

Reasons of impulse buying



**ASSIGN
BUSTER**

\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Background](#) \n \t
2. [Scope](#) \n \t
3. [Theoretical Framework/ Literature Review](#) \n \t
4. [Methodology and Construction of Variables](#) \n \t
5. [Limitations/Recommendations](#) \n

\n[/toc]\n \n

You might have observed women went for grocery shopping along with pre-planned items list to be purchased but they came back with a nice colorful pair of shoes also that was not included in their shopping list.

My area of thesis is to identify those factors that compel consumers, for such un-planned buying that is known as impulse buying.

Background

Today we are living in rapidly changing era and due to fast dynamic environment, the marketing efforts have to be revitalize periodically.

It is useless to plan your marketing efforts without studying the consumer buying patterns. Marketing efforts have to be correlated with consumer buying patterns, as it provides guideline. It is very important to study the reasons regarding impulse buying and factors are classified into emotional, environmental, behavioral, product, societal and personality factors.

Scope

The research will consist of gathering qualitative data with the help of survey and administrative questionnaires to be filled from shop-keepers and consumers both, to know the buying patterns of consumers.

Theoretical Framework/ Literature Review

Before going into details of impulsive buying types and factors behind that buying, it is very important to have a thorough understanding of impulsivity. Eysenck & Eysenck (1977) defined impulsivity as improper planning, taking risk and making one's mind haphazardly. Dickman (1993) defined impulsivity as, individuals with less planning as compare to those of having same knowledge and abilities. Impulsivity is apart from the cognitive functions and drives movement (motor activation) without planning and careful thinking thus ignoring the present task (Patton, Stanford, and Barratt, 1995).

Diagnostic and Statistical Manual of Mental Disorders-IV (DSM-IV; APA, 1994) defines “ impulsivity or failure to plan ahead” (p. 706) as one decisive factor for disruptive personality disorder. Impulsiveness is also a major component of borderline personality disorder, and the DSM-IV cites a diagnostic criterion as “ impulsivity in at least two areas that are self-damaging (e. g., spending, sex, substance abuse, reckless driving, binge eating)” (p. 710).

(Moeller et al. (2001) referred impulsivity as a mental state in which somebody's activity or behavior is not stifled or not obstructed. Moeller et al. (2001) suggested a model in which intentions towards negative outcomes are decreased; responses towards stimuli are rapidly unplanned due to un-complete process of information and ignoring the long-term effects.

Impulsive buying is mostly known as such purchase behavior that is unplanned (Applebaum 1951; Kollat & Willet 1967; Stern 1962). Impulse buying is again categorized by Stern (1962) that these are of four type's namely pure impulse buying, reminder impulsive buying, suggested impulsive buying and planned impulsive buying. Pure impulse buying relates to emotions that force for consumption. Reminder impulsive buying relates to deficiency of a certain product at home while you encounter that product during shopping and you purchase that product. Suggested impulsive buying refers to your desire to purchase a product when you encounter that product. You are not familiar with that product but you purchase that at once after having the knowledge of that product. Planned impulse buying is about your preplanned product to be purchased but it depends upon special discount or coupons.

Internal stimuli may generate an irresistible desire that promotes the internal desire that give rise to an unexpected purchase (Piron, 1991). Autistic (self-generated, self-centered subjective mental activity) thinking provokes impulse buying more for the pleasure principle (Piron 1991). Hirschman (1985) explored self generated thoughts (autistic) as day dreams, fantasies that give rise to emotions and sensitivity without considering the logic or rational behind that is a response to an unfeasible objective.

Rook and Hoch (1985) put light on internal psychological states while studying impulse buying. They identified five apparent elements while focusing on the cognitive and emotional responses of consumers during impulse buying "(1) feeling a sudden and spontaneous desire to act; (2) being in a state of psychological disequilibrium; (3) experiencing

psychological conflict and struggle; (4) reduction in cognitive evaluation of the product; and (5) disregard for consumption consequences”.

Stern's (1962) has classified impulse buying into two categories and one is the consumer response to any particular stimuli when he enters the store and there is no link of that response towards the stimuli due to any previous need or problem. Cobb & Hoyer (1986), Engel & Blackwell (1982) and Youn (2000) also added this, as a crucial thing in explaining the impulse buying. It is one of the main dimension of impulse buying that a customer buys a product after entering the store without any previous need or buying attention. (Martin, Weun, & Beatty, 1993; Youn, 2000). The time taken for such impulse purchases is fast and immediate as compare to planned purchases (D'Antoni & Shenson, 1973; Youn, 2000).

