FACTORS INFLUENCING IMPULSE BUYING IN THE
SUPERMARKETS IN NAIROBI

BY
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DECLARATION

This research project is my original work and has not been presented for award to any other college or University.

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DEDICATION

I dedicate this work to my family for the sacrifice they made for me to complete this project. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.
ACKNOWLEDGEMENT

I thank the Almighty God for all the Grace He has given me during my studies at Kenyatta University. I wish to extend my sincere gratitude to my project supervisors for their invaluable academic guidance, assistance and patience in the whole process of preparing this proposal and whom, without their support it would have taken longer time to complete.

Finally I thank members of my family for the support and understanding they offered me. It was a great pillar on which I relied to complete this work.
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## ABREVIATIONS & ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>C.B.D</td>
<td>Central business district</td>
</tr>
<tr>
<td>U.S.A</td>
<td>United States of America</td>
</tr>
<tr>
<td>S.A</td>
<td>South Africa</td>
</tr>
<tr>
<td>P.O.P.A.I</td>
<td>Point Of Purchase Industry Body</td>
</tr>
<tr>
<td>D.V.D</td>
<td>Digital Video Disc</td>
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DEFINITION OF TERMS

Impulse buying/purchase/shopping, is an immediate, unintended, powerful, and persistent urge to buy a product.

In-store stimuli refers to, promotional techniques which do increase unplanned purchases, assist in making purchase decisions and offer consumers new ways of satisfying needs. Examples include, in-store sitting, on-shelf positions, price-off promotions, sampling, point-of-purchase displays, coupons, and in-store demonstrations.

Instore/inhouse, refers to within the supermarkets walls.

Brand refers to a type of product made by a particular company which has a particular name or design.

Point of purchase is the place at which a retail transaction is carried out:

Displays refers to putting (products) in a prominent place (shelf) in order that it may readily be visible.
ABSTRACT

Impulse buying is seen as unplanned and unintended in-store behaviour. The study attempted to contribute to the understanding of consumer impulse buying behaviour by examining how the use of, in-house promotions, personal selling techniques, displays and branding do influence impulse buying in supermarkets in Nairobi and to what extent. The findings and the recommendations of this research were aimed at providing information to the policy makers and the retail stakeholders on the use of impulse buying in the supermarkets in Nairobi and thus guide them in making more informed decisions. The study specifically aimed at evaluating the effects of in house sales promotion, the extent to which personal selling techniques influences impulse buying, Find how display influences impulse buying and to establish the extent to which branding influence impulse buying. The research adopted a descriptive design. A sample size of 50 Nakumatt smart card holders was selected for the study from the Nakumatt C.B.D outlets, using quota sampling method. This study used primary data and secondary data. Primary data was collected through a structured questionnaire while secondary data was collected from books and news letters. The Data was analyzed using computer software Statistical Package for Social Sciences version 18 and presented using mean, standard deviation, frequencies, and percentages. Inferential statistics was also used to make meaning of the analysis. The data was then presented in tables and graph. The study found that in house sale promotion such gift, coupons and free samples, personal selling, attractive in store display and product branding greatly influence impulse buying. The study recommended the use of efficient communication strategies that make promotional information readily accessible, timely and easy to understand so as to facilitate shoppers to make informed consumer buying decisions. Further study need to be done on the contribution of impulse buying on sales revenue and how psychological factors influence impulse buying. The study concluded that, in-house promotions, personal selling techniques, displays and branding do significantly influence impulse buying.
1.0 Background of the study

In this chapter we shall discuss the following; impulse buying, Nakumatt stores and smart cards, research problem, Objectives of the study, Research questions, Significance of the study, The limitation of the study and The scope of the study.

1.1 Impulse buying

Impulse shopping is an immediate, unintended, powerful, and persistent urge to buy a product (Zaltman, 2003). Generally speaking, impulse buying is defined as unplanned buying, that is any purchase not planned in advance (Stern, 1962). It is characterized by relatively rapid decision-making, and a subjective bias in favor of immediate possession. It is described as more arousing, less deliberate, and more irresistible buying behavior compared to planned purchasing behaviour (Rook and Gardner, 1993). Impulse shopping is one of the most important and least considered aspects of supermarket sales. It represents 66% of all the money spent on shopping (Bangoli, 2007). Impulse shopping is constantly increasing over the years mainly due to new sales tactics used by stores to attract customers and to keep them in the store.

Highly impulsive buyers are likely to be unreflective in their thinking, to be emotionally attracted to the object, and to desire immediate gratification (Hoch & Loewenstein, 1991; Thompson et al., 1990). These consumers often pay little attention to potential negative consequences that may result from their actions (Hoch & Loewenstein, 1991; Rook, 1987; O’Guinn & Faber, 1989).

Supermarket is a big catalog now; trends in supermarket optimization have shifted from planned listed items to unplanned shopping purchases because the customers can take advantage of sales, bargains, and special offers. People go to supermarkets with few items in mind, but they explore the items and sales. They make their choice in real-time based on the level of sales; the result is that they end up buying more products than planned.

Generally, customers like to shop at familiar stores where they are knowledgeable with the
merchandise displays and store procedures. This familiarity gives them a feeling of control and encourages exploratory shopping looking around and exploring what else is there in the supermarket. On the other hand, at a somewhat unfamiliar store, customers focus on finding what they need (Danziger, 2004).

Shopping lifestyle is defined as the behavior exhibited by purchaser with regard to the series of personal responses and opinions about purchase of the products as reported by Cobb and Hoyer (1986). They find that shopping lifestyle and impulse buying behavior are closely related but only in the case of impulse buyers. The study also states that impulse purchasers fell in the middle as of the measurement tools used by the researchers, indicated that purchasers will not pick the first brand they spotted in the shopping mall.

In researches conducted by Cha (2001); Han et al., (1991) it is reported that impulse buying behavior regarding fashion products are associated with patterns like chaste, repeated emotions as well as fashion-oriented impulse buying behaviors. These facts were also quoted by Park et al., (2006). The definition of fashion involvement basically relates to apparel associated with fashionable outfits. The findings of Han et al. (1991) quoted in response to fashion involvement of consumers, that it might enhance fashion-oriented impulse buying behaviors among those who habitually wear fashion outfits. Fairhurst et al. (1989) and Seo et al. (2001) found a direct association among fashion involvement and apparels purchase.

Positive emotions are defined as affects and moods, which determine intensity of consumer decision-making reported by Watson and Tellegen (1985). Park (2006) found a positive relationship of positive emotions, fashion involvement and fashion-oriented impulse buying with the overall impulse buying behavior of the consumers. Ko (1993) reported that positive emotions may result into fashion related impulse purchase. The researches of Beatty and Ferrell (1998); Husman (2000); Rook and Gardner (1993); Youn and Faber, (2000) found that emotions strongly influence buying behaviors, which result into consumer impulse buying. Babin and Babin (2001) found that in stores consumer’s purchasing intentions and spending can largely being influenced by emotions. These emotions may be specific to certain things for example, the features of the
items, customer self-interest, consumer’s gauge of evaluating items and the importance they give to their purchasing at a store.

Although impulse shopping can be observed for any product, there are some that are more prominent. A 2007 study shows that 80% of buying decisions made in-store for candy, gum, snacks, pickles, relishes, pasta, cookies, crackers, and sauces are impulsive (Bangoli, 2007). However, stores can improve on these numbers for other products by providing the customers with more information related to products being purchased in real-time. The message is clear: customers need to be influenced, mostly while they are in the store. Once they leave, the power that the store can exercise over the customer diminishes greatly.

1.2 Nakumatt Stores and Smart cards

Nakumatt is an abbreviation for Nakuru Mattresses. The Nakumatt stores was Established in 1987, “we have shaped and built our business on our founding principles of providing a variety of affordable, quality brands as well as excellent and superior service to our customers. Our formats include convenience stores, supermarkets and hypermarkets” (http://www.nakumatt.net, retrieved 28/8/2012). The serve approximately 200,000 customers per day and offer a range of over 75,000 products. (http://www.nakumatt.net, retrieved 28/8/2012). Nakumatt Holdings Ltd East Africa’s leading Supermarket. As the largest retail market player in East Africa, Uganda and Rwanda, and still expanding to the wider East African region, Nakumatt has 29 stores dealing in general retail merchandise. Nakumatt is a Kenyan supermarket chain.

Nakumatt’s store formats range from convenience stores, supermarkets to hypermarkets which showcase distinct world-class shopping floor layouts and amenities. All our branches hold a range of over 50,000 quality Products, thanks to our rich heritage and passion for retail excellence, Nakumatt stores countrywide have carved out a niche for themselves as the ideal shopping and entertainment centers for the whole family. We pride ourselves in delivering Quality, Value, Service, Variety and Lifestyle enhancing products. (http://www.nakumattholdings.com, retrieved 28/8/2012) Nakumatt supermarket chain targets people who are mostly in middle class and high class living standards these is characterized by the strategic locations of their branches such as Nakumatt lifestyle, City hall branch, Prestige
branch, Ronald Ngara branch, Haile Sellasie branch and Moi Avenue branch all located in the Nairobi Central business district.

Nakumatt smart card loyalty scheme was established in 2003. It rewards customers with one smart point for every 100 shillings worth of purchase. Shoppers in return can access unique services against their earned points such as, to buy goods against the points, get discounts with various service providers, get random surprises at birthdays and get double points during off peak time. Sales accruing from the scheme now accounts for over 68% of Nakumatt sales. Nakumatt smart card scheme aims at creating satisfied royal and return customers.(http://www.nakumatt.net, retrieved 28/10/2012)

1.3 Research problem

Impulse buying is an ever-present and unique side of consumers’ routine. In marketing research impulse buying behavior is a mystery marked as deviation from standard buying behavior together by the literature and the consumers, and it is the impulse buying behavior that explains huge sales of various products every year around the globe (Cobb and Hoyer, 1986; Rook and Fisher, 1995; Hausman, 2000).

