

# Consumer Impulse Buying Behavior for Approach in the Context to Visual Merchandising in Kathmandu

Shanker Dhodary<sup>1\*</sup>

<sup>1</sup>Assistant Professor, Tribhuvan University, Kathmandu, Nepal

Email: [dhodaryshanker@gmail.com](mailto:dhodaryshanker@gmail.com)

## Corresponding Author:

Shanker Dhodary

Email: [dhodaryshanker@gmail.com](mailto:dhodaryshanker@gmail.com)

## Abstract:

The primary objective of this study was to examine the relation between visual merchandising dimensions and consumer impulse buying behavior in retail industry of Nepal, to understand which visual merchandising tools and techniques influences the customers most and to highlight the importance of visual merchandising concept in sales and marketing arena which helps to boost sales turnover and also create an appealing store image. The study area for this research was the retail stores of malls in Kathmandu, data were collected from respondents through questionnaire survey method. The sample population for this study was composed of shoppers who visited the malls and retail stores. This study sampled 208 customers visiting the retail stores in malls in Kathmandu city using convenience sampling technique. This study followed descriptive research design and casual comparative research design which assessed and examined the effect of visual merchandising dimensions specifically; product display, form/ mannequin display, lighting & music, shop brands name and promotional signage on consumer impulse buying behavior. Respondents' demographic profile describing the sample population is presented in this study, followed by descriptive statistics for each of the surveys administered. The correlation analysis found that product display, form/ mannequin display, lighting & music and promotional signage had significant relationship with consumer impulse buying behavior. Similarly, regression analysis identified that product display, form/ mannequin display and promotional signage had a significant relation with consumers' impulsivity. It is hence, concluded that consumer impulse buying is significantly impacted by product display, form/ mannequin display and promotional signage. As impulse buying has now been perceived as a common behavior, thus retailers should take the opportunity and benefit themselves from the use of different VM elements which is often termed as 'an art of silent selling'.

**Key Words:** Product Display, Mannequin Display, efficient of Lighting and Music, Shop Brands.

## 1.Introduction:

Retailing is a form of business activity, which involves selling goods and services in relatively smaller quantities to the consumer for final consumption rather than resale. Over the years, retailing has grown into a challenging and profitable business with a significant impact on the global economy. It represents the final step in the chain supply and distribution process that eventually ends up on the consumer's shopping cart (Amadeo, 2020). Retailing provides a means for products to get to consumers, whereby, it involves selling of variety of products such as healthcare products, apparels, food and, groceries, electronic products, automobile parts and repair, fitness products, to name a few.

The rise of supermarkets, shopping malls, department stores, and franchise stores have heightened the competition in retail field. As a result of continuous inventions

and developments of new technologies, more sophisticated management practices and industry consolidation, the face of retail industry has transformed leading to improved performance. In present context, the mega malls and supermarkets offer a mix of retail stores, entertainment hubs and food courts, all under one roof which has pushed the concept of one-stop shopping to the extreme (Vault, 2020).

Consumers are one of the key factors that ultimately drives the retail business. A retailer's success depends on understanding consumer behavior, identifying needs, and analyzing decision making pattern. Due to the exponential growth of new technologies, the entry of foreign retail chains and the cutting edge of management practices, competition has intensified. The practice of selling same merchandise every next store at similar price-range has further drove the competitive environment.

Muruganantham and Bhakat (2013) observed factors such as foreign product availability, organized retail growth, lifestyle changes, rising disposable income, and favorable demographics have contributed to impulsive buying behavior among Indian consumers. However, most research on impulsive buying has focused on American or European consumer context.

Very few studies have examined this phenomenon in Nepal and none have explored the relationship between visual merchandising and impulsive buying among Nepali consumers.

Therefore, this study aims to investigate the impact of visual merchandising in consumer impulse buying behavior in the retail industry of Nepal. Furthermore, this research is devoted to address and cover the answers to the following questions:

What is the impact of product display on consumer impulse buying behavior?

Does form/mannequin display play a significant role on consumer impulse buying behavior?

