

# MODELS INVESTIGATION OF FACTORS AFFECTING CONSUMER IMPULSIVE PURCHASE BEHAVIOUR IN RETAIL ENVIRONMENT

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**crossref** <http://dx.doi.org/10.5755/j01.em.17.2.2196>

## Abstract

Dramatic increase in personal disposable incomes and easy to get credit availability have made impulsive purchasing in retail environment a major leisure and lifestyle activity. Impulsive purchase behaviour is driven by hedonistic or pleasure seeking goals causes a consumer to experience desires for products. Scientific research presents no unified attitude to factors affecting impulsive purchase behaviour. Therefore a scientific problem can be formulated in a question: why do consumers sometimes act unpredictably and buy on impulse? The aim of the article is to justify factors affecting consumer impulsive purchase behaviour in retail environment after performing theoretical analysis of impulsive purchase models.

Research methodology used in the article - is systemic and comparison analysis of scientific literature.

*Keywords:* consumer impulsive purchase behaviour, retail environment, internal factors, external factors.

*JEL Classification:* M31.

## Introduction

Consumer impulsive purchase behaviour is the topic of research of many scientists from different fields of study. It is an object of research for half a century already. At present dramatic increase in personal disposable incomes and easy to get credit availability have made impulsive purchasing in retail environment a major leisure and lifestyle activity. Impulsive purchase behaviour is driven by hedonistic or pleasure seeking goals causes a consumer to experience desires for products. Companies, experiencing tough competition in market, can apply marketing stimuli and use impulsive purchase as a competitive advantage. Manipulation of factors, stimulating impulsive purchasing may significantly increase sales.

Systematic analysis of scientific literature on impulsive purchasing in retail environment let us state, that there is no common attitude to impulse purchasing behavior in scientific literature. Such scientists as Rook (1987), Piron (1991), Hoch and Loewenstein (1991), Rook and Fisher (1995), Dittmar and others (1995), Puri (1996), Bayley and Nancarrow (1998), McGoldrick and others (1999), Dholakia (2000), Mattila and Wirtz (2008), Harmancioglu and colleagues (2009) and others performed scientific research agreed that there is no unified attitude to factors affecting impulsive purchase behaviour.

Therefore a **scientific problem** can be formulated in a question: why do consumers sometimes act unpredictably and buy on impulse?

**The aim of the article** is to justify factors affecting consumer impulsive purchase behaviour in retail environment after performing theoretical analysis of impulsive purchase models.

**The object of the research** – is consumer impulsive purchase behaviour.

**Research methodology** used in the article - is systemic and comparison analysis of scientific literature.

Researchers discovered that exist internal and external factors stimulating impulsive purchase behaviour and created various models and frameworks of this behaviour. Constructing them scientists tried to distinguish separate parts of the impulsive purchase process, identify factors and circumstances influencing consumer behaviour as well as explain the phenomenon of impulsive purchasing. Models or frameworks are analyzed in the article cover: the reference point model by Hoch and Loewenstein (1991), the two-factor cost-benefit accessibility framework by Puri (1996), A Model of Impulse Buying by Dittmar and colleagues (1995), A Theoretical Model of Impulse Buying by Dittmar and colleagues (1996), a model of environment-shopper relationships by McGoldrick and colleagues (1999), Dholakia's (2000) integrated model of consumption impulse formation and enactment, Mattila and Wirtz (2008) impulsive purchase model, as well as a model of impulse purchase of new products by Harmancioglu and colleagues (2009).

## The Reference Point Model

It was introduced by Hoch and Loewenstein (1991) explaining how and why consumers are impulsive. The authors were among the first who introduced it. The model is based on economical and psychological theories following scientists Winston (1980) and Mischel (1974). Besides the authors follow Rook's (1987)

concept of impulse buying: “an urge to buy something immediately”, exactly, this concept is dominating in the article.

However, the authors were interested in this problem not by coincidence. In the scientific work they stress, that for unknown reasons, the United States in 1991 had one of the lowest saving rates among industrialized countries. Since consumer self-control underlies the national savings rate (Hoch and Loewenstein (1991) based on Shefrin and Thaler 1988) a better understanding of consumer self-control at the micro level could increase the understanding of saving and its determinants.

