

Impulse purchase behaviours of university students



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This chapter focuses on the factors that contributed to the impulse purchase behaviours of university students and the contributing factors that lead to these behaviours. This first section will study and explore the definitions of impulse purchasing as well as recognizing and categorizing the spending habits of the university students, which follows on the post satisfactory results of their impulse purchase of consumer goods.

1. 2 Background of Research

Although the university students would eventually face the real working world after their graduation, their spending behaviours, specifically on impulse purchasing, should be taken into an account during their university years as it does hold a significant value in their purchasing power to the Malaysian economy. Impulse purchase, although it is not new in terms of research in its works, is relatively uncommon to be research and analyzed in Malaysia. A brief definition of impulse purchase is the spur of the moment, unplanned decision to buy, made just before a purchase (thefreedictionary.com) Researchers have strived for years to find a better definition and reasons for impulse purchase. Earlier studies and research on impulse buying were from managerial perspectives, focusing on consumers purchasing decision after they entered the store. Stern (1962, p. 59) state that planned buying behavior involved a time consuming information search followed by rational decision making. Unplanned buying, on the other hand, entailed all purchases made without such advance planning and includes impulse buying.

1.3 Problem Statement

To provide a brief view of the disadvantages of impulse purchase, there are a few factors which can lead to unplanned purchases and impulsive behavior such as high anxiety levels and lack of self-control (Dittmar, Beattie and Friese 1995a). Unplanned purchases are more likely to occur when a consumer is unfamiliar with the store's layout or under time constraints (Shoham, Brencic, 2003). Since the consumer might spend more time looking through the store, he will be less likely to impulse buy.

The general problem with researching on impulse purchase by university students is the very few amount of detailed research work itself done by past researchers, as they normally would concentrate on the general consumer with coercion of course from the major companies that needs customer evaluation for their purchase of the company's products. Focusing on the impulse purchase of university students is the hectic time schedules faced by the students themselves in conducting a research and an analysis of their spending behaviour. Besides that, there are various individualistic characters-like of each university students so does their spendin behaviour differs as they possessed different taste and character.

There are also issues such as the purchase power of the younger generations (university students) comprised of a wide range of products and are considered a target for mass marketing due to purchasing attitudes which is a hard task of narrowing down the specific categories of their reasons of impulse purchase of a product. As stated by a past researcher, impulse buying behavior consists of unplanned and sudden purchases; the cognitive and affective forces guiding the purchase are typically initiated at the time

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and place of purchase (Rook, 1987). Impulse buying is often accompanied by strong affective reactions such as a powerful urge to buy or feelings of pleasure and excitement (Rook, 1987).

As it is known fact that impulse purchase has been a challenge for past market researchers, Kacen and Lee (2002) states that “ impulse buying generates over \$4 billion dollars in annual sales volume”(p. 163).

Researchers have studied impulse buying for decades but there are still very few research which focuses on generational or age groups such as specifically, university students.

In the past issues, marketers have been focused on consumers’ purchasing attitudes to try to anticipate their spending habits. Marketing research have been important factors, intentions to purchase, product satisfaction, demographics, brand awareness, and attitudes toward a brand (Hair. et. al., 2003). Some researchers in the past have focused on annual incomes instead of age demographics such as university students when marketing their products or services. The strategy was to go beyond age demographics with products and services because some of the products and services cannot be successfully marketed to one or two generational cohort groups (Gelman & Roggermann, 1984).

Rook and Fisher (1995) found that consumers attempted to suppress their innate impulsive tendencies because they desire others’ respect and do not want to be perceived as immature or irrational. For such as in this case, university students with a yearning for self-esteem would try to curb their impulsive spending habits to avoid being branded as immature. On the

contrary, Hausman (2000) found that the efforts to satisfy esteem and self-actualization needs drive consumers to make impulse purchases that provided satisfaction for such needs.

Thus this issues would pose as a disadvantage and a huge barrier for any research companies to overcome if they would like to research and analyze about the spending habits of the university students and their compulsive purchase as the information is limited , and the companies would obtain very few information on the post purchase of products done particularly by university students as there are very few resources to work on. Marketing companies would be spending a lot on research as there are very few sections on impulse purchase which are done particularly on students, where as collecting data info on them would be a hassle and time consuming too.

1. 4 Research Objectives

The objective of this study is to research on the current spending habits of university students, which is impulse purchasing of consumer goods and to collect their satisfaction results of their post purchase behaviours. By conducting the research more specifically, these objectives are narrowed down into 4 sub objectives or category which is:

1. 4. 1 To investigate what are the causes and the results of impulse purchase behaviours of university students through personal factors.

The objectives of this study is to identify what are the possible causes of impulse purchase through personal factors of spending habits by university students. Based on the recent studies adapted by the past researcher in a

related sector, personal factors is one of the primary causes of compulsive spending habits by consumers, and thus I would like to investigate the possibility of the relations of personal factors to impulse purchase of the university students too.

1. 4. 2 To examine the relationship between socio-cultural factor and its influence of impulse purchase behaviour to the university students.

The second purpose of this study is to establish the possibility of the socio-cultural factors and its connection to impulse purchase behaviour of university students. If our society causes us to adapt with the current trend and lifestyle behaviours, would the university students adapt to the changes in their purchasing behaviours?

1. 4. 3 To identify the role of Marketing in its influence and importance to the act of impulse purchase by university students.

Marketing in its own is one of the major factors that influence various companies to adapt to changes and to realize its importance in terms of advertising and introducing a product or a brand. Marketing researches are used to know how many products are being sold in the market for existing products; how many products can be sold for a new product and also investigate customer's preferences (Antonio Daniloff, 2009), be it university students or the general public.

