

A Study on Factors Affecting Impulse Buying Behavior of Consumers in the Super Market Special Reference to Food City, Sri Lanka

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Abstract

In today's modern world shopping has become a social and leisure activity, reducing the number of planned purchases made by consumers. The increasing growth in consumption and opportunity of credit purchases around the world has provided an excellent opportunity to buy spontaneously (impulsively). The purpose of this investigation was to explore some main factors affecting on impulse buying behavior in conjunction with super market including window display, credit card, promotional activities, situational factors and Store Layout. A survey was conducted, under convenience sampling method and collecting data through a structured questionnaire completed by 200 customers of super market in Batticaloa urban areas. The statistical analysis method and descriptive statistics used for data presentation and analysis. Multiple regression analysis, Pearson correlation coefficient were used for testing relationship. After the thorough analysis of the available data it has been found out that almost all independent variables are associated with impulse buying behavior And identified that the most significant factor that influencing consumers' impulse buying behavior are "promotional activities and situational factors, further window display, credit card and Store Layout may also influence. Thus, the paper will be useful for marketing practitioners and researchers towards comprehensive understanding of the consumer's impulsiveness.

Keywords: Credit card, Promotional Activities, Situational factors, Store Layout, Window display.

Introduction

Hypermarkets, Multiplex malls, Mega marts are the new faces of modern retailing environment in major cities of Sri Lanka. The retail industry in Sri Lanka has emerged as one of the most dynamic and rapidly growing industries with several domestic and foreign players entering into the market. Customer purchasing behavior plays an essential role on marketing planning in today's Competitive environment. Impulse buying is a common phenomenon in the marketplace and for that reason it has become a focal point for considerable marketing activities(Graa.A2013). Further income of individual is increasing more and more. so the purchasing power of the people has really gone up and thus the impulse buying of the commodities is on a great increment.

Impulse buying according to Rook (1987) has been theoretically defined as “unplanned” purchase and operationally defined as the “difference between a consumers total purchases at the completion of a shopping trip, and those that were listed as intended purchases prior to entering a store” Consumer experiences a sudden, often powerful and persistent urge to buy something immediately.

It is important for the marketers to be able to understand the different factors affecting the extent in impulse buying behavior. So, there are many factors which affect Consumers Impulse Buying Behavior in Sri Lankan market but it is only analyzed significant factors, which are prompt consumer to induce in impulse buying.. As consumers browse inside shopping context without intention to buy any specific products, they are exposed to splendid in-store layouts or joyous and cheerful atmospheric cues, appealing product display, and many others, thus provoking consumers urging buying desire for unplanned items. In this context, the role of impulse buying plays a significant role for modern retailers and marketers. Hence this study propose that considering various types of factors affecting impulse buying behavior useful to marketers to draw and implement strategies in order to attract and induce sales.

Problem Statement

To the core Sri Lankan consumer, though low price is still of primary importance, always the consumer seek a greater balance of price with quality, convenience, consistency, innovation and shopping experience. The recent economic has made the Sri Lankan consumer’s mindset more conservative. Point of purchase (POP) will become more important, and will be the moment of truth for brands and retailers if they are to deliver their promise to the consumer. So it is essential to the marketers to stimulate impulse buying. This study analyzes which factor mostly influence on customer impulse purchase. Sellers of products and marketers are also interested in understanding what motivate buyers to buy their products so that they can sell more. This study intends to explore the presence and frequency of impulse purchase and also describe the variables that affect impulse buying behavior. The findings provide further understanding on the theory of impulse buying by providing answers to the research questions raised in the study.

Research Questions

1. What are the important factors that influence impulse purchase behavior of super market consumers?
2. Which factors has the greater impact on impulse purchase behavior of super market consumers?

Research Objectives

1. Explores the various factors that affect impulse purchases.
2. Identify which factor has the greater impact on impulse purchase behavior of super market consumers.

