Exploring the Impact of Sensory Marketing on Impulsive Buying Behaviour of Millennials in Mthatha, Eastern Cape, South Africa

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Abstract

The objective of this study was to explore the impact of sensory marketing on millennial impulsive buying behaviour in Mthatha, Eastern Cape, South Africa. This objective is motivated based on the trend of millennial participation in the retail market both local and international in recent time. To achieve the objective of this study, a quantitative research method was employed, where data was collected from 240 millennials within Mthatha purposively. Inferential analysis was conducted using SmartPLS, and structural equation modeling was used to test and evaluate multivariate causal relationships among the variables. The findings of the study show a positive and significant impact of core domain variables, which include Store Environment and Floor Merchandising on millennial impulsive buying behaviour, while Promotions had an insignificant positive impact on millennial impulsive buying behaviour on three most patronised retail stores in Mthatha, South Africa. In conclusion, Store Environment and Floor Merchandising are key variables that positively influence the impulsive buying behaviour of millennials as compared to Promotions. This study recommends that marketers who focus on millennial goods and services should employ the findings of this study to increase impulse purchases. On the side of the millennials, they should familiarise themselves with different marketing strategies to critically manage their buying pattern.

Keywords: Sensory Marketing, Impulsive Buying Behaviour, Millennials, Mthatha

1. Introduction

According to Ebeling, Dent and Kempenich (2020) millennials are recognized as materialistic and self-restraint, and they tend to spend their money quickly on things for consumption and personalised services. Millennials are the group of individuals that were born between 1980 and 2004. This generation has been identified to have the highest purchasing power in recent retail market
hubs and it is also the most targeted by marketers (Heinonen, 2021). A total of 14 million people in South Africa, or 27% of the population, are millennials (Cikes, 2020).

Millennial customers are more inclined to purchase without planning, according to the 2020 Consumer Culture Report from public relations firm 5WPR (Quicanga & Ogbere, 2022). This generation is particularly affected by impulsive buying because they prefer to purchase mostly through sensory marketing. According to Redine, Deshpande, Jebarajkirthy and Surachartkumtonkun (2022) making an impulsive purchase is when a person buys items out of the blue without thinking about it. It happens after customers feel the need to buy and is frequently unplanned and unhesitating. The Economic Times (2021) described impulsive buying as the partiality of a buyer to purchase products and services without planning. Impulsive buying can be brought on by a variety of factors, including the environment of the store, one’s degree of life satisfaction, one’s self-esteem, and the consumer’s mental state at the time, in addition to having an emotional component (Rodrugues, Lopes & Varela, 2021). Therefore, impulsive buying is the act of making unplanned purchases of goods and services and is brought on by the senses’ reactions to a particular good.

On the other hand, Bratulescu and Vasilache (2014) posit that sensory marketing is a strategy to employ sensory appeal to connect to the five senses of the consumer. It involves a range of tactics which are used to influence the customers' behaviour depending on how the product and advertising make them feel. Persons use their five senses, sight, hearing, smell, touch, and taste to perceive and interact with their surroundings (Ghosh & Sarkar, 2016). In this study the five senses were measured under these three variables (Store environment, Floor merchandising and In-store promotions).

2. Problem Statement and Objective

It is obvious that millennials, like most other purchasers, often make impulsive purchases, but there is a void in the literature regarding the reasons for this behaviour. According to Mittal, Deepak and Neena (2016) Impulsive buying is another consuming pattern that is happening more often in recent times. When choosing what to consume, care should be taken because this behaviour can have both beneficial and bad impacts. Impulse buying is a common buying behaviour in retail stores, and it is also not so good in millennials financial plans (Swarnalatha & Soundhariya, 2015). Sensory marketing is a strategy used by retailers to trigger individuals buying behaviour using five senses in the form of the store environment, floor merchandising and in-store promotions (Osakwe, 2019).

On the contrary, the sensory marketing strategy impacts buyers, particularly millennials, causing them to go over budget, make unexpected purchases, and even modify or deviate from their fashion sense. These consequences may cause millennials to fail to balance their future financial goals, and millennials might become indebted when they use credit cards to make purchases. Changing their fashion taste might also lead to them regretting an impulsive buy, such as switching from one brand they recognise to another they are unfamiliar with.

This study was conducted in this background to examine the impact of sensory marketing on the impulsive buying of millennials who patronize selected retail outlets in Mthatha. The findings of this research are anticipated to provide empirical evidence concerning the connection between sensory marketing and millennial impulsive buying behaviour.