Behavior of impulse buyers towards purchases is different from others. There are many factors which differ from person to person based upon needs and wants that give rise to impulse rise to impulse buying (D'Antoni & Shenson, 1973; Youn, 2000).

D'Antoni and Shenson (1973) refer impulse buying towards the time that is taken from initiating an ambiguous need till purchase and also called transitional stage. Thus the time lapse for such purchases is shorter as compare to other purchases. Therefore impulsive buying started evolving into this definition:

A decision in which the “ bits of information” processed and thus the time taken relative to the normal decisional time lapse are significantly less with

respect to the same or quite similar products or services (D'Antoni & Shenson, 1973, p. 68).

To measure the time lapse between the normal purchase decision period and impulse purchase decision period is not easy. There are two ways for that, one the researcher may hire persons who measure each individual time taken or ask the shoppers to measure their own shopping time. But that may cause a problem to justify the validity and reliability of the test.

Youn (2000), D'Antoni and Shenson (1973) put more emphasis on internal dynamics of consumers, rather than on the products physical characteristics or location characteristics.

Consumer buy product for fun, to ease a depress mood or to express an identity and all such non rational purchases comes under impulse buying (Baetty and Ferewell, 1998; Dittmar, Beattie and Friese, 1995, 1996; Dittmar and Drury, 2000).

Affect is considered to be an important part of impulsive system. It is disagreed upon the linkage of impulses responses with affect in the context of desire (Strack, 2006). Excitement, potential distress, fear of being out of control, and helplessness are the affective reactions that give rise to impulse activation (Rook, 1987).

Anticipated pleasure, happiness, or joys are the primary emotional responses that provoke impulses for satisfying basic urges (Lazarus, 1991).

Guilt or shame is the negative emotion that cause for impulses (Tangney & Dearing, 2002). Not give way to impulses may rise anticipated deprivation or regret (Simonson, 1992).

Shopper in a negative mood, involve in impulse buying to waive off unpleasant mood (Elliott 1994). Impulse buying may also be due to self-gifting, in order to cheer oneself up or be nice to oneself (Mick and Demoss 1990).

When desire exceed from consumer resistance to purchase, impulse buying occurs (Hoch and Loewenstein, 1991)

Physical proximity to stimuli give rise to desire that purue impulse buying like touching products in a store, tasting free samples of food, sniffing enticing aromas, or test-driving a luxury automobile (Faber and Vohs 2004). Melanie Wakefield, Daniella Germain & Lisa Henriksen (2007) research concludes the strong effect of impulse purchase for retail cigarette display on point of purchase (POP). Desire is also due to motivation, historical and society trends, and, ultimately, morality (Belk, Ger, and Askegaard 2003).

Durgee and Oconnor (1995) has given other variables of impulse buying such as materialism, possession, reward, instant gratification, post-purchase dissonance and self-exploration.

Cultures also have impact on impulsive buying behavior. Individualism and collectivism are two important traits of culture. Individuals who associate themselves with collective groups such as family and coworkers and are motivated to follow the norms and values of these groups' falls in the

category of “collectivism”. Individualism is a social pattern comprising of individuals who see themselves as autonomous and independent (Trandis, 1995). Individualist people get motivated by (1) their own preference (2) Needs, and (3) Rights. Moreover, these people give priority to their personal goals and emphasis on rational relationship with others (Kacen & Lee, 2002). It is assumed that individuals classified as individualist will have a stronger relationship with impulsive buyers as compared to individuals who are classified as collectivism. (Kacen & Lee, 2002).

Personality factors give urge to impulse buying. Several measurement instruments and models of personality exist. One which may have particular value for studying impulse buying is the Multidimensional Personality Questionnaire (MPQ) developed by Tellegen (1982). This instrument was developed in an exploratory manner over a period of 10 years (Tellegen and Waller, in press). Items originally based on personality attributes identified in prior models were developed, tested, refined and revised by empirical testing. The final instrument identified 11 primary personality dimensions (Tellegen 1982). They are wellbeing, social potency, achievement, social closeness, stress reaction, alienation, aggression, control, harm avoidance, traditionalism, and absorption. Among these 11 dimensions are three that seem to have particular relevance for the study of impulse buying. These dimensions are: Lack of Control (or Impulsivity), Stress Reaction, and Absorption.