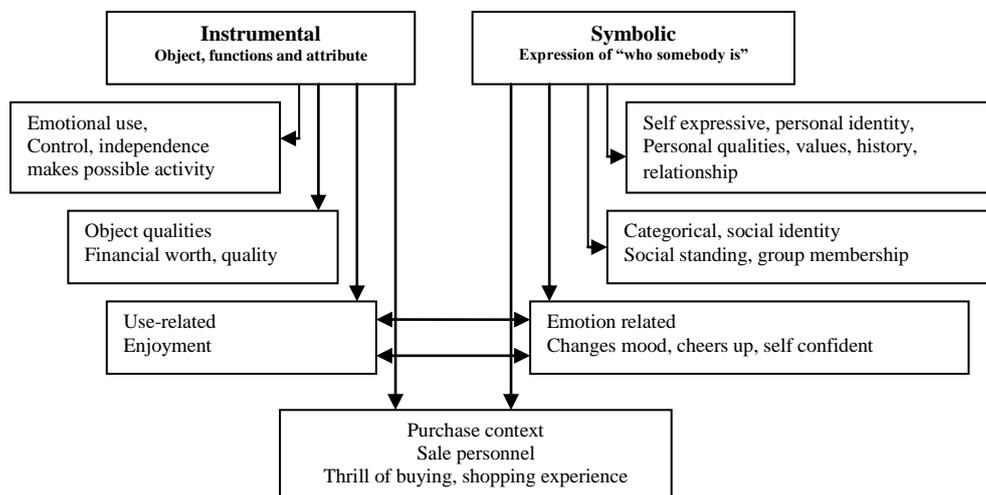
Hoch and Loewenstein (1991) state, that psychological processes and changes of consumers attitudes have influence to impulsive purchasing after they appear to shopping environment (a shop). Reacting to a stimulus a consumer feels an urge to have and already imagines s/he owns a product. Non-purchased product is being estimated as a loss and the consumer purchases it to reduce the loss. At the moment of impulsive purchasing, benefits of immediate gratification compensate future decisions such as financial issues.

Several situations are distinguished, determining change in consumers’ attitude and stimulating consumer’s impulsivity. In many of these situations the consumer’s proximity to the product is promoted in one way or the other. Hoch and Loewenstein (1991) distinguish physical proximity, temporal proximity and social comparison.

The interested product effects as catalyst in the process of impulsive buying and physical proximity increase the desire to own it. This model explains impulsive purchase behaviour and emphasizes the importance to understand consumer’s perceptions of the product and what happens with the consumer’s attitude. The model’s limitations are that it doesn’t explain why consumers buy some product categories impulsively, why do not buy other.

### A Model of Impulse Buying

Dittmar and colleagues (1995) presented a model of impulse buying to and filled a gap of previous models. The model is based on social constructionist and the psychology of material possessions theories. The main idea of this model is that consumers buy products not only for their functional benefits, but also for their symbolic meanings. Products are purchased for their symbolic meaning in that they give an indication of the social standing, wealth, and social status of an individual. The model is divided between product functional use and its symbolic meaning of identity (see figure 1).



**Figure 1.** Meaning Dimensions in Impulse Purchases (from Dittmar et al. 1995)

The authors validated the model through individual interviews of a mature student population as well as tested how men’s and women’s impulse buys differ. The results showed that products that are bought impulsively have better expressions of the individual’s identity than those which are not bought on impulse. The results confirmed that women who used to buy on impulse tend to purchase products that express their emotional and appearance concerns, while men as impulsive buyers tend to buy products that are more functional.

The model presents emotional side of a consumer and indicates a new factor influencing impulsive purchase behavior, such as sex and new motive – symbolic meaning of a product. These findings are new and not explored by previous researchers. The similarity is seen, that emotional state of a consumer dominates in all previous research. That makes the models analyzed similar.

### **A Theoretical Model of Impulse Buying**

Using the results of previous research Dittmar and colleagues (1996) offered a more comprehensive theoretical model of impulsive purchasing. This model is based on the symbolic self-completion theory (Wicklund and Gollwitzer, 1982), Richins and Dawson (1992) described tendency to materialism and Higgins (1987) concept of self-discrepancies.

