

[Field Research]

A Study on VMD for Development of Traditional Markets: Focused on Korean Clothes Shops

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Abstract

The traditional market in the nation was forced to decrease greatly users as well as sales because of opening of all of the markets, Internet shopping mall, home shopping and other new types of marketing businesses to lose market functions remarkably. Therefore, the Agency for Traditional Market Administration of Small & Medium Business Administration made efforts to develop traditional market, for instance, modernization of the facilities to improve physical environment, and improvement of each shop by using VMD, and so on.

The purpose of the study was to examine efficiency of VMD shops for development of traditional market by the Agency for Traditional Market Administration and effects of VMD upon sales of each shop, and to help establish VMD strategies for customer satisfactions as well as visual environment of traditional market. The author visited five shops at Busan Jin Market, special market of articles for wedding ceremony that joined VMD shop guide of traditional market, and taught VMD on-the-spot and investigated it. Questionnaire of Agency for Traditional Market Administration was used to interview shop owners, shopkeepers and consumers, etc and to examine factors of changes of sales and customers' satisfactions before and after VMD. The purpose of the study was to investigate effects and satisfactions of increase of the sales of VMD shop guide that the government promoted to develop traditional market so far. Therefore, the author investigated VMD presentation, increase of the sales before and after VMD presentation, increase of number of customers, and satisfactions, etc of Korean clothes shops that joined improvement of VMD shop guide of traditional market of the government in 2010. The author investigated effects of the sales, increase of customers and satisfactions, etc by case study and empirical analysis, and she presented user-oriented VMD presentation techniques of traditional market and suggested improvement. After applying VMD, the shops could increase sales more than 20 percent in average, and satisfaction of VMD presentation was more than 88 points or more to be very much high. This study suggested VMD strategies and presentation of traditional market to give consumers affirmative visual images and to develop traditional market.

Keywords : Traditional market, Visual merchandising, Korean clothes

I. Introduction

1. Background

In the past, traditional market played an important role at people's consumption life to be important at retail business for a long time. Since 1996, traditional market could not take actions against rapidly changing distribution market such as opening of all of the markets, discount stores, Internet shopping, home shopping and so on. As a result, consumers were reluctant to visit the market to jeopardize its existence. These days, the government made efforts to strengthen competitiveness of the market that was rapidly weakened because of stabilization of citizens in the community and changes of structure of distribution industry. So, the government recently revised "Special Act for improvement of small business structure and promotion of traditional market (enacted on January 26, 2002)", and "Special Act for development of traditional market and shopping centers (enacted on October 22, 2004)". And, the government made efforts to modernize traditional market in accordance with "Special Act for development of traditional market and shopping centers", and it is spending large amount of budget, and shopkeepers at traditional market have organized not only association of shopkeepers but also association of promotion of traditional market to elevate competitiveness of the market and to develop it. The modernization project was focused on reconstruction and remodeling of traditional markets at local big cities and small cities and towns, set up of arcade, parking lots and ramps, etc, and it spent a lot of budgets. However,

the market modernized facilities only and made use of old and obsolete selling stand and display as it was, and it is still making use of conventional type of display. Visual merchandising (VMD) strategy and other softwares that can meet traditional market are needed to develop the market in the future together with environment improvement policy. VMD can produce traditional and friendly images of traditional market not by imitating other distribution types but by developing the market to meet visual shop environment. Many studies were made so far to research traditional market so far: But, studies on VMD were not made, and shopkeepers at the market were not interested in visual VMD environment that could promote customers' buying. Despite improvement of facilities and environment, shopkeepers at the market have kept their conventional styles of product presentation and display not to satisfy customers who are accustomed to product display of large-scaled marts. To display products effec-

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tively and improve VMD environment, the Agency for Traditional Market Administration has opened college of shopkeepers at traditional markets in the nation to teach product presentation and display and effective VMD suggestion and to inform the shopkeepers of software of product display and values of VMD. Since 2006, professionals of product display as well as VMD professionals who experienced those jobs on-the-spot more than seven years were appointed to be committee members of shop guide and to teach shopkeepers in order to improve VMD environment. The shopkeepers were given visual merchandising consulting, for instance, 129 shopkeepers in 2006, 883 shopkeepers in 2007 and 716 shopkeepers in 2008, 725 shopkeepers in 2009 and more than 700 shopkeepers in 2010.

This study investigated VAD applications, changes of sales and number of customers before and after VMD, and shopkeepers' satisfaction and so on of the shopkeepers of Korean clothes shops who joined VMD teaching project of traditional market in the former half of 2010. And, the study suggested VMD presentation at the market to build up unique and differentiated visual images and to let consumers have favorable attitudes toward the market and to give positive images of the market.