It is very important to gain some insights of personality factors regarding impulse buying. Several researches have concluded that impulse buying may be due to internal states or environmental cues. There are several

instruments and personality models. One multidimensional personality questionnaire (MPQ) was developed by Tellegen (1982) and it took almost ten years for the development, as exploratory manner was chosen for the development of this instrument (Tellegen and Waller, in press). All items in prior model regarding personality attributes were identified and then refined, revised by empirical testing. They were 11 dimensions: wellbeing, social potency, achievement, social closeness, stress reaction, alienation, aggression, control, harm avoidance, traditionalism, and absorption and among that three seems to be relevant and that are Lack of Control (or Impulsivity), Stress Reaction, and Absorption.

Controllers are very rational, sensible, careful and reflective and plan their activities (Tellegen 1982). People involve in impulse buying's are opposite to that as they are not planned, irrational, careless and spontaneous. They made their decisions very rapidly and their emotions are not stable and keep on fluctuating that may be seen easily. They prefer towards immediate gratification even it is not consistent with the actual situation or their own goal. Lack of control is one sign of personality trait that triggers impulse buying and it is a potential contributor to impulse buying behavior.

Stress-Reaction. Different people or individual take stress differently and their response is different due to situational cue and result negative emotional state (i. e., anxiety, anger, distress, and guilt). Stress reaction is due to tension, jumpiness, and worry-proneness. They are sensitive, nervous and disturbed by guilt feeling (Tellegen 1982). To relief such kind of emotionality they engage themselves in impulse buying behavior. Due to negative affective states, people involve in compulsive buying, in relieving

the painful feeling that hypothesized as serving a mood management function (Faber and Christenson 1996). Prior research on impulse purchasing has found that a majority of people report feeling “ better” following an impulse purchase (Gardner and Rook 1988). Therefore more under high stress are more reactive towards impulse buying in order to escape from the negative emotional states. For highly stress-reactive people, it is speculated that the short-term gratification accompanying impulse buying would enhance their positive self-feelings and mood states. They may have greater difficulties with feeling deprived by not buying or by delay of gratification. For stress-reactive people, impulse buying can be viewed as a means of coping with stress. Thus, it is hypothesized that stress reaction would be positively associated with the likelihood of engaging in impulse buying.

Absorption. “ Absorption is a tendency to become immersed in self-involving experiences triggered by engaging external and imaginal stimuli (Tellegen and Waller, in press)”. Highly absorptive persons are more likely to have unusual and unconventional thinking and to be able to suspend disbelief. More specifically, they: 1) are emotionally responsive to engaging sights and sounds; 2) are readily captured by entrancing stimuli; 3) think in images and synaesthetic and other crossmodal experiences; 4) become absorbed in vivid and compelling recollections and imaginings; and 5) experience episodes of expanded awareness and altered states.

Absorption is an interesting construct for consumer research because it can play a role in how people respond to environmental and sensory cues, including those that influence the purchase and consumption of products. Marketer-created environmental and product factors including colors, smells,
<https://assignbuster.com/reasons-of-impulse-buying/>

sounds, textures, and locations can increase the likelihood of engaging in impulse buying (Eroglu and Machleit 1993; Mitchell 1994). Work in absorption indicates that people may differ on the degree to which they are sensitive to these stimuli. Accordingly, we hypothesize that people with high absorption levels will more easily be caught up in external sensory stimulation, and thus, more likely to engage in impulse buying.

Many different factors have been suggested as triggering the impulse to purchase. By and large, triggers are divided into two types, external cues and internal cues (Wansink 1994). External cues are specific triggers associated with buying or shopping. They involve marketer-controlled environmental and sensory factors. Internal cues refer to consumers' self-feelings, moods, and emotional states.

Recent studies have stated that atmospheric cues in the retail environment (i. e., sights, sounds, and smells) are important triggers that can influence a desire to purchase impulsively (Eroglu and Machleit 1993; Mitchell 1994). Also it has been suggested that marketing innovations such as credit cards, cash machines, instant credit, 24-hour retailing, and telemarketing make it easier than ever before for consumers to buy things on impulse (Rook 1987; Rook and Fisher 1995). Additionally, marketing mix cues such as point-of-purchase, displays, promotions, and advertisements also can affect the desire to buy something on impulse.

Consumers' emotions or affective states have been regarded as potent internal triggers for impulse buying. It is speculated that impulsive buyers are more likely to be responsive (or sensitive) to their emotional conditions

than non-impulsive buyers (Rook and Gardner 1993). For impulsive buyers, their affective state can stimulate pursuit of the immediate gratification that buying provides. In fact, recent work has proposed that buying impulses may be partially motivated by a desire to change or manage emotions or mood states (Gardner and Rook 1988; Rook 1987; Rook and Gardner 1993).

