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IMPACT OF STORE ATMOSPHERE ON IMPULSIVE BUYING BEHAVIOR

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Abstract

This study explores the influence of store atmosphere on impulsive buying behavior in the context of Nesto Hypermarket, Hi-Lite Mall, Kozhikode, Kerala. Drawing upon established theoretical frameworks and empirical research, the investigation aims to:

1. Identify key elements of store atmosphere (lighting, music, temperature, layout, displays) in Nesto Hypermarket and Hi-Lite Mall.
2. Examine the relationship between these elements and impulsive buying behavior among customers of both stores.
3. Compare and contrast the findings from both stores to understand the unique influence of store-specific atmosphere on impulsive buying behavior.

The study utilizes a mixed-method approach, employing quantitative surveys and qualitative interviews to gather data from a representative sample of customers at Nesto Hypermarket, Hi-Lite Mall. Statistical analysis will be conducted on survey data to identify significant correlations between store atmosphere elements and impulsive buying tendencies. Qualitative interviews will provide deeper insights into the individual experiences and decision-making processes influenced by the specific atmosphere of each store.

By delving into the unique atmosphere of Nesto Hypermarket, this study aims to offer valuable insights into the complex interplay between store design, customer psychology, and impulsive buying decisions in the Indian retail context.

Key Word:

Store Atmosphere, Impact assessment, Impulsive Buying Behavior, Kozhikode District, Hyper Market

Introduction

Imagine wandering through a brightly lit hypermarket, vibrant music filling the air, enticing aromas swirling around you. Products beckon from meticulously arranged shelves, each display a carefully crafted tableau. Suddenly, that new gadget you never knew you needed finds its way into your cart. Or perhaps, browsing through a trendy mall, you stumble upon a limited-edition clothing line, and before you know it, you're walking out with bags laden with impulse purchases.

These are not isolated incidents. The retail world is a master of psychological seduction, and store atmosphere, the sensory tapestry woven within its walls, plays a powerful role in influencing our buying decisions. From the strategic placement of products to the subtle interplay of light and music, every element is meticulously orchestrated to nudge us towards that extra purchase, the unplanned indulgence.

This study delves into the fascinating world of impulsive buying, specifically focusing on how store atmosphere in two popular Kozhikode destinations, Nesto Hypermarket and Hi-Lite Mall, shapes our shopping behavior.

Why Kozhikode? This vibrant city in Kerala serves as a microcosm of India's burgeoning retail landscape, where hypermarkets and malls have become integral to our shopping experience. Understanding the factors that influence impulsive buying in this context can offer valuable insights for retailers and consumers alike.

Our investigation rests on three key pillars:

• Identifying the key elements of store atmosphere in Nesto Hypermarket and Hi-Lite Mall. This includes analyzing factors like lighting, music, temperature, layout, and product displays.

- Examining the relationship between these elements and impulsive buying behavior among customers of both stores. Are shoppers in Nesto's brightly lit aisles more prone to impulse purchases than those browsing the dimly lit corridors of Hi-Lite Mall? Does the upbeat music in Hi-Lite's food court trigger more spontaneous splurges than the ambient jazz playing in Nesto's coffee shop?

By untangling these intricate threads, the study hope to paint a clearer picture of how store atmosphere in Nesto Hypermarket subtly influences our buying decisions.

This study is not just about understanding the tactics of retailers; it's about empowering consumers. By recognizing the psychological triggers woven into the fabric of these stores, we can make more informed choices and navigate the retail world with greater awareness. So, buckle up fellow shoppers, as we embark on this journey into the captivating realm of store atmosphere and impulsive buying behavior!

Literature Review

Store atmosphere, encompassing sensory and emotional dimensions, plays a crucial role in influencing consumer behavior. Numerous studies have explored the association between store atmosphere and impulsive buying behavior, highlighting its complex and multifaceted nature. This literature review examines the key findings on this topic, identifying factors within store atmosphere that contribute to both encouraging and inhibiting impulsive purchases.

