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RESEARCH ARTICLE

INVESTIGATION OF THE IMPACTS OF PERSONAL AND SITUATIONAL FACTORS ON CONSUMER IMPULSE BUYING.

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Abstract

The purpose of this study was to investigate impulse buying and situational and personal factors influencing impulse buyers. Personal aspects and emotional states may affect impulse buying and in this study we investigated that how situational factors in a store can influence emotions and mood of the consumers and lead to impulse buying. A survey approach and sampling of students in Iran was used in this research. The results indicated that the positive mood triggered by store environment leads to consumer's impulse buying and involvement with product and hedonic shopping motivation moderate the relationship between store environment and impulse buying.

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Introduction:-

Impulse buying is an important part of consumer behavior and an essential concept in the market. Impulse buying importance was first noted by primary researches of impulse buying that mentioned an important number of impulse buying in retail shops in the 1950's. A report by Clover (1950) indicated that 60.5 percentage of consumers' buying were impulse buying in a particular store and the average estimation of impulse buying for 19 different kinds of investigated shops were 21.8 percent. West (1951) revealed that 36.8 percent of buying in categories of food, medicine, variation, in department stores was impulse buying.

While retailers encourage impulse buying, it is not a necessarily improper behavior that should be omitted for the good of consumers. Impulse buying is considered as clever shopping in which a consumer benefits from in-store promotions (1959). Stern (1962) stated that some impulse buying may be very logical. Impulse buying behavior is considered different from addictive and unregulated buying behaviors like compulsive buying behavior. DeSarbo and Edwards (1996) distinguished compulsive buying from impulse buying, describing that compulsive buying is a severe, unusual way of spending recognized by an overpowering and recurring desire to purchase something. They reasoned that impulse buying was different from compulsive buying because impulse buying was provoked by external triggering factors like in- store promotions but compulsive buying was stimulated by internal triggering factors like anxiety. Where impulse buying stimulations root from hedonistic desires like enthusiasm and enjoyment that are not harmful necessarily, compulsive buying represents extreme shopping or spending that often end in harmful subsequences.

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The growth of disposable incomes and availability of credit increased the frequency of impulse buying and it became a common consumer behavior (Dittmar and Drury, 2000). In 1997, about 40 percent of consumers described themselves as impulse (Target Group Index, 1997) and impulse buying accounted for about 80 percentages of total purchases in specific product categories (Abrahams, 1997). Nichols et al. (2001) stated that more than 50 percent of shopping mall purchases were impulse buying. While impulse buying has a notable effect on store sales, retailers have put remarkable efforts on provoking impulse buying by their store displays, packaging of products, and promotion plans in the stores (Dholakia, 2000).

The economic significance of impulse buying cannot be underrated. The economy would fall down if people went to shop just when they had the need to buy something or when in a shopping trip people bought just what they needed (Underhill, 1999). The literature defines “in- store” or “point-of-purchase” buying intentions as ordinary, presumed consumer behaviors and has suggestions for making store ambience in a way that motivates impulse buying (Wood, 2005).

Theoretical Background and Hypotheses Development:-

For over 60 years, “impulse buying” has changed conceptually. At first impulse buying was conceptualized as unplanned buying because primary researches assumed impulse buying as a synonym of unplanned buying (Clover, 1950); (Consumer Habit Studies, 1945). Further conceptualizations of impulse buying distinguished impulse buying from unplanned buying. (Applebaum, 1951) added the element “reaction to stimuli” in his conception of impulse buying. He stated that impulse buying may result from the exposure of consumers to promotional tools in the shop.

Davidson and Doody (1966) concentrated the attention on “the rapidity of decision” in their conception of impulse buying. They denoted impulse buying as “a spur of the moment decision to purchase a product.” Later on, Kroeber-Riel (1968) defined impulse buying as “a reactive behavior that often involved an immediate response to a stimulus.” Wolman (1973) expanded the conception of impulse buying by combining all three elements – unplanned, reaction to stimuli, and the rapidity of decision, as “a purchase that was not consciously planned, but arises immediately upon confrontation with a certain stimulus.”

