

THE IMPACT OF DIFFERENT FACTORS IN CUSTOMERS LEADING TO IMPULSIVE BUYING: A REVIEW STUDY

Abstract

Purpose: The study aims to study all the factors which directly or indirectly influence customers to buy products impulsively at retail stores. The buying behaviour is induced by many stimuli, the effect of which is studied here.

Design/ Approach/Methodology: The paper is a review study where an attempt is made to study all the factors driving impulsive buying at retail stores. To study all the factors, reputed journals have been considered whose purposes meet the requirement of this study.

Findings: Personality is a major influence in impulsive buying. Different personalities react differently to impulsive buying. The Big Five Personalities play significant role in the study. Previous research clearly shows this. Other important factors are store displays (attracts customers instantly), product offerings, and product designs. Pricing strategies play vital role here where great discounts induce more shopping. Advertisements and the way advertising is utilized is also a factor inducing impulsive buying. Finally, the quality and skills of the sales people are the one of the essential elements here. These factors play significant role in promoting impulsive buying. The study is a theoretical framework which highlights the facts that in-store displays, personality of customers and pricing strategies play important role in persuading for impulsive buying. Over the years the trend has seen commendable growth and scope and will remain since this behaviour is responsible for the generation of profits in the companies

Originality: The paper is an original work where the previous done work has been

Authors

Aditi Srivastava

Assistant Professor
G. L. Bajaj Institute of Technology and
Management
Greater Noida, India

Dr. Shalini Singh

Assistant Professor
Christ University
Delhi NCR, India

considered and accordingly the findings are being discussed with future scope.

Keywords: Personality, Consumers, Impulsive Buying, In-Store Promotions

I. INTRODUCTION

In the era of rapid transformation, shopping is a habit. This habit of shopping has exceptionally grown and has widened the concept of purchasing. The rapid purchases made at the retail stores are very profitable to the stores where customers buy in bulk. This habit of purchase commonly known as Impulsive Buying where items are purchased simultaneously without prior planning is quite common now. Products are purchased without much planning and much efforts specially at retail stores. Impulsive buying means buying products instantly without having any purchase intention in advance. Such buying is very common now where buying happens on impulse of a person. This buying behaviour has helped companies to grow up their sales significantly. The non-purchase intention is usually aroused by emotions, feelings of joy, sadness, anger, anxiety.¹ The impulsive buying is more prevalent in retail stores as compared to e-commerce where shoppers are more inclined towards shopping more at reasonable rates having multiple paying options. Seeing the commendable growth due to this buying, it is essential to study what are the factors inducing such purchases. The study is confined to retail sector only. With the increase in disposable incomes, purchasing power of the customers, easy accessibility of the resources, impulsive buying is the most common phenomenon of the time. The behaviour is more connected with the psychology where different personality traits of customers play significant roles leading to impulsive buying. Such factors are being discussed in the study.

- 1. Impulsive buying at store-outlets:** Impulsive buying at store outlets forms essential part of sales in companies profit. The sales get hike due to the impulsive buying at the cash counters where it is easy and essential to persuade the consumer for buying. The literature suggests that different personalities react to impulsive buying different ways. The state of anger, sadness, happiness, anxiety, induces the consumers to buy more frequently and impulsively. This practise is quite common in retail stores where consumers often get attracted by the displays and serene beauty of the stores. The retailers attempt to impress and persuade the consumers in best possible way to make them buy products. This situation has been more in practise in the past two years because of the pandemic. The uncontrolled shopping behaviour influences consumers to buy more and more. The bulk buying is often seen in such scenarios specially in the festival seasons.
- 2. Impulsive buying behaviour on e-commerce:** The practise of impulsive buying is also very common in e-commerce where products are just a click away from the consumers. Consumers do not have to hassle in big queues for their turn. Instead, they have their choices of customization and the payment options available at the time of purchase. The flexibility in e-commerce influences the consumers to purchase impulsively now-a-days. With the usage of social media, there has been more increase in the buying behaviour of the customers.
- 3. Theoretical background and conceptual framework**
 - **Impulsive buying behaviour:** Impulsive buying is defined as a behaviour of purchase where customer does not hold any prior shopping intention to buy products to fulfil any need. The purchase is instant and is derived out of impulsive to buy spontaneously. There is no prior planning of purchase as well as there has to be an

urge to buy instantly, are the essential characteristics of impulsive buying². The urge to buy means that customer does not have any intention before however instantly a feeling to buy is developed which is too impulsive that it cannot be controlled. The urge is created when customer does not evaluate the consequences of buying the product.

