

The Impact of Store Environmental Factors on Customer's Impulse Buying Behaviour: Fashion Stores in Colombo District, Sri Lanka

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Abstract— Impulse buying behavior is an unplanned and spontaneous purchase. Among different types of buying behaviors of consumers, impulse buying behavior has been identified as one of the critical and beneficial buying behaviors by marketers and researchers all around the world and the number of researches done on impulsive buying behavior has been increased during last 60 years. This research is conducted with the purpose of identifying the impact made by store environmental factors on consumer buying behavior of fashion outlets in Colombo district. Background music, lighting, employee presence and perceived crowding were considered as the independent variables and Data was collected through a distribution of structured and self-administered questionnaire from a sample of 152 customers. Regression analysis was used to analyze data and background music and employee presence were found as the factors with significant impacts on impulse buying behavior.

Keywords— Impulsive buying behaviour, store environment, consumer behaviour

I. INTRODUCTION

Consumer Behavior is very complex and critical because their exact behavior cannot be predicted and the revenue and future success depends on it. Normally, consumers pass through several stages for a buying but the purchase done by the consumers without pre-planning is called Impulsive Buying Behavior. Impulse buying is simply defined as the sudden and immediate purchase decision inside a store with no prior intention to buy the specific product or products. (Mohd and Gupta 2013). Literature supports that the Impulse buying can be happened anywhere by anyone. Because of the rapid growth in shopping outlets, companies often seek the factors that impact on buying behavior. Based on the own experiences and previous researches, Impulse buying behaviour can be identified as one of the most critical buying behaviours. One of the biggest considerations done by organisations in their decision making is whether the marketing strategies used by them are effective in order to exceed their target sales. According to the researches, one of the best ways of accomplishing this is, improving the appearance of the store so that it leads more impulse purchases. Previously, traditional consumers used to make a pre plan of the things needed to buy before going to the shop. But, as a result of the globalisation, income level, purchasing power, life styles and patterns of consumers has been changed radically and therefore at present, consumers behave irrational and un-planned in their purchasing behaviour. The earliest studies on impulse buying include the DuPont Consumer Habits Studies in 1940s to 60s and studies such as by Patterson in 1960s which were sponsored by the Point-of-Purchase

Advertising Institute. (Mohd and Gupta 2013). Many researches point out that Impulse Buying is potential to grow further with new technology and therefore, marketing innovations should be done to enable customers to make impulse purchases. Therefore, this research is done to recognise the impact made by Store Atmospheric factors on consumer Impulse Buying Behavior of Fashion Outlets in Colombo District, Sri Lanka.

II. LITERATURE REVIEW

A. Store Environment

The importance of the store environment is emphasised by (Kotler 1973) as “Buying environment can be purposefully designed to persuade specific emotional effects in shoppers, thereby enhancing their purchasing ability”. This statement shows that a proper attention should be given to in-store environment hence it plays a vital role in the shopper decision making process. Shun Yin Lam in his article “The effects of store environment on shopping behaviour” emphasises that the store environment is constructed with many factors such as music, lights, layout, promotional signage and human elements.

Store environment could influence shopper behaviour in different ways. The impact of the appearance or the ambience of the store applies to any shopper related stores even if they are not in to retail industry. (S.B.Hearth 2014). Different authors have discussed the factors of the store environment in different ways and I consider Music, Lights, Employee present and people crowding.

Music is a medicine for a stressed, obsessed mind with a lot of problems. People like to listen to music when they spend even a busy life and it shows that music has positive results. Many researchers emphasize that background music and other sounds played at a store can be lead to have a pleasant shopping experience for the customers and sometimes the time period spending for shopping can be increased by this. Further, the length of the shopping period depends on the speed of the music. (P.C and Curnow 1966) mentions that the extend of retaining of the shoppers in a store where there is a loud music is very low comparing to a place with slow music.

In stores, there should be a very pleasant, balanced lighting system where shoppers can see the store arrangements and also themselves nicely. In some stores, shoppers see themselves in mirrors nicely and fairly because of good lightings and this will motivate them to remain in the shop a longer period and buy more products. (S.B.Hearth 2014) argues that shoppers can better view the products and it

will help to gain customers attention and attraction to the main sales points. But, the stores should focus more attention on the favourability of the lighting system since the usage of improper lighting systems can bring fewer sales as well.

