



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2016; 2(4): 304-307
www.allresearchjournal.com
Received: 04-03-2016
Accepted: 02-04-2016

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In-store sampling and impulsive buying behavior: An empirical approach

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Abstract

In the modern era of market liberalization, retailing is going through a significant transformation with growing disposable incomes, changing lifestyle and increasingly assertive consumers. This phenomenon of retail growth is bringing more Indian and International players on the scene. The steep competition is posing different challenges for the retailers. Traditionally various promotional schemes are introduced to increase the sales and profitability, along with this marketers are incorporating various in-store marketing strategies to trigger impulsive buying. In-store sampling has become an important arm of marketing strategies as it drives the product trials and furthermore induces the shopper to purchase the product. In-store Sampling of the product drives the product trails and distribution, it not only increase the sale of the day but brings the product into 'consideration set' of the shopper. For this research study, the data was collected from retail store where product sampling campaign was conducted by the marketers. With the help of appropriate statistical technique, present study tests the hypothesis proposed on the basis of secondary data. This research provides significant implication of the in-store sampling and its impact on impulsive buying in retailing.

Keywords: Retail, In-store promotion, In-store sampling, impulsive buying.

1. Introduction

The retailing business is globally experiencing significant growth due to the ever-changing nature of consumer tastes, consumption patterns and buying behaviors. Retailers have improved their growth strategies in the last few years to place a far greater emphasis on store sales and profitability, which demands a deeper understanding of store traffic and shopping behaviour of consumers. It has become a business priority of modern retailers to improvise their marketing strategies to get the significant share of the consumer's wallet. The consumer information processing is strongly influenced by stimulation at the point-of-sale (Inman, Russell, and Rosellina, 2009) [7]; a study conducted by Kollat and Willett (1967) [10] observes that more than half of the purchase decisions are unplanned. A research study by Bellenger *et al.* (1978) [4] says that between 27 and 62 percent of consumers' department store purchases fell into impulse buying category and that few product lines are unaffected by impulsive buying. As the 'in-store promotion' has become an important arm of the shopper marketing plan, various promotional techniques are used by retailers and manufacturers to build awareness of their product offering and influence the buying behaviour of the shopper. In-store promotions or events include a variety of promotional vehicles and executions such as On-pack promotions (buy 1 get 1 free), In-store demonstrations, Special displays, Product sampling and many more.

Promotions encourage shoppers through the decision making process, by raising awareness and interest of products, and also converting the interest into actual purchase. As retailers and marketers look for every opportunity to get brands closer to the consumer, one of the most obvious marketing tactics is —'in-store sampling'. Considering the benefits of product sampling, the custom product sampling stations with contemporary design, tailor-made styling, attractive signage and built-in merchandising shelves is an added advantage, as ultimately it increases the sales of the day. Free samples stimulate interest in the mind of shoppers and drive them to try the product.

Literature Review

In today's highly competitive market Sales promotion is considered as a vital part of the overall marketing strategy. Sales promotion encourages product trials among non-users, rewards loyal users and induces competitor's customer to switch over.

Sales promotions include a variety of marketing tools where sale is sought to be stimulated by offering some kind of incentives such as a discount coupon, free gift, price off, free samples, product trials etc. Harish and Suchitra (2010)^[5] are of the opinion that sales promotion campaigns are aimed at making psychological and emotional impact on target consumers. The main aim is to encourage purchase, increase the quantity of purchase and/ or purchase frequency.

a) Impulse Buying Behavior

With the increasing disposable incomes, the consumers' buying patterns have displayed a remarkable transformation. Earlier shopping was more or less a planned affair but market revolution has created a new category of buyers who are ready to spend an liberal amount on spontaneous buys, giving way to a new segment- the 'Impulse shoppers'. It has been observed in some studies that consumers who intend to do shopping in short notice, generally lean towards impulsive or compulsive buying behavior. Impulse buying is defined as an occurring "when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict. Also, impulse buying is prone to occur with diminished regard for its consequences (Rook, 1987)^[14]. The term 'impulse buying' refers to a narrower and more specific range of phenomena than 'unplanned purchasing' does. More importantly it identifies a psychologically distinctive type of behavior that differs dramatically from contemplative mode of consumer choice. Impulsive purchasing, generally defined as a consumer's unplanned purchase which is an important part of buyer behavior, it accounts for as much as 62% of supermarket sales and 80% of all sales in certain product categories (Kollat and Willett, 1967)^[10]. Store-level promotions are increasingly used for grabbing consumers' attention and also for offering a direct inducement (Ailawadi, Harlam, Cesar and Trounce, 2006)^[2]. A research on retail shopping environment (Tendai and Crispin, 2009)^[17] finds the in-store shopping environment as an imperative determinant of impulsive buying, it is created by micro variables which are specific to particular shopping situations and confined to a specific geographic space. Factors such as in-store promotions, as cash discounts/ price offs, coupons, in-store store display, the in-store media, background music and the store ambience stimulate impulsive buying. A research (Ndubisi and Moi, 2005)^[12] on impact of sales promotional tools shows that price discounts, free samples, bonus packs, and in-store display are associated with product trial. Coupon does not have any significant effect on product trial. Trial determines repurchase behaviour and also mediates in the relationship between sales promotions and repurchase.

