

A study on consumers' Impulse Buying Decision in Chhattisgarh: A factor analysis approach

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ABSTRACT

The Indian retail sector is one of the trend changing and dominant industry all over the world. This study aims at analysing various factors of impulse buying decision. For conducting this study, convenience sampling method was adopted at few organised retail outlets of Raipur city of Chhattisgarh. A total of 100 consumers were considered as sample size in the study. Factor analysis with the help of IBM SPSS 21 version was applied to identify underlying factors of impulse buying. Result reveals five important factors that influences consumers' impulse buying decision namely store environment, situational factor, promotion, consumer characteristics and product related factors.

1. Introduction

Indian retail industry is one of the youngest and fastest growing sector. Consumers nowadays prefers to buy from organised retail like malls due to urbanisation, changing consumer's life style, increase in disposable income etc. Consumer behaviour is one of the area which is continuously gaining interest from researchers as well as retailers. Consumer behaviour is still complex due to changing buying patterns of consumers. Impulse buying is one of the buying pattern that is receiving attention from researchers nowadays. Earlier studies have been done in the light of impulse buying since 60 years (Stern, 1964; Rook, 1987; Rook and Fisher, 1995, Beatty and Ferrell, 1998; Maymand and Ahmadinejad, 2011; Murugunantham and Bhakat, 2013). Stern, 1962 defined Impulse buying as 'unplanned buying – that is it describes any purchase which a shopper makes but has not planned in advance'. He describes impulse buying as any shopping without prior planning. He also discussed four types of impulse buying viz. pure, reminder, suggestion and planned impulse buying. In his study he identified nine factors that majorly influences consumers' impulse buying decision namely price, need for item, mass distribution, self-service, advertisement, store display, product life, small size and ease of storage. Rook, 1987 defined impulse buying as "Impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately". Rook and Fisher, 1995 analysed normative evaluation of impulse buying and firstly developed and introduced scale for impulse buying. Maymand and Ahmadinejad (2011), in their studies analysed role of store environmental and situational factors on consumers' impulse buying decision at Iran. Several studies have been conducted to analyse impulse buying decision at different region, but impulse buying and its factors are not explored much in hypermarkets of Chhattisgarh.

2. Objectives of the Study

After reviewing several literatures on impulse buying, following are the objectives of the study:

- I. To understand the concept of impulse buying decision
- II. To identify various factors influencing consumers' impulse buying decision.

3. Research Methodology

A Descriptive research design was used to identify various factors influencing impulse buying decision of consumers. Data was collected through survey conducted at two hypermarkets of Raipur city of Chhattisgarh state. Reason for selecting hypermarket is due to availability of wide range of product that influences consumer to buy impulsively apart from planned shopping. For this, a self - administered structured questionnaire with 5 point Likert scale from strongly disagree to strongly agree was used to collect the data.

The samples have been collected through convenience sampling method through mall intercept interview. The data of factors of impulse buying like product type, availability of time, personality, advertisement, discount, availability of money, display, promotion, music, lighting, crowding, salesperson, mood and variety have been taken for analysis. Multivariate analysis was done to analyse the data with the help of SPSS 21 version Factor Analysis with principle component analysis was done to analyse factors influencing impulse buying decision.

Table 1: Research Methodology

Particulars	Descriptions
Research Design	Descriptive Research
Data Source	Primary and Secondary Source
Research Instrument	Self-Administered Questionnaire
Scale	5-Points Likert Scale
Sampling Design	Convenience Sampling
Sample size	100 Consumers
Sample Location	Chhattisgarh
Demographic group	Age, Gender, Income, Occupation

