

Impulse Buying Behaviour of Consumers in the Shopping Malls of Jalandhar

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Abstract- Retailing is the Last step in the distribution of merchandise- the last link in the supply chain connecting the bulk producers of commodities to the final consumers." One undergoing this process is referred to as Retailer. Retailing includes diverse products such as apparel, footwear, consumer durables, financial services and leisure. However in India retail trade remains in the backward state but at the same time is poised to expect a rapid growth in tandem with the economic growth. India's \$350-400 bn retail market -\$7.5 bn organized retail is growing about 25-30% annually against economic growth of around 8% a year. With this onset many players are entering the market with various products and strategies to cash upon this development in retail sector, thereby increasing competition. Similarly there are various retail formats coming up to grab the opportunity in the retail sector. One of the most prominent retail formats coming up is "Shopping Malls" which can be defined an arrangement of retail stores and providing the right mix of shopping, food courts and entertainment and parking facilities.

Keywords- Retailing; Impulse Purchases; Supply Chain Management

1. INTRODUCTION

An impulse purchase or impulse buy is an unplanned or otherwise spontaneous purchase. One who tends to make such purchases is referred to as an impulse purchaser or impulse buyer. Impulse buying can also extend to so-called "big ticket" items such as automobiles and home appliances. Automobiles in particular are as much an emotional purchase as a rational one. This in turn leads auto dealers all over the world to market their products in a rapid-fire, almost carnival-like manner designed to appeal to emotion over reason. Impulse buying disrupts the normal decision making models in consumers' brains. The logical sequence of the consumers' actions is replaced with an irrational moment of self gratification. Impulse items appeal to the emotional side of consumers. Some items bought on impulse are not considered functional or necessary in the consumers' lives. Preventing impulse buying involves techniques such as setting budgets before shopping and taking time out before the purchase is made. The retail sector has been grown drastically over the years and there are a large number of Shopping Malls and various other retail formats coming up in Metros, Tier I and II cities giving tight competition to the existing ones. And because of this, the retailers are the main focus today and they are totally engrossed in knowing their customer and consumer. Against this backdrop, present study is based. There are several malls coming up in metros among which Mumbai, Bangalore, Delhi, and Pune rank among the top cities in country for retail growth. In case of

Mumbai, malls comprise of 90% of total retail development in the pipeline. The success of mall in tier I cities is definitely influencing tier II cities and smaller towns to replicate the mall model. Thus the next logical step for a retailer is to tap this huge latent demand in tier II cities and establish a strong presence in such cities. And this can be seen in case of a second tier city like Jalandhar where recent market research shows that Jalandhar is likely to grow at a phenomenal rate in the coming 2-3 years as the retail revolution rocks India. With a projected growth rate, of around 25% in the retail sector and the tourism industry riding on the high wave, the city has become the perfect ground for investment prospects. As Jalandhar have such huge investment opportunities and is looking forward to retail revolution many players are trying to cash upon it. They are understanding the need of the present age and the demand of the growing tourists; comprehending the changing lifestyle and the increasing affluence of the society; realizing the potential of Jalandhar and the need of planned retailing, and hence they are bringing a new era that reflects itself with upcoming projects. The present study focuses on the viability of the Malls coming up in Jalandhar and the consumer behavior with regard to the same.

2. OBJECTIVES OF THE STUDY

The study focuses on following Objectives:

1. To identify the factors affecting the Impulse Buying Behavior.

2. To identify the effects of Sales force, Display/ Images, Discount and Schemes, family & Psychology of Customer on purchase decisions.

3. REVIEW OF LITERATURE

“Impulse buying has been considered a pervasive and distinctive phenomenon in the American lifestyle and has been receiving increasing attention from consumer researchers and theorists (Youn & Faber, 2000, p.179)”. Despite the negative aspects of the impulse buying behavior from past research, defining impulsive behavior as an irrational behavior (Ainslie, 1975; Levy, 1976; Rook & Fisher, 1995; Solnick, Kannenberg, Eckerman, & Waller, 1980), resulting from a lack of behavioral control (Levy, 1976; Solnick et al., 1980), impulse purchases account for substantial sales across a broad range of product categories (Bellenger et al., 1978; Cobb & Hoyer, 1986; Han, Morgan, Kotsiopoulos, & Kang-Park, 1991; Kollat & Willet, 1967; Rook & Fisher, 1995; Weinberg & Gottwald, 1982). A study found that impulse purchases represented between 27% and 62% of all department store purchases (Bellenger et al., 1978). Rook and Hoch (1985) assert that most people have experienced an impulse purchase. Other research findings support this assertion revealing almost 90% of respondents have made grocery purchases on impulse occasionally (Welles, 1986), and between 30% and 50% of all purchases can be classified by the buyers themselves as impulse purchases (Bellenger et al., 1978; Cobb & Hoyer, 1986; Han et al., 1991; Kollat & Willett, 1967). Early studies on impulse buying were more concerned with the definitional issues distinguishing impulse buying from non-impulse buying and attempted to classify the types of impulse buying into one of several sub-categories (Bellenger et al., 1978; Kollat & Willet, 1967; Stern, 1962), rather than to understand impulse buying as a trait of consumer buying behavior. Therefore, this approach generated a theory that ignores the behavioral motivations of impulse buying for a large variety of products and, instead, focuses on a small number of relatively inexpensive products. However, this type of approach did not provide sufficient explanations as to why so many consumers appear to act on their buying impulse so frequently. Therefore, researchers began to re-focus attention on impulse buying behavior and to investigate the behavioral motivations of impulse buying (Cobb & Hoyer, 1986; Hausman, 2000; Piron, 1991; Rook, 1987; Rook & Gardner, 1993; Rook & Fisher, 1995; Weun, Jones, & Betty, 1998). The pervasiveness of impulse buying, even for relatively expensive products, led researchers to look at impulse buying as an inherent individual trait, rather than a response to inexpensive product offerings (Cobb & Hoyer, 1986; Rook, 1987). Recently, researchers appear to agree that impulse buying involves a hedonic or affective component (Piron, 1991; Puri, 1996; Rook & Fisher, 1995; Wenn et al, 1998). Today’s research

