



An On-Field-Survey of the Impulse Buying Behaviour of Consumers in Consumer non Durable Sectors in the Retail Outlets in the City of Indore, India

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Abstract

Impulse buying is in fact making a decision on the spur of the moment or it may be an unplanned decision to buy, made just before a purchase. Impulse buying happens when one gets caught up in the hype of a situation and buys something without thinking much about it. Impulse items may be new products, samples or well-established products at unexpected low prices. Research findings suggest that emotions and feelings play a decisive role in purchasing, triggered by seeing the product or upon exposure to a well crafted promotional message, such purchases ranges from small products (chocolate, clothing, magazines etc.) to substantially large (jewellery, vehicle, work of art etc.) products. This paper is an attempt to find the impact of communication mix that effects customer impulse buying behaviour in non-durables in the city of Indore, a buzzing mercantile city of the state of Madhya Pradesh in India. The impact of various impulse buying factors like advertising, sales and promotions, personal selling, public relations, direct marketing on customer impulse buying behaviour has been analyzed.

Keywords: Impulse buying, non-durable sector, retail outlets, advertising

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 purchase¹. Following are marketing communication mix which affects Consumer's Impulse Buying Behaviour in market: Advertising, Sales promotion, Personal selling, Public relations, Direct marketing

Advertising: Advertising reaches large, geographically dispersed audiences, often with high frequency; Low cost per exposure, though overall costs are high; Consumers perceive advertised goods as more legitimate; Dramatizes company/brand; Builds brand image; may stimulate short-term sales; Impersonal, one-way communication; Expensive. Advertisements may be designed to emphasize the rewards of impulse buying².

Sales Promotion: May be targeted at the trade or ultimate consumer; Makes use of a variety of formats: premiums, coupons, contests, etc.; Attracts attention, offers strong purchase incentives, dramatizes offers, boosts sagging sales; Stimulates quick response; Short-lived; Not effective at building long-term brand preferences.

Personal Selling: Personal Selling is most effective tool for building buyers' preferences, convictions, and actions; Personal interaction allows for feedback and adjustments; Relationship-oriented; Buyers are more attentive; Sales force represents a

long-term commitment; Most expensive of the promotional tools.

Direct Marketing: Direct Marketing involves many forms: Telephone marketing, direct mail, online marketing, etc.; Four distinctive characteristics: Non-public, Immediate, Customized, Interactive; Well-suited to highly-targeted marketing efforts

Public Relations: Public Relations is highly credible; Very believable; Many forms: news stories, news features, events and sponsorships, etc. It reaches many prospects missed via other forms of promotion; Dramatizes company or product; Often the most under used element in the promotional mix; *Relatively* inexpensive (certainly not 'free' as many people think--there are costs involved)

Retailing Formats in India: Shopping Malls: Shopping Malls are the largest form of organized retailing today. Located mainly in metro cities, in proximity to urban outskirts they ranges from 60,000 sq ft to 7, 00,000 sq ft and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment; all under a common roof. Examples include Shoppers Stop, Vishal Mega Mart, India bulls, Pantaloon.

Specialty Stores: Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M, are focusing on specific market segments and have established themselves strongly in their sectors.

Discount Stores: As the name suggests, discount stores or factory outlets, offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable/non perishable goods.

Departmental Stores: Departmental Stores are large stores ranging from 20000-50000 sq. ft, catering to a variety of consumer needs, further classified into localized departments such as clothing, toys, home, groceries, etc. Departmental Stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K Raheja's Shoppers Stop, Vishal Mega Mart and now has more than seven large stores (over 30,000 sq. ft) across India and even has its own in store brand for clothes.

Hyper Markets / Super Markets: Large self service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30% of all food and grocery organized retail sales. Super Markets can further be classified in to mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from 3,500 sq ft to 5,000 sq ft. having a strong focus on food and grocery and personal sales.

Convenience Stores: Convenience Stores are relatively small stores 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium.

MBOs: Multi Brand Outlets (MBOs), also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and Metros. Now a days such stores are making their ways into less metropolitan cities also because of their popularity and utilitarian ranges they are received very well by the consumers.

Company Profile: In the present research paper, the study has been focused on Big Bazaar, Vishal Mega mart to know the impulse buying behaviour of the consumers. The brief profiles of two companies are as follows:

Big Bazaar: Big bazaar is owned and operated by Future Bazaar India Ltd., a subsidiary of Pantaloon Retail (India) Limited. As part of India's largest retail chain, it enjoys the benefits of buying in bulk for the entire group and keeps the margins low, so that customers get a great range of products at great prices. Pantaloon Retail (India) Limited led by Kishore Biyani is the country's largest retailer. It owns and operates multiple retail formats including Pantaloons, Big Bazaar, Food Bazaar, Central, E-Zone, Fashion Station, Depot and many others.