The main presumption of self-discrepancies concept is that discrepancy between how a consumer see him/(her)self (real self) and what he/she wants to be (ideal self) (Higgins, 1987). The tendency to buy on impulse will be the strongest when there is a sharp discrepancy between actual self and ideal self. Following self-completion theory, individuals compensate this discrepancy or shortages of self imagination in different ways (Wicklund and Gollwitzer, 1982). One of the compensation strategies is the importance to compensate key shortages of self-perceive by purchasing products. A person's tendency to materialism means, that consumers buy products and in this way tend to reach self-completion (Richins and Dawson, 1992). In a modern world purchase of material products is the most important aim of many consumer's life and is treated as one of the most important indicators of success and happiness.

Dittmar and colleagues (1995 based on Bayley and Nancarrow, 1998) state that symbolic consumption or materialism act as a compensatory mechanism. Even though, other strategies exist reducing discrepancies between real self and ideal self, consumers buy the products that has symbols of personality and social status.

This theoretical model of impulsive purchasing use different concepts and the main assumption is that consumers depending on their social status buy different products on impulse. The main assumption of the model proposed by Dittmar and colleagues (1996) is that consumers buy on impulse because of self discrepancy, but authors stress that consumers do not treat this motivation the only reason to buy on impulse. The relation between self discrepancy and tendency to materialism explains consumer impulsive purchase behaviour. The model doesn't explain why in particular situations consumers are impulsive.

### **The Two-Factor Cost-Benefit Accessibility Framework**

Puri (1996) presented a two-factor cost-benefit accessibility framework based on research on impulsiveness, self-control, and time inconsistent preferences and built on a hedonic framework, according to which an individual feels an irresistible urge to buy a product when he or she is exposed to it. Following the concept of time-inconsistent preferences, on the same ground as Hoch and Loewenstein (1991), when the consumer is exposed to the stimulus, the benefits of immediate gratification outweigh any future considerations, such as monetary issues.

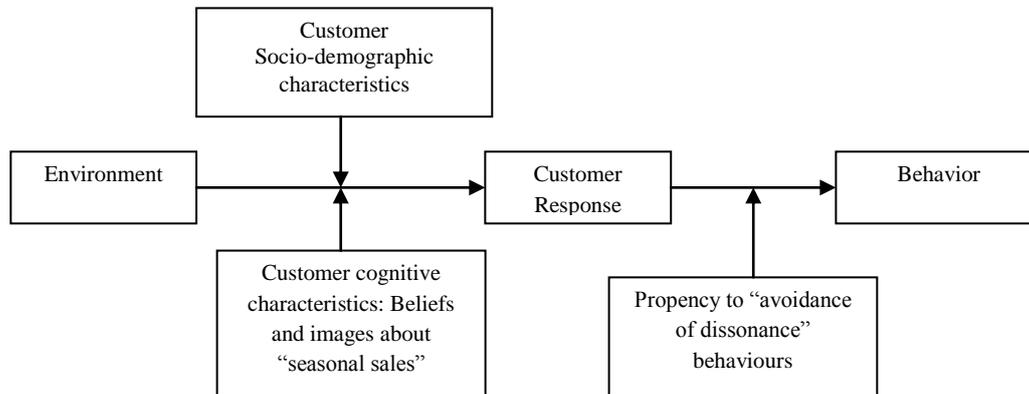
The main presumption of this model is that impulsive behaviour of a consumer depends on what s/he will percept better in a buying situation – cost of purchase benefit – or both of them and individual's tendency to buy impulsively. In situations where benefits will exceed the cost, the temptation to succumb to the felt urge is high and is the compelling force of impulsiveness. Inverse, when costs are higher than the benefits, the individual resists the urge, which reduces the probability of any impulsive behaviour. In other words, it doesn't matter whether the individual pays attention to the benefits or costs of impulsiveness, chronic values become the core determinant. Some individuals have more expressed hedonistic values and they naturally tend to pay attention to the benefits of impulsiveness, but not to costs. Puri (1996) entitles these individuals as "hedonics". Inverse, the individuals who pay attention to the costs are known as "prudent". Because hedonics value only the benefits of impulsiveness they are tend to be impulsive, meanwhile the prudent does not behave impulsively.

