

# Retail Store Merchandise Assortment and Display and their Influence on Consumer Impulse Buying Behaviour in North-West Nigeria

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## Abstract

This paper determined the influence of retail store merchandise assortment and display on consumer impulse buying behavior in north-west Nigeria. Two specific purposes were set with two research questions to guide the study. Two null hypotheses were formulated for the study and were tested at .05 level of significance. The study was conducted in 10 Colleges of Education in North-west Nigeria on a target population of Business Education Lecturers. A total of 219 Lecturers who teach Business Education courses in the colleges and who also patronize retail stores as consumers were studied. A structured questionnaire called 'Influence of Retail Store Merchandise Assortment and Display on Consumer Impulse Buying Behaviour (IRSMADCIBB)' was used to obtain data for the study. The instrument was structured on a five-point Likert scale. The instrument was face-validated by three experts in Business Education in University of Nigeria, Nsukka and Ahmadu Bello University, Zaria all in Nigeria. Cronbach's Alpha reliability test was used to determine the internal consistency of the instrument and a reliability index of .75 was obtained. A total of 204 copies of the instrument were retrieved for analysis. Data were analyzed using Mean and Standard Deviation to answer the research questions while Analysis of Variance (ANOVA) was used to test the null hypotheses at .05 level of significance. It was found out that the respondents agreed that retail store merchandise assortment and display are capable of influencing consumers' impulse buying behavior. It was recommended, among others, that retail store merchants should take advantage of training and retraining programmes such as workshops, seminars and conferences to update their retailing skills for better product presentations to their customers.

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**Index terms**— merchandise assortment, merchandise display, impulse buying, consumer behaviour.

## 1 Introduction

he assortment of items held by a store is a major element of the retail mix which can easily be used to influence consumer buying decision. Kotler and Armstrong (2001) defined merchandise as the products and services or lines that a retailer offers to the target market. In other words, merchandise is the product or service meant for sale and that is capable of giving satisfaction to the consumer. Cox and Brittain (1993) stated that while some retailers adopt specialized merchandise policy like in the case of those dealing with specialty goods, others operate a scrambled merchandise policy that offers a wide range and variety of product lines. Examples are those retailers that carry convenience and shopping goods such as supermarkets, superstores, and multiple shops.

Merchandise assortment is defined by Bovie and Thill (1992) as the unique mix of products offered by a retailer. It includes the breadth and depth in which these lines are stocked. Similarly, Kotler and Keller (2005) defined

## 4 A) RESEARCH QUESTIONS

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product mix or product assortment as a set of all products and items a particular seller offers for sale and this consists of various product lines.

Merchandise management, otherwise known as merchandising is defined by Levy and Weitz (1998) as the process by which a retailer attempts to offer the right quantity of the right merchandise in the right place at the right time while meeting the organisation's financial goal. Similarly, Bovie and Thill (1992) defined merchandising as the process of planning merchandise assortment for a retail store, making sure that the right products are available for target customers. The retailer is, however, limited by the amount of money available for merchandise and the space in the store. He must decide whether to carry a large variety of different types of clothing (categories) for instance, dresses, blouses, and jeans, or carry fewer categories but a larger assortment of more styles and colours within each category.

Not only does the retailer stock goods that meet customer requirements, he must also consider products that can trigger purchase whenever the customer enters the store. Hodge (2004) carried out a study to ascertain the type of product that can easily drive impulse buying in the store and discovered that low marginal products, short life-span products, light or easily carried items, and easily stored products are commonly purchased spontaneously by customers.