In every shop, the employees can be seen in different numbers and different appearances. These people are very much important for the store because they are the people who have direct contacts with customers and they make influences either positive or negative. According to (Jones 1999), the store personnel contribute to entertaining shopping experiences. Controversy, he further mentions that the shoppers are not very much happy with the overbearing staff but they appreciate if a sales person helps them in shopping. Crowding can be perceived as an unpleasant experience by some people (bateson and Hui 1991). According to (Stokols 1972) Shop crowding usually develops psychological pressure and amplified arousal in consumers who sense a loss of personal space.

B. Impulse Buying Behavior

Impulse buying is a common phenomenon in the marketplace and for that reason it has become a focal point for considerable marketing activities (GRAA, DANI-ELKEBIR and BENSALD 2014). Stern recognized that there are four main types of impulse buying and they are pure, reminder, suggestion and planned impulse buying. Pure impulse buying means buying a novel thing in a different way breaking the normal buying pattern. Secondly, if a person accidentally sees a product in the store and it reminds that the stock is less at home and buys the product, it's a reminder impulse buying. Thirdly, suggestion impulse buying happens when a person sees a product for the first time and visualizes a need for the product and buys it. At last, planned impulse buying means that buying a particular product based on the special promotions, discounts and benefits. According to Hudge (2004) as cited in (S.B.Hearth 2014), impulse buying is unplanned purchase. Decided on the spot, occurs in response to a stimulus and entails a cognitive reaction, an emotional reaction or both of them. According to Praboteeah (2005, as cited in (Virvilaite, Saladiene and Bagdonaite 2009) the variables causing impulse buying are categorized as consumer characteristics, store characteristics, product characteristics and situational factors.

Fashion oriented impulse buying is strongly related to fashion involvement and (Han, et al. 1991) implies that fashion involvement might encourage fashion oriented impulse buying by providing sensory or fashion clues. The researches on the store environmental factors and impulse buying behaviour and it explore the influence of its various elements on consumer behaviour. Store environment may also influence the number of items purchased as cited in (S.B.Hearth 2014) store liking, time and money spent (Sherman, Mathur and Smith, 1997), perceived quality

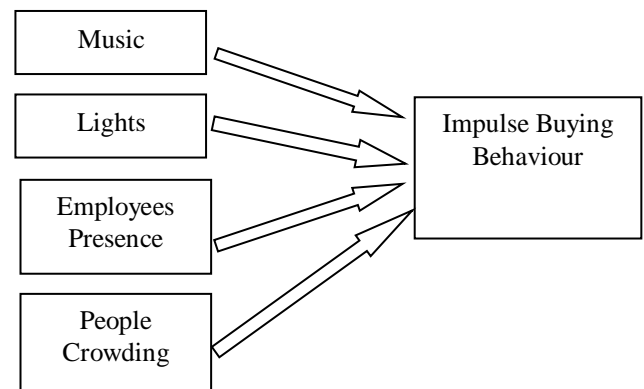
of merchandise and patronage (Baker, Grewal and Parasuraman, 1994); sales (Milliman, 1982), product evaluation (Wheatley and Chiu, 1977), satisfaction (Bitner, 1990), and store choice (Darden, Erdem and Darden, 1983). Recent research in the domain straddling retail store environment and consumer behaviour finds that store environment is positively related to store trust and leads to more positive evaluations of merchandise (Guenzi, Johnson and Castaldo 2009)

III. METHODOLOGY

The purpose of the study is to examine the impact of the in-store environment atmosphere on impulse purchasing behaviour of shoppers in Fashion Outlets in Colombo District, Sri Lanka. The research is a causal research which was conducted with the intention of testing the designed hypotheses. Snow bowl sampling method was used as the sampling technique and 157 customers in Colombo district were selected as the sample. Primary data was collected through a distribution of structured and self-determined questionnaires and a 5-point-likert scale ranging from strongly agree from strongly disagree where bases on the element 5 being strongly disagree and 1 being strongly agree was used.

The research model was constructed by the researcher based on previous literature.

