In-Store Stimuli and Impulsive Buying Behaviour: Modeling Through Regression Equation

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ABSTRACT

The objective of this article is to investigate the influence of retail shopping environment and impulsive buying tendency on unplanned buying. With this objective, this research examines how display of the goods inside the store, appearance and helpfulness of store employees and crowd inside the retail store affect impulsive buying and such buying tendency among Indian shoppers. Using multiple regression analysis, it is observed that retail shopping environment considerably influences the impulsive buying tendency of the shoppers and this tendency leads to spontaneous buying. The results reveal that retail shopping environment and consumer impulse buying tendency encourage impulse buying positively. In addition, it is found that store employees have no influence on impulse buying tendency among Indian shoppers.

KEYWORDS

Impulse Buying, Impulse Buying Tendency, Retail Display, Sales Personnel, Store Environment

INTRODUCTION

Over the years, customer experience has emerged as a prominent research issue in the retail industry. Playing a crucial role in influencing buying decisions (Gentile, Spiller and Noci, 2007), consumer experience determines the success/ failure of retailers in terms of the revenue and growth (Grewal et al., 2009). Experience not only influences current in-store purchase behavior, but is also determines future buying behavior (Pappas et al., 2014). Studies have posited that good experience leads to consumer satisfaction (Liljander and Strandvik, 1995) and a satisfied customer results in increased profitability through increased loyalty, word-of-mouth, repeat purchases and increased impulsive buying tendency (Lucas and Koff, 2014; Wong and Sohal, 2006; Grewal et al., 2009). Hence, retailers endeavor to create superior customer experiences through the environment of the store (Garaus, 2017; Verhoef et al., 2009).

Recognizing the significance of impulsive buying inside the store, marketers have been realigning their retail strategy. Prominent studies like Bellenger, et al. (1978), Dawson and Kim (2010) and Heilman et al. (2002) have exhibited that impulsive buying accounted for nearly 27-62 percent of purchases in a department store context, and for some product categories, it touched eighty percent. Bitner (1992) has explored different aspects of store environment including physical (e.g. layout/
space, display), social (e.g. quality of sales personnel and customer characteristics) and perceived crowd. Innovations in technological domains and retail environmental setting have brought dynamism in these store factors, forcing retailers to continually monitor and adapt to such changes (Dabholkar, Thorpe and Rentz, 1995). Hence, it has become pertinent to plan store environment factors to provide customer experiences that induce impulsiveness.

Though the topic has received sizeable research attention in marketing literature (e.g. Beatty and Ferrell, 1998; Jones et al., 2003), little is known about the role of retail store environment in triggering impulse buying tendency. In the present study, it has been proposed that retail environment stimuli like store layout and design, sales personnel and in-store crowd have a positive impact on impulse buying tendency. Applying multiple regression, the paper examines the combined effects of two types of human factors (i.e. perceived crowding and employee friendliness) and one type of store factor (i.e. layout and display) on individual impulse buying tendency characteristics. The research also endeavors to determine the relationship between stimuli-induced impulse buying tendency and the final impulsive shopping.

It is worth mentioning here that existing studies on the topic have attempted to identify the impact of individual store environmental factors in isolation (Mohan et al., 2012). Also, mostly these studies have analyzed the influence of environmental factors on impulsive buying, rather than on impulsive buying tendency (Parsad et al., 2017a; Prashar et al., 2015a, 2016). This research paper analyses the combined impact of the three factors – perceived crowding, employee friendliness, and layout and display of the store – on impulsive buying tendency and measures its subsequent effect on creating impulsive buying.

The subsequent section details the relevance of the study, followed by the exhaustive review of literature and formulation of relevant hypotheses. Research methodology and findings are available in the later section. In the end, the discussion, implications and limitations of the study have been presented.

**RELEVANCE OF THE RESEARCH**

Deciphering shoppers’ mindset and behavior forms the core of comprehending any market. For this, marketers explore and examine the antecedents of consumer buying behavior. In the context of impulse buying, a large number of studies like Verhoef et al. (2009), Puccinelli et al. (2009), Peck and Childers (2006), and Silvera et al. (2008) have been conducted in the western contexts. Largely, there exists a vast gap with respect to studies from the developing markets on the topics of impulse buying tendency and impulsive shopping. Albeit few, the studies from developing markets have observed a significant positive association between the elements of retail environment and impulse buying intention (Ling, Chai and Piew, 2010). In the Indian context, using structural equation modeling, Mohan et al. (2012) has examined the effect of store related environment on impulse purchasing, and Prashar et al. (2015a, 2015b, 2017) has uncovered factors leading to impulse buying in India. However, the results from the available studies may not be generalized and their findings are valid only in limited contexts.

India has witnessed tremendous growth in shopping malls since the beginning of the twenty-first century (Kupke, 2004), which has significantly changed the shopping pattern among Indians. Shopping experience has emerged as a significant buying factor, and is getting reflected in retailers’ strategies to attract visitors, convert footfall into revenues and persuade them to buy more. Owing to the lack of pertinent understanding of the South Asian context, retail managers might replicate the same strategies as their western counterparts use in their respective countries, ignoring Indian shopper’s needs, wants and liking. Hence, such retailers may not generate the desired results. Many multi-national companies that failed to understand the needs of Indian shoppers declared losses and closed their stores in India in 2016 (Sarkar, 2016).
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