ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

A STUDY ON THE COMPARISON OF VISUAL MERCHANDISING IN ONLINE VS OFFLINE RETAIL IN MARKETING

Ms. Kartheban M[1], Ms. M. Kunthavi Nappinnai[2], Dr. K. Priyatharsini[3]
[1]II MBA Student , [2,3]Assistant Professor
Sakthi Institute of Information and Management Studies, Pollachi

ABSTRACT

In the rapidly evolving retail landscape, visual merchandising has emerged as a critical component in influencing consumer perceptions, enhancing brand identity, and driving sales. This study presents a comprehensive comparison of visual merchandising practices in online and offline retail formats, aiming to understand their relative effectiveness in the context of modern marketing strategies. Offline visual merchandising traditionally relies on physical elements such as store layout, lighting, product placement, signage, and window displays to attract and influence customers. In contrast, online visual merchandising leverages digital tools, including website design, product imagery, virtual try-ons, interactive elements, and personalized recommendations, to create an engaging user experience.

INTRODUCTION

Visual Merchandising is an art in itself. It involves a lot of science. Understanding the psychology of the customers is very essential. How they think, how they feel, what colors they prefer, what is the lighting for this particular product, what should be the store layout, and everything is planned and tested beforehand.

Visual merchandising is all about engaging 5 senses we have in a way that will make it conducive for the customer to feel good about the brand and stay loyal to it for a longer time. When we enter a store, let's say a fashion brand, before selecting a garment, we would like to touch and feel it. So in this case, fashion brand heavily relies on the sense of touch. Aroma soothes the customer. Every store has its own fragrances and it is so because of the research that they might have conducted to test which scent goes well with the brand products and customers' liking. So, in this way, we can make a list of all 5 senses, list down what you can provide for each sense, and make it more creative and exciting.

REVIEW OF LITERATURE

1. Levy, M., & Weitz, B. (2012). Retailing Management The publication examines visual merchandising approaches that drive consumer reactions across physical retail as well as digital retail settings. This research demonstrates that offline stores require effective layout planning and product display together with clear signage yet e-commerce demands proper website design and well-placed images and user-friendly navigation systems. The study shows that both selling platforms need aesthetic design elements and convenient shopping while digital involvement tools become essential for online retail success.

2. The research work of Kerfoot S., Davies B., And Ward P. (2003) appears. The article "Visual Merchandising and the Impact on Consumer Behavior" appears in International Journal of Retail & Distribution Management. The research analyzes visual merchandising impact on buying decisions between traditional stores and internet shopping platforms. Research shows that physical stores generate sensory reactions from their environments through proper lighting along with touch points and careful arrangement of merchandise yet online sellers compensate for no physical interaction by providing high-quality images with zoom tools and interactive features.

3. The authors Park H. & Farr C. A. (2007) published their study. "This Work Analyzes How Retail Lighting Interacts with Consumer Emotions and Their Shopping Intentions" – Journal of Interior Design The study analyzes how artificial lighting determines consumer reaction within physical retail environments. Traditional stores employ a combination of ambient, accent and task lighting to establish mood and display their products but e-commerce depends on digital enhancement tools and video demonstrations to generate comparable psychological responses.

4. Koo, W., & Ju, H. (2010). "This study examines online visual merchandising effects on consumer responses" – Journal of Business Research The research studies how website visual elements influence customer interaction and purchase conversion along with their impact on consumer experiences based on color schemes and typography selection and image representation quality. A study demonstrates that websites featuring attractive designs with neat product arrangements coupled with professional visuals maintain parallel effects on buyer intent which mirrors brick-and-mortar store displays.

SCOPE OF RESEARCH

A comparison of visual merchandising methods exists within this research scope. The research performs a comparative assessment of visual merchandising approaches which exist both within physical stores and e-retail operations by evaluating product positioning and color selection as well as brand displays and light fixtures and website formatting. The research examines consumer choice patterns triggered by visual merchandising approaches used in online and physical retail settings. This study evaluates the impact of visual merchandising across both retail systems on consumer

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

engagement and emotional responses as well as brand perception which drives purchase intent toward greater loyalty. Current visual merchandising practices heavily rely on technological advancements for their execution. This research investigates the effect of advanced technologies including augmented reality (AR) and virtual reality (VR) and artificial intelligence (AI) and personalization tools that shape online visual merchandising effectiveness. Strategic Implications for Retail Marketing The investigation provides operational recommendations to retailers and marketers about optimizing their visual merchandising approaches in combination online and in-store environments to optimize business outcomes and customer satisfaction.

