Consumers’ Impulse Buying and
How In-Store Marketing Stimulate Impulse Buying Behavior

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Abstract
Impulse buying has long been a popular topic among marketing scholars and retailers. A main purpose of my paper is to build on those prior findings and studies to present a holistic review. This paper analyzes the impulse buying in depth by understanding the product factors and retail environment factors that trigger the impulse buying behavior as well as the psychology and personal traits of consumers. Moreover, this paper also addresses the demographics, social, and cultural factors that may correlate to different impulse buying patterns. Finally, this paper will offer a general outlook on the trends of impulse buying. This paper would be very helpful for marketing researchers or retailers who are in need of a comprehensive knowledge in impulse buying.

Keywords: impulse buying, product factors, retailing factors, personal traits, culture, trend
I. Introduction

With the improving economies and self-consciousness among people, impulse purchases are increasingly prevalent worldwide today, even for those people who do not want to purchase such products in advance. In 2007, a research report from Stanford University, which was written by Melanie Wakefield, Danielle Germain, and Lis Henriksen, explicitly concluded that point-of-purchase cigarette displays have a great effect on the purchase decision among smokers, even for those people who made up their mind to quit smoking. More specifically, 33.9% of recent quitters in the study admit that they felt urgent to buy the cigarettes after seeing the cigarette display in store (Wakefield, Germain, & Henriksen, 2007). This study comprises a total sample of 2996 adults. In the study, more numbers have been provided to justify how hard those retailers are trying to drive the impulse purchases. 55.3% of the smokers said that they often or always noticed the cigarette display near the cash register while they were shopping, plus another 19.2% said sometimes. For those people who visit stores more often, the percentage is even larger. In addition, when in the situation of shopping for other things rather than cigarettes, 25.2% of the smokers in the study decided to purchase the cigarettes at least sometimes after seeing cigarettes display in store (Wakefield, Germain, & Henriksen, 2007).

Clearly, Cigarette pack displays is a very effective way for retailers to drive impulse purchases among smokers. It is only part of the story. In-store environment or displays also strongly correlate to the increase of sales of other consumer products. In 1998, the Point of Purchase Advertising Institute conducted a study of in-store consumer decision making among 4,200 shoppers in 14 cities in the US. The study indicated that so far the exposure-related factors are the biggest effects on impulse purchases or unplanned purchases, which will be discussed later.
The other major finding in the study found that a higher likelihood of impulse purchases happened at the end of the aisle or at the checkout register than in-aisle (Inman & Winer, 1998). Yet the question is that: are there any more factors related with each other to comprehensively explain the impulse purchase behavior, and is it true outside the United States? Many researchers and marketers have done a lot of research and studies analyzing the impulse purchases of people, and the main purpose of my paper is to build on these prior findings and studies to present a holistic review. This paper analyzes the impulse buying in depth by understanding the product factors and retail environment factors that trigger the impulse buying behavior as well as the psychology and personal traits of consumers. Moreover, this paper also addresses the demographics, social, and cultural factors that may correlate to different impulse buying patterns. Also, this paper will offer a general outlook on the trends of impulse buying.

II. Definition of Impulse Buying Behavior

Impulse buying behavior has long been a popular topic among research scholars for the past decades. In the first couple years, scholars did not explicitly define the impulse buying behavior and analyze the impulse buying in a narrower scope to mainly satisfy managerial interests of increasing product sales. Therefore, earlier studies focus more on the purchases side rather than the customer side, and the earliest study of impulse buying behavior, which was done by Clover (1950), claimed that the impulse buying exists and it influences product sales (Clover, 1950). Later studies augmented those precedents in a variety of aspects, such as psychological effects, consumers’ personal traits, and so on. Also, scholars working on this purchase phenomenon hardly have consensus over describing the impulse buying. Many of
them provided different definitions to the impulse buying behavior (Muruganantham & Bhakat, 2013).

Before introducing the definition of impulse buying, researchers classified the purchases into mainly two categories – planned purchases and unplanned purchases. Planned purchases can be interpreted as the purchases of items people intend/planned to buy prior to entering the store, which means people actually spend time on thinking what they need to buy before entering a store; while unplanned purchases are those purchases decision without advance plans. Oftentimes, many scholars refer unplanned purchases to impulse buying. Based on my research, Stern (1962) was the first person who tried to categorize the impulse buying. Stern (1962) has personally developed four terms to represent different types of impulse purchases:

1) **Pure impulse buying** – truly impulse buying; novelty purchase that breaks normal purchase pattern

2) **Reminder impulse buying** – prior experience or knowledge with the product (out of stock at home; advertisement; other information; previous decision to buy) triggers the impulse buying by seeing the products in store

3) **Suggestion impulse buying** – similar to reminder impulse buying but without any prior experience or knowledge; consumers see a product for the first time and catalyze a need for the product

4) **Planned impulse buying** – consumers have some general purchases intention in mind, but they don’t reach the actual final purchase decisions until they are in store and other factors are present (price specials, coupons, etc.)

