a car showroom as stimuli that attract customers at the point of sale i.e. the car dealership. Visual merchandising itself refers to all of the physical elements that merchandisers use to project an image to customers (Marketing Essentials, 2012). A study conducted by Foresight Research reveals that customers are won at the showroom; hence creating positive experience is the job of every automotive marketer and dealer (Foresight Research; Research Reveals, 2010).

1.1. Overview Landscape of Visual Merchandising Practices in Car Showroom

Sophisticated visual merchandising techniques, which are used extensively by retail giants in every other industry, have been grossly underutilized in the auto industry (Foresight Research, 2010). Based on an informal interview with the car dealer, the practices used in creating showroom environment rely on the creativity of each dealer although all props are provided by car producers. Apparently, there is no specific guidance or blueprint from the car makers and marketers on how to implement visual merchandising in the dealership. Therefore, it is plausible that car dealers will create showroom environment according to their own taste and preference. Some will rely more on selling techniques and seasonal promotion to win customer. Additionally, some dealers believed that showroom purposes are just for displaying new car models. These practices are contradicted with previous research did by Foresight Research (2010) which found that there are strong relation between visual merchandising and car purchase. Previous findings proved that purchase decision can be influence by consumer perceptions of trustworthiness and professionalism which can be stimulated by changing the dealership environment through carefully planned visual merchandising. Therefore, the problem analyzed is the role of visual merchandising in influencing car purchase at the point of sale i.e. the car dealership.

2. The Elements of Visual Merchandising

Visual merchandising is the presentation of merchandise at its best; colour coordinated, accessorized, and self-explanatory (Pegler, 2006). The focus of visual merchandising is on the presentation of goods in retailers (Taskiran, 2012). Four known elements of visual merchandising comprise of storefront, store layout, store interior and interior displays (Marketing Essentials, 2012). The table below detailed the elements of visual merchandising as adopted from Marketing Essentials (2012).

Table 1. The Elements of Visual Merchandising Adopted in Marketing Essentials (2012).

<table>
<thead>
<tr>
<th>Elements of Visual Merchandising</th>
<th>Descriptions</th>
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<tbody>
<tr>
<td>Storefront</td>
<td>Refers to the exterior of a business that includes a store’s sign or logo, marquee, outdoor lighting, banners, planters, awnings, windows, the exterior design, ambiance, landscaping, and lighting of the building.</td>
</tr>
<tr>
<td>Store layout</td>
<td>Refers to ways that stores use floor space to facilitate and promote sales and serve customers.</td>
</tr>
<tr>
<td>Store interior</td>
<td>Materials or tools used inside the store such as mannequins, seating, props, floor and wall covering, lighting, color, store fixtures, interior signage and graphics.</td>
</tr>
<tr>
<td>Interior display</td>
<td>Comprises of closed, open, architectural, point of purchase displays and store decorations.</td>
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</tbody>
</table>
2.1. Visual Merchandising Elements in a Car Showroom

When concerning car showroom, first elements that lure prospects inside are the showroom front. This starts with accessibility to parking that is convenient to entrance, attractive building exterior and landscape, and hearing music from the showroom (Darlington, 2007). Once prospects enter, they will look left, right and straight back (Darlington, 2007). Darlington (2007) suggested the showroom should have an area called a “decompression zone” that feels warm, relaxing and comfortable with music and aromas situated near the front door with no product in it.

In terms of layout and display configuration, the layout of the showroom should facilitate easy access for visitors whereby majority of dealers favor a U-shaped setup (Carter, 2002). This allows for easy viewing of all displays and encourages customer to go through all the displays. In addition, the displays should be at 45-degree angle to the front door to allow customer to see more than one display at a time (Carter, 2002). Darlington (2007) listed several type of layout which includes grid layout with linear design, free flow layout, loop layout, soft aisle layout, combination floor plan layout and walls as destinations. Currently, most probably used by car showroom is free flow layout or combination floor plan layout.