Merchandise display is another important element of the retail store. Merchandise in the retail store should be positioned in particular ways to aid customer selection and stimulate sales. Merchandise displays are special presentations of a store's products used to attract and entice the buying public. All merchandise displays are predicated on basic principles designed to increase product purchase. Display will be effective by applying the following tips:

- ? Allocate merchandise display space appropriately in recognition of customer demographics;

- ? Make certain that the cleanliness and neatness of the display is maintained;

- ? Do not overcrowd a display;

- ? Combine products that are used together in display;

- ? Small items should be displayed so that would-be customers can get a good look at them without having to solicit the help of the staff. Khan (2014) suggested that knowing the customer in and out will help tremendously when Khan, it is not only being familiar with demographic data like age, income and educational level, but digging a little deeper into psychographics and behaviours or their lifestyle. Khan further stated that the retail space should be the most productive and most efficient salesperson and that maximizing revenue involves employing the art and science of visual merchandising. Since a good merchandise display is a product of a good store layout, it should be done in such a way as to allow merchandise to be displayed without obstructing the movement of the customers along the store shelves. Cox and Brittain (1993) observed that a good display continues to catch the customer's eyes the moment he enters the store. Cox and Brittain further maintained that a stimulating and attractive in-store display of products can bring about high stock turnover and economical space management. The store layout and merchandise display involve planning the internal arrangement of different sections according to merchandise variety and assortment. By so doing, the retailer is able to manage available space, and give customers adequate space to move round the store without any traffic jam. When items in store are strategically located, they draw the customer into the store and facilitate purchase of impulse and complimentary goods. Rook (1987) observed that impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. Furthermore, Miller (2002) described impulse buying as a situation where most purchase decisions are made in-store without a prior plan before entering the store. In this study, therefore, impulse buying shall be defined in relation to product and store features. Thus, impulse buying is defined as a buying action that occurs when the consumer is exposed to an attractively presented or conveniently located product in a store. This is why Ghag (2013) opined that to influence customer buying behaviour, the store design should attract customers, enable them to locate merchandise, keep them in the store for a long time, motivate them to make unplanned or impulse purchase and provide them with a satisfying customer experience.

## 2 II.

### 3 Purpose of the Study

This study was conducted to achieve the following specific purposes:

- ? To determine the influence of retail store merchandise assortment on the impulse buying behaviour of consumers.

- ? To determine the influence of retail store merchandise display on the impulse buying behaviour of consumers.

### 4 a) Research Questions

The following research questions guided the study.

- ? What is the influence of merchandise assortment on the impulse buying behaviour of consumers in Northwest zone of Nigeria?

- ? What is the influence of merchandise display on the west zone of Nigeria?

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## 5 b) Null Hypotheses

The following null hypotheses were formulated and tested at .05 level of significance.

Ho1: There is no significant difference in the mean response of Business Education Lecturers on the influence of merchandise assortment on the impulse buying behaviour of consumers based on their cadre. Ho2: There is no significant difference in the mean response of Business Education Lecturers on the influence of merchandise display on the impulse buying behaviour of consumers based on their cadre.

## 6 III.

## 7 Research Method

The design of the study was a survey design. The study was conducted in North-west Nigeria with focus on Business Education Lecturers who are also consumers of goods and services. They are part of the market for consumer goods. The population of the study comprised 219 male and female Business Education Lecturers in the ten Colleges of Education offering Business Education in North-west zone of Nigeria. This population was chosen because as consumers of retail products and as teachers of business subjects, they are knowledgeable enough in the subject matter and could attend to the item questions objectively. The entire population was studied and there was no sample since the population was small and manageable. A structured questionnaire called "Influence of Retail Store Merchandise Assortment and Display on Consumer Impulse Buying Behaviour (IRSMADCIBB)" generated from the review of related literature was used for data collection. There were a total of 71 item divided into Cronbach's Alpha reliability test was used to determine the internal consistency of the instrument and a reliability index of .75 was obtained showing a high internal consistency. The instrument was administered by the researcher with the help of three trained research assistants and a total of 204 copies were retrieved for analysis. Data were analyzed using Mean and Standard Deviation to answer the research questions while Analysis of Variance (ANOVA) was used to test the null hypotheses at .05 level of significance. Any Mean response below 3.00 was regarded as not accepted while any Mean response of 3.00 and above was accepted as having influence on the impulse buying behavior of consumers. Similarly, null hypothesis of no significant difference was upheld when p-value was greater than .05 level of significance. The null hypothesis was, however, rejected when p-value was less than .05 level of significance.