Literature Review

Unlike western countries where supermarkets are prominently visible, in our country this is lacking. A supermarket normally sells grocery, fresh, cut vegetables, fruits, frozen foods, toiletries, cosmetics, small utensils, cutlery, stationery and Gift items. It is responsible to the marketers including super markets to making association between consumers and marketing the company have to satisfy and maintain the relationship by creating attractive marketing

strategies. The significance of customer's impulsive buying behavior is documented by many "marketers and researches" and remained a crucial part of investigation over many years and since being comprehensively studied all over the world (Banyte 2008).

Credit Card: Impulsive buying actions will develop the usage of credit card. Demand of relationship among the impulsive buying and credit card usage exists. Credit card is most effective medium of buying professed cost has been decreased due to credit card usage. Worldwide usage of credit card discloses the buyer's patterns in concern of intended outlines for it while technical expansions making very simple to credit provider revolving credit (Ampuero & Vila 2006).

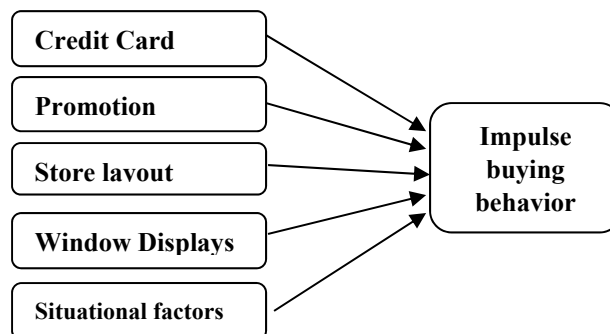
Promotion: promotion or promotional information to customers with the purpose of informing and creating demand for the merchandise". Regarding the different elements that can lead to an impulse buying, low prices including price reductions, sales promotion and discounts are considered as having direct effects on consumers' buying decisions. (Jiyeon, 2003)

Store layout: Store layout, also known as floor layout (Davies & Tilley, 2004), refers to how the different sections and aisles of a store are organized with the basic and simple objective of getting customers shop longer and buy more. Therefore, designing a store layout which can have positive impacts on customers' decisions is important. (Davies & Tilley, 2004).

Window Displays: Retail businesses are undergoing vast trend worldwide just because change in consumers choice, taste, use pattern & purchasing, every retail store is trying to sustain. Moreover, suggest that Widow Display associating with consumer's purchasing attitude has physical charisma and charm of a store influences customer choice of store (Alireza & Hasti 2011).

Situational factors: According to Mattila & Wirtz (2001) situational factors mainly consist three factors first The purchase environment: the purchase environment factors include the internal decoration , coloring, light, odor, music, the mode of locating the equipment and commodities ,display mode and being appropriated of their set cause to intensify the impulse purchase behavior. Shopping with others an experiment has found that the participants when with their friends are going to buy, have a great tendency to the impulse purchase. The seller's help and guidance: they found in their study that seller's friendly behavior causes to adjust the negative impact of the store crowd and has a great effect in the impulse purchase.

Conceptual Model



Source: Developed for the study purpose

Methodology

Descriptive research design was adopted for the study. The type of research is deductive and variables were measured with quantitative analysis. The purpose of sampling was to find out the result of whole population with a smaller number of cases (Gorard, 2001). The previous similar study (Keyur B.Bhojak et al 2014) used convenience sampling technique. Thus, this study also conducted in ‘convenience sample’, in which distributed questionnaires to 200 customers of super markets in Batticaloa district. Each customer investigated through structured questionnaires with closed statements measured with Likert’s scale (1-5 as strongly disagree, disagree, marginal, agree and strongly agree respectively), was issued which was properly filled and returned. questionnaire contains the Questions including asking respondents to evaluate the behavior of impulse. These questions reflect impulse purchase behavior and the factors that influence impulse purchase behavior. Including window display, credit card, promotional activities, situational factors and Store Layout. Each variable operationalized and measured by four questions. Further few questions cover aspects of demographics characteristic. The data analysis for this research done by using the statistical package SPSS. As illustrated on the literature the following hypotheses formulated and assessed through the correlation and regression analysis.

