



A STUDY ON FACTORS INFLUENCING IMPULSIVE BUYING OF CHENNAI SHOPPERS

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Abstract

Impulse buying is of strategic importance to distributors. Currently, distribution companies rely heavily on contextual variables (music, smells, colors, sound, design ...) in order to push customers towards purchase and consumption. As such, a crucial way for commercial brands to increase sales is to stimulate impulse buying. For this reason, this study aims at identifying the factors that initiate and encourage impulse buying, as well as the levers that help distributors highlight effective marketing techniques in order to encourage consumers to make impulse purchase. This study is empirical in nature and includes a sample size of 102 shoppers of four retail outlets in Chennai.

Keywords: Shoppers, Impulse Buying, Shopping Environment, Situational Variables, Product.

INTRODUCTION

In the last few years there has been an incredible increase in consumption for fun and entertainment. Society is changing from one of consumption into another of leisure that produces a rewarding experience for the consumer who is seeking hedonism in his act of purchase (Caru&Cova, 2006). In addition, some factors such as the development of modern forms of distribution, growth in personal income, increasing rate in women's activities and technological development have led to fundamental changes in the behaviour of individuals, particularly, impulse buying that has become a profitable market. These changes have inspired the researcher to carry out this study to have an understanding of consumer needs and desires that has triggered impulse purchases at sale points.

Today, sales strategies and lifestyle development of individuals encourage impulse buying. At the same time, the activities of consumers are very difficult to predict, and are therefore hardly explainable from general theories. For this reason, behavioral studies face the challenge to find fair and verifiable answers related to the actors that motivate impulse buying at points of sale. Thus the main issue confronting marketers is to know how the point of sale could lead the buyer to make impulsive purchases.

LITERATURE REVIEW

According to Hetzel (2002), we are now in a consumer seduction phase. Knowing the consumer and his behavior is a key parameter for distribution companies. Today, consumers buy under the influence of passion, i.e. from pulses which aim at breaking the daily routine and seek new personal feelings, in other words „treat oneself“ (Gultekin&Ozer, 2012).

Impulse purchase is the result of changes in consumption patterns. Observing and grasping consumer behavior inside the store is of fundamental importance for firstly, understanding the structure of the physical behavior within a store and secondly, determining its dimensions by studying its influence on purchases and thirdly, analyzing the way this behavior is influenced by variables that are specific to the consumer and the context that makes him visit the store.

As several studies show that the consumer decides to buy once he gets inside the point of sale (Amine, 1999), retail points of sale are investing increasingly large sums of money to arrange their stores and improve their merchandising policy. The percentage of impulse buying is estimated to be 62% by Luo (2005). Moreover, Roeder (2008) shows that this figure may rise to 80% in some product categories. It is, therefore, undoubtedly very important to know the needs, desires and preferences of consumers in order to enhance impulse purchase.

IMPULSE BUYING: DEFINITIONS AND CHARACTERISTICS

The existing impulse purchasing definitions are essentially operational in nature. For this approach, impulse buying *is a purchase made, although not planned, before entering the store*. According to Filser (1994), an impulsive purchase occurs spontaneously, for example by seeing the product at the point of sale. The economic importance of impulse buying is significant, as it is generally estimated to account for nearly half of all purchases in free-service marketing. However, to reach such a proportion, it is necessary to mix impulse purchase and reminder purchases at the point of sale. He noted that there are two types of impulse purchases:



Impulse buying which corresponds to an unplanned purchase of a brand not previously bought. Reminder of a previous purchase decision under the influence of some situational factors.

Beatty and Ferrell (1998) defined "impulsive buying urge" as similar to the impulse of "a state of desire felt when seeing an object in the environment." Both authors proposed a model that explains the various variables that lead to impulse buying and its impact on buyer behavior (positive emotion vs negative emotion).

OBJECTIVES OF THE STUDY

The objective of this study is to identify factors that encourage impulsive purchase among shoppers in Chennai city.

RESEARCH METHODOLOGY

This study is empirical research and has used convenience sampling. The sample size was set for 150 shoppers, but only 102 of them made impulse purchases. Moreover, the investigation was carried out in specialised retail stores. The choice of specialized stores is justified by the fact that the atmospheric factors could have a significant impact on consumer's behaviour for the main reason that the shopper goes there more for pleasure, as opposed to general stores and supermarkets where he goes rather because he has to (Rieunier, 2002). However, according to the literature on impulse buying, it was found that impulse purchase can cover a variety of products.

For this reason, the following products were included in this study: clothing (men & women), shoes (men & women), cosmetics and children's toys. The questionnaire was administered at four most popular retail outlets located in 2 Shopping Malls operating in the heart of Chennai City, which consists of quite popular neighborhoods and stores where people from different social classes go. These stores are selling environments where elements of ambience and design are manipulated in such a way as to influence the buyer's behavior. The questionnaires were distributed among the buyers visiting these retail outlets. Data collection took place at the exit of the point of sale. The researcher also had an opportunity of having face to face interaction with the respondents.