In the presented framework by Puri (1996) we see that some new factors appear that influence consumer impulsive purchase behaviour and were not determined before. These are cost of purchase benefit, and hedonic values that stimulates impulsiveness.

### **A Model of Environment-Shopper Relationships**

McGoldrick and colleagues (1999) offered a model of environment-shopper relationships. The researchers analyzed the influence of various factors to impulsive purchasing and validated the proposed

model in the context of seasonal sales (see figure 2). There are distinguished two factors, influencing consumer's reaction in shopping environment, namely the customer's socio-demographic characteristics and his/her cognitive characteristics. A consumer's socio-demographic status determines his/her reaction to the environment, and probability to buy impulsively. The customer's reaction depends on his/her beliefs and images related with environment. In the situation of seasonal sale, some consumers will wait with intention to save while the others only think about inconveniences during shopping – long queues and crowded shops. The propensity to 'avoidance of dissonance' behaviors moderates the relationship between the consumer's response to the environment and the resulting behavior.



**Figure 2.** A Conceptual Model of Environment-Shopper Relationships (from McGoldrick et al. 1999)

One of the consequences of impulsive purchasing is a consumer's regret for the paid product. Due to dissonance after the purchase a consumer feels tension, since s/he has to defend or justify the decision made. As Piron indicated (1991), one of the characteristics of the impulse buying process is that the consumer does not estimate consequences of impulsive purchasing. Likewise at the moment of purchase, a consumer may avoid to consider the post-purchase dissonance. Estimation of information, confirming consumer's truthful decision may help to avoid dissonance. This model presents interesting explanation of impulsive purchase behaviour. The limitation of this model is that it is applied only for seasonal sales which limit generalization of the conclusions.

Puri's (1996) framework, Hoch and Lowenstein (1991) model, Dittmar and colleagues (1995), (1996) models and McGoldrick (1999) model of environment-shopper relationship depend to consumer impulsive purchase behaviour development period covering from 1987 until 2000, where consumer's perceptions from point of impulsivity and its' effect are analyzed. The authors follow the same concept of impulsive buying (an urge to buy immediately). Factors such as hedonic motives, customer's socio-demographic characteristics, cognitive characteristics, avoidance of dissonance, tendency to materialism, differences between gender impulsiveness, self discrepancy compensation are distinguished by these research works. The limitations of these models are that they still do not explain why some product categories are bought on impulse and others not and why in particular situations consumers are impulsive.

### **An Integrated Model of Consumption Impulse Formation and Enactment**

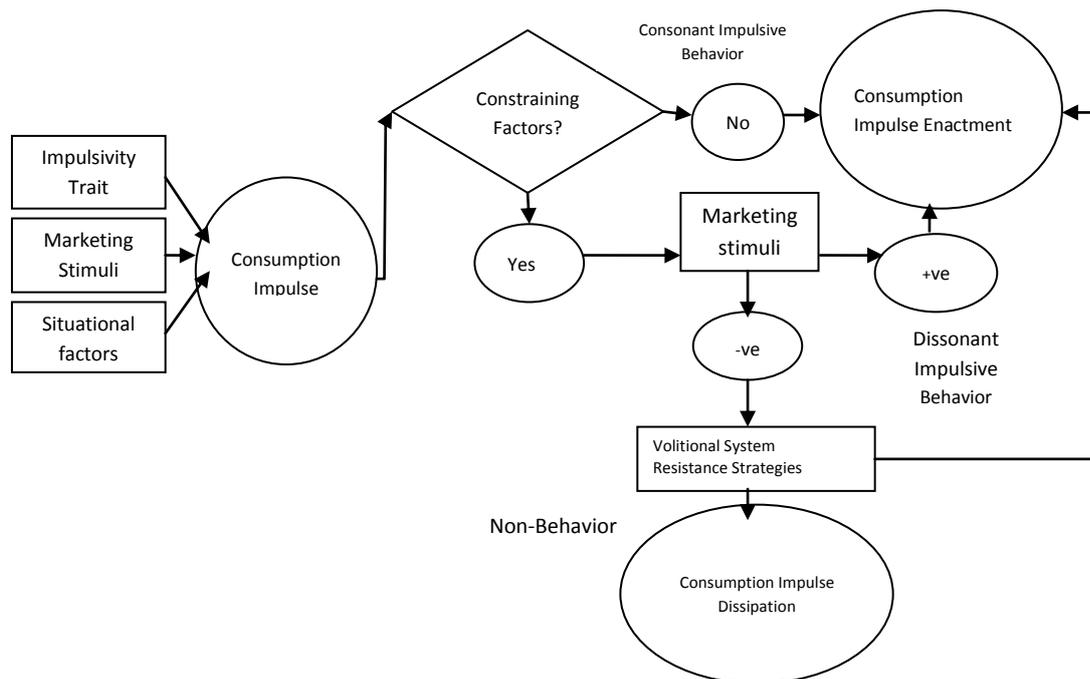
The new era in consumer impulsive purchase behaviour research started with An Integrated Model of Consumption Impulse Formation and Enactment. Dholakia (2000) presented one of the most detailed theoretical frameworks explaining the impulse buying process (see figure 3.). The main assumption of the framework is that the impulsive behaviour consists of elements that involve motivational, volitional, and cognitive psychological processes.

