

An Empirical Analysis Of Impulsive Buying Behavior In Pakistan

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The purpose of this research was to (1) identify the variables related to impulsive buying (2) Identify the relationships of these variables (3) Ascertain their validity in Pakistan (4) empirically test the derived hypotheses. The dependent and independent variables of this study are (1) Impulsive buying behavior (2) Individualism (3) Collectivism (4) Moods (5) Proximity. Based on the above variables a close ended questionnaire was developed containing two to three sub-variables. The questionnaire was administered to the pre-selected affluent areas of Karachi: (1) Defence (2) Clifton (3) PECHS (4) North Nazimabad (5) Bhadrabad (6) Bath Island.. The sample size for this study was 180. Quota sampling was used for drawing the samples. The developed hypotheses were tested through techniques such as regression, Z-test two sample, F-test two samples, and t-test two samples, of which three were accepted and two were rejected

Keywords: Impulsive buying, individualism, collectivism, mood, proximity, gender, age group, marital status.

1.0 Introduction

Impulsive buying is a 'widely recognize phenomena' in the United States (Abraham, 1997 and Smith, 1996). A high incidence of impulsive buying was found for purchasing products such as magazines and chocolate. According to an estimate, the incidents were found to be as high as 80% (Mogelonksy, 98). "Impulsive buying behavior is a sudden compelling hedonically complex purchasing behavior in which the rapidity of the impulse purchase decision process predicts thoughtful deliberate consideration of information and choice alternative" (c.f. Kacen Lei Xu, 2001).

Most of the researches on impulsive buying behavior have been carried out in United States and other developed countries. A few researches on impulsive buying have been undertaken in Far East countries, and no or very little researches have been undertaken in Pakistan, except one which was undertaken by the same author, which was published at Journal of Independent studies Research (JISR)-Management and Social Science & Economics, volume 6, Number-2, July 2008. However, this research differs from the previous on in three counts. (1) The sample size of this research is 180, whereas the sample size in the precious research was 120. (2) The sample in the previous research was drawn from two areas, and in this research, the samples have been drawn

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Jalees

from six different pre-selected areas. (3) The hypotheses drawn and tested in both the researches are not identical.

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1.1 Literature Survey

Impulsive buying has been one of the extensively researched topics since last 50 years. However, the scope on impulsive buying has changed, quite substantially, in the last few years. Most of the early researches on impulsive buying have used. "Impulsive buying" and "Unplanned buying" terms interchangeably (Kollat & Wallet, 1969; Stern, 1962). Consumer statement that they had purchased those items, which they had, no intention of purchasing, prior to entering the store were generally conceptualized as impulsive buying. This definition of impulsive buying was one of the reasons for the researchers to investigate the issues related to shelving displays that facilitate purchasing. The researcher in this period also started classifying the products that were mostly purchased impulsively (Apple, 1951; Clover, 1950; Cox, 1961; Stern, 1962). The researchers in 70s continued to deliberate whether all products are purchased impulsively or a few selected ones (Beatty & Ferrell, 1998; Piron, 1991; Rook, 1987)

Researchers found that "individual" are responsible for impulsive buying contrarily; to previous believe that the "product" contributes impulsive buying. In view of these findings, the researchers started redefining the variable "impulsive buying". Several researchers thus conceptualized impulse buying from customers' perspective. According to these researchers impulsive buying is a sudden and powerful urge to buy immediately (Beatty & Ferrell, 1998; Rook, 1987; Piron, 1991)

The predictor variables in most of the recent researcher are "Personal attributes", as compared to previous researches in which the predictor variables were products. Thus the recent researcher focused on identifying peoples, who could be classified as "impulsive buyers", and "non-impulsive buyers" (Weuns & Jones & Sharon, 1998; Rook & Fisheer, 1995; Young & Faber, 2000). Despite the classifications of impulsive and non-impulsive buyers, it was also found that the level of impulsiveness in reference to purchasing varied from time to time for both the impulsive buyers and non-impulsive buyers. (Vohs & Faber, 2007). It was found that all the individuals have built-in impulsive spending mechanisms: (1) Desire to buy, and (2) Ability to control urge of buying. When the former overtakes later then it results in impulsive spending (Hoch & Lowenstein, 1991; Miskel & Ayduk, 2004, Mischel & Ebessen, 1970).

Cultures also have impact on impulsive buying behavior. Individualism and collectivism are two important traits of culture. Individuals who associate themselves with collective groups such as family and coworkers and are motivated to follow the norms and values of these groups' falls in the category of "collectivism". Individualism is a social pattern comprising of individuals who see them self as autonomous and independent (Trandis, 1995). Individualist people get motivated by (1) their own preference (2) Needs, and (3) Rights. More over these people give priority to their personal goals and emphasis on rational relationship with others. (Kacen & Lee, 2002). It is assumed that individuals

Jalees

classified, as individualist will have a stronger relationship with impulsive buyer as compared to individuals who are classified as collectivism. (Kacen & Lee, 2002).

