

## DEMOGRAPHICS AND DETERMINANTS OF IMPULSE BUYING BEHAVIOUR: A COMPARATIVE ANALYSIS OF MALE AND FEMALE CUSTOMERS

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### ABSTRACT

*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. It is an unplanned purchase characterized by relatively rapid decision making and a subjective bias in favour of immediate possession. Usually retailers want to ensure that their stores must be so appealing that customer must attract to their stores and pay appropriate price for the eye catching merchandise. An Endeavour has been made in this paper to find out the probability of impulse buying behavior conditional upon demographic factors and to develop an appropriate marketing strategy.*

*The outcomes of the study reflect that the customers' demographic characteristics have significant influence on impulse buying behavior. It has been found high among youngsters (both unmarried males and females) who have no responsibility in raising families.*

**JEL:** M 31

**Key words:** Demographics, Impulse buying, Merchandise, Income, Mall

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### INTRODUCTION

An impulse buying is an unplanned purchase characterized by relatively rapid decision making and a subjective bias in favour of immediate possession. It can be defined as spontaneous purchase- an item that a shopper hadn't planned to buy when they began their shopping task. Now a day there is a fierce competition in the market. Usually retailers want to ensure that their stores must be so appealing that customer must attract to their stores and pay appropriate price for the eye catching merchandise. Fashion industries use visual merchandise to generate the desirability of products. Thus, store plays vital role in attracting the consumers. The display of the merchandise has its own importance. It is a place where buyers buy products whether it is planned or unplanned. The display of the merchandise generates so strong emotional feelings to purchase the eye catching merchandise from the store that it gives hedonic benefits. Retailers help consumers to find the right products through focused merchandising, intelligent store design and layout and other visual merchandising practices like product displays, packaging and signage. In other words a retailer tries to find variables that influence shoppers' impulse buying decision like internal cues. Thus 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.

Usually, customers get influenced by the situational circumstances of the surrounding their shopping visit. Situational circumstances of the surrounding consist of physical surroundings, social

surroundings, time, task, monetary conditions and momentary moods (Belk, 1975; Park, Iyer and Smith, 1989). Usually the buying behavior is much more got influenced by the physical surroundings of the shop. It includes location of store. The social surroundings means the peoples make interaction each other and exchanged their views which influence the buying decision (Churchill and Peter, 1998).

Thus impulse buying refers to all purchases made without pre planning. In other words, the decision of impulse buying occurs in a fraction of second without giving opportunity to second thought for a moment to purchase the aesthetic appealing merchandise. Thus, without having an intention to buy a certain item is known as impulse buying

Several factors are associated in the literature with impulse buying behavior. Factors such as demographic factors (Bellenger et al., 1978, Wood, 1998, Mai et al., 2003, Ghani et al., 2011), trait buying impulsiveness (Rook & Fisher, 1995, Weun et al., 1998), customer's mood or emotional state (Weinberg & Gottwald, 1982, Rook, 1987) have been used to examine customers' impulse buying.

### OBJECTIVE OF THE STUDY

- (i) To find out the probability of impulse buying behavior conditional upon demographic factors.
- (ii) To develop an appropriate marketing strategies.

The paper is organized as follows: Section 1 deals with introduction section 2 presents review of literature section 3 researches methodology section 4 provides Empirics of the study, followed by the conclusion and policy implication section 5.

## REVIEW OF LITERATURE

Several scholars and institutions have made studies on customers' impulse buying behavior. Impulse buying is a unique lifestyle phenomenon that has drawn the attention of several scholars to study on this issue. Initially the scholars were more concerned on its definition part. Later on they attempted to differentiate between impulse buying and non impulse buying and tried to classify the types of impulse buying into one of several sub categories (Bellenger et al., 1978; Kollat & Willet, 1967; Stern, 1962). In its fancy stage, it was never considered as a characteristic of customers buying behavior but with the span of time the focus of the study has shifted on impulse buying behaviour as distinctive lifestyle phenomenon (Cobb & Hoyer, 1986; Hausman, 2000; Piron, 1991; Rook, 1987; Rook and Gardner, 1993; Rook & Fisher, 1995; Weun, Jones & Betty, 1998).

Now-a-days, research scholars have agreed to see the impulse buying as a hedonic or affective component (Piron, 1991; Puri, 1996; Rook and Fisher, 1995; Weun et al. 1998). Although impulse buying behavior is much more complex yet Housman (2000) has made effort to study the customers' impulse behavior. Puri (1996); Rook & Fisher (1995) have tried to judge the impulse buying behavior as a trait rather than as a classification of purchase decision. According to Rook (1987), impulse buying behavior is descriptors such as a spontaneous, intense, exciting, urge to buy with the purchaser often ignoring the consequences.

