

DEMOGRAPHIC IMPACT ON IMPULSIVE BUYING BEHAVIOR OF ONLINE CONSUMERS

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ABSTRACT-The buying behaviour of each and every consumer is unique and is propelled by individual traits and characteristics. This research paper investigates the impulse buying behaviour of online consumers and explores the impact of demographic variables on their impulse buying. The research is focused on a well-designed questionnaire and the data was collected from 156 respondents residing the City of Bengaluru. Collected data is tabulated, coded, and analyzed through SPSS software. Chi-square has been applied to study the association of demographic variables on impulse buying behaviour. The results revealed that demographic variables (Gender, Age, Marital status and Income) are independent of impulse buying behavior of consumers.

Keywords: Impulse buying behaviour, online shopping, demographic factors, consumer behaviour

INTRODUCTION

The number of internet users in India is expected to reach 500 million by June 2018, as reported by Internet and Mobile Association of India (IAMAI) and Kantar IMRB. Customers across the globe are rapidly moving from brick and mortar stores to the fast access online shopping format. The rising population of internet users is enhancing the online shopping markets in India stimulated by a magnified phase of urbanization, vigorous economic expansion and gradually increasing spending power.

The concept of online shopping developed progressively after the creation of the internet platform, in the form of e-commerce which is identified as the process of buying and selling goods or services on this platform and other computer networks. The e-commerce websites like: amazon.com, flipkart.com, snapdeal.com, zabong.com, ebay.com, rediffshopping.com, crafts villa.com etc. brought the concept of online shopping to the new heights. Omar and Kent (2001) state that impulse buying occurs when customers buy "spontaneously, unreflectively and immediately". Retrospectively, the marketers have recognized that impulse buying can generate high amounts of surplus if appropriate marketing tools and techniques are used. Literature states that numerous factors affect impulse buying behaviour. Out of these the impact of demographic variables on the impulse buying behaviour has always been a matter of debate among the researchers.

It has become essential for the marketers to analyze the buying behaviour of their target consumers, and about what pushes them to buy on impulse. It is a type of unplanned and unintended planning by the consumers. With the growing number of online shoppers, many are likely to engage in an impulse buying situation.

Need for study

Although impulse purchases are prevalent in online shopping, marketing researchers have not paid much attention to impulse buying in an online context based in the Indian markets. Much of previous research has focused on impulse buying behavior in traditional brick and mortar format (Rook and Fisher, 1995). With the enormous growth potential of online shopping and the existence of impulse buying today, more research is needed to evaluate consumer impulse buying behavior in Metropolitan cities of India.

Therefore, the purpose of this study was to investigate impulse buying behavior in an online setting. The research objective is to identify and gain understanding of the effect of demographic factors on impulse buying behavior.

The results of the study are expected to add to existing literature by providing insight into online consumers' impulse buying behavior. Also, it will provide useful information for e-commerce retailers to help develop effective marketing strategies to increase profitability by promoting impulse buying. Awareness of the factors affecting the impulse buying behaviour is also expected to benefit the consumers. It will also benefit research practitioners studying the same.

Review of literature

Online Impulsive Buying

According to Stern (1962), unplanned buying refers to purchases that were not planned in advance and includes impulse buying. Rook (1987, p. 191) redefined impulse buying as, "Impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately." Many researchers have deduced that unplanned or unintended purchasing is analogous with impulsive purchasing, and an unplanned purchase is essential for categorizing a purchase as impulsive (Rook, 1987; Rook and Fisher, 1995). The two are differentiated by how fast the impulsive purchase decision is made (Hausman, 2000). Impulse buying occurs in a shorter time than unplanned purchases (Dholakia, 2000). The decision to purchase occurs after exposure to the product and the decision to purchase is made quickly and hastily for impulse buying (Rook, 1987). A consumer's impulse to buy may occur once or recur more than once for the same consumer (Dholakia, 2000). Impulse buyers are less likely to thoroughly evaluate their purchase decisions than a typical informed shopper (Jones et al., 2003). They are more willing to accept spontaneous buying ideas and are more focused on the immediate gratification of purchasing the product. Impulse buyers are often drawn to a mysterious attraction of the product which motivates the buyer to purchase the item. (Rook, 1987).