Several studies have explored consumer impulse buying behavior. Solomon (2002) emphasized the importance of understanding consumer behavior for developing strategic marketing plan. Consumer behavior highlights the decision making process exhibited by individuals while valuating, obtaining, utilizing, or discarding products and services (Louden and Bitta, 2002). Consumer behavior is dynamic in nature, it is influenced by many internal factors such as psychological aspects and external factors such as socio-cultural environment and marketing mix (Schiffman & Kanuk, 2007).

Schiffman and Kanuk (2012) stated that consumers are regarded as rational decision-makers, who exhibit certain behaviors in the consumption process including searching, procuring, using, evaluating and finally disposing the product. They also explored the decision-making pattern from pre-purchase evaluation to post-purchase assessment, and how such evaluations shape future purchasing behavior.

Radu (2019) suggested that consumer behavior analysis should focus on understanding how consumers perceive products and brands, the factors influencing their decisions, and the impact of external surroundings such as family, friends, peers, and media.

Peck and Childers (2006) found impulse buying behavior as a persistent aspect of consumer lifestyles, accounting for approximately 30% to 62% of total purchases. This behavior is significant for retailers as it contributes substantially to their profit margins.

Lee and Kacen (2008) explained that retailers actively use strategies like product displays, and store designs to increase the rate of impulse purchases and ultimately driving revenue growth. Pentecost and Andrews (2010) observed

that apparel retailers focused on positioning their fashion accessories, strategically, to influence consumers' impulse purchases. Pornpitakpan and Han (2013) emphasized that apparel is the most frequently purchased category in connection with impulse buying.

They argued that impulse purchases of apparel often complement planned purchases, making it a critical segment for retailers to target consumers.

## 2. Materials And Methods:

A correlational research design has been used to determine the relationship between visual merchandising components (viz. product display, form/ mannequin display, lighting and music, shop brands name and promotional signage) and shopper's impulse buying behavior for apparels.

The population under study comprises customers of shopping center of Kathmandu. The study was conducted in Labim mall and Eyeplex in Kathmandu. The purposive sampling technique has been used for the selection of sampling unit for the study.

Using structured questionnaire, primary data were collected to analyze consumer's visual merchandising elements on impulse buying tendency in retail outlets of Kathmandu city. The purposive sampling technique has been used for the study. The collected quantitative data underwent analysis utilizing various statistical tools and techniques such as regression, and ANOVA.

Primary data were collected through distribution of questionnaire to the customer of shopping center of Kathmandu. A survey was used to collect primary data through survey questionnaire via Google Forms, print media, email, and the internet. A total of 250 questionnaire were distributed, only 208 valid responses were obtained and analyzed.

### Regression Model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon_i$$

Where:

- $Y$  = Dependent variable, i.e., Consumer Impulse Buying Behavior
- $\beta_0$  = Intercept of regression
- $X_1$  = Product Display;  $\beta_1$  = Regression Coefficient of Product Display
- $X_2$  = Form/Mannequin Display;  $\beta_2$  = Regression Coefficient of Form/Mannequin Display
- $X_3$  = Lighting and Music;  $\beta_3$  = Regression Coefficient of Lighting and Music
- $X_4$  = Shop Brands Name;  $\beta_4$  = Regression Coefficient of Shop Brands Name
- $X_5$  = Promotional Signage;  $\beta_5$  = Regression Coefficient of Promotional Signage
- $\epsilon_i$  = Error term

## Data Presentation and Analysis:

Table 1: Collinearity Statistics

Model	Tolerance	VIF
Product Display	0.672	1.488
Form/Mannequin Display	0.649	1.542
Lighting and Music	0.770	1.299
Shop Brand Name	0.854	1.171
Promotional Signage	0.808	1.237

Source: Field Survey 2019

Dependent Variable: Impulse Buying Behavior

The table 1 reveals the collinearity statistics which presents the outcomes generated highlighting tolerance value and variance inflation factor (VIF). The tolerance values and Variance Inflation Factor (VIF) for all variables fall within acceptable limits (Tolerance > 0.1 and VIF < 10). This indicates the absence of multicollinearity among the predictors. It indicates reliability of the regression coefficients and validates the measurement scales used in the study.