It has become vital for retailers to have strong in-store promotional mix coupled with economic and atmospheric engagements in order to achieve higher profits through impulsive actions of consumers(Gutierrez, 2004; Michon et al., 2005; Schiffman and Kanuk, 2007). Impulse buying behavior is known as a momentous happening in the retail settings. Retailers have recognized the significance of this phenomenon, and endeavored to increase in-store impulsivity of consumers through store layouts, in-store promotions and product packaging (Dholakia, 2000). Over the years, innovations like credit cards, telemarketing, home shopping networks and 24-hours retailing with the Internet has facilitated impulse buying phenomenon (Rook, 1987). It is now vital for retailers to have strong in-store promotional mix coupled with economic and atmospheric engagements in order to achieve higher profits through impulsive actions of consumers (Gutierrez, 2004; Michon et al., 2005; Schiffman and Kanuk, 2007).
(POPAI, 2012) indicated that, 75% of the buying decisions are made in-store. Underhill (2009) describes supermarkets as places of high impulse buying. Bell et al., (2006) indicated that what researches found in the previous studies was not "appropriate and robust" data on actual purchases that would indicate what, shoppers intentions were, when they went to the store furthermore, the understanding of "unplanned purchases" still remained "unsatisfactory".

Madhavaram and Leaverie, (2004) indicate that future research need to spend , more time on the concept of impulse buying in the retail stores. According Jaffrey and Hodge (2007) a large part of spending can be categorized as unplanned impulse, therefore, understanding the drivers of this behavior is of critical importance. According to Kacen and Lee (2006) impulse buying generates over $4 Billion in annual sales volumes in United States of America, but little is known about impulse buying in non-western shopping cultures. The research on impulse buying is deeply rooted in the Western societies and developed societies. Few studies have been conducted so far on impulse buying in developing nations, yet various shopping cultures or environments, do moderate various aspects of consumer buying behavior like Impulse buying. Tendai and Crispen (2009) suggests further research on how the in-store environment induce impulsive buying across different portfolios such as brand categories. This study will attempt to contribute to the understanding of consumer impulse buying behaviour by examining how the use of, in-house promotions, personal selling techniques, displays and branding do influence impulse buying in supermarkets in Nairobi and to what extent.

**1.4 Objectives of the study**

**1.4.1 Broad objective of the study**

The main objective of this study will be to determine the factors influencing impulse buying behavior, in Nakumatt supermarket shoppers in Kenya.
1.4.2 Specific objectives

(i) To examine the effect of in-house sales promotion, on impulse buying among the Nakumatt smart card holders in Nairobi.

(ii) To determine the extent to which personal selling techniques influences impulse buying among the Nakumatt smart card holders in Nairobi.

(iii) To find out how displays influences impulse buying among the Nakumatt smart card holders in Nairobi.

(iv) To establish the extent to which branding influences impulse buying among the Nakumatt smart card holders in Nairobi.

1.4.2 Research questions.

(i) What is the effect of in-house sales promotion on impulse buying influences buying among the Nakumatt smart card holders in Nairobi?

(ii) How does personal selling techniques, influence impulse buying among the Nakumatt smart card holders in Nairobi?

(iii) Does displays, influences impulse buying among the Nakumatt smart card holders in Nairobi?

(iv) Do branding influence impulse buying among the Nakumatt smart card holders in Nairobi?

1.5 Significance of the study.

Supermarket stores retail environment due to their environmental and psychological issues are linked with the buying process. There is evidence of a considerable impulse purchasing effect in retail stores operations which, if understood and harnessed by the retailers, can enhance performance. The findings and recommendations arising from this study will be significant to all the stakeholders involved in the supermarkets, stores and manufacturers of consumer good in Kenya. It will provide information on the effectiveness of the factors influencing impulse buying in the supermarket stores. This information is hoped to guide the stakeholders and policy makers in decision making with regard to impulse buying and also contribute to the body of knowledge in this field.
1.6 The limitation of the study

The study will focus exclusively on supermarket stores; hence it may not be easy to generalize results to other retailer’s situations where conditions of buying are different. Except from respondents bias some statistical data will be collected from past years and some documents might be difficult to access.

1.7 The scope of the study

The study will cover all five Nakumatt stores in Nairobi C.B.D. and its registered Nakumatt smart card holders as the target population. The study will determine the factors influencing impulse buying in the foresaid stores and in specific, determine the influence of manufacturer’s sales representatives, displays, in-house sale promotions and branding to the impulse buying behavior among the Nakumatt smart card holders in Nairobi. The researcher choose a survey of Nakumatt stores because, Nakumatt is the leading supermarket in Kenya with a market share of 51% (P.W.C, 2011).
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction to literature review

Impulse buying is an interesting topic within the subject of consumer behaviour. The study of consumer behaviours has led to conclusions as to why consumers act as they do when it comes to shopping (Underhill, 2006). Studies and articles have shown that the most common business industries where impulse buying occurs are in clothing stores and in grocery stores (Mattson, Ek, 2006, Newnham, 2003, Vidlund, Svärdskrona, 2007). There are a lot of studies made on those industries so it would be interesting to look at another business where there ought to occur impulse purchases.

The fundamental assumption core to consumers’ decision-making is the rational perspective of consumers’ choices, where a selection is made after watchfully considering and evaluating the various alternatives available. However, consumers do not follow these requirements of rationality always. Decisions can be made without watchful consideration of the alternatives available, with unsatisfactory information regarding the product, or without prior intention of purchasing that product (Tversky and Kahneman, 1981). This unplanned purchase that is unanticipated previous to the entry of the shopper into the store is impulse buying (Stern, 1962; Kollat and Wallet, 1969). It results due to rapid decision making and individual’s desire for abrupt ownership of the product (Rook, 2007; Lee and Kacen, 2008). Impulse buying is unplanned purchase, decided on the spot, occurs in response to a stimulus and entails a cognitive reaction, an emotional reaction, or both of them (Hodge, 2004).

Clover (2000) laid the basis for research on impulse buying, paving way to a multi-prospective research on impulse buying in the retail stores. As impulse buying is a decision taken within the store it thus requires investigation into issues relevant to shelve displays; exposure to in-store stimulus; and offering innovative ways of satisfying needs (Kollat and Willett, 1999) in a very short time (Stern, 1992; Piron, 1991). Retailers today are actively engaged in increasing the magnitude of impulse purchases through product and store displays, and packaging designs (Hoyer and MacInnis, 1997; Jones et al., 2003; Lee and Kacen, 2008). Marketers have utilized
the power of impulsive buying over the times to amplify the profits for retailers. Attractive, enjoyable and state-of-the-art store environment influences the in-store purchase decisions of consumers and pushes them to buy on impulse (Tendai and Crispen, 2009).

Exposure to in-store marketing stimuli generates unplanned buying, especially when store is selected for “low prices” and “attractive promotions” (Bell et al., 2011). Parboteeah (2005, as cited in Virvilaite, 2009) categorized variables causing impulse buying into those of consumer characteristics, store characteristics, product characteristics and situational factors Zhou and Wong (2003, as cited in Tendai and Crispen, 2009) classified the in-store shopping environment into two distant effects i.e. the promotional, informative and economic effect, and the atmospheric engagement effect. The promotional effect consists of stimuli like promotional discounts (coupons, multiple-item discounts and gifts) and cheaper prices, while atmospheric engagement effect include stimuli of enjoyment and attractiveness like in-store advertisements, store displays, salesperson, shop crowding etc.

2.2 Impulse Buying
Impulse buying is an ever-present and unique side of consumers' routine. In marketing research impulse buying behavior is a mystery marked as deviation from standard buying behavior together by the literature and the consumers, and it is the impulse buying behavior that explains huge sales of various products every year around the globe (Kollat and Willet, 1967; Bellenger et al., 1978; Weinberg and Gottwald, 1982; Cobb and Hoyer, 1986; Rook and Fisher, 1995; Hausman, 2000). An impulse purchase or impulse buy is an unplanned decision to buy a product or service, made just before a purchase. One who tends to make such purchases is referred to as an impulse purchaser or impulse buyer. Research findings suggest that emotions and feelings play a decisive role in purchasing, triggered by seeing the product or upon exposure to a well-crafted promotional message.

Marketers and retailers tend to exploit these impulses which are tied to the basic want for instant gratification. For example, a shopper in a supermarket might not specifically be shopping for confectionary. However, candy, gum, mints and chocolate are prominently displayed at the checkout aisles to trigger impulse buyers to buy what they might not have otherwise considered. Alternatively, impulse buying can occur when a potential consumer spots something related to a
product that stirs a particular passion in them, such as seeing a certain country's flag on the cover of a certain D.V.D. Sale items are displayed in much the same fashion. Impulse buying can also extend to so-called "big ticket" items such as automobiles and home appliances. Automobiles in particular are as much an emotional purchase as a rational one. This in turn leads auto dealers all over the world to market their products in a rapid-fire, almost carnival-like manner designed to appeal to emotion over reason.

Impulse buying disrupts the normal decision making models in consumers' brains. The logical sequence of the consumers' actions is replaced with an irrational moment of self-gratification. Impulse items appeal to the emotional side of consumers. Some items bought on impulse are not considered functional or necessary in the consumers' lives. Preventing impulse buying involves techniques such as setting budgets before shopping and taking time out before the purchase is made.

A study published in the June 2008 issue of the Journal of Consumer Research suggests that consumers are more susceptible to making impulsive purchases for one brand over another if they are distracted while shopping. In the study, Central Michigan University Psychology professor Bryan Gibson surveyed college students by measuring their preference for a variety of soft drinks, including Coke and Pepsi. Results of Gibson's study found that implicit attitudes or those that people may not be conscious of and able to verbally express, predicted product choice only when participants were presented with a cognitive task, suggesting that implicit product attitudes may play a greater role in product choice when the consumer is distracted or making an impulse purchase. Impulse buying behavior is known as a momentous happening in the retail settings. Retailers have recognized the significance of this phenomenon, and endeavored to increase in-store impulsivity of consumers through store layouts, in-store promotions and product packaging (Dholakia, 2009).

Over the years, innovations like credit cards, telemarketing, home shopping networks and 24-hours retailing with the Internet has facilitated impulse buying phenomenon (Rook, 1987). It became vital for retailers to have strong in-store promotional mix coupled with economic and atmospheric engagements in order to achieve higher profits through impulsive actions of consumers (Gutierrez, 2004; Michon et al., 2005; Schiffman and Kanuk, 2007).
2.3 Theoretical framework

2.3.1 Impulse buying

The central theme of the theories in this section will have a focus on impulse buying behaviour and the processes surrounding it, among some of them, consumer behaviour and stimuli to buy. Impulse buying has been defined by several researchers through history though there has been a different focus on the definition throughout time. The earlier researchers focused more on when the purchase decision was made and the purchase itself, instead of the consumer. This more descriptive definition of impulse buying is given by Clover (1950), Applebaum (1951), Kollat and Willet (1969) and Engel and Blackwell (1982). They define a situation of impulse buying as when there has been no conscious or previous intention to buy before entering the store. The purchase that emerges is unplanned and has not been on the consumer’s shopping list.