1. 4. 4 To recognize which is the most influential and contributing factor between these three factors that influenced university students in their impulse purchase behaviours.

By recognizing and acknowledging the most influential factor between the three factors state , the research would then achieve its overall purpose and study, enabling other future researchers to understand in depth about the impulse purchase behaviours of university students and which is the most important factors.

1. 5 Definition of Terms

This section lists definitions of the key terminology used in this paper.

Age Generational Cohort Group. The demographic groupings of the generations are known as cohort-groups (Strauss & Howe, 1991).

Behaviour. Behaviour is a mental process of interpreting thoughts and making decisions (Dictionary of Marketing Terms, 2004).

Cohort. A group of consumers with a common variable such as age or age-grouping is called a cohort. This group would be reference as an age-cohort group or an age-generational cohort group (Dictionary of Marketing Terms, 2004).

Consumer. The consumer is defined as a person who buys goods and/or services from organizations thereby bringing sales to that organization (“ Classic Reading”, 1998).

Consumer Goods. Broad category that covers mass-market items divided into consumer durables, consumer non-durables, and soft goods.

(<http://www.businessdictionary.com/definition/consumer-goods.html>)

Demographics. Demographics are population changes in a predetermined group of people. For example, the growth or reduction in size in a particular group, gender ratios, distribution, age, composition, and other characteristics of human populations (Dictionary of Marketing Terms, 2004).

Impulse Buying. Impulse buying “ is a consumers’ tendency to buy spontaneously, unreflectively, immediately and kinetically” (Rook & Fisher, 1994, p. 306).

Marketing Research. “ Marketing research is the function that links an organization to its market through the gathering of information. The information allows for the identification and definition of market-driven opportunities and problems” (Hair et al., 2003, p. 676).

1. 5 Scope of Study

This study investigated impulse buying in groups of university students. As I would elaborate on later in this research, this would be divided in 3 categories which comprises of 3 variables. The primary research question that has been addressed in this study is as follows: What are the main causes of impulse purchase behaviour by university students through personal factors? This study also investigated a correlation between impulse buying attitudes and gender, monthly personal income, and monthly credit card usage. The result of this research determines if marketing strategies need to adapt and changed with regards to impulse purchase behaviours of <https://assignbuster.com/impulse-purchase-behaviours-of-university-students/>

university students based on their gender, household income, and monthly credit card usage.

This study is targeted mainly to respondents whom are university students with the inclusion of gender, age or race to be researched on. The university that would be focused on is the Multimedia University Melaka Branch.

Besides that, the respondents would be comprises of various faculty, be it the Management, Information Technology, or Engineering to encourage variety and fairness in collecting data from each respondents. The first variable would be put to the test which is the personal variable.

For the personal variable, the students from the university would be given a few sets of questions which focuses on their personal choice of a broad range of consumer goods, they image they would like to portray in this society nowadays and what they define as attractiveness in terms of the personal use of products. As for the socio-cultural variable, the studies would be conducted in placing questions for the respondents on what consumer goods the respondents would picture as the latest trend and what they would purchase to ensure that they have a sense of belonging in the society. For the third variable, which is the marketing variable, the respondents would be able to rate on which would they prefer as the most affective and successful product from an advertisement campaign from a company.

1. 6 Significance of Study

The significance of this study comprises of introducing a new variable and concept to existing information with this research to create fresh insights and new knowledge. These insights will help marketers better understand

impulse purchase and how it correlates to different generational cohorts such as the university students. As a marketing student I recognized that the demographic factors are the most popular bases for segmenting customer groups because consumer needs, wants, and usage rates often vary closely with demographic variables. Planned buying is considered calculated. Mittal (1989) defines planned buying “ as the extent of interest and concern that a consumer brings to bear upon a purchase decision” (p. 147).

In contrary, impulse purchase in a behavioural form could not be calculated or estimated; it is a response with a behavior triggered within the consumer. It is a spontaneous decision without thought of consequences and without any prediction. The consumer experiences a high from impulse buying and, as a result, from this enjoyment; the impulse buying continues (Rook & Fisher, 1994). Within a year or two, the proportion of people aged 60 years old or over will surpass the proportional number of children under five years old.

Marketers are constantly enticing the consumers through advertising through various forms of media to purchase products and services. The average family purchases products and services, both intentionally and impulsively, that cause debt in the household. An article in Consumer Reports, “ 21st Century”(2001), states that the average family is exposed to hundreds of advertisements daily.

The future generations of today are anticipated to be possessing the tendency in their backgrounds of impulse purchase , but not estimated in numbers as impulse purchase is unpredictable. Presently, the people over 60

years old account for about 3% of the population; however, they have the most financial clout (“ Forever Young”, 2004). It is hoped that these findings will result in an overall new approach that will lay the foundation for marketers who could use this research for future marketing strategies in impulse buying attitudes targeting different age-generational groups, not just on university students

1. 7 Organization of Study

The remainder of the study is broken down into four chapters: the literary review, the methodology, the presentation of the data collected, and finally, the analysis of data collected with recommendations for future research. Following is chapter two. This chapter reviews literature of past researchers in the areas of consumer purchasing satisfaction and impulse buying. Included in this chapter is the foundation of the three main variables which relates to the causes of impulse purchase behaviours by university students. Chapter three addresses the research methodology designed for this particular study. Next, chapter four reviews and analyzes the findings from the data collected. The final, summarizes and concludes the research of data presented. This chapter also has recommendations for further research based on the findings of this study.