Impulse buyers were found to be more likely to buy on impulse in both negative moods and positive moods than non-impulse buyers. The results suggest that impulse buyers are more prone to act when experiencing hedonically charged moods regardless of their direction. Thus, it is expected that both positive and negative affective states are closely tied to the tendency to engage in impulse buying.

It is not possible to ignore one most important variable that is gender. Both men and women possess information different (Peter & Olson, 1999) and buy different products for different reasons and influences are different on purchase decisions (Crawford, Kippax, Onyx, Gault, & Benton, 1992; Dittmar, Beattie, & Friese, 1995; 1996). Women purchase more as compared to men (Kollat and Willett, 1967) and enjoy shopping (Rook & Hoch, 1985). It shows that due to more shopping from the women's side, it gives rise to unplanned shopping also. But Kollat and Willett (1967) argue that as sex is not the cause of unplanned purchases. It is the number of shopping's by any sex that give rise to unplanned purchases. Rook and Hoch (1985) found that females to be more impulsive. However, Cobb and Hoyer (1986) categorized males as impulse purchasers.

Rook and Hoch (1985) found that the sex difference in men and women reflect different kinds of impulsive buying products. Men prefer more to their

<https://assignbuster.com/reasons-of-impulse-buying/>

durable goods like boots, computers and now trends has changed towards car stereo and computer software's due to fast change in technology.

Women are more attracted towards aesthetic goods like grooming products, dress and clothings.

High impulse buying can be found in a supermarket for both men and women. 60 to 70 percent of purchased in grocery industry by both sexes are not planned (Underhill, 1999). Mostly women came for shopping with an items list to be purchased and men are only quarter in quantity came with a list as compare to women (Underhill, 1999). Studies revealed that women often come with other women for shopping and they spend more time and money as compare to shopping when alone (Underhill, 1999).

Income levels have a great impact on values, behavior, and lifestyles. Very strong relationship between income level or purchasing power and college education is found (Peter & Olson, 1999). Martial status also has an impact. As the number of years married increases, leads to increase quantity and variety of consumption (Kollat & Willett, 1967).

In Pakistan there are four types of price indices; Consumer Price Index (CPI), Wholesales Price

Index (WPI), Sensitive Price Index (SPI) and GDP Deflator, which are used to calculate inflation. Among these indicators, the major emphasis is on CPI as a measure of inflation, which covers 375 items in 71 markets of 35 cities of the country (Economic Survey, 2007-08).

The inflation rate for various income groups shown in below table reveals that the increase in the headline CPI of 22.3 percent during July-April 2008-09 was largely borne by lower income brackets. Inflation has shown an increase of 24.4 percent for the households with the monthly income up to Rs 3,000 whereas the rate of inflation for income groups of Rs 12,000 and above stands lower at 20.9 percent.

It could be also seen that purchased capacities in income group of Rs. 12000 in Pakistan is more that tends to be more impulsive. But Stern (1962) found that mostly people prefer cheap products for impulse buying.

Methodology and Construction of Variables

Dependent variable is impulse buying that is pure impulse buying, reminder impulsive buying, suggested impulsive buying and planned impulsive buying. Independent variables are categorized into emotional, environmental, behavioral, product, societal and personality factors.

All the detailed attributes are taken from vast study of past researches. I have tried to operationalise the independent and dependent variables first for better understanding and path towards making a perfect model. Only by putting some attributes under different categories does not justify the authenticity of these categories? For that, factor analysis test will be conducted and the test run will help us to specify the factors under different categories.

After that logistic regression test may guide us that which specific factor contributes more in impulse buying.

Both dependent and independent variables are categorical in nature that leads to chi-square for checking the association between dependent and independent variables.

Emotional factors

Joy

Love

Fear

Hope

Fantasy

Anger

Day dreams

Delayed gratification

Self-exploration

Product related factors

Style

Design

Colors

Price

Proximity to stimuli

Point of purchase (POP)

Environmental factors

Music

Discount offers

Store Interior

Free samples

Telemarketing

Behavioral Factors

Education

Experience

Time

Money

Consumption patterns

Shopping Intents (shopping for yourself or some one else)

Personality Factors

Lack of control

Stress-reaction

Absorption

Societal factors

Family

Coworker

Friends

Culture

Limitations/Recommendations

Un-sufficient sample size, as we try to make a large sample size but it does not cover the whole population. So, the results may not clearly depict the impulsive behavior of whole population.