

Impulse Buying Behaviour: An Empirical Study

Abstract

Impulsive buying is a unique form of unplanned buying. Impulsive buying is a sudden and powerful urge to buy immediately. In this study, individualism, collectivism, moods are treated as independent variables and each have single factor. Impulse buying tendency is treated as dependent variable. The factors of impulse buying tendency are impulse buying tendency1 and impulse buying tendency2. The objective of the study is to examine the strength of association of Individualism, Collectivism and Moods with Impulse Buying Tendency. The results revealed that individualism emerged as significant predictor of factor impulse buying tendency2, whereas moods emerged as significant predictor of impulse buying tendency 1.

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Introduction

Research on impulse buying concentrated on identifying unplanned (unintentional) purchases, which is interpreted to be the difference between purchase intentions and actual purchases. Before entering the store, the only condition for differentiating planned from unplanned buying was the time and place of the buying decision (Bellenger, Robertson & Hirschman, 1978). Approaches are made to define impulse buying by distinguishing planned from unplanned purchases (Kollat & Willet, 1967; 1969; Stern, 1962). Impulsive buying is a sudden and powerful urge to buy immediately (Beatty & Farrell, 1998; Rook, 1987; Piron, 1991). Impulsive buying is a unique form of unplanned buying, activated by visual stimulus which is generally the product, and executed in a very short time (Stern, 1962; Piron, 1991). Though, virtually all products could be purchased impulsively, it is the consumer not the product, who experiences impulses (Bellenger, Robertson & Hirschman, 1978; Rook, 1987; Rook & Hoch, 1985). Many factors may influence this impulse behavior. In addition to the product's characteristics, the consumer's mood or emotional state (Rook 1987, Rook & Gardner 1993; Weinberg & Gottwald, 1982), the shopping task, and the availability of time and money (Beatty & Ferrell, 1998) would all affect impulse buying behavior.



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Impulsive consumer shops when the mood strikes, finds gratification in shopping activities, and often buys more than planned (Rook & Hoch, 1985). People are impulsive consumers to various extents because they have various level of impulsive buying tendency, they have more or less contacts with indulging buying situations, and the various level of their self-control.

Earlier studies on impulsive buying used the impulse buying and unplanned buying interchangeably (Stern, 1962; Kollat & Willett, 1967). Researcher focused on how consumer behaves during shopping, and on mental and emotional processes that might take place (Rook & Hoch, 1985). They recognized 'product orientation' as inappropriate, and noted, that impulsive buying by no means cannot be equaled to unplanned buying.

Researcher mainly on distinguishing between people who are impulsive buyers and who are not (Rook & Fisher, 1995; Youn & Faber, 2000). Almost everyone engages in impulse shopping from time to time and even impulse buyers can and do control their impulses at times (Vohs & Faber, 2003; G'siorowska, 2003; Baumeister, 2002). If consumer has experienced an impulse, it is not obvious that they would act on it. Even highly impulsive consumers do not respond to every impulse they experience.

Rook and Fisher (1995) distinguished acts of impulsive buying from impulsive buying tendency interpreted as a trait. Impulsivity in buying (trait) is a unidimensional construct that embodies one's tendencies to think and to behave in specific ways-spontaneous, unreflective, and immediate buying. Highly impulsive buyers are more likely to be unreflective in their decisions as they are more prone to experience stimuli to buy.

Literature Review

Individualism

Individualism has an impact on impulsive buying behaviour. Individualisms is a social pattern comprising of individuals who see them self as autonomous and independent (Trandis, 1995). Individualist people get motivated by their own preference, needs, and rights. 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 buyer as compared to individuals who are classified as collectivism. (Kacen & Lee, 2002).

Collectivism

Collectivism has an impact on impulsive buying behaviour. Individuals who associate themselves with collective groups such as family and friends and are motivated to follow the norms and values of these groups' falls in the category of "collectivism".

Moods

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 (Gardner & Rook, 1987) Negative moods adversely affect self control, therefore, the

individual fell prey to impulsive buying (Herman & Polivy, 2004). Consumer in negative mood turns to purchasing with the hope that this would alleviate their unpleasant mood (Mick & Demoss, 1990).

