

The Theoretical Framework On Factors Affecting Consumer Impulsive Buying Behaviour In Retail Environment

* Mr .K. Balaji MBA,* *Dr .M. Kishore Babu,

(*Research Scholar, KL University,** Professor in KLUBS, KL University)

Abstract

In modern era, the increase in personal disposable incomes and easy to get credit availability have made impulsive purchasing in retail environment a major leisure and lifestyle activity. Impulsive purchase behavior is driven by hedonistic or pleasure seeking goals causes a consumer to experience desires for products. The purpose of this article is to justify factors affecting consumer impulsive purchase behavior in retail environment after performing theoretical analysis of impulsive purchase models. This article shows the various frameworks for determining impulse buying behavior cues and reasons how the impulse buying will occur in individuals. Research methodology used in the article is comparison analysis of scientific literature and various case studies.

Keywords: consumer impulsive purchase behavior, retail environment, internal factors, external factors

Introduction

Consumer impulsive purchase behavior is the topic of research of many scientists from different fields of study. It is an object of research for half a century already. At present dramatic increase in personal disposable incomes and easy to get credit availability have made impulsive purchasing in retail environment a major leisure and lifestyle activity. Impulsive purchase behavior is driven by hedonistic or pleasure seeking goals causes a consumer to experience desires for products. Companies, experiencing tough competition in market, can apply marketing stimuli and use impulsive purchase as a competitive advantage. Manipulation of factors, stimulating impulsive purchasing may significantly increase sales.

The analysis of scientific literature on impulsive purchasing in retail environment let us state, that there is no common attitude to impulse purchasing behavior in scientific literature. Such scientists as Rook (1987), Piron (1991), Hoch and

Loewenstern (1991), Rook and Fisher (1995), Dittmar and others (1995), Puri (1996), Bayley and Nancarrow (1998), McGoldrick and others (1999), Dholakia (2000), Mattila and Wirtz (2008), Harmancioglu and colleagues (2009) and others performed scientific research agreed that there is no unified attitude to factors affecting impulsive purchase behavior

For over fifty years, consumer researchers have strived to form a better definition of impulse buying. Early studies on impulse buying stemmed from managerial and retailer interests. Research in this vein placed its emphasis on the taxonomic approach to classifying products into impulse and non-impulse items in order to facilitate marketing strategies such as point-of-purchase advertising, merchandising, or in-store promotions. However, local market conditions, systems of exchange and various cultural forces impact how consumers operate on impulse.

Research problem:

The research problem formulated in this study is that to emphasize what factors favor impulse buying in consumers.

The objectives of the research:

The objective of this research is to provide various theoretical frameworks for impulse buying behavior in consumers at various retail formats.

Research methodology:

Research methodology used in the article is comparative analysis of scientific literature and various case studies.

Literature Review

Researchers discovered that exist internal and external factors stimulating impulsive purchase behaviour and created various models and frameworks of this behaviour. Constructing them scientists tried to distinguish separate parts of the impulsive purchase process, identify factors and circumstances influencing consumer behaviour as well as explain the phenomenon of impulsive purchasing. Nature of Impulse Buying: Impulse buying is unreflective in that the purchase is made without engaging in a great deal of evaluation. Individuals buying impulse is less likely to consider the consequences or to think carefully before making the purchase (Rook, 1987). The person's attention is focused on the immediate gratification of responding to the urge to buy rather than on solving a preexisting problem or on finding an item to fill a predetermined need. Finally, consistent with general impulsiveness, impulsive buying is immediate (Barratt, 1985; Rook, 1987) [3].

Impulse Buying Behavior: Subsequent to 1982, when researchers began to re-focus attention on impulse buying behavior, researchers began to investigate the behavioral dimensions of impulse buying. Most recently, researchers appear to agree that impulse buying involves a hedonic or affective component (Cobb and Hoyer, 1986; Piron, 1991; Rook, 1987; Rook and Fisher, 1995; Weinberg and Gottwald, (1982). For instance, Rook (1987) reports accounts by consumers who felt the product 'calling' them, almost demanding they purchase it[4].

As per them impulse buying is defined as “a sudden urge in an individual to buying something immediately”.

