

## EXPLORING THE IMPACT OF WINDOW DISPLAYS, CREDIT CARDS, AND PROMOTIONAL APPROACHES ON IMPULSE BUYING BEHAVIOR OF TOURISTS: A STRUCTURED MODEL

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### ABSTRACT

*Retailing is the business activity which contributes to the economic growth of a nation. Strategies are developed to attain a specific objective. Developing a new strategy is hard enough and if developed it will surely benefit the retail business. A significant relation between tourism and shopping can always be found out. To attract tourists towards the store and induce them to make impulse purchase, retailers are introducing various strategies. This study was conducted to analyze the various retailing strategies (factors) that influence the tourists for impulse buying. The objective was fulfilled by the use of factor analysis. This analysis was used to condense the twelve variables of factor influencing for impulse buying in to a smaller number of basic components, which include some connected variables. Here factor analysis reduced the twelve variables in to three factors corresponding to influence of credit card, influence of window displays and influence of promotional approaches. The study was conducted by collecting data from 400 samples (tourists) whom were selected through convenience sampling by using a structured and pre-tested questionnaire. The result reveals that all the retailing strategies such as credit card, window display and promotional approaches positively influence the tourists for impulse buying and tourists were highly influenced by window display for impulse buying.*

**KEYWORDS:** Retailing Strategies, Impulse Buying, Window Display, Promotional Approaches.

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### Introduction

Retailing is the business activity which contributes to the economic growth of a nation. Retailers develop different strategies to attract customers. Developing a new strategy is hard enough and if developed it will surely benefit the retail business. A significant relation between tourism and shopping can always be found out. To attract tourists towards the store and induce them to make impulse purchase, retailers are introducing various strategies. The retail business and its strategic planning is a never ending process. In order to get succeed, the retailers should examine the day to day situations, consumers changing trends, changing technologies and also want to monitor the competitive activities. The most important factor that attract the target market towards the retail shop and make them to purchase various items offered by the retailers are the strategies adopted by the retailers. Retailing strategies plays a very significant role in influencing the customers for impulse buying.

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Both Rational and emotional motives influence the customers always for making their purchase decisions. Whether a decision is made based on emotional or rational factors, it is highly depending on the person who decides to purchase the product. Today's new life style which shows an increasing spending intension is highly accepted among the tourists. Dittamar's opinion in the year 1996 that owning items has become an expression of self-identity for a lot of consumers which has helped to increase shopping as a lifestyle can be applied in case of tourists. The quantity of leisure time after work is also declining, which is indicative of societal change. The customers spent very little time before going shopping, and it was also discovered that the fact that people buy on impulse really encourages them to buy more and more. 'When there is a rapid and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task, there occurs an impulse buying (Beatty & Ferrell, 1998)'. The emotional side, instinctive side and cognitive side of a consumer decide his/her action of buying which becomes impulse buying. Impulse buying behavior is an urge to buy process and impulsive buying behavior process. Impulse buying occurs when a consumer feels the need to make a purchase right away and fails to give it careful thought. This propensity for impulsive purchases might be seen as one of the key elements influencing customers' impulsive purchases. Consumers showing high impulse buying behavior are more probable to react to the spur-of-the-moment purchasing stimuli, and they are further open to unpredicted buying ideas which are triggered by physical closeness to a desired product. The buyers are conquered by emotional attraction and also by immediate gratification towards the product. However, due to various intervening factors such as economic position, social visibility, or time pressure, it is found out that even highly impulsive buyers do not respond to every buying stimulus, because it may interrupt the shift from impulsive wish to impulsive actions (Rook and Fisher 1995)'.

#### **Relevance of the Study**

The presents study is more relevant as it analyzes various strategic factors such as window display, promotional approaches and credit card usage, which influence the tourists more for impulse buying and the result will help the retailers to use such strategies for influencing the impulse buying behavior of tourists and thus to increase the profit of retailers in future which will result in the economic growth of a nation.

#### **Objective of the Study**

- To measure the influence of window display, promotional approaches and credit card usage in impulse buying behavior of tourists.

#### **Review of Literature**

The standard definition for impulse buying is distinguished by some crucial essentials such as "a sudden, strong urge to take action, a psychosomatic state of disequilibrium, the start of psychosomatic conflict and struggle, a decline in cognitive evaluation, and a disregard for the costs associated with impulsive purchases" (Hoch and Rook, 1985). Impulsive purchase by consumers is a daily occurrence that can be linked to consumerism, awareness-seeking, and enjoyable aspects of shopping. (Rook, 1987). Impulsive purchase by consumers is a daily occurrence that can be linked to consumerism, awareness-seeking, and enjoyable aspects of shopping (Dennis W. Rook and Robert J. Fisher, 1995). A definition for impulse buying is written as a rapid, forceful, hedonically complex buying behavior in which the speed of an impulse decision process precludes thoughtful and deliberate reflection of alternative information and choices (Bayley and Nancarrow, 1998). Through the impulse buying practice, a model of the consumers frequent feelings are recognized such as leisure activity, pleasure, reward, scarcity, security and anticipation (Malin Sundstrom and Jenny Balkow, 2013). A sensitive behavior which is always influenced by the external as well as internal factors but not always essentially involves cognitive dissonance with it and everything depends on the experience of the consumer and situations related with the buying circumstances is termed as impulse buying (Mahek Iram and D. Y. Chacharkar, 2017). If a shopper buys a product from a store which he/she had not preplanned to buy is defined as impulse buying behavior. On the moment purchased is named as impulse buying (Anmol Rasheed, 2017).

