

InHolland University of Applied Sciences

# THE IMPACT OF IN-STORE CUSTOMER SERVICE ON POSTPURCHASE IMPULSE-BUYING BEHAVIOUR: A CASE STUDY BASED ON GALLERY, A STREET FASHION STORE

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 $29^{th}$  of May 2012

# **STATEMENT OF ORIGINALITY**

The content of this advisory report has not been written or published by anyone else than the author herself except where due referencing is made in the report. The material in this advisory report is submitted for a double-degree in Business Administration in the InHolland University of Applied Sciences and Helsinki Metropolia University of Applied Sciences, and has not previously been submitted for any other degree in any university. The content of this advisory report cannot be copied or used without the author's permission.

Silja Hokkanen

May 2012

#### PREFACE

This report has been written to demonstrate the writer's use and understanding of academic writing, solving a real business problem, and the development of IBMS competencies in term 15 and 16 in spring 2012. The report aims to highlight the learning cycle and results of the writer in the form of a professional advisory report following the IBMS report writing guidelines. Not only is this work of significance to the client, it has been a learning process for the author. Thus, the report is a representation of the writer's academic career and analytical capabilities.

This report has been written by Silja Hokkanen, a 23-year-old European Business Administration double-degree student from Helsinki Metropolia University of Applied Sciences. She is now finishing her studies at InHolland University of Economics, Diemen.

Gallery, a street fashion store in Kamppi, Helsinki, acted as a client in this research. The author's choice of topic was influenced by her acceptance to a Master's Degree in Fashion Management in Göteborg, Sweden, earlier this year. The author has always shown interest in fashion and especially in marketing, and thus finding a client with these two dimensions played an important role in accepting the advisory report assignment.

Acknowledgements are to be given to Mr. Keith Medhurst, who has been in great assistance throughout the writing process.

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## **DEFINITION OF TERMS**

**Cognitive dissonance** refers to buyer discomfort caused by postpurchase conflict (Kotler et al., 2008).

**Impulse purchase** is an immediate purchase with no pre-shopping intentions (Beatty & Ferrell, 1998).

**Postpurchase behaviour** is the stage of the buyer decision process in which consumers take further action after purchase based on their satisfaction or dissatisfaction (Kotler et al., 2008).

#### **Operational definitions:**

**Dissatisfied customer** is a customer who returns or exchanges a product due to product failure as the product's perceived performance has not matched his/her expectations.

**In-store (customer) service** is the service provided by the staff at the point of purchase.

**Satisfied customer** is a customer who returns or exchanges a product due to change of mind, although the product's perceived performance has matched his/her expectations.

# **EXECUTIVE SUMMARY**

The purpose of this study is to research how in-store customer service can affect satisfied impulse purchasers' postpurchase behaviour in terms of store returns. The results of this study revealed that in-store customer service can positively affect impulse-buyers' postpurchase evaluations of service, and by increasing the level of in-store service the sales personnel can influence the customers' cognitions, and move an initial impulse purchase into a permanent adoption (Kang & Johnson, 2009). This in return can minimise store returns.

This study provides information as to why in-store customer service should be considered as a part of the strategic store environment, and how service-oriented emphasis can influence impulse-buying behaviour.

# **1. CHAPTER 1 – Introduction**

The sales force serves as the critical link between a company and its customers, and as companies move towards a stronger market orientation, their sales forces are becoming more customer oriented (Kotler et al., 2008). Thus, in-store customer service can be used as a way of differentiation.

Impulse buying can be defined as an immediate purchase with no pre-shopping intentions, and as a trait of consumer behaviour (Beatty and Ferrell, 1998). Therefore, the behavioural motivations of impulse-buying must be researched to understand why so many consumers appear to act on their buying impulse so frequently (Kim, 2003).

This report seeks to discover if impulse-buyers see in-store service as a part of their postpurchase evaluations, and how this trait can be used to minimise store returns in apparel. A questionnaire was carried out in the client company measuring the customers' impulse-buying and store returns tendency, and perceptions and experiences of in-store service.

The advisory report consists of five chapter headings (see Table of Contents). The first chapter looks into the problem statement, purpose of the study and the derived research questions. The second chapter is focused on the theoretical literature review, which is critically appraised. The third chapter gives a detailed description of the methodology and selection of market research instrument and its validation. The fourth chapter presents the results and analyses of the study, and the fifth chapter concludes with topics for further discussion and recommendations.

#### 1.1. Client

Gallery is a street fashion store located in the Kamppi Centre, in Helsinki, Finland, and offers the city's most stylish and hottest street fashion brands. The company has a clear international feature. Not only are the company's suppliers based all over Europe and Asia, the company's client base is a mixture of different nationalities due to the store's central location in a prestigious shopping centre in the centre of Helsinki, Finland.

Name:	Gallery
Contact person:	Minna Kilpinen
Address:	Kamppi Shopping Centre, 5 <sup>th</sup> Floor, Urho Kekkosen katu 3-5,
	00100 Helsinki, Finland
Telephone:	+358 20 790 0860

The company was founded in 2006 by Minna Kilpinen. Due to the fact that the organisation is rather small, the company has a flat organisational structure. Kilpinen is the CEO of the company and is backed up by a small financial department and the store personnel.

The store is especially directed to young adults, and accommodates around 37 brands such as Diesel, Lee, Wrangler, Ben Sherman and Edwin. The store holds separate sections for men and women, and for jeans, shoes and accessories. The layout of the store is open as most of the clothes are hanging from the ceiling or walls. The store has an industrial look and uses red fixtures and fittings.

The company has a unique return policy. They do not take in returns, but offer the customer the possibility to change the item to a new one in the course of seven days. If the customer does not wish to change the item, the company writes him/her a gift certificate to the store worth of the returned good. The store's return policy is legal under the EU law.

Kilpinen states that the return policy has been working alright by far, but points out that store returns and exchanges are a burden to the small organisation on a daily basis. However, most customers expect to receive their money back as with bigger organisations. Thus, salespeople are advised to explain the return and exchange policy at the point of sale to minimise store returns. Due to the fact that the customer will not receive his money back when returning goods, Kilpinen believes that many customers who have bought goods on impulse keep the unwanted garment to avoid the inconvenience.

Although of the undesired effect of the return policy, the company has requested the research to concentrate on the topic of impulse-buying behaviour and in-store customer service affecting postpurchase behaviour.

## 1.2. Problem statement

"Satisfied impulse purchasers' postpurchase behaviour is leading to continuous store returns."

The client organisation wishes to discover how satisfied impulse-buyers see in-store customer service as a part of their postpurchase behaviour, and how this information can be used to minimise store returns in apparel.

The competitive implication of the marketing mix relates to the product, promotion, price and place. The product is an impulse purchase the in-store personnel are promoting in the store environment. Price, on the other hand, can have an effect on impulse-buying tendency. In more details, the product category is apparel which has a sound client base with impulse-buying tendencies<sup>1</sup> who perceive service provided by staff especially important when purchasing fashion clothing (Birtwistle, Clarke & Freathy, 1998).

Store returns are a part of retailers' day-to-day business and no matter what you sell people will want to return things<sup>2</sup>. The Telegraph<sup>3</sup> interviewed over 1,200 people in the U.K. in early March 2011 revealing that 17% of respondents had returned goods

<sup>&</sup>lt;sup>1</sup> See "Impulse Shopping Statistics" (accessed 29 November 2011),

http://www.infographicsinsights.com/2011/04/impulse-shopping-statistics.html

<sup>&</sup>lt;sup>2</sup> See "Tips for handling store returns" (accessed 28 October 2011),

http://sbinfocanada.about.com/od/retail/a/storereturns.htm

<sup>&</sup>lt;sup>3</sup> See " Shoppers plagued by post-purchase blues" (accessed 7 November 2011),

http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/7535634/Shoppers-plagued-by-post-purchase-blues.html

leading to an estimated £32 million in lost sales. Moreover, the study found that 35% of U.K. shoppers feel bad after purchase, which indicates the degree of negative postpurchase evaluations.

A study collected by the World of Infographic Insights<sup>4</sup> researched that impulse shoppers buy primarily because it has positive effects on their mood. Impulse buyers make hasty purchases due to feelings of boredom, angriness or stress. The study found out that women are more prone to impulse purchases as 60% of female respondents had made an impulse purchase in the past year. On the whole, shoppers make an average of three unplanned purchases during 40% of all store visits, which indicates a high tendency to impulse-buying behaviour. The study also found out that among 13 to 24-year-olds 42%, 25 to 34-year-olds 43%, 35 to 55-year olds 35%, and 56 to 70-year-olds 34% of clothing purchases were impulse buys. This indicates that 25 to 34-year-olds are most likely to make an impulse purchase, with a 43% chance.

Moreover, a study made by Bellenger et al. (1978) found that impulse purchases represented between 27% and 62% of all department store purchases. Moreover, research made by Welles (1986) revealed that almost 90% of respondents have occasionally made grocery purchases on impulse and between 30% and 50% of all purchases can be classified as impulse purchases by the buyers themselves (Bellenger et al., 1978).

<sup>&</sup>lt;sup>4</sup> See "Impulse Shopping Statistics" (accessed 29 November 2011), http://www.infographicsinsights.com/2011/04/impulse-shopping-statistics.html

#### **1.3. Research questions**

This study seeks to discover how satisfied impulse-buyers perceive and experience in-store customer service as a part of their pre-purchase and postpurchase evaluations. This way the research aims to identify if customers with an impulsebuying tendency see in-store customer service as a factor in their postpurchase evaluations, and how this would be used to minimise store returns in apparel.

The research question and sub-questions for this study will be:

1. Can in-store customer service affect satisfied impulse purchasers' postpurchase behaviour in terms of store returns and how?

- What is the impulse buying tendency of satisfied customers who return products?
- Why and how often do satisfied impulse-buyers return products?
- Which age group is most likely to return products?

