



## **ASSESSING AND COMPARING THE INTERNAL AND EXTERNAL FACTORS AFFECTING OFFLINE IMPULSIVE CONSUMER BUYING BEHAVIOR IN INDIA**

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### **Abstract:**

*Consumers tend to buy more than they planned when out for shopping. The factors leading to the customers to buy more than they planned to on the basis of impulse are several and discussed in this paper. Primary data has been collected by only questionnaires on which descriptive analysis, factor analysis and correlation tools have been used to analyse the impact of different factors on impulsive buying behavior. The findings imply that the factors- past purchase experience, attractive store design and location trigger most impulse buys among consumers. However, factors like a good aroma and hedonic and emotional motives play a less important role in making consumers buy impulsively. Also, the study found that the post purchase dissonance is higher in unemployed/retired, married females than the other respondents' categories of the survey. Moreover the study found that the factors are mostly independent of each other and do not correlate with other factors, except a set of few including hedonic motives and past purchase experience.*

### **Keywords:**

*Impulsive buying behavior, situational factors, demographic impact, internal factors, post purchase dissonance*

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## **1. INTRODUCTION**

Many studies on impulsive purchasing research have focused on internal and external stimuli, with factors ranging from demographic, cultural and individual to environmental ones. The study of this is so important because this behaviour may become one of the most important tools for marketers for keeping constant level of sales and tapping in on the opportunity for growth.

Hence, the main idea of this study is consideration of factors as stimulators of impulsive buying behaviour. That is the study of the buying behaviour of a customer who comes to a shopping environment and makes purchases which he/she hadn't planned. This purchase behaviour is an



outcome of his personal characteristics, as well as the other internal and external simulators that form a major influence.

Unplanned purchases can be a major factor for boosting sales for retailers and hence tapping this segment is important. Such purchases range from small purchases like chocolate, clothing, magazines etc. to substantially large purchases like jewelry, vehicle, art work etc. This however leads to problems such as financial difficulties, family disapproval, or feeling of guilt or disappointment. This paper studies the factors triggering impulsive purchases and also the post purchase regret/dissatisfaction that consumers might face

## 2. LITERATURE REVIEW

Impulse buying is defined as unplanned, sudden, and spontaneous urge to buy, which lacks careful evaluation of product and purchase consequences (Kollat and Willet, 1967; Cobb & Hoyer, 1986; Rook, 1987; Piron, 1991; Beatty & Ferrel, 1998; Bayley & Nancarrow, 1998; Kacen & Lee, 2002; Vohs & Faber, 2003; Parboteeah, 2005). It is considered that the frequency of unplanned or impulsive purchasing is as high as 90%, according to Cobb & Hoyer. Many researchers have identified that nine out of ten consumers buy on impulse (Coley, 2002) while impulse buying occurs in 27% to 62% of all purchases (Beatty & Ferrell, 1998).

Rook (1987) states, that impulsive purchasing behaviour is based on a sudden stimulus, followed by excitement and/or pleasure and/or irresistible urge to buy. Impulsivity is consumers' 'lifestyle feature'. He determined that different consumers experience impulsive purchasing in different ways. Impulsive purchasing becomes a problem with negative consequences. Often impulsive purchases are related with post-purchase, return of goods, financial issues, frustration, dissatisfaction with the goods purchased, guilt and others objections to such purchases.

According to various studies (Rook & Fisher, 1995; Beatty & Ferrell, 1998; Verplanken & Herabadi, 2001; Virvilaite et al., 2009), the main characteristics of impulsive buying behaviour are: inclination to impulse buying, spontaneity in buying, lack of a shopping list and satisfaction felt after unplanned purchase (post purchase behaviour). This refers to the individual characteristics of the consumer. However, impulse buying is also investigated in terms of other factors such as demographic, cultural, and situational ones.