Table 2: ANOVA for Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	834.704	5	166.941	18.354	0.000
Residual	1837.277	202	9.095	–	–
Total	2671.981	207	–	–	–

Table 3: Multiple Regression Coefficients

2*Model	Unstandardized Coefficients		Standardized Coefficients	2*t	2*Sig.
	B	Std. Error	Beta		
Constant	8.881	1.500		5.922	0.000
Product Display	0.154	0.062	0.178	2.497	0.013
Form/ Mannequin Display	0.342	0.080	0.311	4.289	0.000
Lighting and Music	0.158	0.087	0.121	1.825	0.069
Shop Brands Name	0.042	0.098	0.027	0.424	0.672
Promotional Signage	0.145	0.072	0.132	2.032	0.043

Dependent Variable: Impulse Buying Behavior Source: Field Survey 2019

The table 3 shows the results of regression analysis where the beta coefficients and p- values generated from multiple regression test are highlighted. In the regression analysis, the beta coefficients explain the relative importance of the five visual merchandising dimensions (independent variables) to the variance in customer's impulse buying behavior (dependent variable).

From the table 3 the following results were derived:

Form/ Mannequin Display is the most significant predictor ( $\beta_2 = 0.311$ ,  $p = 0.000$ ), which makes the largest contribution in explaining consumer impulse buying behavior.

Product Display ( $\beta_1 = 0.178$ ,  $p = 0.013$ ) and Promotional Signage ( $\beta_5 = 0.132$ ,  $p = 0.043$ ) also have a significant positive impact on impulse buying behavior, both predictors have the p-values less than 0.05. These variables are statistically significant at 5 percent level of significance.

Lighting and Music ( $\beta_3 = 0.121$ ,  $p = 0.069$ ) and Shop Brands Name ( $\beta_4 = 0.027$ ,  $p = 0.672$ ) are not

statistically significant, since their p-values exceed 0.05. From the analysis it is concluded that these variables do not meaningfully contribute to the model in explaining consumer impulse buying behavior, and are excluded from further consideration in the regression equation.

Study shows that female customers assess the need requirement of the apparels after looking at it which may entice impulse purchases in comparison to male customers who are more likely to make planned purchases.

The demographic profile analysis with respect to age shows that the majority respondents are from the 25-29 age group (43.27%) followed by 20-24 age group (36.06%). College students and young working employees, highly influenced by visual presentations and displays.

Regarding academic qualification of the respondents, majority of respondents (59.13%) have completed their Bachelor's degree followed by 30.76% with Master's degree and 10.58% with +2-level education. This trend indicates that majority of the respondents are educated and are well aware about influence of visual merchandising

attributes and attractions.

It is found that 35.58% of respondents have income below Rs.10,000, followed by 25% of the respondents have income from Rs.26,000 - 50,000. Moreover, 48.08% respondents are dependent on their parents while 51.92% are independent on their own. These findings suggests that younger, educated individuals form a major portion of retail customers are more inclined to impulse purchases.

### 3. Results And Discussion:

Bhatti and Latif (2013) on 'Role of Visual Merchandise in retailing of supermarkets in Chennai' found the significant impact of visual merchandising elements like window display, forum display, floor merchandising and shop brands name on consumer impulse behavior. However, this current study finds that shop brands names do not have significant impact on impulse buying behavior.

Meenakumari (2013) on 'Role of Visual Merchandise in retailing of supermarkets in Chennai' revealed that all the visual merchandising elements under the study viz. entrance, promotional signage, window display, fixtures, floor space and interiors had a significant impact in impulse purchases; while the current study exhibited that promotional signage have a significant impact on consumer impulse buying behavior. Similarly, in the study conducted by Dash and Akshaya (2016) on 'A Study on the Impact of Visual Merchandising on Impulse Purchase in Apparel Retail Stores' concluded that store layout, mannequin display, and promotional signage had significant positive impacts on impulse purchase.

The results reveal the visual merchandising elements have influencing role on customers' impulse purchases. Retail industry in Nepal especially in Kathmandu have grown rapidly over the time as a result of market centralization, and consumer behavior has shifted unplanned purchases. However, such types of research study are mostly limited to developed economies while a very few research studies on this subject-matter are found in developing economies. Thus, in context to the Nepali scenario, understanding consumer behavior is crucial for any retailers so as to grab the opportunities through the usage of appropriate amalgamation and synergistic effect of several techniques of visual merchandising and presentation that stimulates impulse buying.

