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Impulsive Buying As Leverage

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ABSTRACT

Impulsive buying behaviour is psychological and depends on the customer traits and other factors affecting customer decisions. Firms take advantage of this by using various strategies. The main focus of the work is on the usage of impulsive buying by the firms to promote sales. Also, different personality traits are also studied that influence impulsive buying. Some of the strategies used by a firm which are studied in this work are the placement of the product, store environment, etc. Also how marketers are using this concept in E-impulsive buying, by showing similar products as suggestions or 'frequently bought together'. Customer buys the goods even when it might or might not be required by him/her. Plastic money is also one the factor that influences impulsive buying as with this problem of carrying enough cash is removed. Impulse buying is most of the times linked with happiness and joy but also considered to be related to negative emotions and a decrease in self-confidence. From a marketers point of view keeping the environment of the store in such a way that promotes impulsive buying is increasing customer loyalty. The relationship between these strategies used by firms and customer reactions are also studied. It is also said that technology does not create impulsive consumers but rather provide impulsive consumers more goods to buy and more and more options to choose from. Merchandising strategies like the positioning of the products and keeping a check on the customer's shopping from the shop like checking a number of items purchased each time, frequency of coming to the store, etc.

Keywords: *Impulsive, Plastic Money, Products.*

1. INTRODUCTION

The concept of consumer behavior is very complex to understand since every human brain thinks differently. Impulsive buying behavior is one type of consumer behavior, which depends on the person and certain factors around him, which can influence this behavior. There are many factors, which may affect this depending on the occasion. The marketers and retailers tend to use the maximum as possible to exploit the customers by using the impulsive behavior so that they can utilize the maximum out of it. There are many ways in which firms and marketers influence this type of behavior to benefit the organization. There was a study which was published in 2008 which was done in the issue of the Journal Consumer of Research that the consumers are very susceptible of making impulsive purchases of one brand over the other brand while shopping. There were also researchers at the University of British Columbia and the Cheung Kong Graduate School of Business found that the impulsive spending behavior is associated with the disorganized environment. The study also included that being surrounded by chaos, which impairs a person's ability to perform various tasks, which require brainpower, which would result in a person's sense of personal control. There are also many types of impulsive buying such as pure, suggestion, reminder and planned. There are many factors, which influence the consumer to behave impulsively. These groups are divided into two sectors according to the schools. Where one of the schools feels that it is based on the personal attributes and traits, which is the reason and shape the impulsive buying behavior. And the other school feels that it is the thought of socio-cultural and the entire environment is linked closely to impulsive buying decisions. The high specific manifestation is the impulsive consumer behavior, which is an unplanned purchase. For decades the market research has been trying to ascertain the types and categories of various products influencing the impulsive market research. There are many internal and external factors, which effect the consumer behavior. The internal factors including the mood of the consumer, including culture, age, gender, income level, etc. The external factors include the point of purchase promotions and the atmospheric effect. The

marketers and the store owners should not be aware of the demographic of the consumer they are thinking of targeting but they should try and make an effect on the overall environment of the in-store that will influence by attracting the customer and uplifting them emotionally so they can spend more than they intended to do. The main objective of the article is to understand the phenomena of impulsive buying and the factors affecting and classifying them into the various categories and define the various marketing strategies and activities accordingly.

2. SCOPE OF STUDY

This study focuses on the consumer behavior, which causes impulsive buying. Impulsive buying is psychological, and often leads to consumer purchasing things that he did not pre-plan. Our scope is limited to how firms utilize this consumer behavior of impulsive buying to increase their sales. This study also covers the factors that affect this type of buying behavior in the consumers.

3. OBJECTIVES OF STUDY

- 3.1 To understand the concept of impulsive buying behavior of the consumers
- 3.2 To study the factors that influence this type of behavior in the consumers
- 3.3 To understand how marketers analyze and use this consumer behavior to increase the consumers' basket size, and their sales.