Situational factors are the external factors coming from the shopping environment when buyer comes into contact with particular visual stimuli (product or promotion) that create the unplanned purchase. At that instant the shopper may feel a sudden need to purchase a particular product that has attracted his/her attention. Some researchers (Youn, 2000) attach more importance to the influence of individual characteristics of shoppers believing that individual behaviour is consistent in particular situations. Whereas, the other school of thought is that consistency in behaviour alters depending on situation. Few studies reveal that consumer behaviour is conditioned by situation (Belk, 1974; Mattson & Dubinsky, 1987) ranging from 4%



to 43% of total behavioural variance, which points to the situational variables as the main reason for the change in stability of individual factors (Mattson & Dubinsky, 1987).

According to Belk (1974), situation is a set of all the factors "particular to a time and place of observation which do not follow from knowledge of personal (intra-individual) and stimulus/choice alternative attributes, which have a demonstrable & systematic effect on current behaviour." Belk's taxonomy includes five elements: physical surrounding, social surrounding, time, shopping task and previous conditions; with which the consumer enters the shopping surrounding or which result from the shopping surrounding.

Internal factors of the shopping area or the physical surrounding include: general interior design – color, lighting, aroma, music, equipment, etc.; arrangement of equipment and merchandise within the store; display of merchandise; point of sale promotional materials. Additionally, temperature and presence of other people in the surroundings, i.e. social shoppers, mood, in-store stimuli, such as promotional techniques, shelf signs, end-of-aisle displays, conspicuous product display, product packaging or limited supplies notices also play a role in stimulating the impulse buying.

Also, the more time is available, the higher is the chance for unplanned buying (Iyer, 1989; Iyer et al., 1989; Herrington and Capella, 1995; Nicholls et al., 1997; Underhill, 1999, Anić & Radas, 2006(a)) especially when there is no buying task. Other additional buying motivators are the price discounts or sales, store accessibility and sales staff, location of store.

The product design, the way the products are displayed, attractive colours, aroma or music can attract the shoppers' attention by putting them in a good mood and stimulating the interaction with the store atmosphere and thus unplanned buying (Donovan & Rossiter, 1982; Hart & Davies, 1996; Tai & Fung 1997; Oakes, 2000; Verplanken & Herabadi, 2001).

### 3. MATERIALS AND METHODS

The literature review identified that researches are done on impulse buying behaviour but as such no researched are done for both internal and external factors affecting offline consumer impulsive purchases. Hence, this study focuses on assessing and comparing internal and external factors which has impact on impulse buying behaviour.

Literature review raises following questions' followed by research objective and hypothesis:

- What is the correlation of external and internal factors, including the situational and demographic factors, and impulsive buying behaviour?
- Can situational/internal factors stimulate impulsive buying and to what extent?
- How much do the demographic factors affect the behaviour and a narrow down on gender based post-purchase dissonance



The following are the objectives of the research:

- To find the internal and external factors that affect impulse buying behaviour
- To find the impact of demographics and gender wise post purchase dissonance in impulse buying
- To find the correlation between the factors affecting impulse purchases

Starting from the theoretical bases, research topic, and established aims, the following hypotheses are formulated:

- H01: The observed factors do not affect impulsive buying behaviour.
- H1: The observed factors affect impulsive buying behaviour.
- H02: The observed factors are not correlated to each other
- H2: The observed factors are correlated to each other.
- H03: None of the demographic factors affect post-purchase dissonance when shopped impulsively
- H3: One/more of the demographic factors affect the post-purchase dissonance when shopped impulsively

This study was carried out on the sample of 151 respondents in Mumbai and Delhi (India). The data was collected online and offline through structured questionnaires.

The questionnaire consisted of 30 statements/questions of which 24 referred to situational/internal factors, and the last 6 to respondent's personal characteristics. The questionnaire was designed using five-point Likert scale.

Variables used in research contain cognitive-behavioural indicators (correlation variables of particular situational factors and impulsive buying behaviour, i.e. the impact of situational and internal factors on impulsive buying) and demographic characteristics.