Stern (1962) provides to the research by subdividing impulse purchase into four categories. They are based on the above mentioned definitions where the purchase is unplanned. Pure Impulsive Buying: (defined as classic impulsive buying), is a purchase that breaks the normal planned shopping pattern. This category is strongly connected to emotions and the impulsiveness is very high. It occurs because of a want to escape or because the product is a novelty. The consumer is not looking for the product at all but feels a strong emotional want. Low price is a common trigger to this category.

Suggestion Impulsive Buying: (defined as a suggestion impulsive buying), because when seeing a new product for the first time; a need develops in the shopper that can only be satisfied by buying it. This purchase can turn out to be a rational or functional purchase decision but the purchase is not planned because the consumer has no previous knowledge about the product. That is why visualization in the store is the key factor for the purchase (Stern, 1962)

Reminder Impulsive Buying: (defined as reminder impulsive buying), is when a product suddenly reminds the consumer that they need it because they are out of it back home. There already exists an unconscious need for the product which implies that the consumer has previous knowledge about the product. The reminder impulse can also remind them about a particular advertisement or information previously noticed by the consumer, which now makes the
consumer take the opportunity of purchasing. The difference between reminder impulse buying and suggestion impulse buying is that the product is known to the consumer in the first but not in the latter situation (Stern, 1962)

Planned Impulsive Buying: (defined as planned impulsive buying), because when entering a shop the consumer has in mind to buy something or some sort of good but the choice of what kind of product, brand, size or price etc. has not been determined. Instead special offers and other stimuli such as salespersons, influence the decisions inside the shop. The actual decision is made at the point of sale. This makes it different from planned purchase when a more specific kind of product is in mind e.g. a blouse instead of clothes. (Stern, 1962)

The difference between planned impulse buying and reminder impulse buying is that planned impulse buying is in some way considered before entering the store instead of being an unconscious need that suddenly comes to mind. Goldenson (1984), Rook (1987), Gardner and Rook (1993) and Bayley and Nancarrow (1998) define impulse buying as a sudden, strong, immediate, complex and irresistible urge to buy. The decision is sudden and no conscious deliberation is done in the decision-making process behind it. Piron (1991) who has studied the previous definitions of impulse buying has summarized three main criteria to the impulse buying definition; The purchase should be unplanned i.e. there is no buying intention prior to the entrance of the consumer into the store, Stimulus is what triggers impulse buying whether it is reminder, environmental manipulations (Engel et al., 1968, Lindstrom, 2009) or the buyers’ own thoughts (Hirschman, 1985), The purchase decision is made on-the-spot i.e. an impulse purchase is spontaneous, sudden and occurs at the point of sale. This means that the purchase is made immediately after the buying decision.

There seems to occur a conflict between Sterns’s planned impulsive buying and Piron’s unplanned and on-the-spot criteria because the two criteria rule out that the purchase is planned in advance. However, even if there is some sort of plan before entering the store in the planned impulse buying, this plan is very general and comprehensive as mentioned above and is therefore approved to be a defined impulse buying type. Piron also adds another dimension to impulse buying. The focus is on the consumer and his/her accompanying emotions. Piron enlightens about the fact that impulse buying can be with or without the emotions, such as guilt,
happiness, desire and so on and still can be defined as impulse buying with the above mentioned criteria. Prion concludes that the purchase can be either an experiential impulse or a non-experiential impulse (Piron, 1991). Throughout this research the focus will be on experiential impulse because the emotions are of importance in Stern’s four definitions of impulse buying. The research has moved forward along with changes in income and attitude towards purchase and materialism (Williams et al, 1972). Evans et al (2006) therefore added a category to Stern’s four categories, namely; Impulse purchase as an action of freedom.

Impulse purchase as an action of freedom: Purchases are made because the buyer is able to, e.g. because of a monetary freedom. The purchase is often made to show that the buyer has control over his or her life (Evans et al, 2006). Further on, the focus will be on these five categories; pure impulse, suggestion impulse, reminder impulse, planned impulse and impulse buying as an act of freedom, when dwelling deeper into the field of consumer behaviour and the consumer’s tendency to act on impulse in stores.

2.3.2 How impulse buying occurs

Decision making process: The decision making process explains the consumer’s behaviour concerning a purchase, i.e. the phases surrounding the actual purchase, either it is an impulse or a normal one. There exists a lot of models describing the decision making process but one common model consists of the factors: 1. Need recognition, 2. Information search 3. Evaluation of alternatives, 4. Buying decision 5. Post-purchase behavior (Kotler et al, 2005)

First the consumer recognises a need which is a difference between the consumer’s desired state and actual state. The knowledge or consciousness about this unbalance can be triggered by internal stimuli, such as hunger and emotions, or external stimuli, such as sense marketing or in-store marketing (Kotler et al, 2005). Thereafter, a search for information about the products begins. The information can be gathered from personal- (family, friends), commercial- (advertising, salespersons, and packages), and public- (media) or experiential- (trying, examining) sources which can result in several interesting alternatives that need to be evaluated. The products’ features are compared against each other and are given different attributes to be matched with the consumer’s own needs and beliefs about future utility and functionality. The consumers’ attitudes towards risk, both financial and social, will also influence the decision. For
example a more thorough search for data and information will occur with a high-involvement product (Fill, 2002).

After the evaluation of alternatives, the consumer makes the buying decision which is based on not only the consumer’s assessment but also on others’ attitudes. If the purchase is realized the consumer will be in a state of post-purchase behaviour, either satisfied or unsatisfied depending on whether the product met the consumer’s expectations or not (Kotler et al, 2005). In accordance to the learning process, it is important to make the customer feel satisfied since these positive associations to a previous purchase will make the consumer return to the store when a need for a similar product occurs. People learn when they act which will lead to a repeated behaviour of reoccurring satisfaction and choice of store and brand (Kotler et al, 2005; Söderlund, 1997).

The above-mentioned stages could vary in range depending on the importance of the purchase, price, time, consumer’s routines and previous knowledge etc. For example, the “information search” and “evaluation of alternatives” are time-consuming and because impulse buying is defined to be sudden and on-the-spot, they have a smaller part in the decision making process behind impulse buying. However, with that said, the stages still have an important part in the buying decision process. Another differentiation in the model above is if the product is new to the consumer. The model will then include the stages awareness and adoption of the product, which is needed to get the consumer to accept the product. In this situation information plays a major part to create knowledge so that the adopting process takes place (Kotler et al, 2005).

The consumers’ response to external stimuli varies from person to person because of their individual perception shaped by cultural, social, personal and psychological factors. That is why it is important to find the general perception in the consumer group on which the company then can focus (Kotler et al, 2005, Blythe, 1997). Presented above the reasons for why an impulse buy occurs has been described. Therefore the following text will focus on how to use this knowledge in real life, with selling techniques.

2.3.2 How to encourage impulse buying

In literature, advice has been given on how a salesperson can encourage consumers to make more purchases. In accordance with why impulse buying occurs, there are certain techniques on
how to encourage impulse buying and some are presented below. As mentioned before; external
stimuli may increase the consumers’ unconscious needs. It is the company’s main task to do this
by different marketing techniques. In general, the product assortment should be appealing to the
consumer, there should be sufficient information about the product’s features and the
environment should be comfortable in order to make it easy for the consumer to make the
purchase decision (Schmidt & Sköld Nilsson, 2008).

2.3.3 The product
Stern has identified some general product features for an impulse buying item that can also be
used to make the product more appealing to impulse buy. Low price; because it makes the risk
of being unsatisfied with the purchase seem less possible because of the small loss in money.
Also, a low price can generate the positive feeling that a bargain has been made (Kotler, 2005).
Short product life; because there will soon be a need to buy a new similar product. Small size,
light weight and ease of storage; because the products are easy to transport and fit at home.
Underhill (2006) also describes the importance of the package in what the products are wrapped
in. The consumers need to know what they are paying for so the packaging should be made so
that the consumers can see what is inside. If the packages do not give a sufficient description of
the product, the company can provide this by letting the consumer feel and touch the product, for
example a computer or telephone, in order to make it easier for the consumer to make the buying
decision. (Underhill, 2006). As mentioned in the background the time to spend in stores has
decreased. That is why the floor layout, where to find things and easy accessibility is of greater
importance (Bennet, 2010). This is also why the following theories explain in-store display
strategies.

2.3.4 In-store display
In the decision making process the first stage is to trigger a need for a product which includes
making the consumers notice the product. McGodrick (2002) explains a way to do so, namely by
exposing the products in aisles. This will make the consumer slow down and thereby notice the
product. Literature has brought up different types of exposure strategies, for example: Special
exposure; the product is placed somewhere out of the ordinary, for example in an open space, in
pyramids or piles with different shapes and colours to give the products attention. This sort of
exposure attracts attention by making the product “pop-out” Nordfält (2007). The product is
placed on a gable and can therefore be seen by everyone walking down the aisle (Nordfält, 2007). Endcap’s aim is to get a sig-sagging between the shelves which will make more products potentially visible to consumers (Ekberg and Lohmander 2004). Throw exposure: products are placed in disorder, for example thrown down in a box to create the feeling that the products are low-priced (Ekberg, Lohmander, 2004).

Prominent store display: increases the likelihood for the consumer to be able to see the item when the impulse purchase was not previously planned. (Stern 1962) The products can be placed close to the counter, entrance or the main aisles in the store. Abratt and Goodey (1990) point out that most consumers find it easier to choose a product that is at the same level as their eyes because the eyes naturally focus on the same level, by placing related products close to each other this will increase sales (Schmidt Thurow and Sköld Nilsson 2008). This is what Piron (1991) refers to, saying that Berkman and Gilson call them tie-ins. They describe that the items are placed depending on the usage of the products, for example batteries together with machines that are in need of batteries or headsets close to Ipods. Though Ekberg and Lohmander (2004) emphasize that it is important not to have too many special exposures because then the consumers might feel as if they are more like obstacles, so companies should keep it clean and simple but creative to attract the consumer.

2.3.5 Salesperson

After the need recognition state, i.e. the company has successfully got the consumer to notice the product; they now have to convince the consumer that the product is what he/she is looking for. The consumer will be in the state of information gathering and will wish to find out more about the product. At this point an influence from a salesperson can be crucial. According to Schmidt and Nilsson (2008) international researchers have come to the conclusion that the contact between the consumer and a salesperson does increase sales. However, a too eager salesperson can scare away the consumers because generally the consumers wish to look around in peace and then ask for help when they need it (Evans et al, 2008). The salesperson should be close by the consumer to be prepared to help. The goal for the interaction between the consumer and salesperson is to convince the consumer that the purchase is the right decision.

