

THE IMPACT OF STORE IMAGE ON IMPULSE BUYING

ABSTRACT

We posit that store image drives impulse buying through positive affect, negative affect and urge to buy impulsively. We also hypothesize that shopping enjoyment would drive impulse buying through positive affect, while impulse buying tendency would drive impulse buying through urge and self-regulation would drive impulse buying through negative affect. We conduct a mall survey to test our structural model. We find strong support for our model, finding that store image drives impulse buying. Retailers may therefore focus on enhancing store image. We integrate the store image literature with impulse buying. We also incorporate the Schmid-Leiman factor structure in our model.

EXTENDED ABSTRACT

India is in the midst of a major retailing boom as this sector is growing at 25-30% per year (A.T.Kearney, 2007). Some retailers are going overboard in enhancing store image (e.g. Nilgiris) while some others are focused on offering low prices (e.g. Subhiksha). Does it make sense at all to spend money on beefing up store image in price-conscious India?

In this context, we study the effect of store image on impulse buying behavior. Prior research (Bellenger et al. 1978) has studied the effect of display on impulse buying. However, we aim to significantly extend this by incorporating store image along with personality variables to better explain the impulse buying phenomenon in a holistic manner. Similarly, while several antecedents to impulse buying have been found, no one has looked at the effect of store image.

Drawing on prior research, we posit that store image drives impulse buying through positive affect, negative affect and urge to buy impulsively. We also hypothesize that shopping enjoyment would drive impulse buying through positive affect, while impulse buying tendency would drive impulse buying through urge and self-regulation would drive impulse buying through negative affect. We build a comprehensive model of impulse buying through the above hypotheses.

We tested our model using a structured questionnaire (with mostly established scales modified slightly) on 733 respondents to a mall survey in the city of Chennai, India. We measured store image through its proxies, layout, music, employee friendliness and lighting. We obtained a good response rate of around 50%. We also obtained good reliabilities for all our constructs. We tested our model using structural equation modeling with EQS 6.1. We obtained an excellent fit for our model ($\chi^2 = 664.960$; $p = 0.0$; GFI = .940; AGFI = .921; CFI = .951; NNFI = .940; RMR = .040; and, RMSEA = .035). We found strong support for our model, with nine of our eleven hypotheses being supported. We incorporated the Schmid-Leiman residualized factor structure to improve the fit of the model.

From a theoretical viewpoint, we believe we have added substantially to the literature. We show that impulse buying is driven also by the image of the store in which the shoppers shops at. We offer a holistic, comprehensive model of impulse buying that includes not just personality variables like impulse buying tendency but also store image. Thus, we add to the list of antecedents of impulse buying, namely, we show that store image drives impulse buying. Likewise, we also add to the store image literature by showing that store image has an impact on impulse buying. Thus, our work neatly ties in the store image literature with that of impulse buying.

From a managerial viewpoint, our work has significant contributions to make. Our work also suggests that impulse buying can be caused by something more fundamental than just displays. We show that store image impacts impulse buying. It is also well-known that impulse buying (IB) is hugely profitable for retailers (Mogelonsky, 1998); besides impulse buying accounts for billions of dollars in sales annually. Therefore, retail managers would do well to invest in the antecedents of store image, like training store personnel, improving the layout, making the lighting attractive and by having appropriate music. In India, at least, anecdotal evidence suggests that there is a tendency on the part of even big retailers to skimp on these antecedents; for instance, the layout is often cramped and the air-conditioning is switched off from time to time. Our research shows that it would be unwise to cut costs on these heads, as impulse buying would be curtailed. Global players like Carrefour and Wal-Mart, who want to enter India in a big way once laws are relaxed, can also take note of our findings and design appropriate strategies i.e. beef up store image by focusing on its antecedents.

From a methodological angle as well, we have significant contributions. Not only do we do a rare mall study in India, we incorporate the Schmid-Leiman residualized factor structure in our structural model. To the best of our knowledge, this is extremely rare (if at all it has been done), in the mainstream marketing and consumer research literature. The use of such a factor structure, as opposed to a standard second factor model, improves model fit and other researchers in Marketing and allied business areas, may use it to improve model fits as well. In the psychology literature, there are stray instances of the Schmid-Leiman factor structure being used (Oleksandr et al, 2001); however, in the Marketing literature, there is hardly any research that uses this. Hence, we believe we make a valuable contribution here. In sum, we make significant contributions, along three dimensions, theoretical, managerial and methodological.

In our research, we could not incorporate the two-step mall intercept process like Beatty and Ferrell (1998). We believe that this would have been better. Future research may also look at conducting a simulated store experiment to test our hypotheses. Also, our model may be tested in Western countries as well. Additional antecedents like type of store (high-street store vs. mall store) may also be considered. Finally, recent research is trying to integrate impulse buying and variety seeking behavior (Sharma, Sivakumaran and Marshall, 2005). If indeed the two are similar, can store image drive variety seeking as well? Future research can address these and similar issues.

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