

Impulse Purchase and Impulse Non-Purchase in Book & Stationery Retail Outlets in Shopping Malls

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ABSTRACT

Reading habits are changing fast. According to Majid and Tan (2007), reading was the third most preferred leisure activity among children after hobbies and playing on computer and/or the Internet. Reading habits of researchers have also changed; researchers now tend to scan the literature in a process more akin to 'channel surfing' than reading. This change in behaviour has also led to a change in the way a customer approaches books in physical stores. Increase in quantity and complexity of information available has transformed the decision making process of buying reading material. Environment factors like neatness, design, ambience, staffs' assistance, and other factors have started influencing the book purchase.

This paper examines the factors affecting impulse purchase and impulse non-purchase by shoppers in book and stationery retail outlets in shopping malls, as well as demographic patterns of the same. The variables included were the respondent demographics, along with store-related variables relating to the respondents' perceptions of importance of visual appeal, ambience, price, discounts/promotions, service, shop floor assistance, variety, quality, in-store navigation, and operational execution in their purchase decisions in book and stationery retail stores in malls. It's a descriptive study.

The result of this research shows that impulse non-purchase behavior is affected by shopper demographics than by store-related variables. On the other hand, impulse purchase was affected by both shopper demographics and store-related variables.

Keywords: Impulse Purchase, Impulse Non-purchase, Book and Stationery Retail

INTRODUCTION

We are a young nation. Given the population, we can service the needs of not only this country, but we can also be a source of employment abroad. We can be the service provider to the world (S Ramadorai, Chairman-NSDA¹).

To support the need of this young generation, education sector has been strengthened by the Government. The country is equipped with more than 1.4 million schools with over 227 million students enrolled and has more than 36,000 higher education institutes.¹ Largest in the world, higher education system of India enrolled over 70 million students in less than two decades. The total amount of Foreign Direct Investments (FDI) inflow into the

education sector in India stood at US\$ 1,256 million from April 2000 to March 2016, according to data released by DIP².

The development in education directly influences the need for books and stationery goods. These retails cater to the need of large society of India viz education books, entertainment magazines, story books, novels, journals and stationery tools. The emergence of online retail giants like Amazon, Flipkart, infibeam etc. have challenged the position of physical book stores to a large extent. Physical retail have also understood the competition well and have inched closer to the customer by opening stores at high foot fall and transit areas like shopping malls, theatres, railway stations, bus stops, and airports. The ease of buying the latest, self-reviewing opportunity encourages

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impulsive behaviour in the customers. Parents also find these expenses safe for the kids. Moreover, this is an opportunity for the reader to update his/her knowledge, also impress upon the company of friends and others by associating with popular books.

LITERATURE REVIEW

Consumer behaviour is a complex issue in marketing and Impulse buying is another one of the most fragmented concepts. The literature review of past 60 years has resulted some contradictory findings too. The understanding of this behavior in retail stores was first recognized in the marketing literature by Clover (1950). A decade after Clover, Stern (1962) distinguished four types of impulse buying: pure, reminder, suggestion, and planned impulse buying. (i) Pure impulse buying: is a novelty or escape purchase which breaks a normal buying pattern, (ii) Reminder impulse buying: occurs when a shopper sees an item or recalls an advertisement or other information and remembers that the stock at home is low or exhausted, (iii) Suggestion impulse buying: occurs when a shopper sees a product for the first time and visualizes a need for it, and (iv) Planned impulse buying: takes place when the shopper makes specific purchase decisions on the basis of price specials, coupon offers and the like.

In DuPont studies (1948-1965), Impulse Buying (IB) has been recognised as 'unplanned purchase activity'. But Rook (1987, p.191) observes, 'impulse buying refers to narrower and more specific ranges of the phenomenon than unplanned purchasing', includes; the purchasing is unplanned, difficult to control and accompanied by emotional response. Applebaum (1951) also defined impulse buying as 'buying that presumably was not planned by the customer before entering a store, but which resulted from a stimulus created by a sales promotional device in the store'.