Models or frameworks analyzed in this article:

Models or frameworks are analyzed in this article cover: the reference point model by Hoch and Loewenstern (1991), the two-factor cost-benefit accessibility framework by Puri (1996), A Model of Impulse Buying by Dittmer and colleagues (1995), A Theoretical Model of Impulse Buying by Dittmar and colleagues (1996), a model of environment-shopper relationships by McGoldrick and colleagues (1999), Dholakia's (2000) integrated model of consumption impulse formation and enactment, Mantilla and Wirtz (2008) impulsive purchase model, as well as a model of impulse purchase of new products by Harmancioglu and colleagues (2009)The Impulse Buying Behavior of Consumes For The FMCG Products In Jodhpur(2011)impulse buying at airport terminals by *A case of Indian consumers Alka Sharma, Ankita Nanda(2012[1])*.

The Reference Point Model

It was introduced by Hoch and Loewenstein (1991) explaining how and why consumers are impulsive. The authors were among the first who introduced it. The model is based on economical and psychological theories following scientists Winston (1980) and Mischel (1974). Besides the authors follow Rook's (1987) concept of impulse buying: “an urge to buy something immediately”, exactly, this concept is dominating in the article. However, the authors were interested in this problem not by coincidence. In the scientific work they stress, that for unknown reasons, the United States in 1991 had one of the lowest saving rates among industrialized countries. Since consumer self-control underlies the national savings rate (Hoch and Lowenstein (1991) based on Shefrin and Thaler 1988) a better understanding of consumer self-control at the micro level could increase the understanding of saving and its determinants[2].

Hoch and Loewenstein (1991) state, that psychological processes and changes of consumers attitudes have influence to impulsive purchasing after they appear to shopping

environment (a shop). Reacting to a stimulus a consumer feels an urge to have and already imagines s/he owns a product. Non-purchased product is being estimated as a loss and the consumer purchases it to reduce the loss. At the moment of impulsive purchasing, benefits of immediate gratification compensate future decisions such as financial issues. This model explains impulsive purchase behaviour and emphasizes the importance to understand consumer's perceptions of the product and what happens with the consumer's attitude. The model's limitations are that it doesn't explain why consumers buy some product categories impulsively, why do not buy other[3].

A Model of Impulse Buying

Dittmar and colleagues (1995) presented a model of impulse buying to and filled a gap of previous models. The model is based on social constructionist and the psychology of material possessions theories. The main idea of this model is that consumers buy products not only for their functional benefits, but also for their symbolic meanings. Products are purchased for their symbolic meaning in that they give an indication of the social standing, wealth, and social status of an individual. The model is divided between product functional use and its symbolic meaning of identity[5]

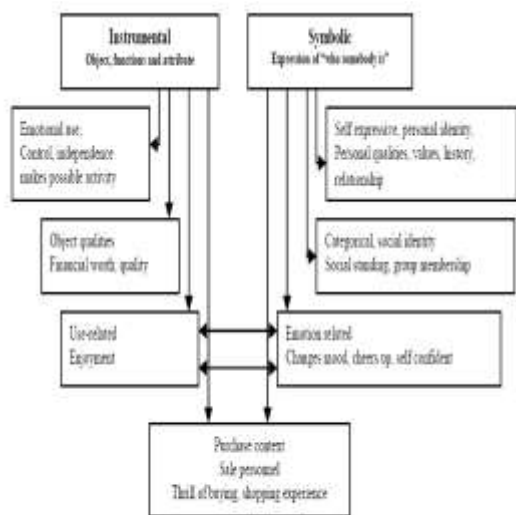


Figure 1. Meaning Dimensions in Impulse Purchases (from Dittmar et al. 1995)

The authors validated the model through individual interviews of a mature student population as well as tested how men's and women's impulse buys differ. The results showed that products that are bought impulsively have

better expressions of the individual's identity than those which are not bought on impulse

A Theoretical Model of Impulse Buying

Using the results of previous research Dittmar and colleagues (1996) offered a more comprehensive theoretical model of impulsive purchasing. This model is based on the symbolic self-completion theory (Wicklund and Gollwitzer, 1982), Richins and Dawson (1992) described tendency to materialism and Higgins (1987) concept of self-discrepancies[5].

The main presumption of self-discrepancies concept is that discrepancy between how a consumer see him/(her)self (real self) and what he/she wants to be (ideal self) (Higgins, 1987). The tendency to buy on impulse will be the strongest when there is a sharp discrepancy between actual self and ideal self. Following self-completion theory, individuals compensate this discrepancy or shortages of self imagination in different ways (Wicklund and Gollwitzer, 1982). One of the compensation strategies is the importance to compensate key shortages of self-perceive by purchasing products. A person's tendency to materialism means, that consumers buy products and in this way tend to reach self-completion (Richins and Dawson, 1992). In a modern world purchase of material products is the most important aim of many consumer's life and is treated as one of the most important indicators of success and happiness.

