Antecedents of impulsive buying behavior: JRSP, Vol. 58, Issue 1 (Jan-March 2021)

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Antecedents of impulsive buying behavior: A model of hedonic consumption tendency

Abstract

This study emphasizes that fostering eye-catching displays and promotional tools may supplement impulsive buying. Questionnaire-oriented survey technique was employed in the study to comprehend the responses of the credit card holders. A sample of 500 respondents was investigated to derive conclusions. The study used SPSS and AMOS software to perform structure equation modeling to validate the developed hypotheses. The study divulged that dazzling displays and enchanting promotions possess a constructive influence on consumer’s unplanned buying appetite while pleasure-centric hedonic proneness spatially facilitates the affiliation between them. Likewise, unconventional method of payments like credit card also had a momentous part to play in the progressing retail sector.

Key Words: Point of purchase display, Hedonic consumption, use of credit card, Promotional activities, Impulsive buying.

Introduction

The notion of impulsive buying has gained tremendous reputation in different segments of economy around the globe over the last few years (Ahmad & Vays, 2011). The propensity of buying spontaneously is deemed to be a temptation to buy a commodity without deliberating over the consequences of purchases which defies the conventional models of buying decision (Hadjali, Salimi, Nazari, & Ardestani, 2012). Primarily, impulsive buying is linked with emotional utilization of commodities pertaining to irrational aspect of self-fulfillment (Vinayagamoorthy, 2014). Recent studies have predominantly elaborated on various grounds that impulsive buying incorporates approximately 40-80 percent of all sorts of purchases (Muruganantham & Bhakat, 2013). While shopping, the presence of in-store activities and unique retail ambience dominate the buying intention of the people because fascinating physical affinity of a store intrigues

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customers towards impulsive buying (Underwood, 2003). Marketing managers and strategists continuously strive to establish new policies and standards in the retail environment which signifies the importance of setting up contemporary retail facilities (Hussain & Ali, 2015).

Every consumer has a different set of preferences and each consumer’s personality traits and social proclivity massively effects its buying tendency (Mihić & Kursan, 2010). Considering the changing retail landscape and consumer preferences, retailers are now immensely emphasizing on employing tempting displays realizing that these display tools will help them gain proficient and larger shares of profit (Tendai & Crispen, 2009). As the modernity is on rise, it is not less of a challenge to allure customers inside the store and in that scenario point of purchase displays perform essential part in revving up the consumers’ buying penchant (J. Kim, 2003). Adequate low-set prices, promotional discount offers, ease of storage and appealing displays are the elementary aspects which seduce customers to buy impulsively and these elements also enhance the sales and revenues of companies (Karbasiivar & Yarahmadi, 2011). Retail industry has been revolutionized and as do the fashion-oriented tendency of consumers particularly youngsters who are more status conscious these days and are fascinated by eye-catching packaging and window displays (Saeed et al., 2013). A transformation is being witnessed in the consumption habits of the people; they are now moving from utilitarian to fulfilling their hedonic needs. There exists a theoretical connotation between pleasure-centric hedonic proneness and unstructured buying.

The existence of non-monetary motives pertaining to entertainment, emotional gratification and fantasy are the instrumental facets which encourage consumers to consume hedonistically (Hausman, 2000). Recent studies have endorsed the notion that hedonic-oriented advertisements tend to be the main constituents which enhance impulsiveness among consumers (Chang, Eckman, & Yan, 2011). Social economic status of people has improved extravagantly and they are more prone to technologically advanced methods of payments such as use of credit card (E. J. Park & Forney, 2011). Obtainability of credit card elevates the likelihood of purchasing a product without having the cash in hand (Harasim & Klimontowicz, 2013). Credit card may be deemed as free money by the consumers as it is related with psychological aspects of consumers and this notion emasculates the probable concerns of consumers for quite a little while (Harasim & Klimontowicz, 2013). Henceforth, prevailing factors of retail segment must be looked into as the contribution of this segment to economy is increasing day by day, reported at three hundred and thirty-three million dollars in Pakistan recently (PBIT, 2017). The stimulus of this study is to introduce new-fangled standards in retail industry by underlining the influence of promotional tools, display techniques and modern payment facilities on consumer’s unplanned buying predisposition with the aim of making a contribution to theory of impulsive buying, originated by Hawkins Stern. The study accentuates on determining the antecedents of impulsive buying in the framework of Pakistan’s incipient retail industry.
Literature Review and Hypotheses Development