## IV.

## 8 Presentation and Analysis of Data a) Research Question One

What is the influence of merchandise assortment on the impulse buying behavior of consumers in North-west zone of Nigeria? Data relevant to this research question are presented in Table 1 below. The data presented in Table 1 above showed that the Mean of all the twelve items on merchandise assortment ranged from 4.21 to 4.35. The Mean of each item was above 3.00. This indicated that the respondents accepted all the items as having influence on consumer impulse buying behaviour. A Grand Mean of 4.26 was obtained in the cluster indicating that all the items in the cluster were accepted as having influence on consumer impulse buying behaviour. The Standard Deviation of the items ranged from 0.54 to 0.84. This indicated that the respondents were not too far apart in their opinion.

## 9 b) Research Question 2

What is the influence of merchandise display on the impulse buying behaviour of consumers in North-west zone of Nigeria? Data relevant to this research question are presented in Table 2 below. The data presented in Table 2 above showed that the Mean of all the eight items ranged from 4.23 to 4.53. The Mean of each item was above 3.00. This indicated that the respondents accepted all the items as having influence on consumer impulse buying behaviour. A Grand Mean of 4.33 was obtained in the cluster indicating that all the items in the cluster were accepted as having influence on consumer impulse buying behaviour. The Standard Deviation of the items ranged from 0.52 to 0.72. This indicated that the respondents were not too far apart in their opinion. Hypothesis One: There is no significant difference in the mean response of Business Education Lecturers on the influence of merchandise assortment on the impulse buying behaviour of consumers based on their cadre. As shown in Table 3 above, the observed p-values for 10 out of the 12 items on retail store merchandise assortment were greater than 0.05 significance level with a cluster p-value of 0.24. The result showed that the hypothesis of no significant difference in respect of 10 out of the 12 items was upheld because the seven groups of respondents did not differ significantly in their Mean responses on the influence of retail store merchandise assortment on impulse buying behaviour of consumers.

However, the data revealed that 2 out of the 12 items had their p-values less than 0.05 level of significance. This indicated that there was significant difference in the Mean responses of the seven groups of respondents on the 2 items. Therefore, the hypothesis of no significant difference in respect of the 2 items on the influence of merchandise assortment on impulse buying behaviour was rejected. Hypothesis Two: There is no significant difference in the mean response of Business Education Lecturers on the influence of merchandise display on the impulse buying behaviour of consumers based on their cadre. Data in Table 4 revealed that there was no significant difference in the Mean responses of the seven groups of respondents on all the items on retail

store merchandise display whose p-values in the cluster was 0.30 greater than 0.05 level of significance. The result showed that the hypothesis of no significant difference in respect of all the items was upheld because the seven groups of respondents did not differ significantly in their Mean responses on the influence of retail store merchandise display on impulse buying behaviour of consumers.

V.

## 10 Findings of the Study on Research Questions

The respondents accepted the following items on merchandise assortment as having influence on consumer impulse buying behaviour. They include merchandise stocked according to general and specific customer interest and needs, the quality of merchandise a store carries, a unique mix of products with complimentary goods, merchandise presented in varieties of colour, model, size, brand, and style as well as merchandise with broad assortment. Others are low marginal products like chewing gum, chocolate, and magazines, stores that maintain stock availability, reliable products that function satisfactorily over time, perishable products that have short life span, and lighter and easily conveyed, as well as easily stored (perishable) products.

The respondents accepted all the cluster of items on merchandise display as capable of influencing consumer impulse buying behaviour. These include stores that have good merchandise display, display pattern with merchandise clearly categorized, items displayed at eye-catching level, daily-demand-lines displayed near store entrance and check out point, window display that provides a visual image about the type of merchandise, and self-service-counter designs that allow customers to examine merchandise freely.