- Does the customer's mood at the point of purchase provoke store returns and postpurchase evaluations of in-store service?

- What is the relationship between satisfied impulse-buyers' expectations and experiences of in-store service?

- How do different age groups perceive in-store service after the purchase?

#### 1.4. Significance of the study

As previous research shows that average shoppers make an average of three unplanned purchases during 40% of all store visits<sup>5</sup>, it is important to acknowledge the existence of a prevalent impulse-buyer segment in fashion apparel. By looking at this customer segment's postpurchase behaviour, it can be discovered if in-store customer service can affect the mind-set of impulse-buyers and their tendency to store returns.

This study will be of significant importance to sole entrepreneurs in the textile industry and fashion retailers, who seek to influence impulse-buyers' postpurchase behaviour with the level of in-store service.

Therefore, this study will provide information as to why in-store customer service should be considered as a part of strategic marketing objectives to increase sales and customer loyalty. This study will also provide insights to how in-store service can influence impulse-buying behaviours.

<sup>&</sup>lt;sup>5</sup> See "Impulse Shopping Statistics" (accessed 29 November 2011),

http://www.infographicsinsights.com/2011/04/impulse-shopping-statistics.html

# 2. CHAPTER 2 – LITERATURE REVIEW

This chapter provides an in-depth review of literature related to impulse-buying: definitions and characteristics of impulse-buying and evaluations of impulse-buying behaviour as well as factors influencing impulse-buying behaviour. In addition, this chapter looks at in-store service and explains its purpose along with relevant literature to link impulse-buying behaviour with in-store service as an influencing factor. The literature review was built on the pre-research activity which started in September 2011. More literature review can be found in Appendices (see Appendix 1).

#### 2.1. Literature review

To understand postpurchase behaviour it is crucial to study the entire buyer decision process. Kotler et al. (2008) label the studying of the purchase decision process difficult as the answers are often locked within the consumer's head. The process has five stages: need recognition, information search, evaluation of alternatives, purchase decision and postpurchase behaviour.



Figure 1: Buyer decision process Source: Kotler et al. (2008) p. 265 The need recognition is the first stage of the process where the consumer discovers a problem or a want for something. The want for a product can be triggered by internal stimuli, person's normal needs, or by external stimuli, factors and situations that trigger want recognition. The next stage, information search, includes two levels. The consumer might enter heightened attention, where he/she becomes more receptive to information about the wanted product, or active information search, where the consumer looks for more information about the product. When evaluating alternatives, the consumer uses the information gained to choose a brand from the choice set. There are several evaluation processes consumers go through, for example, looking for certain benefits or attributes, product's importance, brand beliefs, and utility function. Moreover, there are two factors that can come between the consumer's purchase intention and the purchase decision. The consumer might be influenced by the attitudes of others or unexpected situational factors. Preferences and purchase intentions might not always result in actual purchase choice as many purchases involve some degree of perceived risk. This is dependent on the amount of money at stake, purchase uncertainty and the consumer's selfconfidence.

Stern (1962) classified buying behaviour as planned or unplanned. According to this classification, planned buying behaviour involves a time-consuming information search followed by rational decision-making (Stern, 1962) similar to the process described in Kotler's et al. (2008) model. Kim (2003) uses the term unplanned buying to refer to all purchases made without such advanced planning, including impulse-buying, which is distinguished by the relatively speedy decision-making encouraged

by stimuli. Unintended buying arises from a sudden urge to buy a specific item while shopping, and the desire and decision to buy occurs after the person sees the article (Hoch & Loewenstein, 1991). Unintended and unplanned have long been associated with impulse buying, but Jones et al. (2003) state that it is a necessary but not sufficient basis for categorising a purchase as an impulse purchase. Impulse purchases are not made to satisfy a particular requirement since the satisfaction may come from the act of shopping itself. Therefore, several of Kotler's et al. (2008) prepurchase steps are ignored in the impulse-buying process.



#### **Figure 2: A model of impulse buying process** Source: Kim (2003) p. 9

According to Kim's (2003) model of impulse buying, the process starts with product awareness. Impulse-buyers begin browsing without having an intention to purchase a certain item or visiting a certain store. As these consumers browse, they are exposed to the stimuli, which triggers customers' urge to buy on impulse (Kim, 2003). When impulse buyers feel the desire to buy, they come to a purchase decision, thus skipping the information search or evaluating alternatives steps. At the purchase decision stage, consumers feel an irresistible urge to buy regardless of their prior intention. Moreover, consumers may experience positive or negative consequences by the postpurchase evaluation after the purchase on impulse. Some consumers have reported dissatisfaction with a product, but maintain satisfaction that the purchase was made (MacInnis & Price, 1987). In this process, consumers are influenced by internal states and external factors that trigger their impulse purchase behaviour (Kim, 2003).

Impulse buying can be defined as an immediate purchase with no pre-shopping intentions (Beatty and Ferrell, 1998). Impulse buying behaviour is spontaneous, intense, exciting, and the purchaser often ignores the consequences (Rook, 1987). Impulse buying behaviour does not include in a great deal of evaluation. When buying on impulse, individuals are less likely to consider the consequences or to think carefully before making the purchase as the individual's attention is on the immediate gratification of responding to the urge to buy. Consistent with general impulsiveness, impulsive buying is immediate (Barratt, 1985). The time interval between seeing the item and buying it is very short and the decision to buy is made hastily (Jones et al., 2003). Therefore, the individual is not likely to postpone the purchase in order to gather more information, and makes a spontaneous decision to purchase the item without a delay.

Impulse-buying is a trait of consumer behaviour, and the behavioural motivations of impulse-buying must be researched to understand why so many consumers appear to act on their buying impulse so frequently (Kim, 2003; Beatty & Ferrell 1998). The pervasiveness of impulse-buying, even for relatively expensive products, led researchers to look at impulse-buying as an inherent individual trait, rather than a response to inexpensive product offerings (Cobb & Hoyer, 1986). Recent researches

appear to agree that impulse-buying involves a hedonic or affective component (Wenn et al., 1998; Puri, 1996). Today's research suggests that impulse-buying behaviour is much more complex than previously conceptualised as consumers vary in their impulse-buying tendency (Puri, 1996).

Impulse-buying behaviour is thought to stem from the desire to satisfy multiple needs that underlie many types of buying behaviour (Hausman, 2000). When a consumer is exposed to stimuli suggesting that a need can be satisfied through the purchase, the consumer engages in impulsive purchasers although had no prior information of a new product or intention to purchase the item (Kim, 2003). Moreover, retailers are continually trying to increase the number of impulse purchases through store design, product displays, package design, and sales (Hoyer & MacInnis, 1997). Several different types of internal states and environmental stimuli can influence impulse buying. Internal cues include respondents' positive and negative feeling state, and environmental cues include retail settings, marketercontrolled cues, and marketing mix stimuli (Youn & Faber, 2000).

Gardner and Rook (1988) identified affect or mood as a variable influencing impulse purchasing, while 85% of survey respondents indicated to be more prone to impulse buying when in a positive mood than a negative mood. Respondents in a positive mood reported to have the desire to reward themselves and higher energy levels. Piron (1991) supports the statement that impulse-buying satisfies hedonic desires and emotional support needs can be satisfied with the social interaction present in the shopping experience. Since the goal of the shopping experience is to satisfy hedonic needs, the products purchased during these excursions appear to be bought without prior planning and represent an impulse-buying event (Kim, 2003). Moreover, a study made by Darden et al. (1983) showed that consumers' beliefs about the store's physical attractiveness had a high correlation with the choice of a store, supporting the fact that store environment, of which in-store customer service plays an important role, can influence consumers' decision-making.

Batra & Ray (1986) state that affective reactions to consumption stimuli must be studied in order to fully understand consumer behaviour. Moreover, Price, Arnould & Deibler (1995) state that understanding the role of emotions in the evaluation process is particularly important for the study of service encounter as pre-process service setting may influence consumer evaluations of the core service (Walker, 1995). Due to the interactive nature of services the importance of social situations and environments in which consumption takes place are enhances in addition to the internal state of people in customer evaluations of the service encounter (Bateson & Hoffman, 1999). Donovan & Rossiter (1982) identify that feelings and emotions experienced during the service delivery process are necessary to adequately capture the experiential nature of the service encounter. Oliver (1993) suggested that affect can act as a mediator between cognitive evaluations, and emotions can contribute independently to satisfaction. Therefore, affect can be a determinant of consumer satisfaction.

According to Mattila and Wirtz (2008) unplanned purchases are linked to consumer moods and pleasant environments. They argue that the stimulation in reference to

the consumer's idiosyncratic expectations drive impulse-buying. Over-stimulation seems to lead to momentary loss of self-control, which enhances the likelihood of impulse purchases. Therefore, the study made by Mattila and Wirtz (2008) suggests that store managers use a number of variables to increase stimulus in the store environments. The study found that fast tempo, high volume music, warm colours such as orange, yellow and red, and ambient scents such as citrus fragrances, increase stimulation levels. Besides these factors increasing the likelihood of impulse purchases, the study findings showed that social factors are also of influence. The interactive effect of perceived crowding and employee friendliness are two factors to be considered together in store design. Perceived crowding tends to have a negative impact on consumer's evaluations and behavioural responses, but it can be reduced by training the staff to be extra friendly at crowded times. Thus, it can be said that in-store customer service has a positive effect on increasing impulse purchases.

Due to the intangible nature of services, much can be gained by examining the role of atmospherics in surrounding or packaging the service encounter (Hoffman & Turley, 2002). Since services are performed "inside the factory," atmospherics can impact both employee and consumer behaviour and the degree to which a service transaction is successfully conducted (Bitner, 1992). Atmospheric variables were found to have an effect on the three primary stages of consumer decision-making processes: prepurchase, consumption, and postpurchase evaluations.