Markets are witnessing new trends and stiff competition with each day passing. Under the given circumstances, one of the most substantial and dominant factors that can exorbitantly affect the impulsive nature of the consumers is appealing displays because seductive display techniques generate easy shopping environment for the consumers (Peck & Childers, 2006). Conspicuous and awe-inspiring display tools lure the consumers to buy on impulse, therefore, managers leave no stone unturned in their incessant pursuit of attractive retail setting which will ultimately enrich their revenues (Ramanathan & Williams, 2007). It has become essential to work on the personality of the store assistants and well-planned layouts of the shop because these factors forge a longing amongst buyers stop off the shop most frequently (Tendai & Crispen, 2009). Packaging, wrapping and design of products are also very decisive elements of store arrangements and bear a massive and dominating effect on the patrons (Kivetz & Simonson, 2002). With the passage of time, consumer’s choice and penchant for fashion retailing have evolved many folds. This development has paved the way for the retailers to capitalize on emerging opportunities by employing new marketing tools and strategies considering the fact that well equipped and visually aesthetic shops fascinate the consumers (Karbasivar & Yarahmadi, 2011). Point of purchase display does have a gripping liaison in relation to impulsive buying as it aids in proliferating the footfall of the patrons in a store (Jamnani & Daddikar, 2015). Hence, the study hypothesizes that:

**H1**: POPDis positively related with IB.

Display settings possess a noteworthy effect on hedonic consumption pertaining to ecstasy, excitement and fantasy leading towards a purchase decision on part of the shoppers (Badgaiyan & Verma, 2014). Existing merchandizing expansion and exciting visual merchandising facets are a bridge between retail outlets and customers which pacify pleasure-oriented necessities of the patrons (Chandrasekar & Stanley, 2013). Buying behavior of consumers is now more urbanized and the brand consciousness has taken over the minds of the people (Mehta & Chugan, 2014). Unique selling proposition is what makes a retail store exultant and different from rest of the competitors and this element provides the amenity of immense shopping adventure to customers. Similarly, entertainment is also one of the biggest factors that people look forward to while shopping and develop hedonic motives (Arnold & Reynolds, 2003). Hedonism is linked with luxury and in the context of retail sector, the provision of highly attractive displays can instigate the hedonic desires of the people who are on the pursuit of expiating their hedonic longings (Gültakin & Özer, 2012). It has become necessary to keep customers captivated by the way of unmatchable environment as an instrument to seduce them to stay in the store in order to fulfill their hedonic needs (Kim, 2002). Hence, the study hypothesizes that:

**H2**: POPD is positively related with HCT.

Promotions are considered to be an impeccable tool to attract customers and this is the reason why retail stores and even different restaurants frequently arrange
promotional activities to uplift their revenues and profits (Ramanathan & Williams, 2007). Recent studies have described that the propensity of buying impulsively increases during the phase of promotions (Liao & Wang, 2009). The core purpose behind setting up the different forms of consumer oriented activities to suffice patron’s avidity and trigger them to enhance their buying tendency (Palazon & Delgado-Ballester, 2011). Price promotions are an integral part of retail setting because high prices breed an undesirable likeness of the product whereas low-set offerings and sales markdowns construct a favorable depiction of the product amongst consumers (Kerfoot, Davies & Ward, 2003). Promotions does not mean that the quality of the product can be promised which may create a bad impression of the brand. Good packaging, durable quality, alluring colors and latest designs should be kept in mind while organizing a promotional activity in order to increase impulsiveness in consumers (Rundh, 2005; Underwood, 2003). There are different ways of promoting a product such as using the medium of mass media, bill boards, social websites or television etc. because these mediums are technologically developed and bear more influence on people (Saeed et al., 2013). Eventually, people are more prone to low-set prices, expedient size of products, easy storage and sales offers which lead them towards impulsive buying. Hence, the study hypothesizes that:

**H3:** PA is positively related with IB.

Hedonic consumption is primarily influenced by the provision of price concessions, rebates, membership cards and coupon redemption (Haws & Poynor, 2008). The impression of fulfilling pleasure-seeking and delight-oriented consumption is tough to be explicated for the attainability of desirable objects (Dhar & Wertenbroch, 2012). Consumers have a different set of consumption habits these days which intrigues them to buy something which can have a better impact on their lives considering it a symbol of prestige (Mukhopadhyay & Johar, 2009). Fulfilling the basic needs of life sometimes causes fatigue especially after continuous hard work and in that case, people need something that can help them forget their monotonous life such as buying a luxurious watch, dinner in a lavish restaurant or a trip to some other country. All these factors are connected with hedonic desires of the people (Kivetz & Simonson, 2002). It has been identified in previous studies that around 70 percent of impulsive decisions are influenced by promotional activities (Abratt & Goodey, 1990). Consumer’s satisfaction is also lined with hedonic needs fulfillment (Mukhopadhyay & Johar, 2009). Promotional tools are an ultimate source of strengthening the profits of a retail store, captivating and retaining customers and most importantly an enduring interpreter of extravagant consumption of high-living goods. Hence, the study hypothesizes that:

**H4:** PA is positively related with HCT.

The curious nature of consumers creates an urge in them to experience extravagance and luxury (Karbasivar & Yarahmadi, 2011). The indulgence of positive sentiments is the underlying constituent behind the linkage of anticipated entertainment with consumers and their reference groups (Amiri, Jasour, Shirpour,
The connection of hedonism with impulsive buying has been widely elaborated in the previous literatures which explain that impulsive buying itself is emotionally and hedonistically designed tendency that takes place without considering its consequences (Wood, 2005). Hedonic tendency pulls the consumers towards relishing the pleasure seeking, amusing and fascinating elements of shopping predominantly choosing luxury goods for internal fulfillment ultimately augmenting impulsive buying behavior (Gültekin & Özer, 2012). It is a general perception that patrons with profound curiosity devote most of their time in retail outlets by reason of their immense affinity for impulsive buying (Badgaiyan & Verma, 2014). Consumers’ frame of mind regarding composed temperament is very instrumental in identifying their hedonic inclination (Mohan, Sivakumaran, & Sharma, 2013). Impulsive nature of the consumers is influenced by three major aspects i.e. emotions, less proneness to prices and last is hedonic consumption strengthening the concept of self-fulfillment (Dholakia, 2000). Hence, the study hypothesizes that:

**H5:** HCT is positively related with IB.

The growing competition in the markets has created many hurdles for the retailers, compelling them to invest more and more on display and promotional tools to enhance the proclivity of pleasure-oriented consumption of goods (Mower, Kim, & Childs, 2012). Therefore, the placement of hedonic products is very crucial predominantly at the eye level of consumers so that they may notice their anticipated products without excessive commotion. These decisive steps enhance the probability of impulsive purchases (Lilly, 2010). Consumers in the retail stores are found to have the tendency towards discounted prices as compared to quantity ones (Kivetz & Zheng, 2017). Recent studies have figured out that promotional tools result in 70 percent of all sorts of impulsive purchases (Abratt & Goodey, 1990). Hence, it can be identified that the indulgence of such techniques performs the multi-faceted task by bringing up sales revenues, inducing impulsive purchases, fortifying store inflow, magnifying sales leads and creating an urge amongst consumers to make frequent visits (Berman, 2016). Dar and Khan recognized the need of display setting and promotional techniques by analyzing the nature of the consumers who tend to be hedonistic in the presence of beautifully crafted store environment and sales discounts. Hence, the study hypothesizes that:

**H6:** Hedonic consumption mediates between POPD and IB.

**H7:** Hedonic consumption mediates between PA and IB.

**H8:** Use of credit card moderates on the affiliation between hedonic consumption and impulsive buying.
Methods

Sample and Procedure and Measures

The respondents were weighed on a Five-point Likert-scale. Credit card holders were the population of the study. The study identified a sample of 500 using item response theory. Hence, a total of 500 questionnaires were disseminated amongst shoppers holding credit cards in the perspective of retail stores after assuring them that their personal details will not be breached. Afterwards, a total of four hundred and ninety-seven (497) survey questionnaires were collected back. Upon checking the missing values and outliers, it was noted that there were 34 outliers and no missing values were detected. Eventually, 463 questionnaires were considered appropriate and hence used in the final analyses. The effective response rate was determined to be 92.6 percent. Personal attributes of the respondents exhibited that premier proportion of the people were between the age bracket of 36-45 years (N=171, 36.59 percent) and most of the participants were male (N=268, 57.9 percent).

Table-I Measures of the study

<table>
<thead>
<tr>
<th>Variables</th>
<th>Developed by</th>
<th>No. Items used</th>
<th>Sample Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>POPD</td>
<td>Yarahmadi and Karbasivar (2011)</td>
<td>5</td>
<td>&quot;I tend to rely on store displays when I make a decision to Purchase&quot;</td>
</tr>
<tr>
<td>PA</td>
<td>Yarahmadi and Karbasivar (2011)</td>
<td>5</td>
<td>&quot;Any offer organized by superstores affects my buying behavior&quot;</td>
</tr>
<tr>
<td>HCT</td>
<td>Hausman (2000)</td>
<td>3</td>
<td>&quot;I want to be offered new experiences&quot;</td>
</tr>
<tr>
<td>CCU</td>
<td>Roberts and Jones (2001)</td>
<td>8</td>
<td>&quot;I have too many credit cards&quot;</td>
</tr>
<tr>
<td>IB</td>
<td>Lacey, Sneath and Kennett-Hensel (2009)</td>
<td>4</td>
<td>&quot;I buy things and later on do not know why I bought them&quot;</td>
</tr>
</tbody>
</table>

