

# The Reinvesting Impact of Promotional Activity and Store Atmosphere on Impulse Buying Behavior: The Mediating Role of Payment Facility

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**Abstract** - This study aims to recognize the factor effecting impulse buying behaviour with the mediation effect of payment facility. This study is based on primary data and data collected from Hyderabad Division of Sindh, Pakistan through adopted questionnaire. Number of respondents were 200 females who are engaged in impulse buying in supermarkets such as Baig Mart, Dawood Super Market, Max Bachat Super Market and Grocers. The store atmosphere and promotional activity are mediated by payment facility for impulse buying behaviour and partial mediation effect used. However, promotional activity revealed more important for impulse buying behaviour due to higher beta value than store atmosphere. In the previous research scholars explored the direct impact of promotional activity and store atmosphere. However, this study checked indirect effect in presence of mediator payment facility.

**Keywords** - Promotional activity, Store atmosphere, Impulse Buying Behaviour, Payment Facility

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## 1. Introduction

Impulse buying behaviour depends on the personality of each individual which comprise of their way of thinking, how they intermingle with their family and peers and their way of dealing with the same personalities on different circumstances [1]. In today's era, impulse buying has become a widespread act by the customers; customers go to the market in need of something, but they finish up buying a few more things too just because the products draw their attention. There is a range of other factors such as cultural differences that affect impulse buying behaviour of customers [2]. Demographic characteristics such as gender, age, income, spending, and impulse buying behaviour among customers are some of the factors. Other factors like the displays and packaging, time spent at the stores, promotional activities, value of the product, size of the product, features of the items present in it, incarcerate the attention of the customers, and generate an urge for them to purchase those items accidentally [3]. Factors such as the comfort zone of the store environment and behaviour of staff also increase impulse buying as it eradicates the annoyance and frustration of the customers and it helps them to take the benefit of their assistance [4]. The customers who seek variety of products are more involved in impulse purchasing; the moment when they see something unique and fresh product assortment, they go for that product [5].

There has been a significant focus on Impulse buying by consumers in consumer research. This concept is becoming interesting because it is not only prompted by a variety of internal psychological factors but also influenced by external, market-related stimuli [6]. Many researchers have gone through the studies to identify the factors that

impinge on the customers' impulse buying behaviour. In due course, this information from the researchers can lend a hand to both the marketers and the retailers in pleasing their customers and growing their productivity. The earlier research has mostly catered the developed countries, this research overall has targeted the developing country like Pakistan, to know the factors that manipulate the customers to do impulse buying in Hyderabad, Pakistan.

## 2. Literature Review

### 2.1. Store Atmosphere

A study was conducted role of store environment for impulse buying behaviour in Pakistan's two big cities Islamabad and Abbottabad and randomly 100 shoppers from various markets has been asked to fill the questionnaire. The regression analysis results revealed that store atmosphere has significant impact on impulse buying behaviour. Furthermore, they suggested store atmosphere also play vital role at time of high traffic of customers on special events. Like this study was carried in India's supermarkets and Chennai city was selected for the sample size. Survey conducted with help of questionnaire and 44 outlets of national and multinational were selected and total sample size in terms of case were 1, 478. This study also supported the results that store atmosphere has significant impact for the impulse buying behaviour. Moreover, they suggested that retail manager can ensure the acceptable store environment with help of other supportive staff and female tends to more response to store environment for impulse buying as compare the male shoppers. Lastly, to support argument another study was conducted on two multinational retail chains such Habib metro and Hyperstar. 300 cases were studied in this study. Primary data was collected with help of adopted questionnaire and data was analysed in SPSS latest version. Findings revealed interior of store has significant impact for the impulse buying behaviour and purchase intention. In the interior they point out the various important things such as cleanness, lighting and goods display so on. In this study both genders equally respond to store environment and confirmed the important of store atmosphere for impulse buying behaviour.

### 2.2. Promotional Activity

The research study was conducted in Bangalore to check the role of promotional activities on impulse buying behaviour. Primary data has been gathered from 110 cases through self-administered questionnaire. The findings of this study suggested their significant impact of discounts and loyalty

programs on impulse buying behaviour and unplanned shopping ratio used to increase due to these promotional activities throughout the year [7]. Similar to this study was conducted and 150 respondents were fill adopted questionnaire.