The result of impulse purchase can be positive or negative. Rock's studies indicated that a relatively low percent of individuals (20%) have reported negative feelings concerning their shopping as against 41% reporting positive feeling.

Russell Abratt and Stephen Donald Goodey (1990) found that in-store stimuli like in-store siting, on-shelf positions, price-off promotions, sampling, point-of-purchase

displays, coupons, and in-store demonstrations holds true across cultures.

Arnold et al, 2004, Impulse Buying is defined as experiencing a tendency for shopping that is sudden, strong, and tempting. Kaur (2013) suggested that the factors that affect the purchase in apparel retail are quality, price, variety, design, and visual merchandising. She found that window display increases the stimulus for the consumer to enter into the store, while colour, lighting, ambience and visuals increase the time spent in store by the consumer.

Meenakumari (2013) considered some important visual merchandising factors, including entrance, promotional signage, window display, fixtures, floor space, and interiors. All these factors have been having impacting impulse purchase. Hyo Jung Chang et al (2014) found direct effect of ambient characteristic on consumers' positive emotional response to the retail impulse buying.

Sarikhani et al (2015) found that available money and word of mouth have significant effect on impulse buying, but variables of time pressure, variety of selection, store environment, and social norm have no significant effect on impulse buying.

Thus, as per literature, no study has been directly done on impulse buying behaviour on book and stationery retail outlets though many papers are available on retail outlets of other categories such as apparel retail store.

Similarly, this research finds a gap in literature on Impulse Non-purchase in book and stationery retail environment, where customer was ready with his planning to purchase, enter the store but turns his back towards the products. Impulse non purchase then can be understood as an unplanned decision to not buy a product or service, made just before a non-purchase. One who tends to make such non purchases is referred to as impulse non purchaser or impulse non buyer. Let's say A plans to buy sport shoes of specific range from a selected store. But when he visits the store in spite of the availability of shoes of his choice and price being available, the suggestive performance of the shoes by store staff and availability of higher ranges shoes (which will be a burden on his pocket) stimulate him negatively and A doesn't buy anything from the store at that moment.

RESEARCH METHODOLOGY

The Objective

The objective of the present study is to examine the factors affecting impulse purchase and impulse non-purchase by shoppers in book & stationery retail outlets in shopping malls, as well as demographic patterns of the same.

Sampling Plan and Data Collection

The data for the study was collected based on a convenient sample of three hundred respondents, including shoppers visiting three major malls in Bangalore, India, viz. Forum Mall (two locations), Total Mall (four locations), Garuda Mall (two locations), and online respondents. The data was collected using a self-administered structured questionnaire.

The variables considered were the respondent demographics, including gender, age, marital status, and income, along with store-related variables relating to the respondents' perceptions of importance of visual appeal, ambience, price, discounts/promotions, service, shop floor assistance, variety, quality, in-store navigation, and operational execution in their purchase decisions in book & stationery retail stores in malls.

The response variable was trichotomous: *whether the respondent's purchases were planned* (either they planned to purchase and purchased, or they did not plan to purchase and did not purchase), *impulse purchases* (they did not plan to purchase but did purchase), or *impulse non-purchase* (they planned to purchase, but they did not purchase) in book & stationery retail stores in shopping malls. The focus of the study was the unplanned purchase behavior.

Analysis Tool

Discriminant analysis is a multivariate analytical tool used for classification analysis. Discriminant analysis is

basically used to predict group membership, and to assess the effectiveness of a set of variables in distinguishing/discriminating between two distinct groups. The dependent variable is a categorical variable (group membership), while the independent variables could be either categorical or continuous variables. The outputs of a discriminant analysis are a discriminant function $D = a_0 + a_1x_1 + \dots + a_kx_k$ and a cut-off value d^* such that a unit for which $D < d^*$ is predicted to one group, while a unit for which $D > d^*$ is predicted to belong to the other group. Further, stepwise discriminant analysis identifies the set of independent variables significantly discriminating between the groups.

