Consumer Reaction and Perception of the Physical, Visual Presentation of Debenhams’ Discounting
Prime Trading Versus Sale Visual Merchandising Standards

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Abstract
This case study centers on the potential effects of a department store window display and its impact on sales in the bricks-and-mortar retail environment. As the “high street” battles with the internet, visual presentation is key to driving sales in the bricks-and-mortar environment. Prime trading and promotion of new season lines (e.g. spring/summer) and seasonal promotions (e.g. Christmas, Mother’s Day) are highly designed and pleasing aesthetically as they are calendar driven and financial targets are high. In the UK, sale (discounting) often has a much lower standard of presentation that is not aesthetically pleasing and that some consumers dislike (or even avoid) on account of the basic nature of the window (often a poster, fallen off the glass in front of a dressed window) and fragmented store merchandising.

As existing literature on the subject tends to focus on the “best,” prime trading windows, this case study of Debenhams department store puts forward the argument that discount promotions are treated as “second best” visually and asks students to consider the risks of such a strategy and to suggest potential alternatives.

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Learning Objectives
Upon completion of this case, students should be able to:

• Apply segmentation theory to a given market demographic.

• Evaluate the contribution of the company’s current use of windows as a marketing tool and sales driver.

• Evaluate current visual strategies used by the company and compare across digital and physical retail spaces.

• Design and justify a proposed new style of sale window appropriate to the identified customer.
Introduction

The UK high street (in common with many physical retail locations) has lost many big names since 2005 (for example, Woolworths, Allders, Tie Rack, and BHS) and some have survived by having fewer stores or have been purchased in deals (for example, HMV, Principles, and Faith). As omni-channel retailing evolves it is important that the physical act of shopping has a draw at peak and discount times of the retail calendar to maintain and increase sales and profits. Visual perceptions of stores and their brand presentation is more important than ever. Brands need to protect their image and regular discounting can be damaging to this.

Debenhams was founded in 1778 in Wigmore Street, London, as a drapery store by William Clark. This became Clark and Debenham in 1813 when William Debenham became an investor. Their flagship store is nearby on London’s Oxford Street and they now trade from 182 stores across the UK, the Republic of Ireland, and Denmark. Thirty-nine percent of their customers are aged between thirty-nine and fifty-four and are from middle- and upper-middle-class families (Statista 2015). Stores are located in city locations, usually large stores of more than one floor, in city center shopping streets and malls.

Debenhams, being a mid-market, family department store with a generally older customer, favors the established “sale red” in its initial launch of sale then moves on to its “Blue Cross” message, further discounting (usually an extra 20 percent off sale prices whereby an additional blue sticker is added to price tags to indicate further markdown) so the color change in graphics in the window is extreme enough for regular passersby or shoppers to acknowledge that the offers have changed. This is when the company pushes to clear excess stock from last season and sometimes even previous seasons to that. Red is traditionally associated with retail discounting and the Blue Cross “badge” is also adopted by other retailers—it is not exclusive to Debenhams.

There are historic and contemporary alternative scenarios to consider. In the late nineteenth century, the Bon Marché’s “blanc” was a winter discount promotion that originally visually surpassed Christmas and was an even bigger draw to the customers in its elaborate decoration of the windows and store in the early twentieth century (Miller 1981, 70–71). Tours of the décor were even promoted to entice the public into the store (1981, 169). With the color (white) being the subject, and it being appropriate by color association to the season (snow and ice), it encourages examination of the UK’s tradition in use of color at these promotional times. The Dutch department store De Bijenkorf have a three-day sale event called “Three Crazy Days” (Drie Dwaze Dagen) and they use yellow for all of their visual merchandising graphics during the promotion. The store retains its high-end customer and visual appeal and keeps its character despite it being a promotional time (von Torgeren 2013, 170).

This case study focuses on the visual presentation of discounting activity within Debenhams and the potential pitfalls of continuing its current practices.

Business Problem

Reported business financials 2016/2017

In the Debenhams 2016 Annual Report the company stated their department stores had seen performance slowing in the later part of the year (2016, 9). It outlines how “The division between strong online and weak in-store spending on clothing has continued. In-store sales growth has continued negative for much of the past 12 months, so that more than 100% of the growth in spend has been delivered by online demand” (2016, 2). Debenhams is well known for continually trading with discounting activity online and in store during most weeks of the year. Retail Week observed that “Debenhams seems...
so reliant on discounting that, to paraphrase Debenhams’ marketing slogan, Debenhams is ‘Never Knowingly not on Sale’ (Bubb 2012).

By March 4, 2017, Debenhams’ pre-tax profit fell 6.4 percent year-on-year to £87.8 million “in line with expectations” (Thompson 2017).

It was widely reported that the company was considering closing ten of its stores and eleven warehouse and distribution facilities across the following five years (Thompson 2017).