Dittmar and colleagues (1995 based on Bayley and Nancarrow, 1998) state that symbolic consumption or materialism act as a compensatory mechanism. Even though, other strategies exist reducing discrepancies between real self and ideal self, consumers buy the products that has symbols of personality and social status[6].

This theoretical model of impulsive purchasing use different concepts and the main assumption is that consumers depending on their social status buy different products on impulse. The main assumption of the model proposed by Dittmar and colleagues (1996) is that consumers buy on impulse because of self discrepancy, but authors stress that consumers do not treat this motivation the only reason to buy on impulse. The relation between self discrepancy and tendency to materialism explains consumer impulsive purchase behaviour. The model doesn't explain

why in particular situations consumers are impulsive.

The Two-Factor Cost-Benefit Accessibility Framework

Puri (1996) presented a two-factor cost-benefit accessibility framework based on research on impulsiveness, self-control, and time inconsistent preferences and built on a hedonic framework, according to which an individual feels an irresistible urge to buy a product when he or she is exposed to it. Following the concept of time-inconsistent preferences, on the same ground as Hoch and Loewenstein (1991), when the consumer is exposed to the stimulus, the benefits of immediate gratification outweigh any future considerations, such as monetary issues.[6]

The main presumption of this model is that impulsive behaviour of a consumer depends on what s/he will perceive better in a buying situation – cost of purchase benefit – or both of them and individual's tendency to buy impulsively. In situations where benefits will exceed the cost, the temptation to succumb to the felt urge is high and is the compelling force of impulsiveness.

In the presented framework by Puri (1996) we see that some new factors appear that influence consumer impulsive purchase behaviour and were not determined before. These are cost of purchase benefit, and hedonic values that stimulates impulsiveness[7].

A Model of Environment-Shopper Relationships

McGoldrick and colleagues (1999) offered a model of environment-shopper relationships. The researchers analyzed the influence of various factors to impulsive purchasing and validated the proposed model in the context of seasonal sales (see figure 2). There are distinguished two factors, influencing consumer's reaction in shopping environment, namely the customer's socio-demographic characteristics and his/her cognitive characteristics. A consumer's socio-demographic status determines his/her reaction to the environment, and probability to buy impulsively. The customer's reaction depends on his/her beliefs and images related with environment. In the situation of seasonal sale, some consumers

will wait with intention to save while the others only think about inconveniences during shopping – long queues and crowded shops[8].

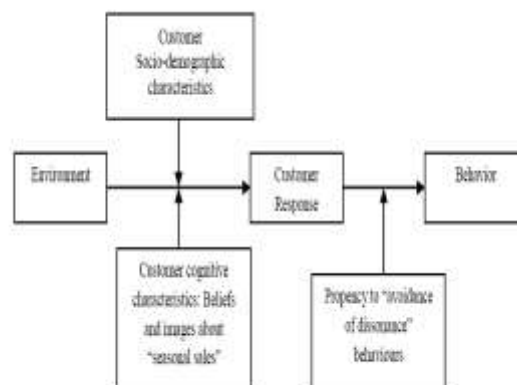


Figure 2. A Conceptual Model of Environment-Shopper Relationships (from McGoldrick et al. 1999)

As Piron indicated (1991), one of the characteristics of the impulse buying process is that the consumer does not estimate consequences of impulsive purchasing. Puri's (1996) framework, Hoch and Loewenstein (1991) model, Dittmar and colleagues (1995), (1996) models and McGoldrick (1999) model of environment-shopper relationship depend to consumer impulsive purchase behaviour development period covering from 1987 until 2000, where consumer's perceptions from point of impulsivity and its' effect are analyzed. The authors follow the same concept of impulsive buying (an urge to buy immediately). Factors such as hedonic motives, customer's socio-demographic characteristics, cognitive characteristics, avoidance of dissonance, tendency to materialism, differences between gender impulsiveness, self discrepancy compensation are distinguished by these research works. The limitations of these models are that they still do not explain why some product categories are bought on impulse[9].

An Integrated Model of Consumption Impulse Formation and Enactment

The new era in consumer impulsive purchase behaviour research started with An Integrated Model of Consumption Impulse Formation and Enactment. Dholakia (2000) presented one of the most detailed theoretical frameworks explaining the impulse buying process (see figure 3.). The main assumption of the framework is that the impulsive behaviour consists of elements that

involve motivational, volitional, and cognitive psychological processes[10].