RESEARCH METHODOLOGY

Data collection: Research data functions as fundamental building components for creating academic work. The methods researchers use for data collection create a direct impact on the types of suitable data that become available. Research objectives require appropriate methods chosen by the researcher from existing selection. Planning the data collection method demands researcher consideration of its harmony with research study design and available resources.

Types of Data Collection:
A)primary Data : The freshness of collected first-hand data provides its original character. Researchers gather primary data specifically for defined purposes.
b) Secondary data : Research data we collect originates from primary sources that currently exist in various locations. Our study required collecting primary and secondary data.

Sample Size
151 customers among Coimbatore

Analysis Technique
Data Analysis Tools: Statistical software such as SPSS and Excel will be used to perform quantitative analysis of the survey data including descriptive statistics.

Tools for Analysis
Data was analysed using SPSS software and MSEXCEL with the following tools:
•Percentage Analysis – To assess frequency and distribution of responses.
•Chi-Square Test – To examine associations between categorical variables.

Sample Unit
The target population in this study was the consumers who belong to Coimbatore Non-probability, convenience sampling method is used in the study.
The survey was conducted from June to July 2025

HYPOTHESIS

ANALYSIS FOR HYPOTHISES 1

Null Hypothesis (H_0): There is no significant association between consumer demographics, shopping preferences, and frequency of online versus offline retail purchases.

Alternative Hypothesis (H_1): There is a significant association between consumer demographics, shopping preferences, and frequency of online versus offline retail purchases

ANALYSIS FOR HYPOTHISES 2

NullHypothesis(H_0):
Visual merchandising strategies (such as AR, store displays, and product arrangements) do not significantly differ in creating consumer engagement and enhancing shopping experiences.

AlternativeHypothesis(H_1):
Visual merchandising strategies (such as AR, store displays, and product arrangements) significantly differ in creating consumer engagement and enhancing shopping experiences.

ANALYSIS FOR HYPOTHISES 3

NullHypothesis(H_0)
There is no significant difference in the influence of visual merchandising elements between online and offline retail environments on consumer purchasing behavior and purchase decisions.

AlternativeHypothesis(H_1)
There is a significant difference in the influence of visual merchandising elements between online and offline retail environments on consumer purchasing behavior and purchase decisions

DATA ANALYSIS AND INTERPRETATION

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	35.877[a]	12	.01
Likelihood Ratio	37.011	12	.01
N of Valid Cases	151		

Interpretation
Since the p-value is less than 0.05, we **reject the null hypothesis** and conclude that there is a **statistically significant association** between consumer demographics, shopping preferences, and their frequency of online versus offline shopping

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.833[a]	9	.051
Likelihood Ratio	17.407	9	.043
N of Valid Cases	151		

Interpretation

For the **Pearson Chi-Square test**, the p-value (0.051) is just slightly above the common significance level of 0.05. This means we **fail to reject the null hypothesis** at the 5% level, suggesting **no strong evidence** of an association.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.614[a]	9	.055
Likelihood Ratio	16.480	9	.058
N of Valid Cases	151		

Interpretation

The Chi-Square test was conducted to assess the relationship between two categorical variables.

- The **Pearson Chi-Square value** is **16.614** with **9 degrees of freedom** and a **p-value of 0.055**.
- The **Likelihood Ratio Chi-Square** is **16.480** with a **p-value of 0.058**.

Both p-values are **greater than 0.05**, meaning we **fail to reject the null hypothesis**. This indicates that there is **no statistically significant association** between the two categorical variables at the 5% significance level

RECOMMENDATIONS

1.Enhance Offline Sensory Branding: Retailers should dedicate funds toward building sensory features such as designed lighting as well as scents and physical touchpoints because they boost both customer store interaction and emotional bond.