#### **• The Retailing Strategies that Influence for Impulse Buying**

The buying regularity, displays in the store, promotions and marketing, store ambiance and retailers and interior perceptions factors such as lifestyle, individuality, sensation, cash availability and anxiety about time and buying behavior on price, the time of purchasing, payment and influence of

demographic variables are the external stimuli that influence the consumers for impulse buying (Chen, 2001). "Gender affects impulse buying". When men have a tendency to engage in impulsive buying of active and spare time for items which express their freedom and doings, the female group have a tendency to obtain the eye-catching and self-expressive supplies which are coupled with their appearance and touching aspects of self (Dittmar, 1995). A psychological process occurs when consumers see the retail setting, changing their mindset and maybe influencing them to make impulsive purchases. As a result of this stimulation, a customer feels compelled to possess a product and imagines that he does (Hoch and Loewenstein, 1991).

Rural customers tend to place greater value on advertisements and their influence than do urban consumers. It also emphasizes how electronic media has a greater impact on rural consumers than print media (Rodge, 2001). "Environmental influences" at the airport promote for impulsive shopping. The reasons for increase in impulse buying at places such as airport retail shops were due to availability of certain special products, hygiene, open formats and secrecy. The opportunity to visit retail stores frequently is provided by the use of credit cards, which encourages more purchases and promotions with certain retailers. This could lead to better impulsive purchases (Omar 2001). It has been shown that impulse purchases, which are typically made on small things that customers choose right away, are a crucial component of the retail industry (Rebecca Hodge 2004). So many social factors influence for impulsive buying. Employees at the store and customers are the social factors considered. Customer impulsive purchases are directly influenced by social factors like employee friendliness. Additionally, store managers can lessen the negative effects of crowding by instructing their staff to interact more amiably with customers during peak hours (Mattila and Wirtz 2008). Whether publicity to mass media and liking advertising result in improved impulse buy trend, and whether the usage of a cards (credit) acts as a facilitating incentive were analyzed and it reveals that "impulse buys are positively associated with publicity to commercial television, but not to other forms of mass media" (Pasi Huovinen and Petri Rouvinen 2008). Product prices and displays were the two most significant in-store stimuli that influenced customers to make impulsive purchases in major retailers. When examining small-scale retailers, the primary element luring customers in for impulsive buys was the product's price (Gupta 2009).

### **Methodology**

The study is conducted to know the influence of various retailing strategy in impulse buying behavior of tourists. Primary as well as secondary data were used for this study. The primary data needed for the study have been collected from tourists visited various destinations of North Malabar Region of Kerala. Since number of tourists visiting this area is very large, a population survey is not possible. Hence the researcher has opted for a sample study. The primary data have been collected from 400 sample tourists visited this area using a structured and pre-tested questionnaire. For this study researcher used convenience sampling method for selecting the samples. As it is not possible to get the questionnaire filled from the tourist place of visit, the researcher find out the resorts where the tourists stayed during their tour trips and get the questionnaire filled. The receptionists of most of the resort also cooperate with the researcher for collecting the filled questionnaire. The objective was fulfilled by the use of factor analysis. This analysis was used to condense the twelve variables of factor influencing for impulse buying in to a smaller number of basic components, which include some connected variables. Here factor analysis reduced the twelve variables in to three factors corresponding to influence of credit card, influence of window display and influence of promotional approaches. The secondary data used for the study were also been collected from various published sources such as books, newspapers, magazines, business journals, e-journals and websites.

### **Data Analysis and Results**

The Table 1 demonstrates exploratory factor analysis (EFA) outcome and reliability (Cronbach's alpha) statistics. The present study conducts the analysis of measures of the present study's constructs and for this purpose, the researcher run the EFA to test the factor loadings of the observed variables, which prove the consistency of the scale. All observed variables illustrate the goodness of fit with their relative latent variables as the factor loadings of all observed variables is greater than 0.5 The reliability of the measures tested through Cronbach's alpha indicates high reliability of measurement as the value of Cronbach's alpha is greater than 0.7.