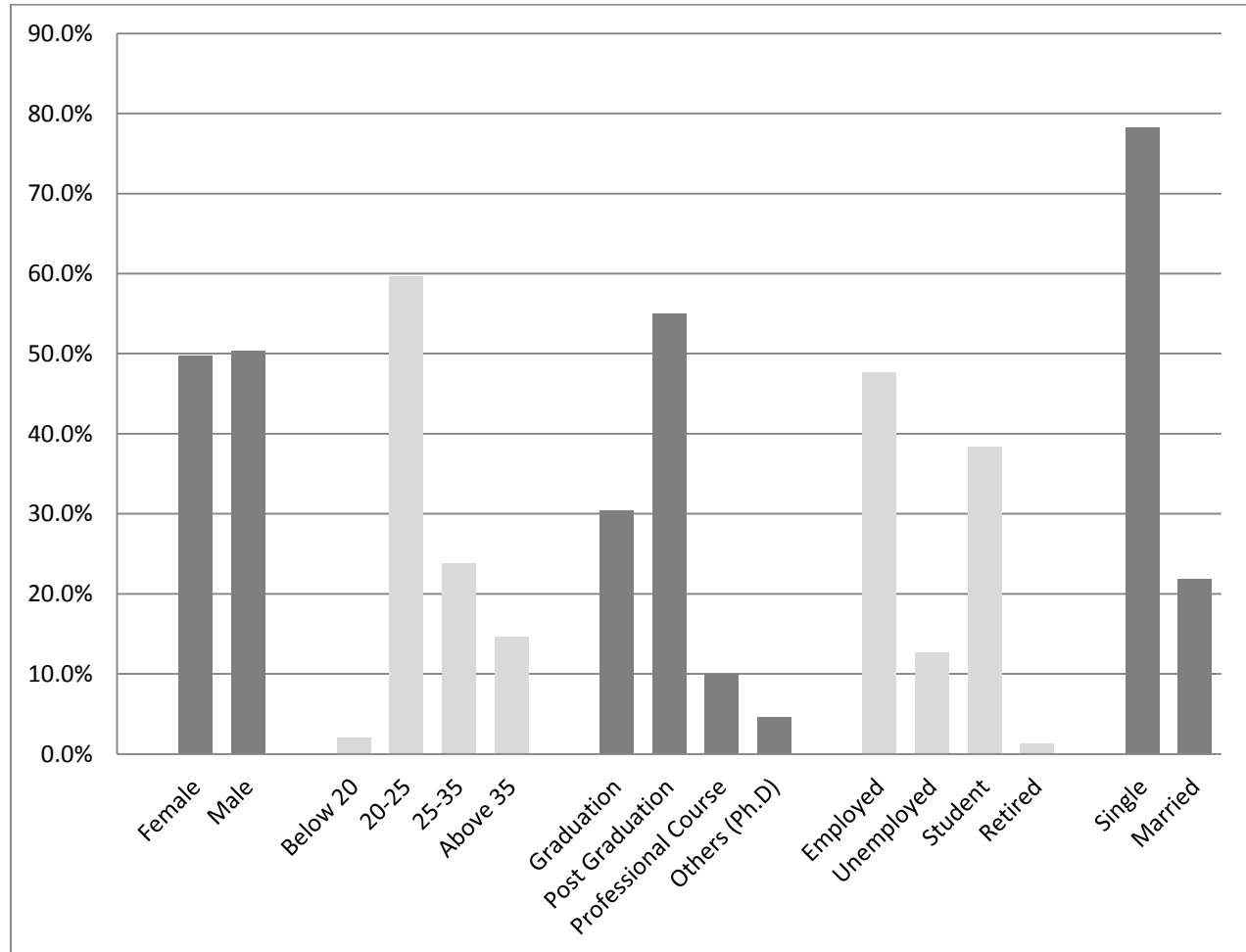
- Situational factors studies are given as Time availability, Presence of shopping, companions, Attractive store design, Helpful sales staff, Agreeable aroma, Convenient store location, Adequate sales promotions
- Internal stimulators studied are Past purchase experience, Hedonic motives, Involvement into fashion, Purchasing power, Customer emotions
- Demographic variables considered are: gender, age, education, employment status, marital status.