There are different techniques that the salesperson can use and Laurelli (2003) mentions several:
Social evidence: The salesperson refers to previous consumers and their satisfaction with the product. This makes the consumer more secure about his/her buying decision and triggers the feeling of belonging with the former satisfied consumers. Scarcity attraction: The salesperson points out that the offer and amount of products are limited. This forces the consumer to make a quick decision about whether or not to accomplish the purchase.

Ekberg and Lohmander (2004) also give advice on a few techniques giving the consumer a picture of using the product in order to help them get an image of how it is to own the product can make their life better. Let the consumer use the product at home for a week, which makes it almost impossible to say no after the week is done, because he/she has gotten used to having the product in their life. Be clear and make sure that the consumers understand the information that is given to them by asking them. This is also a way to get inside the consumers’ minds to know what their doubts may be.

Offer alternatives so the consumers feel like they have made the decision themselves. Finding the sensitive spot and offering solutions to what the consumer might feel could become a problem in the future (Ekberg, Lohmander, 2004). The most important thing is to create a positive relationship with the consumer and be aware that the consumers see more than the sales persons realise. In fact, the consumers see the staff before they hear them which hint that it is important how the sales persons look as well as how they act with other persons. If the staffs have fun together and laughs often, the consumers will notice and feel happy as well (Ekberg, Lohmander, 2004).

2.4 Consumer buying behavior

Consumer buying behavior is presented in a sequence of 5 steps as shown below. Kakunu (2011) however, whether a consumer will actually carryout each step depends on the type of purchase decision that is faced. For instance, for minor re-purchases the consumer may be quite loyal to the same brand, thus the decision is a routine one (i.e., buy the same product) and little effort is involved in making a purchase decision. In cases of routine, brand loyal purchases consumers may skip several steps in the purchasing process since they know exactly what they want allowing the consumer to move quickly through the steps. But for more complex decisions, such as Major New Purchases, the purchasing process can extend for days, weeks, months or
longer. So in presenting these steps marketers should realize that, depending on the circumstances surrounding the purchase, the importance of each step may vary.

2.4.1 Need/Want/Desire is recognized

In the first step the consumer has determined that for some reason he/she is not satisfied (i.e., consumer's perceived actual condition) and wants to improve his/her situation (i.e., consumer's perceived desired condition). For instance, internal triggers, such as hunger or thirst, may tell the consumer that food or drink is needed. External factors can also trigger consumer's needs. Marketers are particularly good at this through advertising, in-store displays and even the intentional use of scent (e.g., perfume counters). At this stage the decision-making process may stall if the consumer is not motivated to continue (see Motivation above). However, if the consumer does have the internal drive to satisfy the need they will continue to the next step.

2.4.2 Search for Information

Assuming consumers are motivated to satisfy his or her need, they will next undertake a search for information on possible solutions. The sources used to acquire this information may be as simple as remembering information from past experience (i.e., memory) or the consumer may expend considerable effort to locate information from outside sources (e.g., Internet search, talk with others, etc.). How much effort the consumer directs toward searching depends on such factors as: the importance of satisfying the need, familiarity with available solutions, and the amount of time available to search. To appeal to consumers who are at the search stage, marketers should make efforts to ensure consumers can locate information related to their product. For example, for marketers whose customers rely on the Internet for information gathering, attaining high rankings in search engines has become a critical marketing objective.

2.4.3 Evaluate Options

Consumers' search efforts may result in a set of options from which a choice can be made. It should be noted that there may be two levels to this stage. At level one the consumer may create a set of possible solutions to their needs (i.e., product types) while at level two the consumer may be evaluating particular products (i.e., brands) within each solution. For example, a consumer who needs to replace a television has multiple solutions to choose from such as plasma, L.C.D and C.R.T televisions. Within each solution type will be multiple brands from
which to choose. Marketers need to understand how consumers evaluate product options and why some products are included while others are not. Most importantly, marketers must determine which criteria consumers are using in their selection of possible options and how each criterion is evaluated. Returning to the television example, marketing tactics will be most effective when the marketer can tailor their efforts by knowing what benefits are most important to consumers when selecting options (e.g., picture quality, brand name, screen size, etc.) and then determine the order of importance of each benefit.

2.4.4 Purchase

In many cases the solution chosen by the consumer is the same as the product whose evaluation is the highest. However, this may change when it is actually time to make the purchase. The "intended" purchase may be altered at the time of purchase for many reasons such as: the product is out-of-stock, a competitor offers an incentive at the point-of-purchase (e.g., store salesperson mentions a competitor’s offer), the customer lacks the necessary funds (e.g., credit card not working), or members of the consumer’s reference group take a negative view of the purchase (e.g., friend is critical of purchase). Marketers whose product is most desirable to the consumer must make sure that the transaction goes smoothly. For example, Internet retailers have worked hard to prevent consumers from abandoning online purchase (i.e., online shopping carts) by streamlining the checkout process. For marketers whose product is not the consumer’s selected product, last chance marketing efforts may be worth exploring, such as offering incentives to store personnel to “talk up” their product at the checkout line.

2.4.5 After-Purchase Evaluation

Once the consumer has made the purchase they are faced with an evaluation of the decision. If the product performs below the consumer’s expectation then he/she will re-evaluate satisfaction with the decision, which at its extreme may result in the consumer returning the product while in less extreme situations the consumer will retain the purchased item but may take a negative view of the product. Such evaluations are more likely to occur in cases of expensive or highly important purchases. To help ease the concerns consumers have with their purchase evaluation, marketers need to be receptive and even encourage consumer contact. Customer service centers and follow-up market research are useful tools in helping to address purchasers’ concerns. As we’ve seen, consumer purchasing behavior is quite complex.
2.6 Empirical literature review

2.6.1 In house sales promotions

The promotional effect consists of stimuli like promotional discounts (coupons, multiple-item discounts and gifts) and cheaper prices. Among numerous other determinants of impulse buying, low prices exercise the most direct effect (Stern, 1962; Thaler, 1985; 1999; Tendai and Crispen, 2009). Price reductions, cost savings, discounts or sales promotions can convince buyers to end up in an unintended purchase (Abratt and Goodey, 1990; Grewal et al., 1998; Dittmar and Drury, 2000; Youn and Faber, 2000; Laroche et al., 2003; Virvilaite et al., 2009).

Bell et al. (2011) found that exposure to in-store marketing stimuli produce unplanned buying actions, especially when store is chosen for low prices. However, not always low price is found healthier for impulse buying (Dittmar et al., 1998; Kelly et al., 2000). Coupon offers increase the likelihood of planned impulse buying (Stern, 1962; Kahn and Schmittlein, 1992). Kollat and Willet (1967) found no relationship between food coupons and unplanned purchases of consumers. However, surprise coupons have a psychological income effect on the consumers resulting in increase in the size of shopping basket and number of unplanned purchases (Abratt and Goodey, 1990; Heilman et al., 2002; Tendai and Crispen, 2009).

In-store promotions have proven records to amplify the magnitude of unplanned purchasing among consumers (McClure and West, 1999; Woodside and Waddle, 1995; Wilkinson et al., 1992; Inman et al., 1990). Consumers buy impulsively when their attention is engrossed by pleasant goods, attractive in-store advertisements and promotions (Dholakia, 2000; Tendai and Crispen, 2009; Virvilaite et al., 2009). Exposure to in-store marketing stimuli produces unplanned buying actions, as identified by Bell et al. (2011). Clover (1950) laid the basis for research on impulse buying, paving way to a multi-prospective research on impulse buying in the retail stores. As impulse buying is a decision taken within the store it thus requires investigation into issues relevant to shelve displays; exposure to in-store stimulus; and offering innovative ways of satisfying needs (Kollat and Willett, 1969) in a very short time (Stern, 1962; Piron, 1991).
Retailers today are actively engaged in increasing the magnitude of impulse purchases through product and store displays, and packaging designs (Hoyer and MacInnis, 1997; Jones et al., 2003; Lee and Kacen, 2008). Marketers have utilized the power of impulsive buying over the times to amplify the profits for retailers. Attractive, enjoyable and state-of-the-art store environment influences the in-store purchase decisions of consumers and pushes them to buy on impulse (Tendai and Crispen, 2009). Exposure to instore marketing stimuli generates unplanned buying, especially when store is selected for “low prices” and “attractive promotions” (Bell et al., 2011). Parboteeah (2005, as cited in Virvilaite, 2009) categorized variables causing impulse buying into those of consumer characteristics, store characteristics, product characteristics and situational factors Zhou and Wong (2003, as cited in Tendai and Crispen, 2009) classified the in-store shopping environment into two distant effects i.e. the promotional, informative and economic effect, and the atmospheric engagement effect. The promotional effect consists of stimuli like promotional discounts (coupons, multiple-item discounts and gifts) and cheaper prices, while atmospheric engagement effect include stimuli of enjoyment and attractiveness like in-store advertisements, store displays, salesperson, shop crowding etc.

2.6.2 Personal selling by company representatives

"Personal selling implies direct communication with potential buyer. This is the process of developing relationships, detecting needs and adjusting appropriate products to these needs. But it is also a process of telling the benefits by providing data, reminding and convincing" (Manning and Reece, 2008) After the need recognition state, i.e. the company has successfully got the consumer to notice the product; they now have to convince the consumer that the product is what he/she is looking for. The consumer will be in the state of information gathering and will wish to find out more about the product. At this point an influence from a salesperson can be crucial. According to Throw and Nilsson (2008) international researchers have come to the conclusion that the contact between the consumer and a salesperson does increase sales. However, a too eager salesperson can scare away the consumers because generally the consumers wish to look around in peace and then ask for help when they need it (Evans et al, 2008). The salesperson should be close by the consumer to be prepared to help. The goal for the interaction between the consumer and salesperson is to convince the consumer that the purchase is the right decision. There are different techniques that the salesperson can use and Laurelli (2003) mentions several:
Social evidence: The salesperson refers to previous consumers and their satisfaction with the product. This makes the consumer more secure about his/her buying decision and triggers the feeling of belonging with the former satisfied consumers.

Scarcity attraction: The salesperson points out that the offer and amount of products are limited. This forces the consumer to make a quick decision about whether or not to accomplish the purchase. Ekberg and Lohmander (2004) also give advice on a few techniques. Giving the consumer a picture of using the product in order to help them get an image of how it is to own the product can make their life better. Let the consumer use the product at home for a week, which makes it almost impossible to say no after the week is done, because he/she has gotten used to having the product in their life. Be clear and make sure that the consumers understand the information that is given to them by asking them. This is also a way to get inside the consumers’ minds to know what their doubts may be. Offer alternatives so the consumers feel like they have made the decision themselves. Finding the sensitive spot and offering solutions to what the consumer might feel could become a problem in the future (Lohmander, 2004).