Successful use of store atmospherics decrease perceived risk prior to purchase, thus indicating the tendency to impulse purchases. Therefore, store atmospherics are

proposed to play a critical role in forming customer satisfaction evaluations by managing consumer expectations and perceptions (Hoffman & Turley, 2002). Moreover, Bitner (1992) suggested that the service setting can affect consumers' emotional, cognitive, and physiological responses, which in turn influence their evaluations and behaviours. Therefore, in-store service may influence the consumer's affective state in either a positive or negative direction (Mehrabian & Russell, 1974), which in turn may affect postpurchase evaluations.

Mattila & Wirtz (2000) state that consumers evaluate consumption experiences and make satisfaction judgements by comparing perceived performance with some preconsumption standard. Moreover, consumers' mood states are found to influence their immediate product evaluations (Gardner, 1985). The better the mood, the more the consumer is likely to engage in positive product evaluations. Mattila & Wirtz (2000) also translate the pre-consumption mood effects into consumers' postpurchase evaluations by stating that when an individual enters into the core delivery of the service in a positive affective state, he or she will tend to perceive the entire service experience in a more positive manner. Conversely, negative affective states are related to negative cognitions where the consumer is likely to evaluate the experience as worse than expected (Babin, Darden & Babin, 1998). Thus Mattila & Wirtz (2000) suggest that managers can manipulate elements or atmospherics in the store environment to increase post-experience satisfaction levels and future purchase behaviour.

Lin (2009) identified that the smaller the difference between expectations and perception of service quality is, the more the consumers will show their loyalty in postpurchase behaviour. When the gap between the expectation and perception of service quality is larger, the more the customers will engage in negative postpurchase communications, making complaints and convert to other brands. When the difference is bigger between customer expectation and perception of service quality, the personality trait of external control orientation may prevail over the personality trait of internal control orientation (Lin, 2009).

Grönroos (1984) also defined service quality as a perceived judgment, resulting from an evaluation process where customers compare their expectations with the service they perceive to have received. According to his study the quality of service is dependent on two variables: expected service and perceived service, and that any previous experience with a service could influence the expectations of a customer, whereas the perceived service is the result of a customer's perception of the service itself. Service is a direct factor affecting the building of customer loyalty, which is generally described as occurring when customers repeatedly purchase a good or service over time and customers hold favourable attitudes towards a good or service, or towards the company supplying the good or service (Cheng & Chi, 2009). Darian et al. (2001) have identified that the interaction between customers and salespersons constitutes a unique and important dimension of performance, which could have a strong impact on retail customer loyalty. Therefore placing emphasis on in-store customer service is essential in creating customer loyalty.

Moreover, previous studies have identified that the merchandise attributes of price, quality and selection in conjunction with the service provided by staff are especially important to customers when they purchase fashion clothing (Birtwistle, Clarke & Freathy, 1998). A study made by Birtwistle, Clarke and Freathy (1998) indicates that customers with service-oriented emphasis returned to the store due to friendly and helpful staff, and shows that they were satisfied with past purchases. This suggests that in-store customer service is a powerful determinant of postpurchase behaviour.

Customers with service-oriented emphasis have certain expectations about the level of service. Several studies have reported a positive relationship between expectations and satisfaction (Voss, Parasuraman & Grewal, 1998). In order to identify how the level of in-store service affects customers' postpurchase behaviour, managers need to conduct postpurchase segmentation, realising that consumers vary with respect to the components of satisfaction (Giese & Cote, 2000). By concentrating on the postpurchase segments who return purchases, managers can offer different satisfaction attributes to cater for several types of consumers. Customers who perceive in-store service as an attribute in their postpurchase decision-making may respond to improved in-store customer service with postpurchase satisfaction.

Mattila (2003) states that consumers do not consciously process consumption experiences. The author argues that satisfaction judgements are updated and adjusted only under limited conditions, such as negative or highly delightful consumption experiences. According to Kotler et al. (2008) the satisfaction gained

lies in the relationship between the consumer's expectations and the product's perceived performance. The larger the gap between these determinants, the greater the consumer's dissatisfaction. Almost all purchases result in cognitive dissonance, buyer discomfort caused by postpurchase conflict, as every purchase involves a compromise. The consumer is dissatisfied with the drawbacks of the chosen brand and losing the benefits of the brands not purchased. However, cognitive dissonance in impulse-buying differs from normal postpurchase evaluation process. A study shows (Rook & Fisher, 1995) that only 20% of respondents felt bad about their impulse buying and 41% felt good about their impulse purchases. Hausman (2000) provides an explanation supporting the hedonic modification for impulse buying by stating that consumers buy products for a number of non-economic reasons.

Returning a product to a retailer is a part of postpurchase behaviour, which includes a variety of factors such as product-related variables, consumer's personal characteristics and store atmospherics (Kang & Johnson, 2009). Kang and Johnson (2009) state that it is unlikely that excessive product return behaviour is due solely to product failure. Kotler et al. (2008) also identify the gap between consumer's expectations and the product's perceived performance causing dissatisfaction. The company should promise only what their brand can deliver. According to the study made by Kang and Johnson (2009), frequent apparel return behaviour is positively related to impulse-buying behaviour and the store's return policies. Kang and Johnson's (2009) findings suggest that individuals who are impulsive buyers or whose purchases are highly influenced by a store's return policies and frequently bring their purchases back to retailers may experience a postpurchase process

different from those of other consumers. This process differs so that consumers are thought to return their purchases even though they are quite satisfied on some level with their purchases. Thus Kang and Johnson (2009) point out that existing models of postpurchase behaviour need to be revised, and therefore this research is concentrated on studying satisfied customers who nevertheless return products. To minimise store returns it is essential to research how to move an initial impulse purchase into a permanent adoption (Kang & Johnson, 2009).

#### 2.2 Summary

Impulse-buying is a trait of consumer behaviour (Kim, 2003) and consumers vary in their impulse-buying tendency (Puri, 1996), which can be affected by the respondents' positive and negative feeling state and environmental cues such as retail settings (Youn & Faber, 2000). Gardner and Rook (1988) identified that respondents in a positive mood were more prone to impulse purchasing. Bitner (1992) suggested that the service setting can influence consumers' evaluations and behaviour by influencing the consumer's affective state in either a positive or negative direction, which in turn may affect postpurchase evaluations (Mehrabian & Russell, 1974). Previous studies also show that service provided by staff is especially important to customers when they purchase fashion clothing (Birtwistle, Clarke & Freathy, 1998). Feelings and emotions experienced during the service delivery process are necessary to capture the experiential nature of the service encounter (Donovan & Rossiter, 1982). Affect can act as a mediator between cognitive evaluations, and emotions can contribute independently to satisfaction (Oliver, 1993). Moreover, store atmospherics are proposed to play a critical role in forming customer satisfaction evaluations by managing consumer expectations and perceptions (Hoffman & Turley, 2002). Lin (2009) identified that the smaller the gap between the expectations and perceptions of service quality is, the more the consumers will show their loyalty in postpurchase behaviour.

# **3. CHAPTER 3 – METHODOLOGY**

The purpose of this study is to discover if satisfied impulse-buyers' postpurchase evaluations can be affected via in-store customer service, and how this can be used to minimise store returns in apparel.

The research question and sub-questions are presented below as stated in Section 1.3. Research Questions. The research question and sub-questions are repeated here to help the reader's clarity of the research topic.

1. Can in-store customer service affect satisfied impulse purchasers' postpurchase behaviour in terms of store returns and how?

- What is the impulse buying tendency of satisfied customers who return products?
- Why and how often do satisfied impulse-buyers return products?
- Which age group is most likely to return products?

- Does the customer's mood at the point of purchase provoke store returns and postpurchase evaluations of in-store service?

- What is the relationship between satisfied impulse-buyers' expectations and experiences of in-store service?

- How do different age groups perceive in-store service after the purchase?

#### 3.1. Population and sampling

The population for this study is defined as all satisfied customers who return or exchange apparel due to impulse purchase decisions during the sample time frame.

Previous study shows that 13 to 24-year-olds have a 42% chance, 25 to 34-year-olds 43% chance, 35 to 55-year olds 35% chance, and 56 to 70-year-olds 34% chance of buying clothing on impulse<sup>6</sup>. Therefore, the impulse-buying behaviour of different consumer groups is worth researching. The sample group for this research was selected from customers who returned or exchanged apparel in Gallery in Helsinki, Finland. According to the previous studies, 60% of females have made an impulse purchase in the past year<sup>7</sup>. Because it is assumed that women are more likely to purchase on impulse, the majority respondents were expected to be women. This demographical limitation is not considered as a negative factor for this study since studies show that women are prone to impulse-buying behaviour.

The store receives approximately 30 returns or exchanges in a week, which makes it around 1,560 returns or exchanges in a year. In order for the sample size to represent the population, the sample size has been determined according to the sample error formula (Burns & Bush, 2010).

Sample error formula =  $\pm$ Sample error % = 1.96 x  $\sqrt{\frac{p \times q}{n}}$ 

http://www.infographicsinsights.com/2011/04/impulse-shopping-statistics.html

<sup>&</sup>lt;sup>6</sup> See "Impulse Shopping Statistics" (accessed 29 November 2011),

<sup>&</sup>lt;sup>7</sup> See "Impulse Shopping Statistics" (accessed 29 November 2011),

http://www.infographicsinsights.com/2011/04/impulse-shopping-statistics.html

As the variability is uncertain, a 50-50 approach is used assuming the worst possible case that there would be a vast variability between respondents. A 95% level of confidence is used, and the CEO of Gallery would like the results to be  $\pm$ 20% accurate. From the surveys administered, 23 were complete and valid for data analysis.

Sample size computed with p = 50% and q = 50%

$$\pm$$
 Sample error = 1.96 x  $\sqrt{\frac{(50 \times 50)}{23}} \approx 20,4\%$ 

The sample error calculation means that in order for the results to be  $\pm 20\%$  accurate, all 23 questionnaires should be processed. This can also be confirmed through the standard sample size formula (Burns & Bush, 2010).

