Unravelling the Impact of Visual Merchandising on Consumer Impulse Buying Behaviour in Hypermarket

Norshahniza Sahari1*, Akmal Aini Othman1, Norlina M. Ali1, Atik Djajanti2, Noraishah Kamarolzaman3

1 Faculty of Business and Management, Universiti Teknologi MARA (UiTM), Segamat, Johor, Malaysia,
2 Postgraduate School, Perbanas Institute, Jakarta, Indonesia,
3 Faculty of Business and Management, Universiti Teknologi MARA (UiTM), Melaka, Malaysia.
norsh239@ultm.edu.my, akmal123@ultm.edu.my, nori846@ultm.edu.my, atik@perbanas.id, norai213@ultm.edu.my
Tel: +6079352139

Abstract
In the Malaysian retail landscape today, hypermarkets face stiff competition from various establishments like supermarkets and department stores. To stand out, hypermarket retailers employ Visual Merchandising (VM) techniques, in collaboration with product manufacturers. This study, entrenched in the Stimulus-Organism-Response (S-O-R) model, explores how VM influences Consumer Impulse Buying Behaviour (CIBB) in Malaysian hypermarkets, considering the mediating role of Consumer Self-Control (CSC). Data from 265 respondents reveal significant impacts of VM elements like cleanliness, product packaging, and digital media on CIBB. This study emphasizes the importance of VM strategies, in collaborating the effort between retailers and manufacturers to enhance impulse buying in hypermarkets and engage in more VM contemporary practices.

Keywords: Consumer Impulse Buying Behaviour; Visual Merchandising; Consumer Self-Control; Hypermarket

1.0 Introduction
The rise of hypermarkets in Malaysia from traditional retail has reshaped consumer preferences and shopping behaviours, with these modern retail forms offering a comprehensive range of fast-moving consumer products under one roof (Ghaffarkadhim et al., 2019; Hassan et al., 2015). Marketing strategies such as point-of-purchase (POP) advertising and visual merchandising (VM) have been practiced to drive impulse buying behaviors in response to market competition (Balaji & Babu, 2015). Research by Clow & Baack, (2016) indicates that in-store advertising significantly influences consumer purchase decisions, particularly through engaging displays like end-aisle and merchandising displays. Recognizing the influence of store environment on consumer behaviour, large-scale retailers like AEON BIG, Lotus’s, MYDIN, and Giant have invested significantly in in-store design and layout transformation. These investments aim to enhance the shopping experience and cater to customer expectations by fine-tuning store layouts and product placements. Retailers and product manufacturers prioritize creating unique identities through distinctive VM strategies to cultivate a positive shopping atmosphere and ambiance, ultimately influencing consumer purchase decisions on the spot. Understanding the relationship between VM and impulse buying behaviour in hypermarkets is crucial for both practitioners and researchers to optimize retail strategies and enhance consumer experiences.
Impulse buying behaviour has captivated research scholars for decades, with early studies like Clover’s (1950) highlighting its impact on product sales. Initially, the focus leaned toward purchase patterns rather than customer psychology. Previous researchers explored psychological effects and consumer traits. Today, impulse buying is prevalent globally, driven by economic growth and consumer awareness. Recognizing its significance, retailers prioritize strategies to satisfy demanding consumers and boost sales. Visual merchandising (VM) plays a crucial role, in creating positive impressions and enhancing results of sales incremental volume for retailers and Fast-Moving Consumer Goods (FMCG) manufacturers. Consider a shopper navigating a hypermarket. Despite a prepared list, the shopper succumbs to marketing stimuli—sampling stations, attractive product displays, nice packaging, and digital signage—altering her planned purchases. This scenario illustrates how VM influences impulse buying and shifting decisions.