Proximity is also a factor that facilitates impulsive actions (Hoch & Lowenstein, 1991; Miskel, & Ayduk, 2004; Mishel & Ebbesen, 1970). Consumers have indicated that by just looking at the items in stores or catalogues can stimulate desires for the purchase of goods (Rook, 1987; Rook & Hoch, 1985). Physically proximity also stimulate sensory inputs such as (1) touching goods in store (2) tasting free sample of foods, which also affect desire (Voh & Faber, 2007)..

Moods also influence the impulsive buying behavior. Researchers found that that the respondents were of the opinion that the most frequently mentioned mood state for stimulating impulse purchase was "pleasure" followed by mood states "care free" and "excited". Consumer believes that, impulsive buying helps in extending these feelings. Most of researchers' findings are that positive moods facilitate impulsive buying, but a few researchers also found that "negative" moods also facilitate impulsive buying (Gardner & Rook, 1987) Negative moods adversely affect "self control", therefore, the individual fell prey to impulsive buying (Herman & Polivy, 2004). Consumer in negative mood turns to purchasing with the hope that this would alleviate their unpleasant mood. (Mick & Demoss, 1990). Researchers have found a relationship between age and impulsive buying. Impulsive buying tends to increase between the ages 18 to 39, and then it declines thereafter (Bellenger & Robertson & Hirshman, 1978). An inverse relationship was found between age and impulsive buying. It was also found that the relationship is non monotonic. It is at a higher level between age 18 to 39 and at a lower level thereafter (Wood, 1998).

A relationship between gender and income was also found. Men and Women relate the material possession differently. The research demonstrates that women preference is for items related to elemental values, while men preference is for items related to leisure and finance. The reasons for the respective preference were that women value their possessions for "emotional" and "relationship" reasons. Men on the other hand value their possession for "functional instrument reasons". It was also found that the men purchase items for personal identity reasons (independent). Women on the other hand make purchase for social identity reasons (Ditmar et al, 1995).

1.2. Hypotheses

Based on literature survey the following hypotheses have been derived:

- 1) The relationship between trait buying impulsiveness and impulsive buying behavior will be stronger among people from individualist cultures compared to people from collectivist cultures.
- 2) The level of impulsive buying behavior would be higher when a person is in a positive mood as compared to the one who is in negative mood.
- 3) There is a direct relationship between "proximately" and "impulsive buying behavior."
- 4) The tendency of impulsive buying is higher in females as compared to males.

Jalees

- 5) The level of impulsive buying is higher in younger people as compared to older people.

2.0.0 Methodology

The dependent and independent variables of this study is presenter below along with discussions on how they were measured.

2.1.0 Dependent variable

1. Impulsive buying behavior:

The dependent variable for this study was impulsive buying behavior. It was measured through the following conceptual definition derived through the literature survey of the report:

- I get sudden impelling and rapid impulse for making purchase (Baylely & Clive, 1998; Rook, 1987; Thompson & Locandor & Polio, 1990)]

2.2.0 Independent variables

2.2.1 Individualism

- I get motivated because of my needs (Trandis, 1995).
- I give priority to personnel goals (Trandis, 1995).
- My relationship with others are based on rationality(Trandis, 1995).
- I consider myself independent and autonomous(Trandis, 1995).

2. Collectivism

- I associate my self with co-workers and family (Rook, 1987; Rook, 1996).
- I am motivated to follow the norms and value of coworkers and family (Rook, 1987; Rook, 1996).

4 Moods

The concepts of the following authors have been used to measure moods.

- I love purchasing when I have pleasant feelings” (Rook & Gardner, 1993)
- I love purchasing when I am “excited” (Rook & Gardner, 1993).
- I love purchasing when I am in care free mood (Rook & Gardner, 1993).
- I love purchasing when I am in unpleasant mood (Mick & Demos, 1990).

Based on the above variables a questionnaire was developed containing two to three sub-variables, as illustrated above. The questionnaire was administered to the residence of: (1) Defence (2) Clifton (3) PECHS (4) North Nazimabad (5) Bhadrabad (6) Bath Island. The sample size for this study was 180. Quota sampling was used for drawing the samples.