Results

The data was evaluated pertaining to confirmatory factor analysis (CFA) to identify model fit and apposite factor loadings. Considering the standardized
ranges, the indicators of model fit were first analyzed. i.e. $x^2/df \leq 5$, CFI $\geq 0.90$, AGFI $\geq 0.90$, GFI $\geq 0.90$ and RMSEA $\leq 0.08$. Primarily, model fit values were not in accordance with the standardized ranges $x^2/df=9.748$, CFI=0.830, AGFI=0.829, GFI=0.790 and RMSEA=0.094. Upon investigating the modification indices, it was noted that some of the error terms were demonstrating high covariance and one item PA5 was denoting very low factor loading. Upon deleting that one item with low loading and after making some modifications in residuals and similarly in error terms, respective model was again executed and model fit were estimated as: $x^2/df=2.348$, GFI=0.990, AGFI=0.969, CFI=0.990 and RMSEA=0.054.

Later, the values of descriptive statistics, internal consistency and correlation among all variables were evaluated. Mean values described affirmative proclivity of the people as majority were agree in relation to all the variables and were ranging between 3.47 and 4.00. Internal consistency of all the variables were in compliance with prescribed range of 0.70 (Hair Jr, 2006). Standard deviation ranged between 0.56 and 0.71. Regarding correlation analysis, it was observed that POPD illustrated an affirmative and significant linkage with all other variables containing CCU, HC, PA and IB where the coefficients of correlation were $(r=0.26, P<0.01)$, $(r=0.13, P<0.01)$, $(r=0.23, P<0.01)$ and $(r=0.34, P<0.01)$ in a respective order. Furthermore, PA also depicted a significant and positive connotation with CCU, HC, and IB where the coefficients of correlation were $(r=0.29, P<0.01)$, $(r=0.23, P<0.01)$ and $(r=0.25, P<0.01)$ respectively.

### Table-2 Mean, S.D, Cronbach Alpha (α) and Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>α</th>
<th>POPD</th>
<th>PA</th>
<th>HCT</th>
<th>CCU</th>
<th>IB</th>
</tr>
</thead>
<tbody>
<tr>
<td>POPD</td>
<td>3.47</td>
<td>0.65</td>
<td>0.80</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>3.59</td>
<td>0.67</td>
<td>0.73</td>
<td>0.23**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCT</td>
<td>3.76</td>
<td>0.71</td>
<td>0.73</td>
<td>0.13**</td>
<td>0.25**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCU</td>
<td>3.74</td>
<td>0.64</td>
<td>0.76</td>
<td>0.26**</td>
<td>0.23**</td>
<td>0.34**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>IB</td>
<td>4.00</td>
<td>0.56</td>
<td>0.71</td>
<td>0.34**</td>
<td>0.29**</td>
<td>0.29**</td>
<td>0.40**</td>
<td>1</td>
</tr>
</tbody>
</table>

### Hypotheses Testing

The path analysis was performed through SEM and it was examined that all the associations were significant except one i.e. point of purchase display and hedonic tendency ($\beta=0.07$, $P>0.05$). Though, POPD illustrated substantial affiliation with impulsive buying ($\beta=0.25$, $P<0.01$). Highest value of beta was identified between promotional activity and HCT ($\beta=0.38$, $P<0.01$). The affiliation between promotional activity and IB was figured to be significant ($\beta=0.15$, $P<0.05$). Moreover, the association between hedonic consumption and IB and use of credit card and IB were significant as well ($\beta=0.17$, $P<0.05$) and ($\beta=0.37$, $P<0.01$).
Mediation effect was evaluated through path analysis which identified a pathway model of HCT between POPD and IB. The significant relationship of POPD with hedonic consumption and IB was estimated as ($\beta=0.16$, $P<0.01$) and ($\beta=0.38$, $P<0.01$). Likewise, hedonic consumption was also significantly linked with impulsive buying ($\beta=0.33$, $P<0.01$). Furthermore, it was noted that direct effect ($\beta=0.38$, $P<0.01$) was greater than indirect one ($\beta=0.052$, $P<0.01$) which endorsed the partial mediation of HCT between POPD and IB. Similarly, in order to figure out mediating effect of hedonic consumption between PA and IB. Mediation effect was evaluated through path analysis which identified a pathway model of hedonic consumption between PA and impulsive buying. The significant relationship of PA with HCT and IB was estimated as ($\beta=0.37$, $P<0.01$) and ($\beta=0.29$, $P<0.01$). Likewise, hedonic consumption was also substantially linked with IB ($\beta=0.28$, $P<0.01$). Furthermore, direct effect noted as ($\beta=0.29$, $P<0.01$) was greater than indirect one ($\beta=0.104$, $P<0.01$) which endorsed the partial mediation of HCT between PA and IB.