#### 4. RESULTS AND DISCUSSIONS

Out of 151 respondents studied, frequency test is applied and results are shown in the following table.



**Graph 1:** Frequency test of Demographic Variables



**Reliability Test**

**Table 1:** Reliability Statistics

Cronbach's Alpha	N of Items
.854	12

For reliability using Cronbach’s Alpha, we see that our data is very reliable as the value of alpha is very high at 0.854. Hence we can proceed with the systematic analysis of the data

**Factor Analysis showing the strength of different factors**



We then studied the various factors in the research. These are: time availability, presence of shopping companion, attractive store design, helpful sales staff, agreeable aroma, convenient location, adequate sales promotions, past purchase experience, hedonic motives, involvement into fashion, purchasing power and customer emotions. One or more statements were put in the questionnaire to assess the impact of each factor on impulsive buying. The following table gives the basic statistics for the same.

**Table 2:** Comparison of the factors affecting impulsive buying

	Average	Standard Deviation	Skewness	Kurtosis
Time Availability	3.02	1.34	0.19	1.33
Presence of shopping companions	3.03	1.08	0.18	0.85
Attractive store design	3.42	1.20	0.45	0.71
Helpful sales staff	2.99	1.26	0.10	1.18
Agreeable aroma	2.57	1.10	0.17	0.88
Convenient store location	3.27	1.00	0.39	0.58
Adequate sales promotions	3.25	0.94	0.55	0.51
Past purchase experience	3.53	0.90	0.57	0.01
Hedonic motives	2.72	0.90	0.05	0.28
Involvement into fashion	2.75	1.09	0.11	0.70
Purchasing power	3.06	1.06	0.34	0.52
Customer emotions	2.80	0.97	0.09	0.20

High averages are seen in factors: attractive store designs, convenient store locations, adequate sales promotion, purchasing power, the most impactful factor being past purchase behaviour.



Factors like customer emotions, involvement into latest fashion and trends, hedonic motives like buying for fun, good aroma and helpful staff, seem to have less impact on impulsive buying behaviour Standard deviations of the factors are low, while the skewness and kurtosis lie in the expected range of -0.8 to 0.8, and -3 to +3 respectively.

We check for KMO measure and perform Bartlett's test:

**Table 3:** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.848
Bartlett's Test of Sphericity	Approx. Chi-Square	607.916	
	Df	66	
	Sig.	.000	

KMO variable is high at 0.848 which tells us that the data is adequate The Bartlett's test of Sphericity significance is less than 0.05, and is coming as 0.000. Hence, factors will now be grouped together to find relative significance.

Varimax rotations have been used to combine factors and remove any factor loadings that could have appeared. The following table gives the combined group of factors:

**Table 4:** Combined group of factors

Combined Groups of Factors	Factors	Component		
		1	2	3
Time and Convenience Factors	Time Availability	.364	.416	.155
	Convenient store location	.097	.735	.266
	Adequate sales promotions	.205	.780	.073
	Past purchase experience	.434	.690	.054
In-Store Factors	Presence of shopping companions	.365	.284	.406
	Attractive store design	.002	.555	.573
	Helpful sales staff	.149	.072	.853
	Agreeable aroma	.211	.146	.737
Personal Factors	Hedonic motives	.863	.069	.079
	Involvement into	.631	.191	.219



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	fashion		
Purchasing power	.755	.188	.081
Customer emotions	.630	.343	.320

The cutoff for the last 10 factors has been taken as 0.57 while for the first two factors as 0.4 has been taken. From here we deduce that three clear groups can be formed.

These can be reframed as Time and convenience, in-store, and personal factors, as can be seen from above. Also it is noticeable that personal or intrinsic factors are the most influential in impulsive buying behaviour (cumulative sum greater than other groups).

Therefore we see that H1 is accepted that the observed factors affect impulsive buying behaviour.