2. Methods

2.1. Subjects

- Subject 1: Investigate VMD problems of Korean clothes shop at traditional market;
- Subject 2 Suggest VMD display being suitable to traditional market;
- Subject 3 Investigate not only effects of VMD display upon the sales but also consumer satisfactions.

2.2. Investigation of Subjects and Collection of the Material

The author visited Korean clothes market at each region to collect VMD material of Korean clothes shops, and interviewed not only association of the shopkeepers but also owners of Korean clothes shops: And, she took picture of overall market and each shop subject to agreement of the association of shopkeepers. The author selected Korean clothes shops as subject of the study considering good availability of statistical materials: This was because Korean clothes shop had applied to shops the most among same business type and during same period of shop guidance project of the Small & Medium Business Administration (SMBA). And, customers could find out Korean clothes shops not at most of traditional markets but at either wedding articles market or preferential market: Despite such a fact, consumers are reluctant to visit Korean clothes market so that number of the market is decreasing. So, the author selected Korean clothes market to develop it. She investigated the market from January 2010 to March 2010. VMD of the Korean clothes shops was done at traditional market that the Agency for Traditional Market Administration introduced VMD to shopkeepers. The author investigated teaching of VMD of five shops at Busan Jin Market, a representative wedding

articles market at Busan. VMD professionals who experienced more than seven years visited the shops and improved VMD of each shop 3 to 4 hours each time three times in total. To do investigation into sales and consumers' satisfactions and do VMD professionals' evaluation, the author did in-depth interview with not only shopkeepers but also consumers who mainly made use of traditional market. VMD professionals taught shopkeepers 3 to 4 hours a day during one month in April 2010 subject to agreement with the association of development of shopping centers in accordance with regulations of teaching of the shops, and they taught VMD three times. Then, questionnaire of the Agency for Traditional Market Administration was used to conduct test of committee members, contents and results of the teaching: Then, the author investigated changes of the sales, increase of number of customers, and satisfaction with teaching of the shops after teaching shopkeepers. The author did in-depth interview to investigate effects of VMD teaching upon sales and satisfactions: She interviewed four of VMD professionals, five of shopkeepers and five of common consumers in order. She interviewed fourteen interviewees three times. It took 20 to 30 minutes each time to interview.

3. Preceding Studies

Preceding studies in Korea on development of traditional market are: Sim (2000) examined history and development process of traditional markets in Korea focused on Jagalchi Market and suggested modernization program of the market. Gang (2000) investigated modernization cases of traditional market focused on Suwon Paldalmun Market and suggested community economy development program by developing traditional market. Lee (2001) cognized actual situation of traditional market and investigated crisis of the market and found out strategic subject to overcome crisis. Huh (2004) investigated situation and problems of development of Seoguipo Traditional Market and found out development directions and political implications. Shin (2005) suggested facilities modernization program to develop traditional market, for instance, public parking lots, replacement of obsolete sewerage, development of pedestrian passages, image signboards and so on. Suh (2005) suggested parking lots, expansion of convenience facilities and continuous facilities improvement to convert modernization system and to improve environment. Song (2008) suggested parking lots and convenience facilities for customers and improvement of other facilities and environment, and conversion of merchants' consciousness, development of market organizations, modernized management, actions against street vendors near the market, establishment of business transaction order, and other management and operation. Studies were made to investigate effects of facilities modernization of traditional market and competitiveness of the market (Lee, 2001; Huh, 2004; Jang et al., 2005; Ahn, 2006; Han & Seong, 2006; Gang & Lim, 2007; Yoon, 2008).

The preceding studies mostly investigated environmental improvement of obsolete facilities, parking lots, and convenience facilities for customers. VMD related papers suggested improvement of retarded display technique at application of VMD to clothes shops at tradi-

tional market (Lee, 2009). And, no study on VMD at traditional market has been made. Studies on satisfaction of consumers and merchants who made efforts to modernize facilities by arcade installation project may be valuable: Further studies shall be done to improve physical environment and to research management innovation technique, keeping mind of supply of good service, and VMD, etc.

II. Theoretical Background

1. Concept and Functions of Traditional Market

In the study on traditional market of small & medium business administration, traditional market means market that is built up naturally to keep tradition, and it was opened before 1980 or requires redevelopment because of obsolete facilities, and it includes not only permanent traditional market but also regular market (Small & Medium Business Administration, 2004). 'Traditional market' means place where large-scaled registered market, wholesale business, retail business and service providers, etc sell products and supply service regularly and all the time at the places having specific areas and shops in accordance with Article 8 of the Act on Development of Distribution Industry (see Special Act on Development of Traditional Market enacted in October 2004). Traditional market shall be approved by the government, that is to say, mayor, head of gun office and head of gu (ward) office, to be either one of the two: The one requires repairing and maintenance because of obsolete facilities, and the other requires either improvement of management or modernization of facilities because of poor distribution. The traditional market puts an emphasis upon place values. And, the traditional market can be legally defined to be place where wholesale business, retail business and service providers sell products and give services in many shops at underground passages of the buildings at a certain areas. The shops are permitted to sell, and many consumers and suppliers gather to sell or supply services either regularly or seasonally at specific place. The traditional market allows residents in community to buy products and services easily and conveniently and to promote local economy and to produce social convenience and benefits.

