

A study of Retail Display and Impulse Buying Behavior

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Abstract

Retail display plays an important role in the success of shopping experience in a retail environment. The influence of retail display on the buying decision of the consumer more so of the impulse buying decision has been a case of debate and research for a long period of time. India is a country where the retail revolution is at its growth stage at this time there is a need to analyse the parameters that lead to influence buying behavior of the consumers. The present study seeks to identify and empirically conclude the role and relevance of certain parameters of retail display on the impulse buying behavior of the consumers.

Keywords: Impulse buying behavior, Retail display, Consumer behavior.

Introduction

In today's competitive marketing environment the in store display and marketing success of a retail unit are directly correlated. Philip Kotler was by far the first researcher to define the term shopping atmosphere. "... the conscious designing of space to create certain effects in buyers. More specifically, atmospherics is an effort to design buying environment to produce specific emotional effects in the buyer that enhance his purchase probability".

Mc Goldrick (2002) has stated four dimensions of store atmosphere i.e. visual (sight), aural (sound), olfactory (smell) and tactile (touch), which are significant in customers' choice of products. As presentation of goods is often the most crucial factor in decision-making as Oakley, in 1990 found, retailers place more importance on visual merchandising in order to differentiate their offers from others due to the similarity of merchandize nowadays.

Retail display is regarded as a powerful marketing tool as a part of the Point of Purchase stimuli (POP Stimuli) that motivates the consumer to buy the product due to impulsive drives. Impulse buying represents a major chunk of the sales revenue earned by the retail enterprises. Theoretically the term impulse buying represents "any purchase that a shopper makes and has not been planned in advance" (Bellenger et al., 1978; Stern, 1962)

A number of researches have taken place globally on the nature of impulse buying motivators. In store display and consumer buying decision has also been a research area of interest. In the Indian context however the retail revolution has just begun therefore retail design and display has been a rising area of focus. Therefore there are few researches about consumer's buying decisions and the retail display. The research seeks to fulfill the much needed body of research on the area of impulse buying behavior in a retail outlet with structured display methods.

Literature Review

The term impulse buying can also be termed as unplanned buying. Bellenger et al (1978) and Stern (1962) (cited in Kalla & Arora 2011) state it as "any purchase that a shopper makes and has not been planned in advance". However, Rook (1987) described that not every unplanned buying is made spontaneously i.e. impulsively. A purchase may be considered as a highly involved while still remain highly impulsive and it is possible that some unplanned purchases are rational as well. Iyer (1989) (cited in Kalla & Arora 2011) backed up this assertion by suggesting that "all impulse buying is at least unplanned, but all unplanned purchases are not necessarily decided impulsively."

Beatty and Ferrel (1998) gave a far more contemporary definition of Impulse Buying as a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. The behavior occurs after experiencing an urge to buy and it tends to be spontaneous and without a lot of reflection (i.e., it is "impulsive"). It does not include the purchase of a simple reminder item, which is an item that is simply out-of-stock at home".

In order to understand the term better we have to look at the term impulse buying from the point of view of a purchase decision. It is seen that unlike a planned purchase situation impulse buying does not result from a search of information as the fulfillment may arise from the shopping experience alone. Therefore the impulse buying process is different from the general buying process, consumer's impulse buying process begins now with the browsing, followed by create desire before entering the purchase and the post purchase stage. Thus there is a modified purchase process as described by Jiyeon's (2003).