**Table 5:** Correlation of factors with each other

	Time Availability	Presence of shopping companions	Attractive store design	Helpful sales staff	Agreeable aroma	Convenient store location	Adequate sales promotions	Past purchase experience	Hedonic motives	Involvement into fashion	Purchasing power	Customer emotions
Time Availability	1	.294*	.256**	.220**	.270**	.368*	.264*	.387*	.351**	.299**	.270*	.299**
Presence of shopping companions	.294*	1	.324**	.340**	.301**	.300*	.369*	.279*	.245**	.370**	.394*	.356**
Attractive store design	.256*	.324*	1	.462**	.372**	.450*	.450*	.339*	.177*	.261**	.197*	.380**
Helpful sales staff	.220*	.340*	.462**	1	.490**	.253*	.213*	.243*	.204*	.327**	.165*	.369**
Agreeable aroma	.270*	.301*	.372**	.490**	1	.364*	.200*	.310*	.249**	.202*	.291*	.397**
Convenient store location	.368*	.300*	.450**	.253**	.364**	1	.405*	.493*	.203*	.254**	.243*	.420**
Adequate sales promotions	.264*	.369*	.450**	.213**	.200*	.405*	1	.544*	.225**	.361**	.301*	.407**





Past purchase experience	.387*	.279*	.339**	.243**	.310**	.493*	.544*	1	.414**	.354**	.438*	.496**
Hedonic motives	.351*	.245*	.177*	.204*	.249**	.203*	.225*	.414*	1	.521**	.532*	.554**
Involvement into fashion	.299*	.370*	.261**	.327**	.202*	.254*	.361*	.354*	.521**	1	.332*	.408**
Purchasing power	.270*	.394*	.197*	.165*	.291**	.243*	.301*	.438*	.532**	.332**	1	.532**
Customer emotions	.299*	.356*	.380**	.369**	.397**	.420*	.407*	.496*	.554**	.408**	.532*	1

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

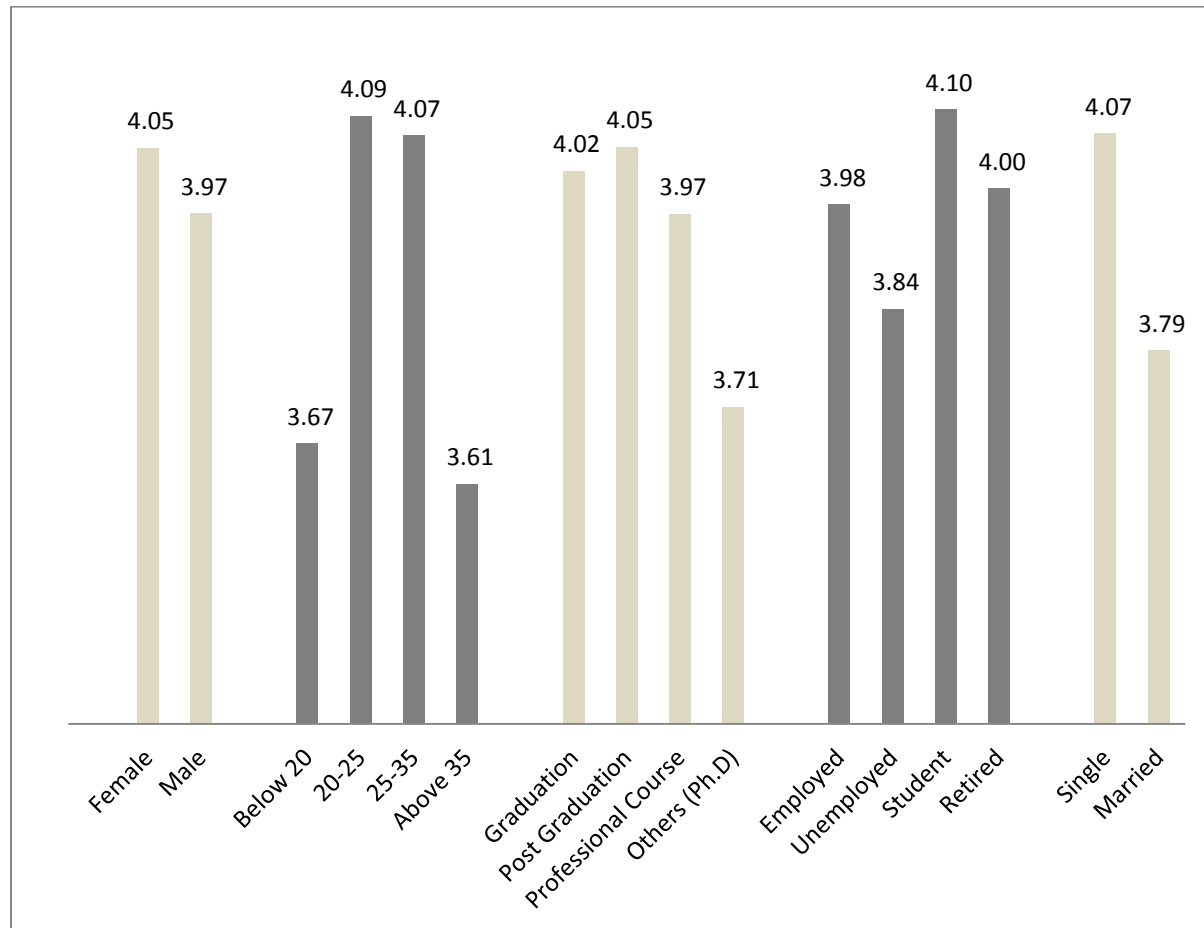
\* . Correlation is significant at the 0.05 level (2-tailed).

