

An Empirical Study on Impulsive Buying Behavior

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Abstract: *There is a wealth of research on Impulsive Buying Behavior in the developed countries. However, dearth of research on this issue in Pakistan was the motivating factor for undertaking this research. The purpose of this research was to (1) identify the variables related to impulsive buying; (2) identify the relationships of these variables; (3) ascertain their validity in Pakistan; (4) empirically test the derived hypothesis. Based on literature survey, the variables identified for this study were individualism, collectivism, mood, and proximity. A questionnaire based on the above variables was developed and administered in one of the affluent areas of Karachi i.e. Clifton and Defence. The sample size was 120. Four different hypotheses were derived that were tested through regression, F- and T-tests.*

Keywords: *Impulsive buying, individualism, collectivism, mood, proximity*

1. INTRODUCTION

Impulsive buying is a 'widely recognize phenomena' in the United States [1]. A high incidence of impulsive buying was found for purchasing products such as magazines and chocolates. According to an estimate, the incidents were found to be as high as 80% [2]. "Impulsive buying behavior is a sudden compelling hedonically complex purchasing behavior in which the rapidity of the impulse purchase decision process predicts thoughtful deliberate consideration of information and choice alternative [3].

Most of the researches on impulsive buying behavior have been carried out in United States and other developed countries. A few researches on impulsive buying have been undertaken in Far East countries, and no or very little researches have been undertaken in Pakistan.

The purpose of this research was to (1) identify the variables related to impulsive buying; (2) identify the relationships of these variables; (3) ascertain their validity in Pakistan, environment; (4) empirically test the derived hypotheses.

1.1 Literature Survey

Impulsive buying has been one of the extensively researched topics since last 50 years. However, the scope on impulsive buying has changed, quite substantially, in the last few years. Most of the early researches on impulsive buying have used "Impulsive buying" and "Unplanned buying" terms interchangeably [4]. Consumer statement that: they had purchased those items, which they had, no intention of purchasing, prior to entering the store, were generally conceptualized as impulsive buying. This definition of impulsive buying was one of the reasons for the researchers to investigate the issues related to shelving displays that facilitate purchasing. The researcher in this period also started classifying the products that were mostly purchased impulsively [5], [6], [7]. The researchers in 70s continued to deliberate whether all products are purchased impulsively or a few selected ones [8].

Researchers found that "individual" are responsible for impulsive buying contrarily; to previous believe that the "product" contributes impulsive buying. In view of these findings, the researchers started redefining the variable "impulsive buying". Several researchers, thus, conceptualized impulse buying from customers' perspective. According to these researchers, impulsive buying is a sudden and power usage to buy immediately [8], [9], [10].

The predictor variables in most of the recent researches are "Personal attributes", as compared to previous researches in which the predictor variables were products. Thus, the recent researcher focused on identifying peoples, who could be classified as "impulsive buyers", and "non-impulsive buyers" [11], [12]. Despite the classifications of impulsive and non-impulsive buyers, it was also found that the level of impulsiveness in reference to purchasing varied from time to time for both the impulsive buyers and non impulsive buyers [13].

It was found that all the individuals have two built-in impulsive spending mechanisms (1) desire to buy, and (2) ability to control urge of buying. When the former overtakes latter, then it results in impulsive spending [14].

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

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coworkers and are motivated to follow the norms and values of these groups fall in the category of “collectivism”. Individualism is a social pattern comprising of individuals who see them self as autonomous and independent [15]. 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. It is assumed that individuals classified, as individualist will have a stronger relationship with impulsive buyer as compared to individuals who are classified as collectivism [3].

Proximity is also a factor that facilitates impulsive actions [14], [9], [16]. Consumers have indicated that, by just looking at the items in stores or catalogues can stimulate desires for the purchase of goods [9]. Physically proximity also stimulate sensory inputs such as (1) touching goods in store (2) tasting free sample of foods, which also affect desire [13].

Moods also influence the impulsive buying behavior. Researchers found that that the respondents were of the opinion that the most frequently mentioned mood state for stimulating impulse purchase was “pleasure” followed by mood states “care free” and excited”. Consumer believes that, impulsive buying helps in extending these feelings. Most of researchers’ findings are that positive moods facilitate impulsive buying, but a few researchers also found that “negative” moods also facilitate impulsive buying [9]. Negative moods adversely affect “self control”; therefore, the individual fell prey to impulsive buying [17]. Consumer in negative mood turns to purchasing with the hope that this would alleviate their unpleasant mood. Researchers have found a relationship between age and impulsive buying. Impulsive buying tends to increase between the ages 18 to 39, and then it declines thereafter [18]. An inverse relationship was found between age and impulsive buying. It was also found that the relationship is non monotonic. It is at a higher level between age 18 to 39 and at a lower level thereafter [19].

A relationship between gender and income was also found. Men and women relate the material possession differently. The research demonstrates that women preference is for items related to elemental values, while men preference is for items related to leisure and finance. The reasons for the respective preference were that women value their possessions for “emotional” and “relationship” reasons. Men, on the other hand, value their possession for “functional instrument reasons”. It was also found that men purchase items for personal identity reasons (independent). Women, on the other hand, make purchase for social identity reasons [9].