As a matter of fact, the emphasis of the psychological effect and consumers’ personal traits rather than products themselves did not emerge until the study of Rook (1987). Rook didn’t
agree too much on earlier marketing research that gave most of the credits to the unplanned purchases. He described that buying impulse is more like a spontaneous desire of high intensity to purchase immediately. He also found that this unintended impulse purchases also provide those respondents a source of personal excitement (Rook, 1987). Moreover, he collaborated with Gardner (1993) in his later study, and they defined impulse buying as “an unplanned behavior involving quick decision-making and tendency for immediate acquisition of the product” (Rook & Gardner, 1993).

Later, Beatty and Ferrell (1998) extended Rook (1987)’s description slightly: “Impulse buying is a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. The behavior occurs after experiencing an urge to buy and it tends to be spontaneous and without a lot of reflection” (Beatty & Ferrell, 1998). In addition, their definition excludes the purchase of a simple reminder item which is simply out-of-stock at home.

The list could go on but the main purpose to present various definitions is to foster a basic framework to understand impulse buying so as to further grasp the topics below.

III. Factors (Non-Personal) Influencing the Impulse Buying

Just a few years ago, Kacen, Hess, and Walker has done a comprehensive study on non-personal factors which lead to the impulse purchases in order to attract managers’ interests. They have collected data from an adult panel of grocery shoppers over three major household grocery shopping trips, and then they use the logic model to analyze the data to justify/support their hypothesis (Hess, Kacen, & Walker). In the study, they identify two primary types of factors: product factors and retailing factors. While product factors focus on the product...
characteristics themselves, retailing factors address primarily the in-store marketing mix. Before Hess, Kacen, and Walker started looking at their data, they proposed seven important hypotheses comprised of product factors, retailing factors, and comparison of the two, and these hypotheses have a strong theoretical support from prior studies done by other scholars. Seven hypotheses are showing as below:

i. Product Factor: Hedonic products are more likely to be impulse purchased than are non-hedonic products.

ii. Product Factor: Ready-to-use products\(^2\) are more likely to be impulse purchased than products that are not ready-to-use.

iii. Product Factor: Low-priced products are more likely to be impulse purchased than are high-priced products.

iv. Retailing Factor: Products on sale are more likely to be impulse purchased than are products that are not on sale.

v. Retailing Factor: Products on special display are more likely to be impulse purchased than are products that are not on special display.

vi. Retailing Factor: Products in a High/Low price environment are more likely to be impulse purchased than are products in an Everyday Low Price (EDLP) environment.

vii. Comparison: Product variables have a greater impact on an impulse purchase than do retailing variables.

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\(^2\)“Ready-to-use” products are those that can satisfy the impulse buyer’s desire for immediate gratification (Rook and Gardner, 1993; see also Hoch and Loewenstein, 1991; Rook and Hoch, 1985) (Hess, Kacen, & Walker).
Most of the hypotheses are supported by the statistical results of their model, whereas one or two are not or partially correct. A summary table in Hess, Kacen, and Walker’s report has been reorganized and present below:

Table 1: Summary and Results

<table>
<thead>
<tr>
<th>Variable (Summary)</th>
<th>Hypothesized Influence on Impulse Buying</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Factors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedonic</td>
<td>Hedonic &gt; Nonhedonic</td>
<td>Supported</td>
</tr>
<tr>
<td>Ready-to-Use (RTU)</td>
<td>RTU &gt; not RTU</td>
<td>Not supported</td>
</tr>
<tr>
<td>Price</td>
<td>Low price &gt; High price</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Retailing Factors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Sale</td>
<td>Sale &gt; not on sale</td>
<td>Supported</td>
</tr>
<tr>
<td>Special Display</td>
<td>Display &gt; not on display</td>
<td>Partially Supported</td>
</tr>
<tr>
<td>EDLP Store</td>
<td>High/Low &gt; EDLP</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Group Comparison</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Factors &gt; Retail Factors</td>
<td></td>
<td>Supported</td>
</tr>
</tbody>
</table>

*Source: Hess, Kacen, & Walker: The Influence of Product and Merchandising Factors on Consumer Impulse Purchases*

According to their statistical results, as a group, the product factors are 50% more powerful than the retailing factors on impulse buying in general. The explanation to this result in the report is that factors controlled by retailer (such as displays, promotions, etc.) might draw more consumers’ attentions, while product characteristics themselves are the major driver accounting for the desire to buy (Hess, Kacen, & Walker).