To distinguish unplanned from planned purchase behavior, two stepwise discriminant analyses were performed. In model I, the unplanned behavior was of impulse purchase (i.e. they had not planned to purchase, but did purchase), while the planned behavior was, they had not planned to purchase, and they did not purchase. In model II, the unplanned behavior was of impulse non-purchase (i.e. they had planned to purchase, but did not purchase), while the planned behavior was, they had planned to purchase, and they did purchase.

Demographics

The respondents were of varied demographic profiles. In terms of gender, 52.3% of the respondents were male, 47.7% female. Further, 57.5% of the respondents were single, 10.5% engaged, and 32.0% married. In terms of age groups, 22.9% of the respondents were in the age group 18-25 years, 61.1% were in the age group 26-35 years, and 16% were in the age group 36-50 years. In terms of income, 42.7% of the respondents were in the income group of up to Rs. 4,00,000 p.a., 30.6% were in the income group of Rs. 4,00,000 - 8,00,000 p.a., and 26.7% were in the income group of Rs. 8,00,000 p.a. or more.

Table 1: Demographic Profile of Respondents

<i>Demographics</i>	<i>Categories</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Gender	Male	157	52.3
	Female	143	47.7
Marital Status	Single	172	57.5
	Engaged	32	10.5
	Married	96	32

Demographics	Categories	Frequency	Percentage (%)
Age	18-25	69	22.9
	26-35	183	61.1
	36-50	48	16.0
Income	Up to 4,00,000 p.a.	128	42.7
	4,00,000- 8,00,000 p.a.	92	30.6
	8,00,000 p.a. or more	80	26.7

FINDINGS

It was found that the majority of shoppers (72.6%) were non-impulse shoppers (i.e. either they planned to purchase and purchased, or they did not plan purchase, and did not purchase); while 21.6% of the shoppers were impulse purchasers, and 5.8% of the shoppers were impulse non-purchasers.

Further, there were some significant differences in planned/unplanned purchase behavior with respect to the demographics of the shoppers. There was found to be a significantly higher percentage of impulse non-purchasers among men than among women (7.5% vs. 4.2%); on the other hand, a significantly higher percentage of women than men were impulse purchasers (24.7% vs. 18.7%). Also, it was found that a significantly higher percentage of singles than engaged/married were impulse non-purchasers (9.0% vs. 1.6%); on the other hand, a significantly higher percentage of engaged/married than singles were impulse purchasers (24.6% vs. 19.3%). With respect to age groups, there was found to be a no significant difference in impulse purchase and impulse non-purchase. Finally, with respect to income, there was found to be a significantly higher percentage of impulse non-purchasers in the Rs. 8,00,000-and-below income group than in the Rs. 8,00,000-and-above income group (7.6% vs. 2.3%).

The descriptive statistics of the store-related variables affecting the purchase decision are presented below in Table 2.

Table 2: Descriptive Statistics of Variables

	Mean	Std. Dev.
Quality	6.20	0.829
Price	6.02	0.987
Variety	6.01	1.050

	Mean	Std. Dev.
Discounts/Promotions	5.88	1.082
Visual Appeal	5.85	1.172
Ambience	5.69	1.071
Service	5.37	1.030
Shop floor Assistance	5.18	1.050
In-store Navigation	4.01	1.403
Operational Execution	3.95	1.441

All the store-related variables were found to influence the buyers’ purchase decision. The most important store-related variables affecting the purchase decision were quality, price, and variety. Discount, visual appeal, ambience, and service were found to be moderately important for the buyers’ purchase decision. The least important factors were operational execution and in-store navigation.

The results of the discriminant analyses are presented in Table 3 below. For simplicity, only significant variables are presented.