Dholakia (2000) has identified three the most important factors of impulsive purchase behaviour, such as marketing stimuli, impulsivity trait and situational factors. The framework is based following Rook (1987), Puri (1996), Hoch and Lowenstein (1991) and other researchers attitudes. According to Hoch and Loewenstein (1991) physical and temporal proximity to the product also increases the consumer's impulsiveness and in the CIFE (integrated model of consumption impulse formation and enactment) Dholakia (2000) called them marketing stimuli, as marketers can control the presentation of such stimuli to the consumer[11].

The second factor, Dholakia (2000) presents is situational factors that may increase or decrease the propensity of the consumer to experience the consumption impulse. It is determined that a consumer estimates three factors that may constrain impulsive buying: current impediments, consideration of long-term consequences and anticipatory emotions[12].

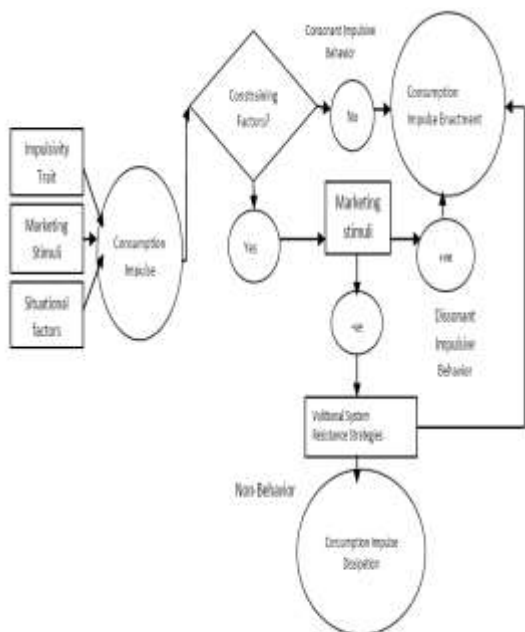


Figure 3. The Integrated Model of Consumption Impulse Formation and Enactment (Dholakia 2000)

Impulsive Purchase Model

Mattila and Wirtz (2008) determined that consumer stimulation in the shopping environment and social aspects encourages impulsive purchase behaviour (see figure 4.). Results of Mattila and Wirtz (2008) study indicated that social factors influence impulse buying. The interactive effect of perceived

crowding and employee friendliness showed that these two factors need to be considered together in store design[14].



Figure 4. Impulsive Purchase Model (from Mattila and Wirtz 2008)

The model is important, for determined social aspects influencing impulsive purchase. Only researchers of psychology had done research on it but there were little prior research done in consumer behaviour research. The model complements the factors influencing impulsive buying.

A Model of Impulse Purchase of New Products

Harmancioglu and colleagues (2009), draw on the theory of reasoned action as a theoretical foundation in building the model of impulse buying of product innovations. They adopted Fishbein and Ajzen's (1975) framework by arguing that, in the context of impulse purchases, purchase intention were not a significant mediator. The determinants of impulse purchases included consumers' characteristics (i.e. excitement and esteem) and prior product knowledge (as influenced by opinion-leaders and compliance to social norms)[15].

Accordingly, Harmancioglu and colleagues (2009) provided an understanding of what drives the tendency to purchase new products on impulse. First, impulse buying intention did not make a significant influence on impulse buying behavior[16].

Second, impulse buying intention and impulsive purchase of innovative products were encouraged

by consumers' desire and necessity for excitement.

Consumers think that if they buy the latest innovations, they get more respect from others and increase their self-respect and it will make them feel modern. However, impulse purchases of new products cause spontaneous and uncontrolled spending. Fourth, consumers' level of knowledge of new products had a positive effect on their impulse buying intentions and purchases.

A Model of Impulse buying tendency

Buang and Sherilou (2011) in their study have also found a significant relationship between impulse buying tendency, shopping enjoyment, instore browsing and impulse purchase. Impulse purchase behavior has received considerable attention in marketing and psychology literature but till date there exists less literature which has tested the impact of browsing on impulse purchase behavior[17].

The model below tries to predict the interrelationship between impulse buying tendency, browsing and impulse purchase.

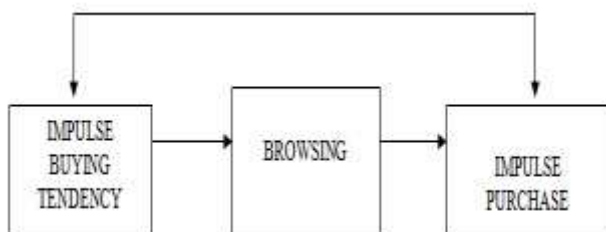


Figure:5 A Model of Impulse buying tendency (Buang and Sherilou (2011))

The above flow chart shows that a significant relationship between impulse buying tendency, shopping enjoyment, instore browsing and impulse purchase leads to impulse buying in customers .