Impulse buying's consequences, ranging from financial strain to satisfaction, provoke scholarly debate. Some argue for environmental arousal's impact on self-control, while others highlight self-indulgence's role. In this study, researchers explore these dynamics in hypermarket contexts and FMCG products, aiming to comprehend the interplay between consumer self-control, VM, and consumer impulse buying. Moreover, the understanding of consumer impulse buying behaviour remains limited within the hypermarket context in Malaysia, particularly concerning fast-moving consumer goods (FMCG). The majority of research on impulse buying behaviour has been carried out in Western societies, leaving a gap in understanding within developing countries (Anne & Kacen, 2008; Kacen & Lee, 2002). From the meta-analysis finding revealed by Iyer et al., (2019), they suggest future studies to test the proposed mediating effect of self-control concerning little evidence and recommendations by previous studies. Therefore, the current study aims to investigate the visual merchandising elements that trigger spontaneous purchases in such settings and to test the role of consumer self-control in the relationship between visual merchandising and impulse buying at hypermarkets.

2.0 Literature Review

2.1 Impulse Buying

Impulse buying refers to unplanned, spur-of-the-moment purchases driven by sudden urges that individuals cannot resist. These purchases typically involve convenience goods, characterized by low cost and frequent buying. Baumeister, a psychologist, has investigated how people are more inclined to make impulse purchases when their self-control or regulatory resources are depleted. Scholars such as Luniya (2015) and Moser (2020) redefine impulse buying as purchases made impulsively, triggered by stimuli, and decided on the spot, often accompanied by emotional or cognitive reactions. Internal and external triggers prompt impulse buying, with highly impulsive buyers seeking immediate satisfaction (Baumeister, 2013; Hoch & Loewenstein, 1991). This behaviour has become prevalent in modern societies, attracting attention from scholars in various fields including marketing, consumer behaviour, economics, and psychology. External stimuli, internal stimuli, store environment, and demographic/socio-cultural factors are among the contributors to impulse buying behaviours. Furthermore, a well-designed in-store Point-of-Purchase (POP) display enhanced impulse purchases by as much as 10 per cent, which is one of the main reasons why FMCG manufacturers spend around USD$19 billion each year on POP stimuli (Ali & Muhammad, 2021; Garrido-Morgado & González-Benito, 2015). Due to limited study on examining optimal strategies linked to visual merchandising (VM) elements within FMCG and hypermarket settings, this research help in identifying the factors motivating spontaneous product purchases among consumers in such environments (Sahari et al., 2023).

2.2 Visual Merchandising

As consumers have so many product variety choices, needs, and product preferences, it is important to understand how VM tools and techniques can influence the purchase decisions of consumers. Visual merchandising is everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire, and action on the part of the customer (Sachitra & Konara, 2023). Additionally, VM has been characterized as the strategic art of crafting visual displays and organizing merchandise assortments within a store to enhance layout and presentation, thus boosting sales and profitability (Cuong, 2019). Niazi et al., (2015) and Sahari et al., (2023) define VM as encompassing all aspects designed within a retail space to attract customers. In short, visual merchandising is the presentation and display of merchandise or products at its best. Thus, it is a planned activity of promoting the sale of goods that uses creative techniques and tools to communicate the message from sender (manufacturer or retailer) to receiver (customer or consumer) through visual merchandising display. Among the elements of visual merchandising are store layout, store display, in-store lighting, cleanliness, colour, and height of shelves (Kouchekian & Gharibpoor, 2012; Murali et al., 2022). Under the researcher’s knowledge, no study has been conducted to study on how effective visual merchandising dimension in hypermarkets influencing spontaneous purchases for FMCG, aiming to understand consumer behavior.

