

# IMPORTANCE OF RETAIL DISPLAY IN IMPULSE BUYING DECISION

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## ABSTRACT

The current research aims to explore the importance of retail display on consumer impulse buying behavior. Exactly, this paper researched the influence of window display, promotional signage, store layout, background music and store smell on consumer impulse purchase behavior. The research was conducted among 117 customers of Delhi Retail Stores using questionnaire which was formulated based on the previous literature. The collected data was analyzed using factor analysis and linear regression tests. The research findings suggested that store attributes including window display, promotional signage and smell play important role in influencing the impulse buying behavior of customers. Final chapter of the current research provides some recommendations for store managers on further improvement of store atmosphere to encourage impulse buying among customers.

**Keywords:** Impulse buying, retail display, store attributes, buying behavior, factor analysis, regression.

## INTRODUCTION

The retailing business in India has developed quickly lately. These days, most of the Indian

purchasers are picking retail outlets, exactly, general stores so as to do their shopping. An enormous number of customers have begun changing from open bazaars to general stores, since these kinds of retail outlet offer accommodation, comfort and moderate costs for consistent shopping. Because of changing purchaser purchasing conduct, retailers are consistently looking for new retail methodologies and utilizing distinctive advertising instruments so as to guarantee that buyers will return to the store over and over. In such manner, it is imperative to underscore the job of store attributes which legitimately impacts shoppers purchasing conduct. As indicated by Tinnie (2010) store attributes incorporate store design, nearness of salesmen, store atmospherics and store type. Exactly, store condition, structure of the store, introduction and area of product are viewed as significant piece of store qualities. Another purpose behind retailers to structure their stores and to utilize diverse advertising instruments is to offer boost to buyers to buy the merchandise impulsively. As per Bellenger (1978) the buyers shopping conduct is isolated into two sorts including planned and impulse buy dependent on where purchasing choice is made. Planned buy choice is made before visiting the store, though

impulse buy choices are made inside the store because of the in store stimuli (referred to in Raposo, 2013). Purchasers' stimuli to purchase things incautiously are activated through store format, signage (class, special, retail location), include territories (window show, limited time territory, and passageway), visual promoting and store air (lighting, shading, music, fragrance). Hence, it is significant for retailers to comprehend the effect of in-store qualities on shopper impulse purchasing conduct since impulse buys comprise huge level of grocery store deals. As per Bell (2010) grocery stores are seen as the spots which speak to huge level of impulse buys and 60%-70% of buys in markets are made because of presentation to in-store boosts. The point of this paper is to research the impact of in-store qualities on customers' impulse purchasing conduct utilizing the instance of Delhi markets. Another significant motivation to contemplate the impact of in-store boosts on shoppers' impulse purchasing utilizing the instance of Delhi markets is to give recommendations on the most proficient method to additionally improve store qualities dependent on research results.

**Research Question:** How do retail display influence consumers impulse buying?

### **Objectives of the study:**

1. To distinguish the impact of window display on shopper impulse purchasing conduct.
2. To assess the effect of promotional signage on shopper impulse purchasing conduct.
3. To measure the impact of store design on shopper impulse purchasing conduct.
4. To distinguish the effect of background music on shopper impulse purchasing conduct.