The market has functions:

Firstly, the market allows citizens to buy products and services nearby. The market gives residents equal buying opportunity regardless of classes at urban places that have divided residential areas very much.

Secondly, residents in the community are allowed to buy everyday articles in lump sum. They can buy articles having quite different characters such as fish and garment, etc at near place by taking a walk.

Thirdly, inexpensive prices have relation with community economy. Prices of articles at traditional market are inexpensive than those at department stores. In particular, agricultural products at traditional market have price competitiveness more than the ones at discount stores have, and the former has freshness as well. So, the traditional

market may be essentially needed for low income and middle income people. The traditional market sells not only inexpensive products so called 'no brand products' that small business produces and supplies but also fish, fruit, vegetable, meat and other products in the region. Therefore, the market can play an important role at national economy as well as community economy.

Fourthly, the market has played roles of meeting and information exchange place between residents in the community. The market is placed at each zone of life to be a kind of community center, in other words, open space where residents meet and exchange information. Therefore, the market can be place of information exchange and making friendship above than product exchange place (Small & Medium Business Administration, 2004).

2. Problems of Traditional Market

Problems of traditional market were made by economic environment changes, competing marketing area's changes, consumption environment changes, shortages of systematic resources and other external factors that functioned not individually but in complex way (Choi, 2008). Traditional market had hardware problems, for instance, small size of business, worn-out facilities, unreasonable and disordered shop layout in the market, shortage of convenience facilities for customers and shortage of business support facilities (Park & Roh, 2007). And, other problems consist of no thinking of management of the merchants, premodern way of management technique, no customer service strategies, old age of the merchants and no successor of business. Traditional market has internal problems (Lim, 2008).

① The market is unable to play roles enough because of poor planing at the time of opening.

② The market has low class facilities and bad environment, and its adjacent area is crowded with street vendors to be difficult to commute and to be dirty hygienically.

③ Shops of each business type have been placed in disordered and unplanned way to deteriorate specialization of each product item and to let consumers spend time and have difficulties at shopping.

④ The shops are short of show case and display stand to display products not in line but either in stack or in hanging to let customers have difficulties at identifying products and spend time when selecting satisfactory product.

⑤ Modernization of old and worn-out facilities is difficult to do because of conflicts between persons concerned. Traditional market that mostly consists of small-scale merchants has difficulties at supply of finance and money to require pledge. And, installment sale market is difficult to pledge.

⑥ Customers feel inconvenient at shopping because of small number of the market with parking lot.

⑦ Shortage of distribution center of each market can increase distribution costs and turnover decreases because of no call distribution center.

⑧ Facilities are old and worn-out to deteriorate utility, gas supply and fire fighting system and to increase fire risks.

⑨ Water and sewage facilities as well as public toilet are not enough. Some of the market with the facilities are dirty and un-

hygienic and have not repaired damages to let merchants feel inconvenient and to worsen market environment.

⑩ Rest area and other convenience facilities that help customers feel convenient can increase customers' fatigue.

The traditional market has been naturally produced: It has structural problems from opening of the market because lack of plans. Private market that has sold out shops in installment to merchants mostly exercise property rights independently to have no control of overall market management: So, traditional market is unable to take actions against environmental changes. The market has internal problems:

① Merchants' Shortage of Cognition on Changes

Most of merchants do not make efforts to revive and rehabilitate staggering market and have no idea to make change, and are governed by sense of defeat that they have no room to improve.

② Merchants' Old Age and No Successor

Merchants at the market become old day by day. 52% of the merchants were found to be at their fifty or higher. They delay introduction of new management technique and do not invite new customers and do not enter new market because of old age. New employees are reluctant to work for traditional market, and merchants are unable to find out successor. So, the market is losing flexibility of recruitment of human resources.

③ Merchants' Shortage of Management Thinking and Marketing Ability

The merchants have not introduced either new management technique or service ideas, and do not make efforts to do marketing actively in order to invite new customers.

The market has external problems:

① Old and worn-out Facilities and Small-scale Shops

Most of shops at traditional markets were opened long time ago, and they have low quality internal facilities because of no repairing and poor maintenance. And, small scale shops have not been equipped with various kinds of assortment of products.