2.3 Consumer Self-Control

Self-control plays a crucial role in individuals’ lives, influencing various aspects from decision-making to personal well-being. Baumeister (2002) and Strömöck et al., (2017) defines self-control as the ability to regulate thoughts, emotions, impulses, and performances, with higher levels associated with positive outcomes such as improved job performance and psychological adjustment. However, self-control can lead to negative emotions like regret. Baumeister (2013) identifies three key components for successful self-control: standards, monitoring, and operational capacity. Loss of control over behaviour can result in impulsive purchases (Achtziger et al., 2015). Babin and Harris (2015) characterize consumer self-regulation as the propensity for unplanned or impulsive actions. However little research has assessed factors of visual merchandising that influence consumers' self-control (Minton, 2018).
2.4 Research Theoretical Model

Iyer et al., (2018) enhance the meta-analysis study by Amos et al., (2014) by developing an integrated model explores their impact of VM through the mediation of self-control and individual states as well. The theoretical framework developed in this study is grounded on the Stimulus-Organism-Response (S-O-R) Model by Mehrabian and Russell (1974). In the S-O-R framework, stimulus arouses the individual, affecting internal and organism states. As depicted in Figure 1, in this study, stimuli refer to the visual merchandising (VM) elements implemented by hypermarket retailers and product manufacturers. Self-control corresponds to the organism, while Consumer Impulse Buying Behaviour (CIBB) represents the behavioural response within the Stimulus-Organism-Response (S-O-R) paradigm.

![Theoretical model using S-O-R model](image)

3.0 Methodology

Data collection occurred on a single occasion within one month, constituting a cross-sectional study to assess consumer interest in VM. The research methodology employed a quantitative approach utilizing a mall-intercept survey method. This method involved intercepting shoppers in a mall setting and conducting face-to-face interviews to collect data. The survey instrument comprised structured questions designed to gather quantitative descriptive data on consumers' perceptions, behaviours, and preferences related to visual merchandising (VM) elements in hypermarkets. The sampling technique utilized purposive sampling, targeting consumers who purchased FMCG exiting the check-out counter area of four selected hypermarkets in Selangor, Malaysia. To ensure appropriateness, shoppers were screened before participation. The survey was administered by trained interviewers who approached respondents in a non-intrusive manner, respecting the flow of normal activities within the mall. Statistical analysis, including descriptive statistics and possibly inferential tests, was conducted to analyse the data. Forty-three (43) items using the 7 Likert Scale were adopted and adapted from previous research. The data was analysed with the use of Partial Least Squares Structural Equation Modelling (PLS-SEM).

4.0 Results and Findings

The demographic data collected from respondents, indicated a balanced representation of genders, with males comprising 46% and females 54% as indicated in Table 1. The respondents fell within the age range of 21-30 years (33.2%) and 31-40 years (31.3%), totalling 64.5%. The majority identified as Malay (81.1%), consistent with previous studies in the Klang Valley. Notably, 55.1% were married with children, and 34.3% were single. 35.1% of respondents reported earnings between RM2,501 and RM5,000, while 24.5% earned between RM1,001 and RM2,500, totalling 59.6%. Private sector employment was common (50.6%), with 17% self-employed and 14% in the government sector. A significant portion held a bachelor's degree (32.5%) or diploma (31.3%), representing 63.8% of respondents. Overall, the sample predominantly comprised educated, middle-aged adults with stable incomes.

<table>
<thead>
<tr>
<th>No.</th>
<th>Profile</th>
<th>Details</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>Male</td>
<td>121</td>
<td>45.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>144</td>
<td>54.3</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>20 years and below</td>
<td>24</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21-30</td>
<td>88</td>
<td>33.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-40</td>
<td>83</td>
<td>31.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>41-50</td>
<td>44</td>
<td>16.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>51-60</td>
<td>21</td>
<td>7.9</td>
</tr>
</tbody>
</table>
As presented in Table 2, the Height of Shelves appeared as the most influential factor in predicting Consumer Impulse Buying Behaviour (CIBB) ($\beta = -0.239, p < 0.01$), followed closely by Product Packaging ($\beta = 0.232, p < 0.01$), In-store Digital Media ($\beta = 0.191, p < 0.01$), POP Display ($\beta = 0.19, p < 0.01$), and Cleanliness ($\beta = 0.186, p < 0.01$). However, Store Layout, Store Display, Colour, Lighting, and POP Materials did not demonstrate predictive capability for Consumer Impulse Buying in hypermarkets. In short, only five hypotheses concerning the independent variables’ impact on the dependent variable were confirmed: Cleanliness, Height of Shelves, POP Display, In-store Digital Media, and Product Packaging.