2. Retailers should use their financial resources to acquire AR technologies alongside interactive visual tools that operate through the internet. E-commerce platforms need to deploy AR try-on systems along with 3D product models and virtual site walkthroughs to boost online shopper interactions.

3. Develop Omnichannel Visual Consistency: Brands require a synchronized approach to visual merchandising by maintaining equivalent color schemes plus presentation formats and messaging structures between their digital and physical storefronts.

4. Leverage User-Generated Content for Authenticity: Online customers should feel comfortable sharing reviews with pictures and testimonials which establish trust alongside building a community that relies on visual content.

5. The approach to visual strategy selection must reflect the specific market preferences of target demographic groups. Applications analyzing customer data will help retailers make visual merchandising decisions that align with customer ages and preferences and buying behaviors. To engage younger consumer audiences digital marketing activities through gamification and AR technology should take priority.

6. Data analysis techniques should be used to improve business strategies. Company representatives must consistently examine client digital and in-store data sources to identify which visual elements produce better outcomes for conversion and recognition purposes.

7. Consider Broader Demographic Research: Future research must extend beyond university students and adolescents by studying the preferences of professionals at work alongside rural and city residents as well as senior adults to earn universal findings.

FINDINGS

1. Various demographic variables strongly shape customers' decided preferences between online and offline shopping. Research data confirmed through chi-square analysis that consumer shopping preferences for online or offline options linked to their demographic characteristics including age gender and occupational status. Users from student demographics alongside Gen Z displayed substantial interest in e-shopping because of how convenient it was as well as their digital familiarity.
2. Offline Visual Merchandising Utilizes Multiple Sensory Experiences The tactile sense together with smell and sight and hearing functions refer to offline shopping facilities. Customers react strongly to physical store elements which combine layout design with lighting and aroma production and allow interactive touchpoints such as product trials. Among all physical store tools for attracting customers, window displays demonstrated the greatest power to drive both consumer acquisition and purchase behavior.
3. Online Visual Merchandising functions through technological implementations of enhanced features. Because of the absence of physical touch customers can use high-resolution images alongside 360-degree product views together with videos and augmented reality as well as virtual try-ons through e-retail platforms. The integration of AR technology with interactive product visualizations demonstrated substantial power in strengthening online engagement and product quality trust.
4. The continued importance of both artificial intelligence and personalization tools increases in the business landscape. The AI-driven recommendation system proved to be moderately successful yet delivered results which

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

fell short of predictions. While customers appreciated authentic features like real user reviews along with genuine product display images more than computer-generated recommendations.

5. Customers require a mix of online research environment with offline purchase methods. Several consumers start their journey on online platforms before buying products through offline channels (ROPO) or they start their buying experience offline before moving to online channels. The consistent fusion of the digital shopping and physical shopping experience demonstrates why customers need a unified brand experience throughout their journey.
6. Omnichannel Consistency Drives Loyalty Consumers demand that brands maintain consistent visual identities which extend from their retail outlets to their digital marketplaces. Positive brand perception together with consumer trust suffer when physical and digital experiences fail to integrate coherently
7. Statistical Analysis Showed Mixed Results A statistically meaningful relationship emerged from research on demographic alignment versus shopping behaviors although results for the other two hypotheses registered p-values slightly beyond 0.05 thus indicating limited proof or no proof of linkage.