Researchers have noted that online purchase is driven by consumers' emotions, low cognitive control or spontaneous personality. They argue that consumers' impulse buying behaviour is driven by appealing objects which cause them to make purchases without considering financial and other consequences of the online purchase. Some researchers also argued that online shoppers are more spontaneous as compared to traditional brick and mortar shoppers (Park et al., 2012; Verhagen and van Dolen, 2011). Impulse buying inclinations dominate online purchases of products that support the notion that hedonic shopping motives impulse buying. Online marketing stimuli allows online shoppers to be less risk averse for their initial search (Wu et al., 2015) and makes it easier to shop impulsively (Madhavaram and Laverie, 2004). Moreover, it is a fact that purchasing of tourism products includes planning due to high involvement activity (March and Woodside, 2005). However, tourists' interest in the short trips increases with the availability of last-minute offers and low-cost airline connections that have substantially reduced the planning factor. This indicates that impulse purchase of tourism products is increasing. However, there is limited information about the initiators of impulse buying of tourism products (Laesser and Dolnicar, 2012).

Impulse buying is the purchase of goods without planning to do so in advance because of a sudden whim or desire. This means immediately picking up a desired item without considering the financial and other ramifications of the purchase. Parboteeah (2005) stated that impulse purchasing is unplanned and is the result of an exposure to a stimulus and often leads to on-spot decisions. Impulse buying starts without any intention of a purchase. Buyers simply start browsing products without any plan to purchase or simply come across the item through in-store displays. Thus, they are exposed to the stimuli, which triggers customers' urge to buy on impulse. Eventually it may also become the habit. When there is an impulsive desire to buy, there is less or no searching for information or evaluating alternatives.

Relationship between Demographic Factors and Impulse Buying Behaviour

Demographic factors such as age, income, gender, education, qualification, marital status and nature of job have been investigated as influential factors of impulse buying behaviour of consumers in previous studies. Bashar et al. (2013) confirm that the demographic factors influence impulse buying behaviour. Several previous studies have conducted with regards to the role of gender in consumer's behaviour. Those studies found that there is relationship between gender and consumers' impulse buying behaviour; however, those findings are inconsistent (Lin & Lin, 2005). For instance; While Bashar et al. (2013) reports that disposable income has the strongest impact on impulse buying behaviour, Amos et al (2014) argues that income has least influence on impulse buying behaviour. Although previous studies provide the depth knowledge in understanding the determinant of impulse buying behaviour, the entire research has neglected to consider all these factors as an integrative approach and the literature stream still remains fragmented (Xiao & Nicholson, 2013).

Gender

There is a gender gap existing in the usage of internet in India (IAMA Report). With the dominance of male users of internet, currently there are 143 million female internet users overall, which is approximately 30% of Total internet users. The increasing gender parity in internet usage is a welcome development.

Gender differences exist in the decision-making process in consumer behaviour (Mitchell and Walsh, 2004). Lin and Lin (2005) indicated that gender is associated with impulsive buying tendency. Women consumers tend to exhibit impulse buying (Richins and Dawson, 1992; Dittmar et al., 1995; Rindfleisch, Burroughs et al., 1997; Wood, 1998). Women do the household shopping more frequently (Starrels, 1994) and hence they have greater tendency to buy impulsively. Men are likely to plan their purchases hence less purchase less impulsively. However, literature is inconsistent with respect to the role of gender on impulse buying. Kollat and Willett (1967) find that women tend to buy on impulse more than men and Cobb and Hoyer (1986) find the opposite. Women tend to spend more time on shopping, enjoy it more, and are more likely to compare advertised prices for an item (American Enterprise, 1994).

Age

Young consumers are more exploratory and adaptable due to availability of time and access to internet. Hence, their chances of impulse buying are higher (Gutierrez, 2004; Rawlings, Boldero, and Wiseman 1995). Lin and Lin (2005) indicated that age is corresponding with impulsive buying tendency. The youth score higher on measures of impulsivity compared to the older generations (Eysenck et al., 1985) and demonstrate less self-control (Logue & Chavarro, 1992). These findings suggest that as consumers' age, they learn to control their impulsive buying tendencies.

Marital status

In urban regions, marital status with double income families has an important role on the resources available. A person who is single without any dependence is more likely spend without restraint when compared to a married person. Those married with dependent children are more likely to have restraints on the available resources. Married consumers do shopping without purchase (browsing behavior) (Bloch and Richins, 1993) than unmarried, but less of impulse buying. Married individuals have commitment to take care of dependents and hence, the level of impulse buying will be less for them, as consumers who are single tend to exhibit higher level of impulse buying (Richins and Dawson, 1992; Dittmar et al., 1995; Rindfleisch, Burroughs et al., 1997; Wood, 1998).

Income

From a socioeconomic point of view, individuals with relatively low levels of household income tend to enjoy immediate indulgence (such as day-to-day savings and sensory stimulation) as opposed to delay-of-gratification. Internal, personal-related factor like educational experience influences the act of impulse buying (Wood, 1998). Higher income individuals have more purchasing power. Therefore, develops a tendency to indulge in impulse buying behaviour and does not feel remorseful about the impulse purchase.