Results of the Empirical Investigation

Table 1: The Demographics of the Respondents

Gender of Respondents	Percentage	Education of Respondents	Percentage
Male	64%	Graduate	42%
Female	36%	Post Graduate	46%
Age of Respondents		Others	12%
Below 25	26%	Occupation	
25 – 35	28%	Self Employed	36%
35 – 40	24%	Employed	24%
Above 40	22%	Student	40%

The first descriptive results of our investigation are presented, before processing any data, using the principal component analysis (PCA).

Determinants and variables that encourage impulse buying

Table 2: Products that are likely to be purchased on impulse in the four selected Specialty stores of the survey

Product bought on impulse	Percentages
Clothing	27%
Shoes	21%
Children's toys	16%

It is first noted that buyers make a significant number of impulse purchases (65.25%). All four stores, selected for the survey, sell the following products: clothing, cosmetics, shoes and children's toys. It was noted that the products purchased on



impulse were cosmetics (36%), then clothes (27%), shoes (21%) and finally children's toys (16%). Impulse purchase varies by gender; i.e. cosmetics, clothing, children's toys for women, clothing and shoes for men.

Determinants of choice of products bought on the basis of impulse

Table 3: Determinants of choice of products bought on the basis of impulse

Determinants	Percentage
Bargain (low prices)	37.00%
Emotional gratification	33.8%
Searching for fun	29.2%

It is noted that, as far as for the determinants of selected products purchased on impulse, the buyer is largely attracted by bargains (low price, promotion, and rebate) and then by the emotional gratification he gets from the products which trigger love at first sight in the consumer who is looking for fun, in order to break the daily monotony.

Variables that Encourage Impulse Buying

Table 4: Impulse Buying Variables

Variable	Percentage
Low price	16.62%
Quality product	11.17%
Interior design of the store	11.43%
Ease of finding items	2.34%
Wide range of choices	5.19%
Good entertainment in the store	6.23%
Crowd in point of sale or not	1.56%
Music	2.08%
Promotions	14.55%
Availability of Fashion products	4.94%
Good brand product	3.38%
faster checkout	2.86%
Warm welcome	5.45%
Special events (wedding, birthday, etc.)	7.27%
Colors of objects	2.34%
Lighting	2.59%
Total	100%

The variables that encourage impulse buying are: low price (16.62%), promotions (14.55%), interior design (11.43%), quality product (11.17%) and special events [wedding, birthday, etc. (7.27%)].

Table 4, Impact Of The Shopping Environment And Product On Impulse Purchase Completion

Impulse Purchase Completion	Percentage
Related to the shopping environment	29.62%
Related to the Product	26.49%
Related to the shopping environment and Product	34.02%
Other	9.87%



From these percentages, it is easy to see that the shopping environment and product prompt shoppers to make an impulse buying. So, the shopping environment can be a source of stimulation for the visitor to the store.

Effects of the Shopping Environment & Characteristics of Product on Triggering Impulse Buying

Table 5: Effects of situational variables and characteristics of the product on triggering impulse buying

	Motivates impulses	Restraints impulses	Motivates impulse purchases	Restraints impulse purchases	Neutral
Emotional / affective characteristics of the	31	3	63	5	-
Physical/objective features of the product			73		
Design/aesthetic characteristics of the product	28	3	67	4	-
Ease of purchase and payment	32	7	59		4
Will for immediate pleasure	37	10	40	7	8
Buying environment / ambience	30	21	24	14	14
Influence of sellers	19	49	21	10	24
Promotion/ bargain	16	49	10	4	23

This table shows that the aesthetic and hedonic characteristics related to the products and to the situation, are more likely to arouse buying impulses and help make the transition to impulse buying. Some of these are the emotional/affective characteristics of the product, design, aesthetic characteristics of the product, ease of purchase and payment; will for immediate pleasure, shopping environment and promotion/bargains.

FINDINGS AND CONCLUSION

This survey has enabled to identify the influence of situational factors on customers' reactions and their impact on triggering impulse buying. Indeed, a visitor motivated by hedonic needs, is often in search of novelty, stimulation and surprise. The atmosphere at the point of sale influences the consumers' behaviour and can be considered as a management tool for the point of sale; i.e. a tool of differentiation and positioning. It is noted that a pleasant atmosphere increases the number of impulse purchases and consequently the amount of money spent in stores.

The stores selected for the survey have succeeded in seducing the consumer. The sensory communication used made it possible to limit the consumer rationality for the purchase to be impulsive. Moreover, this study found that retailers merchandising efforts will be most successful with impulse buyers.

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