For store interior, according to Taskiran (2012), lighting creates an ambience and makes environments visually pleasing. Additionally, lighting has an influence on the mood and hence the behavior of humans in retail environment (Quartier & Cleempoel, 2008). Similarly, colour can immediately create a mood and have the power to pull customers into the store. Moreover, visual displays also have been utilized in car showroom recently. For instance, BMW car dealership uses touch screen visual display to attract visitors.

2.2. The Influence of Visual Merchandising on Customer Purchase Behavior

Visual merchandising promotes interest in merchandise or services, encourages purchasing and reinforces customer satisfaction (Marketing Essentials, 2012). According to Taskiran (2012), visual merchandising builds brand image and this leads to sales performance. However, visual merchandising itself can directly influence sales performance. According to Darlington (2007), prospects go through a series of information processing steps as they experience the showroom. The eight steps start with exposure, attention, comprehension, agreement, retention, retrieval, decision making and action taking. Exposure comes from visual merchandising elements and it attracts prospects attention. Next, prospects get the information and the selected information will be retained and can be retrieving from the brain. This information influence decision making and lead to action. Thus, it supported the notion that showroom environment created by strategic visual merchandising influence action which is vehicle purchase. A study done by Foresight Research (2010) concluded that customers are won at the showroom and creating positive experiences is the job of every automotive marketer and dealer. Respondents said that an inviting, modern and well-organized showroom were keys to influencing the sale. Moreover, the findings proved that purchase decision can be influence by consumer perceptions of trustworthiness and professionalism which can be stimulated by changing the dealership environment through calculated visual merchandising.

Furthermore, according to Moye & Kincade (2002) shop environments create a ‘retail experience’ that strongly influences consumers' purchase behaviour. Besides, POPAI (1998) pointed that two third of purchase decisions are made in store. In addition, Kotler (1973) introduced the term ‘atmospherics’ to describe “the effort to design buying environments to produce specific emotional effects in the buyer that enhance his (/her) purchase probability”.

3. Emotional Design Approach in Designing Car Showroom through Visual Merchandising

Sherman et al (1997) confirmed that the environment in the store and the emotional state of consumers may be important determinants of purchase behavior, though cognitive factors may largely account for store selection and for most planned purchases within the store. This notion is supported by Greenland and McGoldrick (1994) which develop an environment response model. The model distinguishes three stages in the user reaction in shop and service environment; a cognitive, an emotional and a conative (conation) stage. Furthermore, in his model, the cognitive stage was described as an action or faculty of knowing and perceiving the architectural environment. Meanwhile, emotional factor refers to all feelings elicited by the environment such as arousal, pleasantness and many more. The third factor is conative (conation) which concern attitudes and consumer behavior. However, both the emotional and conative factors are hard to separate and will influence one another (Greenland and McGoldrick,
1994). This model influences Quartier and Cleempoel (2008) in developing a concept from designer’s perspectives which describes the components that are important for commercial spaces. The components are functional (layout, signing, routing), aesthetic (design, graphic elements) and atmospherics (music, odor, temperature, sound, cleanliness, spatial proportion). The functional components relates to functional aspects of commercial spaces whereby another two components; aesthetics and atmospherics create an atmosphere for the space which affect customers’ emotion. All components are merely relying on visual merchandising for supportive design tools including materials and lighting. Based on the reviews, it shows that commercial spaces like the car showroom environment could influence customers’ purchasing behavior with the indication of emotion as mediating factor.

In addition, Lam (2001) indicates emotion as one of important factor that hasten customers' purchasing behavior. According to Lam (2001), emotion will elicits more direct response from customers with very little impact on their thinking, feeling or body comfort. This has become a basis for developing an emotional design approach in designing car showroom by means of visual merchandising.

