

Innovative Trends in Impulsive Buying Behaviour & Visual Merchandising in Retail Sector

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ABSTRACT

This study tries to explore the mediating role of brand preference between consumer materialism and compulsive buying behaviour in Indian adolescents. The research data were collected by using questionnaire survey from 281 Indian adolescents. Structural equation modelling was used to examine the mediating role of brand preference. The major finding of this study is that brand preference partially mediates the relationship between consumer materialism on compulsive buying. The study suggests useful implications for the professionals. Limitations of the present study and the future research directions are also discussed.

Keywords: Adolescents, Brand Preference, Compulsive Buying, Consumer Materialism, Indian Study

Introduction

Researchers differed in terms of their ways of defining the concept of compulsive buying behaviour. In 1915, Kraepelin coined the word 'oniomania' that signifies compulsive buying that leads to an uncontrollable urge to buy repeatedly regardless of the economic means. In cognitive psychology, oniomania has been considered as an impulse disorder often characterized by the inability to resist shopping, especially when we are feeling depressed. Also, the current generation is characterised by tech savviness, fashion consciousness, inflated self-esteem, and a greater need of social acceptance (Heaney, 2007). Their urge of social acceptance and image consciousness may lead them to opinionated that a materialistic lifestyle can provide them name and fame. Because of the social pressure and materialism, it has been observed that today's youth is affected by the compulsive buying behaviours (Lim et al., 2020; Islam et al., 2017). Although, numerous researchers highlighted the relationship of materialism, its association with compulsive consumers, especially in western nations as compared to non-western nations that do not encourage borrowing (Donnelly et al., 2013; Watchravesringkan, 2012). Hence, the current study tries to explore the predicting effect of a trait like consumer materialism on compulsive buying as well as the mediating effect of brand preference in Indian adolescents.

IMPULSE BUYING BEHAVIOUR

Impulse buying or impulse purchase is the buying of a product on the spur of the moment. Typically, people impulse buy things that make them feel good; or things that have an emotional value. Scientists tell us that this happens because such items help us feel better about ourselves and temporarily dampen our unhappy thoughts and self-doubt. A distracted buyer is also an impulse buyer! The trick retailers must adopt here is to “Make an offer they can’t refuse!”

Engel and Blackwell Model of Consumer Decision Making

Impulse buying as a marketing tool is a concept that has been explored since the 1950’s. Overtime, scholars have looked at what qualifies as impulse buying and observed it in different contexts. As a pervasive and distinctive aspect of consumer lifestyle, impulse buying today is a widespread phenomenon in the marketplace and for that reason it has become a focal point for considerable marketing activities (e.g. Gardener & Rook, 1988; Rook, 1987; Rook and Hoch, 1985).

NATURE OF IMPULSE BUYING

Impulse buying is unreflecting in that the purchase is made without engaging in great deal of evaluation. Individuals buying impulse is less likely to consider the consequences or to think carefully before making the purchase (rook, 1987). The person’s attention is focused on the immediate gratification of responding to the urge to buy rather than on solving preexisting problem or on finding an item to fill a predetermine need. Finally, consistent with general impulsiveness, impulsive buying is immediate (barratt, 1985; rook, 1987).

VISUAL MERCHANDISING

Visual merchandising is an art of creating visual displays and arranging merchandising assortments within a store to improve the layout and presentation to increase the sales and profitability (Amandeep Kaur, 2013). Visual Merchandising can be defined as everything that is designed in the retail store to attract the customers. Visual Merchandising is the best tool for the companies to take the attention, interest or desire of the customers and it helps to impact positively on the consumer impulse buying behavior.

Moreover, a previous survey conducted in 2005 by DDI magazine about the Visual Merchandising industry have mentioned the biggest challenges for visual merchandising as seen by respondents:

- Rising costs of materials
- Shakeout from the merger
- Consolidation of major retailers
- Lots of displaced talent
- Staffing - attracting creative talent
- Developing meaningful content for the digital medium
- Evaluating the viability of technology

- Budgets, especially for technology
- Properly trained personnel
- Lack of available talent
- Price wars via signs
- Being creative within budget confines
- Narrowing field of vendors

STORE LAYOUT

IN-STORE PRODUCT DISPLAY

It's a well-known fact that first impressions matter and when it comes to retail, they might mean the difference between a new customer and a lost sale. The secret to a truly experiential retail store is to create a multi-sensory experience (also known as sensory branding). Here are a few ways through which this can be achieved by creating product displays that engage with each of the five senses:

Sound: The music being played in the retail store can have a big (but subtle) effect on how customers behave. Depending on the target customer, a choice can be made between mellow, soft music to encourage them to take their time and browse. When curating the store's playlist, the target customer's mindset must be imagined since the music has to be appealing to them, first and foremost.