② Unreasonable Shop Layout and Product Display

Shop layout was made not by plan but by lump sum so that same business is not placed at same block to have less competitiveness than modern retailers have. Merchants compete keenly each other to occupy passage by putting display stand and to lose customers's traffic line. From point of view of customers, shops are inconvenient to visit and to stack products excessively like warehouse, and miscellaneous accessories are used to look dirty and to give customers impression of low quality products.

③ Shortage of Convenience Facilities for Customers

Customers feel inconvenient because of shortage of auxiliary facilities when they visit traditional market. Almost no traditional market has convenience facilities such as parking lot, toilet, rest area and breast-feeding room that modern shopping malls have.

To solve those problems, the Government supported each 915.4 billion Won for not only management innovation project but also facility modernization project from 2002 to 2008, and it spent 805 billion Won for facility modernization and 110.4 billion Won for man-

agement innovation. (Small & Medium Business Administration, 2008).

The Government was concentrated on hardware such as improvement of infrastructure. So, shops of traditional market have low management innovation, marketing technique, service supply thinking, VMD, better distribution structure and price competitiveness than other kinds of businesses have: As a result, the shops were unable to increase turnover. Even if traditional market spent a lot of money to improve facilities, they could not increase turnover greatly. Therefore, facility improvement is thought to have no direct influence upon sales growth.

3. VMD Concept and Factors

Visual merchandising can make teamwork of advertisement, display, special event, product planning and sales, etc to sell goods and services at the shop, and it displays and presents shops and products effectively.

VMD, an abbreviation of 'Visual merchandising', means product policy based on visual, and it allows customers to cognize concepts of brand and shop at a glance, and it can develop consistent thought and products from planning to sales.

VMD visualizes merchandising as the word means, and it displays and controls products at markets. The association of retail businesses in the United States says that VMD presents products well to succeed in merchandising and supplies, displays and sells products in cooperation with purchase department.

Customers look for a shop to select products that they want to buy. But, one shop is said to exist to sell one kind of product that starts VMD. VMD can show product in best way to let customers buy products and to appeal more powerfully. VMD has relations with everything that is shown to customers from the time when customers visit nearby shop to the time when they enter a shop. VMD includes appearance, window, indoor decoration, shop layout, fixtures, lighting and so on of the shop and accommodates music and scent that appeal to customers' other organs.

Therefore, VMD is said to appeal to merchandising visually and to elevate effects of sales promotion by using selling place and to be 'strategical plan'. In other words, VMD consists of products and watches products in display from point of view of customers, and it plans product display system of all of the products in accordance with a shop's concept: So, it allows customers to select and coordinate products easily and to organize shops by products and to do product planning and shop development and sales consistently. VMD is said to be merchandising system. Being free from simple decoration of product itself, VMD investigates customers' buying psychology in various ways to produce comfortable and affordable selling environment to let customers sell, select and buy easily and conveniently: So, VMD can satisfy 'free shopping, shopping with no burden, and happy shopping, etc' that customers want, and it shall promote sales effectively at the closest relations with customers to have good strategies.

The purpose of VMD is to produce shop selling well and to let

enterprises produce profits as much as possible by strategies being differentiated from other shops. VMD consists of three factor, that is to say, VP, PP and IP to give consumers visual advantages at development of the shop. The three factors have their own functions in a shop, and they are finally aimed at suggesting products to let customers be owner of a shop, in other words, merchandise presentation of (MP = VP+ PP+ IP). The relation between customers and shop is as follow Lee (2009).

3.1. MP(Merchandise Presentation)

Selling of the products requires a policy to accommodate a variety of symbols and to appeal to customers powerfully by environment, psychology and emotion, etc and to promote sales actually.

VP (Visual Presentation), PP (Point of sales Presentation) and IP (Item Presentation) can improve CI(Corporate Identity) that puts an emphasis upon images of the products and the company, and they can elevate quality of the presentation at commercial areas. A strategy integrating VP, PP and IP is said to be MP(Merchandise Presentation).

A formula of $MP = VP + PP + IP$ is used. The three functions shall be properly allocated to elevate effects of MP(Merchandise Presentation).

3.2. VP(Visual Presentation)

VP, visual presentation, itself is not purpose but means to attain purposes such as illustration of season, shop images and trend expressions, etc and to increase sales. VP visualizes merchandising to express not each individual products but concepts at product planning stage. The expression shall be done in the way as follow: The system shall not require time nor expenses to let everyone run it easily and conveniently, so that it shall be standardized and simplified. VP can supply total images of VMD theme to customers through shops that basically have made out policy of the shop as well as product plans. VP needs to show a theme clearly and definitely to let customers have consensus so that it puts an emphasis upon expression of a theme rather than display technique. VP shows total images to pay attention not to each individual presentation but to balance of all of the shops.

VP can play an important role at invitation and conciliation of customers to put it at important places in the shop. VP can express a shop's needs clearly to help establish SI (store identity). Presentation products that have trends, high profit and large inventory shall be selected to let either professionals or experienced men present them effectively.