- H1:** There is a positive relationship between consumers’ impulse buying behavior and promotional activities.
- H2:** situational factors influence and increases the customers’ tendency of impulse buying in super market.
- H3:** Being appropriated of window display has a significant effect on purchase as a view of impulse buying behavior
- H4:** Consumers who do impulse buying are significantly influenced by credit card
- H5:** Store layout influences and increases the customers’ tendency of impulse buying in super market.

Data Analysis and Results

Sample Profile

Descriptive statistical analysis was run on respondents’ demographic variables. The results are shown in Table 1.

Table 1: Summary of demographic information

		Frequency	Percentage
Gender	Female	112	56.0
	Male	88	44.0
Age	18-24	49	24.5
	25-34	53	26.5
	35-44	62	31.0

	45-54	20	10.0
	55-64	16	8.0
Education	Advance level	106	53.0
	Graduated	45	22.5
Occupation	Ordinary level	40	20.0
	Post Graduated	9	4.5
	government sector	58	29.0
	house wife	32	16.0
	others	12	6.0
	private sectors	60	30.0
	self-employment	13	6.5
Income	student	25	12.5
	<30,000	57	28.5
	30,000-49,999	103	51.5
Frequently	50,000<	40	20.0
	Monthly	56	28.0
	Not decided	44	22.0
	occasionally	37	18.5
	weekly	63	31.5

Table 1 exhibits that majority of the respondents were between 35-44 years old which make 31%. Female respondents are accounted as 56 percent of the total number of respondents. Income level of respondents 51.5% earns on average 30000-49999 a month, while most respondents are holding private job (30%) next to that government job (29%). Further, according to survey most of the respondents visit to super market on weekly basis it indicate 31.5%

Descriptive Statistics of Study Variables

The descriptive data including, reliability, mean, and standard deviation of the study variables was obtained and shown in following Table:

Table 2: Reliability

Impulse Buying	0.835
Promotional Approaches	0.759
Window Display	0.627
Store Layout	0.737
Credit card	0.876
Situational factors	0.792

From the reliability test result as shown in Table 2, all factors including independent and dependent Variables were found to be good reliability with all the Cronbach's Alpha results are of above 0.6. Sekaran (2003) points that the result of reliability tests below 0.60 is considered to be poor, whereas if it is greater than 0.60 it can be acceptable and if the results of reliability show range between 0.80, it is considered a good result.

Descriptive Statistics

Table 3: Overall Measures of Dependent and independent Variable

	Mean	Std. Deviation
Impulse Buying	3.2088	1.14435
Promotional	3.6538	.94033
Window Display	3.2600	.88285
Store Layout	2.8562	.91931
Credit Card	3.1363	.92454
Situational Factors	3.4200	1.02044

According to the results, promotional activities most important factor which impact on impulse buying with overall mean = 3.6538 and .944 standard deviation. Situational factors are little behind with overall mean 3.42 and 1.2 standard de Out of 5 suggested factors, Store lay out became the least likely to influence on impulse buying with the mean 2.8562 and .919 standard deviation. Respectively, Mean of all 5variables pass the median, therefore relationship between variables and impulse buying is positive. The most influential factor for impulse buying is promotion followed by Situational factor, Window display, credit card, store layout.

Further, Measures of mean table found out that the average of impulse buying is 3. 208. These averages also fall into the high level. So, we can say the result as, high level of impulse buying occurs in super markets.

Table 4: Correlation for impulse buying and selected factors

		Correlations				
		Promotion	Window Display	Store Layout	Credit card	Situational factors
Impu	Pearson	.812**	.697**	.617**	.631**	.737**
lse	Correlation					
Buyi	Sig.	.000	.000	.000	.000	.000
ng	(2-tailed)					
	N	200	200	200	200	200

** : p<0.01, * : p<0.05

Regarding correlation between impulse buying and selected factors, It has found that Promotion (.812) highly correlated with Impulse buying next to that Situational factors(.737) followed by Window display (.697), Credit card(.631),and Store layout(.617)are in the order of importance on impulse buying . And Whole five selected factors positively correlated with Impulse buying.

