

A STUDY OF FACTORS AFFECTING IMPULSE BUYING BEHAVIOUR OF CONSUMERS AT MALLS (DELHI)

¹Mohd. Rumzi Taushif, ²Manisha Gupta

Assistant Professor (Department of Management Studies)

¹Sharda University SBS, greater Noida

Jagannath International Management School, OCF Pocket, Sector B Vasant Kunj, New Delhi

Research Scholar (Sharda University Greater Noida)

Email: ¹mohdrumzi.tausif@sharda.ac.in, ²guptaamanisha@gmail.com

ABSTRACT -Today, retailers are increasingly making use of various in-store influencers for converting browsers to spenders. However, success depends on how the customers perceive these influencers. The phenomenon of impulse purchasing has been studied in consumer research as well as for example in psychology and economics since the 1950s. In brick-and-mortar retailing, impulse purchases have been an important source of revenue for retailers. This study attempted to investigate the relationship of various factors, with impulse buying tendency of consumers in the Delhi region. This article empirically evaluates the perception of the customers towards various in-store stimuli that is, price, merchandise, promotion, displays and ambience, across stores located in Delhi.

Keywords: Impulse buying, organized retail, demographic, point of purchase

I. INTRODUCTION

Impulsive purchasing is, generally defined as, a consumer's unplanned purchase which is an important part of buyer behaviour. An impulse purchase or impulse buy is an unplanned decision to buy a product or service, made just before a purchase. Following are marketing communication mix which affects Consumer's Impulse Buying Behaviour in market: Advertising, sales promotion, personal selling, and public relations. The importance of impulse buying behaviour is recognized by marketers and researchers all around the world and phenomenon has been extensively studied by researchers during the last 60 years. The earliest studies on impulse buying include the DuPont Consumer Habits Studies in 1940s to 60s and studies such as by Patterson in 1960s which were sponsored by the Point-of-Purchase Advertising Institute. These studies on impulse buying have been carried out in different countries but the focus has been mainly on consumers in United States and it has been found that consumers in U.S. are more impulsive than other countries. About 80% of purchases in certain product categories in U.S. are made impulsively. Similarly, in another study in U.S. it has been reported that about 90% of the consumers make occasional purchases on impulse. A study found that only in the categories like

Candy and Magazines, an amount of \$4.2 billion was estimated to have been generated as an annual store volume through impulse buying. Many authors suggest that the consumers' purchasing on impulse have the potential to grow further with the new technologies like internet and television shopping channel; and marketing innovations such as 24-hour convenience stores as they provide both the convenience to make impulse purchases as well as the accessibility to products and services. Impulse buying is simply defined as the sudden and immediate purchase decision inside a store with no prior intention to buy the specific product or products.

II. INDIAN RETAIL SCENARIO

The retail sector in India is highly fragmented and mostly owner-run "Mom and Pop" outlets. The entire sector is dominated by small retailers consisting of local Kirana shops, general stores, footwear and apparel shops, hand-cart hawkers and pavement vendors. These together form the "unorganised retail" or "traditional retail". According to the Investment Commission of India (ICI) estimates, there are over 15 million such "Mom and Pop" retail outlets in the country. In terms of total sales, one can find a wide range of estimates and this definitely reflects lack of sound official government data. ICI had estimated Indian retail sales figure at US\$262bn for 2006, although market estimates ranged from US\$200bn to as high as US\$386bn for that year. Various agencies have made efforts to project the growth rate of the total retail market till 2013 and the figures hover around 13-15.5 percent.

In line with India's economic growth, the retail sector in this country is not only expanding but also modernizing. This new trend began during late 1990s and early 2000s. In the midst of the unorganised retail sector's strong dominance, some of the major industrial houses have entered into this sector and have announced ambitious future expansion plans. Transnational corporations have also joined hands with big Indian companies to set up retail chains. India's Bharti group joined hands with Walmart, the world's largest retailer and Tata group tied up with the UK based Tesco, the world's third largest

retail group. A perceptible structural change towards an organised format is foreseeable in the retail sector. These organised and modern retail formats generally consist of supermarkets /convenience stores, hypermarkets, discount stores, speciality stores and departmental stores. These outlets are usually chain stores, all owned or franchised by a central entity or a single store large enough to form a part of the modern retail segment. The existence of these modern retail outlets are generally found in malls and prominent high streets across various cities.

III. INDIAN RETAIL CUSTOMERS

Currently, India has the largest young population in the world. According to statistics published by the Population Reference Bureau in 2011 India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years. According to a report by Ac Nielsen, customers spend 42 per cent of their monthly expenditure on products in the grocery category (Peter,2007). Sinha (2003) , in his article on shopping orientation, argued that Indian Customers are orientated towards shopping because of the entertainment that can be derived out of it. According to him, the majority of the Indian population can be characterized as young, working class, with higher purchasing power. They seek more of the emotional value from shopping than the functional value and they value convenience and variety.