VP is said to be face of a shop as well as expression space of management strategies to suggest life styles to customers and to give messages of a shop visually depending upon seasonal theme and to be place of MD development.

3.3. PP(Point of sale Presentation)

PP, Point of Sale Presentation, plays its main role of suggestion of points of product display plans as well as encouragement of the sales: So, products displayed on IP shall play an important role to be successful positioning strategy. VP shall elevate not only overall images but also images of each individual product of IP to attain sales goal.

PP, Point of Sale Presentation, does not follow each individual's taste, and it shall be done in accordance with plans having definite purposes. In other words, PP shall decide upon either display of designs or an emphasis upon either colors or patterns.

PP shall be placed at passage that customers can watch naturally, center of the top of wall, and every 4 meters of long traffic line to display effectively, and another PP can be placed to let customers watch and to connect visual angle. Being different from VP, PP can make change of places to vary from time to time depending upon selling time, changes of season and replacement of products and layout of articles of furniture, etc.

PP is said to be face of inner corner of a shop to show production information visually and to promote sales by attractive coordination and to include table, articles of furniture, column, shelves and wall, etc.

3.4. IP(Item Presentation)

A prefix of 'visual' puts an emphasis upon visual effects: So, professionals are involved in VP and PP to spend expenses of production of trifling articles. IP is said to be place where they actually sell, and it occupies most of areas of a shop. Therefore, IP shall be kept in order to produce good atmosphere of a shop and to have aesthetics effects, in other words, visual weight as much as either VP or PP. The sales marketing shall be done: Shopkeepers are unable to manage a shop in reasonable way without knowledge on products. The scope of work shall not remain at show window only. This is because both VP and PP can be a means to visualize IP. VMD can select proper ways by each item to display all of the products in a shop and to let customers buy them easily and conveniently. Therefore, IP is said to be place where customers cognize products at PP and select and buy them easily by classification, and to express quantity, sizes and colors, etc. It includes shelves, hanger rack and show cases, etc.

<Table 1> Elements of VMD

Place	Location	Roles
VP (Visual Presentation)	Show window, Stage of the shop front, Front side of the shop,	Display a theme of either shop front or each floor.
PP (Point of sale Presentation)	Top of either articles of furniture or wall, top of the table, etc	Make grouping of the products of a shop to display.

IP (Item Presentation)	Bottom of hanger, shelves and articles of furniture, etc	Classify products for convenient buying to sell directly.
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III. Status of VMD of the Korean Clothes Shops at Traditional Market

1. Analysis upon VMD of the Korean Clothes Shops at Traditional Market

<Table 2> Relations between customers and shops

Customers		Shops			
Impression	Behavior	Counteractions	Layout of the space		
Attention	Pay attention	Draw attention from pedestrians by display and let them suspend walking.	VP	Showing/appeal to emotion/display effects	MP VP + PP + IP
Interest	Suspend walking	Let customers be interested in displayed products, decoration and price list, etc.			
Desire	Go near	Make customers have desire (impulse) to buy.			
Confidence/Memory	Compare and touch	Give reliability on the products and let them decide upon buying.	Selling/appeal to reasons/display effects	IP	
Action	Select.	Let customers take buying actions.			
Good impression	Visit again	Memorize customer and help him or her buy again.	Interior+Display + reception service of a guest		

Source: Sim (2000)



<Figure 1> VP.PP.IP - Lotte Department store

The author selected and investigated Korean clothes markets representing each region as well as wedding articles to investigate VMD of the Korean clothes shops at traditional market. The subjects were Korean clothes market at Daejeon that completed remodeling, Korean clothes shopping center of Daegu Seomun Market, Busan Jin Market for wedding articles at Busan, and Ulsan Joong Ang Market at Ulsan, etc. From January 2010 to March 2010, the author took picture of those markets subject to approval of the associations of shopkeepers in advance.



<Figure 2> Status of VMD of the Korean Clothes Shops at Traditional Market

1.1. Daejeon Korean Clothes Market

Daejeon Korean clothes market at Joong Ang Market in front of Daejeon Railway Station at Daejeon modernized facilities under sponsorship of the Agency for Traditional Market Administration to improve old and obsolete shop environment and to do remodeling in 2007. The market expanded narrow passages and made correction of disadvantage that neighboring shop was not disclosed because of wall boundary between shops, so that it made traditional style of windows on the wall between shops to let all of shop be visible at the entrance. VP that shows representative products of the shop at the entrance by using manikin can draw attention from customers. Wall can be used to stack products and to put articles for use of the shop, so that it cannot play role of PP. And, PP displays not finished cloth product but unprocessed cloth folded so that it does not show cloth product made of the unprocessed cloth. IP has big problem that unprocessed cloth is stacked without principle of display.