We see that most factors have a very low correlation with each other, hence they are independent of each other and can work stand alone. Hedonic motives and customer emotions, hedonic motives and purchasing power, hedonic motives and involvement into fashion have a comparatively strong correlation and hence imply that these two factors are related and happen together. Also, past purchase experience is strongly correlated to factor adequate sales promotion techniques. Customer emotions and purchasing power also affect each other as their correlation is high.

Therefore H2 is accepted for some factors, as highlighted above, that the factors are correlated to each other and affect impulsive buying behaviour thereof.



**Graph 2: Post purchase dissonance**



The regret of buying a product on the basis of impulse, is higher in females than in males, and the age group 20-35 years of age. Also, education doesn't seem to differentiate much in post purchase dissonance. Students tend to be most regretful and unemployed the least. Finally, married people tend to engage less in post purchase dissonance than unmarried people.

Thus demographic factors significantly affect post purchase dissonance; hence H3 is accepted as well.

## 5. CONCLUSIONS & RECOMMENDATIONS

This research provides comprehension of factors affecting impulsive buying behaviour- both external and internal and also finds out correlation between the various factors. Also studied is the post purchase dissonance among buyers to understand how much they regret their impulsive buying habit.



This research shows that the retailers and their sales staff need to consider the following: In cooperation with producers and wholesalers, retailers should from time to time organize promotional activities which have proven effective with consumers, informing the shoppers about them via a suitable medium both within the stores and out of them; since the current effect of retail sales staff is low, retailers should train their sales staff and require them to treat the customers helpfully and to help the customer find and reach the wanted product; the retailers should at all times take care of the visual merchandising of the products as well as their placement in the store as this is a major inducer of impulsive purchases; post purchase dissonance will have to be worked upon as this would mean reduction in customer loyalty in the long run.

Finally, the internal and external stimulators are very important to tap upon if the retailers want to increase their sales and the factors as described above have to be taken in consideration for doing the same.

## 6. RESEARCH LIMITATIONS AND FUTURE DIMENSIONS

The research was carried out on a limited number of people in the two cities only. A larger sample size would be more representative of the impulsive buying situation. In the future, the study can be expanded to include online impulsive buying behaviour and seek to compare the factors affecting both online and offline and the extent to which they affect both. Research can also be carried out over time to study the changes in behaviour of respondents located in the same cities (Delhi and Mumbai, India).

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