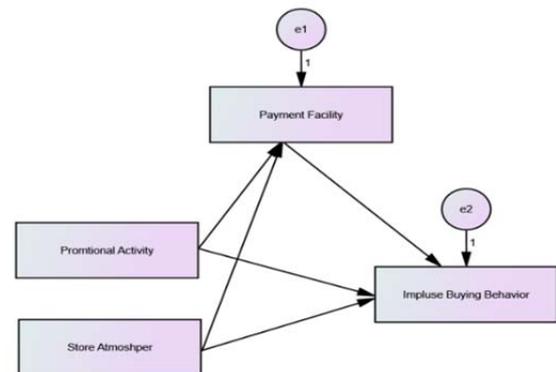


Figure 1. Conceptual Framework

Various tests were applied such as reliability analysis and regression analysis in SPSS. Findings confirmed the various promotional activities such as bonus, discounts and free samples used to have significant impact on impulse buying behaviour while shopping in retail shops [8]. Lastly, research has been conducted in Anuraphapura, India. In this study role of sales promotion was checked on impulse buying behaviour in supermarkets. There are one hundred six participants were requested to fill the adopted questionnaire and they were explained the objective of study. Results revealed that many promotional activities such as free samples, price discounts, buy one get one free has significant impact on impulse buying behaviour. It is recommended that these programs should be designed in effective way in order to improve sales in retail stores via impulse buying behaviour [9].

### 2.3. The Mediator Payment Facility

People tend to spend more when they are carrying credit card with them while shopping because even if they do not have any cash money, credit card provides them the opportunity of the future payment. In addition to that, according to a research, people who use credit card tend to involve into impulse buying more than the people who do not. Credit card owners have higher tendency of indulge into impulse buying. One of the reasons of why credit card affects impulse buying behaviour is because it causes higher spending even with the low income. It also views as a power and status indicator and it provides a security for shopping. Therefore it is recommended to provide all sorts of payment facilities [10]. According to another study, consumer with high level of income contains credit card with them which they use to buy expensive products. It also states that

sometimes people do not carry credit card with them but still they are making impulse purchases and it can be because of various reasons, sometimes the product is irresistible for them or sometimes they have been triggered by various discounts and offers. Ever since the introduction of credit cards, the impulse purchases have increased greatly overall and it is quite visible. Credit cards provide the facility of future payment which relaxes the consumer hence they get more than they need which results in impulse purchase. Hence it is recommended to provide availability of credit card machines at the store [11]. Lastly, according to another study, people who want to look more sophisticated, civil, there is a relation between impulse buying behaviour and people who try to fit into the world of high status and sophistication. People who are more conscious towards their lifestyle and social class, carry a credit card and it results in more impulse purchases because they do not care about the high cost or low cost item, they shop more [12].

In Figure 1, there are direct and indirect effect and proposed hypothesis are:

H1. The payment facility meditates the relationship between promotional activity and impulse buying behaviour.

H2. The payment facility meditates the relationship between store atmosphere and impulse buying behaviour.

### 3. Methodology

The adopted questionnaire five Likert scale used to collect the primary data. Two hundred twenty questionnaires were printed and asked to female who used to buy monthly grocery for the families to fill the provide printed questionnaire. The objective of research disclosed to them and self-administrative

survey was carried in various grocery supermarket of Hyderabad, Pakistan. The evening time decided due to higher customer traffic. Once, questionnaire was returned from respondents while data coding and clearing in SPSS only two hundred were used for the analysis. The type of probability sampling and random sampling decided to avoid the researcher biasness [13]. In regard of proposed research, hypothesis of present study and the gathered data is analysed in SPSS version 22 and AMOS for verifying the mediation effect.

## 4. Findings

### 4.1. Questionnaire Reliability and Convergent Validity

It is very important to check the adopted questionnaire reliability and validity before testing the proposed hypothesis in the research. In the present study three values are indicated in Table 1 such as items loading, Cronbach value and average variance extracted and based of these adopted questionnaire reliabilities and validly is confirmed [14]. The recommended value for the item loading and Cronbach alpha should be equal or greater than 0.70 [15]. You can notice in the Table 1 both values item loading, and Cronbach alpha revealed equal or greater than suggested value 0.70 [16] in the present study. However, the average variance extracted (AVE) should be equal or greater than 0.50 [17]. In the present study confirmed the convergent validity because the AVE value is equal or more than 0.50 [17]. Therefore, in this context for the present study the reliability and convergent validity is recommended and hypothesis for structural equation model (SEM) can be performed in the AMOS.

