

Impulse Purchasing: A Literature Overview

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Abstract

Impulse purchasing behavior is a mystery in marketing and in literature. Consumers themselves named it as the deviation from standard, which explains a big sale of different goods every year. At present when market competition is high and all types of companies apply promotion in their activities, stimulation of impulse purchasing in the market of consumer goods may become a strong competitive advantage. Evolution of impulse purchasing, process of consumer's impulse purchasing behavior, theoretical framework of impulse purchasing and various factors that affect impulse purchasing are discussed in this paper. Several research of impulse purchasing had been conducted both in Developed and Developing countries. Based on those researches, four factors (consumer characteristics, store characteristics, situational factors and product characteristics) are revealed which activate the impulse purchasing behavior and a new impulse purchasing process is developed with these four influencing factors in this paper. As there is no adequate research on this phenomenon, there is a scope to do quantitative research on impulse purchasing traits in Bangladeshi consumers. Hopefully this paper will be helpful for different retail stores, marketing managers and marketing graduates of Bangladesh to understand the implementation of impulse purchasing.

Keywords: Consumer Buying Behavior, Impulse Purchasing Process, Consumer Characteristics, Store Characteristics, Situational Factors, Product Characteristics

1. Introduction

1.1 Background

Why people choose one product or brand over another, how they make these choices, and how companies use this knowledge to provide value to consumers are interesting phenomena of consumer behavior. Churchill and Peter (1998) generated a model of the consumer buying process including five steps: need recognition, information search, alternative evaluation, purchase decision, and post-purchase evaluation. This consumer buying process is influenced by social, marketing, and situational Factors (Churchill and Peter, 1998). Culture, subculture, social class, family, reference groups, marketing mix, physical surroundings (store location, merchandise display, store interior/exterior design, etc.), social surroundings (people's characteristics and roles, the way they interact, etc.), time, task, monetary conditions, and momentary moods, etc. influence the consumers' thoughts, feelings and actions in the consumer buying process (Belk, 1975; Iyer, Park, and Smith, 1989; Churchill and Peter, 1998). Although useful in explaining planned purchase situations, Churchill's and Peter's (1998) model does not lend itself to explaining the process of impulse purchasing.

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1.2 Definition

An impulse purchase or impulse buy is an unplanned or otherwise spontaneous purchase. One who tends to make such purchases is referred to as an impulse purchaser or impulse buyer. Impulse items can be anything, a new product, samples or well-established products at surprising low prices. Parboteeah (2005; based on Piron, 1991:512) performed concept analysis of impulsive buying presented by scientists and introduced comprehensive definition of impulse purchasing:

“Impulse buying is a purchase that is unplanned, the result of an exposure to a stimulus, and decided on-the-spot. After the purchase, the customer experiences emotional and/or cognitive reactions”

From this definition, the first characteristic of an impulse buying is that it is an *unplanned purchase*. The consumer decides to purchase the object on the spur of the moment, not in response to a previously recognized problem. The second characteristic of impulse buying is the *exposure to the stimulus*. The stimulus can be considered to be the catalyst which makes the consumer be impulsive. The stimulus can be a piece of clothing, jewelry, or candy. The third characteristic of impulse buying is the *immediate* nature of the behavior. The consumer makes a decision on the spur of the moment without any evaluation of the consequences of making such a purchase. Finally, the consumer experiences *emotional and/or cognitive reactions*, which can include guilt or disregard for future consequences.

2. Evolution of Impulse Purchasing

The need to understand impulse buying in retail stores was first identified in the marketing literature over fifty years ago (Clover, 1950). Baum (1951) addressed that consumer was stimulated to impulse buying after they came into the store. Stern (1962) was the first scholar to suggest four distinct types of impulse purchases namely - pure, reminder, suggestion, and planned impulse buying. Rook (1987) argued successfully that impulse buying should be depicted it as extraordinary, exciting, hedonically complex and compelled buyer action. Over the years, impulse buying has also been made easier by innovations, such as credit cards, telemarketing, and home shopping networks (Rook, 1987). Thomas (1997) pointed to two emotional shifts that affect the buying habits - an increase in stress levels because consumers are out of their daily routine and an increase in levels of anticipation and excitement. Beatty and Ferrell (1998) argued that situational variables - time available and money available and individual difference variables were found to influence a set of endogenous variables, including positive and negative affect and so on.