The most important thing is to create a positive relationship with the consumer and be aware that the consumers see more than the sales persons realise. In fact, the consumers see the staff before they hear them which hint that it is important how the sales persons look as well as how they act with other persons. If the staffs have fun together and laughs often, the consumers will notice and feel happy as well (Lohmander, 2004).

One of the basic characteristics of personal selling is the flexibility, because the seller is the most flexible media of communication. The above stated characteristic is the result of two-way communication that is achieved directly between suppliers and customers. During the sales presentation it comes to acquiring the feedback, i.e. while the seller informs the buyer he simultaneously obtains the feedback on how the message is received, and thus successively adjusts the offer and the manner of presenting it. Personal selling, unlike other instruments of promotional mix, offers the possibility of transmitting a large number of complex information, since the seller’s messages does not interfere with the other from the environment. Successful sellers are also required to collect information about the behavior of competitors, new
opportunities and threats (risks) and to report all of the above to their superiors. In this manner the field data becomes available to all relevant decision makers in the company (without additional effort and cost).

It is really important that sales can directly lead to the closure of the sales contract. However, these advantage must be confronted with the fact that it is the most expensive element of the promotional mix (the most demanding method of communication) 1. "In the developed market economies, the average cost per sales contact vary from 200 to 1100 $, depending on the industries and types of products or services" (Gligorijević, 2007). Costs of personal selling are the highest in selling the products/services for industrial consumption, and also have significant share in marketing costs of consumer durable goods. Most resources in the promotional budgets are committed to the personal selling of capital goods, and the least for consumer non-durable goods.

One of the main disadvantages of personal selling is the broadcasting of inconsistent messages, since companies, as a rule, employ a large number of sellers who are independent in their work. Consequently, there is a danger that messages sent from sellers about the company and its offer can be different from one another. "Personal selling basically has two main roles: it is part of the offer and the organization and it is responsible for customer satisfaction, and it is a part of the communication mix, when it is responsible for informing the buyer" (Milisavljević et. al., 2004). Managers, while creating 1"The budget for sales personnel depends on the type of industry involved, but it is estimated that the average percentage of turnover invested in sales is between 3% and 4%. In other words, about 12 billion pounds is spent on sales, compared to about 9 billion pounds for advertising or a billion for public relations." (Smit, 2002).

On the one hand, during the sales conversation the seller has the indispensable role to help the buyer/user to define their own needs, as well as to show how the product/service are solving determined problem. Personal selling has to provide help installing, using and maintaining the products, as well as to enable incorporation of purchased materials/parts in the production process. On the other hand, personal selling is also a part of the promotional mix. As well as other forms of promotion, it tries to inform and motivate the business customer.
2.6.3 Displays

Abratt & Goodey (1990) stated that in-store stimuli are promotional techniques which will increase unplanned purchases, assist in making purchase decisions and offer consumers new ways of satisfying needs. These techniques include in-store sitting, on-shelf positions, price-off promotions, sampling, point-of-purchase displays, coupons, and in-store demonstrations (Abratt & Goodey, 1990). Previous research showed that the relationship between sales of a brand and its shelf space does not exist. There is also a positive relationship between amount of shelf space used for impulse product brand which has high consumer acceptance and total unit sales of that brand. However, the important thing is that the effect of increasing facings on a shelf is likely to vary by product, by category, by brand, by in-store location, by store, however diminishes once a certain number of facings have been achieved.

Furthermore, they also argued that displays can increase the rate of impulse purchase in retail store and it increased the sales of items displayed. Another study from Woodside & Waddle (1975) suggested that in-store signage can help to increase the unit sales of product (Abratt & Goody, 1990). In addition, the authors also pointed out that from the manufacturer’s point of view, in order to increase market share and to get trial of the product by non-user, price-off promotions are used.

As the consumer are becoming more sophisticated, different types of displays create an exciting shopping environment for a pleasant shopping experience. A study provides evidence that showing of visual information such as advertising the benefit of product usage near the product shelf and in-store graphics etc. especially the use of life style reflection graphics allows the shopper to mentally immerse themselves in a certain life style (Haiyan and Cynthia, 2006). According to Solomon et al. (2002) music and television screens can affect the mood; this has important consequences for commercials. When consumer hear happy music or watch happy programme, they have more positive reaction to commercial an products, especially when marketing appeals aimed at arousing emotional reaction. That is the reason that grocery stores are also using different kind of display screens to grab the consumer’s attention for product promotions. These stores are using still display screens as well as the screen with a short video message or information about the products. These kind or screen considered good for
advertisement because of high quality and stylish display. Other effective advertising techniques under in-store stimuli include the following effective advertising technique and tricks to grab the potential consumer's attention and turn it to sales. It is very challenging when it comes to in-store advertisements.

Arouse Curiosity—Nothing works better than this technique. Human, by nature are always drawn towards the unknown or in this case something new and advanced. Research in advertising and atmospherics has suggested that advertising variables arouse emotional responses that may be leading to a purchase (Sheth, 1991). Arousing curiosity with words, prints, images or visuals will definitely make an impact. On an average, an individual spends less than 5 seconds to go through an entire ad. If your subject does not arouse curiosity immediately, it is a lost opportunity. A well-crafted in store advertisement should be eye-catching, and difficult to ignore.

Promise a benefit - Most brands are associated with some pre-defined character, and they need to be reemphasized with every new service advertised in store. The headline must promise a benefit for the consumer, because in most instances it is the headline that sells the product more than the copy, images or the celebrity. In store advertisements should also carry general information about the service center address, phone numbers, credit cards that the business accepts, and the name of a person to ask for when calling for more information.

Emotional Appeal - Many advertisers attract attention by pulling at the heart strings and triggering emotions. An emotional response is by far the most powerful reason for making decisions. Emotional and rational thoughts are interdependent, as the ability to decide rationally is determined by issues that drive the emotions. We get more attracted to products and services that make us feel good and safe. The concepts of emotional appeal are the best seen in-store made world over, and also companies that associate their sales with social up-liftment causes.

Children, in most houses, children have a say in every big or small purchase made. Most parents just give in to the tantrums, a fact well-known to the advertisers. Most of the advertisements in-store has children featured in them who are generally a little more perfect than the target audience. These perfect children then go on to become role-models that have to emulated by other children, which helps the retailers indirectly to increase the visibility through word of
moured and help in sales.

Celebrity Endorsement - A celebrity's larger-than-life image, whether downright weird or righteous, strikes a chord with people of all ages. In store advertisers understand this appeal and use celebrity status and image to convince consumers that their products are worth purchasing. Besides celebrities that have international and national fame and recognition, many local advertisements use local, but popular celebrities in their ads. While choosing a celebrity to endorse your in-store products and services, it is imperative to ensure that their image and character matches the brand advertised. In India advertisers pour millions of rupees every year into celebrity advertising, Khatri, (2006). Celebrity endorsers can create more positive responses towards advertising and great purchase intentions than non-celebrity endorser (Byrne et al, 2003).

Consumer Intelligence - As a rule, never underestimate or insult the consumer's intelligence. Most ads exaggerate, however, the benefits and basic information of the product and service should be well presented. A consumer who is interested will always check the market before making a decision. Irrelevant and over-the-top exaggerated information will definitely turn off the potential consumer. No one really believes in words like the greatest, unbelievable or once in a lifetime-fantastic offer specially offered in in-store ads. Another thing to bear in mind is that, while certain products cater to general masses, some are only meant for limited market. Therefore, it's important to appeal to basic sense and culture of different markets while creating ads.

2.6.4 Branding
Despite the costly dangers of impulse shopping, consumers are increasingly making their purchase decisions in-store. According to the 2012 Shopper Engagement Study, shoppers are basing a whopping 76 per cent of their choices on attractive packaging and appearance. Results revealed that even those who go shopping with the intention of sticking to a list cannot resist the temptation of good branding (Stock watch, 2012)

The Point of Purchase Advertising International (POPAI, 2012) interviewed 2,400 store visitors before and after they entered a supermarket and calculated the rate by comparing the anticipated
purchases and the actual items bought. The findings showed that with such an abundance of choice, from organic to premium to private labels, shoppers look to a brand’s marketing as a cue of what to buy. Winter (2010), found, the shopper will simply buy another product of the same description that is better displayed. Underhill (2006) also describes the importance of the package in what the products are wrapped in. The consumers need to know what they are paying for so the packaging should be made so that the consumers can see what is inside. If the packages do not give a sufficient description of the product, the company can provide this by letting the consumer feel and touch the product, for example a computer or telephone, in order to make it easier for the consumer to make the buying decision. (Underhill, 2006).

Branding is something that has been around since the 1950’s where among others Kellogg’s have made sure to ensure that their product cornflakes has a certain crunch sound to it so their consumers would hear the difference between their products and others. Today, the most common sounds are jingles that are made to stick in consumers’ minds (Lindstrom, 2009).

In the last centuries, the importance of branding and managing of brand equity has increased drastically. Brands have become the ultimate competitive asset because “they last forever, are infinitely scalable, create enormous premiums, and are portable across products and even categories” (Hill, 2004). Yet the profile of the consumer has changed over the years because consumers now know more about products since they can compare prices and exchange opinions with other consumers via the Internet. Therefore, they do not consume passively anymore, but have become a lot more passionate about the products and brands they buy, and want their brands to become a form of self-expression. (Brady et al., 2004)

Consequently the task for brand managers has also shifted and has become a lot more difficult. Every year, a flood of new products enters the market, the competition has become a lot fiercer, and the task of establishing and maintaining the value of a brand has become harder. The basic problem is that, although everyone realises a successful brand when they see it, nobody really knows how to create the next one. (Hill, 2004)

Another problem that exists is what Buchholz and Wördemann (2000) describe as the marketing meltdown. Not only is the product universe expanding while the consumer universe is shrinking, products and services also become more and more interchangeable to the point that often it is
nearly impossible to make out a selling point based on objective quality factors. The result of this is that price often becomes the decisive factor in purchasing decisions. A further aspect behind the marketing meltdown is the information overload; consumers are flooded daily with such a high quantity of information that they can only digest a very small amount of it. This information overload is one reason why branding is becoming more important, because the consumer is confronted with an enormous supply with little qualitative difference among the choices. (Gray, 2004)

In spite of this hostile environment, there are still brands that continuously keep on growing and since, for a company, its brands often signify one of their major competitive assets, the question arises as to what the secret of those mega brands is. Due to the importance of branding and the strong competitive advantage that can be achieved through powerful brands, a lot of research has been conducted during the last years. Although a lot of valuable information can be retrieved from this research, it is still very hard to give a clear answer or formula of how to build a successful mega brand.