- **Personality:** Personality is a wholesome concept which determines an individual's behaviour, his opinions, his perceptions and beliefs. The personality traits are greatly responsible for the purchase behaviour of the individuals. An individual does not buy products if they do not suit the personality. Therefore, it is essential to study the personality of individuals.
- **Behavioural factors of the customers:** Often underrated but highly influential factor is the behaviour of the consumers. This factor has the potential to drive high level of impulsiveness in consumers. Different moods influence differently Moods determine personalities and motivates in purchasing further where a positive mood is highly influential as well as negative moods are also influenced more commonly. However, it is still much under studied factor.
- **Hedonic values of the customer:** Hedonic values refer to the inner sense of joy, happiness, delightfulness and pleasure after using a product. The hedonic shopping values are more of inner self satisfaction rather than the materialistic value of the product.
- **Store displays:** Store Displays attract consumers more promptly through their perfectly organised stores to attract customers by their displays, packaging, designing and layout. A well-organized store with decent atmosphere attracts consumers eventually whereas a disorganized one discourages consumers to have negative attitude in buying. I-store Sampling also play influential role in impulsive buying behaviour where consumers buy at relatively higher rate if persuaded and given samples to try. Gender plays a moderating role here where females tend to get more attracted towards a good display in store and buy impulsively.
- **Product knowledge:** This implies the awareness of the product and the knowledge of the product. Studies show that when a consumer is aware about the product (which also means high involvement of consumers), shows interest in the product, buys the products more frequently therefore it is important to remind the consumers about the product on regular intervals through messages, phones, mails to increase their impulsive to buy the product.
- **Pricing strategies:** One of the most essential elements is the pricing strategy which is a game changer. Discounts, coupons, and vouchers play vital role in purchase behaviour specifically when it has to be an impulsive buying. In such cases, a slight high also enables consumers to purchase product impulsively. The pricing strategies should be designed as per the market and consumer requirements.

- **Salesmen skills:** A great salesman is able to persuade consumers to buy products impulsively for which there needs proficiencies to do. Therefore, proper training enables good proficiencies in the salesmen.
- **Advertising campaigns:** Advertising is one of the four P's in marketing where advertising plays an exceptional role in promoting product. The awareness is created in the customers through advertisements. With Web 2.0, the ways of advertising are tremendous and less cheap than the traditional ways. The advertisements include both instant promotions and planned promotions. Instant promotions include in store promotions whereas planned are those through different social media portals and other advertising devices.

II. RESEARCH METHODOLOGY

The study is a review paper. The paper emphasis on studying all the major factors that are essential important in impulsive buying. Previous works done on the topic of impulsive buying have been considered. The literature shows a wide variety of rigorous work done in the field with special consideration to the psychological change in the behaviour of the consumers.

III. LITERATURE REVIEW

There are many factors that are responsible for impulsive buying like coupons, sales discounts offered by companies, the serene beauty of the store, the communication skills of the sales person. The different variables which actually impact the impulsive buying tendency of a consumer includes his self-control, agreeableness, Conscientiousness, Extraversion, Openness and his Emotional stability which ultimately leads to impulsive buying behaviour. Extraversion as well agreeableness personalities are positively influenced by the skills of the sales person if communicated and convinced properly because such personalities are open to be approached and likes to getting social with the people around them whereas conscientiousness personalities makes pre-planned purchases therefore they should be reminded on a regular basis via different mediums of communication about the products³. The brand personality of the buyer is affected by 5 main factors namely Responsibility (equivalent to Conscientiousness), Activity (Equivalent to Extraversion), Aggressiveness (Equivalent to Bold, And the ability to take risk), Simplicity (Equivalent to Openness, Originality of personality), and Emotionality (Equivalent to Romantic and Sentimental Perspective of a person) where the most affecting factors that leads to impulsive buying behaviour is Aggressiveness and Activity, whereas Responsibility, Simplicity and Emotionality were found to have no significant impact on the Impulsive Buying Behaviour of the consumers. Personality (the determinants of Personality studied here are; Extraversion, Conscientiousness, Emotional Intelligence, Agreeableness, propensity to conserve) is an important determinant in studying the impulsive buying behaviour, whereas Cognition and Affection play vital role in determining the behaviour of consumers in buying certain specific products- the conclusion has been derived after applying SEM in the study. Suitableness factor is highly present in the young generation who are more likely to get distracted because of the latest fashion and trends and therefore, it is easy for the retailers to target these consumers since they have a greater impulsiveness to purchase the product⁴. The layout and