Impulse Buying Tendency

Rook and Fisher (1995) conceptualized an individual's impulse buying tendency as a consumer trait and defined buying impulsiveness as buying "spontaneously, unreflectively, immediately, and kinetically." Those with a higher impulsive buying tendency, tend to purchase more on impulse. They also argued that buying impulsively is not necessarily irrational or risky, because in the time between the impulse to buy and the actual purchase, normative evaluations can play a moderating role. Hence, even if a person has a high tendency to impulsive buying, what he or she actually buy on impulse would still be greatly influenced by situational factors and social norms.

A few researches on impulsive buying have been undertaken in Far East countries, and very little researches have been undertaken in India. However, several researches on impulsive buying behavior have been carried out in United States and other developed countries.

Objectives

The objective of the study is to examine the strength of association of Individualism, Collectivism and Moods with Impulse Buying Tendency.

Hypotheses

This study has examined the relationship among the variables. The following hypotheses were formulated.

H1. Individualism and Moods are positively associated with Impulse Buying Tendency.

H2. Collectivism are negatively associated with Impulse Buying Tendency

Method

Sample

The data are collected from 55 MBA students of Bhubaneswar, out of which 37 (67 per cent) are males, and 18 (33 per cent) female. The objective and relevance of the study are explained to the students to make them participate in the survey. Of the 120 questionnaires initially targeted, only 55 usable questionnaires are collected. This represents a response rate of 46 percent. In this study, the survey method is used. Due to time and cost constraints as well as non-availability of the respondents for participation in the survey, purposive sampling method is used to collect data. Moreover, the survey had to be administered using single approach, i.e. conducting personal interviews. Students belonged to same age group (21-24). The information is obtained regarding these variables from all the respondents doing business with these banks.

Measures

The data are collected through a structured interview schedule (questionnaire) consisting of one part. The variables included in this study were measured using the five-point Likert Scale. The five-point scale was used for the sake of uniformity. The 14-item questionnaire administered to the set of students was compiled using items from different standardised scales measuring the

four different variables of the study. A brief description of the various measures is presented below.

Individualism

In order to measure individualism, a 4-item scale is adopted from Trandis (1995). The reliability coefficient is .54.

Collectivism

In this study, collectivism is measured using 2 items. The collectivism scale was developed on the basis of a number of scales developed by authors (Rook, 1987; Rook, 1996). The reliability coefficient is .58.

Moods

Moods is measured using a 3-item scale adopted from different researchers (Rook & Gardner, 1993; Mick & Demos, 1990). The reliability coefficient is .59.

Impulse Buying Tendency

Impulse Buying Tendency is measured using a 5-item scale adopted and modified from G 'siorowska, 2003; Baylely & Clive, 1998; Rook, 1987; Thompson & Locandor & Polio, 1990). The reliability coefficient for impulse buying tendency 1 is .49. It is .14 for impulse buying tendency 2.

All 14 items are retained for the purpose of further statistical analysis. A summary of tool characteristics for each of the scales is provided in Table 1.

Table 1 : A Summary of Tool Characteristics

Sl. No.	Factors	No. of Items	Mean	SD	Alpha Coefficient
1.	Individualism	4	15.76	2.60	.54
2.	Collectivism	2	7.29	1.69	.58
3.	Moods	3	10.96	2.66	.59
4.	Impulse Buying Tendency1	3	9.42	2.48	.49
5.	Impulse Buying Tendency2	2	7.29	1.64	.14

Results and Discussion

Factor Analysis Results

The data are subjected to factor analysis to identify the factors and establish the construct validity. The factor analysis is done using principal component with varimax rotation, as they appeared to be interrelated with each other. The highest loading against any factor is taken into account as a representative of that scale showing the construct validity. The factors obtained from this analysis for all the scales are subjected to further statistical analysis. A summary of the factor analyses results for different scales is presented in the next page.

Individualism Scale

Factor analysis performed using the responses on the 4-item scale of individualism resulted in a single factor. It has an Eigen value of 1.79 and accounted for 45 per cent of variance. A summary of the factor analysis results along with their loadings is presented in Table 2.