Another major finding in the report is that they figured out the most influential variable in both product and retailing factors. Among three of the product characteristics, hedonic nature of a product makes itself the best chance being sold to a customer on impulsiveness. Low-priced items obviously contribute to consumers’ impulse buying when compared to higher priced items, but not
as important as the hedonic features of a product. The other product factor – ready-to-use was not found significant in the study. It might be a result of the limitation of the methodology (panel only do major grocery shopping), or it could be that a consumer’s impulse buying is more about immediate possession over an item rather than instant usability (Hess, Kacen, & Walker).

At the same time, of those retailing factors, stores utilizing the High/Low price atmosphere are the winners for driving impulse buying when compared to the EDLP stores. In addition, impulse buyers might be responsive to the display of a product, while their responses are not as strong as those to the in-store sales or promotions to a product (Hess, Kacen, & Walker).

All in all, even though product characteristics are more responsible to impulse buying than retailing factors, both product and in-store retail factors play important role in generating more consumers’ impulse buying. Hedonic nature of a product and a store environment with high-low pricing strategy influence the impulse buying most among product factors and retailing factors, respectively (Hess, Kacen, & Walker).

IV. Psychological Factors & Personal Traits Influencing Impulse Buying

Three words have been mentioned the most in the business field – “Understand the Customers”, which concludes the foundation of this section. Understanding the customers and impulse buying are extremely important for a business’s profitability, particularly a retailer. In a business article, data shows that over 60% of the off-list shoppers purchase an additional one to three items (Mielach, 2012), but why?

In psychology and consumer behavior studies, consumers will always go through the stage of problem recognition before actually making the purchase, which means, in order to trigger impulse buying, products always need to fulfill the discrepancies between a consumer’s desired state and
actual state, whether now or in the future (McPherson, 2005). Many scholars have pointed out in their research that impulse buyers often experience a feeling of urge and desire to purchase items, and the urge or desire comes from the need or want of consumers to reach their desired state, sometimes the desired state could be simply the gratification of getting a product itself. Virgil Klunder, executive director of Comfort Zone (Cape Coral, FL), summarized that the psychology of an impulse buyer boils down to two primary human motivations: avoiding pain and gaining pleasure (McPherson, 2005). This could well explain why hedonic nature of a product drives impulse buying the most among the product factors. In general, impulse buying occurs when consumers’ problems and “solutions (products)” intersect.

Scholars also shift their focus to the relationship between impulse buying and personal traits in recent years. Youn and Faber (2000) has done a study based on a self-report survey answered by 135 students at a large Midwestern university in fall, 1997, which intended to find out impulse buying’s relations to consumers’ personal traits that trigger impulse buying. Among 11 primary personality dimensions, they have chosen three that they thought to be more of relevance to influence impulse buying in their analysis of the data:

1) A Lack of Control (Impulsivity) – control refers to the monitor of impulse; a person could easily control impulse and delay gratification or the opposite; Youn and Faber (2000) hypothesized that this personal trait has the highest possibility to drive impulse buying.

2) Stress Reaction – represents systematic individual differences in the frequency and intensity of negative emotional states (i.e., guilt, anger, anxiety, and distress); Youn and Faber (2000) hypothesized that stress reaction and likelihood of engaging in impulse buying are positively correlated because for stress-reactive people, impulse buying might be a way to deal with stress.
3) Absorption – a tendency to become immersed in self-involving experiences through external and imaginal stimuli; Youn and Faber (2000) hypothesized that people with high absorption levels will be more likely to finish impulse buying.

By performing a correlation analysis, A Lack of Control shows a high correlation to the impulse buying, while Stress Reaction and Absorption present a moderate correlation. Only lack of control generates a significant beta under the multiple regression analysis. This study provides a general pattern for personal trait factors influencing the impulse buying, however, this area can be explored in more depth by further study in the future.

V. Demographics, Social, and Cultural Factors Influencing Impulse Buying

In order to find out the role of gender differences played in impulse buying, Dittmar, Beattie, and Friese (1995) interviewed 20 male and 20 female students at the University of Sussex individually for an hour. Gender difference does play an important role in product choices of impulse buying, and their hypotheses have been strongly supported by analysing the data. Men’s impulse buying is more likely to include functional and leisure-oriented items, whereas women’s tendency towards impulse buying are higher in appearance and body-related items. In terms of purchasing considerations between male and female, they are entirely separated. Male is more instrumental-physical oriented, while female is more emotion- and image-guided (Dittmar, Beattie, & Friese, 1995).