Therefore, a better shopping experience has become the major focus of Indian shoppers (Hemalatha et al, 2009). According to Bajaj et al (2005, p. 25), more than 60 per cent of purchases in an organized retail outlet are unplanned. According to the above data, it can be concluded that most Indian.

Customers are impulsive buyers who purchase products either on a whim or when they are emotionally driven to that product. This has led retailers to take on various marketing strategies for attracting and converting customers such as promotional schemes and attractive displays.

IV. LITERATURE REVIEW

Retailer's marketing objectives can be classified into three broad categories: attraction that focuses on consumers' store entry decision; conversion that relates to consumers' decisions about whether or not to make a purchase at a store; and spending that represents both rupee value and the composition of their transactions. The in-store environment has been identified as an important determinant of impulse purchase.

Stern (1962) found that products bought on impulse are usually cheap. Shopping lifestyle is defined as the behaviour exhibited by purchaser with regard to the

series of personal responses and opinions about purchase of the products as reported by Cobb and Hoyer (1986).

Positive emotions are defined as affects and moods, which determine intensity of consumer decision-making reported by Watson and Tellegen (1985).

In a research conducted by Cobb and Hoyer (1986), impulse buying was defined as an unplanned purchase and this definition can also be found in the research of Kollat and Willett (1967).

In another research by Rook (1987) reported that impulse buying usually takes place, when a consumer feels a forceful motivation that turns into a desire to purchase a commodity instantly.

Beatty and Ferrell (1998) defined impulse buying as instantaneous purchase having no previous aim or objective to purchase the commodity. They find that shopping life style and impulse buying behaviour are closely related but only in the case of impulse buyers. The study also states that impulse purchasers fell in the middle as of the measurement tools used by the researchers, indicated that purchasers will not pick the first brand they spotted in the shopping mall.

The researches of Beatty and Ferrell (1998); Husman (2000); Rook and Gardner (1993); Youn and Faber, (2000) found that emotions strongly influence buying behaviours, which result into consumer impulse buying.

Babin and Babin (2001) found that in stores consumer's purchasing intentions and spending can largely be influenced by emotions. These emotions may be specific to certain things for example, the features of the items, customer self interest, consumer's gauge of evaluating items and the importance they give to their purchasing at a store.

V. RESEARCH METHODOLOGY

A. Objective of the study

To find out what are the factors that affect impulse buying in consumers at malls

B. Sample Size

In all, 100 samples were collected from the respondents in and around Delhi, through non-probability convenience sampling.

C. Data Collection

An empirical investigation is conducted through the development of structured questionnaire that was filled up by 100 respondents. Questionnaire incorporates questions related to general people impulse purchase behaviour and the factors general people think are responsible for impulse purchase.

D. Attitude scales used in the study

The 5-point Likert-type scale, which is also known as the summated rating scale, is used in this study. Likert-type scales are both relatively simple to construct and easy to administer. Respondents were asked to indicate the extent to which they agreed or disagreed with a series of statements about a given construct such as factors responsible for impulse buying. They were then asked to select choices ranging from strongly agree to strongly disagree. The responses of the respondents may be analysed individually or in total, that is, summation. The respondents' overall score can thus be calculated by the summation of weighted values associated with the statements rated.

E. Data Analysis

The data are pre-processed using the Microsoft Excel for Microsoft Professional Windows XP for the data analysis. The analysis of the data from the receivable feedback from the questionnaire quantitative simulation in using Microsoft excel for instance in average index and relative index calculation and generation of chart and graph.

Average Index Formula:

$$\text{Average Index} = \sum (a X) / N$$

a = Constant expressing the weighing given to each response (1 to 5)

X = n/N where, N = Total of response,

n = Frequency of the response

Whereby the application of Average index in questionnaire for instance would be:

X₁ = frequency of "Strongly Disagree/Very uncommon" response and corresponding to a₁ = 1

X₂ = frequency of "Disagree/Uncommon" response and corresponding to a₂ = 2

X₃ = Frequency of "Less Agree/Less Common" response and corresponding to a₃ = 3

X₄ = Frequency of "Agree/Common" response and corresponding to a₄ = 4

X₅ = Frequency of "Strongly Agree/Very Common" response and corresponding to a₅ = 5

With the rating scale as below:

- 1 = Strong Disagree / Very uncommon (1.00 ≤ Average index <1.50)
- 2 = Disagree/Uncommon (1.50 ≤ Average index <2.50)
- 3 = Less Agree/Less Common (2.50 ≤ Average index <3.50)
- 4= Agree/Common (3.50 ≤ Average index < 4.50)
- 5=Strongly Agree /Very common (4.50≤ Average index ≤ 5.00)

VI. FINDING

In this study there was two set of questions one was designed to study the consumer whether they are impulsive in nature while shopping or not, the other set of question was designed to know about the factors responsible for impulse buying