Years later, Rook (1987) added psychological elements for comprehending impulse buying and clarified other elements of impulse buying conception. A psychological impulse is “a strong, sometimes irresistible urge: a sudden inclination to act without deliberation” (Goldenson, 1984). Rook expressed that “impulsive buying occurs when a consumer experiences a sudden, often powerful, and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict.” Impulse buying is “prone to occur with diminished regard for its consequences” too (Rook, 1987). He added “irresistible urge,” “psychological conflict,” “disregard for the consequences” and “hedonic behavior” to the previous conceptions of impulse buying (Rook, 1987). Aligned with this advance, impulse buying is recently conceptualized as “a sudden, compelling, hedonically complex purchasing behavior in which the rapidity of the purchase decision process excludes thoughtful, deliberate consideration of all information and choice” (Kacen and Lee, 2002).

The purpose of the article is to investigate personal and situational factors that influence consumers’ impulse buying behavior. The current study addresses the drivers of impulse purchases from situational and personal factors in retail stores. This study is undertaken among students in Molana Institute of Higher Education in Iran. Accordingly the impacts of store environments on consumers’ mood and impulse purchase and also involvement with product, hedonic shopping motivation, and impulse buying tendency influence on impulse purchase are considered. Figure 1 presents these factors and their association in this study.

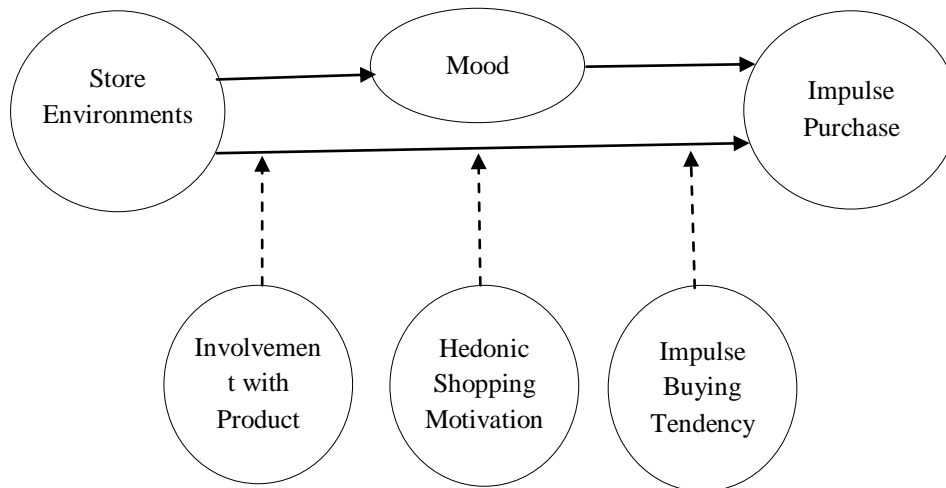


Figure 1:-Conceptual model of impulse buying.

Situational and personal factors in the model of this research include store environments, mood, and involvement with product, hedonic shopping motivation and impulse buying tendency that have influence on impulse purchase.

Store environments are getting more attention because consumers want to have a hedonistic shopping experience. Woodruffe-Burton et al. (2001) mentioned that shopping malls can be considered as fantastic environments giving a range of entertainment: visual, musical and theatrical for consumers. Therefore, store environments are purposely designed to provide a delightful experience for consumers. Some researchers have noticed experiential enjoyment results from looking around and shopping (Bloch et al. 1989); (Hirschman and Holbrook, 1982). Therefore based on the prior research, we can conclude the *first hypothesis* that store environments (i.e., ambient factor, aesthetic factor, and layout factor) influences consumers' mood.

Impulse buying can be viewed as a kind of hedonic consumption with the main goal to receive pleasure and enjoyment in shopping (Hirschman and Holbrook, 1982). Therefore, inspecting the effects of store environments that make a delightful shopping experience is significant for understanding impulse buying. Pleasant and enjoyable environments encourage consumers to spend more time in the selling environment and to do unplanned purchasing (Donovan et al. (1994). So we can suggest the *second hypothesis* that store environment (i.e., ambient factor, aesthetic factor, layout factor) influences consumers' impulse purchase.

Mehrabian and Russell (1974) stated that three emotional conditions (i.e., pleasure, arousal and dominance) moderated behaviors of approach-avoidance. Enjoyment that results from being in store environment have influence on in-store behaviors such as spending rates, time spent in the shop, and desire to visit again (Yoo et. al ,1998); (Sherman et. al ,1997); (Swinyard, 1995); (Donovan and Rossiter, 1982). Approach behaviors are the positive behaviors that may become directed at the environment; for instance, the tendency to stay in a shop and check its offerings could be defined as an approach reaction. Therefore we can make the *third hypothesis* that Consumers' mood influences consumers' impulse purchase.