3.0.0 Results And Discussions

3.1.0 Measure Of Central Tendencies

Based on the literature survey the variables identified were individualism, collectivism, proximity, mood, impulsive buying. The respondents' opinions on these variables in terms of measure of central tendencies and dispersions are summarized below:

Table number –1
Measure of Central Tendencies

	<i>Individualism</i>	<i>Collectivism.</i>	<i>Proximity</i>	<i>mood</i>	<i>Impulsive.</i>
Mean	3.67	3.59	4.17	4.17	4.03
Std.Error	0.08	0.07	0.06	0.06	0.06
Median	4.00	3.00	4.00	4.00	4.00
Mode	4.00	3.00	4.00	4.00	4.00
St. Dev.	1.02	0.94	0.78	0.78	0.87
Kurtosis	0.70	(1.06)	0.68	0.68	0.50
Skew ness	(0.99)	0.42	(0.88)	(0.88)	(0.83)
Range	4.00	3.00	3.00	3.00	4.00
Count	180.00	180.00	180.00	180.00	180.00

The average rating level of the dependent variable “impulsive buying” was found to be high with a mean of 4.03. It may be pointed out that the overall mean of impulsive buying was on the higher side, as the younger persons and the females had the tendencies to be more impulsive in buying than the older people and male respectively. The rating on the independent variables the “proximity” and the “moods” were substantially higher, with both the variables having the same mean of 4.17. One of the reasons for such a high rating on and moods and proximity could be that chocolate was used as stimuli in the study, and the research was carried out in the affluent area of Karachi. Some of the researchers are of the opinions that financial resources, also, facilitate impulsive buying.

The skew ness for the all dependent and independent variables were found to be in negative except for collectivism indicating that majority of the respondents' opinions were below the respective means. However, incase of collectivism the majority of respondents' opinions were above the respective mean.

3.2.0 Testing Of Hypothesis

3.2.1 Hytpothesis One

The hypothesis postulates that the relationships for individualist and impulsive buying behaviors will be stronger as compared to people belonging to collectivist cultures. The above hypothesis was tested through multiple-regression and summarized result is presented below.

Table number-2

<i>Regression Statistics</i>	
Multiple R	0.72
R Square	0.52
Adjusted R Square	0.52
Standard Error	0.60
Observations	180.00

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2.00	70.77	35.38	97.71	0.00
Residual	177.00	64.10	0.36		
Total	179.00	134.86			

Coefficients

	<i>Coefficients</i>	<i>Standard</i>	<i>t Stat</i>	<i>P-</i>	<i>Lower</i>	<i>Upper</i>
Intercept	1.13	0.21	5.32	0.00	0.71	1.56
Individualism	0.29	0.05	6.36	0.00	0.20	0.38
Collectivism	0.51	0.05	10.22	0.00	0.41	0.61

The determinants used in this study for measuring culture were individualism, and collectivism. The multiple regression analysis indicates that the combined affect of both the independent variable on dependent variable impulsive buying is strong with R² being 0.52. This indicates that 52% variation in dependent variables is because of the combined effect of the predictor variables “individualism”, and “collectivism”. The P values for both the predictor variables individualism and collectivism is less than zero that indicates that both the predictor variables individually have relationships with the dependent variable “impulsive buying”. However, the coefficient of determinants for both the individualism and collectivism are 0.29 and 0.51 indicating that the determinant “collectivism” has a stronger relationship with the impulsive buying behavior as compared to “individualism”. Thus the null hypothesis that “Individualism” would have a stronger relationship with compulsive buying as compared to “collectivism” is rejected.

3.2.2 Hypothesis-2

The hypothesis postulates that the level of “impulsive buying” would be higher in persons who are in a positive mood as compared to the ones who are in “negative mood”. The hypothesis was tested through Z-test two samples. The summarized results are presented below:

Jalees

Table number-3

	<i>Positive Mood Viz. Impulsiveness</i>	<i>Negative Mood Viz. Impulsiveness</i>
Mean	4.27	2.69
Known Variance	0.43	0.22
Observations	154.00	26.00
z	14.84	
P(Z<=z) one-tail	-	
z Critical one-tail	1.64	
P(Z<=z) two-tail	-	
z Critical two-tail	1.96	

The hypothesis that the level of impulsive buying in positive mood would be higher was substantiated. At 95% confidence level, Z-critical value is -1.64, and Z-calculated value is 14.84 which fall in non critical region, therefore, the null hypothesis is accepted. Thus the level of impulsiveness in positive mood with a mean of 4.27, is significantly higher than and the level of impulsiveness in negative mood with a mean of 2.69.

