

# Impulse Purchase and Impulse Non-Purchase in Apparel Retail Outlets in Shopping Malls

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## ABSTRACT

The aim of this study is to examine the factors affecting impulse purchase and impulse non-purchase by shoppers in apparel retail outlets in shopping malls, as well as demographic patterns of the same. The study is a quantitative research that is based on primary data collected through a structured questionnaire. The data were collected based on a sample of 300 shoppers visiting apparel retail stores in three major malls in Bangalore, India. The variables considered were identified through literature survey, and included 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 apparel retail stores in malls.

The results of the study show that impulse purchase behavior is more affected by shopper demographics than the store-related variables. On the other hand, impulse non-purchase was affected by both the shopper demographics and the store-related variables.

**Keywords:** Impulse Purchase, Impulse Non-Purchase, Apparel Retail

## INTRODUCTION

One of the most dynamic and fast growing industries in India, the retail industry, accounts for over 10% of the GDP and around 8% of the employment. This makes the Indian retail industry world's fifth-largest global destination in the retail space, attracting FDI equity inflows of US\$537.61 million in the last decade and a half. This has led to fierce competition in the market.

Marketers have identified an encouraging phenomenon of impulse purchase, and use a variety of techniques to encourage the impulsive behavior of the customers. They are aware of the importance of retail store's display of products to make it welcoming and appealing to the customers. The important elements are exterior and interiors of the store along with price, promotion activities, service orientation, shop-floor assistance, variety of merchandise, product quality, navigation in store, and operational execution.

A positive environment attracts customers to the store and makes them to be attached with the environment and products. Customers feel comfortable, charged with an intention. A negative environment can be deterrent to the customers from buying products. The poor quality of environment will put the customers off. Similarly, poorly management, too much variety, and poor skills of staff will also change the mood of the customers. Another important factor is price, which plays a significant role in impulse purchase and impulse non-purchase.

## LITERATURE REVIEW

Impulse buying is common behavior among shoppers around the world (e.g. Hultén and Vanyushyn, 2014; Nayebzadeh and Jalaly, 2014). An impulse is not consciously planned, but arises immediately upon confrontation with a certain stimulus (Wolman, 1973). Once triggered, an impulse encourages immediate action, and the urge may be powerful and persistent. Impulse buying researches were extensively carried

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out from 1950s and a major area of investigation was purchase decisions made after consumer enters the retail environment. On the other hand, a buyer may end up purchasing nothing though the purchase they had planned to purchase (impulse non-purchase). This latter behavior is less studied in the literature.

Many notable studies have been done in the area of impulse purchase. Studies by du Pont (1945, 1949, 1954, 1959, and 1965) focused on the incidence of impulse purchasing related to different kinds of products. In some other studies, type of store (Kelley, 1965), shelf location (Patlerson, 1963), shelf space (Cox, 1964), and display location (Rook, 1987) were investigated. Other studies have examined the circumstances in relation to impulse buying (Hultén and Vanyushyn, 2014; Nayebzadeh and Jalaly, 2014).

Almost any item may be purchased on impulse (Clover, 1950; Kacen and Lee, 2002). In fact, impulse buying may actually be a form of in-store planning that a shopper uses to finalize his/her intentions. In-store planning may be influenced by store environment and the offered goods and services. Donovan et al. (1994) found that the pleasant and better store environment encourages purchaser to stay for a long time in the store and make impulse purchase.

Dash and Akshaya (2016) examined the impact of visual merchandising on impulse purchase in apparel retail stores. They found that visual merchandising elements do have a significant impact on impulse purchase in apparel retail stores, with the store layout having the highest impact, followed by promotional signage, and mannequin display, while in-store product display did not have a significant impact on impulse purchase.

Knowledge of impulse purchase and non-purchase is helpful for marketers to arrange elements involved in decision-making over impulse purchase or no-purchase to improve upon product sale at the end (Stern, 1962). The quantum of impulse buying is considerable; in fact, retailers have found that over 50% of mall shoppers make impulse purchases (Dawson and Kim, 2010).