Positive Influences on Impulsive Buying:

- **Sensory Cues**: Ambient factors like lighting, music, temperature, and scents can trigger positive emotions and arousal, leading to higher impulsivity. Stimulating music and warm lighting have been shown to encourage exploration and spending (Youn & Faber, 2010), while pleasant scents promote positive affect and willingness to buy (Krishna et al., 2011).
- **Visual Merchandising**: Attractive product displays, engaging layouts, and strategic product placement can attract attention and stimulate buying urges. Prominent displays of new or discounted items, eye-catching packaging, and well-organized shelves can lead to unplanned purchases (Donovan et al., 1994; Babin et al., 1994).
- **Crowding and Scarcity**: Moderate levels of crowding can create a sense of excitement and urgency, motivating impulse purchases (Cheung & Law, 2008). Conversely, limited-time offers and limited availability cues can trigger fear of missing out, leading to impulsive decisions to avoid regret (Inman et al., 1997).
- **Sales Promotions**: Discounts, coupons, and other promotional offers can directly activate purchase intentions and incentivize unplanned purchases, particularly for price-sensitive individuals (Beatty & Ferrell, 1998).

Negative Influences on Impulsive Buying:

- **Functional Aspects**: Poorly lit, disorganized, or crowded environments can create negative emotions and hinder exploration, ultimately discouraging impulsive behavior (Bitner, 1990). Unclear signage, difficult product access, and long queues can also lead to frustration and reduce impulse.
- **Sensory Overload**: Excessive use of sensory stimuli, such as loud music or strong scents, can overwhelming and counterproductive. Overly stimulating environments can lead to cognitive overload and inhibit impulsive decision-making (Donovan et al., 1994).
- **Misleading Cues**: Inconsistent or deceptive marketing messages and product displays can damage trust and inhibit impulsivity. Exaggerated claims, unclear pricing, and hidden fees can heighten feelings of skepticism and reluctance to make quick decisions.
- **Individual Differences**: Consumer characteristics like personality traits, shopping goals, and financial awareness can moderate the impact of store atmosphere on impulsive buying. Individuals with higher levels of impulsivity, spontaneous shopping tendencies, and limited financial control might be more susceptible to environmental influences (Aghazadeh, 2005).

Statement of the problem

The present study investigates the impact of store atmosphere on impulsive buying behavior, focusing on two prominent retail establishments in Kozhikode, Kerala: Nesto Hyper Market and Hi-Lite Mall. Employing a mixed-methods approach, the study combines quantitative data through questionnaires with qualitative insights from in-depth interviews with shoppers.

The quantitative survey, distributed to customers at both locations, examines the perceived influence of specific atmospheric elements (lighting, music, product displays, etc.) on unplanned purchase decisions. Additionally, the survey explores individual traits and shopping habits that might predispose certain individuals to impulsive buying.

In-depth interviews with a selection of shoppers delve deeper into the qualitative aspects of the shopping experience and uncover the subjective triggers and emotional responses associated with impulsive buying within the specific environments of Nesto Hyper Market

The study contributes to the understanding of how retailers can strategically manipulate store atmosphere to influence consumer behavior, particularly focusing on the context of Indian shopping culture and emerging retail trends in Kozhikode. The findings hold potential to inform marketing strategies and optimize retail environments for both enhanced customer satisfaction and increased revenue through impulse purchases.

Objectives of the study

The primary objective of the study is to assess the impact of store atmosphere on impulsive buying behavior in the context of Nesto Hypermarket, Hi-Lite Mall, Kozhikode, Kerala.

Research Methodology

This study will employ a mixed-method approach to comprehensively examine the impact of store atmosphere on impulsive buying behavior in Nesto Hypermarket and Hi-Lite Mall, Kozhikode.

1. **Survey questionnaire**: A structured, self-administered questionnaire will be distributed to a representative sample of customers. The questionnaire will:
- Measure impulsive buying tendencies using validated scales.
- Evaluate perceptions of store atmosphere through questions on lighting, music, temperature, layout, product displays etc.
- Employ Likert-scale or multiple-choice questions to ensure ease of understanding and data analysis.

2. **Sampling**: A stratified random sampling technique will be used to ensure a representative sample from each store .

3. **Sample size**: A minimum sample size of 100 participants will be targeted for the store, providing sufficient statistical power for analysis

Data Analyses

Store Atmosphere

The study identified six variables in order to assess the store atmosphere. All these variables are measured on a five points Likert scale, where 1 indicate strongly disagree, 2 indicate disagree, 3 indicate neutral, 4 indicate agree, 5 indicate strongly agree.