A model of Interpretive Structural Modeling (ISM)

Dr. Vinita Sahay Professor of Marketing Indian Institute of Management Raipur India states that ISM facilitates in defining a problem or an issue by summarizing inter-relationships among various variables contributing to the intricate problem (Sage, 1977; Soti and Shankar, 2010).

Constructing an ISM comprises a number of steps [18].

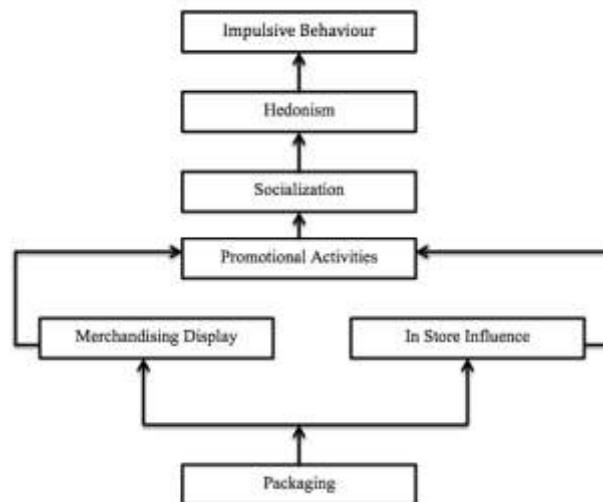


Figure:6 A model of Interpretive Structural Modeling (ISM)(Vinita sashay conference 2014)

The above flow chart shows that the relationship between the packaging, merchandising display, in store influences , promotional activities, socialization, hedonism leads impulse buying behavior.

The proposed research model

The proposed research model in this article is stated as follows

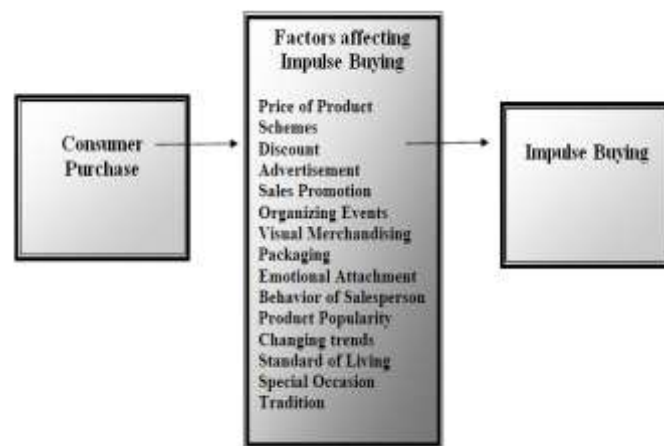


Figure:7 model designed from comparative analysis

The above flow chart shows that the various factors like price of the product, schemes, advertisement, sales promotions, organizing events, visual merchandising, packaging, emotional attachment, behavior of sales person, product popularity, changing trends, standards of living, special occasion ,tradition and technology will play an important role in impulse buying in customers

Conclusion:

Summing up it can be stated that analysis of theoretical models indicates the following factors influencing impulsive purchasing found by the authors:

- Consumer's attitude change during purchase process - in Hoch and Loewenstein the reference point model;
- Gender difference in impulsivity, product symbolic meaning, personality's discrepancy- in Dittmar et.al (1995), (1996) impulsive purchasing models
- Hedonistic need satisfaction – in Puri (1996) impulsive purchasing model;
- Causal relationship between consumer perception, belief and behaviour – in McGoldrick (1999) et.al impulsive purchasing model;
- Marketing stimuli, impulsivity trait and situational factors – in Dholakia (2000) impulsive purchasing model;
- Social factors influence - Mattila and Wirtz (2008) impulsive purchase model;
- Knowledge of new products, excitement and consumer esteem – in Harmancioglu and colleagues (2009) a model of impulse purchase of new products.
- Relationship between impulse buying tendency, shopping enjoyment, instore browsing will determine Impulse purchase behavior in consumers Buang and Sherilou (2011).
- The relationship between the packaging, merchandising display, in store influences , promotional activities, socialization, hedonism leads impulse buying behavior(**Vinita sashay conference 2014**).
- The various factors like price of the product, schemes, advertisement, sales promotions, organizing events, visual merchandising, packaging, emotional attachment, behavior of sales person, product popularity, changing trends, standards of living, special occasion ,tradition and technology will play an

important role in impulse buying in customers(comparative analysis).

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