RECOMMENDATIONS

1. **Enhance Offline Sensory Branding**
    - Continue to invest in **store ambiance, lighting design, and tactile experiences**. Train staff in spatial and product display strategies to elevate in-store appeal.
    - Use **signature scents and themed window displays** to reinforce brand identity and attract foot traffic.
2. **Adopt Advanced Technologies in Online Retail**
    - Integrate **AR try-on features**, 360-degree product views, and video demonstrations to mimic the offline experience.
    - Make websites visually clean, easy to navigate, and optimized for mobile devices, with clear product categories and filters.
3. **Leverage AI Wisely**
    - Use AI not just for recommendation engines, but also for **customizing the visual layout** of product pages based on individual user behaviour.
    - Balance AI personalization with **authentic content** like user-generated images, customer testimonials, and live reviews.
4. **Develop a Unified Omnichannel Strategy**
    - Ensure **visual merchandising elements are consistent** across online and offline platforms (e.g., color palettes, promotional themes, product display logic).
    - Integrate inventory systems so customers can check product availability across both platforms in real time.
5. **Target Younger Demographics with Digital Innovations**
    - Since the majority of respondents were under 18, focus on **digital storytelling, gamified shopping experiences**, and influencer-led campaigns on platforms like Instagram and TikTok.
6. **Invest in Hybrid Store Models**
    - Consider **showrooming concepts** where consumers can see and feel products offline but order them online.
    - Use **interactive digital kiosks** in stores to access additional product information, check stock, or place orders.
7. **Conduct Further Research Across Broader Demographics**
    - The current findings are limited by a young, student-based sample. Future research should include a **more diverse population** in terms of age, occupation, and geography for broader applicability.
8. **Use Data Analytics for Continuous Improvement**
    - Collect and analyze **customer behavior data** (both online and offline) to identify which visual elements work best.
    - Use **A/B testing** to refine visual merchandising elements like banner designs, shelf arrangements, and homepage layou

CONCLUSION

This research highlights the evolving role of visual merchandising in shaping consumer perceptions and purchase behavior across online and offline retail formats. The comparison clearly indicates that both formats have unique strengths—offline retail provides a rich sensory and immersive experience, while online retail offers convenience, personalization, and technological innovation.

The findings support the hypothesis that visual merchandising significantly influences consumer decisions, but the specific elements that drive engagement differ by channel. Offline consumers value visual and physical interaction, such as layout and product arrangement, while online consumers are influenced by digital interactivity, like AR and customer-generated visuals.

Importantly, the study underscores the growing importance of integrating AI and AR into visual merchandising to meet rising consumer expectations, especially among younger demographics. As technology continues to redefine shopping behaviors, retailers must adapt by developing hybrid visual merchandising strategies that merge the sensory appeal of physical stores with the innovation and scalability of digital platforms.

In conclusion, retailers and marketers must view visual merchandising not just as an aesthetic function but as a strategic tool that drives brand engagement, customer satisfaction, and competitive advantage in an increasingly omnichannel retail landscape.

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

REFERENCE

1. *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/10.1108/09590550310465545*
2. *Sinha, P. K., & Banerjee, A. (2004). Store choice behavior in an evolving market. International Journal of Retail & Distribution Management, 32(10), 482–494. https://doi.org/10.1108/09590550410558698*
3. *Kim, J., Fiore, A. M., & Lee, H. H. (2007). Influences of online store perception, shopping enjoyment, and shopping involvement on consumer patronage behavior towards an online retailer. Journal of Retailing and Consumer Services, 14(2), 95–107. https://doi.org/10.1016/j.jretconser.2006.05.001*
4. *Park, H., & Farr, C. A. (2007). The effects of lighting on consumers' emotions and behavioral intentions in a retail environment. Journal of Interior Design, 32(2), 17–27. https://doi.org/10.1111/j.1939-1668.2006.tb00527.x*
5. *Gauri, D. K., Trivedi, M., & Grewal, D. (2008). Understanding the determinants of retail strategy: An empirical analysis. Journal of Retailing, 84(3), 256–267. https://doi.org/10.1016/j.jretai.2008.06.004*
6. *Puccinelli, N. M., Goodstein, R. C., Grewal, D., Price, R., Raghubir, P., & Stewart, D. (2009). Customer experience management in retailing: Understanding the buying process. Journal of Retailing, 85(1), 15–30. https://doi.org/10.1016/j.jretai.2008.11.003*
7. *Koo, W., & Ju, H. (2010). The effects of visual merchandising on customer emotion and behavioral intention in the online retail environment. Journal of Business Research, 63(9-10), 1149–1156. https://doi.org/10.1016/j.jbusres.2009.10.007*
8. *Levy, M., & Weitz, B. A. (2012). Retailing management (9th ed.). McGraw-Hill Education.*
9. *Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omni-channel retailing. Journal of Retailing, 91(2), 174–181. https://doi.org/10.1016/j.jretai.2015.02.005*
10. *Pantano, E., & Gandini, A. (2017). Exploring the forms of sociality mediated by innovative technologies in retail settings. Computers in Human Behavior, 77, 367–373. https://doi.org/10.1016/j.chb.2017.01.054*