3. Empirical Literature Review

The concept of impulse buying behaviour according to Aragoncillo and Orús (2018), occurs when a purchaser has a rapid, strong, and determined need to purchase something right away that he/she did not plan to buy. Anxiety might arise from the complex hedonistic propensity of the want to buy. Similarly, impulsive purchases frequently occur without complete consideration of the consequences and in most cases, the customer feels an edge to buy something that is not on the budget list. This purchasing pattern/behaviour could be triggered by some variables as Hussain (2019) posit that
sensory marketing is the application of a marketing strategy that engages the consumer’s five senses (visual, hearing, touch, taste, and scent). Sensory marketing uses a diversity of strategies to engage the customers’ senses and deviate their behaviour depending on how the product and strategies make them feel (Wörfel, Frentz, & Tautu, 2022). Thus, the five senses of sensory marking strategy are evaluated under three domain variables namely store environment, floor merchandising and in-store promotions.

3.1 Store Environment

The store environment is an extremely essential factor in determining impulsive purchasing is the in-store shopping environment. It is made up of micro factors that are limited to a certain geographic area and distinct shopping scenarios (Bhatt, Sarkar & Sarkar, 2020). These factors include but not limited to store background music, store cleanliness, and employee behaviour. These factors stimulate the hearing senses of the customer (Wörfel et al., 2022). It is evident that colour and texture are examples of design characteristics and aesthetic components, whereas arrangement, comfort, signage, and accessories are examples of practical design features (Sindhu & Kloep 2020). Indeed, the layout of the store is essential because they promote the good and efficient appearance of product collections. A good arrangement might also increase the enjoyment of shopping by lowering the sense of stress associated with it (Asrinta, 2018).

3.2 Floor Merchandising

The layout of the stores, their shelving designs, their divisions, the scent, and the brands they carry are all included in floor merchandising. These factors stimulate the smell and touch sense of the customer (Wörfel et al., 2022). The goal of floor merchandising, according to Widyastuti, (2018) is to inform and direct customers as needed, as shown by signs, graphics, or other media, in place of salespeople, it seeks to introduce products in terms of design and colour, educating consumers so they can make decisions about purchases quickly. It is anticipated that doing so will improve consumer interest in a brand or product on a shelf and persuade them to purchase more, boosting sales and profits for retailers (Widyastuti, 2018).

3.3 In-Store Promotions

Since quick coupons likewise offer a windfall profit to the consumer, their impact on impulsive purchases is identical to that of unexpectedly lower price (Crispen, 2016). When the customer enters the store and sees a discount on some item this stimulates their vision sense and could end up purchasing the promoted item (Kahaduwa, 2021). According to Jhawar and Kushwaha, (2018) when people are receiving vouchers that can be used to make purchases, whether or not the product is on their shopping list, they are more likely to buy it, these unexpected price reductions cause consumers to be more ready to add extra purchases. Price adjustments have a corresponding spillover impact by either increasing or decreasing the amount budgeted for a shopping excursion.

3.4 Millennials and their Buying Behaviour

Millennials are important consumers in the South African market since they are gradually becoming more economically active and are spending more money (Vannevel, 2016). They are viewed as impulsive shoppers who strive to keep up with the most recent fashion trends and designs, the saying "hot today, boring tomorrow" (Yarrow & O’Donnell, 2009) perfectly sums up millennials’ enthusiasm in fashion merchandise (Kekana, 2020). Millennials are expressive people who dress as they like, and they often delicately strike a balance between their need to belong to a group and their need to maintain distinct, separate identities (Fielies & Mbukanma, 2022). According to Angela, (2021)
millennials desire positive feelings from their purchases. In the research she conducted, she
discovered that 60% of millennials like purchases that are a representation of their personalities. She
went on to suggest that the brand had to connect with them and give them a positive feeling.
Moreno, Carreon and Lafuente, (2018) in their study found that millennials are more attracted to
virtual advertising as coupons and discounts.

Despite having a reputation for being a rich market participant, their purchasing habits and
reasons are frequently unstable (Mbukanma, 2019; Solka, Jackson & Lee, 2011). According to a 2017
GFK study conducted in South Africa, 65% of millennials felt that experiences are more valuable than
belongings and that marketers should provide them an unforgettable experience. According to
Moore’s (2015) research, millennials are most likely to tweet about the clothing they admire. He
further stated that millennials are motivated by the desire for marketers to reciprocate with them in
an atmosphere of engagement, trust, sincerity, and respect, which results in their happiness and
patronage.