Personal characteristics (i.e., consumer's involvement with the product, hedonic shopping motivation and impulse buying tendency) are linked with impulse buying behaviors (Hausman, 2000); (Phau and Lo, 2004); (Rook and Fisher, 1995); (Verplanken and Herabadi, 2001); (Youn and Faber, 2000). Mehrabian and Russell (1974) realized that individuals who have tendency to screen out unrelated motivations were far less excited by an environmental stimulant. So we can conclude the *fourth hypothesis* that consumers' characteristics such as involvement with the product, hedonic shopping motivation, and impulse buying tendency moderate the relationship between the store environments and consumers' impulse purchase.

Materials and Methods:-

Research method and data collection:-

The study adopted a quantitative research methodology employing a questionnaire and sampling of students of

Molana University in Iran. Students were considered a relevant sample because young consumers are more likely to make impulse purchases and they are a consumer group that makes independent buying decisions (Han et. al, 1991); (Rook and Hoch, 1985); (Wood, 1998). Before distributing the questionnaires to the students, a pretest was taken. And finally, 450 questionnaires were distributed among students and 384 of the returned questionnaires were returned usable.

Measures:-

The hypotheses were all measured using a multiple-item and five-point Likert-type scale. Respondents were asked to rank a list of items on the Likert scale, ranging from “strongly disagree” to “strongly agree”. Store environments were measured with 8 questions and Mood was evaluated by asking four questions. Moderator variables including Involvement with product, Hedonic shopping motivation and Impulse buying tendency were all measured by asking three questions about each of them. Impulse purchase was measured by four questions in the survey.

Results:-

In order to test the moderation effect of Hypothesis (H3a, H3b and H3c), we conducted moderated structural equation modeling (MSEM) analyses (Mathieu et. al, 1992). To Test Hypotheses H1a, H1b and H2 we performed structural equation modeling (SEM) analyses. The model for these analyses included four exogenous latent factors, Store Environments, Involvement with product, Hedonic shopping motivation and Impulse buying tendency and operationalized by eight, three, three and three indicators. Finally, the hypothesized model also included two latent endogenous factors, mood and Impulse purchase. The four items of the mood and Impulse purchase were operationalized. The fit of the models was assessed with the 2 statistic, the Goodness- of-Fit Index (GFI), and the root mean square error of approximation (RMSEA). In addition, we used the Comparative Fit Index (CFI), the Incremental Fit Index (IFI), and the Non-Normed Fit Index (NNFI). For each of these statistics, values of 0.90 or higher are acceptable (Hoyle, 1995) except for the RMSEA for which values up to 0.08 indicate an acceptable fit to the data (MacCallum et. al, 1996). Furthermore, we controlled for the 90% confidence intervals around the RMSEA. A narrow confidence interval is an indication for good precision of the RMSEA (MacCallum et. al, 1996).

Descriptive Results, Measurement Model and Convergent validity

Means, standard deviations, and correlations between the variables, as well as the internal consistencies of the scales are presented in Table 1. As depicted in Table 1, the means of the constructs range from 3.155 to 3.753. The convergent and discriminant validity of the constructs were tested by confirmatory factor analysis using the ordinary Least Squares estimator of LISREL 8.73 (Joreskog and Sorbom, 1996). The discriminant validity of the scales was checked by the Fornell and Larcker's (1981) formula. As can be seen from Table 1, it can be seen that the values in the diagonals are greater than the values in their respective row and column thus indicating the measures used in this study are distinct. Composite reliability and average variance extracted to assess convergence validity (see table 1). Composite reliabilities range from 0.846 (for Hedonic shopping) to 0.910 (for Impulse purchase), which exceed the recommended level of 0.7, (see table 1), therefore, demonstrate a reasonable reliability level of the measured items. We used the factor loadings (see table 2); the recommended values for loadings are set at > 0.5. From table 1 it can be seen that the results of the measurement model exceeded the recommended values thus indicating sufficient convergence validity.