While Hill (2004) is convinced that the formula for transforming the brand potential into a great brand is based on a natural development over time, Buchholz and Wördemann (2000) are certain that every winning brand follows certain growth codes that can be applied like a blueprint to other brands. Brandy et al. (2004) believe that cult brands, which are brands with distinctive ideologies and with a well-defined and committed community, exhibit a great devotion or dedication. They are bound by a set of clearly defined and rigorously enforced values, while achieving their cult status, by nurturing stronger ties with consumers than other brands and by offering an attractive group identity. Aaker (1990, 1991, 1995), on the other hand, focuses on strategically managing brand equity, brand portfolio and brand extension, in order to secure the long term success of brands.

Regarding the management of brands and brand equity, brand extensions play a very important role because they can contribute to the success of the umbrella brand and reinforce the brand name, but on the other hand can easily damage the brand name as well. In a perfect case scenario, the umbrella brand supports the success of the brand and vice versa, although there can also be cases where the extension harms the brand name, or even worse, where the opportunity
of a new and potentially very successful brand is forgone. (Aaker, 1990; Sharp, 1993)

2.5 Critical review of impulse buying

Extensive research on impulse buying began in the early 1950s and sought to investigate those purchase decisions that are made after the Consumer Buying Habits Studies (1960-1985), and also studies sponsored by the Point-of-Purchase Advertising Institute (son, 1963), gave an impetus to impulse buying research during this period. The DuPont studies provided the paradigm for most early research and defined impulse buying as an “unplanned” purchase. This definition was typically operationised as the difference between customer’s total purchases and the completion of a shopping trip, and those that were listed as intended purchases prior to entering the store. Numerous studies subsequently investigated the frequencies of unplanned “impulse” buying across various product categories (West, 1981), and in different retail setting (Clover 1990).

Impulse buying research proliferated and extended to investigations of how merchandising stimuli such as retail shelf location (Patterson, 1963) and amount of shelf space (Cox, 1964) affected impulse buying. Other studies discovered the type of circumstances in which customers buy things without prior planning (Stern, 1962) and examined established the relationship between customers’ demographic and lifestyle characteristics and their impulse buying susceptibility (Kollat and Willet, 1967).

As impulse buying research more extensive, it also came under widespread theoretical and methodological attacks. Two methods imaged to cloud the findings of these earlier studies. First, the taxonomical research approach that classified products into impulse and non-impulse category tend to obscure the fact that almost anything can be purchased on impulse (Kollat and Willet 1969; Shapiro 1973; Stern 1962).

In a general sense, most large-scale models of consumer behavior have failed to account explicitly for impulse buying behavior. Impulse buying is reactive behavior and often involves an immediate action response to a stimulus (Kroeber-Riel 1980). In most models, arousal and purchase are linked indirectly and depicted as mediated by “perceptual bias,” “information recalled,” and “intention” (Howard and Sheth 1969) or by “overt search” and “long-term
memory" (Howar 1977). These models do not explain situations where arousal leads directly to action. Engel, Kollat, and Blackwell (1968) depict this as occurring as a result of "unanticipated circumstances", but this category is too broad.

2.6 Summary and gaps to be filled by the study

There exist knowledge gap on the factors that influence impulse buying especially in the supermarkets stores retail center, as there is limited research impulse buying especially in Kenyan context as research on impulse buying is concentrated in the western world (stock, 2000). The study will look upon the phenomenon of impulse buying, what kind of impulse buying that occurs in the supermarket retail industry. The study will also investigate which the most common sort of impulse buying is within the consumer goods industry so that appropriate methods can be given to the store managers to encourage impulse buying.
Figure 2.1 Conceptual framework

**Independent variables**

- **In-house sales**
  - Promotions
    (Coupons, multiple-item discounts, gifts, cheaper prices)

- **Personal selling**
  (Sales person’s attractiveness, communication skills)

- **Displays/ In-store stimuli**
  (In-store sitting, on-shelf positions, price-off promotions, sampling, point-of-purchase displays, coupons, in-store demonstrations)

- **Branding**
  (Brand name, packaging)

**Moderating variables**
(Consumer buying power, inflation)

**Impulse Buying**
- Excess over the Budget
- Excess over the Shopping list

**Dependent variable**

Figure 2.1: Conceptual framework

Source: Researcher (2012)
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter encompasses the research methodology to be used in the field. It focuses on the sources of data and their collection techniques, sampling procedure to be adapted and tools for data presentation and interpretation. Research methodology is a system of explicit rules and procedure upon which research is based and against which claims for knowledge are evaluated (Nachmias and Franfort, 1996). This chapter is organized along the following subsection: Research design, Target collection, Sample design, Data collection procedures, data analysis procedure, methods and expected output.

3.2 Research Design

A research design is the general plan structure of investigation conceived so as to obtain answers to research questions and to control variance (Kerlinger, 1973). Kothari (2004) defines research as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design forms a blue print for the collection, measurement and analysis of data, always keeping in view the objective of the study.

The study adopted an exploratory approach using a descriptive survey design to investigate how in house sales promotions, personal selling, displays and branding affects impulse buying, among Nakumatt smart card holders in Nairobi C.B.D. Descriptive survey designs are used in preliminary and exploratory studies (Luck and Ruben, 1992) to allow researchers to gather information, summarize, present and interpret for the purpose of clarification (Orodho, 2002).

3.3 Target Population

In exploratory descriptive survey studies, two categories of respondents are critical namely, informed specialists and consumers (Luck and Ruben, 1992). Consequently, this study targeted the registered smart card holders in the five C.B.D branches. The population of the study is the 38,271 registered Nakumatt smart card holders in the five Nakumatt stores in Nairobi C.B.D,
shown in the table: 1 below.

Table 3.1: Nakumatt smart card holders in N.C.B.D

<table>
<thead>
<tr>
<th>Branch Name</th>
<th>Registered Nakumatt card holders per branch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nakumatt Lifestyle</td>
<td>9,529</td>
</tr>
<tr>
<td>City Hall Branch</td>
<td>6,430</td>
</tr>
<tr>
<td>Ronald Ngara Branch</td>
<td>7,309</td>
</tr>
<tr>
<td>Haile Sellasie Branch</td>
<td>6,822</td>
</tr>
<tr>
<td>Moi Avenue Branch</td>
<td>8,181</td>
</tr>
</tbody>
</table>

Source (Nakumatt stores branches, 2012)

3.4 Sample design

The sampling units in this study were the five Nakumatt branches in Nairobi C.B.D, namely Nakumatt Lifestyle, Nakumatt City Hall, Nakumat Ronald Ngala, Nakumatt Haile Sellasie and Nakumatt Moi Avenue. From the selected sample units, quota sampling technique was applied to select the sample size of the study, where a sample size of 50 Nakumatt smart card holders were selected for the study from the branches as shown in table 3.2 below. The sample size was a proportionate sample per branch to the entire population. Kakunu (2009) a sample size is representative of the population given the homogeneity of the target population. A structured questionnaire was administered and, an interview will be conducted on two managers in each selected Nakumatt branch. Bases were sex, age and the period the customer has been buying from the store. Equal numbers of male and female respondents, and different age groups, were sampled. The entire sampling matrix yielded a total sample size of (10 managers + 50 Nakumatt smart card holders) 60 for the proposed study.
Table 3.2; Sample size

<table>
<thead>
<tr>
<th>Branch Name</th>
<th>Number of Customers on average per day</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Customers</td>
</tr>
<tr>
<td>Nakumatt Lifestyle</td>
<td>9,529</td>
<td>12</td>
</tr>
<tr>
<td>City Hall Branch</td>
<td>6,430</td>
<td>8</td>
</tr>
<tr>
<td>Ronald Ngara Branch</td>
<td>7,309</td>
<td>10</td>
</tr>
<tr>
<td>Haile Sellasie Branch</td>
<td>6,822</td>
<td>9</td>
</tr>
<tr>
<td>Moi Avenue Branch</td>
<td>8,181</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>38,271</td>
<td>Sample size total=60</td>
</tr>
</tbody>
</table>

Source: Researcher (2012)

3.5 Data Collection procedures

The data collection instruments included primary data from a structured questionnaire for the selected sample customers and a semi structured interview for the selected Nakumatt managers. Secondary data was primarily based on library document reviews. Primary data is fresh or first time data which is original and collected for a certain study or purpose (Kothari, 2004). It plays an important role in an evaluation by providing information useful to understanding the processes behind observed results and assessing changes in people’s perceptions (Churchill and Lacobucci, 2005).

The questionnaire was divided into three parts. The first part of the questionnaire contained questions on the demographic profile of the respondents. The second part of the questionnaire contained questions on the determinants of impulse buying. The third part contained questions on how the research objectives relate to impulse buying. The data collected was qualitative and quantitative in nature. The semi structured interview targeted to collect data on the state and use of impulse buying in Kenyan supermarkets. The researcher used two research assistants, who were well briefed on the survey subject, to administer the questionnaires and the interviews.
to the selected sample members. The customers were selected in a quota sampling method. The questionnaires were administered immediately after the point and the time of purchase.

3.6 Data Analysis

The data was analyzed using computer software Statistical Package for Social Sciences version 18. Data in part A was analysed using frequencies and percentages to summarize the demographic profiles of the respondents. Data in part B and C was analysed using mean, standard deviation, frequencies, and percentages. The mean is useful in showing the arithmetic average value characterizing a set of numbers. Standard deviation show how much variation or "dispersion" there is from the mean or expected value, inferential statistics was also be used such as co-integration and regression. The data was presented on graphs and tables. The research adopted the logistic regression model to determine how the variables related $Y= Bo+Bx_1+Bx_2+Bx_3+Bx_4 +e$, where $Y$ is the Impulse buying activity, $x_1...x_4$ is the corresponding degree of influence to impulse buying, $B_0=$ constant that does not change with impulse buying, $Bx_1=$ in-house buying, $Bx_2=$ personal selling, $Bx_3=$ displays/in-store stimuli, $Bx_4=$ branding and $e$ are exponential factors.
CHAPTER FOUR
DATA ANALYSIS AND INTERPRETATION OF THE FINDINGS

4.1 Introduction

This chapter presents the data analysis and interpretation and discusses the findings of the study in line with the specific objectives of the study.