4. Research Method

The research methodology describes the processes followed when conducting a specific type of study.
It outlines the techniques or steps for obtaining and analysing data relevant to a certain study topic
(Bandari, 2022). For the benefit of this study, the researcher employed a quantitative method.
Quantitative method (normally uses deductive approach) focuses on components of social behaviour
that can be measured and patterned rather than just learning about them and deriving meaning from
them that individuals apply to their own behaviour (Rahman, 2017). This will be a useful method for
this study as it aims to examine the assumption that sensory marketing is positively related to
impulsive buying behaviour of millennials. Quantitative data was collected from 240 millennials
within Mthatha purposively. Inferential statistical analysis was conducted using SmartPLS, and
structural equation modeling was used to test and evaluate multivariate causal relationships among
the variables. Thus, to statistically examine the impact of sensory marketing on impulsive buying
behaviour of millennials in Mthatha, South Africa, the following model developed and tested:

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store environment</td>
<td>Millennials Impulse Buying Behaviour</td>
</tr>
<tr>
<td>Floor merchandising</td>
<td></td>
</tr>
<tr>
<td>In-store promotions</td>
<td></td>
</tr>
</tbody>
</table>

![Figure 1:](image-url)
4.1 Conceptual Model

The conceptual model presented above illustrates the assumed relationship between sensory marketing variables and their impact on millennial impulsive buying behaviour. It was anticipated that the inferential statistical analysis will aid this study in ascertaining the relationship between the independent and the dependent variables.

5. Data Analysis and Findings

The act of obtaining, modeling, and assessing data in order to provide information that helps decision-making is known as data analysis (Calzon, 2022). Accordingly, quantitative data was collected from 240 millennials in Mthatha, South Africa who rates Sportscene and Woolworth clothing as their highly patronised retail stores. Cronbach’s Alpha and Composite Reliability was used to evaluate the measurement scale to confirm the internal consistency and reliability of the instrument used in the study. According to Chinomona and Cheng (2012) Cronbach’s Alpha value should be greater than 0.6 to be reliable. All Cronbach Alpha values are greater than 0.6, with FM=0.660, MIB=0.629, P=0.715 and SE=0.647. Similarly, the threshold of composite reliability according to Hamid, Sami and Sidek, (2017) should be 0.6-0.7 to be acceptable and all the variables tested in the study fall within the acceptable threshold.

Table 1: Cronbach’s Alpha and Composite Reliability Output

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's alpha</th>
<th>Composite reliability (rho_a)</th>
<th>Composite reliability (rho_c)</th>
<th>Average variance extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Environment</td>
<td>0.647</td>
<td>0.695</td>
<td>0.801</td>
<td>0.574</td>
</tr>
<tr>
<td>Floor Merchandising</td>
<td>0.660</td>
<td>0.654</td>
<td>0.783</td>
<td>0.419</td>
</tr>
<tr>
<td>Promotions</td>
<td>0.715</td>
<td>0.715</td>
<td>0.822</td>
<td>0.537</td>
</tr>
<tr>
<td>Millennial Impulsive Buy</td>
<td>0.629</td>
<td>0.656</td>
<td>0.784</td>
<td>0.482</td>
</tr>
</tbody>
</table>

Accordingly, a correlation statistical test was conducted to determine the pattern of relationship between the sensory marketing variables and the millennial impulsive buying behaviour variables. The relationship between Floor Merchandising and Millennial Impulsive buying behaviour is 0.476 which indicates a positive moderate correlation. Promotions and Millennial Impulsive Buying Behaviour have a positive relationship of 0.395. Lastly the relationship between store environment (SE) and Millennial Impulsive Buying Behaviour is 0.237 which is deemed to be the weak but positive correlation. The highest relationship existed between Floor Merchandising and Millennial Impulsive Buying Behaviour with the positive moderate correlation of 0.476 and the lowest relationship existed between Promotion and Store Environment with a weak but positive correlation of 0.082.

Table 2: Correlation Matrix Output

<table>
<thead>
<tr>
<th></th>
<th>Store Environment</th>
<th>Floor Merchandising</th>
<th>Promotions</th>
<th>Millennial Impulsive Buying Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Environment</td>
<td>1.000</td>
<td>0.366</td>
<td>0.082</td>
<td>0.237</td>
</tr>
<tr>
<td>Floor Merchandising</td>
<td>0.366</td>
<td>1.000</td>
<td>0.379</td>
<td>0.476</td>
</tr>
<tr>
<td>Promotions</td>
<td>0.082</td>
<td>0.379</td>
<td>1.000</td>
<td>0.395</td>
</tr>
<tr>
<td>Millennial Impulsive Buy</td>
<td>0.237</td>
<td>0.476</td>
<td>0.395</td>
<td>1.000</td>
</tr>
</tbody>
</table>