Standard sample size formula = 
$$n = \frac{z^2(pq)}{e^2}$$

Using the same 95% level of confidence, sample error and p and q values as in the formula above, the standard sample size is as follows:

$$n = \frac{1.96^2(50 \ x \ 50)}{20^2} = 24,01$$

According to the standard sample size formula, 24 questionnaires should be selected as a sample for the sample to represent the population. As only 23 questionnaires were valid for data analysis, the impact of missing one questionnaire is not considered relevant since the formulas have been calculated with the worst case variability.

Thus, this research will use purposive sampling, a non-probability sampling method. The sales personnel have knowledge about the population, and thus will choose the types of individuals that they feel constitute as the sample. The sales personnel and the customers have a tight relationship, and thus the sales personnel can easily identify and approach the population. The sampling was carried out in May 2012 in the store in Helsinki, Finland.

## 3.2. Instrumentation

The instrument used for this research was in a questionnaire format (Appendix 2). The reason why this instrument was chosen is that the research questions were easily translatable into specific questions. A questionnaire was also relatively easy to distribute which was an important factor given the client's time constraints. With the help of the sales personnel, the questionnaire captured the opinions of the target customers in a way that was easy to analyse.

The questionnaire was distributed in three languages due to the fact that Finland has two mother tongues, Finnish and Swedish, and the store also receives English speaking customers. Some of the questions were created by the researcher with the help of the researcher's advisory report supervisor, and questions regarding impulsebuying tendency were taken from a previous study by Kim, 2003 (see Appendix 3). The questionnaire consisted of seven questions. The questionnaire seeks to clarify the respondents' impulse-buying behaviour, in relation to store returns and perceptions of in-store customer service, ultimately affecting their postpurchase evaluations.

The first section of the survey looked at the customer specifics. In order to determine that the respondent was a satisfied customer, the first question sought to eliminate all respondents who returned or exchanged products due to product failure. The question also illuminates the research question why satisfied customers return apparel. In order to determine which age category can most be influenced by in-store service, the respondent was asked to choose the correct age category. Moreover, Babin, Darden & Babin (1998) state that the consumer is likely to use his or her mood state as an input to the evaluation process. They argue that good moods are linked to positive associations in memory whereas a person in a bad mood will perceive the service consumption experience in a more negative way. Thus, question three seeks to point out if the customer's mood at the point of purchase has an effect on his or her postpurchase evaluations. Finally, question four seeks to measure the relationship between store returns and impulse-buying tendency by asking how many items of apparel the respondent normally returns or exchanges in a month.

Section two measures the customers' impulse-buying tendency. A five-point scale ranging from never=1 to frequently=5 was used to measure impulse-buying

tendency according to Kim (2003) who identified three criteria for unplanned purchases: response to in-store stimuli, no previously recognised problem and rapidity of purchase decision.

Section three used a three-point box measuring ranging from "Better than expected" to "Worse than expected" to measure the customer's expectations and experiences with the store's in-store service. Lin (2009) found out that the smaller the difference between expectation and perception of service experience quality, the more loyalty the customer would have in his postpurchase behaviour.

#### 3.3. Procedure and time frame

The survey questionnaire and the suitability and clarity of questions were discussed with the researcher's advisory report supervisor prior to handing them over to the client. Data was collected for a period of seven days starting on the 11<sup>th</sup> of May and ending on the 18<sup>th</sup> of May 2012.

As the survey was conducted in a street fashion store, participants were expected to be teenagers or adults, aged 10 or over. Moreover, the store personnel were informed to hand-out the questionnaire to participants aged 10 or over. As the customer would come and return or exchange the product, the questionnaire would be given for the respondent to fill out while the in-store personnel administer the return or exchange. The in-store personnel were to explain the purpose of the study and contact the researcher directly in case they had any questions or comments

regarding the research or the questionnaire. On the whole 32 surveys were handed out. The survey completion time was approximately five minutes. From the questionnaires administered 23 were complete which indicated a 71, 9% usable response rate. There was no incentive offered for participating in this research.

#### 3.4. Analysis plan

Before the questionnaire was distributed, the advisory report supervisor was consulted to ensure the questions would be applicable and also to determine the most suitable statistical method to use in this research. Microsoft Excel software will be used for data analyses.

The dependent variable of this research is clearly satisfied customers' impulsebuying tendency. This was measured through five sub-questions in the questionnaire (question 5; Appendix 2) following a five-point scale ranging from never=1 to frequently=5.

The independent variable of this research is in-store service and how it could influence customers' impulse-buying behaviour. In-store service quality questions (questions 6-7; Appendix 2) were contrasted against store returns and postpurchase evaluations to see if a relationship exists between in-store service and positive postpurchase behaviour.

The analysis plan is as follows. A frequency table will be generated to describe the sample in terms of demographics. The first sub-question will be presented as descriptive statistics for the dependent variable indicating the number of cases, mean value, and standard deviation, which indicates the distribution of responses. The means for each of the impulse-buying tendency questions will be presented as a column chart (question 5; Appendix 2). To analyse sub-question two, two different frequency tables will be drawn to represent the reason for exchanging or returning a product (question 1; Appendix 2), and the number of returns in a month (question 4; Appendix 2). The third sub-question will be presented as a frequency table indicating the number of returns in a month by age categories (questions 2 and 4; Appendix 2). The fourth sub-question will be presented as two frequency tables. The first table represents the customer's mood at the point of purchase in relation to store returns or exchanges (questions 3-4; Appendix 2). The second table represents the customer's mood at the point of purchase in relation to his postpurchase evaluations of in-store service (questions 3 and 7; Appendix 2). The fifth sub-question will be represented as a frequency table illustrating the relationships between satisfied impulse-buyers' expectations and experiences of in-store service (questions 6-7; Appendix 2). Finally, sub-question six will be presented as a frequency table indicating how different age groups perceive in-store service after the purchase (questions 2 and 7; Appendix 2).

#### 3.5. Validity and reliability

Section one and three in the questionnaire were developed by the researcher. In order to assess the questionnaire's readability and face validity, the questionnaire was analysed with a Fog Index calculator<sup>8</sup> indicating a Fog Index of 9.1. Therefore the questionnaire is proven to have excellent readability and a low likelihood of misunderstandings as the Fog Index is below thirteen<sup>9</sup>. Moreover, the researcher's advisory report supervisor was consulted before releasing the questionnaire to receive an expert opinion. The questionnaire was also piloted with five 20 to 30year-old female classmates who have acknowledged tendency to impulse purchasers, making the questionnaire appropriate for the population. The layout and the visuals of the questionnaire were also modified to make the instrument look more like a questionnaire.

After expert opinion and questionnaire piloting, changes were made to assure the questionnaire had validity. It is now measuring three different topics: customer specifics also in terms of store returns or exchanges, impulse-buying tendency and the store's in-store service quality. This makes the questionnaire comprehensive enough to collect information needed to analyse the research questions and to address the purpose and goals of the study. Table 1 addresses the content validity of the questionnaire.

<sup>&</sup>lt;sup>8</sup> See "FOG Index Calculator" (accessed 10 May 2012), http://www.panix.com/~dhf/fog.html

<sup>&</sup>lt;sup>9</sup> See "Check your Fog Index" (accessed 10 May 2012), http://www.thelearningweb.net/fogindex.html

Table 1: Empirical Support for the Questionnaire

Questionnaire	Empirical Support (question number)
Section 1: Customer Specifics	Items 1,2 & 4 were developed by the
1. Why did you return or exchange the product?	researcher.
2. Which age category do you belong to?	
3. What mood were you in at the point of	Gardner & Rook, 1988; Babin, Darden &
purchase?	Babin, 1998; Mattila & Wirtz, 2000 (3)
4. How many items of apparel do you	
normally return or exchange in a month?	
Section 2: Impulse-buying tendency	See Appendix 4.
Section 3: In-store service quality	
6. What were your expectations of the	Lin, 2009 (6-7)
store's in-store service quality prior to	
purchase?	
7. What was your experience with the store's	
in-store service after the purchase?	

The pilot test with five classmates was also used to measure the questionnaire's reliability. Equivalent form reliability was measured by the correlation between a group's scores on two forms of the same test. Two forms of the same test were given to everyone in the test group, and those two sets of scores were correlated by comparing the means of all questions (Burns & Bush, 2010). Questionnaire x received a mean of 32,4 whereas questionnaire y received a mean of 32. Therefore the xy value is 111,36, the  $x^2$  value is 113,36 and the  $y^2$  value is 109,76. The questionnaire contained 11 questions when question 5 was broken down to five separate questions.

$$Correlation = \frac{N\Sigma xy - (\Sigma x)(\Sigma y)}{\sqrt{(N\Sigma x^2 - (\Sigma x^2))(N\Sigma y^2 - (\Sigma y^2))}}$$

$$Correlation = \frac{(11 x 111,36 - (32,4)(32))}{\sqrt{(11 x 113,36 - (32,4^2))(11 x 109,76 - (32^2))}} \approx 0.99$$

The calculation of the correlation showed an overall reliability of 0.99 which proves that the questionnaire is highly reliable.

Section two in the questionnaire was developed by Kim (2003). Content validity statements can be found from Appendices (see Appendix 4). Principal component analysis with Varimax rotations was conducted for the college students' impulse buying tendency variable. After that, components with Eigen values over one were extracted. Internal consistency was checked using Cronbach's alpha to ensure the reliability of data reduction. College students' impulse buying tendency loaded into two components with Eigen values over one. Four of the items loaded into the first component, and one item loaded into the second component suggesting that one item ("3. After I make an impulse purchase, I feel regret.") represented a different concept from that of the four other items. Overall the reliability test showed an overall reliability of .62 for all of the five items.