Table 2: Significance of Direct Effects – Hypothesis Testing (Independent Variables to Dependent Variable)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Std Beta</th>
<th>Std Error</th>
<th>t-value</th>
<th>P value</th>
<th>$\eta^2$</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleanliness $\rightarrow$ Consumer Impulse Buying</td>
<td>0.186</td>
<td>0.094</td>
<td>1.968*</td>
<td>0.025</td>
<td>0.013</td>
<td>supported</td>
</tr>
<tr>
<td>Height of Shelves $\rightarrow$ Consumer Impulse Buying</td>
<td>-0.239</td>
<td>0.094</td>
<td>2.537*</td>
<td>0.006</td>
<td>0.024</td>
<td>not supported</td>
</tr>
<tr>
<td>In-Store Colour $\rightarrow$ Consumer Impulse Buying</td>
<td>0.082</td>
<td>0.084</td>
<td>0.975</td>
<td>0.165</td>
<td>0.003</td>
<td>not supported</td>
</tr>
<tr>
<td>In-Store Digital Media $\rightarrow$ Consumer Impulse Buying</td>
<td>0.191</td>
<td>0.08</td>
<td>2.379*</td>
<td>0.009</td>
<td>0.028</td>
<td>supported</td>
</tr>
<tr>
<td>Lighting $\rightarrow$ Consumer Impulse Buying</td>
<td>-0.055</td>
<td>0.096</td>
<td>0.573</td>
<td>0.264</td>
<td>0.001</td>
<td>not supported</td>
</tr>
<tr>
<td>POP Display $\rightarrow$ Consumer Impulse Buying</td>
<td>0.19</td>
<td>0.095</td>
<td>2.002*</td>
<td>0.023</td>
<td>0.017</td>
<td>supported</td>
</tr>
<tr>
<td>POP Materials $\rightarrow$ Consumer Impulse Buying</td>
<td>-0.078</td>
<td>0.09</td>
<td>0.871</td>
<td>0.192</td>
<td>0.003</td>
<td>not supported</td>
</tr>
<tr>
<td>Product Packaging $\rightarrow$ Consumer Impulse Buying</td>
<td>0.232</td>
<td>0.093</td>
<td>2.497*</td>
<td>0.006</td>
<td>0.029</td>
<td>supported</td>
</tr>
<tr>
<td>Store Display $\rightarrow$ Consumer Impulse Buying</td>
<td>-0.09</td>
<td>0.079</td>
<td>1.142</td>
<td>0.127</td>
<td>0.004</td>
<td>not supported</td>
</tr>
<tr>
<td>Store Layout $\rightarrow$ Consumer Impulse Buying</td>
<td>0.118</td>
<td>0.077</td>
<td>1.518</td>
<td>0.085</td>
<td>0.006</td>
<td>not supported</td>
</tr>
</tbody>
</table>

Note: *$p < 0.01$ ($t > 1.645$); **$p < 0.01$ ($t > 2.33$)
Meanwhile, Table 3 shows the indirect effects (95%) Boot CL Bias-Corrected for POP Materials [LL = 0.006, UL = 0.111] and Product Packaging [LL = -0.218, UL = -0.046] do not overlap 0 in indicating there is mediation (Preacher and Hayes, 2004, 2008). Consumer Self Control (CSC) has positive mediating effects on Point-of-Purchase Materials (β = 0.054, p < 0.01), thereby implying a significant mediation effect that supports the hypothesis. However, CSC has a negative mediating effect on Product Packaging (β = -0.121, p < 0.01), also implying a significant mediation effect that supports the hypothesis.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Std Beta</th>
<th>Std Error (Std. Deviation)</th>
<th>t-value</th>
<th>Confidence Interval (BC)</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>POP Materials -&gt; Consumer Self-Control -&gt; Consumer Impulse Buying</td>
<td>0.054</td>
<td>0.027</td>
<td>2.007</td>
<td>0.006 - 0.111</td>
<td>supported</td>
</tr>
<tr>
<td>Product Packaging -&gt; Consumer Self-Control -&gt; Consumer Impulse Buying</td>
<td>-0.121</td>
<td>0.042</td>
<td>2.859</td>
<td>-0.218 - -0.046</td>
<td>supported</td>
</tr>
</tbody>
</table>