Vishal Mega mart: Vishal Megamart is India's first hyper market which is having 126 showrooms in 83 cities / 20 states. Vishal is one of fastest growing retailing groups in India. Its

outlets cater to almost all price ranges. The showrooms have over 70,000 products range which fulfils all our household needs, and can be catered to under one roof. It is covering about 2059292 lac sq. ft. in 18 states across India. Each store gives one international quality goods and prices hard to match.

Literature Review: An in-depth thematic analysis of 32 interviews by Dittmar and Drury found that impulse buying has more complex meanings beyond what can be measured in a survey research.³ Hausman summarized the findings from previous studies and claimed that almost 90 percent of people make occasional impulsive purchases and between 30 percent to 50 percent of all purchases were classified by the buyers themselves as impulse purchases⁴.

On the other hand, LaRose and Eastin classified impulsive buying as one of the unregulated consumer behavior shopping tendencies which is milder compared to compulsive and addictive shopping⁵. Uncontrolled buying which is defined by the presence of impulsive and excessive buying is a psychiatric disorder that occurs in only 1.1 percent of the general population.

Impulse buying has been considered a pervasive and distinctive phenomenon in the American lifestyle and has been receiving increasing attention from consumer researchers and theorists⁶. Despite the negative aspects of the impulse buying behavior from past research, defining impulsive behavior as an irrational behavior resulting from a lack of behavioral control, impulse purchases account for substantial sales across a broad range of product categories. A study found that impulse purchases represented between 27% and 62% of all department store purchases. Rook and Hoch (1985) assert that most people have experienced an impulse purchase. Other research findings support this assertion revealing almost 90% of respondents have made grocery purchases on impulse occasionally and between 30% and 50% of all purchases can be classified by the buyers themselves as impulse purchases.

Early studies on impulse buying were more concerned with the definitional issues distinguishing impulse buying from non-impulse buying and attempted to classify the types of impulse buying into one of several sub-categories, rather than to understand impulse buying as a trait of consumer buying behavior. Therefore, this approach generated a theory that ignores the behavioral motivations of impulse buying for a large variety of products and instead, focuses on a small number of relatively inexpensive products. However, this type of approach did not provides sufficient explanations as to why so many consumers appear to act on their buying impulse so frequently. Therefore, researchers began to re-focus attention on impulse buying behavior and to investigate the behavioral motivations of impulse buying.

The pervasiveness of impulse buying, even for relatively expensive products, led researchers to look at impulse buying as an inherent individual trait, rather than a response to inexpensive

product offerings. Recently, researchers appear to agree that impulse buying involves a hedonic or affective component. Today's research suggests that impulse buying behavior is much more complex than previously conceptualized; that this behavior stems from the desire to satisfy multiple needs that underlie many types of buying behavior notes that impulsive behavior is normal in young students, but that as students grow older, most learn alternative responses.

Research Methodology

The study is based on the primary data collected from **Vishal Mega mart and Big Bazaar** from the area of the city of Indore with the help of structured questionnaire on Likert scale. Data analysis has been done using MS-Excel software.

After the thorough analysis of the available data it has been found out that with great exposure of the people to the media, multimedia techniques there has been significant change in the buying behaviour of the consumers.

This research suggests that the presence of other persons in a purchasing situation is likely to have a normative influence on the decision to make a purchase. The nature of this influence, however, depends on both perceptions of the normative expectations of the individuals who exert the influence and the motivation to comply with these expectations. Friends and family members, are the two primary sources of social influence, often have different normative expectations. Apart from this the role of the intermediaries like sales personnel also plays a very significant role in the purchase of the products. The research methodology was divided into two stages which involved two sources for collecting the data in order to achieve the objective of project.

Collecting data regarding the potential customers from the existing outlets of Big Bazaar and Vishal Mega mart

The primary data collection has been done by tendering questionnaire to the customers and seeking their responses for the study.

Research Objectives: The Research Objectives are as following:

- i. To investigate whether gender difference exists in impulsive buying behavior of consumers.
- ii. To explore the relationship

between age and impulsive buying behavior of consumers. iii. To determine the relationship between education and impulsive buying behavior of consumers. iv. To find out the relationship between occupation and impulsive buying behavior of consumers.

Hypotheses: i. There is no association between the gender and the impulsive buying behaviour. ii. There is no association between the age and the impulsive buying behaviour. iii. There is no association between the education and the impulsive buying behaviour. iv. There is no association between the occupation and the impulsive buying behaviour.

Research Design: So far as the research design in the present study is concerned the multi stage sampling is used. At first stage sample was divided area wise and then further divided into income status to obtain relevant information.