Hausman (2000) stated negative estimation of impulsive purchasing behavior that rise from negative definition of impulsiveness in psychology such as immaturity and lack of behavior control or irrationality, risk and waste. Hausman (2000) explained that consumers buy goods because of non economic reasons, such as fun, fantasy, social and emotional satisfaction which help them to ignore the negative consequences of impulse purchasing. Retailers realize the importance of this phenomenon, and through store layouts, product packaging, and in-store

promotions, they have tried to get consumers to be impulsive in stores (Dholakia, 2000). In the last decade, there is preliminary evidence that impulse buying is rampant in an online context (Greenfield, 1999; Li et al., 2000). With the Internet, consumers' buying opportunities have expanded; as a consequence, Internet shoppers can be more impulsive than traditional shoppers (Donthu and Garcia, 2000).

Koski (2004) stated that impulsive purchasing recently is a frequent virtual environment. The stimulating main factors are - anonymity, easy accessibility, wider range of goods, promotion of buying and direct marketing as well as usage of credit cards; limiting factors are - deferred satisfaction, easy accessibility, bigger self-control, poor feeling of purchase environment, possibility to compare prices and goods easily. Wood (2005) proposed that retailers should not only care about the purchasing behavior in retail environment, but also understand consumer's society (consumers purchasing experience and characteristics of shopping environment) and discretionary income. To satisfy individual's social needs, consumer would make more impulse buying which make them feel excited and gratified.

Childers and Peck (2006) started to address the times of touching with people by people would make more impulse buying, they found customers touch more with salesmen; they would increase the possibility of impulse buying. Wu (2006) presented comparison of excessive buying, compulsive and impulsive buying that allows to state that impulsive buying differs from excessive and compulsive buying in a consumer's motivation (in case of impulsive buying a consumer tries to reach a positive effect and to satisfy hedonistic demands) and psychological processes (in case of impulsive buying a consumer feels positive effect, concentrates attention on good proximity and loses self-control). Summarizing it can be stated that the most important characteristic of impulsive purchasing is that the behavior of impulsive buying appears as a consumer's response to a stimulus, experienced in purchase environment and that is immediate decision and after purchase a consumer feels emotional and/or cognitive reactions (Virvilaite et. al., 2009).

3. Process of Impulse Purchasing

Considering the nature of impulse buying, Churchill's and Peter's (1998) model has been modified by the Kim (2003) to describe the impulse buying process by omitting several steps, such as need recognition, information search, and alternative evaluation, and reclassifying influencing factors (Figure 1). The impulse buying process starts with product awareness. Impulse buyers begin browsing without having an intention to purchase a certain item or visiting a certain store. As consumers browse, they are exposed to the stimuli, which triggers customers' urge to buy on impulse. When impulse buyers feel the desire to buy, they make a purchase decision without searching for information or evaluating alternatives. Then, consumers may experience positive or negative consequences by the post-purchase evaluation after the purchase on impulse. In this process, consumers are influenced by internal (mood/need/desire, hedonic pleasure, cognitive/affective evaluation) and external factors (visual merchandising, window display, in-store form display, floor merchandising, promotional signage) that trigger their impulse purchase behavior. These factors provide information regarding new products, fashion trends or coordination tips.