1.0 Conceptual framework



Source: Model developed by the researcher (2017)

According to the model, the Impulsive buying behavior is the dependent variable and Music, Lights, Employee presence and People crowding can be taken as independent variables. The equation model is constructed as follows.

$$IBB = \beta_0 + \beta M + \beta L + \beta EP + \beta PC + \epsilon_i$$

Variable	B-Coefficient	P- Value
Music	0.369	0.000
Light	0.065	0.032
Employee Presence	0.139	0.004
Perceived Crowding	0.012	0.751

IV. DATA ANALYSIS & PRESENTATION

According to the demographic analysis, 35% of the consumers was between 16-22 years of age, 22% was between 23-29 years, 16% was between 36-42 years, 14% was between 30-35 years, 10% was the consumers above 50 years and only 3% was 43- 49 years of age. This sample was comprised with 96 female consumers and 56 male consumers. Therefore, it can be said that the majority of the sample is female consumers. When respondents are divided according to their education, the majority (33%) of the sample is Bachelors holders, 27% is Diploma holders, 20% of A/L qualifiers, 12% of O/L qualifiers and the rest of 8% is post graduate degree holders. The majority(29%) of the sample is in the income category of Rs 20,001- 40,000 while 25% is in 60,001-80,000, 22% is in 40,001-60000 and the minority is in the income category of less than 20,000. Therefore, this proves that the high income earners tend to spend more on purchases.

The main analysis used by the researcher is multiple regression analysis and SPSS (21.0) was used to analyse data. The following table shows the impact made by store environmental factors on Impulse buying behavior of customers in fashion outlets with the significance values.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.711 ^a	.505	.492	.32200	1.484

a. Predictors: (Constant), P.CROWDING, LIGHTING, MUSIC,

EMPLOYEE

b. Dependent Variable: IMPULSE BUYING BEHAVIOR

Model	Sum of Squares	df	F	Sig.
1 Regression	15.681	4	37.810	.000 ^b
1 Residual	15.345	148		
Total	31.026	152		

According to the tables shown above, R2 indicates that 55% of variance of Impulse buying behavior is explained by the independent variables: Music, Lighting, Employee Presence and Perceived Crowding and the rest of the 45% is explained by the other factors which are not included in the independent factors.

TABLE I. REGRESSION ANALYSIS

The table shows the impact made by the independent variables and the significance values.

Hypothesis 01: The first hypothesis is Music of the store significantly impacts on impulse buying behavior in fashion outlets. According to the table, the B co-efficient of Music is 0.369. It means that if the company invests in Music in the store environment by 1 unit, the impulse buying increases by 0.369 units. Since the p value is less than 0.005, the hypotheses can be accepted.

Hypothesis 02: Lighting of the store environment significantly impacts on impulse buying behavior in fashion outlets is the second hypotheses of the current research. According to the table, the B coefficient of Lighting is 0.065. But, the hypotheses cannot be accepted because the p value is less than 0.005 and therefore, it's insignificant. Hence, it can be concluded that the lighting of store environment does not have a significant impact on impulse buying behavior.

Hypotheses 03: B coefficient of the Employee presence is 0.139 and the value is significant. It says that the impulse buying increases by 14% when the investment and the effort on employee presence are increased. Therefore, it can be concluded that the hypotheses of the employee presence impacts on impulse buying behavior can be accepted.

Hypotheses 04: The B coefficient of the Perceived crowding is 12% but the P value is greater than 0.005. Therefore, the hypotheses of perceived crowding impacts on impulse buying behavior cannot be accepted.

Therefore, the research model according to the findings of this research can be drawn as follows.

$$IBB = \beta_0 + \beta M + \beta EP + \epsilon_i$$

V. CONCLUSION

The study is about the impact made by store environmental factors on consumer impulse buying behavior of fashion outlets in Colombo district. The current study shows that the store environmental factors impact on impulse buying behavior. Among the four factors, the highest impact is from Background music and the second highest impact is from the Employee presence. The findings show that the fashion outlets should focus more on playing charming background music and should keep consumer friendly employees for their assistance. Although the research

identifies light and perceived crowding as insignificant, the company can give less attention on improving them too as they are very important environmental factors to attract and retain more customers within the store as revealed by other researchers?

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