### **Hypothesis:**

**H1:** Window Display influence the customer impulse purchasing decision.

**H2:** Promotional Signage influence the customer impulse purchasing decision.

**H3:** Store layout influence the customer impulse purchasing decision.

**H4:** Background music influence the customer impulse purchasing decision.

**H5:** Store smell influence the customer impulse purchasing decision.

### **LITERATURE REVIEW**

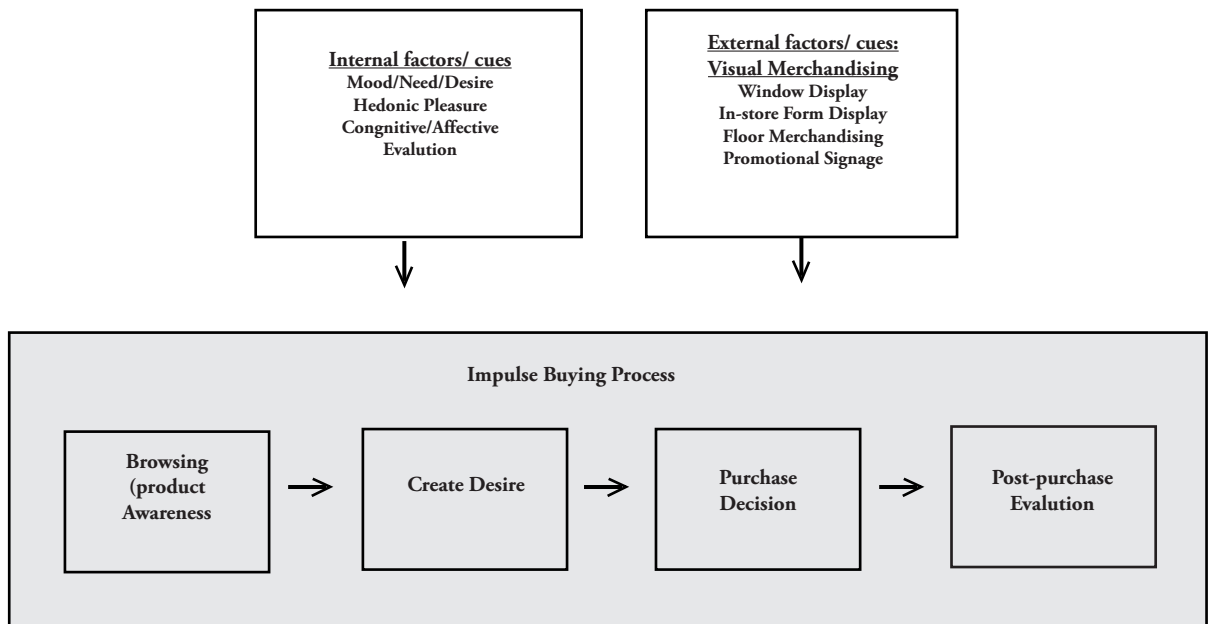
Mohan (2013) portrayed impulse purchasing as on the spot choice to purchase a specific thing with small reasoning while spontaneous purchasing may happen since clients frequently neglect to remember specific thing for their shopping rundown and get it recollecting that they are out of stock. Moreover, impulse buys were characterized as a customers' reaction towards low cost items (Hausman, 2000).

The model of consumer purchasing is fundamental instrument for us to comprehend the procedure of planned buy. In any case, Kim (2003) changed these five back to back procedures to clarify the procedure of impulse purchasing by dropping the phases of need acknowledgment, data search and elective assessment. Rather than that, Kim (2003) renamed the phases to perusing (item mindfulness), make want, buy choice, and post buy assessment. As per the impulse buy model presented by Kim (2003), impulse purchasing conduct of customers starts with item mindfulness where shoppers begin perusing the without intending to purchase explicit item. During this equivalent procedure,

they are presented to all around structured store air. Thus, the inclination to purchase incautiously emerges because of instore retail display (Kim, 2003). There are a few inside and outside variables which are probably going to invigorate the event of buyer impulse

purchasing. Kim (2003) detailed that inside variables incorporate mind-set, want indulgent joy apparent by purchasers while outside variables are depicted by visual marketing, window show and promotional signage.

**Figure 1: Model of Impulse Buying**



(Source : Kim (2003))

**2.1 Factors affecting impulse buying decisions**

In order to get a better understanding approximately impulse shopping, we need to recognize extra deeply internal and outside factors that motivates an impulse buyer. Let’s discuss them one after the other:

**Internal Factors**

Internal elements of impulse shopping focus without delay on the man or woman, analyze the inner cues and traits of the person that make them engage in impulse buying conduct. Such factors involve a consumer’s personality traits which decide the diploma in their impulse

shopping for tendency (IBT), inner cues inclusive of emotional states, the consumer’s normative evaluation of impulse shopping for engagement and demographic elements (Kacen and Lee,2002).