Personal/household disposable income is another factor that affect the impulse buying. Scholars have consensus that lower disposable income results in a more organized and planned purchase, which leads to a lower probability of impulse buying. In Muruganantham and Bhakat (2013)’s literature review, it is also explicitly mentioned that impulse buying is becoming more prevalent
with the increase in personal disposable income and credit availability (Muruganantham & Bhakat, 2013).

The study of Mattila and Wirtz (2008) indicated two types of the social factors affecting the impulse buying: store employees and other customers. In store design, the interactive effect of perceived crowding and employee friendliness have to be considered together. Store managers might mitigate the negative feelings of crowding through training employees to show more friendliness when busy (Mattila & Wirtz, 2008).

One interesting finding in Rook and Fisher (1995) is how social visibility of a potential impulse purchase affects consumers’ buying decision. Generally, consumers will be less likely to be engaged in impulse buying when they are socially visible (Rook & Fisher, 1995).

In order to figure out the influence of different culture on impulse buying, Kacen and Lee (2002) has done a grand study involving a multi-country survey of consumers in United States, Australia, Singapore, Hong Kong, and Malaysia. They classified those countries solely based on the theory of individualism and collectivism. United States and Australia represent the individualistic culture among western countries, while Singapore, Hong Kong, and Malaysia are the representatives of collectivist culture in Asia. In short, according to Triandis (1995)’s definition, collectivists regard themselves as integral part of a group, but individualists do the opposite – they are more autonomous and independent (Triandis, 1995). Not surprisingly, Kacen and Lee (2002) found out cultural differences impact the impulse buying to a great extent. The reflection is that culture has a significant effect on self-identity, social norms, suppression of emotion, and the postponement of instant gratification, which are all important factors influencing impulse buying as discussed earlier. Overall, individualist consumers involve in more impulse buying than collectivist consumers. Moreover, one interesting finding in the study was that getting older results in a less
likelihood of impulse buying in Asian collectivist culture but does not show too much difference in Caucasian individualistic culture (Kacen & Lee, 2002). Compared to the strong buying power and insane purchasing quantities of famous brand of Chinese consumers when they are abroad, the result of this study seems not quite right. However, the result of this study is very reliable. The truth for Chinese phenomenon, based on my personal observation and assumption, is that most of the purchases Chinese consumers made overseas are purposefully planned purchases but not impulse buying because of substantially cheaper price overseas compared to the prices in China and the gift culture (many of the purchases are for friends, colleges, and family members). Even a small portion Chinese consumers are buying for reselling in China to gain profit. Chinese collectivist culture also place great influence on the Chinese scholars to study the factors influencing impulse buying. Based on the research done in China, Yu and Bastin (2010) discovered that compliments from others (sales person, friends, etc) when in shopping lead to a higher chance of impulse buying. On the other hand, in a study of how does shopping with others influence impulse purchase, Luo (2005) unveiled that the presence of family members lower the chance of impulse buying, but the presence of peers can indeed increase it. Under the influence of collectivist culture, it is obvious that Chinese scholars place relatively more emphasis on the influence of others around than western scholars.

VI. Trends on Impulse buying

With the help of fast-changing advanced technology, analyzing and triggering impulse buying are becoming easier. Many retail store management softwares have been developed to help retailers to better understand the consumers and increase sales revenue. Furthermore, royalty program is ubiquitous among retailers nowadays. The database of consumers within a royalty program is a precious treasure for a retailer to know its customers’ personal traits and buying patterns well so
that the retailer can trigger more impulse buying and drive more sales. In terms of today’s vast amount of data, the trend of successfully driving more impulse buying will be a solid database management and data mining skill to interpret and utilize the Big Data.

In addition, the prevalence of internet makes online impulse buying increasingly important to business. Although online purchases seem different, the fundamental framework built by prior studies on impulse buying in-store (offline) can be seamlessly transferred to the study of online impulse buying. In a study of online impulse buying done by Verhagen and Dolen (2011), major findings can be summarized that a calm, friendly, knowledge, fun site with an attractive assortment and pleasure when browsing through it, the ease of use towards the website, and stimulating positive affect rather than reducing negative affect when selling hedonic products all have positive influence on triggering online impulse buying (Verhagen & Dolen, 2011). Online impulse buying is still a relatively new topic for retailers and markets to master, and probably the trend of driving impulse buying would be more on smart phones in the future; or maybe a synergy of mobile, online, and offline.
Bibliography