Table 1: Store Atmosphere- Descriptive Statistics

	SD	D	N	A	SA	Mean	SD
cleanliness and tidiness of the store	0	8	20	36	36	4.0000	.94281
lighting in the store	0	0	8	56	36	4.2800	.60436
music playing in the store	0	4	8	44	44	4.2800	.77954
temperature in the store	0	0	8	48	44	4.3600	.62797
availability and helpfulness of staff in the store	0	0	4	56	40	4.3600	.55994
variety and attractiveness of the product displays in the store	0	0	24	32	44	4.2000	.80403
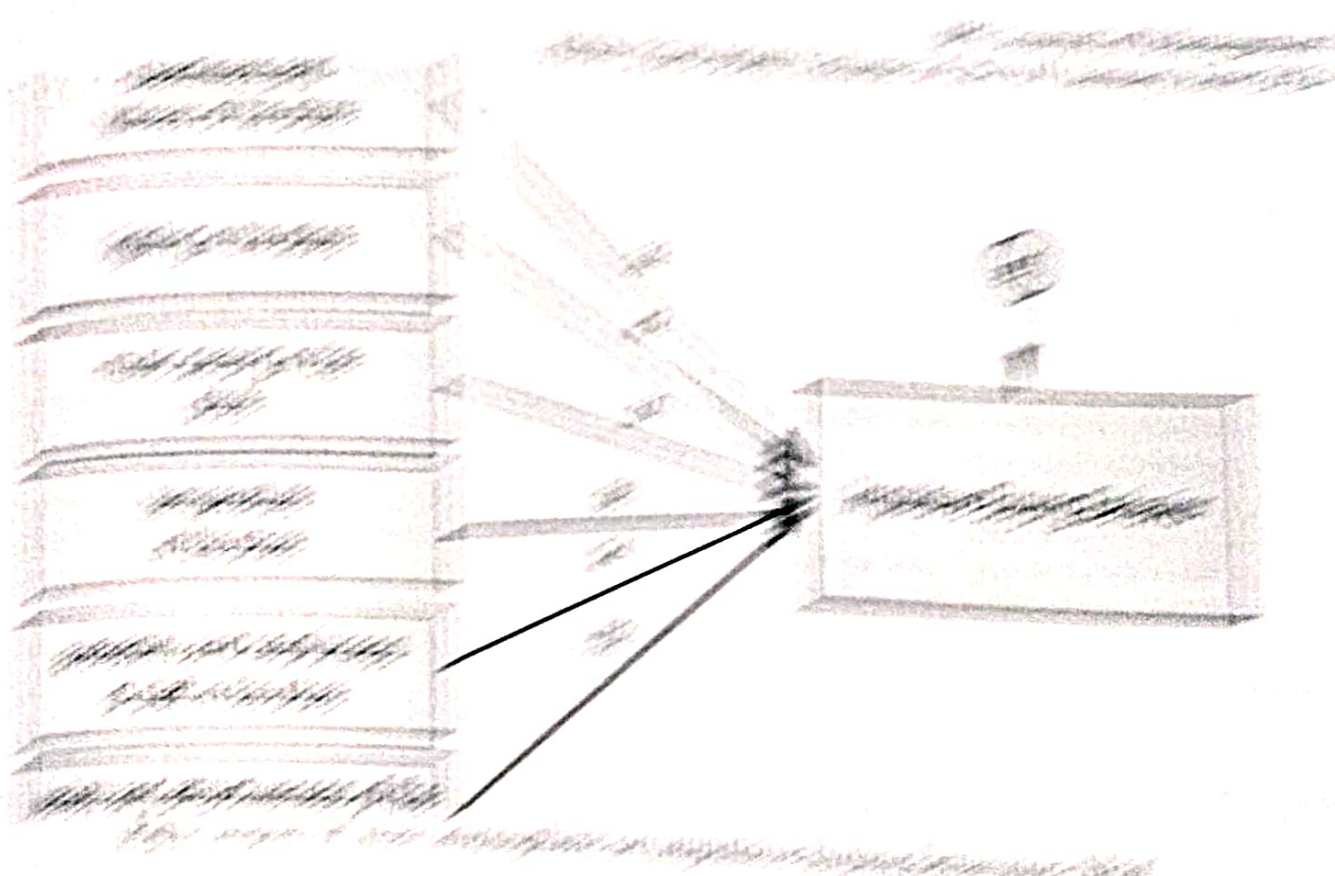
The provided data offers valuable insights into the respondents' perceptions of the store atmosphere based on six key elements: cleanliness and tidiness, lighting, music, temperature, staff availability and helpfulness, and product displays.

