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The Impact of Store Environment and Emotional Factor on Impulse Buying

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ABSTRACT

In Present Marketing Scenario, the Study of Consumer Behavior has become essential. Consumers are the kings of markets. Without consumers no business organization can run. All the activities of the business concerns end with consumers and consumer satisfaction. Customer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Consumer buying behaviour has become an integral part of strategic market planning. Impulse buying could be described as unplanned and often urges to buy products. Various experiences have been proposed to provide evidence for people act impulse behaviour. This study explores Store Environment and emotional factor as experience of impulse buying. The results show significant effect of Store Environment and Emotional factor on impulse buying. Implications and suggestions for future research are discussed.

KEYWORDS : Store environment, Emotional factor and Impulse Buying.

Introduction

India has risen five positions to rank 15th in the latest edition of the index, the London-based consultancy firm said. Consumers are the major beneficiary of the retail boom Suman Yadav and Sadaf Siraj (2014). India has become a high- growth market over the last few years and Indian consumers today are richer, younger and more aspirational. Kaushal & Medhavi (2011) found that Indian consumer's preference towards malls comprise high quality and variety of products under one roof. Turley & Milliman et al., (2000) had found that for retailer's most important part in business model is to understand how different stimuli affect consumer response. Consumer buying pattern is divided into two types one is planned buying and other is unplanned buying Stern (1962). Some consumers would prepare a list of things that they are willing to buy while they are shopping. This advance preparation is known as planned buying. Some consumers buy things without having any prior intention to buy. This is called unplanned buying and this situation is termed as impulse buying. Impulse buying is an important marketing tool and the concept has been examined dating back to the 1950's. Keyur et al., (2014) defined Impulse buying as the sudden and immediate purchase decision inside a store with no prior intention to buy the specific product or products. Abrahams (1997), Smith, (1996), Liao et al, (2009) found that 80% of purchases of all items sold come under impulse buying.

The impulse purchasing behaviour is increasing among the consumers with an increase in organized retailing. Organized retail stores are designed in a manner so as to appeal to the senses of the consumers to make impulse purchases. Marketers and retailers often try to find why people go shopping Neda Irani & Kambiz, (2011). The study of various previous researches related to impulse buying and consumer decision making, helps to conclude that impulse buying is very interesting phenomenon with many view. Integrated effort has been made through this paper to identify and examine the impact of emotional factor and store environment on impulse buying. The present research is to understand the triggers towards impulse buying. The study also contributes by identifying various insightful strategies for an organized retailer to attract more impulse purchases.

Conceptual Frame work

Impulse Buying

The sudden urge to buy a product that initially was not on the shopping list when shopping is a phenomenon mostly recognized as impulse buying. (Hausman, 2000) indicated in his study that 30% to 50% of all buying can be classified by buyer themselves as impulse buying. Impulse buying can be triggered by internal factors and external factors Loes Bink (2010).Cobb and Hoyer (1980) the study established that 90% of buying comes under impulse buying occasionally. Impulse buying can be defined in terms of whether or not the purchaser makes the decision to purchase the product before or after entering the store Ma (2013). Impulse buying is an everywhere and a unique aspect of consumers' lifestyle. Impulse buying accounts for a large volume of product sales every year Hausman (2000). Burke (2002) has pointed out that customers seek information from their retailer at various stages of their purchase behaviour such as selection of store (decision stage), selection/evaluation of products kept in the store (benefit stage), purchase of selected products (transaction stage), and return/exchange of defective products (post-benefit stage). Impulse buying is the main activity in many buying activities Mohammad et al. (2011).

Emotional and Impulse Buying

Emotions strongly influence buying behaviours, which result in consumer impulse buying (Beatty and Ferrell 1998; Husman 2000; Rook and Gardner 1993; Youn and Faber, 2000). Positive emotions, fashion involvement and fashion-orientation are found to have a positive relationship with impulse buying behaviour of the consumers Park (2006).It is important to understand how mood influences consumer behaviour Mohammad et al., (2011).It is also seen that Positive emotions may result into fashion related impulse purchase KO (1993). Impulse buying is a buying experience with a significant role of emotions. Emotions are the very essence of impulse buying. Impulse purchases are mainly driven by emotional urges. The orientation of Indian shoppers is based largely on entertainment derived out of shopping. The Indian shoppers sought emotional value more than the functional value of shopping Piyush Kumar Sinha, (2003). Beatty & Ferrell (1998); Jaeha Lee (2008) explored the direct effect of emotion on impulse buying. Impulse buyers are more emotionalized than customers who do not buy on impulse regardless of whether these emotions are positive or negative. Some people buy on impulse buying to regulate their mood (Verblanken & Herabadi, 2001 Weinberg et al., 1982, Youn et al., 2000). From the above reviews the hypothesis is framed that,

$H_0$1: There is no significant relationship between emotional factor and Impulse buying.

