

# IMPULSE BUYING IN THE ORGANISED RETAIL OUTLETS: A STUDY OF CONSUMER PERCEPTION IN SOUTHERN KARNATAKA

Umesha s<sup>1</sup>, Dr.MariGowda S<sup>2</sup>

<sup>1</sup> Research scholar in Vidyaavardhaka Research Foundation, Mysuru, Karnataka, India

<sup>2</sup> Principal & Professor of Commerce, VVFGC, Mysuru, Karnataka, India

**Abstract:** *In the present scenario, retailers are progressively making use of various in-store influencers for converting browsers to spenders in order to attain their marketing goals. The phenomenon of impulse purchasing has been studied to formulate marketing strategies to survive in the competitive marketing environment. The study intended to identify perception associated with impulse buying behavior in organised retail outlets. The study is used the primary data gathered from organised retail store's consumers in southern Karnataka with the help of a structured questionnaire and mall-intercept interview by using stratified sampling method. Appropriate statistical methods like mean, standard deviation and Independent-sample t-test are used to analyses the data. The study found that the highest mean value is 4.0784 indicating good offers causes for impulse buying when markers applied this strategy to enhance sales. The study empirically proved that there is a statistically significant relationship between the conditions specifically good offers, Cashless transactions, window display, sales person's communication, fee as prestigious, encouraged by family members, encouraged by friends, brand loyalty, new trend and speciality of product, income status and spending more time while shopping which denoted the p-value is smaller than 0.05.*

**Keywords:** *impulse buying behavior, influenced factors, purchase decision, organised retail stores*

## I. INTRODUCTION

Gradually, the retailing business is worldwide experiencing enormous trends due to the ever-changing nature of consumer tastes, buying behaviors and consumption patterns. The Indian retail business has emerged as one of the most dynamic and fast-paced industries due to the entry of many new players. The modern Indian consumer is looking for more value in terms of improved availability and quality, satisfying shopping environment, financing option, trial rooms for clothing products, return and exchange policies and viable prices. Consumers are willing to prefer shopping malls because of everything is available in a single platform. This has created a rapid growing opportunity for organized, modern retail formats to emerge in recent years and grow at a fast pace (Deepika, 2011). Several demographic indicators such as age, gender, marital status, education and occupation which show favorable trends for the growth of organized trade in India and these become the important drivers for retail industry in India (Swar, 2007). Besides internal and external stimuli also play major role in unplanned purchase.

## II. THEORETICAL BACKGROUND OF THE STUDY:

### a) Organized retailing in India

Organized retailing consist of modern retailing with busy shopping malls, multi-stored malls and huge complexes that offer a more variety of products in terms of quality, value for spending money and making the shopping an impressive experience. The total concept and idea of shopping has undergone a vast drawing modify in terms of format and buyer behavior. Modern retailing has enormously entered into India in the 21 century, where shopping malls are playing vital role to fulfil the daily requirements of the consumer which make available all under one roof. In the earlier decades, customers used to visit to Kirana or traditional retail Stores to purchases their requirements but this has progressively changed to bigger shops run by one man with few employees wherein entire task was done manually. Gradually more cleverness seeped into this sector and department stores came to exist. Today, organized retailing has become the most experience characterized by comfort, style and appropriate marketing activities (Shahid et.al., 2012).

### b) Impulse buying behaviour

Impulse buying is synonymous with unplanned decision to buy and has been defined by Baumeister, (2002); According to Anderson & de Palma, (2002) the evidence on the extent of the trend varies according to the definition used of "unplanned purchases". Stern, (1962) defined the term impulse buying as "any purchases which a shopper makes but has not yet planned in advance". Recently, the majority of the researchers have expressed their views about impulse purchase as "unplanned purchase to embrace an emotional element or an urge to make the purchases".

Psychological feelings play a significant role in purchasing the products without any preplanning. Moreover, customers look in to the benefits of attractive offers which surge impulsiveness. Marketers and retailers tend to make use of this purchaser's behavior to enhance the sales. Impulse things appeal to the emotional side of consumers. Some of the imperative factors of impulsive purchase are classified into two types as internal and external factors. External factors comprise Store visible characteristics which includes attractiveness, i.e. the store location, ambience, size, ventilation, attractive layouts, persuasive shop assistance, convenience, store patronage, credit facilities, discounts effect the impulsiveness of consumer while making purchase

at shopping malls. Internal factors or individual characteristics which hub on individual that make them engaged in impulsive buying behavior, it mainly absorbs consumer's personality traits, psychological factors, demographic factors and situational factors.

### III. Review of Literatures

The highlights of the earlier few studies on impulse buying in retail sector have been listed as follows:

Stern (1962) revealed in a study that four distinct types of impulse buying that can be categorized according to the amount of affect versus cognition present in the buying decision process. Another mode of impulse buying, where an emotional feel generates the impulse to buy, represents the least amount of cognitive contribution. The remaining type involves an arrangement of cognitive and affective influence impulse buying among the customers. A suggested impulse buy occurs when a consumer sees a thing or product for the first time and desire to buy; it is created without prior product information. A planned impulse buying occurs when a consumer has some specific purchase in his/her mind; however, the actual buy depends upon price specials and offers demonstrate by shop keepers.