Above gave findings confirmed a strong positive relationship between promotional activities and impulse buying. And also the findings of the table have indicated that respondents buy without planning and the behavior is frequent.

Multiple Linear Regressions

The hypotheses stated in the methodology were created to determine whether impulse buying can be influenced by the selected factors. Thus, a Multiple Linear Regression Analysis was performed between window display, credit card, promotional activities, situational factors and Store Layout (independent variables) and Impulse buying behavior (dependent variable).

Table5: Regression analysis

Model		Coefficients			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-1.433	.156		-9.176	.000
	Promotional	.512	.050	.421	10.270	.000
	Window Display	.160	.048	.123	3.309	.001
	Store Layout	.153	.046	.123	3.312	.001
	Credit card	.275	.048	.222	5.705	.000
	Situational factors	.278	.045	.248	6.171	.000

Adjusted R Square=0.733

The coefficient of determination $R^2 = 0.733$, means that 73.3% of the variability of impulse buying is explained by the selected factors. Furthermore, selected factors window display, credit card, promotional activities, situational factors and Store Layout have significant influence ($p < 0.05$) on impulse buying behavior. This indicates that the alternative hypotheses (H_1, H_2, H_3, H_4 , and H_5) are appropriate and can be accepted.

Analyzing the coefficients, the variables that present the highest relative contributions to explain impulse buying behavior are firstly promotional activities, situational factors, window display and credit card lastly Store Layout. In addition, the findings indicate that promotional activities are the most effective in enhancing impulse buying behavior. This finding suggests that super markets should leverage more on promotional activities to stimulate their customer impulse buying behavior. In order to do thus they can gift complementary products to encourage consumer to buying impulse.

Next highly influencing factor is situational factor regard this also sellers can increase apparel impulse buying with decorating their stores in modern style and use attractive lights and colors. There is the need to create promotional activities with a focus on variety, fun and excitement. Promotional activities such as buy 1 get 1 free and discount tags may help to induce impulse purchase behavior and should aim at stimulating impulse buying behavior and also by creating positive shopping environment to attract consumers to purchase their products. Attractive decorations such as lighting, music and sellers of products creating. Further credit card also influence on impulse buying so we recommend to sellers and marketers to have ATM in their shops and inform consumer about this.

According to the results of this study, promotional activities are the most effective ways to enhance customer Impulse buying behavior.

Conclusions and Suggestions

After successively collected and analyzed the data the research concluded that all the hypotheses are valid and show significant relationship between impulse buying behaviors. And it suggested that super markets should understand how to creating impulse buying strategies among target audience. Even though there are many ways for super markets to stimulate impulse buying with customers, there are specific factors which have proved to be quite successful to inspire impulse buying, namely by promotional activities, situational factors ,window display ,credit card and Store Layout in that order of preference. Therefore, understanding the key factors of impulse buying of super markets is crucial.

Based on the survey it could be recommend that super markets should also give some price off pack (special offer price), premiums (free gifts), multi packs, coupons, samples, demonstration, special events and contests (game prizes) so that consumers may be impulse buying decision at that time. After making some changes they would be go for huge merchandise and product arrangement in their shops. They also having attractive window display because window, floor and counter display that allow a retailer to remind customers and stimulate impulse purchases.

Finally, Impulse buying is a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product or to fulfill a specific buying task. The findings of the study indicate that credit card, promotional approaches, window display, situational factors and store lay out mostly influence the impulse buying behavior of consumers

Limitations/Scope

The study does not focus on items that respondent impulse purchase and those they do not Impulse purchase. Impulse purchases influenced by other variables are not considered in the study. Also future research could investigate internal factors (moods, affection...) influence impulse buying behavior. Since in this research we investigate impulse buying for super market.

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