#### 3.6. Assumptions

The following assumptions were made in this study:

1. It is assumed that the small sample represents the population. Satisfied customers were identified as those who return to any other reason except product failure. If dissatisfied customers were also included in the study, the research results might have been different. 2. It is assumed that the instrument of the research, the in-store questionnaire, was measuring the research questions formed in Section 1.2. Research questions.

3. It is assumed that the instrument of the research, the in-store questionnaire, has validity. This is assumed due to the pre-testing procedure and linking the theoretical foundations with the research questions in the questionnaire.

4. It is assumed that the responses are valid for data processing and that the respondents have answered the questionnaire truthfully.

5. It is assumed that the respondents were familiar with the terms used in the questionnaire, and that the staff personnel were able to correctly assist and explain the terms in case any queries were raised.

#### 3.7. Limitations

The following limitations were considered in this study:

1. The sample was small and considered people living in or visiting the Helsinki area only. If the research would have been carried out in a nationwide fashion retailer, the results might have been different.

2. The study asked the respondents to answer the questions based on their impulsebuying experience and to memorise the point of purchase experience. Not all respondents might be aware of their behaviour or remember the service quality they consumed at the day of purchase.

3. The questionnaire used both a quantitative as well as a qualitative method.However, using a more qualitative approach might have produced different results.

4. The respondents might have had time constraints. Since the questionnaire was to be completed at the point of return while the sales personnel administer the return, some respondents might have rushed their answers after a return was made. Thus, time pressure might have affected the quality of data.

5. The respondents might have misread or misunderstood the research questions. Having produced the questionnaire into three different languages might have produced inaccurate questions or the technical language was too difficult for the customers to understand.

#### 4. CHAPTER 4 – RESULTS

A detailed description of the data analysis is provided in this chapter. Each research question is examined individually followed by descriptive tables. Data collected via the questionnaire was entered into an Excel file, and then generated into tables and graphs. Statistical methods used for the data analysis in this study were descriptive statistics and frequency tests.

#### 4.1. Descriptive statistics for demographics

Descriptive statistic analysis was conducted to check any errors in the data entry. Frequency table was generated to describe the sample in terms of demographics.

Descriptive statistics for the sample can be found in Table 1 providing information about the respondents' age. Most of the respondents were 20 to 29-year-olds (43,5%), and the second largest age group was 10 to 19-year-olds (39,1%). The smallest age group was 30 to 39-year-olds (17,4%).

To determine the average age of respondents, the median values of each age group were taken and then multiplied with the age group's respective percentage. The average age of respondents was 22 years.

Question		Frequency	Valid frequency percent (%)
	10-19	9	39,1%
	20-29	10	43,5%
Age	30-39	4	17,4%
	40-49	0	0%
	50-59	0	0%
	60-69	0	0%
	70+	0	0%

#### **Table 1: Descriptive statistics for demographics**

#### 4.2. Analyses

Sub-question 1: What is the impulse buying tendency of satisfied customers who return products?

Five items were used to measure the dependent variable, respondent's impulsebuying tendency. Table 2 presents the descriptive statistics for the dependent variable. Table 3 represents the means for each of the five items in section two (see Appendix 2), from which standard deviation was calculated (Table 2).

The mean (3.78) indicates that the respondents have a rather high impulse-buying tendency (Table 2). Moreover, the standard deviation of the responses (0.1689) indicates that the distribution is greatly compressed and the responses were similar to the mean of all of the five items. This indicates that all respondents have an impulse-buying tendency, and the degree of tendencies between the respondents was similar.

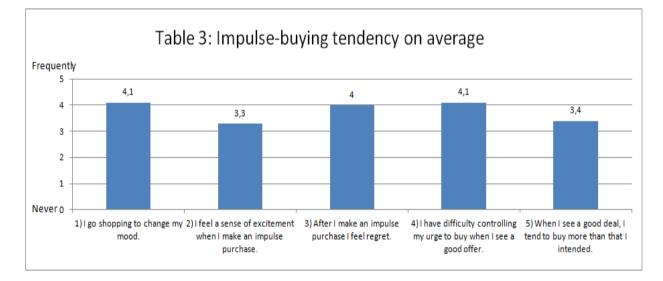
The means of the five items are presented in Table 3, which indicates high impulsebuying tendency in section two's sub-questions one, three and four (see Appendix 2). This indicated that the respondents go shopping rather frequently to change their mood as well as feel regret after an impulse purchase. Moreover, the respondents had most frequently the difficulty of controlling their urge to buy when they saw a good offer.

#### Table 2: Descriptive statistics for the dependent variable

Variable	Number of cases	Mean	Standard deviation	
Impulse-buying tendency	23	3.78	0.1689	

Scale value: Never=1 to Frequently=5

#### Table 3: Impulse-buying tendency on average



Sub-question 2: Why and how often do satisfied impulse-buyers return products?

Frequency tables were generated from the sample to represent the reason for exchanging or returning a product (Table 4), and the number of returns or exchanges the respondents were likely to make in a month (Table 5).

Table 4 indicates that change of mind was the most common reason for returning or exchanging a product (78,3%). Other two common reasons for returning or exchanging a product were wrong size (17,4%) and regret (9,1%). Thus the most likely reason for a return or exchange was that the respondent had simply changed their mind about the product.

Table 5 indicates that most of the respondents return or exchange one to three products in a month (73,9%) and more than one fourth of respondents four to six times a month (26,1%). None of the respondents reported to return or exchange more than seven items in a month. Thus the results indicate that most of the respondents were likely to return or exchange one to three items in a month.

Table 4: Reason for exchanging or returning a product

Reason for exchange or return	Frequency	Valid frequency percent (%)
Regret	1	4,3%
Change of mind	18	78,3%
Wrong size	4	17,4%

#### Table 5: Number or returns or exchanges in a month

Number or returns or exchanges in a month	Frequency	Valid frequency percent (%)
1 to 3	17	73,9%
4 to 6	6	26,1%
7 to 10	0	0%
10 or more	0	0%

#### Sub-question 3: Which age group is most likely to return products?

To indicate the age group most likely to return or exchange products, a frequency table was generated from the sample data leaving out the null values.

Table 6 indicates that 20 to 29-year-olds (34,8%) and 10 to 19-year-olds (26,1%) are the most likely age groups to return or exchange products. As presented in Table 6, these age groups have the tendency of returning or exchanging one to three items in a month. Moreover, 10 to 19-year-olds are most likely to return or exchange four to six items in a month (13,05%) whereas 20 to 29-year-olds are less likely to return or exchange that many items in a month (8,7%). Thus the table indicates that 20 to 29year-olds are most likely to return or exchange products on the whole (43,5%), followed by 10 to 19-year-olds (39,15%) and 30 to 39-year-olds (17,35%).

Age group	Number of returns or exchanges in a month	Frequency	Valid frequency percent (%)
10-19	1 to 3	6	26,1%
	4 to 6	3	13,05%
20-29	1 to 3	8	34,8%
	4 to 6	2	8,7%
30-39	1 to 3	3	13,05%
	4 to 6	1	4,3%

Table 6: Number of items returned or exchanged in a month by age groups

## Sub-question 4: Does the customer's mood at the point of purchase provoke store returns and postpurchase evaluations of in-store service?

Two frequency tables were generated to first represent the customer's mood at the point of purchase in relation to store returns or exchanges (Table 7) and secondly to represent the customer's mood at the point of purchase in relation to his postpurchase evaluations of in-store service (Table 8). The null values of the number of returns or exchanges in a month were left out from the tables.

Most of the respondents answered to be on a good mood (65,2%) whereas some reported to be in a neutral (21,7%) or bad (13%) mood at the point of purchase. As Table 7 indicates, customers who were in a good mood at the time of purchase were the most likely to return or exchange one to three items in a month (47,8%) or four to six times a month (17,4%). Respondents in a neutral mood were less likely to return or exchange items with the tendency of returning or exchanging one to three items in a month (17,4%). Only a small proportion of respondents in a neutral mood reported to return or exchange four to six items a month (4,3%). Those in a bad mood were most likely to return one to three items in a month (8,7%) than four to six items in a month (4,3%). Thus the results indicate that respondents in a good mood were more prone to store returns or exchanges.

Table 8 indicates that the majority of respondents who were in a good mood at the point of purchase experienced the in-store service better than expected (52,2%). A small proportion of the respondents in a good mood experienced the in-store service

as same as expected (8,7%) or worse than expected (4,3%). The respondents in a neutral mood were more likely to experience the service as same as expected (13,0%) than better than expected (8,7%). On the other hand, respondents in a bad mood at the point of purchase experienced the in-store service better than expected (8,7%) than same as expected (4,3%). Thus the results indicate that the respondents in a good mood were most likely to experience the in-store service as better than expected.

Mood	Number of returns or	Frequency	Valid frequency
	exchanges in a month		percent (%)
Good	1 to 3	11	47,8%
	4 to 6	4	17,4%
Neutral	1 to 3	4	17,4%
	4 to 6	1	4,3%
Bad	1 to 3	2	8,7%
	4 to 6	1	4,3%
N/A	1 to 3	0	0%
	4 to 6	0	0%

Table 7: Customer's mood at the point of purchase in relation to store returns or exchanges

### Table 8: Customer's mood at the point of purchase in relation to postpurchase evaluations of in-store service

Mood	Postpurchase evaluation of service	Frequency	Valid frequency percent (%)
Good	Better than expected	12	52,2%
	Same as expected	2	8,7%
	Worse than expected	1	4,3%
Neutral	Better than expected	2	8,7%
	Same as expected	3	13,0%
	Worse than expected	0	0%
Bad	Better than expected	2	8,7%
	Same as expected	1	4,3%
	Worse than expected	0	0%
N/A	Better than expected	0	0%
	Same as expected	0	0%
	Worse than expected	0	0%

# Sub-question 5: What is the relationship between satisfied impulse-buyers' expectations and experiences of in-store service?

A frequency table was generated to represent the connection between respondents' expectations and experiences of in-store service (Table 9).