Touch: Remember to offer the customers the ability to touch, feel and test out whatever is being offered for sale. Perhaps the most widely-known example of a retailer that leverages touch is Apple. Each of their products is featured on an open display and ready to be used by customers. This helps customers foster a sense of ownership over the product they're using and increases the probability that they'll buy it.

Smell: Scent marketing though appears peculiar but also exists! Global megabrands like Sony, Verizon and Samsung have used it to their advantage with great results.

Scents are quickly transmitted to the amygdala, the part of the brain that controls both emotions and memory. If someone smells something they like, it's automatically registered as a positive memory that made them feel good. Scent can be a deciding factor for attracting more long-term customers.

Taste: If the business sells consumables, giving customers the ability to sample products before they buy is similar to letting customers try on clothes. It's a best practice.

In his book *Influence: The Psychology of Persuasion*, Robert B. Cialdini, Ph.D., showcases research that demonstrates the power of giving something away for free. Whether they realize it or not, those on the receiving end feel a need to reciprocate, usually by buying the product as an unspoken obligation.

Sight: From using colors as psychological triggers to using lighting, balance, symmetry and contrast, merchandisers need to control where and what a customer looks at in-store. Achieving balance within the in-store displays is key in guiding the

customers around the store and providing a cohesive experience. Balance in the store can be either symmetrical or asymmetrical.

MERCHANDISING ELEMENTS

Window Display:

Window display is a creative method to present the products with the brief information that attracts the customer to buy the products. Window display is most important and plays a vital role for the firm and retailer as well because it is the first meeting place with the consumer on store that creates a quick impression about the Brand and Store. Customers acquire and utilize decision-relevant information as an integral part of decision making.

Shelf Display

In the retail store, shelves are the key locations for the assortment of the products. During the product placement every firm wants that its brands should be visual for the customers to attract them for purchase. It is also beneficial for retailers to manage the space in the shelves efficiently. Shelf management is a difficult task for every retailer. Retailer can increase the sale by managing the shelves of store in a better way.

Floor Merchandising

Floor Merchandising is concerned with the floor layout of the store, the floor space should be effectively utilized to get the higher returns. Floor Display depends on the traffic flow inside the store that is path of navigation for shoppers to access all sides of the retail Store.

Signage

Signage is not a very new term and it is used for promotions by the Firms and Retailers. In the start, the purpose of the signage was to communicate just basic information related with the store. But now it is considered as a vital part of the retail store to create a competitive and unique atmosphere of the Retail store.

RETAIL FORMATS

DEPARTMENT STORE

Department stores are general merchandisers. They offer to the customers mid- to high-quality products. Though they sell general goods, some department stores sell only a select line of products.

HYPER MARKET

Hypermarkets have emerged as the biggest crowd pullers due to the fact that regular repeat purchases are a norm at such outlets. Hyper markets not only offer consumers the most extensive merchandise mix, product and brand choices under one roof, but also create superior value for money advantages of hypermarket shopping.

MALLS

Mall development is phenomenal in India. The mall mania is spreading fast and

entering even the second tier cities in India. Real estate developers are jumping very fast to take this further from Metro cities to smaller cities and corporate houses like ITC and Sriram group are making steady progress to make this phenomena feasible in rural market also.

CATEGORY KILLER

The category killer concept originated in the U.S. due to abundance of cheap land and the dominant car culture. Category Killer is a kind of discount specialty store that offers less variety but deep assortment of merchandise. By offering a deep assortment in a category at comparatively low prices, category specialist can be able to “kill” that specific category of merchandise for other retailers. Generally such kind of retailers uses a self-service approach.

LITERATURE

1.1. Consumer Materialism and Brand Preference

Audrin et al. (2017) reflected that material affects the importance of brands and consumer preferences. Also, Sharda and Bhat (2018) suggested that acquisition of material possessions (materialism) influenced the luxury brand preference in young Indian consumers. This was further supported by Mainolfi (2019) in his research wherein the researcher established that consumer ethnocentrism moderates the relationship between materialism and consumer brand preferences. Based on the literature, we hypothesize:

H1: Consumer Materialism positively affects the Brand Preference in Indian adolescents.

1.2. Consumer Materialism and Compulsive Buying Behavior

Roberts et al. (2006) suggested that divorce affects the consumer materialism and compulsive buying in young adolescents. Faber (2010) established that there is a significant relationship between impulse, materialism, emotions and consumer well-being and compulsive buying in the consumers. Further, Moschis (2017) focussed on the dark side of marketing wherein the researcher supported that materialism affects the urge of buying in consumers. Hence, we hypothesize the following:

H2: Consumer Materialism positively affects the Compulsive Buying Behavior in Indian adolescents.