Table 1. Questionnaire Reliability and Convergent Validity

Construct	Items	Item's Loading	Cronbach's Value	Average Variance Extracted
Promotional Activity	PA1	0.80	0.78	0.65
	PA2	0.79		
	PA3	0.82		
	PA4	0.81		
Store Atmosphere	SA1	0.78	0.75	0.64
	SA2	0.80		
	SA3	0.81		
	SA4	0.82		
Impulse Buying Behaviour	IBB1	0.75	0.74	0.59
	IBB2	0.72		
	IBB3	0.79		
	IBB4	0.80		
Payment Facility	PF1	0.82	0.79	0.66
	PF2	0.79		
	PF3	0.80		
	PF4	0.84		

## 5. Hypothesis Testing

### 5.1. Promotional Activity

We can notice the mediation effect of promotional activity and impulse buying behavior in the presence of mediating variable payment facility. SEM effects such as total effect, direct effect and indirect effect are summarized in the Table 2. Firstly, total effect confirmed the significant impact of promotional activity on impulse buying behavior due to positive ( $\beta = 0.35$ ) and significant ( $p\text{-value} = 0.000$ ). Secondly,

direct effect also suggested the significant impact of promotional activity on impulse buying behavior with ( $\beta = 0.23$ ) and significant ( $p\text{-value} = 0.004$ ). Thirdly, indirect effect between promotional activity and impulse buying behavior with third mediating variable payment facility results supported the partial mediation because the value of beta decreased in presence of mediation effect (Payment facility) from 0.23 to 0.12. Therefore, proposed hypothesis 1 has been supported with  $p\text{-value} 0.001$ .

Table 2. Promotional activity Mediation Effect

SEM Effect	SEM-Paths Directions	$\beta\text{-value}$	P-value
Total Effect	*PA->IBB	0.35	0.000
Direct Effect	**PA>IBB	0.23	0.004
Indirect Effect	***PA->PF->IBB	0.12	0.001

### 5.2. Store Atmosphere

In Figure 2, one can notice the mediation effect of between store atmosphere and impulse buying behavior in the presence of mediating variable payment facility.

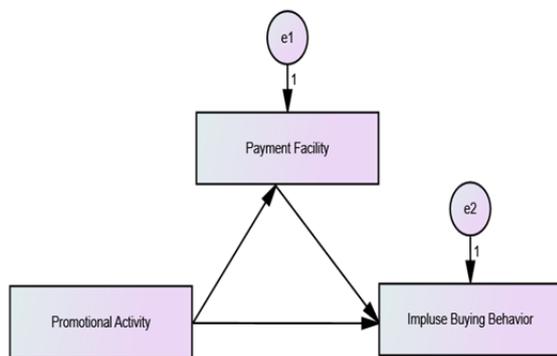


Figure 2. Conceptual Framework (Hypothesis 1)

SEM effects such as total effect, direct effect and indirect effect are summarized in the Table 2. Firstly, total effect confirmed the significant impact of store atmosphere on impulse buying behavior due to positive ( $\beta = 0.26$ ) and significant ( $p\text{-value} = 0.001$ ).

Secondly, direct effect also suggested the significant impact of store atmosphere on impulse buying behavior with ( $\beta = 0.15$ ) and significant ( $p\text{-value} = 0.002$ ). Thirdly, in Table 3, we analysed indirect effect between store atmosphere and impulse buying behavior with third mediating variable payment facility results supported the partial mediation because the value of beta decreased in presence of mediation effect (Payment facility) from 0.15 to 0.11. Therefore, proposed hypothesis 2 (see Figure 3) has been supported with  $p\text{-value} 0.000$ .

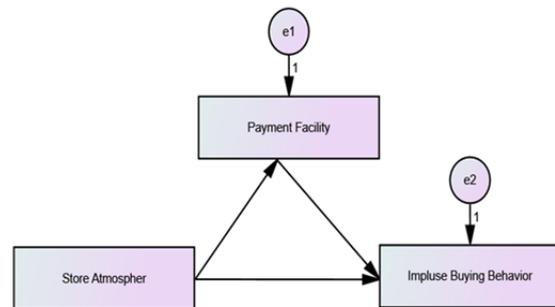


Figure 3. Conceptual Framework (Hypothesis 2)

Table 3. Store Atmosphere Mediation Effect

SEM Effect	SEM-Paths Directions	$\beta\text{-value}$	P-value
Total Effect	*SA->IBB	0.26	0.001
Direct Effect	**SA>IBB	0.15	0.002
Indirect Effect	***SA->PF->IBB	0.11	0.000

## 6. Conclusion

In this study impulse buying behaviour was studied for promotional activity and store atmosphere in presence of mediating variable payment facility. Partial mediation effect has been revealed for both independent variables such as promotional activity and store atmosphere. Moreover, the promotional

activity confirmed the more impact on impulse buying behaviour due to higher beta value than store atmosphere. It suggested that more promotional activities should be designed in order to improve the impulse buying behaviour in supermarkets of Hyderabad, Pakistan such as buy one get one free, discounted offer, and advertisements which can influence customer's impulse purchasing.

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