4. LITERATURE REVIEW

The article shows the different prospectus in the different parts of Jammu and Kashmir. The main reason for the study was to understand the influence of personality on consumer behavior and impulsive buying behavior. The article tells about the Cognitive Determinants (negative indicators) and Affective Determinants (positive indicators) and it talks about the different products and how are they effected by the impulsive buying in which all the FMCG products are by and large the impulsive buying for the consumer behavior and how is also determined by the role of the personality. The tool used for the research was a questionnaire and got the major amount of data for the article. In the structural model, framework personality is treated as a separate and an independent variable and the association between the determinants have also been tested. (Sofi & Nika, 2016)

The article has studied the concept of happiness of the consumer behavior and various affecting it such as impulsive buying and the brand loyalty. It studies the effect of happiness on the impulsive buying by the customers and brand loyalty and makes us understand how brand loyalty affects the impulsive buying of the customer. The article has used the regression analysis to assess the assumed effects. The relationship between the variables was not supported by the assumption of the existence. (Seinauskeine, Mascinskeine, & Jucaitye, 2015)

The article shows that the customer often make impulse purchases and it is shocking that most studies don't have the shopper as the independent variable. The studies show the amount of the degree to which the customers are different from there susceptibility to unplanned purchasing. The research plan consists of two phases, which are store interviewing and home interviewing, and it is a field rather than a survey. In the findings of the article, it showed that all unplanned purchasing is considered as homogenous behavior. There is also a classification of unplanned purchase, which may be divided into five. After completing the research the explanations of the relationship will be discussed which were the exposure to the in-store stimuli hypothesis and the customer oriented relationship. The research also shows that there is a strong deviation from the actual expenditure to approximately spending intension of the consumer behavior. There is also an inverse relationship between the product planned purchase rates and also the product purchase frequency. The article describes that the impulse purchasing in not confined to ant type of marketing institution. (Kollat & Willett, 1967)

Impulse purchase or impulse buying is an unplanned or otherwise spontaneous purchase. Impulse items can be anything, a new product, samples or well-established products at surprisingly low prices. Customer who has to not preplanning to purchase a product they have to see the product and they decided to purchase. Purchasing is, generally defined as, a consumer's unplanned purchase which is an important part of buyer behavior. An impulse purchase or impulse buy is an unplanned decision to buy a product or service, made just before a purchase. Following are marketing communication mix which affects Consumer's Impulse Buying Behavior in the market: Advertising, sales promotion, personal selling, and public relations. Drive purchasing is a sudden and quick buy with no pre-shopping goals either to purchase the particular item or to satisfy a particular purchasing undertaking. The discoveries of the investigation show that charge card, special methodologies, window show, sensation prompts and item association, for the most part, impact the motivation purchasing conduct of shoppers. (B. Bhojak, M. Gangani, P. Goswami, V. Parmar, B. Patel, & P. Prajaapati, 2014)

5. RESEARCH METHODOLOGY

5.1 RESEARCH PROBLEM

Impulsive buying behavior is a type of consumer behavior, which induces the consumer to buy things that were initially not on the shopping list. This behavior leads to unplanned shopping. This behavior of the consumer is psychological and it can be a benefit to the marketers only is used properly. The marketers need to analyze and interpret different ways to convert this behavior into increasing sales, by using certain strategies and inducing the consumer to buy things, that he might feel can be helpful and was not planning to buy. This creates a need to understanding the customer needs, making what they require, and other related products available to them.

5.2 METHODOLOGICAL APPROACH

This study uses a qualitative approach as we are trying to study the impulsive buying behavior of the consumers and how it can be beneficial. We are studying the factors affecting this behavior and how to use this as leverage by marketers.

5.3 RESEARCH INSTRUMENTS

This paper is based completely on secondary data collection. We have used literature in the form of:

- 5.3.1 Journal articles
- 5.3.2 Websites
- 5.3.3 Blogs
- 5.3.4 Newspapers

6. ANALYSIS

6.1 FACTORS AFFECTING IMPULSIVE BUYING

6.1.1 PERSONALITY FACTORS RELATED TO IMPULSIVE BUYING

Less control: It is one of the most significant factors that result in impulsive buying. This is a case of impulsivity or lack of control. People with kind of behavior are less cautious, less careful, less sensible and less rational. They also seem to be more reckless and spontaneous. They make decisions very fast and rapidly. People with lack of control do not follow up with planned activities.