Contextual theory of visual perception and response

The shop window, described as a form of publicity is “always about the future buyer” (Berger 1974, 132). Store windows were traditionally simply the showcase for products. They were attractions in themselves, hence the term “window shopping” that described the activity of going to look at store windows (especially on days when they were closed) to enjoy the spectacle. Stores often crammed a huge amount of produce into the windows and also added props as dressing to attract the eye. As stores grew into multiples (chains) a more consistent brand projection has been seen meaning that the same product could be seen in any of a retailers’ windows across the country. Only the architecture of the building would bring any differentiation—small as opposed to large store windows, tall as opposed to wide for instance—and the product and props adapted to fit.

Trends in windows have seen changes from heavy to minimal stock density, from realistic to headless mannequins, abstract ones to the traditional tailor’s dummy, and heavy use of graphics and photography sometimes instead of any actual products. Some stores have started to remove the constructed window completely to create more floor space in store for merchandise, with no window display sometimes only the view through the store remains. On occasion the window exterior is then covered in a full vinyl graphic to allow for a new interior upright wall (once the glass façade) to become a wall for merchandising of product, hence increasing product density within the store with the intention of more sales per square foot.

Thus, a commercial outcome sometimes overrules a creative/visual one and returns to the argument that selectivity of visual stimulus by the shop window is key, as it may not appeal to all who pass by. Bloomer discusses what we may not find visually stimulating; “your mind tunes out stimuli that are constant (monotonous) or repetitious and predictable (boring)” (1990, 13). This explains how the “sale” window may not stimulate, and may actually deter a potential consumer because of its oft low visual standard. “Situations that involve perceptual dissonance make people uncomfortable … people are likely to feel frustrated and, if possible, may attempt to reject the stimulus” (1990, 15). The theory can be aligned with the shopper that dislikes sales and will not enter the store during a promotional period due to not being able to focus on products quickly and finding the shopping process frustrating and fragmented.

Additionally, consumers become extremely aware of brands that are continually discounting and it can lead to them waiting for the next promotion rather than buying when stores are in prime trading. As proposed by Diamond, “Too many ‘sale’ periods put customers on notice to wait for price reductions” (2015, 272). The pros and cons of discounting are described by Martin: “Sales promotions can have a dark side. When used proactively, they can advance the brand’s strategic positioning. But when they are used reactively, they often undermine the brand’s value proposition” (2008, 270).

Attracting the customer into the store

Supporting theory from Mower, Kim, and Childs, relates the Stimulus-Organism-Response theory specifically to the store exterior (2012): “Store exteriors are what customers first encounter as they
Consumer Reaction and Perception of the Physical, Visual Presentation of Discounter's Discounting: engage in shopping behaviour and thus are an important opportunity for stores to build positive impressions" (2012, 443). When considering the content of the window they found that windows were not as appealing when they only contained promotional information (p. 445) and that if the consumer liked the exterior of the store this would influence their intention to shop there (p. 446).

Historically Debenhams’ sale windows (in the 1990s and 2000s) consisted of a promotional poster on part of the glass (a corner triangle or long strips top and bottom) that did not obscure the dressed window displays. The items in the window from the previous “prime” trading season were then repriced using large hand written or stencilled tickets to show the discounts. This meant no need to redress the window, just to update it and still allowed for the passerby to see a dressed window with stock and specific reductions.

By 2012 it was becoming common for the window stock still to be visible and repriced, but quite quickly would be concealed by a large promotional poster on the center of the glass with the week’s latest generic discounts (see Figure 1). Hence a small portion of the stock (the edges) and prices could be seen (anything on the floor and to the sides of the posters but with no practical composition). In this scenario, time had been spent by the visual merchandisers to find the markdowns and apply them to all of the products in the window. At this point tickets were printed on a laser printer in store using a template supplied by Head Office for uniformity.

![Figure 1. A shopper passes sale signs outside a branch of Debenhams. Photo: Matt Cardy/Getty Images.](image)

Stock that was already in situ but not reduced would have to be changed for lines that were, so as not to mislead customers into thinking it was discounted. This would take more of the team’s time and give the customer clear offers to look at and show (then) current season merchandise at a reduced price. In the
example shown in Figure 2, the size and nature of the graphics changed quite quickly and ultimately the display that had been worked on days before was then mostly obscured by the larger poster.

Figure 2. Members of the public walk past Debenhams store with Christmas sales posters in its window display. Photo: Jeff J. Mitchell/Getty Images.

By 2017 Debenhams’ sale windows have been dressed with either sale posters and no stock in primary windows (those with the most footfall, e.g. the front of a store and near its entrances) as can be seen in Figure 2, and a mix of poster and product in secondary windows (those with lower footfall, e.g. the back of a store). In some cases, an empty primary window has been left with just a plain banner from a previous window run. Sale posters on the glass are often seen to be peeling off, slipping, or having fallen down entirely.

Business Questions

You have been hired as a visual merchandising consultant by Debenhams Head Office to review the appropriateness, functionality, and design of its sale windows with a view to a new visual format being proposed.