1.2 Hypothesis

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Based on literature survey, the following hypothesis has been derived:

1. There is a positive relationship between positive mood and impulsive buying
2. There is a direct relationship between “proximately” and “impulsive buying behavior”
3. The tendency of impulsive buying is higher in females as compared to males
4. The level of impulsive buying is higher in younger people as compared to older people

2. METHODOLOGY

The dependent and independent variables of this study are presented below along with discussions on how they were measured:

Dependent variable

1. Impulsive buying behavior

The dependent variable for this study was impulsive buying behavior. It was measured through the following conceptual definition derived through the literature survey of the report:

- I get sudden impelling and rapid impulse for making purchase [9]

Independent variables

1. Individualism

- I get motivated because of my needs [15]
- I give priority to personnel goals [15]
- My relationship with others are based on rationality [15]
- I consider myself independent and autonomous [15]

2. Collectivism

- I associate my self with co-workers and family [15]
- I am motivated to follow the norms and value of coworkers and family [15]

3. Proximity

The concepts of the following author have been used for measuring proximate:

- Looking to the goods in store stimulate purchasing [9]
- Touching goods in store stimulate the desire to purchase [13]

4. Moods

The concepts of the following authors have been used to measure moods:

- I love purchasing when I have “pleasant feelings” [9]
- I love purchasing when I am “excited” [9]
- I love purchasing when I am in carefree mood [9]

Based on the above variables, a questionnaire was developed containing two to three sub-variables, as illustrated above. The questionnaire was administered to the residence of Defence and Clifton in last week of October 2007. The sample size was 120.

3. RESULTS AND DISCUSSIONS

Descriptive analysis

The average rating level of the dependent variable “impulsive buying” was found to be high with a mean of 4.0. It may be pointed out that the overall mean of impulsive buying was on the higher side, as the younger persons and the females had the tendencies to be more impulsive than the older people and males respectively. The rating on the independent variables, the “proximity” and the “moods”, were substantially higher, with a mean of 4.26 and 4.23 respectively. One of the reasons for such a high rating on moods and proximity could be that chocolate was used as stimuli in the study, and the research was carried out in the affluent area of Karachi. Some of the researchers are of the opinion that financial resources facilitate impulsive buying.

The skewness for the entire dependent and independent variables were found to be in negative, indicating that majority of the respondents’ opinions was below the respective means.

Testing of Hypothesis-1

The hypothesis postulates a strong relationship that exists between “moods” and “impulsive buying behavior”. The value of t was 14.76 with a p value of 0. This indicates that a stronger linear relationship exists between independent variable “mood” and dependent variable “impulsive buying”. The $F_{0.5, 1, 918}$ was 21.71 that further substantiate the relationship between the “mood” and “impulsive buying”.

The coefficient of variation (R^2) was 0.81, which is an indication of very strong relationship. This relationship also tells that about 81% of the variation of dependent

variable “impulsive buying” behavior is explained by the independent variable “mood”, which is significantly high.

The coefficient of determination for “mood” is 0.90 indicating that a change in the independent variable “mood” would change the dependent variable by 90%, which is a very strong relationship.

Testing of Hypothesis-2

The hypothesis postulates that a strong relationship exists between “proximity” and “impulsive buying behavior”. The value of t was 14.70 with a p value of 0. This indicates that a stronger linear relationship exists between independent variable “proximity” and dependent variable “impulsive buying”. The $F_{0.5, 1, 918}$ was 216.12 further substantiating the relationship of the model of the “proximity” and “impulsive buying”.

The coefficient of variation (R^2) was 0.65, which is an indication of very strong relationship. This relationship also tells that about 65% of the variation of dependent variable “impulsive buying” behavior is explained by the independent variable “proximity”, which is significantly high.

The coefficient of determination for “proximity” is 0.90, indicating that a change in the independent variable “mood” would change the dependent variable by 90%, which is a very strong relationship.

Testing of Hypothesis-3

The hypothesis postulates that the level of impulsiveness in reference to buying was stronger in females as compared to males. This hypothesis was tested through t-test two variables. The P value of .14 was greater than alpha (.05), thus, substantiating the hypothesis. The level of impulsiveness buying was found to be significantly higher in females with a mean of 4.30, as compared to males with a mean of 3.81.

Testing of Hypothesis-4

The hypothesis postulates that there was no significant difference between the levels of impulsiveness in reference to buying between younger and older people. This hypothesis was tested through F-test and was rejected, as P value was 0. The level of impulsive buying in younger age groups with a mean of 4.37 was significantly higher than older group with a mean of 3.38.

4. CONCLUSION AND DISCUSSIONS

A very strong relationship was found between “mood” and “impulsive buying”. This hypothesis supports the findings of [9], which indicate that factors such as

“pleasure”, “care free” and “excitement” stimulates “impulsive buying”.

The hypothesis that there is a strong relationship between “proximity” and “impulsive buying” was also substantiated. This result supports the findings of [9] who found that physical proximity stimulates sensor inputs such as touching of goods in store and testing free samples which affect desire to purchase.

The hypothesis relating to higher level of impulsive buying in females as compared to males was also substantiated. It was found that the level of impulsive buying in reference to buying is higher in women. Moreover, men and women relate the material possession differently [18].

The hypothesis relating to higher level of impulsive buying in younger age group was also substantiated. Research also found that the impulsive buying level tends to increase between ages 18-39 and decrease thereafter. In fact, their findings were that, there is an inverse relationship between age and impulsive buying. Moreover, the relationship is non- monotonic [18].

Thus, the behavior pattern of the individuals on the discussed variables was found to be similar to the behavior found in western and developed countries.

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