3.2.3 Hypothesis Three

The hypothesis postulates that there is a direct relationship between “proximately” and “impulsive buying” behavior. This hypothesis was tested through simple regression. The summarized results are presented below:

Table number-4

<i>Regression Statistics</i>	
Multiple R	0.80
R Square	0.64
Adjusted R Square	0.64
Standard Error	0.52
Observations	180.00

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1.00	86.05	86.05	313.77	0.00
Residual	178.00	48.81	0.27		
Total	179.00	134.86			

	<i>Coefficients</i>	<i>Standard</i>	<i>T Stat</i>	<i>P-</i>	<i>Lower</i>	<i>Upper</i>
Intercept	0.33	0.21	1.56	0.12	(0.09)	0.75
Proximity	0.89	0.05	17.71	0.00	0.79	0.98

The validity of the model is significant at 95% confidence level as P values for F and Tests are less than 0.05. The coefficient of variation (R^2) was 0.65 which is an indication of very strong relationship. This relationship also tells that about 64% of the

Jalees

variation of dependent variable “Impulsive buying behavior is explained by the independent variable “proximity”, which is significantly high.

The coefficient of determination for “Proximity” is 0.89 indicating that a change in the independent variable “proximity” would change the dependent variable by 89%, which is an indication of a very strong relationship.

3.2.4 Hypothesis-4

The hypothesis postulates that the level of impulsiveness in reference to buying is stronger in females as compared to males. This hypothesis was tested through F-test two variables. The summarized results are presented below:

Table number-5

	<i>Male impulsiveness</i>	<i>Female Impulsiveness</i>
Mean	3.81	4.14
Variance	1.34	0.41
Observations	62.00	118.00
df	61.00	117.00
F	3.23	
P(F<=f) one-tail	0.00	
F Critical one-tail	1.43	

At 95% confidence level the $P(F \leq f) = 0$ indicating that the level of impulsive buying in females with a mean of 4.30, is significant higher than males mean of 3.81.

3.2.5 Hypothesis-5

The hypothesis postulates that the level of impulsive buying will be higher in younger age group as compared to older people. This hypothesis was tested through T-test, two sample and the summarized results are presented below:

Table number 6

	<i>Younger</i>	<i>Older</i>
Mean	4.31	3.70
Variance	0.24	1.16
Observations	97.00	83.00
Pooled Variance	0.66	
Hypothesized Mean Difference	-	
df	178.00	
t Stat	5.01	
P(T<=t) one-tail	0.00	
t Critical one-tail	1.65	
P(T<=t) two-tail	0.00	
t Critical two-tail	1.97	

At 95% confidence level, the T critical value is -1.97 and T calculated values is 5.01 that falls in the non-critical region, therefore the null hypothesis is substantiated. Thus

Jalees

the level of impulsive buying in younger age groups with a mean of 4.37 was significantly higher than older group with a mean of 3.38.

4.0.0 Conclusion And Discussions

Individualism and collectivism the two determinants of culture collectively have a moderate relationship with impulsive buying behavior with coefficient of determination being 0.52 indicating a strong relationship. However, the coefficient of determinants for both the individualism and collectivism are 0.29 and 0.51 indicating that the determinant "collectivism" has a stronger relationship with the impulsive buying behavior as compared to "individualism". Contrarily, (Gutierrez, 2004) was of the opinions that the tendency of impulsive buying would be stronger in individualist culture as compared to collectivism culture. One of the reasons for the difference in this finding and that of (Gutierrez, 2004) could be that the individuals who have claimed to be collectivist, were not really collectivist, but might have thought that associating themselves with individualist may be against the norms of the society.

The hypothesis that the level of impulsive buying in positive mood would be higher was substantiated. At 95% confidence level, Z-critical value is -1.64, and Z-calculated value is 14.84 which fall in non critical region, therefore, the null hypothesis is accepted. Thus the level of impulsiveness in positive mood with a mean of 4.27, is significantly higher than and the level of impulsiveness in negative mood with a mean of 2.69. The findings support Rook and Gardner (1993) who found that moods such as pleasure, carefree, and excitement lead to impulsive buying behavior. Elliott (1994) was of the opinion that shopper in negative moods may indulge in impulsive buying to alleviate the negative mood. The findings of this report do not support the findings of Elliot (1994), as the level of impulsiveness in negative mood was found to be very low with a mean of 2.69.

The hypothesis that there is a strong relationship between "proximity" and "Impulsive buying" was also substantiated with coefficient of determination being 0.64 which shows a very strong relationship. This finding support the finding of Faber Vohs (2004), who were of the opinion that physical proximity, free sample of food, and sniffing aromas enhances purchasing impulsiveness.

The hypothesis that the level of impulsiveness in buying would be significantly higher in male as compared to female was substantiated with mean of 4.14 and 3.18, respectively. This supports the finding of Dittmar, et.al,(1995) which shows that the level of impulsive buying behavior is gender specific.

The level of impulsive buying in younger age groups with a mean of 4.37 was found to significantly higher than older group with a mean of 3.38. This finding is similar to the findings of Wood (1998), who found an inverse relationship between impulsive buying behavior, and age level. Bellinger, et.al (1978) also found that the shopper below age of 35 years are more prone to impulsive buying as compared older age group.

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Jalees

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Jalees

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