Impulsive buy behavior is associated with certain purchaser mood. Beaty and Ferrell (1998), Rook (1987), Gardner and Rook (1993). They also said, that client’s superb feelings are associated to shop for a product on impulse. Therefore, impulsive customers are more emotional than non-impulsive clients. Mood for some purchasers can be the most

crucial psychological situation which allows in stimulating impulsive purchasing. Dittmar (1996) Gardner and Rook (1993) defined the relation of impulsive buying with bad and advantageous emotions. In assessment with poor emotions, a client full of nice feelings might show greater impulsivity because of the sense of being herbal; choice to present something as an award to oneself and higher strength float.

**Autistic stimuli-** Another critical inner motivator is autistic stimuli. Autistic wondering does not comply with logic and aren't rational. They commonly connected with feelings and sensuality. An autistic stimulus has strong suggestive powers and might cause impulse buying.

### **External Factors**

External elements discuss with advertising cues or stimuli which might be managed through the marketer to draw customers into impulse buy conduct (Youn and Faber, 2000). Recent research have said that atmospheric cues (i.e., sights, sounds and scents) within the retail surroundings are essential elements that can affect a preference to purchase unexpectedly (Eroglu and Machleit 1993; Mitchell 1994)

**Visual stimulus-** Visual stimulus by chance seen through the purchaser can normally be the product itself or the promotional signage of the product. Rook's researches say that it's miles very difficult for customers to withhold their urge within the moments following their stumble upon with the product.

**Social Factors-** It holds store employees and clients and is considered an important external aspect that influences impulse shopping for. Research from past indicates that behavior

of employees and helping nature of salesman greater the impulse buying in client. (Bittner, 1990; Baker et al., 1994)

**Self-Service surroundings-** Stern (1992) says self-provider environment complements the shopping enjoy and as result, the patron is greater inclined to try new things and patterns.

**In store Browsing-** Jones et al. (2003) considered in shops surfing as growing encounters with purchasable products which can trigger a few stimuli to buy it. This stimulus is hard to avoid because of bodily closeness with the product.

**Visual Merchandising-** Visual merchandising has a vital impact on impulse shopping for. Rostocks (2003) shows that one of the primary motives of impulse buying is how the product appear on shelf. An effective visible vending enables growing the sales of merchandise.

This paper focusses on external factors such as window display, promotional signage, store layout and background music in order to explain the process of impulse buying.

## **RESEARCH METHODOLOGY**

This survey was conducted on 128 consumers of Delhi retail stores. Convenience sampling method of non probability sampling was applied in this survey. Out of 128 questionnaires filled by respondents only 117 were appropriately completed and used for data analysis.

## **RESULTS**

Demographic characteristics of 117 respondents represent 56% of males, 44% of females. 25% of respondents aged 18-25; 34% of them are aged between 26-33; 30% of them are aged between 34-41; 11% of them are aged 42-49 years old.

Items	Impulse Buying
Some of the time I want to purchase things on the spike of the moment.	.822
“I see it, I get it” portrays me.	.804
“Get it done” portrays the manner in which I purchase things	.791
I regularly purchase things without thinking.	.776
I cautiously plan the vast majority of my purchases.	.771
I purchase things as per how I feel at the moment.	.752
“Purchase currently, consider it later” portrays me.	.742
Some of the time I am somewhat foolish about what I buy.	.652
I regularly purchase things spontaneously.	.593
Eigenvalue	5.03
Variance	56%
Cronbach $\alpha$	0.89

A principal component investigation (PCI) was led on the 9 things with varimax pivot. KMO demonstrated positive outcome for sampling adequacy, KMO=.860. 9 things identified with impulse purchasing loaded in one part, with factor loadings higher than .050 and eigen values higher than 1 with 56% variance clarified.