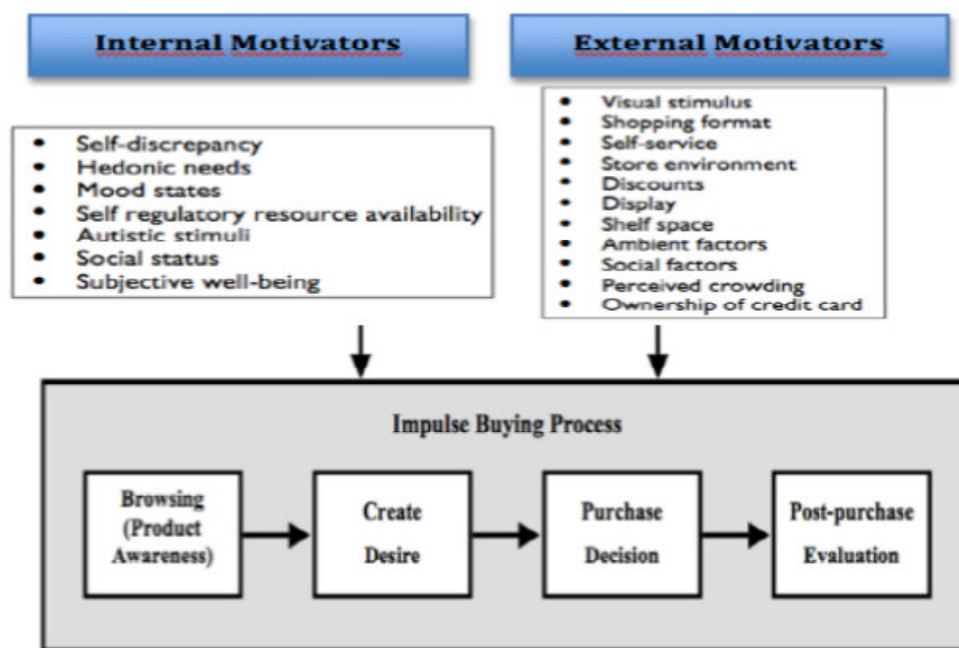


Figure 1.1 : A model of impulse buying process

The impulse buying process begins with browsing in the store to stimulate product awareness. While browsing, impulse buyer stumbles across stimuli, which create desire and trigger urge to buy on impulse. As opposed to the generic model, at this stage, impulse buyer may directly feel the desire to purchase the item without having to look for information or evaluating alternatives. But similarly to the generic model, once the product is purchased the post-purchase evaluation stage will also occur (Jiyoon, 2003).

The impulse buying process is shaped by internal and external motivators that trigger consumer's urge to buy on impulse.

As a part of external stimulus retail display is an important part. Walters & White (1987) define visual merchandising or retail display as the "... activity which coordinates merchandise selection with effective merchandise display."

Retail display ranges between interior and exterior presentation. Mills et al. (1995), it includes window – exterior displays, interior displays such as form displays, floor – wall merchandising along with promotion signage. Different techniques are being implemented in retail display depending on the type of store and product displayed. Therefore, some of them may not be used in a certain store settings; for example, clothes and apparel are presented using different techniques than those used for vegetables in supermarkets (Ebster & Garaus, 2011). As up to 90 percent of the cues issued by the environment are perceived by sight (Edwards and Shackley, 1992) (Cited in Kerfoot et al., 2003), retailers are aware of the importance of providing efficient visual communication through interior and exterior presentation. Therefore, retail display is a major concern and factor in the success or failure of a retail store.

Research Hypothesis

H1: Store layout strongly influences and impulse buying tendency in retail outlet.

H2: Display of products in a store influence and increase in the customers' tendency of impulse buying in a retail outlet.

H3: Promotional signage strongly influences the customers' tendency of impulse buying in a retail outlet.

H4: Product shelf presentation strongly influences the customers' tendency of impulse buying in a retail outlet.

Data Analysis:

The data analysis was done using SPSS 17 on a sample size of 120 young adults residing in Delhi India. The descriptive statistics and the hypothesis testing is elaborated as under:

Descriptive Statistics

	Question	Frequency	Percentage
Gender	Male	62	51.67
	Female	58	48.33
Profession	Student	19	15.83
	Service	101	84.16
Age Average (22years)	18-19	4	3.33
	20-21	15	12.5
	22-23	3	2.5
	24-25	33	27.5
	26-27	43	35.83
	28-30	22	18.33
Grocery Spending per month(2000 INR)	Less than 1000	5	4.17
	1001-2000	15	12.5
	2001-3000	42	35
	More than 3000	58	48.33

Table 1: Descriptive Statistics of Demographic variables

Gender: The gender division in the sample is 51.67% males and 48.33% females. The gender parity has been kept in mind to ensure uniformity in the opinion of both the genders.

Profession: Among the respondents there 15.83% students and 84.16% Servicemen.

Age : Among the respondents maximum number of respondents belong to the age range between 26-27 years at 35.33% and the smallest group is the 22-23 age range at 2.5%.

Grocery Sending: The 48.33 %respondents were seen to be spending more than 3000INR in grocery and 4.17% respondents were seen to be spending less than 1000 INR.