Sample design: Sampling Unit: Vishal Mega mart and Big Bazaar Customers, **Sampling Size:** 100, **Sampling technique:** convenience sampling, **Sampling area:** Indore city

A hypothetical consumer impulse buying behaviour model is mentioned below to show the impulse buying behaviour (figure-1)

Behaviour model that has been formed shows Although the study was conducted on a small population to find Impulse Buying Behaviour of the consumer in Vishal Mega mart and Big Bazaar, the finding of the studies can be generalized to the whole population. It can be very comfortably inferred that, based on the Impulse Buying, Gender variation, Age variation, Education variation, Occupation variation

The Indian marketers' has to go a long way to understand the impulse buying behaviour as it is a very subjective and it depends on multiple factors, but marketers can take advantage for this behaviour and in almost every product category impulse buying witness.

Data analysis and Findings: After going through the data analysis it has been revealed that various pattern with respect to the respondents has been received. The chi-square value given below indicates the results:

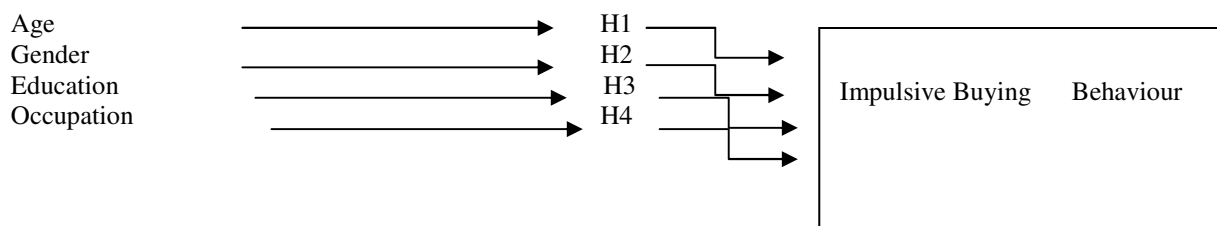


Figure-1
Impulsive buying behaviour

Table-1
Impulsive behaviour of the respondents with
respect to various variables

Variables	Chi-square values
Gender	5.0*
Age	5.17
Education	6.81*
Occupaton	4.16*

Level of Significance=5% *=Significant

The above calculation infers that the calculated value of Chi-Square at 5% level of significance is more than the table value indicating the significant value thus depicting that females respondents are the one who goes for more impulsive buying decision while male comprises of only lower proportion in contributing to the total impulsive buying behaviour. Hence the hypothesis formulated has been rejected showing that there is significant difference in the impulsive buying behaviour of males and females. (at degree of freedom 1)

From the table-1 also at 5% level of significance, it is easily visible that the calculated value of Chi-Square obtained being lesser than the tabulated value indicates that age group-wise there is no significant difference in the impulsive buying behaviour. Hence there is no certainty in saying that a people belonging to a particular age group goes for the impulsive buying behaviour. Hence the calculated value being lesser than the table value leads to the acceptance of the hypothesis. (at degree of freedom 2)

From the table-1 it is clear that at 5% level of significance the calculated value of Chi Square is higher than the table value. Hence the hypothesis is also rejected in this case meaning that the impulsive buying behaviour is more in the secondary class students because they are more active participants in purchase behaviour. (at degree of freedom 2)

As far as occupation is concerned at 5% level of significance the calculated value is greater than the table value indicating that there is significant difference in the impulsive buying behaviour of service class and the businessmen. Hence the hypothesis is rejected. (At degree of freedom-1)

Results and Discussion

The hypothesis that there is no significant difference between the gender and the impulsive buying behaviour has been rejected implying that the females show more impulsive behaviour while purchasing in comparison to the males. They were more impulsive while purchasing.

The results also show that the respondents do not show any difference as far as age is concerned. They are more or less

similar in their attitude towards buying i.e. respondents of same age groups show similar attitude because they are keener towards the newer and newer things.

Education –wise it was found that people having more knowledge were more impulsive in their buying behaviour. The reason could be that they are more aware about the products and the moment they find the product they are unable to control themselves while purchasing the products.

Occupation-wise it was also found that because those people who were in better occupation showed more impulsive buying behaviour because of their affordability to purchase the products showing that there is association between the occupation and the impulsive buying behaviour.

Discussion: Thus on the basis of the above study it can be inferred that the impulsive buying behaviour is the behaviour which plays a significant role in buying the products and the marketers try to make use of this attitude of the consumers in making and marketing their commodities to allure more of the consumers and earn more and more profits gaining more of the market share within and outside the country.

Conclusion

Since Indian retail market is continuously increasing, people are purchasing goods as there is an increase of income of common people as well as change in tastes and preferences of consumers. It is important for the retail players to be able to understand the different factors affecting the extent in impulse buying behaviour.

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