Table 9 shows that the majority of the respondents expected the in-store service to be same (43,5%) or better (43,4%) as expected. Only a small percentage of respondents expected the in-store service to be worse than expected (13,0%). Most of the customers who expected the in-store service to be better experienced the instore service even better than expected (30,4%). The second largest group expected the in-store service to be the same as their perceptions but experienced the in-store service better than expected (26,1%). A relatively large percentage also had same expectations of in-store service and experienced it the same after purchase (17,4%). A small proportion of the respondents expected the in-store service to be better but experienced it the same (8,7%) or worse than their expectations (4,3%). In addition, those who expected the in-store service to be worse found the service better than their expectations (13,0%). As already indicated in Table 8, most of the respondents found the overall in-store service as better than expected (69,6%). Thus Table 9 suggests that if the respondents expected the in-store service to be better, they were likely to experience the service even better. Additionally, if the respondents expected the in-store service to be same as expected, they were likely to experience the service better than expected or same as expected. Those who expected the instore service to be worse found the in-store service better than expected (13,0%).

Expectations of in- store service	Experiences of in-store service	Frequency	Valid frequency percent (%)
Better than expected	Better than expected	7	30,4%
	Same as expected	2	8,7%
	Worse than expected	1	4,3%
Same as expected	Better than expected	6	26,1%
	Same as expected	4	17,4%
	Worse than expected	0	0%
Worse than expected	Better than expected	3	13,0%
	Same as expected	0	0%
	Worse than expected	0	0%

Table 9: Satisfied impulse-buyers' expectations and experiences of in-store service

# Sub-question 6: How do different age groups perceive in-store service after the purchase?

A frequency table was drawn to indicate how different age groups perceived in-store service in their postpurchase evaluations (Table 10). Age groups with null values were excluded from the table.

Table 10 indicates that 10 to 19-year-olds was the most likely age group to evaluate the in-store service better than expected (30,4%). Only a small percentage of the age group reported their postpurchase evaluations of in-store service to be same as expected (4,3%) or worse than expected (4,3%). The majority of 20 to 29-year-olds experienced the in-store service better than expected (26,1%). A relatively large percentage of 20 to 29-year-olds also ranked the in-store service to be same as expected (17,4%). 30 to 39-year-olds were also likely to experience the in-store service better than expected (13,0%) or same as expected (4,3%). Thus according to the results 10 to 19-year-olds are most likely to perceive in-store service better than expected after purchase, followed by 20 to 29-year-olds and 30 to 39-year-olds.

Age group	Postpurchase evaluation of service	Frequency	Valid frequency percent (%)
10-19	Better than expected	7	30,4%
	Same as expected	1	4,3%
	Worse than expected	1	4,3%
20-29	Better than expected	6	26,1%
	Same as expected	4	17,4%
	Worse than expected	0	0%
30-39	Better than expected	3	13,0%
	Same as expected	1	4,3%
	Worse than expected	0	0%

Table 10: Different age groups' perceptions of in-store service after purchase

#### **5. CHAPTER 5 – CONCLUSIONS AND RECOMMENDATIONS**

The descriptive statistics and frequency tests in Chapter 4 indicated the following results. Most of the respondents were aged between 20 to 29 years, and the average age of respondents was 22 years. None of the respondents were aged 40 or over.

All of the respondents scored to have a high tendency to impulse purchases. Moreover, respondents scored especially high in going shopping to change their mood, feeling regret after an impulse purchase, and having the difficulty controlling their urge to buy when they saw a good offer.

The number one reason for returning or exchanging a product was that the customer had changed his mind. Nearly one fifth of the respondents returned due to wrong size, and a small proportion due to regret. A significant majority of respondents returned one to three items of apparel a month, and more than one fourth four to six items a month. 20 to 29-year-olds were most likely to return or exchange apparel.

The results also indicated that respondents in a good mood were more prone to store returns or exchanges. Moreover, the respondents in a good mood were most likely to experience the in-store service as better than expected. Customers in a neutral or bad mood did not indicate that their mood affected their postpurchase evaluations negatively. Only small percentages of respondents in a good mood indicated to have somewhat negative postpurchase evaluations.

Most of the respondents expected and experienced the in-store service better than expected. Those who expected the in-store service to be the same were likely to experience the service better than expected or same as expected. Supporting the positive postpurchase evaluations found in mood affects, respondents who expected the in-store service to be worse found the in-store service better than expected. Overall, 10 to 19-year-olds and 20 to 29-year-olds were most likely to engage in positive postpurchase evaluations.

#### 5.1. Discussion

Since the research was carried out in a street fashion store, it was not a surprise that the average age of respondents was 22 years. Thus it was clear that the age group most likely to return or exchange items was 20 to 29-year-olds. This only indicates that the sample represents the target population.

Impulse-buying is a trait of consumer behaviour (Kim, 2003) which the respondents showed by ranking high on impulse-buying tendency. By contrasting the impulsebuying tendency results in Finland to the study made by Kim (2003) in the University of Georgia, the United States of America, it is evident that the Finnish consumers go shopping more frequently to change their mood, and feel significantly more regret after an impulse purchase. However, the American and Finnish respondents are similar in their incapability of resisting their urge to buy when they see a good offer, and do somewhat buy more than intended when they see a good deal. Moreover, the sense of excitement to make an impulse purchase is the same for the American and Finnish respondents. Overall, the Finnish respondents rank higher in their impulse-buying tendency than the Americans.

Consumers vary in their impulse-buying tendency (Puri, 1996), which can be affected by the respondents' positive and negative feeling state and environmental cues such as retail settings (Youn & Faber, 2000). The store environment, in which in-store customer service plays an important role, can influence consumers' decision-making (Darden et al., 1983). This indicates that in-store service is a part of the retail setting, and can be considered as a cue to impulse purchase behaviour.

Moreover, Gardner and Rook (1988) identified that respondents in a positive mood were more prone to impulse purchasing. Conveniently, the results showed that the respondents in a positive mood were more prone to store returns than those in a neutral or bad mood. As the results showed that the respondents were most likely to go shopping to change their mood, it was noticeable that all of those who reported to be in a bad mood at the point of purchase ultimately engaged in positive postpurchase communications.

Bitner (1992) suggested that the service setting can influence consumers' evaluations and behaviour by influencing the consumer's affective state in either a positive or negative direction, which in turn may affect postpurchase evaluations (Mehrabian & Russell, 1974). Respondents in a good mood were more likely to experience in-store service positively than negatively. This clearly indicates that instore customer service can affect customers' perceptions of the purchase

experience. However, the respondents is a good mood were also likely to store returns, which would mean that customer's in a good mood at the point of purchase need service reassurance from the store personnel.

Previous studies also show that service provided by staff is especially important to customers when they purchase fashion clothing (Birtwistle, Clarke & Freathy, 1998). Thus customers who expected and experienced the in-store service to be better than expected were thought to have a service-oriented emphasis.

Feelings and emotions experienced during the service delivery process are necessary to capture the experiential nature of the service encounter (Donovan & Rossiter, 1982). The results showed that those in a positive mood at the point of purchase were likely to experience the in-store service in a positive manner. Affect can act as a mediator between cognitive evaluations, and emotions can contribute independently to satisfaction (Oliver, 1993). This indicates that the mood affects the customer's postpurchase evaluations, which in return is a determinant of consumer satisfaction. Moreover, store atmospherics are proposed to play a critical role in forming customer satisfaction evaluations by managing consumer expectations and perceptions (Hoffman & Turley, 2002). Not only can in-store customer service affect positive postpurchase evaluations, it can increase and maintain overall customer satisfaction.

Lin (2009) identified that the smaller the difference between expectations and perception of service quality is, the more the consumers will show their loyalty in

postpurchase behaviour. The results showed little gaps between the expectations and experiences of in-store service, which would suggest customer loyalty and positive postpurchase behaviour.

#### 5.2. Recommendations

While the results showed that in-store customer service can affect satisfied impulse purchasers' postpurchase behaviour, the client organisation should take the following actions.

As the main reason for a return or exchange was that the customer had simply changed his mind, Gallery should take a more service-oriented approach at the point of purchase in order to change the customer's cognitions of the product, and help in moving an initial impulse purchase into a permanent adoption (Kang & Johnson, 2009). The returns or exchanges due to regret could also be avoided with the same tactic. In addition, the returns or exchanges due to wrong size could be avoided by training the staff in fittings and reassuring the customer about the product's benefits. This would reduce the amount of store returns and exchanges on an annual basis and save the time taken to process these transactions.

As in-store customer service is a cue in the retail setting environment (Youn & Faber, 2000), it can trigger impulse-buying behaviour. Individuals are less likely to consider the consequences of their actions (Rook, 1987) and the decision to buy is made hastily (Jones et al., 2003). This again suggests that the store personnel need to

acknowledge that by increasing the level of in-store service they can be increasing the impulse-buyers' tendencies to make unplanned purchases. However, by keeping up with the level of service and taking the time to change the customer's cognitions of the product, the impulse purchase is more likely to move to a permanent adoption (Kang & Johnson, 2009), thus resulting in less store returns.

The most likely age groups to be affected by improved in-store service would be 10 to 19-year-olds and 20 to 29-year-olds as they tend to have more positive postpurchase evaluations of service than the 30 to 39-year-olds. As 20 to 29-yearolds and 10 to 19-year-olds were prone to store returns, the first age group slightly more prone than the latter, the sales personnel should focus first on catering better in-store service to customers in these age categories.

Moreover, customers in a good mood were found to have a higher tendency to store returns, but were still likely to undergo positive postpurchase evaluations of in-store service. Although the customers' postpurchase evaluations can positively be changed by increasing the level of in-store service, previous research shows that some impulse-buyers experience a postpurchase process different from those of other consumers (Kang & Johnson, 2009). Thus a recommendation for a future research would be to look into the attitudinal postpurchase behaviour of impulse-buyers to determine how positive service encounters can be translated into minimised store returns.

