Does urge to buy impulsively differ from impulsive buying behaviour? Assessing the impact of situational factors

Anant Jyoti Badgaiyan a,*, Anshul Verma b,1

a ITM University, Gwalior, India
b S.P. Jain Institute of Management and Research, Mumbai, India

1. Introduction and relevance

With growing competition in retail sector, on one hand, attractive product, store displays, and packaging designs (Jones et al., 2003; Lee and Kacen, 2008) are being used to lure customers, and on the other hand, enjoyable and state-of-the-art store environment (Tendai and Crispen, 2009) and promotional strategies (Bell et al., 2011) influence the magnitude of purchases. The overall attempt is to not only capture the rational purchases by consumers, but also to instigate rapid decision making through individual’s desire for abrupt ownership of the product in the form of ‘impulsive buying’. Often considered an important driver of impulsive buying (e.g. Stern, 1962; Piron, 1991), gradually, various facets of the decision process preludes thoughtful and deliberate consideration of alternative information choices (Karbasivar and Yarahmadi, 2011). The importance of this phenomenon can be gauged by the fact that in 1997 alone, an estimated $4 billion was being spent in impulsive manner (Mogelonsky, 1998), and an estimate indicates that about 62% market sales in super markets and around 80% sales in luxury goods can be attributed to impulsive purchase (Ruvio and Belk, 2013). Needless to say, various facets of this intriguing phenomenon have been attracting deserved attention from the researchers across the globe.

Starting with the early work related to definition of impulsive buying (e.g. Stern, 1962; Piron, 1991), gradually, various facets of the this phenomenon—such as effect of intrinsic factors (Badgaiyan and Verma, 2014; Foroughi et al., 2013; Flight et al., 2012), external factors (Karbasivar and Yarahmadi, 2011; Mehta and Chugan, 2013), in-store music (Dube and Morin, 2001), in-store lighting (Summers and Hebert, 2001), in-store scent (Mattila and Wirtz, 2001), the mood and emotions (Foroughi et al., 2013; Solomon et al., 2012) etc.—have been examined. Among these developments, an important contribution has been the identification of situational factors related to impulsive buying.

Aply defined by Dholakia (2000) as environmental and individual factors that have influence on impulsive buying, the
situational factors could either be attributed to person’s situation related to money, time, family, credit card use, etc. or could result from the in-store situations such as sales promotions, store environment, friendly store employees, in-store music, etc., and hence, both personal as well as in-store situational factors have been given due consideration in many research endeavours—such as availability of time (Pattipeilohy and Rofatyi, 2013; Beatty and Ferrell, 1998), money availability (Pattipeilohy and Rofatyi, 2013; Beatty and Ferrell, 1998), the presence of companion (Luo, 2004), store environment (Mattila and Wirtz, 2008; Chavoshi et al., 2011) etc. Importantly, considering the fact that most of the situational factors could be controlled and/or changed by retailers mean that insights related to relationship between situational factors and impulsive buying behaviour could be extremely useful for retailers. Needless to say, across the globe, studies aimed at understanding the effect of situational factors on impulsive buying have been given due importance.

Considering the fact that culture has been found to significantly impact impulsive buying behaviour (Badgaiyan and Verma, 2014), it is worth examining as to how do the various situational factors impact the traditionally conservative and predominantly collectivist Indian consumers. The insights would reveal whether the impact of situational factors is in similar lines to some similar studies in the western countries, or does it follow a different trend. Given the relevance of emerging economies in the global retail context, these insights are bound to be useful for not only the current retail players operating in India but also for the global heavyweights planning to benefit from a rapidly growing market.

Though in past, some studies have tried to throw light on the impact of situational factors on impulsive buying behaviour (Pattipeilohy and Rofatyi, 2013; Maymand and Ahmadinejad, 2011; Jeffrey and Hodge, 2007), and on urge to buy impulsively as well (Foroughi et al., 2013; Beatty and Ferrell, 1998), this effort differentiates itself and gains importance on account of four reasons. First, the past related endeavours did not consider the simultaneous impact of the selected nine variables on both impulsive buying behaviour as well as the urge to buy impulsively. Second, the variable economic well-being which is envisaged to have an impact on an individual’s impulsive buying behaviour as well as the urge to buy impulsively in this study has remained ignored in previous research efforts. Third, most of the studies related to impulsive buying in general, and the impact of situational factors in particular have been undertaken in Western context, while the Asian context has largely remained oblivious; hence this detailed study is definite to contribute to the knowledge base in this regard. Fourth, considering the fact that Indian retail market currently estimated at $490 billion, is projected to grow at a compounded annual growth rate of 6 per cent to reach $865 billion by 2023,2 means huge prospects are available for firms operating in Indian retail sector, and hence, an improved understanding regarding practically implementable concepts is expected to aid in improved decision making. Thus, the study is bound to have definite implementable output from both local as well as global perspective.

Thus, as this study attempts to fulfil not only the information gap by exploring the effect of situational factors on impulsive buying behaviour, in an hitherto untouched Indian context, the study’s expected contribution in the form of improved clarity regarding the quantum as well as direction of impact will help the firms come up with improved and more accurate strategies. Additionally, as the study contains nine independent variable and examines 23 relationships using structured equation modelling, the detailed study is also expected to create ripples and kick-start many related endeavours in this field.

With the aforesaid relevance, the study first provides the review of the literature leading to the hypothesised relationship between the variables followed by a note on methodology and analysis. Later, sections related to results and discussion, and managerial implications have been presented, and finally, the last section deals with conclusion, limitations and future scope of research.

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