The visual merchandising strategies, efficient sales personnel, the in-store sampling and promotions with discount offers induce customers to make unplanned/ impulse purchases. Impulse buys account for about one-third of all sales in a typical department store. Impulse buying is loosely defined in the literature and covers many forms of non-rational purchase behavior. Impulse buying is defined as "an unplanned purchase" that is characterized by 1) relatively rapid decision-making and 2) a subjective bias in favor of immediate possession (Rook and Garder, 1993)^[15] it is described as more arousing, less deliberate, and more irresistible buying behavior compared to planned purchasing behavior. Beatty and Ferrell (1998)^[3] described that Impulse buying refers to immediate purchases which are without any

pre-shopping objective either to purchase the specific product category or to fulfill a specific need. They further explained that the impulse buying behavior occurs after experiencing a buying desire by the shopper and without much reflection. The buying of an item which is out-of-stock and reminded during encountering the product are excluded from the purview of impulse buying. One of the challenges for success in retailing is to enhance the in-store ambience to influence the young consumers for prolonged stay in the store for shopping and explore the zone of experience of new product. This needs careful attention and the application of managerial judgment and experience to generate consumer arousal and develop appropriate point of sales strategies for stimulating the buying decision. (Rajagopal, 2007)^[13]. Tendai and Crispin (2009)^[17] have observed and classified following determinants of Impulsive buying behavior:

- **In store shopping environment factors:**
 - Visual merchandising and store display
 - Sales People
- **Factors with promotional and economic effect**
 - free samples
 - Coupons
 - Price off/ discounts
- **Factors with atmospheric, experiential and hedonic effect**
 - Scent/ fragrances, ambience
 - Background music
 - Shop crowd and density

Retailers have long thought that shoppers are less impulsive when they enter a store, and become more impulsive the longer they stay and shop. Impulse buying may be influenced by internal states or traits experienced by consumers, or by environmental factors. Researchers have suggested that internal states and environmental cues can serve to trigger the impulse to purchase.

b) In-store sampling- a strong avenue to encourage Impulse Buying Behavior

In-store promotions are usually aimed at digging deeper into the consumers' purses at the point of purchase through encouraging impulsive (unplanned) purchases. Given the power of impulsive buying in pushing revenue and profits up, most marketers have since tried to influence the in-store decisions of their potential consumers through creating enjoyable, attractive and modern state-of the-art environments ranging from background music, freshened scent, attractive store layout, in- store displays and persuasive shop assistants among other things. Marketing mix cues such as point-of-purchase displays, sales promotions, sales promoters/brand ambassadors and advertisements also affect the desire to buy something on impulse. Retailers and manufacturers are devoting considerable time and effort in attempting to attract shoppers through various in-store promotional techniques. These range from multi-buy promotions including buy-one-get-one-free (BOGOFs) and 3 for 2 offers, to extra free offers, price reductions and free gifts. If done correctly, using properly trained brand ambassadors, in store product sampling can be a great way to introduce and market your brand at the exact location where your products are displayed on aisle, in the store.

While retailers and manufacturers recognize sampling as an important marketing strategy, until now few understood sampling's effectiveness. Historically in-store sampling is thought of as an effective tool for driving and accelerating trial and distribution of a new product launch as consumers mostly welcome free samples. In reality, sampling has two effects, according to Heiman *et al.* (2001) [6], the first is the short-term effect, which reflects the change in the probability of a consumer purchasing a product immediately after having being sent free samples, and the second is the long-term effect, which increases the consumers cumulative goodwill formation. Lammers (1991) [11] is of the opinion that, sampling is an effective way of promotion and it can enhance the sales volume in a short time, retains customer loyalty, and encourages consumers to purchase and repeat purchase, and it is a highlight in fast moving consumer goods. Store level promotions act as a catalyst in influencing the relationship between price consciousness and impulse purchase behavior. Moreover store-level promotions make consumers think that they are getting a better bargain and, in turn, increase their impulsive tendencies (Shukla and Madhumita, 2014) [16]. A study conducted by In-store Marketing Institute observes in-store sampling indeed, lift sales on the day of the sampling event. Moreover in-store sampling drives trial of the new product and sampling has a well-established track record of boosting sales of new product launches. (Instore Marketing Institute, 2009) [8] Here with reference to the above discussion the researcher conducted a study to investigate the role and significance of In-store sampling in inducing impulsive buying. The purpose of this paper is to propose In-store Product Sampling as a strong marketing tool to trigger impulse purchases.