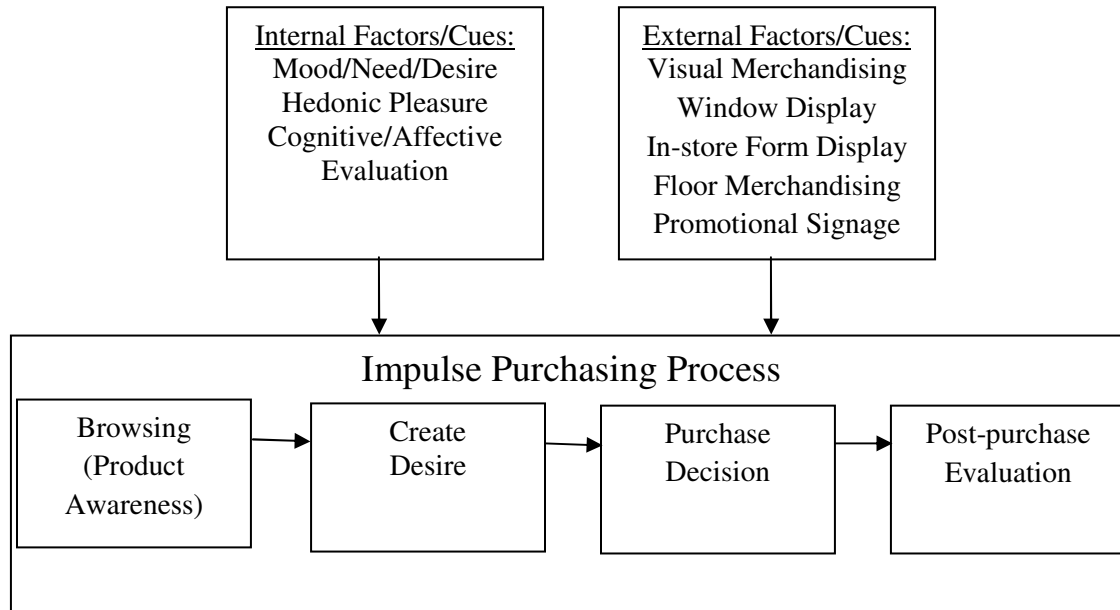


Figure 1: A Model of Impulse Purchasing Process

Source: Kim, 2003

4. Explaining Impulse Purchasing through Theoretical Framework

Researchers from economics and psychology have proposed theoretical models or frameworks to explain the impulse buying behavior. The six theoretical models or frameworks are the reference point model proposed by Hoch and Loewenstein (1991), a model of impulse buying proposed by Beattie, Dittmar and Friese (1995), a theoretical model of impulse buying proposed by Dittmar et al. (1996), the two-factor cost-benefit accessibility framework proposed by Puri (1996), a model of environment-shopper relationships proposed by McGoldrick et al. (1999), and Dholakia's (2000) integrated model of consumption impulse formation and enactment.

- a. **The Reference Point Model:** Hoch and Loewenstein (1991) proposed that people are less concerned with absolute attainments than with attainments relative to some psychologically relevant comparison point. The benefits of immediate gratification outweigh any future considerations such as monetary issues. Different situations include physical proximity, temporal proximity, and social comparisons uphold impulse purchasing (Hoch and Loewenstein, 1991). This model emphasizes consumer's perceptions of the product as well as shift in the consumer's reference point when predicting impulse buying. It has a major limitation in that it does not explain why certain product categories are bought impulsively, while others are not.
- b. **A Model of Impulse Buying:** Dittmar et al. (1995) proposed a model of impulse buying to address the limitation of the previous model. The main assumption of this model is that consumers no longer buy products only for their functional benefits, but also for their

- symbolic meanings as they give an indication of the social standing, wealth, and social status of an individual. It was also found that women who are impulsive buyers tend to purchase products that express their emotional and appearance concerns, while men who are impulsive buyers tend to buy products that are more functional.
- c. A Theoretical Model of Impulse Buying:** Dittmar et al. (1996) provided again a more comprehensive theoretical model of impulse buying that draws from self-completion, materialism and self-discrepancy theory. Individuals undergo self-discrepancy which is the difference between how an individual sees his or her self (the actual self) and how he or she would ideally wish to be (the ideal self). In order to compensate discrepancies or shortcomings, individuals use product acquisition as a self-completion strategy. The model predicts variables such as an individual's materialism, degree of self-discrepancies and compulsive shopping tendencies will help to predict what types of products this individual would typically buy. But this model fails to consider the aspects of the situation in which the individuals are impulsive.
 - d. The Two-Factor Cost-Benefit Accessibility Framework:** Puri (1996) proposed a two-factor cost-benefit accessibility framework which addresses this limitation. It draws from research on impulsiveness, self-control, and time inconsistent preferences and builds 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. In situations where the benefits outweigh the costs, the temptation to succumb to the felt urge is high and increase impulsiveness. Puri (1996) refers to those individuals as hedonic. In contrast, when the costs of impulsiveness are more salient than the benefits, the individual resists the urge, which decreases the likelihood of any impulsive behavior. These individuals are known as prudent. The interplay between the situational factors and the consumer's propensity to be impulsive determines the likelihood of impulsiveness.
 - e. A Model of Environment-Shopper Relationships:** McGoldrick et al. (1999) proposed a model of environment-shopper relationships. According to the model, there are two moderators of the relationship between the environment and the customer response, namely the customer's socio-demographic characteristics and his or her cognitive characteristics. For instance, in the case of seasonal sales, some consumers will be looking forward to the savings they can make, while other consumers will only think about the inconveniences of shopping in the sales, such as long lines and the crowd. Consumer may avoid the post-purchase dissonance by considering information that is congruent with the decision, such as the savings from a sale. However, the study proposed by McGoldrick et al. (1999) has one serious limitation - the proposed model only applied to seasonal sales, which limits the generalization of the findings.
 - f. An Integrated Model of Consumption Impulse Formation and Enactment:** Dholakia (2000) proposed one of the most detailed theoretical frameworks of impulse buying process where impulsive behavior consists of three antecedents, namely the marketing stimuli, situational factors (environmental factors: money and personal factors: mood) and the impulsivity trait. The presence of one or more of these three factors is sufficient to bring about the urge to buy spontaneously. When the consumer experiences the urge to buy spontaneously, certain constraining factors - current impediments (money and time), consideration of long-term deleterious consequences, and anticipatory emotions (negative