Dholakia (2000) has identified three the most important factors of impulsive purchase behaviour, such as marketing stimuli, impulsivity trait and situational factors. The framework is based following Rook (1987), Puri (1996), Hoch and Lowenstein (1991) and other researchers attitudes. He criticizes previous works on impulsive consumer purchase behaviour, stating that the research was more focused on hedonic aspects of impulsive purchasing ignoring cognitive and volitional processes as well as very little attention has been focused to trying to understand mechanisms of impulsive resistance. One of the key factors in the impulse buying process is the exposure to the marketing stimulus (Rook 1987). Marketers may increase the probability

to buy impulsively, manipulating store atmospherics (Dholakia, 2000). According to Hoch and Loewenstein (1991) physical and temporal proximity to the product also increases the consumer's impulsiveness and in the CIFE (integrated model of consumption impulse formation and enactment) Dholakia (2000) called them marketing stimuli, as marketers can control the presentation of such stimuli to the consumer.

The second factor, Dholakia (2000) presents is situational factors that may increase or decrease the propensity of the consumer to experience the consumption impulse.

The impulsivity trait refers to a consumer's propensity of being impulsive (Rook and Fisher 1995) and this factor is an important determinant in the impulsive buying process. Existence of one or more factors determine a consumer's urge to buy impulsively. When a consumer feels urge to buy impulsively, certain mental responses are automatically triggered to identify any factor constraining impulsive purchase. It is determined that a consumer estimates three factors that may constrain impulsive buying: current impediments, consideration of long-term consequences and anticipatory emotions.

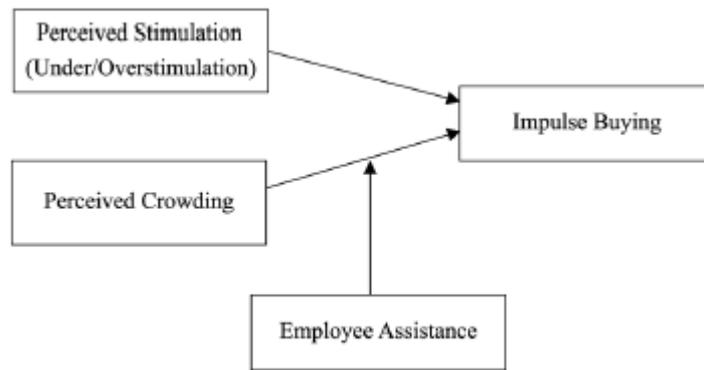


**Figure 3.** The Integrated Model of Consumption Impulse Formation and Enactment (Dholakia 2000)

The consideration of long-term consequences force a consumer to think of serious consequences of impulsive purchasing and it can restrain from such a purchase. The negative emotions, such as regret, may force a consumer to resist urge to buy impulsively. If these restraining factors are present, the consumer will experience conflict. Inverse, if there are no identified restraining constraints, the consumer will respond to the urge and buy the product “on-the-spot” (Rook 1987).