**Table 1: Factor Analysis**

Construct	Generated Items	Communalities	Factor Loadings	Cronbach's Alpha
Credit Card	I generally use credit card during shopping in tour trips.	.731	.898	.758
	Use of credit card tempts me for impulse purchase	.860	.875	
	More the amount available through credit card, greater is the chance for impulse purchase	.836	.856	
	Credit card usage makes me to spend more than what I have budgeted for a shopping	.785	.837	
Window Display	I pay attention to store's window display	.392	.774	.751
	Eye-catching window displays of the stores always tend me to enter the store.	.600	.751	
	Good product display influence my spontaneous purchase decision	.589	.748	
	Specially arranged and particularly attractive display induces me for unplanned purchasing	.669	.619	
	I am interested in shopping at well-designed window stores	.490	.562	
Promotional Approaches	One of the reason for me to buy things impulse is the free product offer of the firms	.722	.802	.727
	when I saw an items at discount price, I always tend to buy that impulse	.694	.764	
	I show impulse buying tendency on those product which I am familiar through advertisement	.556	.707	

Source: Primary source

Sample Size (N) = 400

KMO Measure of Sampling Adequacy = .844

**Extraction Method:** Principal Component Analysis.

**Rotation Method:** Varimax with Kaiser Normalization.

The Table 2 illustrates the influence of retailing strategy in impulse buying behavior, which is 0.571. The coefficient of determination ( $r^2 = 0.326$ ) confirms that 32.6% influence for impulse buying is explained by the independent variables credit card, window display and promotional approaches. Based on the values of the coefficients, it is found that there is a positive relationship between retailing strategies and impulse buying behavior.

**Table 2: Regression Analysis of Retailing Strategies Influencing Impulse Buying**

Model	R	R <sup>2</sup>	DF	F value	Significance
Regression	.571	.326	3	63.876	.000

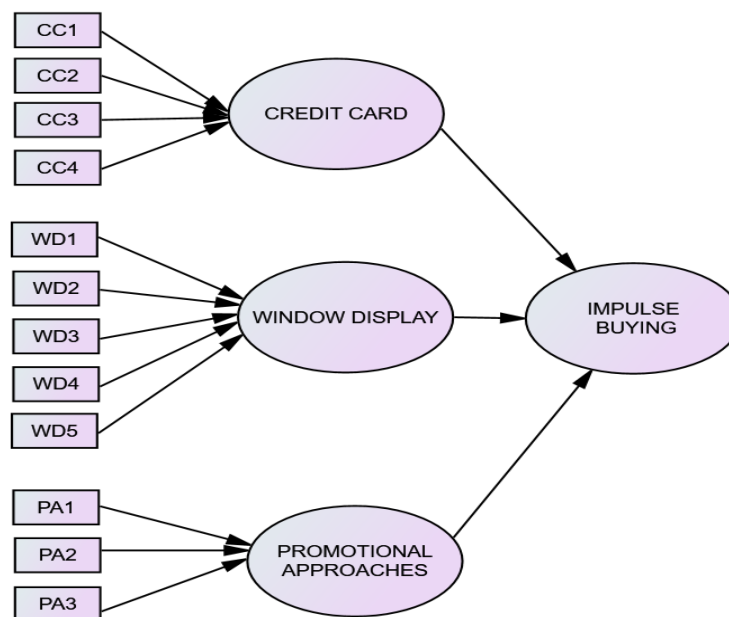
Beta coefficients of regression equation are computed and presented in Table 3

**Table 3: Beta Coefficients of Regression Equation**

Factors	Beta
Constant Value	1.523
Credit Card	.005
Window Display	.358
Promotional approaches	.130

The regression equation of perceptual variable is

$$Y = 1.523 + .358 V_1 + .130 V_2 + .005 V_3.$$

**Chart 1: A Structured Model for Impulse Buying Behavior**

### Findings and Discussion

Considering the dimensions of retailing strategies, we run EFA for 12 observed variables. For the present study, retailing strategy is operationalized with three dimensions, namely credit card, window display and promotional approaches. The present research also tests the reliability with Cronbach's alpha of the observed variables, and it is recorded greater than 0.7, which confirms the high reliability of the measures of the present research constructs. The regression analysis shows a statistically significant relationship between the impulse buying behavior and retailing strategy dimensions, including credit card (0.005), window display (0.358), and promotional approaches (0.130). It is noted that all dimensions of retailing strategies show a statistically significant relationship with impulse buying.

### Conclusion

The retailers need is that the customers want to choose their store for purchasing the product. For this the retail stores are using various strategies to make the consumer to enter their store and to choose their product. The retailers who are a success in their business create strategies that are so different from its competitors and which will compel the customers to enter their stores. Impulse buying is buying without thinking. Purchasing without thinking is a common phenomenon especially in case of tour trips. How the retailing strategies influence the tourists for impulse buying were measured with the help of factor analysis and regression. The result reveals that all the retailing strategies such as credit card, window display and promotional approaches positively correlated with impulse buying behavior and tourists were highly influenced by window display for impulse buying.

### Managerial Implications

Retailers are always thinking to make use of strategies that help to attract the customers towards their shop for impulse buying. The result of the study reveals that retailing strategies such as credit card, window display and promotional approaches influence the tourists for impulse buying. So the retailers can provide credit card facility to the tourists while shopping and can earn more profit. Window display will attract the tourists towards the shop and promotional approaches such as price discount, advertisement and free product will lead the tourists to impulse buying.

### Scope for Further Research

So many retailing strategies are there which influence the tourists for impulse buying. Only three of them were taken for this study. Influence of all other factors or retailing strategies which leads to impulse buying can be brought forward for further research.

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