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



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#### ABSTRACT

The study was undertaken to assess the role of situational variables in impacting impulsive buying behaviour. In all, the impact of nine situational variables—categorised as personal (money availability, economic well being, family influence, time availability, and credit card use), and in-store (sales promotion, store environment, friendly store employees, and store music)—on the constructs 'urge to buy impulsively' and 'impulsive buying behaviour' was studied. For this, data was collected from 508 mall visiting customers and analysed using Structural Equation Modelling (SEM). Importantly, 23 hypotheses were examined and 13 were found to be supported. Results indicated that apart from store music, all the selected situational variables significantly impacted impulsive buying behaviour. With regard to the construct 'urge to buy impulsively', results showed significant positive association with situational variables money availability, friendly store employees and credit card use. Also, results indicated that gender did not impact impulsive buying behaviour while age was found to have significant negative association with impulsive buying behaviour.

In view of the potential bright prospects associated with the growing organised retailing, the study findings provide useful insights to both the theorist as well as the marketers.

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#### 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 retail buying, this unplanned purchase called impulsive buying is characterised by on-the-spot decision making (Rook and Fisher, 1995; Lee and Kacen, 2008) often in response to a stimulus entailing a cognitive reaction. Thus, impulsive buying behaviour has rightly been defined as a sudden, compelling, hedonically complex buying behaviour in which the rapidity of an impulsive 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.

Aptly defined by Dholakia (2000) as environmental and individual factors that have influence on impulsive buying, the

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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 Rofiaty, 2013; Beatty and Ferrell, 1998), money availability (Pattipeilohy and Rofiaty, 2013; Beatty and Ferrell, 1998), the presence of companion (Luo, 2004), store environment (Mattila and Wirtz, 2008; Chayosh 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 and 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 Rofiaty, 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,<sup>2</sup> 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.

#### 2. Literature review and hypotheses development

As per theory of reasoned action, human social behaviour follows reasonably and often spontaneously from the information or beliefs people possess about the behaviour under consideration (Fishbein and Ajzen, 1975). The theory proposed that human beings were usually quite rational and made systematic use of accessible information and the intent was antecedent to the actual behaviour. However, as rightly pointed out by Hale et al. (2002), though the theory of reasoned action has been credited with extremely high level of predictive capability, it primarily explains volitional behaviours, and its explanatory scope excludes a wide range of behaviours such as those that are spontaneous and impulsive (Bentler and Speckart, 1979). Such behaviours are excluded because their performance might not be voluntary or because engaging in the behaviours might not involve a conscious decision of the buyer (Hale et al., 2002). This is primarily the reason why impulsive behaviour is not preceded by impulsive buying intent in the conceptual framework. Instead, as also stated by Hirschman (1985), consumer's own train of thoughts was considered to trigger the desire to make an unanticipated purchase, and once triggered, the urge supposedly becomes so powerful and persistent that it demands immediate action. Thus, according to this understanding, the urge to buy impulsively could be considered to be the stage prior to and leading towards the stage of actual impulsive buying. Even Rook (1987), while attempting to identify components of impulsive buying behaviour, observed that impulsive buying occurred when a consumer experienced a sudden, and often powerful and persistent urge to buy something immediately. In similar lines, Beatty and Ferrell (1998) stated as follows:

"Felt urge to buy impulsively is a state of desire that is experienced upon encountering an object in the environment. It clearly precedes the actual impulse action and it is spontaneous and sudden".

The basic reason leading to the association between 'the urge to buy impulsively' and the ultimate act of 'impulsive purchase' has been attributed to physical proximity resulting from in-store browsing (Beatty and Ferrell, 1998), which in turn, has been considered to instigate or impact the urge, and ultimately, the urge has been linked to impulsive buying (Foroughi et al., 2013; Beatty and Ferrell, 1998). This clearly explains the link between the urge to buy impulsively and the actual impulsive buying behaviour. However, since impulse to buy something is hedonistic and complex (Trandafilović et al., 2013), and is supposed to result in emotional conflict oscillating between a feeling of satisfaction and a feeling of guilt, perhaps this was the reason why urge to buy did not always result in actual impulsive buying (Trandafilović et al., 2013; Harmancioglu et al., 2009). But then, an important question remains as to how do the various situation factors - including the personal factors such as money availability, time availability, family influence, credit card use, etc. and the in-store factors such as sales promotions, store environment etc.—affect the constructs 'urge to buy impulsively' and the 'impulsive buying behaviour'. If the proposition that all impulsive purchases were preceded by strong urge to buy impulsively holds true, then, even the impact of these factors should significantly impact both these constructs. This is the reason why the model links the nine situational factors to both the 'urge to buy impulsively' as well as the 'impulsive

<sup>&</sup>lt;sup>2</sup> As per report published by high commission of India, available at https://www.hcisingapore.gov.in/adminpart/uploadpdf/1494931jan2014.pdf.

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