Table 3: Discriminant Analysis Results

	Model I	Model II
Visual Appeal		
Ambience	0.706	
Price		
Discounts/Promotions	0.457	
Service		
Shop floor Assistance	0.444	
Variety		
Quality		
Navigation		
Operational Execution		
(Constant)	-8.993	
Function at Group Centroids	non-impulse	-0.183
	impulse	0.614

	<i>Model I</i>	<i>Model II</i>
Correctly Classified	83.3%	
Wilk's Lambda	0.899	
p-value	0.000	

The results of model II indicate that none of the store-related variables significantly discriminated between impulse non-purchase and planned/non-impulse purchase. The results of model I indicate that three of the store-related variables significantly discriminated between impulse purchase and planned non-purchase; ambience, discounts/promotions, and shop floor assistance, all having a positive effect. In particular, the variables of visual appeal, price, service, variety, quality, navigation and operational execution were not significant to discriminate between impulse purchase and planned non-purchase. The Wilk's lambda and p-value indicate that model I was highly statistically significant.

DISCUSSION

Retail is a growing sector in India. With the rise of organized retailing in India, it is very important for the industry players to understand the various factors influencing the customers' buying behaviour of different demographics. This study has analyzed some major demographic factors (gender, age, marital status, and income) and some store-related variables influencing customer conversion rates among planned and unplanned buyers in retail book & stationery stores in shopping malls.

A major implication of the study is that impulse non-purchase behavior is affected more by shopper demographics than by store-related variables; specifically, men were more likely to make impulse non-purchases than women, and single shoppers were more likely to make impulse non-purchases than engaged/married shoppers. So in book and stationary field females are more impulsive in product purchase.

On the other hand, impulse purchase was affected by both shopper demographics and store-related variables; specifically, women and engaged/married shoppers were more likely to make impulse purchases than other groups, and ambience, discounts/promotions and shop floor assistance were found to increase likelihood of impulse purchase.

The results of the study suggest that women were more likely to make impulse purchases of books & stationery as compared to men. This could be due to women enjoying the experience of shopping, unlike most men. The results of the study also suggest, on the other hand, men were more likely to make impulse non-purchases of books & stationery as compared to women. Thus, in order to induce comfort among men shoppers, book & stationery retail stores should provide them adequate shop floor assistance for decision-making, service, and operational execution, so that they don't waste their time searching for the right products or waiting at the billing counter.

The results of the study also suggest, the single shoppers were more likely to make impulse non-purchases of books & stationery as compared to the engaged/married shoppers, and engaged/married shoppers were more likely to make impulse purchases of books & stationery than single shoppers. This could be explained by ease of access to smart digital products. All round connectivity gives them choices for such products. On the other hand, the engaged couple show impulsive behavior more as they are always looking for such deals for family setup / growing family needs for safer options.

Ambience, an important aspect of store attractiveness, was a significant stimulator for impulse purchase. Thus, book & stationery outlets should design their store atmosphere to appeal to all types of shopper demographics. Comfortable store where customer can spend time with books gives opportunity to the customer to glance through the variety of content that finally inspires them to invest money. The comfortable place with opportunity to sample reading can facilitate decision making.

Discounts/promotions were another significant stimulant for impulse purchase. This probably reflects the price sensitivity of shoppers towards books & stationery. Popular titles are always expensive. Readers look for discount opportunity to grab their favourite titles.

Shop floor assistance was also a significant stimulator for impulse purchase. Thus, shop floor assistance should be directed towards men and single shoppers, to induce them to make impulse purchases. This would provide a personal touch to the shopper.

SCOPE FOR FURTHER RESEARCH

The study can be extended by including more variables such as the role of events, presence of author or blogger or any important personality at store, visuals/graphics, presence of snacks, tea coffee or innovative payment options, or technology role in impulse purchase of books and stationary items. This would help retailers to understand which aspects of their store can influence impulse purchase and impulse non-purchase.

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(Endnotes)

- ¹ <http://www.ibef.org/industry/education-sector-india.aspx> accessed on 17th January 2017.