Table 2 : Summary of Factor Analysis for Individualism

Factor1	
Individualism	
Item	Loading
1	.83
2	.79
3	.34
4	.60
Eigen Value	1.79
Percentage of Variance	45

In order to examine whether Factor Analysis is an appropriate analysis to identify factor, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity was conducted.

Factor1	
Collectivism	
Item	Loading
1	.84
2	.83
Eigen Value	1.42
Percentage of Variance	71

acceptable. Bartlett's test result shows that the values are significant and thus acceptable (Table 3). (KMO) value is

Table 3 : KMO and Bartlett's Test Results for Individualism

In case of collectivism, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (KMO=0.50) value is also acceptable. Bartlett's test results also show that the values are significant and thus acceptable (Table 5).

Table 5 : KMO and Bartlett's Test Results for Collectivism

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.50
Bartlett's Test of Sphericity	
Approx. Chi-Square	10.25
df	1
Sig.	.01

Moods Scale

Factor analysis performed using the responses on the 3-item scale of moods resulted in a single factor. It has an Eigen value of 1.67 and accounted for 56 per cent of variance. A summary of the factor analysis results along with their loadings is presented in Table 6.

Table 6 : Summary of Factor Analysis for Moods

Factor1	
Moods	
Item	Loading
1	.78
2	.72
3	.74
Eigen Value	1.67
Percentage of Variance	56

In case of moods, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (KMO=0.63) value is also acceptable. Bartlett's test results also show that the values are significant and thus acceptable (Table 3.4).

Table 7: KMO and Bartlett's Test Results for Moods

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.63
Bartlett's Test of Sphericity	
Approx. Chi-Square	16.03
df	3
Sig.	.01

Impulse Buying Tendency Scale

The 5-item scale of impulse buying tendency is factor analyzed, which resulted in two distinct factors, namely impulse buying tendency1 and impulse buying tendency2. It has an Eigen value of 1.69 and 1.01 respectively and together accounted for 54 per cent of variance. A summary of the factor analysis results along with their loadings is presented in Table 8.

Table 8. Summary of Factor Analysis for Impulse Buying Tendency

Factor1		Factor 2	
Impulse Buying Tendency1		Impulse Buying Tendency2	
Item	Loading	Item	Loading
1	.72	3	.55
2	.80	5	.75
4	.33		
Eigen Value	1.69	2.07	
Percentage of Variance	34	20	
Total variance explained= 54 per cent			

For the scale of customer loyalty also Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (KMO=0.57) value is acceptable (Table 9).

Table 9 : KMO and Bartlett's Test Results for Impulse Buying Tendency

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.57
Bartlett's Test of Sphericity	
Approx. Chi-Square	17.10
df	10
Sig.	.05

Thus, individualism, collectivism and moods emerged as a single factor. Impulse buying tendency emerged as multidimensional in nature. Impulse buying tendency factors are impulse buying tendency1 and Impulse buying tendency2. Individualism, collectivism and moods are treated as 'independent' or predictor variables, and Impulse buying tendency was treated as 'dependent' or criterion variable.

First of all, means, SD, and inter-correlation among all the variables are examined. The results indicated a positive relationship of individualism with impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2). The results showed a negative relationship of

collectivism with impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2). Moods has a positive relationship with impulse buying tendency factor (impulse buying tendency1) and a negative relationship with another impulse buying tendency factor (impulse buying tendency2) (Table 10).

Table 10 : Descriptive Statistics and Pearson correlations among the factors

Factors	Mean	S.D	I	C	M	IBT1	IBT2
I	15.76	2.60		-.06	.11	.21	.32*
C	7.29	1.69			-.28*	-.19	-.23
M	10.96	2.66				.36**	-.05
IBT1	9.42	2.48					-.27*
IBT2	7.29	1.64					

** Correlation is significant at 0.01 level (2-tailed). * Correlation is significant at 0.05 level (2-tailed)

Notes: Individualism (I), Collectivism(C), Moods (M), Impulse Buying Tendency1 (IBT1), Impulse Buying Tendency2 (IBT2), Standard Deviation (SD)

After examining the construct validity and identifying the factors, proposed hypotheses are tested. The results related to different hypotheses are presented and discussed below.