Goodness of fit statistics:-

The primary method for model testing was structural equations modeling by means of LISREL 8.73 and the polychronic correlation matrix as input. Ordinary Least Squares was used as the model estimation method due to using ordinal scales for measurement (Joreskog and Sorbom, 1996). This testing confirms a model's goodness of fit, and the hypothesized paths. Results of SEM analysis showed that model fits well to the data, (Chi-Square=113.23, DF=84($\chi^2/df=1.348$), RMSEA=0.03, CFI=0.99, NFI=0.98, NNFI=0.99, GFI=0.96) (see figure 2).

Table 1:-Descriptive Statistics, Bivariate Correlations, AVE, CR, CA and mean.

Construct	IP	M	SE	HSM	IBT	IWP	AVE	CR	CA	Mean
Impulse purchase	0.888						0.788	0.937	0.910	3.155
Mood	0.408	0.881					0.777	0.933	0.904	3.408
Store Environments	0.544	0.391	0.735				0.541	0.902	0.873	3.208

Hedonic shopping	0.295	0.309	0.408	0.874			0.764	0.907	0.846	3.584
Impulse buying tendency	0.337	0.352	0.487	0.292	0.872		0.761	0.905	0.847	3.753
Involvement with product	0.325	0.333	0.430	0.250	0.314	0.877	0.770	0.910	0.852	3.731

The diagonal figures in bold indicate the average variances extracted (AVE) for constructs. The scores in the upper diagonal are Pearson correlations.

Table 2:-Loading Factors.

Construct	Items	Loading Factor
Hedonic shopping	hs1	0.867
	hs2	0.876
	hs3	0.878
Impulse purchase	ip1	0.905
	ip2	0.890
	ip3	0.877
	ip4	0.878
Impulse buying tendency	lbt1	0.841
	lbt2	0.902
	lbt3	0.872
Involvement with product	lwp1	0.868
	lwp2	0.896
	lwp3	0.868
Mood	mod1	0.849
	mod2	0.908
	mod3	0.888
	mod4	0.880
Store Environments	sv1	0.837
	sv2	0.814
	sv3	0.807
	sv4	0.812
	sv5	0.848
	sv6	0.555
	sv7	0.566
	sv8	0.559