1.2. Daegu Seomun Market

Daegu Seomun Market is said to be the best market at Daegu of fiber, raw materials, accessories and Korean clothes, etc, and it included more than four thousands shops. The market's Korean clothes shops are placed at the third floor of main building. These days, the shops lost their good reputation in the past and more than 20 percent of more than 200 shops made change of types of business or keep vacant space and to suffer from great difficulties. The market has

VMD as follow: VP at the entrance of the shops represents shops. And, PP on the wall accommodates new products as well as typical products of each shop to display them fully and to let customers watch and select them easily. Daegu Seomun Market makes use of PP space more effectively than Daejeon Korean Clothes Market does. Like other markets, Daegu Seomun Market also great problem that IP space is filled with private articles and non-seasonal unprocessed cloth that are not kept in order.

1.3. Busan Jin Market

Busan Jin Market at Beomil-dong Busanjin-gu, Busan is wedding articles market to be proud of 100-years tradition. The market once suffered from a lot of management difficulties in the past. At the moment, the market is recovering good reputation owing to traditional market development project of the Agency for Traditional Market Administration and shopkeepers' efforts to strengthen its position of wedding articles market at Busan. The market has VMD: The shops having small area (6.6 to 10m² per shop) have no VP area to make use of neither manikin nor body, etc. PP area is rarely used as well, and it displays not finished clothes product but one to two unprocessed cloth only. IP area is filled with unprocessed cloth to follow conventional display system, and customers buy by watching not product but catalog on unprocessed cloth. Busan Jin market had modern facilities, and its VMD presentation has been much more obsolete than modern facilities: So, VMD presentation is keenly required.

1.4. Jinju Joong Ang Market

Jinju Joong Ang Market that can represent Korean clothes market in Jinju and Gyeongsangnam-do has recently modernized facilities to keep each shop clean and smart. The market has VMD as follow: Some of the shops has VP area display show widow well owing to training: But, many shops are still short of product display ability to require continuous VMD management. PP area has displayed finished Korean clothes products: Some of the shops are unable to play roles because of boxes and furniture stacked. IP that has product stacking function needs to display products by color and item. VMD of the market varies much depending upon each shop so that a shop being short of VMD needs to be taught continuously.

2. Cases of Applications of VMD of Korean Traditional Clothes at Traditional Market

The author selected Busan Jin Market among four markets upon its request to display VMD of Korean clothes shops at traditional market, and she investigated shops that applied to training subject to discussion with the Association of Promotion of Shopping Center. Three VMD professionals who were registered at Small & Medium Business Administration trained shops. The findings were:

2.1. 'A' Korean Clothes Shop

2.1.1. VP

'A' Korean clothes shop sells traditional Korean clothes, Korean clothes for living life and Korean clothes for children, etc. These days, the shop sells Korean clothes for living life more than traditional clothes: So, the author suggested not traditional Korean clothes but Korean clothes for living life to be product for VP area. The manikin is to be placed not straightly but with curve to be rhythmical and to let customers pay attention to it for long time. So, VP area was constructed in inverted triangle to give variety as well as changes.

2.1.2. PP

PP that is internal point of a shop is said to be face of interior of a shop, and it displays product that connects IP. 'A' shop displays traditional Korean clothes at bottom, and puts articles having relations with Korean clothes of living life not to sell in connection with PP. Therefore, PP area shall display IP related products to sell it.

2.1.3. IP

IP displays products by item and color to sell actually and to be valuable. 'A' shop that has been separated into IP and PP connects not only top but also bottom to display various kinds of products vertically by each item.

2.2. 'B' Korean Clothes Shop

2.2.1. VP

'B' shop adopts same type of manikins to give uniform VP, and it has two kinds of manikins, that is to say, real image type and body type, not to give uniformity. And, four manikins cover the shop not to show products in the interior. So, only two of real image manikins shall be placed in the interior and bed clothes having high selling ratio shall be put on table at the entrance.

2.2.2. PP

Two of bodies at VP shall be displayed in front of the wall to produce point in the shop.



<Figure 3> A Shop VMD



<Figure 4> B Shop VMD

2.2.3. IP

Bed clothes shall be displayed vertically by same color and material to let customers pay attention and to let shopkeeper manage easily.

2.3. 'C' Korean Clothes Shop

2.3.1. VP

The shop had big problem of no VP at the entrance of the shop. Therefore, bodies that are placed here and there shall be collected at one place to produce VP area and to put new clothes products on the bodies.

2.3.2. PP

The shop has not PP but IP for display. PP shall have articles on display table at the entrance that are used to put wedding articles as well as box.

2.3.3. IP

IP area in the shop was filled with unprocessed cloth. All of the unprocessed cloth shall be primarily classified by each material, and then shall be classified by color to display.