The scholars have made effort to assess those factors which influence impulse buying. Bellenger et al., 1978, Wood, 1998, Mai et al., 2003, Ghani et al., 2011 have made their studies and tried their best to see the influence of the demographic factors on impulse buying.

## METHODOLOY

The study has been conducted in southern part of Indore city. From southern part of Indore city one ward was selected by random sampling method. From selected ward, 200 customers were selected by the convenient sampling method for comprehensive study.

An attempt has been made to know whether customers – male and female differ in their impulse buying. A test has been used to determine who make more impulse buying among male and female.

It has been hypothesized that customers with similar demographic traits have different impulse buying behavior. Therefore regression (OLS) analysis has been applied to assess the effect of demographics on the amount of impulse buying behavior. The following regression model has been applied.

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \beta_6 X_{6i} + \mu_i$$

Where,

$Y_i$  = Number of visit of malls per month

$B_0$  = Intercept

$\beta_1 \dots \beta_6$  = Coefficient of variables

$X_{1i}$  = Gender

$X_{2i}$  = Age

$X_{3i}$  = Income

$X_{4i}$  = Education

$X_{5i}$  = Occupation

$X_{7i}$  = Martial status

$\mu_i$  = Error term

Finally Qualitative Response Regression Model has been applied to determine the probability of the time constraint on customers. The model is

$$Z_i = \alpha_0 + \alpha_1 X_{1i} + \alpha_2 X_{2i} + \alpha_3 X_{3i} + \alpha_4 X_{4i} + \alpha_5 X_{5i} + \alpha_6 X_{6i} + \mu_i$$

Where,

$Z_i$  = 1 if having impulsiveness

= 0 if having no impulsiveness

$\alpha_0$  = Intercept

$\alpha_1 \dots \alpha_6$  = Coefficient of variables

$X_{1i}$  = Gender

$X_{2i}$  = Age

$X_{3i}$  = Income

$X_{4i}$  = Education

$X_{5i}$  = Occupation

$X_{6i}$  = Martial status

$\mu_i$  = Error term

The above model expresses the dichotomous  $Z_i$  as a liner function of the explanatory variable  $s$   $X_{1i}, \dots, X_{6i}$ , are called linear probability models (LPM) Since  $E(Z_i / X_{1i}, \dots, X_{6i})$ , the conditional expectation of  $Z_i$  given  $X_{1i}, \dots, X_{6i}$ , can be interpreted as the conditional probability that the event will occur given  $X_{1i}, \dots, X_{6i}$ ; that is  $Pr(Z_i = 1 / X_{1i}, \dots, X_{6i})$ . Thus in the preceding case,  $E(Z_i / X_{1i}, \dots, X_{6i})$  gives the probability of having visit for impulsiveness behavior.

The customers make impulsive buying regarding cute objects which attracts customers and without wasting time. Purchasing is made without giving second thought for its consequences. Most of the time customers get influenced by the situational circumstances of the surrounding. Their shopping visit and impulse buying realize greater feeling of delight.

Now the customers have become more sensitive and aware due to expansion of electronic media. They don't want to purchase any wrong thing which may harm to them. Similarly people have become more conscious regarding products.

## Meaning of Sign

+ = It is positively affecting impulse buying behavior

## DEFINING VARIABLES

In the study, following variables have been used for impulse buying behavior:

**Gender:** To understand the behavior of male and female, gender has been used as dummy variable for both areas. Male has been assigned 1 while female 0. It has been observed that male and female behave differently in terms of amount of pre purchase activity (Zeithami, 1985 and Saigal et al., 2010).

**Education:** The undergraduate customers were assigned value 1. 2 and 3 have been given to graduate and postgraduate and above respectively.

**Age:** The actual age has been considered for measuring the impulse buying behavior. They have been clubbed in three groups i.e. 20-25; 25-30 and 30 and above.

**Income:** The customers were divided into four categories value of 1 was assigned to the customers who have income up to Rs. 20,000/-. The value of 2, 3, 4, and 5 were assigned for Rs. 20,000-30,000/; 30,000-40,000, 40,000-50,000 and 50,000 and above.

**Occupation:** The customers were divided into three groups for calculating the impulse buying behavior. They have been assigned value 1, 2 & 3 respectively housewife, and self employed and salaried person.

**Marital Status:** Unmarried customers were assigned 0 and married were given 1.

#### Number of Visit to Malls per Month

In the study only those customers have been considered who made visit more than 5 to 6 times at least in a month. Later on number of visit has been converted into dummy variable by assigning a number of visits 0, if number of visit was less than 4 and 1 otherwise.