emotions such as regret) deter impulse purchasing. If these restraining factors are present, the consumer will experience conflict. In contrast, if there are no identified restraining constraints, the consumer will respond to the urge and buy the product on-the-spot.

5. Factors Affecting Impulse Purchasing

5.1 Context of Developed and Developing Countries

Several research on impulse purchasing had been conducted in developed countries like America, Canada, England, Norway, etc and developing countries like Thailand, China, Philippines, Korea, Poland, Lithuania, Indonesia, India, Pakistan, etc. In those researches, consumer behavior and marketing researchers have mainly focused on identifying the general factors that increase impulse buying. These factors can be classified in four general categories, namely consumer characteristics, store characteristics, situational factors, and product characteristics.

- a. Consumer Characteristics:** Consumer characteristics include any individual characteristic or trait that increases the consumer's propensity to be impulsive. These characteristics include the consumer's age, gender, culture, mood, materialism, shopping enjoyment, impulsive buying tendency, and the perceived degree of self-discrepancies.
- **Age:** It has been found to be an important determinant in predicting impulse buying. Younger people face fewer risks when spending money. Impulse purchase is at a higher level between age 18 to 39 and at a lower level thereafter (Wood, 1998).
 - **Gender:** Women tend to be more impulsive than men (Dittmar et al., 1995). Men and Women relate the material possession differently. Women preference is for items related to elemental values for emotional and relationship reasons, while men preference is for items related to leisure and finance for functional instrumental reasons.
 - **Culture:** It has an influence on impulse buying both at the regional and individual levels (Kacen and Lee, 2002).
 - **Mood:** An individual's affective state or mood has been found to be an important determinant of impulse buying, in that if an individual is in a good mood, he or she tends to reward himself or herself more generously and therefore, tend to be more impulsive (Beatty and Ferrell, 1998).
 - **Materialism:** The notion of materialism indicates that individuals who use product acquisition as a self-completion strategy tend to be more impulsive (Dawson and Richins, 1992).
 - **Shopping Enjoyment:** It is another variable, whereby individuals consider shopping as a form of recreation, do not stick to a buying list, and therefore, tend to make many impulsive purchases (Beatty and Ferrell, 1998).
 - **Impulse Buying Tendency:** It determines an individual's propensity to buy impulsively (Rook, 1987). Several researchers have tested and found support for the relationship between this consumer trait and impulse buying (Beatty and Ferrell, 1998).

- **Self-discrepancy:** Individuals who perceive self-discrepancy try to use material goods to compensate the discrepancy, have impulse buying tendencies (Dittmar et al., 1996).
- b. Store Characteristics:** Store characteristics include the store layout, the presence of salesperson, the store atmospherics, and the store type.
- **Store Layout:** Marketers should promote a good store layout to maximize the convenience of the consumer (Crawford and Melewar, 2003).
 - **Presence of Salesperson:** A well-trained salesperson can decrease frustration by guiding and aiding the consumer in the purchase process and activate impulse buying behavior.
 - **Store Atmospherics:** Store managers can look at a number of environmental design variables to increase stimulation in their shops. For example, fast-tempo and high-volume music increase arousal levels, warm colors such as orange, yellow and red are associated with elated arousal, and ambient scents such as grape fruit or other citrus fragrances also increase stimulation levels of buying.
 - **Store Type:** Consumers tend to be impulsive in different stores. For example, it has been shown that many impulse purchases result in grocery shops (Ahlawat and Iyer, 1987).
- c. Situational Factors:** Situational factors refer to both environmental and personal factors that are present when the consumer makes the impulse purchase (Dholakia, 2000). These include the time available, money available, the presence of others, and in-store browsing.
- **Time:** The time a consumer has for shopping determines whether he or she will be impulsive. The more time an individual has, the longer time he or she will spend browsing the shopping environment (Beatty and Ferrell, 1998).
 - **Money:** The availability of money is a facilitator in the impulse buying process (Beatty and Ferrell, 1998), since it increases the purchasing power of the individual. If the individual does not have enough money, he or she will avoid the shopping environment altogether.
 - **The Presence of Others:** It can increase the likelihood of an impulse purchase (Luo, 2004). For example, when individuals are in a group, they tend to eat more. On the other hand, the presence of others can have a deterring effect on the consumer, when he or she feels that the behavior will be perceived as being irrational (Fisher and Rook, 1995). In those cases, the consumer will choose to make the purchase when he or she is alone.
 - **In-store Browsing:** It has been found to be an important component of the impulse buying process (Beatty and Ferrell, 1998). Browsers usually make more unplanned purchases than non-browsers.
- d. Product Characteristics:** Certain products are bought more impulsively than others. The likelihood that a product will be purchased on an impulse depends on the product category and the product price.
- **Product Category:** The marketing literature has proposed two categories of products: hedonic products or functional products. Hedonic products are mainly consumed for their hedonic benefits, while functional products are consumed for their utilitarian benefits (Babin et al., 1994). It has been found that impulse