## 11 VI.

## 12 Findings on the Hypotheses

It was found that there was no significant difference in the Mean responses of the seven ranks of consumers (Business Education Lecturers) on the influence of merchandise assortment for 10 of the 12 items. However, significant difference existed in the Mean responses of the seven groups of respondents on items 8 and 10 dealing with (i) stock availability maintenance, and (ii) lighter and easily conveyed merchandise. Therefore, the hypothesis of no significant difference was upheld for 10 items because their p-values were greater than .05 level of significance, but rejected for 2 items whose p-values were less than 0.05 significance level.

It was found that there was no significant difference in the Mean responses of the seven ranks of consumers (Business Education Lecturers) on the influence of merchandise display for all the 8 items on consumer impulse buying behaviour. This is because the p-values for all the items were greater than .05 level of significance. Therefore, the hypothesis of no significant difference for this variable was upheld.

## 13 VII.

Discussion of Findings impulse. The findings also agreed with the opinion of Okeke (2004) who found in her study that offering a unique mix of products, maintaining a high quality of merchandise and adequate balance of items in the store have a high influence on store patronage and unplanned buying.

? The findings in research question two on merchandise display were in consonance with the opinion of Ghag (2013) who stated that the display of items in a store has an important influence on the purchase of the items. The study found that consumers are easily disposed to impulse buying when they enter stores that have good display pattern which clearly categorizes merchandise; stores that display demand lines near store entrance and check-out point; window display that provides a visual image about the type of product; as well as stores that have self-service counter display which allows customers to examine merchandise freely. Equally consistent with this finding is the opinion of Cox and Brittain (1993) who maintained that the way in which merchandise are displayed and presented in a retail store is a vital element in the selling process that is capable of inducing on-the-spot buying decision by consumers. Similarly, the finding was consistent with the opinion of Howe (1992) who stressed the importance of displaying merchandise according to categories. It was also consistent with the opinions of Levy and Weitz (1998) that the more visible a product is, the greater the chance of being purchased.

VIII.

## 14 Conclusion

The intention of the retailer is to improve in his sales in order to stay in business and continue to offer satisfactory service to his customers. The retailer desires to retain existing customers, win new ones, and compete favourably with competitors within his retailing milieu. All these could be possible if the retailer operates a customer-oriented enterprise that meets all customer needs. Improved shopping environment, quality merchandise offered at conveniently located place at reasonable price, as well as improved customer service quality are basic requirements for drawing customers to the store.

Since all the lecturers who are also consumers of goods and services from the retail stores agreed that all the variables on merchandise display can influence impulse buying behaviour, it could be concluded therefore that merchandise display is an important variable that can improve sales through impulse buying. Similarly, since all the respondents agreed that all the items listed in merchandise assortment are capable of influencing impulse

buying, it could be concluded that merchandise assortment is an important element of retailing mix that retailers must maintain in order to meet the buying needs of their customers.

## IX.

## Recommendations

The following recommendations are therefore made in the study:

? Store merchandise should be carefully selected to meet the buying needs of customers. The services of well trained personnel in the art of stock acquisition and management should be utilized by retailers so as to ensure efficiency in stock management.

? Store items should be strategically displayed in order to attract the attention of any customer visiting the store. Leading items should be located at eye level and impulse items should be placed where customers can conveniently reach. ? Retail store operators and attendants should endeavour to attend entrepreneurship trainings in form of workshops and seminars with a view to updating their knowledge in merchandising.<sup>1</sup>



Figure 1: B

<sup>1</sup>behaviour in North-West Nigeria B Retail Store Merchandise Assortment and Display and their Influence on Consumer Impulse B uying