4.1.1 Overview of analyzed data

The data was collected using questionnaire method comprising of closed ended and open ended questions. The questionnaires were self administered to the respondent during the normal working hours of the week. Out of the 50 questionnaires that were given 30 were returned. This represents a response rate of 60% which is significant to give reliable findings for this study.

The table 4.1 below shows the response rate:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Respondent</td>
<td>20</td>
<td>40%</td>
</tr>
<tr>
<td>Actual Respondents</td>
<td>30</td>
<td>60%</td>
</tr>
<tr>
<td>Target Population</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

4.2 Demographic Information

In order to capture the general information of the Nakumatt smart cards holders in Nairobi issues such as gender and age of the respondents, marital status, level of education and the occupation were discussed.

4.2.1 Age of respondents

Finding indicate that majority (36.7 % ) of the card holders were between the ages of 21 to 30 years, 20% of the card holder were above 50 years, 16.7% of the card holders were between 31 to 40 years, 13.3% of the card holders were below 20 years and 41-50 years each. This suggests that most of the Nakumatt card holders are of the age brackets of 40 years and below. The findings are shown on the table 4.2 below.
Table 4.2: Respondents Age

<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>21-30</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>31-40</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>41-50</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Above 50</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

4.2.2 Gender of the respondents

The findings showed that majority (53%) of the Nakumatt smart card holders were female while male constituted 47% of the customers. The findings are illustrated in the figure 4.1 below

![Figure 4.1 Gender of the respondents](source: Field data, 2012)

4.2.3 Marital status

The findings indicate that most (47%) of the Nakumatt smart card holders were married while 37% of the smart card holders were single, 17% of the card holders were either divorced or separated.
4.2.4: Level of Education

The findings indicated that majority (33.3%) of the smart card holders have secondary level of education, 30% possess university degrees, 26.7% possess diplomas and 10% have primary level education as their highest level of education. The results are as shown in the table 4.3.

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary level</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Secondary level</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Diploma education</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>University level</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

4.2.5 Occupation of the respondents

Findings indicate that majority 36.7% of card holders are employed on permanent basis, 33.3% were self employed, 16.7% of the card holders are casual employees while 13.3% of the card holders are unemployed.
holders were not employed. The results are shown in the figure 4.3.

![Bar chart showing the status of employment for Nacumatt smart card holders]

**Figure 4.3: Occupation of the respondents**  
Source: (Field data, 2012)

### 4.2.6 Level of income

Findings indicate that majority (36.6%) of the Nakumatt smart card holders had a monthly income of below 30,000, 30% of the card holders had income of between 30,000 to 60,000, deputy, 16.7% of the card holders had monthly income of between 60,000 to 90,000 and above 90,000 each. The table 4.4 below shows the results.

<table>
<thead>
<tr>
<th>Number of schools</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30,000</td>
<td>11</td>
<td>36.6</td>
</tr>
<tr>
<td>30,001-60,000</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>60,001-90,000</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Over 90,000</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: (Field data, 2012).*
4.3 Impulse behavior of the customer

The findings indicate that majority (76.7%) of the smart cards holders prepare a shopping list when purchasing, 23.3% do not make a shopping list. However, 83.3% do not strictly follow the shopping list while 16.7% follow their shopping list. The result are shown in the figure 4.4

Figure 4.4: Availability and use of a shopping list
Source: (Field data, 2012)

4.3.2 Rate of impulse buying

Findings show that majority (56.7%) of the card holders agreed they often engage in impulse buying, 20% of the cardholders sometimes engage in impulse buying, 13.3% rarely engage in impulse buying and 10% very often engage in impulse buying. The is represented in the table 4.5

Table 4.5 Rate of impulse buying

<table>
<thead>
<tr>
<th>Rate of impulse buying</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very often</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Often</td>
<td>17</td>
<td>56.7</td>
</tr>
<tr>
<td>Sometimes</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Rarely</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)
4.4. Effects of in house sales promotion on impulse buying

The findings show that all the smart card holders agreed that in house sales promotion such as discount, coupons, gifts and cheap prices encourage impulse buying to different extents. 93.3% of the card holders reported that in house sales promotion has great extent effects on impulse buying, 3.3% of the card holders reported moderate extent while 3.3% reported little effects. The results are shown in the figure 4.5

![Figure 4.5 extent of in house promotion on buying](image)

Source: (Field data, 2012)

4.4.2 Impulse purchased products

The findings show that majority (43.3%) of the smart card holders impulse buy detergents, 26.7% purchase food products, 13.3% of the card holders buy drinks and beauty products while 3.3% impulse buy clothes. The results are shown in the table 4.6
Table 4.6 Impulse purchased products

<table>
<thead>
<tr>
<th>Product on promotion</th>
<th>Number of sales</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detergents</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>Food</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Beauty products</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Drinks</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Clothes</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

4.4.3 Enhancement of in house sales promotion

The findings indicate that majority (40%) of the card holders felt that quality display with good timing could enhance the effects of in house promotion on impulse buying, 36.7% felt that sales people should be used to spearhead the promotion and provide the necessary information about the product, 13.3% of the card holders indicated that instant offers should be used or the time before receiving the prize reduced, 10% of the holders cited the use of more discounts.

Figure 4.6 Enhancement of in house sales promotion

Source: (Field data, 2012)
4.5 Personal selling through manufacturers representative

Findings indicate that majority (46.7%) of the cardholders feel personal selling greatly influence impulse buying, 36.7% felt personal selling moderately influence impulse buying while 16.7% felt it has little influence on impulse buying. The results are shown in the table 4.7

<table>
<thead>
<tr>
<th>Influence of personal selling</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>Moderate</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>Little</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

4.5.2 Enhancement of personal selling

Findings indicate that 63.3% of the card holders sales persons should be well groomed with the manufacturer branded attires, 13.3% of the card holders felt that manufacturers should use persuasive sale persons, 13.3% of the card holders felt that sale persons should possess good communication skills, 13.3% felt that sales should have proper product knowledge while 6.7% of the cardholders felt that manufacturer should avoid very persuasive sales persons. The findings are indicated in the table 4.8

<table>
<thead>
<tr>
<th>Sales person attributes</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good grooming</td>
<td>19</td>
<td>63.3</td>
</tr>
<tr>
<td>Persuasive salespeople</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Product knowledge</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Communication skills</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Non persuasive sales people</td>
<td>2</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)
4.6 Effects of display on impulse buying

A scale of 1-5 was used in rating responses towards the stores display which include in store sitting, on shelf positions, point of purchase display and in-store demonstrations. Cardholders were provided with statements and were asked to indicate their opinion on the subject. The scores “strongly disagree” and “disagree” were represented by mean score, equivalent to 1 to 2 on a continuous likert scale. The scores of “not sure” was equivalent to 3 on the likert scale. The score of agree and strong agree represented high degree of agreement and was equivalent to 4 to 5 on the likert scale. The result as were as presented in table 4.5

Table 4.9 Effects of in store display on impulse buying

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-store sitting (use of merchandisers on the display shelf) influences me to make a purchase</td>
<td>3.71</td>
<td>0.21</td>
</tr>
<tr>
<td>Attractive shelf displays do influences me in making a purchase.</td>
<td>4.54</td>
<td>0.01</td>
</tr>
<tr>
<td>Displays right at the Point-of-purchase do influences my impulse buying</td>
<td>4.61</td>
<td>0.03</td>
</tr>
<tr>
<td>In-store demonstrations do influence me to buy the product on demonstration</td>
<td>3.32</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

The findings indicate that in store display influence impulse buying with display at the point of purchase recording highest mark(4.61 mean score), Attractive shelf displays recorded( 4.54 mean score), In-store sitting or use of merchandisers on the display shelf (3.71 mean score), while cardholders were not sure about the use of in store demonstrations on the impulse buying.
4.7 Influence of branding on impulse buying

The findings show that all the cardholders agreed that branding increases impulse buying. 53.3% state that branding greatly influence buying, 33.3% records it moderately influence, 13.3% cited little influence of branding on buying. The results are in the figure 4.7

![Figure 4.7 Effects of branding](image)

Source: (Field data, 2012)

4.7.2 Measures on branding

Findings show that 40% of the card holders view brand awareness through advertising increase impulse buying, 30% recorded packaging in attractive pack, colour and design as encouraging buying, 16.7% of the card holders felt that creation of brand loyalty while 13.3% view proper shelf display as influencing branding. The result are shown on the table 4.10
Table 4.10 Measure to improve effects of branding

<table>
<thead>
<tr>
<th>Measure</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Displaying</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Field data, 2012)

Table 4.11: Correlation of variables

<table>
<thead>
<tr>
<th></th>
<th>In house sales promotion</th>
<th>Personal selling techniques</th>
<th>Shelf display</th>
<th>Branding</th>
</tr>
</thead>
<tbody>
<tr>
<td>In house sales promotion</td>
<td>Pearson correlation</td>
<td>1.00</td>
<td>.618 *</td>
<td>.870 *</td>
</tr>
<tr>
<td></td>
<td>Sig.(2 tailed)</td>
<td>.000</td>
<td>.020</td>
<td>.016</td>
</tr>
<tr>
<td>Personal selling techniques</td>
<td>Pearson correlation</td>
<td>.611</td>
<td>1.00</td>
<td>.467</td>
</tr>
<tr>
<td></td>
<td>Sig.(2 tailed)</td>
<td>.004</td>
<td>.058</td>
<td>.062</td>
</tr>
<tr>
<td>Shelf display</td>
<td>Pearson correlation</td>
<td>.625 *</td>
<td>.425</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Sig.(2 tailed)</td>
<td>.002</td>
<td>.003</td>
<td>.001</td>
</tr>
<tr>
<td>Branding</td>
<td>Pearson correlation</td>
<td>.835*</td>
<td>.723</td>
<td>.521</td>
</tr>
<tr>
<td></td>
<td>Sig.(2 tailed)</td>
<td>.000</td>
<td>.006</td>
<td>.005</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed)

Source (Field data, 2012)

From the above correlation table 4.11 all the variables have a positive relationship with each other at 0.05 significance level.
In house sales promotion has a strong positive relationship with the personal selling techniques. In house sales promotion has a strong positive relationship with shelf display. Branding on the other hand has a positive relationship with personal selling techniques. This implies that all the variables positively influence impulse buying in supermarkets.
CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of a summary of the findings, conclusions relating to the research objectives, suggestions and recommendations on the existence of impulse buying in supermarkets in Nairobi.