The hypothesized model of the research presumed that CCU plays the role of a substantial moderator on the affiliation between hedonic consumption and IB. To determine the moderating impression of use of credit card, an interaction term HCTxCCU was computed and was regressed with IB in three phases. The interaction term embodied a significant affiliation with impulsive buying ($\beta=-0.80$, $P<0.05$). Similarly, in other two phases, the significant associations among the hedonic consumption and IB and use of credit card and IB were assessed as ($\beta=0.62$, $P<0.01$) and ($\beta=0.91$, $P<0.01$). The magnitudes of the moderation analysis
designated that use of credit card bears a moderating impact on the integration between hedonic consumption and IB.

**Discussion**

The major aspiration behind conducting this study was to give an insight into the dynamics impelling the impulsive buying propensity of the shoppers holding credit cards in the retail perspective. The research exercised a questionnaire-directed survey to store up the retorts of the credit card holders. To perform the structure equation modeling, elementary assumptions of SEM were fulfilled. The data was first scrutinized for missing values and outliers. A sample of 500 participants was considered to be appropriate keeping in mind the basic assumption of SEM that a sample size should neither be too short nor too long. CFA was executed to ascertain the One-dimensionality amongst constructs. While conducting the SEM, it was determined that all associations were significant except one. POPD was found to be a good predictor of impulsive buying which fortifies the existence of alluring displays in the retail setting. The application of display tools in the retail stores manipulates the minds of the consumers in terms of making impulsive purchases (H. J. Park & Burns, 2005). Similarly, promotional activities strengthen the notion of impulsive buying because with the changing retail scenario, the footfall of the consumers has also increased which has created opportunities for the retail managers to invest more in promotional tools which may enhance the profits of the retail chains (Kotler & Keller, 2001). The emerging phenomenon of developing countries like Pakistan is hedonic consumption. First priority of the people is to fulfill their utilitarian needs. Afterwards, they tend to fulfill their hedonic needs but with the increasing income level of the people and the availability of the modern payment tools, it has now become easy to focus on hedonic tendency as well. The study identified that displays do not clearly affect the hedonic nature of the people and the reason might be the selection of respondents. Most of the people were employees and married which might have created intricate impediments for them to focus on hedonic goods. Another important factor might the economic condition of Pakistan where prices of the goods are increasing day by day and people avoid spending on the things they do not necessarily need. Hedonic consumption was also noted to be a strong partial mediator between the relationship of POPD and IB and PA and IB. Credit card was established to be a strong moderator on the interconnection between hedonic consumption and IB. In total, seven hypotheses were accepted, and one was rejected.

**Implications and limitations**

The research offers numerous implications for the emerging entrepreneurs, scholars and marketers. The culminations of the research are crucial for both manufacturing concerns and service providers. Impulse buying theory of Hawkins Stern’s provides the unconventional explanation of consumer’s tendency to buy something rationally and irrationally. The theory contributes towards guiding the consumers to make impulsive purchases along with the rational one. Therefore, the current study is based on the principles of this theory. Companies can gain copious benefits from
the outcomes of this study as it can be critical while constructing marketing policies. Retail managers can cultivate a thoughtful perception of the predominant necessities of the patrons and hence can set up short and long-term objectives. The study provides a pragmatic direction to the entire retail landscape by critically highlighting the important factors that can widen the sales strategies of the retail chains functioning in Pakistan. Similarly, financial institutions can make the most of the opportunities by engaging more and more customers in using the modern payment tools like credit card or debit card. They can set up multiple deals with the retail stores in order to provide them latest facilities at their disposal.

The biased nature of the study, data collection procedure and other conventional techniques present several limitations. Primarily, the respondents of the study are the credit card holders which means that the parameter of the population is narrow which restricts the findings of the research to one segment only. The fallouts of the research are not applicable and generalizable to other sectors of economy. The data collection was made at a one point of time which doesn’t justify the appropriateness of the outcomes of the study. There are probabilities that the perception of the people might change after a certain period of time. Hence, the application of longitudinal technique can be vital. Only five variables have been discussed in this study. The future researchers can use other variables in the context of retail setting such as traditional and electronic words of mouth, store environment or income level.

References