1.3. Brand Preference and Compulsive Buying Behaviour

In 2011, Kumar et al. suggested that consumer prefer certain brands over others that determine their purchase behaviour. Compulsive buying is “the act of shopping and is experienced as an irresistible–uncontrollable urge, resulting in excessive, expensive and time-consuming retail activity” typically prompted by negative affectivity (Dittmar, Long, & Bond, 2007; Faber & O’Guinn, 1989, Nagananthi and Mahalakshmi (2016) further, highlighted that consumer’s brand preference significantly affects their buying behaviour in terms of cosmetics. Also, Wang established that high levels of brand preference leads to impulsive buying in ready to eat food purchase. Ahmed et al. (2017) that advertising plays an important role in determining the consumer’s brand preference and in turn buying behaviour.

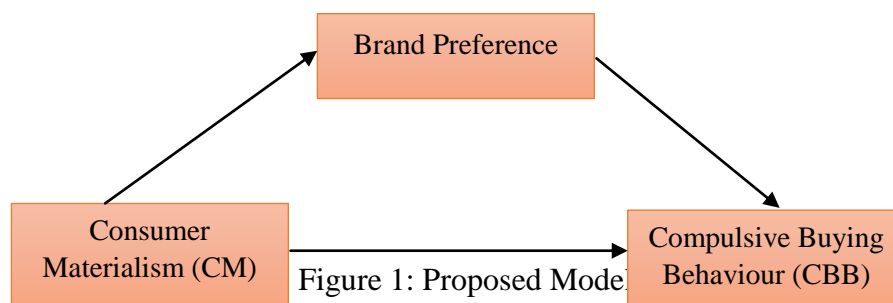
H3: Brand Preference positively affects the Compulsive Buying Behavior in Indian adolescents.

1.4. Brand Preference as a mediator

In 2005, Kamineni established that is associated with materialism and brand preferences. Also, Siahtiri and Lee (2019) established that materialist choose prominent brands in emerging markets. According to Ebrahim et al. (2017) brand preference acts as a partial mediator between consumer purchase intention and buying behaviour. Therefore, we hypothesise that:

H4: Brand Preference mediates the relationship of Consumer materialism and Compulsive buying in Indian adolescents.

The proposed model based on the literature is as depicted in Figure 1.



2. Research Methodology

The data were collected from the adolescents aged between 15 to 18 years of age. The final sample included 178 girls (63.3 percent) and 103 boys (36.6 percent). Also, the study used adapted version of scales i.e. Consumer Materialism by Richin'sscale (2007; 9 items), Brand Preference Hellier et al. (2003; 3 items)and for Compulsive Buying behaviour by Faber and O'Guinn's scale (1992; 6 items).

3. Analysis and Results

The validity and reliability of the scales were tested. Also, the study applied structural equation modelling to test the direct relationship between the variables by using AMOS 24 version as depicted in Table 1. The results depicted that consumer materialism is significantly and positively related to brand preference. Also, significant, and positive relationship exists between brand preference and compulsive buying along with a significant relationship between consumer materialism and compulsive buying in Indian adolescents. Hence, the results support hypotheses H1, H2 and H3 of the study.

Table 1: SEM Results

Hypotheses	Path	β (standardized path coefficients)	T value	Result
H1	CM \longrightarrow CBB	.23	4.026	Supported
H2	Brand Preference \longrightarrow CBB	.15	5.483	Supported

H3	Brand Preference → CBB	.93	15.250	Supported
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Note: $p < .01$

Model Fit Indices

The study analysed the fitness of the proposed model, estimates was tested i.e., the χ^2/df statistic, the GFI (goodness of fit index), NFI (normed fit index), TLI (Tucker-Lewis Index; CFI= comparative fit index); RMSEA (root mean square error of approximation) were assessed. Joreskog and Sorborm (1989) suggest acceptable values to be more than 0.9 for the GFI, NFI, TLI and CFI value. The RMSEA values less than 0.06 indicate an acceptable range (Browne and Cudeck, 1993). The model (without moderation of gender and age) presented an acceptable overall fit ($\chi^2/df = 2.81$, GFI = 0.910, NFI = 0.931, CFI = 0.928, TLI = 0.925, and RMSEA = 0.057) for the current study.

4.1. Mediation Analysis

The results indicated a case of partial mediation i.e. brand preference acts as a partial mediator as depicted in Table 2. The analysis provides support to H4 reflecting that R^2 value=.91 and establishing that 91 percent of changes that occur in the compulsive buying behaviour are highly dependent on consumer materialism and brand preference in Indian adolescents.