store display and the crowd in the store have influence on the impulsive buying decision of the store but the study has nowhere illustrated that the knowledge and communication skills of the sales personnel is responsible for the impulsive buying of the consumers, also there is a positive relationship between the impulse buying tendency and impulsive buying behaviour. The store display is the first or initial stage in attracting consumers. The store display if attracts successfully, is backed by two major factors that from the second layer of the process namely- Promotional Techniques and influence of the in-store. These two factors can be controlled by the stores and the respective managers. The two above stated factors stimulate the third layer- The People in the mall and Socialization. The mutual efforts of all the factors constitute the next factor hedonism eventually leading to Impulsive buying behaviour. The study reveals that people if accompanied with family, friends and colleagues reduces the negative effects of the rush in the malls. Buyer and Seller openness and Agreeableness positively influences impulsive buying where agreeableness is majorly impacting the impulsive buying.

IV. OBJECTIVE

The objective of this research study are following:

1. To study all the factors which directly influence customers to buy products impulsively in retail stores.
2. To study the role of behavioural factors that influence these impulsive decisions.

V. CONCLUSION

Impulsive buying has been in practise and not a new concept however the topic is not well researched yet. The modern era shows tremendous advancements and numerous examples where people have the tendency to react impulsively. The impulsive behaviour is seen in shopping as well where people buy on a blink of eye. This buying is stimulated by many natural tendencies as well as environmental effects. There are many factors playing vital role in promoting more buying. Some factors are environmental while some are internal. The internal factors largely influence impulsive buying. The internal factors are also stimulated by environmental stimulus and references. The previous studies show many factors influencing this behaviour where store itself plays an important role in attracting the consumers (store space, light, and music) however in countries like India where most stores are small in size, it is essential to work on this perspective because store display is the one of the most influential and powerful factors in promoting impulsive buying behaviour. Store lighting plays utmost role in here along with music where a good music and good lighting persuades the consumers in retaining for longer in the store leading to impulsive buying⁵. Family influence is one of the factors to be considered in impulsive buying in small cities where people shop with their families. The prior researchers have focused on the price of the product, the designing, packaging and the appearance of the product however, crowd inside the store is the essential factor studied in limited studies. The psychological factors play essential role in purchase behaviour. Perception, attitude, beliefs of the consumers greatly influence consumers in making their purchases. Personality is the outcome of perception, and attitude which eventually becomes the behaviour of the consumers.

Therefore, to increase the sales and promote impulsive buying, it is essential to create good environment, adequate space, decent music, well-trained sales people, decent discounts, and regular reminders to induce customers stay longer in stores. Longevity ensures good purchase amount. The companies should strategize the stores according to the customers choices and preferences and therefore regular surveys or feedbacks are required to uphold the customers. Regular vouchers and coupons are supplements to discounts offered. Gift cards are highly recommendable along with the membership benefits on the bulk purchases made because of impulsive buying. These are some of the strategies to induce impulsive buying however understanding the moods of the customers play the foremost role in impulsive buying however the moods can be turned off and on according to the situations and surroundings. The companies should focus on these gaps where understandings customers is foremost important while the rest factors have to be updated.

Future research: The scope of impulsive buying is very wide. It plays crucial role in every industry. The impulsive behaviour is the reason behind the hike in sales and profits in industries. Over the years, due to increase in disposable income this behaviour has widened thus widening the scope of research. The study is more comprehensive if we talk of the Indian Markets where there is lot more in terms of culture and diversity. Therefore, future research focuses on socio-cultural aspects of the study with reference to psychology and behavioural aspects of the consumers specially in countries like India where there is a diversity and festivals change the scenarios in the market.

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