suggests that impulse buying behavior is much more complex than previously conceptualized; that this behavior stems from the desire to satisfy multiple needs that underlie many types of buying behavior (Hausman, 2000).

4. RESEARCH METHODOLOGY

The Research was Descriptive in nature. The population of the study comprised of residents of Jalandhar. Sample consisted of 200 respondents of age group (18-35). Convenient sampling method was adopted to fill the questionnaire by personal interaction to the customers visiting to retail stores in malls. Personal meetings collected data with the respondents. And data was analyzed using the excel sheet, calculating out the various percentages.

5. FINDINGS AND CONCLUSION

Jalandhar, although being a tier 2 city where the behavior of people shows that they are ready to visit the mall. It shows the dearth of the malls, which are a good destination place for the Jalandhar citizens.

- 10 out of 60 people (17%) befuddled the departmental and hypermarket formats with the mall. It explains the fact that malls, as a concept is still not very clear in the minds of the customers.
- If seen overall major of Jalandharis mainly go for enjoying i.e., watching movies clubbed with eating out and other entertainment activities and rarely for shopping. Which shows that, “drawing the crowd is however not same as drawing profits. When a mall opens, most of the visitors are window shoppers. Getting people once is easy but getting them to return and spend money depends on a mall promoter’s ability to produce a good mix of shoppertainment.
- 42% of Jalandharis feels that Information System and the trail room in a mall are the features that help a customer while shopping, showing the importance of a well-managed store for a customer. The trial rooms as one of the important features shows that apparel stores are a major destination for a customer while deciding to shop in a mall.
- The average expenditure shows that the respondents love to spend more on watch; a highly stylish and expensive one but purchases it once in 3-4 years. It suggests a good market for watchmakers like Titan, Omega etc.
- The respondents going for the food court and multiplex in the mall generally spend around Rs. 300-500.
- 72% respondents feel the availability of the brands, 68% feel the books and music stores, 66% feel food court and 58% feel that multiplex are the features in the malls that make them a priority against the other retail formats like supermarkets, hypermarkets, specialty stores, departmental stores etc. Most of the other formats store only one or two brands along with their private

label brands. They even do not house so many product categories and not much into the entertainment zone.

- The 68% respondents feel that there is a severe need for a good shop catering to various types of books and music CDs, for all type of people according to the age, according to the occupation, etc.
- 66% of respondents felt that the quality offered by a particular brand, 43% felt the variety offered by the brand (which is not the case with most of the unbranded products) as the reason to patronize particular brand. Price being of least importance when it comes to the quality and variety offered.
- 34% of respondents feel that they can travel a distance of 0-6 km to visit a mall, 28% believe that they can travel 0-9 km and 20% can travel above 9 km and the rest can travel only 0-3 km. the reasons being the rise in fuel price and the time constraint.
- 52 % respondents go to the malls for the food chains, 50% go for enjoying the multiplex, to watch the movies in a comfortable environment, good ambience not provided by the single screen theaters.
- 22 % Jalandharis go to the malls for purchasing footwear and 20% for purchasing apparels generally spending around Rs. 1500 for purchasing one item in each category.

6. CONTRIBUTION OF THE STUDY

A significant contribution of the present study is its elucidation of the relationship between impulse buying and visual merchandising, which has been neglected in academic research (Buttle, 1988). Despite the utilization of visual merchandising to improve desirability of products and to encourage consumers' buying behavior, a dearth of research exists that investigates its influence on consumer buying behavior. The result of the present study proves that there is a pivotal relationship between college students' impulse buying behaviors and two types of visual merchandising practices: in-store form/mannequin display and promotional signage. When consumers are exposed to these visual stimuli, they more likely make purchase decisions on impulse. This suggests that these visual merchandising practices, serving as stimuli that provoke a desire that ultimately motivates a consumer to make an unplanned purchase decision upon entering the store, significantly influence consumers' impulse buying behaviors. In-store browsing appears to be positively affected by consumers' impulse buying tendency, and in turn, has a positive impact on consumers' positive feelings and impulse buying urges (Beatty & Ferrell, 1998). Despite the importance of this relationship, visual merchandising, which was relevant of browsing, has received minimal attention from

researchers. This study showed usefulness of visual merchandising in understanding impulse buying.

7. REFERENCES

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