Table 2: Mediation analysis using SEM

Outcome	Input	Standardised estimates		
		Direct effect	Indirect effect	Total
Brand Preference CBB ($R^2=.91$)	CM	.24	-----	.24
	CM	.15	.21	.33
	Brand Preference	.91	-----	.91

Note: $P < .05$

DISCUSSION

As hypothesised the study suggested a positive and significant relationship between consumer materialism and brand preference in Indian adolescents. Therefore, Hypothesis stands accepted. This comes in the light of the changing perceptions of the upcoming generation i.e., adolescents that suggest that future growth in this segment is expected to come from the adolescents, making it necessary for marketers to gain a clear understanding of their consumer behaviour. This supports the findings of Picarille (2006) and Rhee and Johnson (2012) that highlighted that adolescents, like adults, are habitually portrayed as brand conscious consumers. They demonstrate a preference for specific brands from an early age and get acquainted with the brands having particular positive characteristics (Chan, 2006; Japutra et al., 2019). This is also in line with the line of research suggesting that adolescents give due weightage to the brands and are often impressed by the exterior/materialistic

components of a particular brand. The consumption pattern of adolescents is heavily dependant and influence by the personality of their parents as well as their environment. The findings are consistent with the previous research as highlighted by Singh and Nayak, (2015). Numerous researchers have highlighted the significance of everything related to the purchase behaviour of consumer, and how the products are consumed and overconsumed(Solomon, 2011). The studies have reflected that conspicuous consumption and conformity are related to brand preference as well as compulsive behaviour (Park, Na, & Lee, 2010).This is in line with Dittmar (2005) highlighting that the materialistic consumption is strongly related to compulsive buying. Further, the compulsive buyers have a tendency to choose to ‘shop’ alone, rather than in the company of others. Thus, providing support to H2 and H3.

IMPLICATIONS

The study suggests managers should modify and recognize the importance of brand preference in strategy development and decision-making as it highly affects the consumer buying behaviour. For marketers of global status brands, the findings indicate that even demonstrating in a strong buying intention preference. Adolescent years involve the development of social skills so self-monitoring tends to increase during that time. People with a materialistic nature value possessions in the belief they indicate “success, status, and prestige”. This conviction grows stronger and hence the urge of preferring one brand over another and compulsion of buying the same brand over and over again. The marketers could consider the same and accordingly plan for the strategies to promote and develop a product of worth for the customers.

Table :- DESCRIPTION OF CONSTRUCTS FOR THE PROPOSED MODEL

Window Display	The display window is accepted as the most important part of the store design because it is the first meeting place the customer has with a brand. Window displays are crucial whether a store is situated in a mall or in a busy street. They are mix of art, fashion, design and marketing. The purpose of window display is to create a special aura to draw in customers and also attract media attention. Store design and its display windows are the most important communication channels for retail stores.
Lighting	Lighting is an important factor in the environment’s impact on individuals because brightly lit rooms are more absorbing than dimly lit ones. The primary goals common in the lighting of merchandise are to attract the consumer, to initiate purchases, and to facilitate the completion of the sale.
Culture	Culture is one of the most powerful tools in the visual merchandising segment. It is a visual perceptual property. Cultures can be associated with emotions, special occasions and gender. It attracts attention and pulls more customers into the store
Signage	Signage is used for promotional purposes by retailers. Initially, the purpose was to provide basic information. Signage is considered as an integral part of the retail environment because it plays a growing role in creating the unique image and atmosphere. Signage must communicate with customers quickly and effectively by introducing themselves and their products or services.

Storelayout	The store layout is a huge and important duty for retail managers. Store Layout has a huge influence on customers and customers want stores to spend whatever it takes to create a layout that minimizes wasted steps and motion in the shopping process.
Product display	Products and merchandise are the most important element of almost any retail business; however, the way in which they are displayed and presented can be what distinguishes one retail shopping experience from another, and the design of the retail displays is the key to achieving a better experience for customers.

LIMITATIONS AND CONCLUSION

There are several limitations to this study which the authors acknowledge. Firstly, the study is region specific and cannot be generalised over other regions. This research considers a particular section of the population and hence, can be generalised. Further, how demographics impact the buying behaviour/ compulsive buying behaviour can also be tested in future research. Also, other factors such as service quality, interactive marketing, organisational behavior, human resource and attitude etc. can be included in the future research. Also, the results may vary in a different setting as well as from industry to industry considering the present study was conducted in the Indian scenario.

The study concludes that the brand preference acts as a mediator and partially impacts the relationship between consumer materialism and compulsive buying behaviour in adolescents.

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