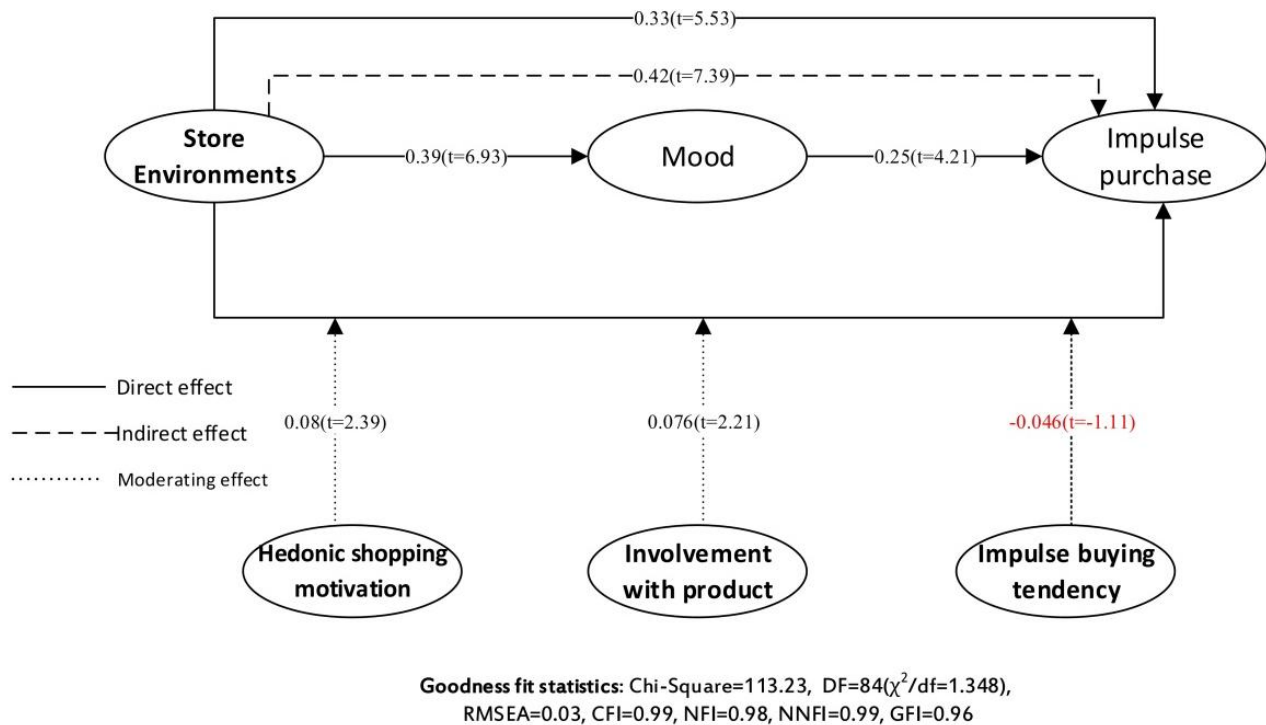


Figure 2:-Research Model in Estimation and Significant situation.

Structural Model:-

In order to test the moderating influence on the relationship between Store Environments and Impulse purchase (Hypothesis h3a, h3b and h3c); we carried out MSEM analyses in a separate model. We tested a model that included three exogenous (Moderator variable, Store Environments, and their interaction), and one endogenous latent factor (Impulse purchase). Each latent exogenous factor had only one indicator, namely its standardized factor score, obtained after respective factor analyses. Specifically, the indicator of the Store Environments factor was the factor score of all the Store Environments scales. Similarly, the indicator of the Moderator variable factor was the factor score of the Moderator variable scales, and the indicator of the interaction factor was the multiplicative result of the factor score of the Store Environments and the factor score of the Moderator variable. The model included direct paths from the three exogenous factors to the endogenous factor. The latent Store Environments and Moderator variable factors were allowed to correlate, whereas correlations between Store Environments, Moderator variable, and their interaction term were expected to be zero. Finally, the paths from the exogenous variables to their indicators were fixed using the square roots of the scale reliabilities, while the error variances of each indicator were set equal to the product of their variances and one minus their reliabilities (Cortina et. al, 2001). As shown in Table 3. To evaluate the structural models' predictive power, we calculated the R². R² indicates the amount of variance explained by the exogenous variables (Barclay et. al, 1995). Using a T-value technique with a sampling of 384, the path estimates and t-statistics were calculated for the hypothesized relationships: As shown in Table 3 and Figure 2, the path coefficients and result of hypotheses.

Table 3:- Hypothesis Testing.

Hypothesis	Beta	t-value	R ²	Result	Sign
H1: Store Environments → Mood	0.39	6.93	0.23	Supported	+
H2:Mood → Impulse purchase	0.25	4.21		Supported	+
H3: Store Environments → Impulse purchase	0.33	5.53		Supported	+
H4:Store Environments → Mood → Impulse purchase	0.42	7.93	0.36	Supported	+
H3.a:Store Environments* Hedonic shopping → Impulse purchase	0.08	2.39		Supported	+
H3.b: Store Environments* Involvement with product	0.076	2.21		Supported	+

→ Impulse purchase					
H3.c: Store Environments* Impulse buying tendency → Impulse purchase	-0.046	-1.11		NS	NS

|t|>1.96 Significant at P<0.05, |t|>2.58 Significant at P<0.01,

Conclusions and directions for further researches:-

The current study examines the relationships between situational and personal factors and consumers' impulse buying tendency in retail stores. This model will assist managers on improving their store environments in a way that it can attract consumers more than before.

The result generated from this research can be used and utilized to improve retail practices. Retailers can be aided in developing the store designs that will attract consumers and engage them in impulse buying behavior. Also the present research can be used to educate and inform consumers about potential implications of impulse buying. The model in this study conceptualizes store environments and responses to them that contribute to impulse buying. Increasing number of impulse purchases and shoppers and also the strategic significance of the store environments that stimulate consumer's purchase are likely to receive increasing academic and managerial attention. The present study demonstrates that a positive mood contributed by store environments appears to support consumer's impulse buying. Also hedonic shopping motivation and consumer's involvement with product can moderate the relationship between store environments and impulse purchase.

Future researches may be conducted in other countries and for different populations or in other kind of stores. This study investigates limited variables and factors of situational and personal factors that have influence on impulse buying. Further researches would benefit from investigating other influencing factors.

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