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S/N	Item Statements	S.D.	Remarks
1.	Merchandise stocked according to consumer needs can influence consumers to make impulse buying in a retail store	4.29 0.54	Accepted
2.	Merchandise stocked according to the needs of specific group of consumers can influence impulse purchase by consumers	4.26 0.69	Accepted
3.	The quality of merchandise a store carries influences consumers' decision to buy on impulse.	4.22 0.73	Accepted
4.	A unique mix of products especially with complimentary goods in a store influences consumers to buy on impulse.	4.23 0.78	Accepted
5.	Consumer goods made available in different varieties of color, model, size, brand, and style in a store can influence impulse buying decision of consumers.	4.27 0.68	Accepted
6.	A retail store with broad assortment of product of many lines is likely to influence consumers' decision to buy more goods on impulse.	4.31 0.67	Accepted
7.	Low marginal products like chewing gum, chocolate, magazines, and biscuit, though not always in shopping list attract consumers impulse buying tendency.	4.35 0.62	Accepted
8	Retail stores that maintain stock availability are likely to influence consumers' decision to stop-over and make impulse purchase.	4.29 0.63	Accepted
9.	Reliable products that function satisfactorily over time attract customers' impulse buying tendency.	4.21 0.84	Accepted
10.	Short life-span products like perishable items are likely to influence consumers' decision to buy on impulse.	4.24 0.63	Accepted
11.	Lighter and easily conveyed merchandise are likely to influence impulse buying decision by the consumers.	4.27 0.67	Accepted
12.	Products that are easily stored and not vulnerable to quick decay can induce impulse purchase by consumers.	4.27 0.71	Accepted
	Grand Mean	4.26	

Figure 2: Table 1

## 2

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S/N	Item Statement	X	S.D.	Remarks
1.	A good merchandise display in a retail store induces customers to buy on impulse	4.32	0.64	Accepted
2.	A display pattern that has merchandise in categories encourages impulse purchase.	4.32	0.55	Accepted
3.	Items positional at eye-catching level in the store are capable of influencing customers to make impulse purchases.	4.53	0.52	Accepted
4.	Items such as men's suits, women's wears, and jewelry can draw customers into the entire length of the store thereby induce impulse purchase.	4.32	0.72	Accepted
5.	Daily demand lines such as staple food when placed near the store entrance can influence impulse purchase.	4.40	0.59	Accepted
6.	Window display that provides a visual image about the type of merchandise in the store can influence customers to make impulse purchases.	4.23	0.61	Accepted
7.	Impulse items displayed at the check-out point can influence impulse buying by customers while waiting to be attended to.	4.34	0.57	Accepted
8.	Self-service counter encourages customers to examine merchandise and thus influence them to make impulse purchase.	4.30	0.62	Accepted
	Grand Mean	4.33		

Figure 3: Table 2

## 3

S/N	Item Statement	Sum of Squares	Df	p-value (Sig)	Rmk
1.	Merchandise stocked according to consumer needs can influence consumers to make impulse buying in a retail store	Between= 2.148 Within= 57.788 Total =59.936	6 197 203	0.297	N.S.
2.	Merchandise stocked according to the needs of specific group of consumers can influence impulse purchase by consumers	Between= 4.568 Within= 92.662 Total =97.230	6 197 203	0.144	N.S.
3.	The quality of merchandise a store carries influences consumers' decision to buy on impulse.	Between= 4.789 Within= 103.721 Total =108.510	6 197 203	0.175	N.S.
4.	A unique mix of products especially with complimentary goods in a store influences consumers to buy on impulse.	Between= 4.039 Within= 122.133 Total =126.172			

[Note: Significant at  $p < 0.05$ , Not Significant at  $p > 0.05$ ]

Figure 4: Table 3

4

S/N	Item State- ment	Sum of Squares	Df	p-value (Sig)	Rmk
1.	A good merchandise display in a retail store induces customers to buy on impulse	Between= 3.171 Within= 81.118 Total =84.289	6 197 203	0.266	N.S.
2.	A display pattern that has merchandise in categories encourages impulse purchase.	Between= 0.962 Within= 61.327 Total =62.289	6 197 203	0.796	N.S.
3.	Items positional at eye-catching level in the store are capable of influencing customers to make impulse purchases.	Between= 2.002 Within= 54.821 Total =56.823	6 197 203	0.308	N.S.
4.	Items such as men's suits, women's wears, and jewelry can draw customers into the entire length of the store thereby induce impulse purchase.	Between= 3.963 Within= 100.122 Total =104.084			

Figure 5: Table 4



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