Table: 1.2
Table Showing Impulse Purchase Behaviour of Respondents

S. No.	Variables	Number of Respondents (In Percentage)					Average Satisfaction Index (On the Scale of 5)
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Q1.	to which extent do people agree or disagree with each of the following statement	Statements which describes general people impulse purchase behaviour					
A	I often buy things spontaneously	4	36	24	20	16	3.08
B	"just do it" describe the way I buy the thing	4	20	56	20	8	3.32
C	I often buy things without thinking	16	52	20	8	4	2.32
D	Buy now think about it later describes me	20	48	8	16	8	2.44
E	Sometime I feel like buying things on the spur of the moment	4	8	16	52	20	3.76
F	Sometime I am a bit reckless about what I buy	8	32	36	16	8	2.84
G	if I see something I want, I buy it	4	8	20	44	24	3.76
	Total	8	29	26	25	12	3.07

Table: 1.3**Table showing factors exaggerating Impulse Buying**

S. No.	Variables	Number of Respondents (In Percentage)					Average Satisfaction Index (On the Scale of 5)
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Q2.	To which extent do people agree or disagree with each of the following statement	based on last unplanned purchase which factors general people think are responsible for such purchase					
A	sales assistance at the outlet	4	12	40	28	16	3.4
B	credit facility in the mall urge me to purchase unplanned	16	40	12	32	4	2.8
C	I am more likely to make an unintentional purchase if there is sale	12	8	20	48	12	3.4
D	I choose only those stores to shop which have eye catching window display	4	28	24	32	12	3.2
E	I prefer shopping only to through those outlet where I have loyalty cards	8	36	44	12	0	2.6
	Total	9	24	28	30	9	3.08

As it is illustrated in the above table (table 1.2) that major of the respondent tend towards been neutral for being impulsive major reasons being the respondents lied majorly in age group of 30-35 and as being impulsive is more of internal factors of consumer i.e. consumer's personality trait, demographic factors, psychological variables and situational factors which is indicative as impulsiveness does not exist but created by circumstances as it is clearly visible in the second table (table 1.3)

Some of the important factors that came into light during the study are

- Store apparent characteristics which includes attractiveness, i.e. the store location, size, physical aspects, convenience, store patronage, ventilation, attractive layouts, persuasive shop assistance, credit facilities, discounts effects the impulsiveness of consumer while making purchase at malls.
- Internal factors or individual characteristics which focuses on individual that make them engaged in impulsive behaviour, it basically involves consumer's personality trait, demographic factors, psychological variables and situational factors.

VII. CONCLUSION

Consumer is affected by both internal and external factors of impulse buying. Since impulse buying behaviour is often stimulus driven increased exposure to certain stimuli increase the likelihood of impulsively buying refer to marketing cues that are placed and controlled by the marketer in attempted to lure consumers into purchase behaviour.

Our study shows that atmospheric cues in the retail environment act as important trigger that influences a desire to purchase impulsively.

VIII. REFERENCES:

- [1] Ainslie, G. (1975). Specious reward: a behavioural theory of impulsiveness and impulse control. *Psychological Bulletin*, 82, 463-96.
- [2] Cobb, C.J. & Hoyer, W.D. (1986). Planned versus impulse purchase behaviour. *Journal of Retailing*, 62, 384-409.
- [3] Gardner, M.P. & Rook, D.W. (1988). Effects of impulse purchases on consumers' affective states. *Advances in Consumer Research*, 15, 127-130.
- [4] Hausman, A. (2000). A multi-method investigation of consumer motivations in impulse buying behaviour. *Journal of Consumer Marketing*, 17, 403-019.

- [5] Kollat, D.T. & Willett, R.P. (1967). Consumer impulse purchasing behaviour. *Journal of Marketing Research*, 4 (February), 21-31.
- [6] Youn, S. & Faber, R.J. (2000). Impulse buying: Its relation to personality traits and cues. *Advances in Consumer Research*, 27, 179-186.
- [7] Bellenger, D.N., Robertson, D.H. and Hirschman, E.C. (1978), "Impulse buying varies by product", *Journal of Advertising Research*, Vol. 18, pp. 15-18.
- [8] David H., S., Anne M. L., Fredric K (2008). Impulse buying: the role of affect, social influence, and subjective wellbeing, *Journal of Consumer Marketing*, inc Vol 25/1, pp. 23-33.
- [9] Kollat, D.T. and Willett, R.P. (1967), "Customer impulse purchasing behaviour", *Journal of Marketing Research*, Vol.6,pp. 21-31.
- [10] Rook, D. and Fisher, R.J. (1995), "Trait and normative aspects of impulsive buying behaviour", *Journal of Consumer Research*, Vol. 22 No. 3, pp. 305-13.
- [11] Chen, M. H. (2001). The determinants and traits of Impulsive buying behaviour, *Journal of Takming University*, 17: 59-74.
- [12] Tendai, M. & Crispen, C. (2009). In-store shopping environment and impulsive buying, *African Journal of Marketing Management*, 1(4): 102-108.
- [13] Beatty, S.E. & Ferrell, M.E. (1998). Impulse buying: modeling its precursors, *Journal of Retailing*, 74, 169-191. Chen, M. H. (2001). The determinants and traits of Impulsive buying behaviour, *Journal of Takming University*, 17: 59-74.