Research Methodology

This research is concerned with Descriptive Research. The sampling technique used for this study is simple random sampling. This study consists of 156 respondents who are living in the City of Bengaluru. The primary and secondary data are used in this study. The primary data is collected through well-structured questionnaire. To study the impact of demographic variables, chi-square has been applied to check the association between demographic variable and impulse buying.

Data Analysis

The primary data is fed in the Excel sheet and further it is uploaded in SPSS. The following results are generated.

Analysis and interpretation of data

Chi square test

H0- Gender and impulse buying behavior of respondents are independent of each other

H1- Gender and impulse buying behavior of respondents are dependent of each other

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.318 ^a	4	.177
Likelihood Ratio	6.447	4	.168
Linear-by-Linear Association	2.930	1	.087
N of Valid Cases	156		

0 cells (.0%) have expected count less than 5. The minimum expected count is 6.73.

Interpretation: The table above shows that $p=0.177$ which is more than 0.05. We have significant evidence to accept the null hypothesis. Hence, we conclude Gender and impulse buying behaviour of respondents are independent of each other. Products are made available to suit the urban population. Increase in buying power and disposable income of females and males alike cater to impulsive buying. Development of unisex products in the new age markets allows impulsive buying to operate without depending on age.

H0- Age and impulse buying behavior of respondents are independent of each other

H1- Age and impulse buying behavior of respondents are dependent on each other

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.199 ^a	16	.373
Likelihood Ratio	16.926	16	.390
Linear-by-Linear Association	3.113	1	.078
N of Valid Cases	156		

15 cells (60.0%) have expected count less than 5. The minimum expected count is 1.25.

Interpretation: Young consumers are more experimental and malleable and their chances of impulse buying are higher. The table above shows that $p=0.373$ which is more than 0.05. We have significant evidence to accept the null hypothesis. Hence, we conclude that Age and impulse buying behavior of respondents are independent of each other. Impulse buying activates irrespective of age due to the existence of ease of access to internet, and exposure to the same products available on the e-commerce websites. Persuasive marketing mix strategies attract consumers offering convenience to all target markets including all age groups.

H0- Marital status and impulse buying behavior of respondents are independent of each other

H1- Marital status and impulse buying behavior of respondents are dependent on each other

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.921 ^a	4	.571
Likelihood Ratio	2.741	4	.602
Linear-by-Linear Association	2.206	1	.138
N of Valid Cases	156		

2 cells (20.0%) have expected count less than 5. The minimum expected count is 3.85.

Interpretation: Marital status has an important role on the resources available. A person who is single, without any dependent is more likely spend without inhibition than a married person. The table above shows that $p=0.571$ which is more than 0.05. We have significant evidence to accept the null hypothesis. Hence, we conclude that marital status and impulse buying behavior of respondents are independent of each other. Impulsive buying persists, but for a different variety of products based on different life cycle stages they belong to. Buying power remains the same if not more.

H0- Income and impulse buying behavior of respondents are independent of each other

H1- Income and impulse buying behavior of respondents are dependent on each other

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.892 ^a	16	.816
Likelihood Ratio	13.442	16	.640
Linear-by-Linear Association	.041	1	.840
N of Valid Cases	156		

17 cells (68.0%) have expected count less than 5. The minimum expected count is .96.

Interpretation: The table above shows that $p=0.816$ which is more than 0.05. We have significant evidence to accept the null hypothesis. Hence, we conclude that Income and impulse buying behavior of respondents are independent of each other. Large scale of availability and improvement of credit facility has reduced the gap between the higher and lower income impulsive buyers. Microeconomic planning at household levels for shopping purposes has also led to an indifference in impulsive buying in relation to the income.

Results of Chi-Square Test on the Demographic Variables:

The chi-square test has been applied to the demographic variables such as gender, age, marital status and income of the consumers, but there does not exist any significant association between impulse buying and these demographic variables. This implies that irrespective of the age, gender, marital status and income, there exist other factors which influence consumers to buy impulsively.

Conclusion

It can be observed that there is a boost in the e-culture among the urban populations with the large-scale availability, accessibility, and affordability of the internet. With the advances in innovative digital marketing strategies, convenience offered by the e-commerce platforms, noticeable positive changes in the purchasing power, and improvements in credit facilities, there is an evident shift towards impulsive buying behaviour across the demography. This study provides significant understanding of the impulsive buying behaviour detected in consumers when it comes to e-tailing. This analytical study contributes to existing literature by using demographic variables (gender, age, marital status, and income) and its association with impulse buying behaviour. The study reveals that impulse buying behaviour is independent from the given demographic variables.

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