Verplanken et al., (2001) highlighted that impulse buying is generally connected with an unplanned a sudden purchase, which is initiated on the spot when consumer visits to shop. It is described as more exciting, less calculated, and more on alluring or tempting buying behavior compared to the planned purchasing behavior.

Pughazhendi et al., (2011) viewed that the retail business in India has come forth as one of the most energetic and fast paced business with several retailers entering the market. But all of them have not yet live through success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Business is gradually inching its path towards becoming the subsequently booming industry. At this stage the Indian retail market is continuously growing, on the back drop of that middle class family purchasing power are rising as there is increase in the total income as well as the change in their taste and preferences towards modern organised retail outlets. The retailers need to be able to understand the level in which different factors affect in converting the impulse buyers to compulsive buyers to flourish.

Mamta et al., (2012) contended that Impulsive buying is an unplanned, hedonic purchase that follows an impulsive urge, or in other words impulsive buying behavior is a sudden, compelling, hedonically complicated purchasing behavior in which the hurry of the impulse purchase excludes thoughtful, purposeful consideration of all information and variety alternatives.

Mohd et al., (2013) evidence that Customer is affected by both internal and external factors of impulse buying. Since impulse buying behavior is often stimulus driven increased exposure of retailers pertaining to their products to certain stimuli boost the likelihood of impulsively buying refer to marketing tactics that are placed and controlled by the marketer in attempted to attract consumers into purchase behavior. The study found that impressive cues in the retail environment act as vital trigger that influences a desire to purchase impulsively.

Nagadeepa et al., (2015) revealed in a study that the two significant sales promotional schemes specifically Rebates & discount offers and the Loyalty programs of the retailers are more impressive on impulse buying behavior of customers on apparels. The further three sales promotional schemes explicitly price packs, coupons and contests are less impressive on consumers.

Kaur et al., (2016) found that there was positive effect of visual merchandising on impulse buying behavior in organized retail stores. It denoted that if visual merchandising is effective in retail stores cause in encouragement towards impulse buying.

Yeboah A & Prempeh V. O. (2017) examined a study to give the impression of being the consumer impulse buying behaviour from a range of consumer related factors and product interrelated factors. It revealed the variables like product physical quality, product attractiveness, product price, product origin, store characteristics and purchase vicinity. This study considered a sample of 179 respondents who visited the Accra Shopping Mall in the city. The study identified that there was a positive relationship between impulse buying behavior among consumers and product physical quality, product attractiveness, product price, product origin but purchase location was not allied the greater part to persuade the impulse purchaser.

**IV. 1 Scope of the study:** The scope of the study is confined to selected major cities in southern Karnataka namely Bangaluru, Mysuru and Mandya. The study has been taken into the consideration only the shoppers who visit regularly to the shopping malls.

#### IV. 2 Objectives of the study

In the present paper an attempt has been made to attain the following objectives:

1. To evaluate the reasons induce impulse buying behavior in Organised retail outlets.
2. To examine the role of good offers, discount, shopping mood, window display, credit facility, brand loyalty, new arrivals, prestigious feel trigger impulsive buying.
3. To come out with suggestions to encourage impulse buying in organised retail platforms.

#### IV.3 Hypothesis

Keeping in view of the objective the following hypothesis identified.

**Null Hypothesis (H<sub>0</sub>):** "there is no significant relationship between impulse purchasing tendency among the customers and good offers, shopping mood, cashless transaction: credit & debit card usage, Window display, sales person communication, prestigious feel, ambience, Encouraged by friends, encouraged by family members, brand loyalty, new trend and product specialty, income status and shopping time.

**Alternative Hypothesis (H<sub>1</sub>):** "there is a significant relationship between impulse purchasing tendency among the customers and good offers, shopping mood, cashless transaction: credit & debit card usage, Window display, sales person communication, prestigious feel, ambience, Encouraged by friends, encouraged by family members, brand loyalty, new trend and specialty of product, income status and shopping time.

## V. Research methodology

The present study is an exploratory research in nature. The research plan has been described as follows.

### 1. Source of data

To collect the information from the respondents visiting the shopping malls various methods like personal contact, mail and SMS have been used. Primary data has been collected from the respondents by administering structured questionnaire and mall-intercept interview. The secondary data has been collected from various sources such as research articles, journals, theses, books and other websites.

### 2. Sampling design

**Population:** southern Karnataka

**Sampling procedure:** Stratified sampling technique

**Sampling area:** The area of sampling has been selected are the major cities in southern Karnataka such as Bangaluru, Mysuru and Mandya.