Research Method

The objective of this research is to identify and analyze the role of in-store sampling in encouraging impulse purchases. In order to measure the impact of in-store sampling on impulsive buying behavior of shoppers, this research was conducted in major supermarkets in Pune- India. The data was collected in the period of August to December 2015. The data was collected during the weekend product sampling and promotional campaigns as the footfalls are generally high on weekends.

Primary data was collected through survey method with a structured questionnaire as data collection tool. A survey was

conducted to monitor the impulse buying behavior of consumers. In total 160 respondents from the retail outlets where the product sampling was done, were interviewed. Judgmental sampling was adapted to gauge the response of different consumer segments. To select the respondent, we made sure that he or she has taken/ tried free sample(s) from the sampling station. The present study considers the assumption that the In-store sampling positively affects impulse buying behavior.

Data Analysis

Table 1: Sample Characteristics

Demographic Characteristics		N	Percentage
Gender	Male	88	55
	Female	72	45
Education	Under Graduate	22	13.7
	Post- Graduate	82	51.3
	Post- Graduate and Above	56	35
Income	Less than 1 Lakh	35	21.8
	Above 1 lakh and less than 3 lakh	61	38.1
	Above 3 lakh and less than 6 lakh	42	26.3
	More than 6 lakh	22	13.8

Table 2: Measures of Impulsive buying Behavior

Measures of Impulsive buying Behavior (Kacen and Lee, 2002)	Reliability (Cronbach Alpha)
I am a person who makes unplanned purchases	0.782
When I see something that really interests me, I buy it without considering the consequences	
I avoid buying things that are not on my shopping list	

Before testing the hypothesis of the present research, we verified the reliability of items, which we used for the study. Cronbach Alpha confirms the reliability of items, and it accounts 0.782 for the measure of impulsive buying behavior.

Table 3: Group Statistics

	Do you use In-store promotional free sample	N	Mean	Std. Deviation	Std. Error Mean
IBB	Yes	117	5.6011	1.01260	.09362
	No	43	5.0698	1.38120	.21063

In the Group Statistics table-3, the mean for respondent category according said 'Yes' to use of sample in retail store is 5.6011. The mean of respondent to said 'No' to use of sample in retail store is 5.0698. The standard deviation for

'Yes' respondent category is 1.01260 and 'No' respondent category is 1.38120. The numbers of participants are (Yes) 117 and (No) 43.

Table 4: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
IBB	Equal variances assumed	1.349	.239	2.655	158	.009	.53137	.20017
	Equal variances not assumed			2.305	59.393	.025	.53137	.23050

A value of Levene's Test for Equality of Variances is $F=1.349$, $P>.05$ (.239) means that the variability in two categories is the same. Put scientifically, it means that it was found that assumption of homogeneity of variance is tenable with this data. On the basis of Independent Samples t-Test statistics, the free sample using respondent showed ($M=.6011$, $SE=1.01260$) that sampling affects the shopper buying behaviour positively as compared to the respondent not using free sample ($M=5.0698$, $SE=.38120$), $t(158) = -2.655$, $p<.05$. The test statistics reveal that in-store sampling positively affects impulse buying behavior of retail consumers.

Finding, Discussion and Conclusion

On the day of the sampling aided with promotion, relatively large sales increases were recorded suggesting that many consumers tried the product. The awareness level will obviously be higher than the sales figures suggest, as they do not include the shopper's who noticed the sampling station, but are too busy to stop. Nearly 74% respondents observed to make impulse purchases of the product being sampled. It was observed during the study that properly trained brand ambassadors can effectively convey the product and brand image. This helps in influencing consumer perception of promoted brands positively. It also improves the brand's value proposition. Results also show that the most appealing elements of the promotional campaign like attractive sampling stand and free gifts with the samples encouraged more shoppers to try the products.

It appears that rolling in-store sampling demonstrations is effective method for achieving higher sales. This implies that sampling is an effective method to not only generate initial trial but also to encourage consumers to purchase the sampled products. On-off sampling does not appear to encourage repeat purchasing; once the "on-the-spot" influencing agent is removed, there may be problems gaining repeat purchases. With consideration of these findings there may be advantages in testing the benefits of a discounts offer combined with sampling to encourage repurchase.

An indirect benefit of in-store sampling is increasing product awareness. This is achieved by making the product more visible and appealing to shoppers, whether they actually try the product or not. The marketing factors that encourage impulse purchasing also need renewed attention. It would be useful to investigate in detail, how various marketing factors support impulsive purchasing, and which ones exert the strongest influence.

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