H1a. Individualism are positively associated with impulse buying tendency factors.

Multiple regression analysis (MRA) is perform using individualism factor as predictor and impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2) as criterion separately. The results do not show significant relationship between individualism and impulse buying tendency1. The results showed that individualism ($b=.32$) emerged as significant predictor of impulse buying tendency2 explaining 8 per cent of the variance for the criterion measure ($F=5.86, p<.01$) (Table 11).

Table 11 : Summary of regression analysis results showing individualism factor as predictor and impulse buying tendency factors as criterion measures

Predictor		
	IBT 1	IBT 2
I	.21	.32**
R	.21	.32
R ²	.04	.10
<u>R²</u>	.02	.08
F	2.33	5.86**

b values** significant at 0.01 level * Significant at 0.05 level.

I- Individualism, IBT1- Impulse Buying Tendency1, IBT2- Impulse Buying Tendency2

The results reveal that students get motivated to buy things because of their own needs. They see the product and purchase instantly. Even they carefully plan most of their purchase, if they get motivated. They love purchasing when they are excited. Sometimes they purchase immediately and think later on.

H1b. Collectivism are negatively associated with impulse buying tendency factors.

Multiple regression analysis is perform using collectivism as predictor and impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2) as criterion separately. The results do not show significant relationship between collectivism and impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2). The results show that neither the students like association nor they are motivated to value friends and family members in case of immediate purchase.

H1c. Moods are positively associated with impulse buying tendency factors.

Multiple regression analysis is perform using moods as predictor and impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2) as criterion separately. The results showed that moods ($b=.36$) emerged as significant predictor of impulse buying tendency 1 explaining 11 per cent of the variance for the criterion measure ($F= 7.86, p<. 01$) (Table 12). The results do not show significant relationship between moods and impulse buying tendency2. The results reveal that students love purchasing when they are excited. At that time without thinking they buy.

Table 12. Summary of regression analysis results showing moods as predictor and impulse buying tendency factors as criterion measures

P r e d i c t o r		
	IB T 1	IB T 2
M	.36 **	-.05
R	.36	.05
R ²	.13	.01
<u>R²</u>	.11	-.02
F	7.86 **	.15

b values** significant at 0.01 level * Significant at 0.05 level.

M- Moods, IBT1- Impulse Buying Tendency1, IBT2- Impulse Buying Tendency2

Conclusions

In this study, individualism, collectivism, moods are treated as independent variables and have single factor individualism, collectivism, and moods respectively. Impulse buying tendency was treated as dependent variable. The factors of impulse buying tendency were impulse buying tendency1 and impulse buying tendency2.

The results of multiple regression analysis do not show significant relationship between individualism and impulse buying tendency1. But the results show that individualism emerged as significant predictor of impulse buying tendency2. Multiple regression analysis also performs using collectivism as predictor and impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2) as criterion separately. The results do not show significant relationship between collectivism and impulse buying tendency factors (impulse buying tendency1 and impulse buying tendency2). The results of multiple regression analysis show that moods emerged as significant predictor of impulse buying tendency 1. The results do not show significant

relationship between moods and impulse buying tendency². The results reveal that students get motivated to buy things because of their own needs. They see the product and purchase instantly. Even they carefully plan most of their purchase, if they get motivated. They love purchasing when they are excited. Sometimes they purchase immediately and think later on. The results also show that neither they like association nor they are motivated to value friends and family members in case of immediate purchase. The results reveal that students love purchasing when they are excited. At that time without thinking they buy.

Limitations

Keeping in mind the exploratory nature of the study and the methodology use for the analysis of the data, certain limitations are identified.

1. The data can be collected from students of different MBA institutions at Bhubaneswar and other major places in Orissa. Data can also be collected from other professions like doctors, engineers, teachers etc. with different age groups.
2. Some other variables could have been included like Impulse Buying Frequency.
3. The study can be conducted using causal models to examine the relationship.
4. The sample size is very small and drawn from a specific area (Bhubaneswar) which makes the generalisation of the findings difficult.
5. The study is limited only to students of MBA of a particular Institute.

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