In design and emotion perspective, Buchanan (1985) said that the role of emotion works as a persuasive element for user's acceptance besides practical utility which technological determined and product character. Jordan (1998) has established another perspective in design which relates emotion with user's pleasure rather than focusing in usability-based design whereas Desmet & Hekkert (2007) associated product experience with user's emotion in order to generate human-product interaction. Based from concept of emotional design developed by Norman (2004), he listed three level of user's response comprises of: 1) Visceral level 2) Behavioral level, and 3) Reflective level. Firstly, visceral level is automatic and immediate user’s response toward appearance of product. Norman & Ortony (2003) stated that perception involves in this level is perceivable features. Secondly, behavioural level refers to user’s response towards how products are functioning and its efficiency which related to user’s experience from daily behaviour and learning process. From perception perspectives, the role of perception in design is merely for usability issue by term called 'perceived usability'. User’s perception is working towards physical beauty of design which reflects to product’s acceptance (Tractinsky et al., 2000). Tranctinsky et al. (2000) added that user's perception simply works from emotional-induced in product attributes which connected to emotion in design. Finally, reflective level involves reflection from their reasoning process and likely to dispense value and meaning toward products (Norman, 2004). This is to make sure the purchase decision can be made accordingly.

In the process of designing car showroom, designers should manipulate five human senses (sight, smell, hearing, touch and taste) that affect consumer's visceral response by accommodating their physical features to look good, to feel good and sound good (Norman, 2004). Visceral response involves an automatic perceptual evaluation towards objects’ attributes and an immediate decision will be made by user whether it is good or bad without prior experience involves (Norman & Ortony, 2003). With regard to visceral design for showroom environment, the focus should be given to an exceptional aesthetics design; exterior and interior. In visual merchandising elements, the exterior of a showroom comprises of storefront while the interior refer to store layout, store interior and interior displays.

In behavioral level, designers should be aware of consumer's perception for functionality and usability in a car showroom. Perception will guide consumer in making a good sense and perceived usability of the showroom. Therefore, the implementation of behavioral design will assist designers to design a showroom through consumer's perceptual cues (vision, auditory, haptic, olfactory and taste) and would let them perceived more than usability which includes the subjective "feeling of control" (Norman & Ortony, 2003). Subjective "feeling of control" could be referred to the precise control of consumer whereby they will feel in-charge of the environment thus lead to purchasing behavior. This notion is supported by Bohl (2012). Therefore, the functionality should come with aesthetics design that will guide consumer's perception for further evaluation of other design attributes (Tractinsky et al., 2000).

In reflective level, it involves with consumer's personal reflection to rationalize their purchasing decision by using the highest level of intellectual capability. This process is derives from visceral affective response and behavioral perception process. The implementation for reflective design is expected merely in pride ownership with quality and brand engagement (Norman & Ortony, 2003). This level is indicated as an outcome after implementing visceral and behavioral design according to the equipped design criterion. By revamping consumer attitude and perception towards the car showroom through visceral and behavioural design, it will rationalize their choice and this lead to car purchase at the point of dealership.

To relate with the car showroom, visceral level is how customers response towards the environment of
showroom, while behavioural level refer to how customers response towards the function of a car showroom and lastly reflective level rationalizes their purchase decision of a car in a particular showroom. This level is derives from the implementation of visceral and behavioural design according to visual merchandising elements. To conclude, the role of emotion is to stimulate customer’s response towards the car showroom while perception influence perceived usability of the showroom. Further discussion of the concept will be use in designing a customer-centric showroom through visual merchandising elements.

4. Conclusion and Future Research

Car marketer and dealer should find the best practice in designing a showroom by emphasizing the role of emotion and perception. By means of the proposed conceptual model, it should complement the current design approach in enhancing consumer purchasing behavior from the design perspectives. The conceptual framework has emerged from emotional design concept that allows the creation of desirable showroom design. As emotion and perception can be designed and measured, researchers will profound emotional design concept by developing heuristics as a guideline to facilitate marketer and dealer in design process. Therefore, they will be a refinement of research scope for future works by focusing on the visceral level aspect since this level plays an important role to stimulate an immediate emotional response of customers.

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