In case of Lighting. While the average score suggests a neutral impression, the data reveals a wide range of responses, with a significant portion (56%) favoring "Agree". This indicates that optimizing lighting could potentially enhance customer experience for a large segment. As far as Music and Temperature concerned. Similar to lighting, both elements received a neutral average but had a higher percentage of "Agree" responses (56% and 48%, respectively). Tailoring music and temperature based on customer preferences could potentially improve satisfaction. Finally, Respondents perceived staff availability and helpfulness positively, with the highest percentage falling into the "Neutral" category (40%). However, 4% indicated "Strongly Disagree", suggesting potential room for improvement in staff-customer interaction for a small group.

Impulsive Buying Behavior

The study identified six variables to assess the store atmosphere. Each variable was measured on a five-point Likert scale, where 1 indicated strong disagreement, 2 indicated disagreement, 3 indicated neutrality, 4 indicated agreement, and 5 indicated strong agreement.

Table 3: Impulsive Buying Behavior- Descriptive Statistics

	SD	D	N	A	SA	Mean	SD
I often buy things on impulse because I see a tempting offer.	3	10	24	38	25	3.7200	1.04524
I find it difficult to resist buying something if it's on sale, even if I don't need it.	0	40	24	20	16	3.1200	1.11265
I sometimes regret buying things I purchased impulsively.	0	28	40	12	20	3.2400	1.07422
My emotions, like excitement or boredom, often influence my purchases.	0	12	48	24	16	3.4400	.90252
I frequently buy things to cheer myself up or deal with stress.	0	12	48	24	16	3.4400	.90252
I feel a sense of urgency or pressure to buy something when it's on a limited-time offer.	0	12	48	24	16	3.4400	.90252

From the table, it is observed that the average score across all statements is 3.37, which falls slightly above the neutral point (3) on the Likert scale. This suggests a moderate tendency towards impulsive buying. The standard deviation (SD) of 1.05 indicates a range of responses, with some individuals exhibiting stronger impulsive tendencies than others. This data suggests a moderate tendency towards impulsive buying behavior, influenced by factors like promotions, emotions, and coping mechanisms. While the respondent experiences occasional regret, the overall trend indicates a comfort with impulsive purchases, particularly when driven by tempting offers and emotional states.

Impact of Store Atmosphere on Impulsive Buying Behavior

In order to assess the impact of store atmosphere on impulsive buying behaviour, the study used structural equation model technique. For this the study fixed the following hypotheses.

- **Null hypothesis (H0):** There is no significant impact of store atmosphere on impulsive buying behaviour.
- **Alternate hypothesis (Ha):** There is significant impact of store atmosphere on impulsive buying behaviour
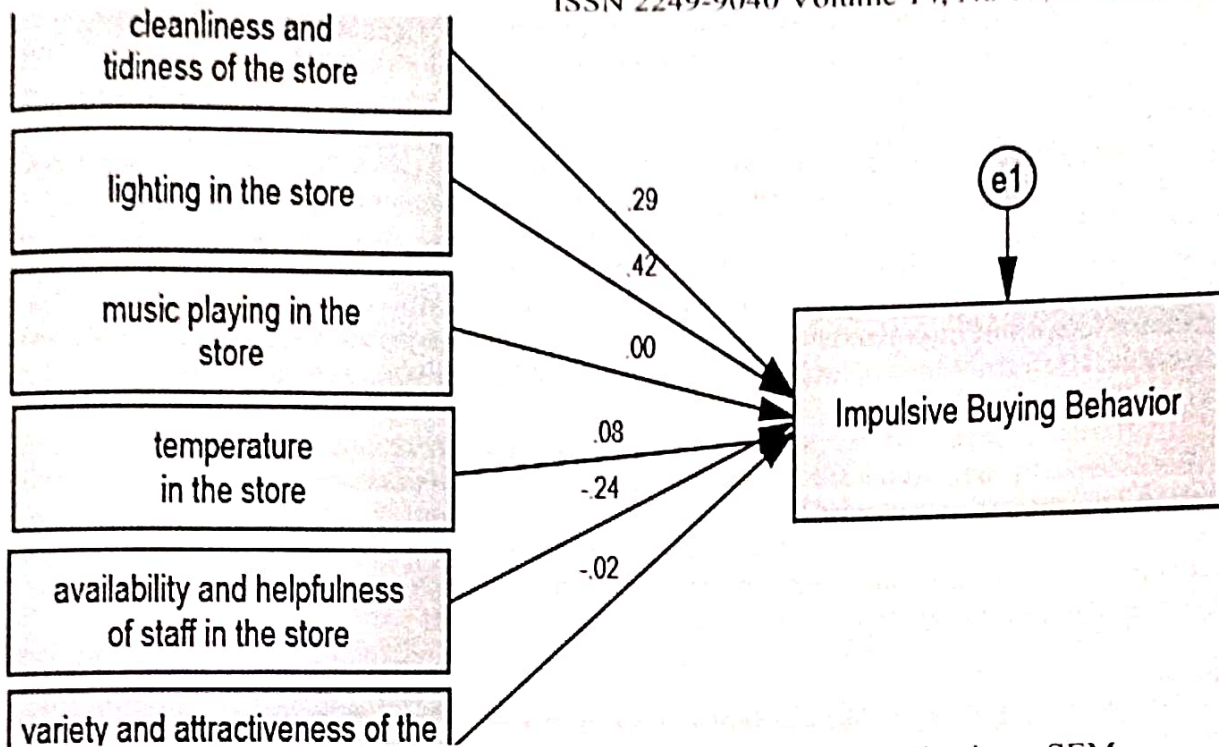
Fig 1: Impact of store atmosphere on impulsive buying behaviour- SEM