2.4. 'D' Korean Clothes Shop

2.4.1. VP

The shop had not main VP, and it had small area of no more than 10m² to be difficult to put manikin, bodies and other articles. The wall at center of the shop has been decided to be VP, and three sets of Korean clothes and vest that are best products shall be placed at center of the shop.

2.4.2. PP

The showcase at inner side of the shop was filled with unprocessed cloth that was over seasonal time, and the cloth was moved to IP area. The showcase shall be filled with wedding articles, couple's pillow, sewing box and other articles for wedding that are put into wedding box.

2.4.3. IP

IP shall be kept in good order to let customers select products easily. Most of shops at traditional market have not IP in good order. The shop has not classified unprocessed cloth by either material or color. So, it shall display the cloth by either material or color to let customers select cloth products easily.



<Figure 6> D Shop VMD

2.5. 'E' Korean Clothes Shop

2.5.1. VP

E shop was blended with manikin type not to give uniformity. So, real image manikins in the interior of the shop were collected in show window to give uniformity, and bodies were moved to PP area in interior of the shop. And, the latest new products replaced existing products to let customers have impression that the shop always made change.

2.5.2. PP

The owner of the shop occupied interior of the shop to have no room of PP. The body in the window was moved inward to let show case at opposite corner connect PP and to display articles as well as best products.

2.5.3. IP

IP area in the interior of the shop shall classify unprocessed cloth in show case by either material or color.



<Figure 5> C Shop VMD



<Figure 7> E Shop VMD

IV. Analysis by Applications of VMD

1. Analysis on the Sales after VMD

The author discussed with shopkeepers and VMD members enough and investigated shops carefully and then suggested VMD that could meet situation of each shop. The author firstly classified shops into VP, PP and IP and suggested VMD technique being suitable to each space. Shop area at most of traditional markets have not classified it into both selling area and private area to have the biggest problem, and have not separated shop into display area and presentation area. Therefore, the author classified the shop into both presentation area (VP and PP) and display area (IP) and suggested VMD by VP, PP and IP to investigate sales before and after VMD. The sales was estimated by using sales book and shopkeeper's monthly average sales because customers often did not pay in credit card. VMD was done four weeks in March, 2010. The author compared sales 2 months before VMD, 1 month during VMD and 2 months after VMD, in other words, five months in total. The shops recorded the highest sales during VMD: When VMD professionals visited shops every week to suggest and present VMD, all of the five shops recorded the highest sales. The sales increased approximate 20% three months after VMD than it was two months before VMD. Therefore, VMD presentation and suggestion at traditional market had affirmative influence upon the sales and promoted sales. The traditional market was under very much poor visual environment so far to have no display and VMD with professionals' help. Shopkeepers displayed products without VP, PP and IP in accordance with conventional ways to have the greatest problem that they did not keep products in order. And, most of shopkeepers worried about changes to adhere to their own conventional ways and to decline new display ways: VMD was very much

difficult to put it into practice. After VMD, however, customers' response and reaction made change to increase sales and to let shopkeepers make change their ideas gradually. The shopkeepers had positive attitudes when professionals visited shops more often to teach VMD. The sales increased at the use of VMD and professionals' control and consulting service.

<Table 3> Sales after VMD (Unit : 1,000 Won)

Name of the shops		Before VMD		VMD time	After VMD	
		January	February	March	April	May
1	A Shop	6,000	3,000	6,500	5,000	4,000
2	B Shop	4,000	2,000	5,000	6,000	4,000
3	C Shop	4,000	2,500	5,500	5,000	4,000
4	D Shop	6,000	3,500	6,500	3,000	3,500
5	E Shop	5,000	3,000	6,000	5,000	4,400
Total		25,000	14,000	29,500	24,000	19,900

2. Satisfactions after VMD

The questionnaire of the Agency for Traditional Market Administration of Small & Medium Business Administration was used to estimate satisfactions after VMD. In-depth analysis was done three times. The subject was shopkeepers and common customers. Three items of teaching members had relatively low scores. This was because shopkeepers at the traditional market did not experience professionals' visit and VMD display to be reluctant to accept VMD. The teaching members who did not know traditional market enough applied ways of either big marts or department stores to traditional market as it is to have problems with shopkeepers. Therefore, teaching members shall be free from VMD display that big mart, department stores and brands, etc followed, and they shall investigate products at traditional market carefully and develop the market's own VMD. The rating result of teaching of the shops was: The increase of sales and number of customers had high scores so that the shopkeepers were found to be eager to raise sales. The shopkeepers were satisfied with the member's teaching: The shopkeepers who succeeded in much increase of sales were satisfied with teaching, while the ones who could not increase sales enough were not done. The shopkeepers were satisfied with teaching after VMD (see Table 4).