Lastly, Table 4 reveals a significant negative correlation between CSC (β = -0.326, t-value = 4.325, p < 0.01) and CIBB. The R² value for Consumer Impulse Buying is 0.161, indicating that 16.1% of the variance in CIBB is explained by CSC. This R² value falls within the moderate range (Cohen, 1988), as it is greater than 0.13 but less than 0.26. Thus, it can be inferred that CSC significantly influences CIBB with a small effect size (f² value of 0.071) and supports the analysis.

Table 4: Mediating Variable to Dependent Variable

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Beta Value</th>
<th>t-values</th>
<th>P-values</th>
<th>R²</th>
<th>f²</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Self-Control -&gt; Consumer Impulse Buying</td>
<td>-0.326</td>
<td>4.325**</td>
<td>0.000</td>
<td>0.161</td>
<td>0.071</td>
<td>supported</td>
</tr>
</tbody>
</table>

Note: t-value > 1.645* (p < 0.05), t-value > 2.58** (p < 0.01)

5.0 Discussion

This study contributes to the existing literature by affirming the significant relationship between Visual Merchandising (VM) elements (Cleanliness, Shelf Height, POP Displays, In-store Digital Media, Product Packaging) and Consumer Impulse Buying Behavior (CIBB), supported by previous research (Beneke et al., 2015; Kouchekian & Gharibpoor, 2012). It expands the conceptual model by including additional constructs like POP Materials, providing a comprehensive evaluation. However, it contradicts prior findings by revealing that only some VM elements significantly influence CIBB in Malaysian hypermarkets.

Practically, the study suggests that retailers and manufacturers can better predict VM effects on Consumer Buying Behavior (CBB). Retailers should focus on shelf height and cleanliness, as these dimensions influence impulse buying. The findings supported by Kouchekian & Gharibpoor (2012) and Sahari et al. (2023), indicating shelf height and cleanliness affect consumer choices. Specifically, in hypermarkets, accessible and well-positioned shelves increase shopper satisfaction and excitement. For manufacturers, investing in POP displays, In-store Digital Media, and attractive packaging can encourage impulse purchases. Collaborative strategies between retailers, manufacturers, and marketers are recommended to implement effective VM practices, including prominent shelving, strategic placement of displays, cleanliness, engaging digital media, and appealing packaging, to enhance consumer experience and drive impulse buying behaviour.

This study reveals a negative yet significant correlation between Consumer Self-Control (CSC) and Consumer Impulse Buying Behaviour (CIBB), aligning with previous research (Khuong & Tran, 2015). Impulse buying often stems from low self-control, particularly in FMCG contexts. Strengthening self-control could mitigate impulsive tendencies, counteracting negative moods that drive excessive purchasing. Retailers and marketers can intervene by understanding and altering consumers’ moods to reduce impulsivity.

It finds that CSC partially mediates the effects of Visual Merchandising (VM) practices on CIBB, particularly with POP Materials and Product Packaging. Literature supports the notion that FMCG purchases can diminish self-image threats, leading to impulsive buying spurred by attractive packaging. Theoretical implications extend understanding of CIBB in shopping contexts, urging further research due to limited studies in this area. Practically, the findings highlight the importance of VM practices in influencing consumer behaviour and encourage retailers and marketers to leverage CSC as a mediator to understand and enhance impulse buying. Overall, this research establishes a comprehensive model of CIBB within the framework of the S-O-R theory.

6.0 Conclusion and Recommendation

Despite heavy investment in POP materials, their influence on impulse buying is insignificant, requiring careful consideration in their design and implementation. Customer satisfaction is paramount for loyalty and brand reputation, necessitating tailored marketing strategies to cater to diverse consumer segments and integrate futuristics and contemporary elements. Overall, effective implementation of visual merchandising elements is essential to captivate consumers and stimulate impulse buying behaviour.