Table 3: Instrument

	Factors	Statements
X1	Product Type	I buy things spontaneously based on

		type of product
X2	Availability of time	If I have time available for shopping I buy impulsively
X3	Personality	I buy things without thinking describes 'me'
X4	Advertisement	Advertisement attracts me to buy suddenly
X5	Discount or offers	If I found good offers I buy products without planning
X6	Availability of money	If I have sufficient money, I buy products without thinking
X7	Instore Display	Attractive store display influences me to buy immediately
X8	Shopping Enjoyment	I enjoy shopping without planning
X9	Music	Music influences me to buy suddenly
X10	Lighting	Bright light in store influences me to buy immediately
X11	Crowding	Crowd in the store attracts me to buy without thinking
X12	Salesperson	I buy things impulsively if sales person assists me in shopping
X13	Mood	If I am in a good mood I buy things suddenly
X14	Variety	If I get wide variety, I take impulse decision

Annual Income	Up to 1 Lakhs	39	39.0
	1 Lakhs to 3 Lakhs	27	27.0
	3 Lakhs to 5 lakhs	23	23.0
	5 Lakhs and above	11	11.0
	Total	100	100.0

4. Data Analysis

4.1 Descriptive Statistics

In this study, Male and female age group are categorised into four groups viz. below 20 years, 21-35 years, 36-50 years, 50 years and above. Occupation has been categorised into Business, service, Households and students; Annual Income below Rs.100000, Rs.100001-300000, Rs.300001-500000, Rs. 500000 and above group.

4.2 Demographic Analysis

The proportion of female (48%) was bit higher than male (42%). The distribution of age group mainly falls below 20 years (21%), 21-35 years' age group (38%), between 36-50 years (33%), and Above 50 years (08 %). Majority of the respondents were from students (30%), service class (27%), then households (22%) and business (21%). About 39% of respondents were below 1 lakh income group as most of them were students and households while 27% respondents were from 1-3 lakh income group and 23 % respondents were from 3-5 lakh income group, 11 % of respondents belong to 5 lakh and above income group.

Table 2: Descriptive Statistics

Particulars	Category	Frequency	%age
Gender (G)	Male	42	42
	Female	48	48
	Total	100	100.0
Age (A)	Below 20	21	21.0
	21 to 35	38	38.0
	36 to 50	33	33.0
	Above 50	08	08
	Total	100	100.0
Occupation (O)	Households	22	22.0
	Business	21	21.0
	Service	27	27.0
	Students	30	30.0
	Total	100	100.0

4.3 Factor Analysis

Special care was taken in the present study to formulate a content valid instrument so Factor analysis with principle component method was applied to test the loadings of various factors. Factor analysis through Principal Component Method has been organised to identify the loading and reloading of components. The Factor Analysis is suggestive that all the components are valid as they have been properly loaded on identified factors.

Result of factor analysis reveals that all the factors are properly loaded on components. Further it can be seen from table 4 that X9 (Music), X10 (Lighting), X12 (sales person), X11 (Crowding) are properly loaded on component 1 with loadings ranges from .469-.788. After this, Time (X2) and money(X6) availability are properly loaded on component 2 with loadings of .770 and .757. Instore display (X7), discount (X5) and advertisement(X4) are properly loaded on component 3 with loadings of .682, .592 and .543. Personality (X3), Shopping Enjoyment (X8) and mood (X13) are properly loaded on component 4 with loadings of .680, .624 and .550. Lastly, Product type (X1) and Variety (X14) are properly loaded on component 5 with loadings of .736 and .652 respectively.

Table 4: Factor Analysis

Rotated Component Matrixa					
Factors	Component				
	1	2	3	4	5
Music (X9)	.788				
Lighting (10)	.740				
Sales person (X12)	.482				
Crowding (X11)	.469				
Time Availability (X2)		.770			
Money Availability (X6)		.757			
Instore Display (X7)			.682		
Discount (X5)			.592		
Advertisement (X4)			.543		
Personality (X3)				.680	
Shopping Enjoyment (X8)				.624	
Mood (X13)				.550	
Product Type (X1)					.736
Variety (X14)					.652
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 6 iterations.					