### 4. Conclusion:

The primary objective of this study was to examine the relation between visual merchandising dimensions and consumer impulse buying behavior in retail industry of Nepal. Specially, it aimed to identify most influential

visual merchandising tools and techniques emphasizing their importance in boosting sales turnover and creating an appealing store image. This study assessed and examined the effect of visual merchandising dimensions specifically; product display, form/ mannequin display, lighting & music, shop brands name and promotional signage on consumer impulse buying behavior.

The study's descriptive findings show that visual presentations and displays influenced a major portion of retail customers, young working employees, females than males, and highly educated than less educated individuals. Overall, from this study it can be concluded that Form/Mannequin Display has the strongest influence on consumer impulse buying behavior, followed by Product Display and Promotional Signage. These findings suggest retailers should prioritize these aspects of visual merchandising to maximize impulse purchases. The regression analysis highlights the significant and positive impact of specific visual merchandising elements on impulse buying behavior, offering actionable insights for retailers to enhance store layouts and marketing strategies.

### Implications:

The findings of the study contribute to a better understanding of consumer behavior concept in relation to impulse buying behavior of Nepalese customers alongside providing some managerial implications mainly focusing on the retail businesses. The results of this study could benefit the apparel retailers in Kathmandu city because a comprehensive exploration and assessment has been conducted in terms of customer's perception towards visual merchandising and its effects on impulse buying tendency. This research has contributed in the field of marketing thus provides practical implications to the entire apparel industry. The results obtained from this study aids to better understand the perceptions and the behavior displayed by shoppers in the malls.

### 5. Funding Statement:

This study did not receive funding from any specific grant or funding agency.

### 6. Completing Interest:

The authors confirm that they have no competing interests to declare.

### 7. Acknowledgment:

The authors would like to thank all the respondents for participating in this study.

## References

- Amadeo, K. (2020). The retail industry and its impact on the economy [Retrieved from The Balance]. <https://www.thebalance.com/what-is-retailing-why-it-s-important-to-the-economy-3305718>
- Arnold, M. J., & Reynolds, K. (2003). Hedonic shopping motivation. *Journal of Retailing*, 77–95. [https://doi.org/10.1016/S0022-4359\(03\)00007-1](https://doi.org/10.1016/S0022-4359(03)00007-1)
- Bashar, A. (2012). Visual merchandising and consumer impulse buying behavior: An empirical study of delhi & ncr. *International Journal of Retail Management & Research*. [https://www.researchgate.net/publication/234032745.VISUAL\\_MERCHANDISING\\_AND\\_CONSUMER\\_IMPULSE\\_BUYING\\_BEHAVIOR\\_AN\\_EMPIRICAL\\_STUDY\\_OF\\_DELHI\\_NCR](https://www.researchgate.net/publication/234032745.VISUAL_MERCHANDISING_AND_CONSUMER_IMPULSE_BUYING_BEHAVIOR_AN_EMPIRICAL_STUDY_OF_DELHI_NCR)
- Baumeister, R. (2002). Yielding to temptation: Self-control failure, impulsive purchasing, and consumer behavior. *Journal of Consumer Research*, 28(4), 670–676. <https://www.psych.ualberta.ca/~msnyder/p486/read/files/B2002.pdf>
- Bhatti, K. L., & Latif, S. (2013). The impact of visual merchandising on consumer impulse buying behavior [Retrieved from Academia.edu]. [https://www.academia.edu/26921302/The\\_Impact\\_of\\_Visual\\_Merchandising\\_on\\_Consumer\\_Impulse\\_Buying\\_Behaviour](https://www.academia.edu/26921302/The_Impact_of_Visual_Merchandising_on_Consumer_Impulse_Buying_Behaviour)
- Creswell, J. W., & Clark, V. L. (2017). *Designing and conducting mixed methods research*. SAGE Publications. <https://go.gale.com/ps/i.do?id=GALE%7CA179076997&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=14480980&p=AONE&sw=w&userGroupName=anon%7Ec6228409&aty=open-web-entry>
- Dash, M., & L., A. (2016). A study on the impact of visual merchandising on impulse purchase in apparel retail stores. *International Journal of Marketing and Communication*, 5(2), 37–43. <https://doi.org/10.21863/ijmbc/2016.5.2.030>
- Gasiorowska, A. (2011). Gender as a moderator of temperamental causes of impulse buying tendency. *Journal of Customer Behaviour*, 10(2), 119–142. <https://doi.org/10.1362/147539211X589546>
- Hawkins, D. I., & Hawkins, R. J. (2003). *Consumer behavior: Building marketing strategy*. McGraw Hill. <https://opac.lbsim.ac.in/cgi-bin/koha/opac-detail.pl?biblionumber=7829&shelfbrowse.itemnumber=7829>
- Inman, J. J., Winer, R. S., & Ferraro, R. (2009). The interplay among category characteristics, customer characteristics, and customer activities on in-store decision making. *Journal of Marketing*, 73(5), 19–29. <https://doi.org/10.1509/jmkg.73.5.19>
- Jain, V., Takayanagi, M., & Malthouse, E. C. (2014). Effects of show windows on female consumers shopping behavior. *Journal of Consumer Marketing*, 31, 380–390. <https://doi.org/10.1108/JCM-04-2014-0946>
- Kaur, P., & Singh, R. (2007). Uncovering retail shopping motives of indian youth. *Young Consumers: Insight and Ideas for Responsible Marketers*, 8(2), 128–138. <https://doi.org/10.1108/17473610710757491>
- Louden, D., & Bitta, A. J. (2002). *Consumer behavior: Concepts and applications*. McGraw Hill. <https://doi.org/10.1177/002224378001700120>
- Mattila, A., & Wirtz, J. (2008). The role of store environmental stimulation and social factors on impulse purchasing. *Journal of Services Marketing*, 22(7), 562–567. <https://doi.org/10.1108/08876040810909686>
- Meenakumari, S. (2013). Role of visual merchandise in chennai. *APJMMR*, 2(9), 120–127. <https://doi.org/10.26623/themessenger.v1i2.1318>
- Mihić, M., & Kursan, I. (2010). Assessing the situational factors and impulsive buying behavior: Market segmentation approach. *Management*, 15, 47–66. [https://www.researchgate.net/publication/285752364\\_Assessing\\_the\\_](https://www.researchgate.net/publication/285752364_Assessing_the_)