#### EMPIRICS

A comparative profile of the customers is given in the following table

Demographic Characteristics	Particulars	In Percentage
Gender	Male	50.00
	Female	50.00
Education	Undergraduate	56.00
	Graduate	20.00
	Post Graduate	24.00
Age	20-25	24.00
	25-30	43.00
	30 & above	33.00
Marital status	Married	53.00
	Unmarried	47.00
Income	Up to Rs.25 ,000	20.00
	25,000- 35,000	30.00
	35,000- 45,000	40.00
	45,000 & above	10.00
Occupation	Housewife	25.00
	Self employed	35.00
	Salaried	40.00

Thus from the above table at a glance a clear cut demographic differences can be seen.

#### DEMOGRAPHIC FACTORS AFFECTING THE TOTAL AMOUNT OF INFORMATION SEARCH FOR COSMATIC PRODUCTS

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \beta_6 X_{6i} + \mu_i$$

Variables	Coefficient	t value
Constant	3.20	10.52
Gender	-1.10	2.67
Age	-2.23	1.97
Income	0.53	0.09
Education	0.21	2.12
Occupation	0.42	1.98
Marital Status	0.74	2.03
R <sup>2</sup>	67	

The qualitative variable is more important like gender and marital status. Female dummy coefficient is highest. It increases Y i.e. number of visit to malls per month. If gender is male Y is relatively less. Secondly on an average a married person have less visit for malls relatively unmarried person.

The following four quantitative variables play vital role in determining Y i.e. impulse buying in following order.

Income and education level have positive impact on Y i.e. number of visit to malls per month. Occupations have also positive impact on number of visit to malls per month.

Almost all variables are significant except income. On the basis of the above table the following inferences can be derived. It has been observed that males are more indulge in impulse buying rather female.

Regarding age, it has been noted that number of visit of mall decreases with increase in age. The findings of Iglesias and Guillen (2002) and Saigal et al. (2010) are very similar to present result.

The analysis of study shows that number of visit of malls increases with increase in education. Thus, the relationship between demographics and impulse buying behavior has been assessed with the help of regression analysis.

#### Estimation of Probability of Impulse Buying Through Visit of Malls

Relationship between demographics and number of visit of malls for impulse buying have been computed with the help of Qualitative Response Regression Model and its results are given in the following table -

$$Z_i = \alpha_0 + \alpha_1 X_{1i} + \alpha_2 X_{2i} + \alpha_3 X_{3i} + \alpha_4 X_{4i} + \alpha_5 X_{5i} + \alpha_6 X_{6i} + \mu_i \text{ and}$$

Variables	Coefficient	t value
Constant	1.81	1.76
Gender	-0.04	1.99
Age	-0.07	1.07
Income	0.11	1.98
Education	0.04	1.95
Occupation	0.05	2.14
Marital Status	-0.07	2.45
R <sup>2</sup>	43	

From above table the temptation of customers for impulse buying have been derived and summarized in the following table.

**Probability of Time Constraint on Customers**

	Probability	Rank
Male unmarried	51	3
Male married	44	4
Female unmarried	77	1
Female married	69	2

From above table it can be inferred that unmarried females have more probability to make impulse buying in comparison to all other groups. Even married female person have also temptation for impulse buying. It should be noted that males have less temptation to go for impulse buying. Within male group unmarried have more temptation for impulse buying. Finding is similar to Lin & Lin, 2005; Ghani et al., 2011 while other reported contrary (Cobb & Hoyer, 1986, Wood 1998, Mai et al., 2003).

#### CONCLUSION AND POLICY IMPLICAIONS

The analysis reflects that the customers' demographic characteristics have significant influence on impulse buying behavior. Impulse buying behavior has been found high among youngsters (both unmarried males and females) who have no responsibility in raising families. These categories of customers hardly bother the way of spending money on luxurious goods which in most instances are unplanned. They fail to control their emotions when they come in contact with new and attractive products compared to married adults who have various types of family responsibilities. They control their buying behavior. Numbers of studies have tried to establish the relationship between gender and impulse buying. Though findings are not very conclusive, some have reported high impulse buying behavior among female (Lin & Lin, 2005; Ghani et al., 2011) than males. Ghani et al., (2011) conducted a study in Pakistan and concluded that female shoppers are more involved in impulse buying.

The display of the merchandise generates so strong emotional feelings to purchase the eye catching merchandise from the store that it gives hedonic benefit. Marketing manager must display their products in such a manner so that they not only get attract customers but also convert them in sales. It is, therefore, a manager must have knowledge to devise a comprehensive marketing policy for making effective marketing communication strategies for raising sales of the product. It is a great challenging job. A successful manager must have the quality to know the psychology of the customers.

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