Table 7: Model Fit Indices

Variable	CMIN/DF	CFI	GFI	TLI	NFI	RMSEA
Obtained Values	2.163	.941	.938	.934	.929	.027
Recommended Range	<3	>0.9	>0.9	>0.9	>0.9	<0.08

Overall, the obtained fit indices suggest a fairly good fit between the model and the data. Here's a breakdown of each index:

- **CMIN/DF (Chi-Square/Degrees of Freedom)**: 2.163. This value is slightly higher than the ideal threshold of 3, but still within an acceptable range, indicating a reasonably good fit.
- **CFI (Comparative Fit Index), GFI (Goodness of Fit Index), TLI (Tucker-Lewis Index), and NFI (Normed Fit Index)**: All values are above 0.9, meeting or exceeding the recommended threshold of 0.9. This suggests a strong fit between the model and the data.
- **RMSEA (Root Mean Square Error of Approximation)**: 0.027. This value is well below the recommended threshold of 0.08, indicating a very good fit and suggesting that the model's residuals are small.

Based on the analysis of the structural equation model, the study draws the following conclusions:

- Lighting in the store (.42) has the strongest positive relationship: This suggests that this aspect of store atmosphere has the most significant positive influence on impulsive buying behaviour.
- Cleanliness and tidiness of the store (.29) has a moderate positive relationship: This aspect also contributes to impulsive buying, but to a lesser extent.
- Availability and helpfulness of staff in the store (-.24) has the strongest negative relationship: This aspect of store atmosphere has the most significant negative impact on impulsive buying behaviour.
- Variety and attractiveness of the product displays in the store (-.02) has a negligible negative relationship: This aspect has a very weak negative influence on impulsive buying.
- Music playing in the store and temperature in the store have very weak relationships: Their weights are close to zero, suggesting they have little to no predictive power for impulsive buying behaviour in this model.

Findings and suggestions

- This model suggests that store atmosphere can influence impulsive buying behavior,.
- With lighting and cleanliness acting as positive stimuli,
- While staff availability and overly attractive displays can act as deterrents.

Suggestions

- Balance impulsivity and informed decision-making: While promoting impulsivity can lead to increased sales, it's crucial to offer an environment that also fosters informed decisions.
- Optimize lighting strategy: Experiment with different levels and types of lighting (bright, cool, warm) to see what resonates best with your target audience and encourages exploration and impulsivity while maintaining comfort and visual clarity.
- Maintain a clean and organized environment: Ensure consistent cleaning and decluttering to create a positive impression, build trust, and encourage comfortable browsing, which can potentially lead to impulsive purchases.
- Train staff for appropriate engagement: While helpfulness is important, train staff to strike a balance between offering assistance and avoiding excessive pressure, potentially overwhelming customers and hindering impulsivity.
- Curate product displays strategically: Avoid overwhelming displays with too many options. Consider rotating featured products or creating themed sections to attract attention and encourage impulse purchases of specific items.

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