5.2 Summary of the findings

The study aimed at finding out whether there exists impulse buying in supermarkets in Nairobi. The study targeted a total of 50 respondents and there was a response rate of 60% respondents. The study established that 66% of the Nakumatt card holders are aged between 21-50 years of age, 47% of card holders were married and 33% were employed. 56% of the card holders had above college level and above. The findings reviewed that 76% of the respondents prepare a shopping list before purchase however, 83% of the card holders do not strictly follow the list and therefore often make impulse buying.

In regard to in house sales promotion the findings show a great extent influence on impulse buying. 43% of the reported impulse buying detergents and this concurs with Bell et al. (2011) who found that exposure to in-store marketing stimuli produce unplanned buying actions, especially when store is chosen for low prices. To enhance in house promotion the study realized promotion should be timely like end months, the sales people involved should also be knowledgeable.

The study established that concerning the personal selling especially through the manufacturer sales representative increases buying. According to Throw and Nilsson (2008) international researchers have come to the conclusion that the contact between the consumer and a salesperson does increase sales. Personal selling can be enhanced through well groomed personnel with good communication skills and proper product knowledge. The sales person should not be too persuasive, this concurs with Evans et al, (2008). Who argue a too eager
salesperson can scare away the consumers because generally the consumers wish to look around in peace and then ask for help when they need it.

The study established that display influence buying to a great extent, point of purchase display and attractive shelf had the greatest effects on impulse buying. This agree with Abratt&Goodey (1990) who stated that in-store stimuli are promotional techniques which will increase unplanned purchases, assist in making purchase decisions and offer consumers new ways of satisfying needs.

The study also established that branding of products influences impulse buying. This concur with Brady et al.,(2004) who reported that consumers do not consume passively anymore, but have become a lot more passionate about the products and brands they buy, and want their brands to become a form of self-expression. The findings show that 40% of the card holders preferred advertisement, 30% view attractive packages in nice packs and colours, while 13% of the card holders view proper shelf display can enhance impulse buying.

5.3 Conclusions

The purpose of this study was to establish factors influencing impulse buying in supermarket in Nairobi.

The first objective was to ascertain the effects of in house sales promotion on impulse buying. The findings revealed that sales promotion such as such coupon, free samples and gifts increases impulse buying. Supermarkets can improve sales promotion by using knowledgeable sales people, efficient communication of the ongoing promotions in the stores to the customers and proper timing of the promotions for instance at the month end when people, will significantly increase impulse buying.

The second objective was to determine the extent to which personal selling techniques influences impulse buying. The findings show that personal selling help in providing the information needed by the customers to make purchase decision. They are also useful in convincing the customers that the purchase they have made is the best. To enhance personal
selling the sales people need to be well groomed preferably wearing company branded attires, be
attractive, possess excellent communication skills and be moderate persuasive.

The third objective was to find out how display influences impulse buying. The findings review
that attractive shelf display, display of some commodities at strategic positions and in store
sitting increases impulse buying. To enhance display therefore supermarket should be allocate
an ample space for products, well light store, wide alleys, brand shelf displays as well as use
music to improve customer moods

The fourth objective was to find out the extent to which branding influence impulse buying. The
findings show that branding greatly increase customer loyalty and thus buying. To enhance
impulse buying through branding the manufacturers should improve on the branding by using
attractive and modern packaging, the brand name should continually be built through
advertisement in and out of the stores and by continuous product research and development.

5.4 Recommendations

On the basis of the findings of the study the following recommendations can be made;

- The Supermarket should offer product knowledge to the in store sales people so as to
increase sales and reduce inconsistency on the information given to customers that can
hinder sales.

- Branding of products and services should be enhanced through advertisement in and
outside the stores. Manufacturers should research, design and continuously develop
brands that appeal to the customers. This would to customer loyalty and repetitive buying
than translate to high sales.

- The in house promotion should be well timed at the spending seasons or at end months
when people have money. There should be instant prizes and discounts should be
attractive to the customers. After sale services should be offered to the customer as this
will enhance store loyalty.
• Efficient communication strategies on the promotions in the stores at any particular time, be readily accessible, timely and easy to understand so as to facilitate shoppers to make informed consumer buying decisions.

5.5 Suggestions for further research

Other areas which might be explored in future are;

• Factors that contribute to reduction in cost sales promotions

• The contribution of impulse buying on sales revenues of Nakumatt supermarket

• The psychological factors of a customer that influence impulse buying
REFERENCES


Tversky, A. & Kahneman, D. (1981). The framing of decisions and the psychology of


APPENDIX 1. COVERING LETTER

WANJUGI EDWARD KAMAU
P.O. BOX 3552-00200 NAIROBI.

Dear sir/ Madam,

RE: REQUEST TO CONDUCT A SURVEY

I am an MBA student at Kenyatta University, admission number D53/CE/10354/04. As part of the fulfillment for the requirements of the MBA Degree, we are required to undertake a research project. The objective of the study is to identify and analyze the factors that influence impulse buying in supermarkets in Nairobi.

As a key player in the industry, you have been identified to be among those sampled to offer the information needed to conduct the study. You are also assured that the information sought is basically for academic purpose and will not be used to victimize you in any way.

Thanking you for your anticipated cooperation.

Wanjugi Edward Kamau
Tel: 0721785898
APPENDIX 2: QUESTIONNAIRE

Section A: BIO DATA

This section requires you to provide information concerning your personal details. Please tick the correct answer.

(1) Gender of the respondent
   Male ☐  Female ☐

(2) Marital status
   Married ☐  Single ☐  Divorced ☐  Separated ☐  Divorced ☐

(3) What is your age bracket?
   Below 20 ☐  21-30 ☐  31-40 ☐  41-50 ☐  Over 51 ☐

(4) What is your level of education?
   Primary ☐  Secondary ☐  University/College ☐  Other please specify..................

(5) What is the level of your income in Kenya Shillings
   0-30,000 ☐  30,001-60,000 ☐  60,001-90,000 ☐  over 90,000 ☐

(6) What is your occupation?
   (a) Permanently employed ☐
   (b) Casual employee ☐
   (c) Self employed ☐
   (d) Not employed ☐

SECTION B: Impulse buying

An impulse purchase or impulse buy is an unplanned decision to buy a product or service, made just before a purchase.

(7) Do you shop using a shopping list? Yes ☐  No ☐

(8) If yes, do you buy what is only in your shopping list? Yes ☐  No ☐

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(9) Have you ever been engaged in impulse buying of any product?
Yes ☐ No ☐

(10) Which product did you recently buy without prior planning?

(11) How often do you engage in impulse buying?
Very often ☐ Often ☐ Sometimes ☐ Rarely ☐ None ☐

(12) In your opinion what encourages Impulse buying?

SECTION C: In house sales promotion
Some manufacturers use in house sales promotions, such as discounts, coupons, multiple-item discounts, gifts and cheaper prices.

(13) Do you think sales promotions in the supermarkets do encourage Impulse buying?
Yes ☐ No ☐

(14) If yes, to what extent?
Very great ☐ Great ☐ Moderate ☐ Little ☐ Very Little ☐

(15) Give an example of a recent unplanned purchase you made as a direct result of an in house sales promotion that you engaged?
(16) In a scale of 1 to 5 where agree=1, somehow agree=2, neither agree nor disagree=3, somehow disagree=4, disagree=5 rate the following sentences.

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<tr>
<td>I often buy products which are on a discount offer.</td>
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<tr>
<td>I often buy products if they are in a promotional draws</td>
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<tr>
<td>I often buy products if they have a gift or coupon attached.</td>
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(17) What would you recommend on the use of In-house sales promotion in encouraging impulse buying in supermarkets?

SECTION D: Personal selling through manufacturer’s representative

Personal selling is the use of manufacturer’s sales representative in convincing the consumer to buy a product.

(18) Do you think personal selling encourages impulse buying? Yes  No

(19) If yes, to what extent?

- Very great
- Great
- Moderate
- Little
- Very Little

(20) Give an example of recent unplanned purchase you made as a direct influence of a company sales representative.
In a scale of 1 to 5 where agree=1, somehow agree=2, neither agree nor disagree=3, somehow disagree=4, disagree=5 rate the following sentences.

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<td>The general presence of manufacturers' sales representatives influences me to make a purchase.</td>
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<td>Supportive and friendly salespersons are likely to influence me to make a purchase.</td>
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What would you recommend on the use of personal selling, in encouraging impulse buying in Kenyan supermarket?

 Section E: Stores displays

In-store displays are promotional techniques which increase unplanned purchases. These techniques include in-store sitting, on-shelf positions, point-of-purchase displays, and in-store demonstrations.

(1) Some manufacturers use their branded and exclusive displays shelves in the supermarkets, do you think this encourages Impulse buying? Yes   No

(2) If yes, to what extent?

1) Very great   □

2) Great         □

3) Moderate      □

4) Little        □

5) Very Little   □

(3) Give an example a recent unplanned purchased you made as a result of a direct influence of an enticing display in the supermarkets?
(26) In a scale of 1 to 5 where agree=1, somehow agree=2, neither agree nor disagree=3, somehow disagree=4, disagree=5 rate the following sentences.

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<td>In-store sitting (use of merchandisers on the display shelf) influences me to make unplanned purchases.</td>
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<td>Attractive shelf displays do influences me in making unplanned purchases.</td>
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<td>Displays right at the Point-of-purchase do influences me to make unplanned purchases.</td>
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<td>In-store demonstrations do influence me to buy the product without prior planning.</td>
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(27) What would you recommend on the use of in-store displays in encouraging impulse buying in supermarkets?

SECTION F: Branding

Branding - is the personality that identifies a product, service or company (name, term, sign, symbol, or design, or combination of them) and how it relates to key constituencies: customers, staff, partners, investors etc.

(28) Do you think Branding encourages Impulse buying?

Yes___ No___

(29) If yes to what extent?

1) Very great
2) Great
3) Moderate
4) Little
5) Very Little
(30) Give an example of a recent unplanned purchase you made as a direct influence of a product’s brand name or attributes?

(32) In a scale of 1 to 5 where agree=1, somehow agree=2, neither agree nor disagree=3, somehow disagree=4, disagree=5 rate the following sentences.

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<tr>
<td>Commodity Designs attractiveness and packaging do influence me to buy products without prior planning.</td>
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<tr>
<td>The strength of product brand name does influence me to buy without prior planning.</td>
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</table>

(31) What would you recommend on the use of Branding in encouraging Impulse buying in the supermarkets?

Thank you.