Correlation

Correlations		Impulse Buying	Influence of In store Layout	Influence of display of products	Influence of Self Position of products	Influence of Promotion Signage
Impulse Buying	Pearson Correlation	1	0.385**	0.575**	0.485**	0.375**
	Sig.(1-tailed)		0.000	0.000	0.000	0.000
	N	120	120	120	120	120
Influence of In store Layout	Pearson Correlation	0.385**	1	0.424**	0.465**	0.384**
	Sig.(1-tailed)	0.000		0.000	0.000	0.000
	N	120	120	120	120	120
Influence of display of products	Pearson Correlation	0.575**	0.424**	1	0.502**	0.513**
	Sig.(1-tailed)	0.000	0.000		0.000	0.000
	N	120	120	120	120	120
Influence of Self Position of products	Pearson Correlation	0.485**	0.465**	0.502**	1	0.536**
	Sig.(1-tailed)	0.000	0.000	0.000		0.000
	N	120	120	120	120	120
Influence of Promotion Signage	Pearson Correlation	0.375**	0.384**	0.513**	0.536**	1
	Sig.(1-tailed)	0.000	0.000	0.000	0.000	
	N	120	120	120	120	120

** Correlation is significant at the 0.01 level (1 tailed)

Table 2: Correlation between dependent and the independent variables

The table 2 summarizes the correlation between the dependent (Impulse Buying nature) and the independent variables (Influence of In store Layout, Influence of display of products, Influence of Self Position of products, Influence of Promotion Signage). On conducting the Pearson correlation coefficient among the dependent and the independent variables, it was established that each method of retail display variable has a statistical significance value of 0.000 which is less than 0.01. This means that the null hypothesis can be rejected and the alternate hypothesis is accepted. It can be concluded with 99.99% confidence that each method of retail display is strongly related to the customer's impulse buying behavior.

All the correlations are positive in nature which signifies that an increase in one independent variable will result in an increase in the dependent variable as well. The strongest positive correlation was found between impulse buying and product display and the second one was with the shelf position.

Model		Coefficients ^a			t	Sig.
		Unstandardized coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
(Constant)		0.782	0.274		2.858	0.004
Influence of In store Layout		0.089	0.082	0.101	1.135	0.258
Influence of display of products		0.353	0.081	0.418	4.374	0.000
Influence of Self Position of products		0.221	0.095	0.225	2.315	0.023
Influence of Promotion Signage		0.000	0.065	-0.001	-0.007	0.995

a. Dependent variable: Impulse Buying

Table 3: Coefficients and p values from standard multiple regression test.

Table 3 shows that the Beta Coefficients (β) and the p-values which is provided by the standard multiple regression test. The results of the test confirm that the display of the product and the shelf position of the product have the largest contribution to the impulse buying impetus. The rest of the methods of retail display however are not making a significant directional impact on the impulse buying behavior.

Hypothesis testing:

H1: Store layout strongly influences and impulse buying tendency in retail outlet.

The purpose of the first hypothesis was to determine if there was a significant relationship between customer's impulse buying behavior and the layout of the store under study. The results displayed in table 2 confirm that ($r=0.385$) with p value of 0.000 prove that null hypothesis can be rejected. The research confirms with 99.99% confidence that the store layout was significantly associated with the impulse buying behavior.

H2: Display of products in a store influence and increase in the customers' tendency of impulse buying in a retail outlet.

The second hypothesis was to determine the relation between display of products in a store influence and the customers' tendency of impulse buying in a retail outlet. The results displayed in table 2 confirm that ($r=0.575$) with p value of 0.000 prove that null hypothesis can be rejected. The research confirms with 99.99% confidence that display of products is significantly associated with the impulse buying behavior.

H3: Promotional signage strongly influences the customers' tendency of impulse buying in a retail outlet.

The third hypothesis was to determine the influence of promotional signage on a customer's tendency of impulse buying in a retail outlet. The results displayed in table 2 confirm that ($r=0.375$) with p value of 0.000 prove that null hypothesis can be rejected. The research confirms with 99.99% confidence that display of products is significantly associated with the impulse buying behavior. In other words, given a p-value smaller than alpha-level 0.01, we can state with 99.99% of confidence that promotional signage is significantly correlated with impulse buying tendency.

H4: Product shelf presentation strongly influences the customers' tendency of impulse buying in a retail outlet.

The fourth hypothesis intended to find out whether there was a significant relationship, correlation between customers' impulse buying behavior and the way products are placed on the stores' shelves. According to Pearson correlation test, a positive significant correlation ($r=0.485$) was found between customers' impulse buying behavior and product shelf position with a p-value of 0.000 ("Significance (p)" in table 14), which is less than 0.01, i.e. the null hypothesis is rejected. In other words, given a p-value smaller than alpha-level 0.01, the relationship can be considered as statistically significant with 99.99% of confidence.

Conclusion

The results of the study confirm that there is a relationship between the impulse buying behavior of the consumers under study and the various parameters of retail display analysed by the research. The findings confirm that the consumers tend to buy more when they are stimulated by the various environmental conditionings like display, promotional signage etc. The research was based in India and in Delhi the capital city

of the country therefore the findings of the study have relevance to the place . In order to confirm the influence of the studied parameters on another group of consumers there is a need to retest the findings before coming to any conclusion.

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