To test and access the multivariate causal linkage between the independent and the dependent
variables, the hypothesised model for the study was tested using Structural Equation Model and the output is presented below:

![Structural Equation Model](image)

**Figure 2: Structural Equation Model**

All three tested independent variables have a positive relationship with the impulsive buying behaviour of millennials. Floor merchandising having the strongest relationship to millennial impulsive buying which obtained 0.346, followed by promotions with 0.257 positive relationship with millennial impulsive buying behaviour. Store environment obtained the lowest positive relationship with millennial impulsive buying with the sum of 0.089. Similarly, to obtain and validate the directed dependencies among the variables, a Path Analysis was conducted as shown in the table below:

**Table 3: Path Analysis Output**

<table>
<thead>
<tr>
<th>Hypothesized relationship</th>
<th>Hypotheses</th>
<th>Path Co-efficient</th>
<th>T-statistics</th>
<th>P-value</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE → MIB</td>
<td>H1</td>
<td>0.089</td>
<td>4.900</td>
<td>0.000</td>
<td>Significant &amp; supported</td>
</tr>
<tr>
<td>FM → MIB</td>
<td>H2</td>
<td>0.346</td>
<td>3.494</td>
<td>0.000</td>
<td>Significant &amp; supported</td>
</tr>
<tr>
<td>P → MIB</td>
<td>H3</td>
<td>0.257</td>
<td>1.464</td>
<td>0.143</td>
<td>Insignificant &amp; not supported</td>
</tr>
</tbody>
</table>

In line with the objective of this study which aim was to examine the impact of sensory marketing on millennial impulsive buying behaviour using three hypotheses. Individual path coefficients of H1, H2, and H3 were 0.089; 0.346, and 0.257 respectively. These results indicate that all hypothesised relationships have a positive relationship.
6. Empirical Findings and Contributions

a. The findings from experiment H1 supported the hypothesis that there is a link between the store environment and millennials’ impulsive purchasing behaviour. A path coefficient of 0.89 was obtained after testing H1. This indicates that SE has a positive impact on MIB. More so, the results show that the relationship of SE is positively related in a significant manner (t=4.900, p=0.000). Therefore, store background music, store cleanliness, employee behaviour to mention but few, can stimulate hearing sense of Millenial to make them buy impulsively.

b. The findings from experiment H2 supported the hypothesis that there is a link between floor merchandise and millennials’ impulsive purchasing behaviour. A path coefficient of 0.346 was obtained after testing H2. This indicates that floor merchandise has a positive impact on millennials’ impulsive purchasing behaviour. Accordingly, the results show that the relationship of floor merchandise is positively related in a significant manner (t=3.494, p=0.000). Which means the layout of the stores, their shelving designs, their divisions, the scent, and the brands they carry have an impact on Millennial Impulsive Buying by stimulating the smell and touch senses.

c. The findings from testing H3 supported the hypothesis that promotions and millennials’ impulsive purchasing behaviour are related. A path coefficient of 0.257 was obtained after testing H3. This indicates that promotions have a positive impact on millennials’ impulsive purchasing behaviour. More so, the results show that the relationship of promotion is positively related in an insignificant manner (t=1.464, p=0.143). Therefore, discounts, tiered promotions, gift purchases, etc. stimulate the vision sense of millennials to buy impulsively but with a lesser level of influence when compared to store environment and floor merchandising.

7. Conclusion and Recommendations

The objective of the study was to examine the impact of sensory marketing on millennial impulsive buying behaviour at selected retail stores in Mthatha, Eastern cape, South Africa. This study was conducted looking at the millennials that purchase out of the budget, changing or deviating from their fashion sense and not meeting their future financial plans. Overall results showed that all the hypotheses were positive H1 (β=0.89), H2 (β=0.346) and H3 (β=0.257), meaning that the independent variables as tested have a positive significant relationship with millennial impulsive buying behaviour. As such, this study has succeeded in achieving the objective of the study by ascertaining the magnitude of impact of sensory marketing on millennials impulsive buying behaviour. Thus, to manage the consequences resulting from the problem statement of the study, which include purchasing out of the budget, changing, or deviating from their fashion sense and not meet their future financial plans, millennials should familiarise themselves with different marketing strategies to critically manage their buying pattern.

References


Heinonen, N. (2021). The impact of social media influencer marketing on purchasing decisions of Millennials in Finland.