Items	Scent	Promotional Signage	Music and Layout	Window Display
If scent of retail store is pleasant I intend to go back to the store in future	.832			
If I like the music inside retail store my chances of unplanned buying become greater	.791			
The scent coming from the store entices me to go inside	.737			
If retail store smells good, I tend to stay longer and look at the merchandise	.584		.527	

Layout of store is well-structured so that consumers have no difficulty finding their way	.558			
I am more likely to make unplanned buying if the store smells good				
I am more likely to make unplanned buying if the product has a sale sign		.791		
Walking space in Retail store is not crowded		.747		
If I see an interesting offer on in-store signs of Retail store, I am more likely to buy it		.621		
Sales signs used by store entices me to look through the merchandise		.567		
The music playing in the store influences my impulse buying behavior			.768	
I spend more time in the retail store browsing it, if I like the ambience and the background sounds			.636	
When I enter a store, I tend to follow the store layout while browsing the store			<b>.632</b>	
Retail store makes me feel like exploring it Retail store makes me feel like exploring it			<b>.592</b>	
I am more likely to enter retail store, if it has an eye-catching window display				.853

When I see a special promotional signage in store, I go to look at the product			<b>.504</b>	.635
I feel compelled to visit retail store, if it has an interesting window display				.624
I pay attention to store's window display				.610
Eigenvalues	<b>7.09</b>	<b>1.9</b>	<b>1.3</b>	<b>1.02</b>
Variance	18	17	<b>15</b>	15
Cronbach $\alpha$	<b>0.77</b>	<b>0.78</b>	<b>0.78</b>	<b>0.79</b>

Things included in the questionnaire also loaded in 4 components. Just factor loadings higher than 0.50 was extricated. Things identified with Scent stacked in the main segment marked as "Fragrance", segment 2 spoke to things as "promotional signage" while part 4 spoke to window display.

Be that as it may, things identified with music and format was spoken to under same factor, accordingly it was chosen to name this factor as music since things on music has higher factor loadings. In view of the yield of factor examination, factor scores were additionally utilized in regression analysis.

## REGRESSION ANALYSIS

**1.** The impact of Window Display on customer impulse purchasing

The aftereffects of linear regression analysis likewise appeared there was a huge connection between impulse purchasing and window display. Since p value from regression analysis was not exactly alpha level 0.01, it very well may be expressed that research hypothesis was accepted.

**2.** The impact of promotional signage on customer impulse purchasing

The results of linear regression analysis found that promotional signage utilized in store essentially impacts shopper impulse purchasing conduct p

estimation of regression investigation was less contrasted with alpha level 0.05. Consequently, this hypothesis was accepted.

**3.** The impact of store layout on customer impulse purchasing

The examination of regression for the given example demonstrated that there was no critical connection between store layout and customer impulse purchasing conduct. Hence, the null hypothesis was accepted.

**4.** The impact of music on customer impulse purchasing

He aftereffects of regression examination uncovered that there was no any noteworthy connection between impulse purchasing and ambient sounds, with p esteem (0.31) more

prominent than alpha level  $p > 0.05$ . Hence, the gathered information in this exploration didn't show any connection between impulse purchasing and music. In this manner, the null hypothesis was accepted.

5. The impact of store smell on customer impulse purchasing

Regression investigation likewise uncovered noteworthy positive connection between impulse purchasing and store smell. The estimation of regression investigation was not exactly alpha level  $p < 0.005$ . Hence the hypothesis was accepted.

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## CONCLUSION

The consequences of research recognized critical connections between retail display and impulse purchasing of customers. The discoveries of the examination can be utilized by senior supervisors, particularly head supervisors of retail stores, so as to additionally improve store condition and make convenient shopping experience for clients.