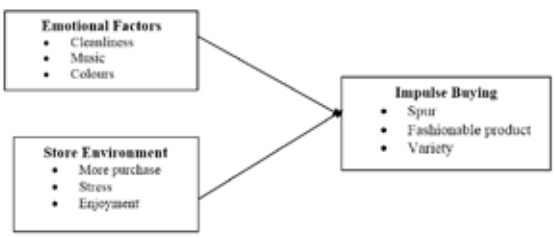
Store Environment and Impulse Buying

Based on Kotler (1973), store atmosphere is defined as the buying environment of a retail store that produces positive affect in the minds of customers and increases the possibility of making a purchase. Retailers can shape different controllable elements of the physical store (Jain and Bagdare, 2009; Terrblanche and Boshoff 2001; Turley and Milliman, 2000). Controllable elements such as colour, lighting, music, flooring and product arrangements (Bakee et al., 2002, Turley and Chebat, 2002). When shoppers enter a store and come into contact with store atmospherics, it arouses their sensory appeal such as the

store merchandise display, interior, aroma, lighting and background music. Such sensory stimuli can then evoke emotional responses such as joy, delight and excitement among others. While searching for desired goods, shoppers have rational experience of unintentionally getting involved in impulse buying Abu Bashar et al., (2013). Postrel (2003) the study indicates that shopping malls are the places to attract the consumer who seeks an entertaining experience. Woodruffe et al., (2001) indicated that shopping malls can be viewed as fantasy environments providing a range of entertainment.

Retailers have long realized the power of impulse buying which had thrown in a significant amount of revenue to their offers. Customer service, store environment and consumer mood have significant positive relationship with impulse buying among the consumers who shop at the shopping malls (Jayaraman Munusamy2010).From the above review the hypothesis is framed

$H_0$2: There is no significant relationship between store environment and impulse buying.



Methodology

Primary data was collected from the respondents through a structured questionnaire. The respondents were the customers visiting hypermarkets in Coimbatore. Convenience sampling technique was used in the study. The questionnaire incorporated questions related to general impulse purchase behaviour. The factors were measured with a five point likert scale type statements. The questionnaire was divided into two parts: Part A & Part B

Part A consists of questions connected to respondent's socio- economic, demographic and geographic characteristics. Part B consists of questions related to factors like emotional involvement, store environment and impulse buying. The responses are measured using nominal and interval scales. Measurements of variables were adopted from previous studies. To measure Impulse buying, emotional factor and store environment, the items were adopted from an extensive review of relevant literature (Usman et al., 2010; Graa and Danie – elKebir, 2011); James and Chris 2012;Beatty and Elizabeth, 1998,Amel Graa & Maa Chou Dani – el Kebir, (2011). A total of 250 responses were gathered, out of that 200 responses were usable for data analysis. More females (61 percent) responded to the survey than males. Approximately 59 percent of the respondents were married. The majority of the respondent's monthly income was 10000-20000 (50 percent).

Validity Test

This list of factors was scrutinized by a panel comprising academicians and industry experts. Panel recommended reframing some of the statements to make the questionnaire coherent with the study. The final questionnaire comprised twenty five statements related to emotional factor, store emotional factor and impulse buying. Statements were structured to assess respondents' level of agree/disagree about the significance of individual attribute. The questionnaire was duly pre-tested and was found valid and reliable.

Reliability of the questionnaire was tested by using Cronbach Alpha. As an outcome of modifying the instrument, the questionnaire measures were tested through reliability analysis in order to determine if the sample subjects understood all items in the questionnaire and to test the internal consistence. Rama Krishna Prasad, (2011) & Winnally (1978) the study had explore that the coefficient values should be 0.70 minimum requirement for basic research if the value less than 0.70 will be dropping from the scale of those items that provide the least empirical and conceptual support.