What has not been discussed so far in the literature is the concept of impulse non-purchase in a retail environment, where the customer has planned to purchase, comes to

the store, but ends up not buying anything. This study contributes to the literature by addressing this gap.

## 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 apparel retail outlets in shopping malls, as well as demographic patterns of the same.

### Sampling Plan and Data Collection

The data for the study were collected based on a convenient sample of 300 respondents, including shoppers visiting apparel retail stores in three major malls in Bangalore, India, viz. Forum Mall (two locations), Total Mall (four locations), Garuda Mall (two locations), and online respondents. The data were 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 apparel 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-purchases (they planned to purchase, but they did not purchase) in apparel retail stores in shopping malls. The focus of the study was the unplanned (purchase/non-purchase) behavior.

### Analysis Tools

To distinguish unplanned from planned behavior, two discriminant analyses were performed. Discriminant analysis is used to separate two groups of variables. Discriminant is used to know the effectiveness of a set of variables in predicting category membership.

In model I, the unplanned behavior was that of impulse purchase (i.e. they had not planned to purchase, but did purchase), while the planned behavior was that they had not planned to purchase, and they did not purchase. In model II, the unplanned behavior was that of impulse non-purchase (i.e. they had planned to purchase, but did not purchase), while the planned behavior was that they had planned to purchase, and they did purchase.

## Analysis

The respondents were of varied demographic profiles. In terms of gender, 52.3% of the respondents were male and 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 16.0% 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 or more p.a.

**Table 1: Demographic Profile of Respondents**

<i>Demographics</i>	<i>Level</i>	<i>Numbers</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
Age	18-25	69	22.9
	26-35	183	61.1
	36-50	48	16.0
Income	Up to 4,00,000 pa	128	42.7
	4,00,000-8,00,000 pa	92	30.6
	8,00,000 pa	80	26.7

## FINDINGS

It was found that the majority of shoppers (74.5%) were non-impulse shoppers (i.e. either they planned to

purchase and purchased, or they did not plan purchase, and did not purchase); whereas, 16.4% of the shoppers were impulse purchasers, and 9.1% 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 (12.4% vs. 5.5%); on the other hand, a significantly higher percentage of women than men were impulse purchasers (19.3% vs. 13.8%). With respect to age groups, there was found to be a significantly higher percentage of impulse non-purchasers in the 25 year-old-and-below age group than in the 25-40 year-old age group (19.0% vs. 9.5%). In addition, it was found that a significantly higher percentage of singles than engaged/married were impulse non-purchasers (12.4% vs. 8.7%); on the other hand, a significantly higher percentage of engaged/married than singles were impulse purchasers (17.5% vs. 13.8%). 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 (13.1% 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**

	<i>Mean</i>	<i>Std. Dev.</i>
Quality	6.20	0.829
Price	6.02	0.987
Variety	6.01	1.050
Discounts/Promotions	5.88	1.082
Visual Appeal	5.85	1.172
Ambience	5.69	1.071
Service	5.37	1.030
Shopfloor Assistance	5.18	1.050
In-store Navigation	4.01	1.403
Operational Execution	3.95	1.441

The most important store-related variables affecting the purchase decision were quality, price, and variety, while the least important factors were operational execution and in-store navigation.

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

**Table 3: Discriminant Analysis Results**

		<i>Model I</i>	<i>Model II</i>
<b>Visual Appeal</b>			
Ambience			0.568
Price			0.455
<b>Discounts/Promotions</b>			
Service			
Shopfloor Assistance			0.473
Variety			-0.589
Quality			
Navigation			-0.355
<b>Operational Execution</b>			
(Constant)			-4.072
<b>Function at Group Centroids</b>	<i>non-impulse</i>		0.157
	<i>impulse</i>		-1.282
correctly classified			83.33%
Wilk's Lambda			0.831
p-value			0.000

The results of model I indicate that none of the store-related variables significantly discriminated between impulse purchase and planned/non-impulse non-purchase. The *p*-value (0) suggests that model II is good enough to accept the discrimination. On the other hand, the results of model II indicate that five of the store-related variables significantly discriminated between impulse non-purchase and planned/non-impulse purchase; price, ambience, and shop-floor assistance were found to have a positive effect, while variety and in-store navigation were found to have a negative effect.