1. Who is Debenhams target customer? Create an A3 visual pen portrait of them using imagery, brand logos, and text to show their age, income, life stage, employment status. Use an image to represent this customer and give them a name and decide where they live.

2. If they are to continue discounting all year round, can Debenhams increase potential footfall and consumer spending in store by increasing the quality and appeal of its visual projection in the store windows during sale time?

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3. Given that the in-store spend showed no growth in the 2016/17 financial announcements, consider why continual discounting might cheapen or dilute the brand? Explain your response to this.

4. In European capitals such as Paris and Amsterdam, sale windows are tasteful, sometimes subtle, and often as creatively interesting as the prime trading displays seen during the year. Discuss why this may be different to the UK?

5. List the pros and cons of using only posters in the window during a sale. Why do you think this is currently common practice in the UK high street? Discuss as a group for 10 minutes and follow up with a 500 word report with imagery.

6. Compare the visual presentation of sale discounting on Debenhams' website to that of the store window within the same promotional period. What is your first impression of both? Do you think this may influence the rise in online sales compared to the flatline of store sales in the company’s figures for 2016?

7. Research other retailers’ sale windows online and in the high street. Collect ten images of what you consider to be ones that are aesthetically appealing. Discuss in 200 words the one you deem to be the most successful and/or appealing and why. Contrast with the least successful and suggest improvements such as quick fixes or longer term action the retailers could take.

8. Create a 2D drawing for a sale window design that would be appropriate for Debenhams to use. Think about how to get the sale message across with graphics/text within the display. Consider use of colors, stock levels, props, and price ticketing.

Teaching Notes

This case study is designed for both written and creative outcomes. The main objective of this case is to ask students to review an often academically overlooked part of retailing—the sale—from a business and design perspective. The case business is a well-known UK department store. Students on design-related courses (Interior Design, Visual Merchandising) can choose to be more visually adventurous with their outcomes. Those on business-related courses (that may not have specialist creative skills) can work in more of a report format using imagery. The discussion and report elements should suit both types of courses. Class discussion will form part of the Business Questions response and design solution can be sketch-orientated or worked on over a longer period (e.g. across two to three lessons with independent learning also taking place).

Question 1

This task could be performed individually or in pairs across a 3-hour lesson or as homework. Students should demonstrate an understanding of different customer profiles. Materials can be images and words/logos sourced from magazines or websites and students should look to create an A3 document/poster that shows imagery of the hypothetical customer, a description of the customer (giving them a name, age, occupation, salary bracket, and living arrangements), the lifestyle and fashion brands that they buy into, images representing how they spend their income, and places they may visit for hobbies/pleasure or holiday destinations. This list is not exhaustive but the document should be a visual “snapshot” of the customer.
Question 2

Students should reflect upon their own shopping habits—this can be a class discussion for 30 minutes. Then they can plan to adopt primary research such as interviews and a survey as a methodology for collecting opinions and data as a response. Questionnaires should be prepared in advance. Preparation for this could be tasked to an hour in class and they can arrange to interview peers on other courses and family/friends using images of Debenhams’ sale windows. The interviewing could take place between classes and the findings be reviewed for up to an hour in the next taught session. This could be the basis for a report of around 1,000–1,500 works with diagrams to show responses (graphs or pie charts).

Question 3

If a UK institution, students could visit a store (if timing is appropriate) during a sale or discount promotion time and record and annotate their initial reaction to the visual projection of the store. This would be best worked in pairs or threes—one as photographer, one as notetaker. The findings can be a visual report of approximately 1,000 words. The store visit should last 30–60 minutes.

Question 4

Students will need to conduct online research or primary research, if that is available to them (but not essential). They can investigate different cultural shopping habits and retail calendars (e.g. do most countries have a January sale? Do they open seven days a week? Is a sale considered to be the main promotion or subtle discounting?). Online research using databases such as Drapers Online and Mintel will be ideal resources to start with. An initial class discussion of 20 minutes followed by online research of 1 hour with a 30 minute round-up of findings at the end of the class. Students can work in pairs.

Question 5

Individual task requiring students to conduct primary research or locate online secondary imagery for review. Use the findings for an in-class discussion of 30 minutes.

Question 6

This is a “live” online task that can take place when Debenhams are in discount/sales mode. A primary visit (if possible) can be used to draw comparison, or an online search for current windows would need to be done.

Question 7

Students to work in pairs so that discussion can take place. The primary research can take place as homework (about 1 hour in total) and images brought to class either printed on A4 paper or in a PowerPoint document so that notes can be added. The pros and cons of each of the ten windows should be annotated and then all of the windows placed in order of visual preference—1–10 (30 minutes). Students to present the “best and worst” to the group in their pairs and justify their decision by short, visual 10-minute presentations.

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Question 8

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Concept drawings can be compiled on paper, sketched, using collage or using software such as PowerPoint or Photoshop. Elevation style drawing is sufficient (creative courses such as Interior Design may consider a floor plan and scale measurements for the layout as well). This is an individual task that can take 3–6 hours of design process and finishing a final drawing.

References and Further Reading