buying occurs more in the case of hedonic products because of the symbolic meaning they convey.

- **Product Price:** It is an important determinant of impulse buying (Wong and Zhou, 2003). More specifically, consumers tend to be more impulsive when there are sales or product discounts, low marginal need for the item, short product life, smaller sizes, and ease of storage.

5.2 Context of Bangladesh

If quantitative research is conducted in Bangladesh, similar factors can be revealed which will trigger impulse buying behavior of Bangladeshi consumers. These factors should be implemented in a strategy to increase impulse sales in the retail environment. Considering these factors of the impulse purchasing, Kim's (2003) model has been modified by omitting internal and external stimuli and reclassifying the influencing factors. Consumer characteristics, store characteristics, situational factors, and product characteristics are the new influencing factors in the impulse purchasing process.

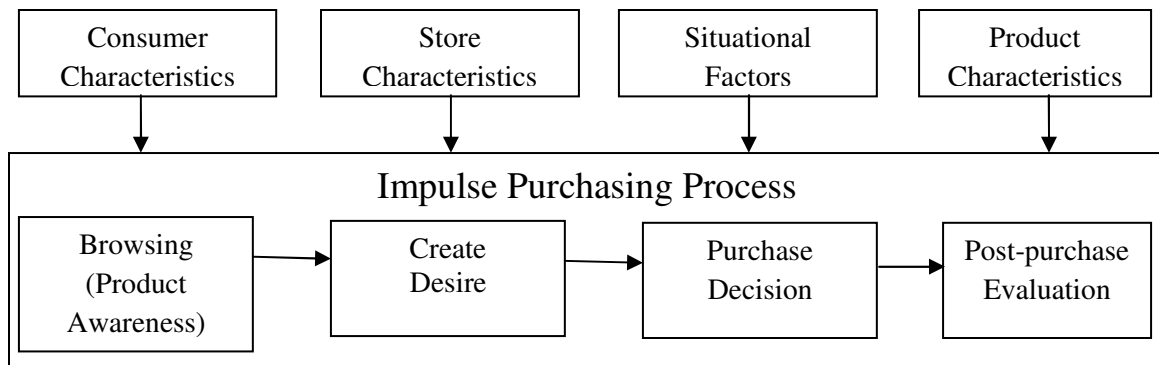


Figure 2: A New Model of Impulse Purchasing Process

Source: Adapted from Kim, 2003

6. Conclusion

Impulse purchasing does not match with rational decision making model of a consumer: when need emerges, a consumer buys impulsively and does not search for alternatives. Various factors such as consumer characteristics, store characteristics, situational factors, and product characteristics have strong influence on consumer's impulse purchasing behavior. Although recently impulse buying is considered to be an unethical appeal to the consumers, in perspective of marketers, it brings revenues rather than blame. In perspective of consumers, it should not be that much negative aspect, because who have purchasing power, can spend their money according to their wish. But post purchase dissonance should not be occurred due to impulse purchase. In fact consumers sometimes love to purchase impulsively. So we have to consider both sides of impulse purchasing. In Bangladesh, impulse purchase is a common affair, but we do not have sufficient research on this phenomenon. In future, quantitative research of impulse purchasing can be conducted on Bangladeshi consumers.

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