## DISCUSSION

With the rise of organized retailing in India, it is very important for the industry players to understand the various factors that influence the customers of different demographics. This study has analyzed some major demographic factors (gender, age, marital status, and income) and some store-related variables that influence customer conversion rates among planned and unplanned buyers in retail apparel stores in shopping malls.

A major implication of the study is that impulse purchase behavior is more affected by shopper demographics than by store-related variables; specifically, women were more likely to make impulse purchases than men were. On the other hand, impulse non-purchase was affected by both shopper demographics and store-related variables; specifically, men and younger, single shoppers were more likely to make impulse non-purchases than other groups, and price, ambience, and shop-floor assistance were found to decrease likelihood of impulse non-purchase, while variety and in-store navigation were found to increase the likelihood of impulse non-purchase.

The results of the study suggest that women were more likely to make impulse purchases of apparels as compared to men. This could be because women enjoy the experience of shopping, unlike most men. The results of the study also suggest, on the other hand, that men were more likely to make impulse non-purchases of apparels as compared to women. Thus, in order to induce comfort among men shoppers, apparel 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 match of clothes or waiting at the billing counter. In addition, store navigation should be designed so that men do not have to cross the entire women's section to reach the men's section, as it might cause inconvenience and embarrassment for some men shoppers; the same holds for women.

The results of the study also suggest that the younger, single shoppers were more likely to make impulse non-purchases of apparels as compared to the older, engaged/married shopper. This could be explained by limited budget or too many aspirations in young shoppers. 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.

Ambience, an important aspect of store attractiveness, was a significant inhibitor for impulse non-purchase. Thus, retail apparel outlets should design their store atmosphere to appeal to all types of shopper demographics. It is possible that retail apparel stores, which target specific demographics, may risk impulse non-purchase by other groups.

Shop-floor assistance was also a significant inhibitor for impulse non-purchase. Thus, shop-floor assistance should especially be directed towards men and younger, single shoppers, who are more likely to make impulse non-purchases. This would provide a personal touch to the shopper provided the information.

Price was another significant inhibitor for impulse non-purchase; however, this can be a double-edged sword. Satisfaction with prices, or more aptly value-for-money, decreases the likelihood of impulse non-purchase; but dissatisfaction with prices will obviously increase the likelihood of impulse non-purchase. Thus, retail apparel stores must be cautious with their pricing strategies. Quality alone is not significant here but price is a deciding factor.

Variety and in-store navigation were found to significant stimulators for impulse non-purchase. This is somewhat counter-intuitive, as they are important aspects of store attractiveness and store convenience, respectively. A possibility is that shoppers are confused by too much variety and choice, and are unable to decide which to purchase. In such a case, providing good shop-floor assistance may mitigate this effect.

Communication strategy is also important factor in impulse purchase and non-purchase. To attract the potential customers by communicating discounts and offers more effectively, visual appeal and ambience, and display of best merchandise on display windows/mannequins will aid the process.

In addition, product placement should be made very carefully; for example, for people who wear large or extra large size, apparels should not be placed on a shelf, which is at a lower level as they might face difficulties to bend down to try it; the same also applies for shoppers in different age groups.

There are several limitations inherent in the study. The sample size for the study was relatively small, and selected through convenient sampling; thus, the results of the study may not be generalizable. The study focusses Bangalore stores. This should be carried out at larger level to understand the impulsive behavior of the customers.

For related future research, more variables are suggested such as role of in-house event, presence of celebrity to

promote the brand, visuals/graphics, snacks and drink items, innovative payment options, and, of course, technology in impulse purchase, which will support both, the buyer and the retailer.

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