<Table 4> Satisfaction after VMD (based on 100 scores)

Classification	Contents	Name of the shop	Number of the shop
Teaching members' rating	Teaching member's knowledge	A shop	89
		B shop	84
		C shop	89
		D shop	87

		E shop	89
	Average		87.6
Results of teaching	Increase of sales and number of customers	A shop	90
		B shop	88
		C shop	90
		D shop	88
		E shop	90
	Average		89.2
Rating of teaching contents	Satisfaction with teaching of the shop	A shop	89
		B shop	87
		C shop	89
		D shop	89
		E shop	89
	Average		88.6

V. Summary

This study examined effects of support for VMD shop upon increase of the sales that the government has done to develop traditional market. The subjects were Korean clothes shops at traditional markets that joined 2010 improvement of traditional market by VMD. The author investigated presentation methods, variation of the sales before and after VMD, increase of number of the customers, and satisfactions, etc. After VMD, the shops increased sales more than 20 percent in average and they were satisfied with VMD presentation to record more than 88 points and to be very much high.

The study suggests VMD applications and strategies of Korean clothes shops at traditional markets:

Firstly, the Korean clothes shops shall be produced to satisfy customers.

Customers are forced to enter the shops after taking off shoes. Take-off of shoes may give customers much burden so that they are reluctant to enter shop and see products. Before entering the shops, customers think of exit in advance. Customers do not want to enter the shops that have layout to be difficult to enter, for instance, narrow passage, take-off of the shoes, and so on. First of all, therefore, the shops need to make correction of layout to allow customers to enter without take-off of shoes. The shops have layout and display not for customers but for sellers to let customers have great difficulties at selection of the products. The shops shall make change of selling area continuously and research and control display methods for customers to help customers select products easily and to let shopkeepers control well.

Secondly, shop space shall be used effectively.

The shop consists of three elements of areas, that is to say, VP, PP and IP to connect them in organic way and to elevate sales efficiency. VP, PP and IP have their own function at the shop. The final goal of the three elements is to suggest product to let customers play important role of the shop, in other words, to do merchandise presentation (MP = VP+ PP+ IP) so that customers can see all of the products in the shop. The Korean clothes shop has one space on-

ly that is not divided without connection: VP, PP and IP can give consumers visual point to display products at each area to connect three areas with consistent concept and to let customers satisfied with them.

Thirdly, scientific formation shall be used.

Each product shall have its own formation to display all of the products effectively. The oblique line formation can produce rhythm and movement to be suitable to fish shop, and the lattice formation can elevate authority of jewel products. The best formation of Korean clothes shop shall be triangle formation that can give customers psychological stability and balance to raise reliability. Customers do not watch products at show window and PP area having square formation that look closed: So, triangle formation had better be used. The triangle formation includes regular triangle, right triangle, inverse triangle, large-sized triangle, small-sized triangle, repetition of triangle and others. So, suitable triangle formation shall be used depending upon types of the products.

Fourthly, color display can put an emphasis upon colors of unprocessed cloth.

The unprocessed cloth display occupies more than half of total area of Korean clothes shop to have the largest ratio. Various kinds of colors of the unprocessed cloth can be emphasized not by blending of each color of the cloth but by collection of similar colors to display in group. The unprocessed cloth at traditional market has been displayed without consistency, for instance, blue, yellow and black beside red. Each color has its own wavelength and psychological color temperature. Therefore, unprocessed cloth shall make group with colors having same wavelength to put it in order from light color to dark color with gradation to look better and to let customers classify color easily. Therefore, unprocessed cloth shall be displayed effectively by each color.

This study examined effects of VMD at traditional market upon the sales, and suggested economic and effective VMD technique that could produce advantages of traditional market. The purpose of the study was to help sell products and increase sales at traditional market. The traditional market started to make use of VMD, and shopkeepers were taught VMD to increase sales. Shopkeepers' satisfaction and customers' satisfaction varied depending upon shop to be rather high. Therefore, the Agency for Traditional Market Administration shall teach VMD continuously to help shopkeepers at traditional market increase sales and improve visual images of the shops. Teaching of the shop, in-depth interview and observation at traditional markets in big cities as well as small cities shall be used to improve visual environment of traditional market and to make use of various kinds of VMD and to suggest them. VMD professionals shall not imitate other distribution types, and they shall develop VMD technique that can be suitable to visual shop environment of traditional market.

This study gave material of VMD technique and promotion at traditional market, and it suggested VMD methods that could improve images of Korean clothes shop at traditional market. The author shall suggest VMD of shops of general merchandise, quilt and jewel, etc in addition to Korean clothes shop, and she shall investigate sales,

consumers' satisfactions and shopkeepers' change of cognition to investigate promotion of traditional market continuously.

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