5. Discussion

As per the results of factor analysis, some factors are commonly loaded on single component that are clubbed and

renamed due to similarity of factor. These components that are renamed are discussed as:

5.1 Factor 1 (Store environment)

Store Environment consists of all the factors that are the part of physical store. In this study, that X9 (Music), X10 (Lighting), X12 (sales person), X11 (Crowding) are commonly loaded on component 1 which are the part of store environment. So, component 1 is renamed as store environment. Music plays significant role in consumers buying behaviour. It increases the stay time in the store. Lighting is also important element of store environment that enhance store image. Products are more evaluated under bright lighting conditions. A well-groomed and motivated salesperson always assists consumers that influences consumers to shop impulsively. Crowding sometimes creates negative impression among consumers as they avoid visiting overcrowded store, but sometimes it attracts consumer to visit store leading to buy impulsively.

5.2 Factor 2 (Situational Factor)

It can be seen that availability of time and availability of money both are commonly loaded on component 2. These factors are treated as situational factors. If consumer has sufficient amount of money, he will likely to spend more without thinking. So, availability of money is the important factor that influences consumers to buy impulsively. Similarly, availability of time is also important factor that leads to impulse buying. As consumer has sufficient time, he is likely to spend time in store, evaluating products that may influence him to buy impulsively.

5.3 Factor 3 (Promotion)

Next component consists of Instore display (X7), discount (X5) and advertisement (X4) that is renamed as promotion factor. Display attracts consumers as it conveys new arrival or other messages to consumers. Display influences consumer to buy impulsively. Discount is one of the important retailer tools adopted by them to attract consumers. If consumers get a good offer or discount, they use to buy that product immediately as he feels he is getting a good deal. This makes their mood to buy that product immediately without postponing it. Similarly, advertisement also found an important factor that influences consumer impulse buying decision.

Factor 4 (Consumer Characteristics)

This component consists of Personality (X3), Shopping Enjoyment (X8) and mood (X13) factors. All these factors describe consumer or individual characteristics. So, component 4 is described by consumer characteristics. Personality is an individual feature that influences consumer behaviour. Type of personality any consumer possess also influences their views and leads to buy impulsively. How much a consumers feel

pleasure towards shopping describes shopping Enjoyment. It is a tendency to shop just for fun or enjoyment by the individuals. So if consumer have shopping enjoyment tendency he will buy impulsively. Lastly mood is another important factor that influences consumer impulse buying decision. These are the factors that describes individual characteristics that influences impulse buying decision.

Factor 5 (Product related factors)

This component includes Product type (X1) and Variety (X14) representing product related attributes. So component 5 is renamed as product related factors. The type of product like on the basis of durability, perishability also influences consumers' impulse buying decision. Like in case of Electronic products, generally consumer use to evaluate some criteria before buying, so they avoid buying impulsively. In case of FMCG, consumers usually buy any product without any predefined criteria, on trial basis as it can be consumed and disposed of immediately if not found suitable. Variety brands or products available under a roof also influences consumers' impulse buying decision. So these factors are combined in factor analysis and renamed as product related factors.

6. Conclusion

As the main aim of this paper is to analyse the factors that influences consumers' impulse buying decision. An attempt is given to identify various factors that influences consumers' impulse buying decision in a hypermarket format. These factors are product type, availability of time, personality, advertisement, discount, availability of money, display, promotion, music, lighting, crowding, salesperson, mood and variety considered in the study. Result reveals five important factors influencing consumers' impulse buying decision namely store environment, situational factor, promotion, consumer characteristics and product related factors. So, retailers need to concentrate on these factors to increase impulse sales in the store. This study will provide some directions to retailers, so that they can design some strategies to increase impulse buying activity in store leading to increase sales.

7. Limitations and scope for Future Research

Apart from several findings, study suffers from some limitations too. Firstly, study was conducted at Raipur city of Chhattisgarh that does not represent entire population. Future research in different geographical area may give different outcome. Sample size was also another limitation that does not represent entire population. Large sample size may give different outcome. Lastly, survey was conducted to collect the data. Future studies can be conducted by adopting experiment methods that may generate some interesting result.

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