Emotions: Human emotions also a personality trait that influences buy-in. Emotions like anger, happiness, sad, anxiety, etc. results in impulsive actions by people. Most of the times they are negative like fear, anxiety, sad etc. Because it is believed that people with emotions feel better after the impulsive purchase. They also sometimes see it as stress relief action. A person feeling lonely is more likely to make an impulsive purchase of a Music CD of sad songs. (Youn & Faber, 2000)

6.1.2 OTHERS FACTORS INFLUENCING IMPULSIVE BUYING

Brand Affinity: Impulsive buying is also done when a customer feels some affinity towards the brand. For example, if a customer gets to know about a new product launched by that particular brand, then he/she may end up buying that new product irrespective of the fact whether he/she needs it to not. This is impulsive buying because of brand affinity.

Purchasing power: Impulsive buying is purchasing things, which are not required by the customer, but still purchase is made. This is most of the times influenced by the purchasing power of the customer. Impulsive buying is done mostly by the customer having good purchasing power (high income group) and capacity to purchase goods.

Payment mode: It is also affected by the mode of payment as if a customer is using debit or credit card to make a purchase then he/she do not have to worry about whether sufficient cash is there or not. This is one of the reason use of plastic money is promoted at retail stores.

The environment of the store: Impulsive buying also depends on the environment in the store. This exaggerates the shopping requirement of the customer. This is known as 'displaying stimulus as advertising inducement'. Most of the times environment is created in such way that results in impulsive buying. For example, placing a conditioner near a Shampoo will induce impulsive buying. (business concepts)

6.2 HOW FIRMS USE IMPULSIVE BUYING BEHAVIOUR

Impulsive buying can increase basket size and the sales of the firm. It helps exposure for shoppers to various items that the store is offering. Organizations use impulsive buying because it is a strong desire and helps the retailers increase their sales.

E commerce also uses impulsive buying. The two ways it does so is by conditional free shipping and running sales. These two motivate impulsive buying online. (Big Commerce) Free shipping is observed to be more valued by consumers, relatively than the original cost of the shipping. Websites set up specific limits for free shipping, which encourages buyers to purchase up to that limit, just to obtain the free, shipping offer. Also, low cost products always attract customers. They will be drawn to the store or online website which offers them a maximum discount. Another way e-commerce websites encourage impulsive buying is making buying online quick and easy, consumers would prefer shopping online if it is not complicated and not tedious. E-Commerce websites show options like, 'often bought together'. This is another way to encourage impulsive buying online. When the consumer needs something, he will search for that particular item, but other things which are related to that person's purchase, even though he did not think of buying, might seem useful to the consumer.

Impulsive buying can be increased by certain strategies, which firms could use. These strategies include placing the related things next to each other. For example, if we place brushes next to paint, and the person who comes to purchase paint will end up purchasing brushes and palettes for painting. This strategy will depend upon the needs of the consumer. Therefore analyzing the needs of a consumer can help in placing the goods in a correct place. By analyzing the sales data, regularly, of the firm, can help in anticipating which good is selling more or less, and this can help to match consumer needs and use the space in the store, accordingly. (DotActiv Team, 2016) Another strategy, which is most widely used, is gift cards. Mostly, consumers use gift cards, just because they have an offer, and not because they have to buy something. Picking the perfect location is a strategy that helps grab the attention of the consumer. Places like, at the front of the store, or with similarly themed goods, it in many different locations at the store can help increase impulsive buying. (Square Up Blog)

7. CONCLUSION

Marketers can utilize this impulse buying behavior to increase their sales if they effectively study the buying habits of their consumers. It is very complicated to understand the minds of a person because everyone thinks differently. It is almost unpredictable that what the consumer could buy, by using certain strategies, the marketer can influence these decisions. If the consumer goes planned to buy the things he needs and sees certain other things that he might require with that product, he will tend to think about purchasing that. This depends on how the marketers position the products. The offers that are provided also induce the consumer to buy the things that he might not buy otherwise. Thus, this behavior can benefit the firm, and increase the sales, by using appropriate strategies. It can be beneficial to the consumer, as he can have a wide array of similarly themed products and offers on them, so he can also choose the best buy and can be exposed to products that he might need.

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