situational\_factors\_and\_impulsive\_buying\_behavior\_Market\_segmentation\_approach#:~:text=Furthermore%2C%20in%20terms%20of%20the,rational%20%2D%20generally%20immune%20to%20influence

- Nguyen, M. T., Jung, K., Lantz, G., & Loeb, S. (2003). An exploratory investigation into impulse buying behavior in a transitional economy: A study of urban consumers in vietnam. *Journal of International Marketing*, 13–35. <https://doi.org/10.1509/jimk.11.2.13.20162>
- Park, E. J., Kim, E. Y., & Forney, J. C. (2006). A structural model of fashion-oriented impulse buying behavior. *Journal of Fashion Marketing and Management*, 433–446. <https://doi.org/10.1108/13612020610701965>
- Pechmann, C., Levine, L., Loughlin, S., & Leslie, F. (2005). Impulsive and self- conscious: Adolescents' vulnerability to advertising and promotion. *SAGE Journal*, 24(2), 202–221. <https://doi.org/10.1509/jppm.2005.24.2.202>
- Peck, J., & Childers, T. L. (2006). If i touch it i have to have it: Individual and environmental influences on impulse purchasing. *Journal of Business Research*, 59(6), 765–769. <https://doi.org/10.1016/j.jbusres.2006.01.014>
- Pornpitakpan, C., & Han, J. H. (2013). The effect of culture and salespersons' retail service quality on impulse buying. *Australasian Marketing Journal (AMJ)*, 21(2), 85–93. <https://doi.org/10.1016/j.ausmj.2013.02.005>
- Radu, V. (2019). Behavior in consumer marketing - pattern, types, segmentation [Retrieved from Omniconvert]. <https://www.omniconvert.com/blog/consumer-behavior-in-marketing-patterns-types-segmentation.html>
- Rompay, T. V., & Pruyn, A. (2011). When visual product features speak the same language: Effects of shape-typeface congruence on brand perception and price expectations. *Journal of Product Innovation Management*, 28(4), 599–610. <https://doi.org/10.1111/j.1540-5885.2011.00828.x>