S.No	Factor	Cronbach's Alpha
1	Emotional Factor	.783
2	Store Environment	.823
3	Impulse Buying	.804

Anova

$H_0$1: There is no significant relationship between Emotional factors on Impulse buying

$H_0$2: There is no significant relationship between Store Environment factors on impulse buying

Factor	F	Sig.
Emotional factor	16.176	.000
Store Environment	14.564	.000
Impulse Buying	19.864	.000

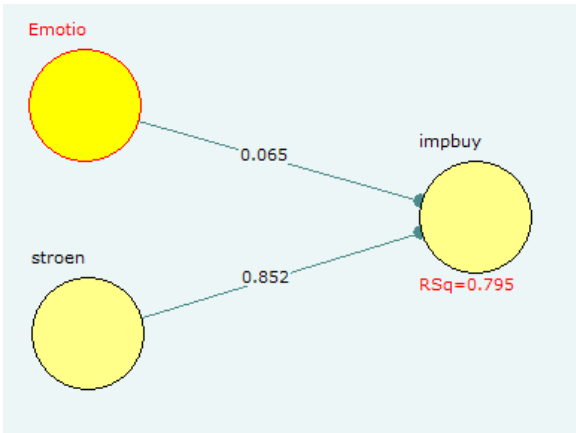
With the help of the above given table, we can interpret that ($H_0$1 & $H_0$2) is rejected and it is proved that there is significant relationship between emotional factor and Impulse buying and also it is proved that there is significant relationship between store environment and Impulse buying as the level of significance is below 0.05 in the cases. It means that emotional factor and store environment have a positive relationship with impulse buying. It means through store ambience and Emotions created by shoppers have a great impact on impulse buying. Some level of improvement is possible which we are discussing below.

Result

Our Partial least square model, derived from operational model, consists of the impulse buying with sub-construct as store environment and emotional factor. The diagram below shows the loadings of measurement items on their constructs and loadings of the predictor constructs on outcomes. Bootstrapping Efron & Tibshirani, (1993) was calculated for all coefficients. The result of the study includes the outcomes of testing the measurement model. And also the study discusses the outcomes for the structural model and thus the relationship found among the constructs.

Support for the conceptual model

Paths from store environment loaded significantly on impulse buying. All the paths loading were significant at the P< 0.05 level. The result shows that tore environment and emotional factor are strong predictors of impulse buying. Therefore this model explained the good amount of variance in the level of impulse buying with an R – square value of 0.795.Overall the conceptual model that we originally prose gained considerable support from the data.



The study proved that there is a positive relationship between emotional factor and impulse buying and there is the positive relationship between Store Environment and impulse buying. The Rsq value is 0.795 which shows the model is fit.

Correlation of Latent Variables			
	Emotional	Store Environment	Impulse Buying
Emotional	1.000		
Store Environment	0.596	1.000	
Impulse Buying	0.573	0.890	1.000

Correlation was performed between factors under impulse buying to find relationship between those factors if any.

The table above shows the inter correlation of all variables in the study. The inter correlation results reveal that Emotional Factor is positively related to impulse buying ($r=.573$, $p<0.001$) and Store Environment is also positively related to impulse buying ($r=.890, p<0.05$). The inter correlation results preliminarily supported the relationship between variables in diagram.

Discussion

India and its markets are undergoing a sweeping change. In early days consumer was not so much conscious about store environment but now a days consumers are very conscious about store design and store environment. Seller can increase apparel impulse buying with decorating their stores in modern style and use attractive lights and colours. Impulse buying is a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product or to fulfil a specific buying task.

The findings of the study indicate that credit card, promotional approaches, window display, sensation cues and product involvement mostly influence the impulse buying behaviour of consumers. It is noticed that it is not musical environment or atmospheres of the store creates consumer's impulse buying decision. Female spends more time in malls than males. Shopping made by male is very shorter than female. Male have very lesser choice. This concept is supported by the results of Under hill (2009). The PLS results of the study are found to have significant paths stating that store environment and emotional factor have significant effect in complimenting better impulse buying in the retail store.

Conclusion

The result using PLS for testing the conceptual model showed that the store environment and emotional factors do positively cause an influence over the impulse buying of the retail stores. The limitation of the study could be that the only city of Tamil Nadu is taken into consideration for the study and this would not be sufficient to generalize upon the retail store. This paper is only focused on one internal and one external factor which influence Impulse buying. However, it is important to know whether the other internal and external factors also influence impulse buying Behaviour. Future research is needed to explore this state of affairs.

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