### Impulsive Purchase Model

Mattila and Wirtz (2008) determined that consumer stimulation in the shopping environment and social aspects encourages impulsive purchase behaviour (see figure 4.). Results of Mattila and Wirtz (2008) study indicated that social factors influence impulse buying. The interactive effect of perceived crowding and employee friendliness showed that these two factors need to be considered together in store design. Besides, this study suggests that highly stimulating and pleasant store environment leads to enhanced impulse buying. The positive effect of a highly exciting store environment on unplanned purchases is consistent with research in psychology suggesting that high arousal lessens people's self regulation (Baumeister et al., 1998; Baumeister, 2002). High arousal also tends to reduce people's ability think through their actions (Leith and Baumeister, 1996; Tice et al., 2001).



**Figure 4.** Impulsive Purchase Model (from Mattila and Wirtz 2008)

Moreover, consumers' spending patterns may be influenced by a store excitement. A highly unfamiliar environment, on the other hand, might make people more cautious of their actions, and therefore, inducing higher levels of self-control than familiar stores.

The model is important, for determined social aspects influencing impulsive purchase. Only researchers of psychology had done research on it but there were little prior research done in consumer behaviour research. The model complements the factors influencing impulsive buying.

### A Model of Impulse Purchase of New Products

Harmancioglu and colleagues (2009), draw on the theory of reasoned action as a theoretical foundation in building the model of impulse buying of product innovations. They adopted Fishbein and Ajzen's (1975) framework by arguing that, in the context of impulse purchases, purchase intention were not a significant mediator. The determinants of impulse purchases included consumers' characteristics (i.e. excitement and esteem) and prior product knowledge (as influenced by opinion-leaders and compliance to social norms).

Knowledge about the new product and such consumer characteristics as consumer excitement and consumer esteem could drive impulse buying intentions and behaviour. Word-of-mouth effected knowledge of a new product and adaptation to social norms. Moreover, impulse buying is a characteristic feature of a consumer, rather than a reaction to particular products. Accordingly, Harmancioglu and colleagues (2009) provided an understanding of what drives the tendency to purchase new products on impulse. First, impulse buying intention did not make a significant influence on impulse buying behaviour.

Second, impulse buying intention and impulsive purchase of innovative products were encouraged by consumers' desire and necessity for excitement. In other words, consumers' inborn desires and need for excitement, fun, and variety benefit their intentions as well as impulse purchases of new products. Third, consumers' desire for esteem did not significantly influence impulse buying behaviour. To be more specific, the importance a consumer places on: relationships with others; receiving respect from others; and self-respect did not significantly influence impulse buying.

Consumers think that if they buy the latest innovations, they get more respect from others and increase their self-respect and it will make them feel modern. However, impulse purchases of new products cause spontaneous and uncontrolled spending. Fourth, consumers' level of knowledge of new products had a positive effect on their impulse buying intentions and purchases. According to Harmancioglu and colleagues (2009) as proposed in the theory of reasoned action and adoption theory of innovations, new product knowledge is influenced by what others think (word-of-mouth) and consumers' willingness to comply with others. Overall, the results indicated that although similar factors encourage consumers to form purchase intentions and to make impulse purchases, those consumers who form impulse purchase intentions do not proceed to make an impulse buy.

### Conclusions

Summing up it can be stated that analysis of theoretical models indicates the following factors influencing impulsive purchasing found by the authors:

- Consumer's attitude change during purchase process - in Hoch and Loewenstein the reference point model;
- Gender difference in impulsivity, product symbolic meaning, personality's discrepancy– in Dittmar et.al (1995), (1996) impulsive purchasing models
- Hedonistic need satisfaction – in Puri (1996) impulsive purchasing model;
- Causal relationship between consumer perception, belief and behaviour – in McGoldrick (1999) et.al impulsive purchasing model;
- Marketing stimuli, impulsivity trait and situational factors – in Dholakia (2000) impulsive purchasing model;
- Social factors influence - Mattila and Wirtz (2008) impulsive purchase model;
- Knowledge of new products, excitement and consumer esteem – in Harmancioglu and colleagues (2009) a model of impulse purchase of new products.

The factors identified can be grouped into external – those affect from surrounding environment, as marketing stimuli, situational factors, social factors, demographical (as gender) and internal – depending on a consumer psychology – consumer perception, belief, hedonistic needs, attitude, personality discrepancy, impulsivity.

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