**Sampling size:** 153 respondents

## VI. DATA ANALYSIS

The data is collected from primary sources. 153 respondents were fully completed the questionnaire out of 238 with the response rate of 64.28%. Out of them, 91 respondents are male and 62 from female category. Dichotomous style of question was asked to decide whether they purchased impulsively or not and made them to two groups. Hence, it portrayed the data of the respondents who usually purchased the products without preplan while shopping through organized retail to interpret the facts. Appropriate statistical methods such as mean, standard deviation and Independent-Sample t-test are used with the help of SPSS Software to analyze, testing hypothesis and interpret the data.

### VI.1 Result and Discussion

Table No.1: Showing the major factors trigger impulse buying in organized retail outlets.

Independent-Sample t-test					
Factors persuade Impulse Purchase	N	Mean	SD	sig.	Result
					(Null Hypothesis)
visit without list of shopping items	153	3.1569	1.348	0.386	Not Rejected
Good Offers	153	4.0784	1.036	0.041	Rejected
Shopping mood	153	2.4641	1.262	0.052	Not Rejected
cashless transaction viz. debit/credit Card	153	3.2614	1.213	0.043	Rejected
Window Display	153	3.6732	0.785	0.000	Rejected
Sales person's communication	153	2.7386	1.111	0.000	Rejected
Feel as prestigious	153	3.0588	1.51	0.000	Rejected
Ambience	153	3.2288	0.991	0.491	Not Rejected
Encouraged by family members	153	3.2418	1.165	0.680	Rejected
Encouraged by Friends	153	3.4052	1.155	0.001	Rejected
Brand Loyalty	153	3.2614	1.185	0.000	Rejected
New trend and specialty of the product	153	3.085	1.504	0.000	Rejected
Income status	153	3.6667	1.235	0.038	Rejected
Spending more time while shopping	153	3.1111	1.184	0.195	Rejected

### Sources: Primary Data

The study reveals in the table no.1 that highest mean value is 4.0784 indicating promotion deals namely good offers and discounts offered by the shopping malls causes for impulse buying. Even, window display and income status are dominating on

unplanned purchase by representing the mean value at 3.6732 and 3.6667. Moreover, visit without list of shopping items, cashless transaction: credit & debit card usage, prestigious feel, ambience, encouraged by friends, encouraged by family members, brand loyalty, new trend and specialty of product, income status and shopping time are also denoted the mean value more than 3.00 which evidenced as influenced factors for unplanned purchase decisions. The study identified that information given by sales persons and shopping mood are rarely influenced factors on impulse purchase which is evidence by the mean value of <3.00.

Standard deviation with regard to the shopping mood, visit without list of shopping items, good offers, cashless transaction, communication of sales person, prestigious feeling, encouraged by family and friends, brand loyalty, new trend, income status and spending of more time is more than "1" indicating that there is a divergence of opinion among the respondents. i.e., respondents are not in arrangement for the indicator chosen. However, there seems to be common opinion regard to window display and ambience. Because the standard deviation is less than "1" indicating all the respondents chosen for the study are in agreement about these two indicators.

The study evidenced that to decide whether there is a statistically significant relationship between the conditions specifically good offers, Cashless transactions, window display, sales person's communication, fee as prestigious, encouraged by family members, encouraged by friends, brand loyalty, new trend and specialty of product, income status and spending more time while shopping. The convention is that the p-value is smaller than 0.05. The null hypotheses were rejected as the p-values are less than 0.05 which evidenced in the above table. Hence, it can be inferred that all factors which considered to test are positively impacting on buyers to purchase the products on impulsively due to the emergence of shopping malls. Besides the null hypotheses were not rejected as the p-values are more than 0.05 which evidenced that there is no significant relationship between impulse purchase and visit without list shopping items, shopping mood and ambience.

#### IV.2 Suggestions

The study offers few suggestions based on the facts findings and mall- intercept interview. It recommended to sellers and marketers who are leading shopping malls to have ATM in their shops and inform consumer about this. Because of nowadays cashless transactions are encouraging by the Govt. Even though, some customers are not ready to use the POS machine used at billing counter. Marketers need to enrich the window display by decorating their stores in modern style and use attractive lights and colors to boost the impulse purchase which attract customers. Moreover, sales person attention is much essential while they look at the product. Popular brands, newly arrivals, design and special categories of products must make available to customers especially for females. Mall keepers can gift complimentary products to encourage consumers to buying impulse that also useful to retain the customers. Seller should concentrate on price fixing to attract the customers to buy on impulsive and seems to be worthy.

#### IV.3 Conclusion

Impulse buying is a hurried and immediate purchase without pre-shopping plans either to purchase the specific product or to fulfill a specific purchasing task. The major findings of the study point out that price discount or offers, cashless transaction, various promotional tactics, window display, reference groups, special collections and product involvement mostly influence the impulse buying behavior among the customers. Marketers are required to consider dissimilarities of individuals and understanding their way of spending. It is potential to set and modify sale practices and standards in organized retail, which will make use of possibilities to enhance sales more effectively. As increase in the impulse buying result in sales increase which acts as indicator of healthy retail business.

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