The study indicates that demographic variables such as age and cultural background impact purchasing behaviour in hypermarkets. Younger consumers, typically aged 40 and below, exhibit higher levels of impulse buying compared to older age groups. Additionally, consumers from Eastern cultures show a tendency to be influenced by various aspects of Visual Merchandising, including In-Store Digital Media, POP Displays, Product Packaging, Cleanliness, and Shelf Height. This preference may stem from the contemporary
preferences of younger individuals, who prioritize convenience, ambiance, product information, and hygiene factors. While some consumers exercise self-control when shopping, effective VM practices can entice impulse buying, leading them to browse and purchase products spontaneously. Hence, hypermarket retailers should discern optimal VM and marketing tactics to capitalize on impulse buying opportunities, especially for FMCGs.

This study faces limitations such as the cross-sectional data collection, hindering long-term understanding of self-control’s impact on CIBB. Social factors may influence VM perceptions, and challenges in surveying include gaining approval and privacy concerns, affecting data collection consistency across hypermarkets. A larger sample size may give more reflective results. Future researchers may also conduct qualitative research that could offer deeper insights into local culture and CIBB dynamics in hypermarkets. The use of neuroscientific evidence to study the “wanting” and “liking” systems of consumers when self-control is depleted, leading to impulse buying and the ‘eye-tracking’ test to test the visual attention of consumers are recommended in future study. In conclusion, consumers Malaysians still visit hypermarkets for major purchases and retailers need to emphasize on visual merchandising. Online retail complements physical stores, as both are trusted options in consumer preferences.

Paper Contribution to Related Field of Study
This study offers insights into consumer behaviour in Malaysian hypermarkets, emphasizing managerial implications for retailers, manufacturers, and marketers. Practitioners can utilize findings to adjust retail settings, focusing on cleanliness, shelf placement, and product packaging to attract more impulse buyers and increase sales revenue. Collaboration between retailers and manufacturers is crucial for organizing promotional activities and optimizing POP displays and POP materials at hypermarkets. This study enriches the literature by investigating into the significance of VM practices and their impact on Consumer Impulse Buying Behaviour (CIBB) at hypermarkets. It addresses the scarcity of research on this topic in Malaysia, offering multidimensional insights into consumer behaviour, particularly in response to VM in hypermarkets.

References


This study faces limitations such as the cross-sectional data collection, hindering long-term understanding of self-control’s impact on CIBB. Social factors may influence VM perceptions, and challenges in surveying include gaining approval and privacy concerns, affecting data collection consistency across hypermarkets. A larger sample size may give more reflective results. Future researchers may also conduct qualitative research that could offer deeper insights into local culture and CIBB dynamics in hypermarkets. The use of neuroscientific evidence to study the “wanting” and “liking” systems of consumers when self-control is depleted, leading to impulse buying and the ‘eye-tracking’ test to test the visual attention of consumers are recommended in future study. In conclusion, consumers Malaysians still visit hypermarkets for major purchases and retailers need to emphasize on visual merchandising. Online retail complements physical stores, as both are trusted options in consumer preferences.

Paper Contribution to Related Field of Study
This study offers insights into consumer behaviour in Malaysian hypermarkets, emphasizing managerial implications for retailers, manufacturers, and marketers. Practitioners can utilize findings to adjust retail settings, focusing on cleanliness, shelf placement, and product packaging to attract more impulse buyers and increase sales revenue. Collaboration between retailers and manufacturers is crucial for organizing promotional activities and optimizing POP displays and POP materials at hypermarkets. This study enriches the literature by investigating into the significance of VM practices and their impact on Consumer Impulse Buying Behaviour (CIBB) at hypermarkets. It addresses the scarcity of research on this topic in Malaysia, offering multidimensional insights into consumer behaviour, particularly in response to VM in hypermarkets.

References


44