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#### **APPENDICES**

#### Appendix 1 - Supplementary literature review

Given the current age of consumer empowerment, in which customers, particularly younger customers, have more involvement and higher expectations of service, including that offered by retail stores (Vernarec, 1997), consumers are more likely to experience dissonance. The study made by Soutar and Sweeney (2003) found out that younger consumers were more likely to experience dissonance, suggesting that such consumers need to be reassured in different ways. In addition, customers who did not feel confident to evaluate product quality were more likely to experience some form of dissonance. This suggests that customers who make impulse purchases do not consider the benefits of the product thoroughly, and thus suffer from cognitive dissonance possibly resulting in store returns. Therefore, staff providing the customer service plays an important role in reassuring the customer about the product's benefits. They have the power to change the customer's cognitions.

According to Bawa and Kansal (2008-2009) cognitive dissonance occurs in the personal consumption situation, and not in the organisational purchase situation, although specific point-of-sale attributes can influence cognitive dissonance. Moreover, cognitive dissonance applies to shopping goods where taste and intelligence are judged from the purchase bearing on the individual's self-concept. Cognitive dissonance increases with increase in number of alternatives considered, with greater dissimilarity between alternatives and greater brand familiarity (Bawa & Kansal, 2008-2009), and is thus an applicable concept to fashion retailing.

Moreover, cognitive dissonance is an uncomfortable state for the consumer, who therefore seeks to reduce dissonance. Businesses gain benefits from the reduction of cognitive dissonance, such as customer's attitude change and tendency to repurchase (Oshikawa, 1969). Therefore by decreasing customer's cognitive dissonance, the company is increasing the possibility that the customer will purchase more and engage in positive postpurchase communications. Schewe (1973) introduces ways for companies to reduce cognitive dissonance. For example, by increasing the attractiveness of the chosen alternative and/or by mentally decreasing the attractiveness of the rejected alternative, customers are more likely to not suffer from cognitive dissonance.

Babu and Manoj (2009) found in their study that there is a relationship between postpurchase cognitive dissonance and the degree of impulsiveness in a purchase decision. Although cognitive dissonance does not lead to further postpurchase communications or store returns, the customer might keep the product and maintain the level of cognitive dissonance for a long-term. An explanation provided by the study is that both impulse buying and cognitive dissonance are emotions. Once cognitive dissonance begins to take place, buyers realise that one emotion made them to buy a product that did not meet their expectations (Babu & Manoj, 2009).

O'Neill and Palmer (2004) illuminate the level service plays in postpurchase behaviour. They argue that dissonance may result from the negative aspects of the service consumed or the positive elements of the alternatives not consumed. The cognitive dissonance resulting after the purchase thus influences how the customer perceives the purchase itself. Furthermore,

O'Neill and Palmer (2004) state that an individual's perception of service quality changes with the passage of time and that any such change is inversely related to the level of cognitive dissonance the customer experiences over the same time period. With the passage of time, the consumer tends selectively to forget elements of a total service experience, and the customer's perceptions are influenced by subsequent exposure to related stimuli. As the consumer's expectations rise, his or her perceptions of the quality of previous service provided decline.

Moreover, pleasure and arousal, the two dimensions of emotional responses to the preprocess service environment, may interact in determining postpurchase evaluations (Mattila & Wirtz, 2000). The pleasure dimension refers to the degree to which a consumer feels good or happy with the environment, whereas arousal refers to the degree by which the person feels excited, stimulated, or active in an environment. The effect of these two dimensions was found to lead to repeat purchase behaviour, thus suggesting that arousal and pleasure need to be considered in the design of preconsumption service settings. The physical store environment is a centre aspect for services, while the consumer produces and consumes services simultaneously. The formation of predispositions is a result of previous experience, thus a result of postpurchase behaviour. However, according to Howard and Sheth (1969), impulse-buying is also an outcome of predisposition and a facilitating commercial stimulus, such as store display.

Customer satisfaction is extremely important to build profitable relationships with consumers resulting in lifetime value. Satisfied customers buy a product again, talk favourably to others about the product, pay less attention to competing brands and advertising, and buy other products from the company (Kotler et al., 2008). Dissatisfied customers, on the other hand, can quickly damage consumer attitudes about the company via bad word of mouth. Kotler et al. (2008) suggest that companies should measure customer satisfaction regularly by encouraging customers to complain. This way the company learns how to improve.

Swan and Oliver (1989) identify three types of customer communications: positive/negative word of mouth, recommendations/warnings to other people, and complaints/compliments communicated to the retail organisation and/or salesperson. It was noted that all three forms of postpurchase communications became more positive as satisfaction or equity perceptions of the retail organisation and salesperson increased, thus resulting in more positive postpurchase communication. Attempting to create high levels of satisfaction and treating customers fairly can be anticipated to favourably influence both the customer's future choices and positive word of mouth (Swan & Oliver, 1989). Therefore, it can be said that positive customer service increases positive postpurchase behaviour.

Product-specific impulse buying tendency can be defined as the degree to which consumers are likely to make impulse purchases of products of a particular product category (Jones et al., 2003). This means that individuals who have a tendency to buy products on impulse are more likely to have a greater tendency to buy goods of a particular category on impulse. Jones et al. (2003) found a positive relationship between impulse buying tendency for clothing and impulse buying tendency for music. Therefore, there is a specific customer segment in fashion retailing who make repetitive impulse purchases on apparel.

Consumers shop for various reasons which may not include a specific need for a product or service (Puccinelli et al., 2009). This statement can be applied to fashion where inexpensive use-once apparel is marketed. Impulse-buying, social interaction and entertainment are all

factors that do not entail a specific need for a product. Cheng and Chi (2009) state that if fashion retailers are currently unable to effectively cater to the needs and wants of customers, it leads not only to losing dissatisfied customers to competitors but also to ultimate erosion of profits and consequently to the failure of fashion business. Thus they suggest that fashion retailers have to provide good salesperson's service quality with well-produced products to face the fierce competitive market.

The study conducted by Sunghwan and Baumgartner (2011) showed that problem-focused coping strategies were associated with guilt, where customers were planning to reduce impulse buying and planning to make up for the monetary loss. This suggests that customers who engage these emotions in their postpurchase behaviour are more prone to store returns.

#### Appendix 2 – In-store questionnaire

Thank you for taking the time to complete this questionnaire. I am currently writing my dissertation at INHolland University of Applied Sciences in Amsterdam, the Netherlands, and I would appreciate your feedback about Gallery's in-store customer service and your impulse-buying tendency.

This survey should only take about 5 minutes of your time. Your answers will be completely anonymous and all results will be published confidentially.

If you have any questions about the survey, please contact me at <u>silja.hokkanen@gmail.com</u>.

Sincerely, Silja Hokkanen

#### SECTION 1: CUSTOMER SPECIFICS

1. Why did you return o	or exchange the product	2			
A) Product failure	If yes, thank you for participating in this survey. You may now return the paper to a staff member.				
B) Change of mind	If yes, please continue to que	If yes, please continue to questions 2 to 7.			
C) Other, what?			Please continue to questions 2 to 7.		
2. Which age category of	do you belong to?				
A) 10 to 19 years	B) 20 to 29 years	C) 30 to 39 years	D) 40 to 49 years		
E) 50 to 59 years	F) 60 to 69 years	G) 70+ years			
3. What mood were you in at the point of purchase?					
A) Good	B) Neutral	C) Bad	D) N/A		

4. How many items of apparel do you normally return or exchange in a month?			
A) 1 to 3	B) 4 to 6	C) 7 to 9	D) 10 or more

#### **SECTION 2: IMPULSE-BUYING TENDENCY**

5. Please circle.	Never				Frequently
1) I go shopping to change my mood.	1	2	3	4	5
<ol><li>I feel a sense of excitement when I make an impulse purchase.</li></ol>	1	2	3	4	5
<ol> <li>After I make an impulse purchase I feel regret.</li> </ol>	1	2	3	4	5
4) I have difficulty controlling my urge to buy when I see a good offer.	1	2	3	4	5
5) When I see a good deal, I tend to buy more than that I intended.	1	2	3	4	5

#### **SECTION 3: IN-STORE SERVICE QUALITY**

6. What were your expectations of th	e store's in-store service quality p	prior to purchase?
A) Better than expected	B) Same as expected	C) Worse than expected

7. What was your experience with	the store's in-store service afte	r the purchase?
A) Better than expected	B) Same as expected	C) Worse than expected

Note: Please indicate "Better than expected" if you perceived the in-store service better than expected. Please indicate "Worse than expected" if you perceived the in-store service worse than expected. Otherwise, please indicate "Same".

Kiitos paljon osallistumisestasi tähän kyselyyn. Kirjoitan parhaillani teesistäni INHolland University of Applied
Sciencissä, Amsterdamissa, Hollannissa, ja arvostaisin palautettasi Galleryn asiakaspalvelusta ja sinun impulssiostos
taipumuksestasi.

Tämä kysely vie noin viisi minuuttia täyttää. Vastauksesi on täysin anonyymi ja tulokset tullaan julkaisemaan luottamuksellisesti.

Jos sinulla on kysymyksiä tutkimuksestani, ota minuun yhteyttä sähköpostiosoitteeseen silja.hokkanen@gmail.com.

Ystävällisin terveisin, Silja Hokkanen

#### **OSIO 1: ASIAKKAAN SPESIFIKAATIT**

1. Miksi palautit tai v	/aihdoit tuotteen?			
A) Tuote vika	Jos vastasit kyllä, kiitos o	osallistumisestasi tähän kysely	yyn. Voit nyt palauttaa paperisi he	nkilökunnalle.
B) Mielen muutos	Jos vastisit kyllä, jatka ky	ysymyksiin 2-7.		
C) Muu, mikä?			Jatka ky	symyksiin 2-7.
2. Mihin ikäryhmään	ı kuulut?			
A) 10-19 vuotta	B) 20-29 vuotta	C) 30-39 vuotta	D) 40-49 vuotta	
E) 50-59 vuotta	F) 60-69 vuotta	G) 70+ vuotta		
3. Millä tuulella olit o	ostotapahtuman hetkell	lä?		
A) Hyvällä	B) Neutraalilla	C) Huonolla	D) En osaa sanoa	
4. Kuinka monta vaa	tetuotetta palautat tai v	vaihdat normaalisti kuuk	auden aikana?	
A) 1-3	B) 4-6	C) 7-9	D) 10 tai enemmän	
OSIO 2: IMPULSSIOS	STOS TAIPUMUS			
			Ikinä	Ucoin

5. Ole hyvä ja ympyröi.	Ікіпа				Usein
1) Menen ostoksille muuttaakseni tuultani.	1	2	3	4	5
2) Tunnen jännityksen tunteen, kun teen impulssiostoksen.	1	2	3	4	5
<ol> <li>Impulssiostoksen jälkeen tunnen katumusta.</li> </ol>	1	2	3	4	5
4) Minulla on vaikeus hallita ostohaluani, kun näen hyvän tarjouksen.	1	2	3	4	5
5) Kun näen hyvän tarjouksen, ostan enemmän kuin oli tarkoitus.	1	2	3	4	5

#### **OSIO 3: ASIAKASPALVELUN LAATU**

6. Mitkä olivat odotuksesi liikkee	n asiakaspalvelun laadusta ennen	ostotapahtumaa?
A) Paremmat odotukset	B) Samat odotukset	C) Huonommat odotukset

7. Mikä oli kokemuksesi liikkeen asiakas	spalvelun laadusta ostotapahtum	an jälkeen?
A) Parempi kuin odotin	B) Sama kuin odotin	C) Huonompi kuin odotin

Huomio: Valitse "Parempi kuin odotin" jos koit asiakaspalvelun parempana kuin odotit. Valitse "Huonompi kuin odotin" jos koit asiakaspalvelun huonompana kuin odotit. Muuten, valitse "Sama kuin odotin". Tack för att du tar dig tid att fylla i denna förfrågan. Jag skriver mitt examensarbete vid INHolland University of Applied Sciences i Amsterdam, Nederländerna, och jag skulle uppskatta din feedback över Gallerys butik-kundservice och din impuls-köp tendens.

Denna förfrågan bör ta bara cirka 5 minuter av din tid. Dina svar kommer att vara helt anonym och alla resultat kommer att publiceras konfidentiellt.

Om du har några frågor om förfrågan, kontakt mig på silja.hokkanen@gmail.com.

Med vänliga hälsningar, Silja Hokkanen

#### **STYCKE 1: KUND SPESIFIKATER**

1. Varför returnerade e	ller bytte du ut produkte	en?	
A) Produkt fel	Om du svarade ja, tack för at	t du tog del i förfrågan. Du ka	in nu återvända papperet till en anställd.
B) Förändring i sinnet	Om du svarade ja, fortsätt til	l frågor 2 till 7.	
C) Annat, vad?			Fortsätt till frågor 2 till 7.
2. Vilken ålderskategori	tillhör du?		
A) 10 till 19 år	B) 20 till 29 år	C) 30 till 39 år	D) 40 till 49år
E) 50 till 59 år	F) 60 till 69 år	G) 70+ år	
3. Vilket humör var du i	vid köpläget?		
A) Bra	B) Neutral	C) Dålig	D) Ej tillgänglig

4. Hur många objekt av kläder returnerar eller byter du ut normalt i en månad?A) 1 till 3B) 4 till 6C) 7 till 9D) 10 eller mer

#### **STYCKE 2: IMPULS-KÖP TENDENS**

5. Beteckna varsågod.	Aldrig				Ofta
1) Jag shoppar för att ändra mitt humör.	1	2	3	4	5
<ol> <li>Jag känner en känsla av anspänning när jag gör ett impuls köp.</li> </ol>	1	2	3	4	5
3) Efter ett impuls köp känner jag ånger.	1	2	3	4	5
4) Jag har svårt att behärska min lust att köpa när jag ser ett bra bud.	1	2	3	4	5
5) När jag ser ett bra bud, brukar jag köpa mer än jag hade tänkt.	1	2	3	4	5

#### **STYCKE 3: BUTIK-KUNDSERVICE KVALITET**

6. Vilka var dina förväntningar A) Bättre än väntat	av butikens servicekvalitet före köp? B) Samma som väntat	C) Sämre än väntat
	outikens servicekvalitet efter köpet?	
A) Bättre än väntat	B) Samma som väntat	C) Sämre än väntat
Obs: Ange "Bättre än väntat" om du Ange "Värre än väntat" om du upple	upplevde butiktjänsten bättre än väntat. vde butiktjänsten värre än väntat.	

Annars, ange "Samma som väntat".

# Appendix 3 – Survey of impulse-buying tendency in relation to visual merchandising (Kim, 2003)

Section1: Impulse buying	Never				Frequently
1. I go shopping to change my mood.	1	2	3	4	5
2. I feel a sense of excitement when I make an impulse					
purchase.	1	2	3	4	5
3. After I make an impulse purchase I feel regret.	1	2	3	4	5
4. I have difficulty controlling my urge to buy when I see a					
good offer.	1	2	3	4	5
5. When I see a good deal, I tend to buy more than that					
l intended to buy.	1	2	3	4	5
Section2: Influence of window display	Never				Frequently
6. I tend to enter a store when I am attracted by an eye-					
catching window display.	1	2	3	4	5
7. I feel compelled to enter the store when I see an					
interesting window display.	1	2	3	4	5
8. I tend to choose which store to shop in depending on					
eye-catching window displays.	1	2	3	4	5
Section3: Influence of in-store form/mannequin display	Never				Fraguantly
9. I get an idea of what I want to buy after looking through	Nevel				Frequently
in-store form/mannequin displays.	1	2	3	4	5
10. When I see clothing featuring a new style or design on	T	2	5	4	J
display, I tend to buy it.	1	2	3	4	5
11. When I see clothing that I like on in-store	T	2	5	4	J
form/mannequin display, I tend to buy it.	1	2	3	4	5
12. I tend to rely on store displays when I make a decision	T	2	5	4	J
to purchase clothing.	1	2	3	4	5
to purchase clothing.	T	2	5	-	5
Section4: Influence of floor merchandising	Never				Frequently
13. When I see clothing that catches my eye I tend to try it					
on without looking through the whole section.	1	2	3	4	5
14. When I walk along the isle, I tend to look through the					
clothing close to me.	1	2	3	4	5
15. I tend to try on clothing that catches my eye when I	1	2	3	4	5
pass by.					
					<b>F</b>
Section5: Influence of promotional signage	Never				Frequently
16. If I see an interesting promotional offer (reduced price,					
sales promotion, and etc.) on in-store signs, I tend to	1	2	2		F
buy.	1	2	3	4	5
17. Sale/clearance signs entice me to look through the	1	n	C	л	F
clothing.	1	2	3	4	5
18. When I see a special promotion sign, I go to look at					

that clothing.	1	2	3	4		5
19. I am more likely to make an unintended purchase if the clothing has a sale or clearance sign.	1	2	3	4		5
Section6: Demographic questions						
20. Residential status?	Dormitory		Apartment			
a. I reside in	House					
	Alone		Roommate	9	Parents	
b. I live with	Spouse					
21. What is your gender?	Male		Female			
22. What is your age?						
23. How much is your disposable income after paying your						
bills?	<u>\$</u>	/moi	<u>nth</u>			
24. School status?	Freshman		Sophomor	e	Junior	
	Senior		Graduate			
25. Job status?	Unemploye	d	Full-time			
	Part-time					
26. What is your major?						

Thank you for your participation! Have a great day!

If you have any questions, do not hesitate to ask now or a later date. You may contact Jiyeon Kim, Department of Textiles, Merchandising, and Interiors at the University of Georgia at (678) 407-9800 or jiyeon@uga.edu (Additional questions to Chris A. Joseph, Ph.D. Human Subjects Office, UGA, 606A Boyd Graduate Studies Research Center; PH (706) 542 3199 E Mail IRB@ ga ed )

## Appendix 4 – Survey of impulse-buying tendency in relation to visual merchandising (Kim, 2003) validity and reliability assessments

Questionnaire	Empirical Support (question member)	
Section 1: Impulse buying	Youn & Faber (2000)	
1. I go shopping to change my mood.		
2. I feel a sense of excitement when I make	Youn & Faber (2000)	
an impulse purchase.		
3. After I make an impulse purchase I feel	Youn & Faber (2000)	
regret.		
4. I have difficulty controlling my urge to buy	Youn & Faber (2000); Han (1987); Rook &	
when I see a good offer.	Hoch (1985); Weun, Jones & Betty (1997)	
5. When I see a good deal, I tend to buy	Beatty & Ferrell (1998); Youn (2000)	
more than that I intended to buy.		

Items (Impulse Buying Tendency)	Component 1	Component 2
1. I go shopping to change my mood.	0.689	-0.207
2. I feel a sense of excitement when I make an	0.722	-0.409
impulse purchase.		
3. After I make an impulse purchase I feel	0.104	0.882
regret.		
4. I have difficulty controlling my urge to buy	0.798	0.278
when I see a good offer.		
5. When I see a good deal, I tend to buy more	0.679	0.183
than that I intended to buy.		
Component Eigen value	2.105	1.099
% of Variance Explained	42%	22%

Extraction Method: Principal Component Analysis with Varimax Rotation.

Survey Questions	Cronbach Alpha (Correlation to Total)
Section 1: Impulse buying	0.70
1. I go shopping to change my mood.	0.66
2. I feel a sense of excitement when I make	0.62
an impulse purchase.	
3. (Excluded from analysis).	
4. I have difficulty controlling my urge to buy	0.58
when I see a good offer.	
5. When I see a good deal, I tend to buy	0.66
more than that I intended to buy.	