



## A Study of Impulsive Buying Behavior towards Private Label Brands at Organized Retail Stores: A Multivariate Analysis

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### ABSTRACT

*The impulsive buying occurs when an individual makes an unintended, unreflective, and immediate purchase. Impulsive purchase behavior is driven by hedonistic or pleasure seeking goals causing a consumer to experience desires for products. Scientific research presents no unified attitude to factors affecting impulsive purchase behavior Expanding the literatures of impulsive buying this study aims at incorporating the purchase decision involvement and attitude towards PLBs in organized retail stores. Additionally, this study comes across at the relation between involvement and impulsive buying behavior. Confirmatory factor analysis confirms various constructs comprising impulsive buying, attitude towards private label brands, and purchase decision involvement. Multiple regression analysis confirms the predictive validity of impulsive buying and two explanatory variables are found to explain a significant proportion of variation in the dependent variable.*

**Keywords : Impulsive Buying, Organized Retail, PLB, Involvement, OLS, Factor Analysis**

### Introduction

Impulse purchase has ever been considered to be one of the important topics of consumer decisions. Impulse buying occurs when a consumer sees a product in the store and purchases it with little or no deliberation due to a strong urge to possess the item. Impulse buying disrupts the normal decision making models in consumer's brain and the logical sequence of the consumers' actions is replaced with an irrational moment of self gratification. Impulsive buying has been considered a distinctive fact in the present lifestyle of urban customers familiarized in buying from organized retail stores and has been receiving growing attention from consumer researchers. It is an object of research for half a century already. Many researchers have tried to verify if customers who habitually involve in this behavior have some similar personality traits during purchase decision making. Many of them have even recommended that internal states and environmental reminders can serve to activate the impulsive nature to purchase any product without any prior purchase planning. Companies, experiencing tough competition in market, can apply marketing stimuli and use impulsive purchase as a competitive advantage. Manipulation of factors, stimulating impulsive purchasing may significantly increase sales.

### Review of the Literature

Impulse items appeal to the emotional side of consumers. It is described as more arousing, unintended, less deliberate, and more irresistible buying decision as compared to planned buying decisions (Rook, 1987; Rook & Hoch, 1985). A true impulse purchase reflects an at-the-moment, in-store decision and is therefore subject to greater influence from the store environment, and the consumer's current state at the time of shopping (Beatty and Ferrell, 1998). Dholakia (2000) and Mattila and Wirtz (2008) agreed that there is no unified attitude to factors affecting impulsive purchase behavior. Rook and Gardner (1993) opined that impulsive buyers are more prone to be perceptive to their emotional conditions than non-impulsive buyers. Hoch and Loewenstein (1991) argued for impulsive buying as a conflict between the psychological

forces of desires and self-discipline.

Consumer is believed to be the most important component of selling a product and we always need to understand consumers' intension on immediate purchase (Kalla and Arora, 2011; Azad, Azizi, Asgari, and Bagheri, 2013). Rook (1987) and Azad and Hashemi (2012) used a market segmentation approach to make an assessment on the situational factors and impulsive buying behavior. Coley and Burgess (2003) studied gender differences in cognitive and affective impulse buying. Jones Reynolds, Weun, and Beatty (2003) investigated the product-specific nature of impulse buying tendency. Harmancioglu, Finney, and Joseph (2009) examined consumers' cognitive processes and motivations for making impulse purchases of new products.

Franken, van Strien, Nijs, and Muris (2008) tried to understand whether impulsivity was associated with behavioral decision-making deficits or not. Peck and Childers (2006) performed an investigation on individual and environmental influences on impulse purchasing. The empirical investigation of a survey conducted by Azad, Azizi, Asgari, and Bagheri (2013) has detected four factors including "intelligence pricing strategy", "involvement", "promotion margin" and "consumer behavior".

### Objectives

The study is conducted keeping in view the following objectives that have receives very little attention from the contemporary researchers regarding the consumer shopping behavior at organized retail stores. The specific objectives of the study are listed below:

- i) To assess the consumers attitude towards PLBs
- ii) To investigate the product involvement behavior with regard to PLBs
- iii) To establish scale reliability and validity administered in the study
- iv) To predict the impulsive buying behavior based on the

- variables included in the study  
 v) To integrate the findings and suggest suitable retailing strategies

**Methodology**

We have adopted a descriptive research by incorporating various scales for capturing the constructs listed in the objectives. Suitable scales have been adopted from extant literature in this area in order to keep the questionnaire short. The data have been gathered from shoppers by mall intercept method and a chilled bottle of package drinking water was used as an incentive for ensuring respondent cooperation. The purchase decision involvement scale suggested by Mittal (1995), impulsive buying scale as suggested by Rook and Fisher (1995), and attitude towards Private Label products scale developed by Burton et al. (1998) have been used with minor modifications to suit the purpose of the study. The psychometric performance of the scales are presented in tables I and II.

**Table I  
Reliability Measures**

Variables	Cronbach's Alpha	N of Items
Impulsiveness	0.838	5
Attitudeplb	0.729	5
Involvement	0.714	3

Since the questionnaires have been administered to a relatively small group of respondents, adequate care was taken to ensure authenticity of the responses provided. In all, around 150 questionnaires were administered out of which 116 responses were complete in all respects. The data have been collected from a number of shopping malls located in Kolkata such as Big Bazaar, Spencer's and Shoppers Stop. The reliability measures are within the acceptable range despite a small number of items representing each of the constructs. In an attempt to establish scale dimensionality, factor analysis has been employed, and the outcome has been presented in Table II. Barring a few split loadings shown in italics, the constructs emerge as distinct and the fit of the model is also quite satisfactory. The Variance Explained is 65.562 and the Bartlett's Test of Sphericity is found to be significant since the Chi-Square value is 841.201 which is significant beyond  $p < 0.000$ .

**Table II**

Rotated Component Matrix			
	Component		
	1	2	3
Impulsiveness1	.759	.	
Impulsiveness2	.721	.504	
Impulsiveness3	.527	.383	.342
Impulsiveness4	.546		
Impulsiveness5	.660		.399
Attitudeplb1		.762	
Attitudeplb2	.	.701	
Attitudeplb3		.556	
Attitudeplb4		.712	
Attitudeplb5		.489	
Involvement1			-.681
Involvement2	-.386		-.718
Involvement3			-.811

Note: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Total Variance Explained 65.562. Bartlett's Test of Sphericity: Approx. Chi-Square: 841.201,  $p < 0.000$

**Results and Discussions**

The descriptive statistics have been presented in table III where the impulsive and attitude towards PLB may theoretically vary between 5 to 25 since 5 point 5 item scales have been employed. In the purchase involvement scale only 3

items have been included. The table is self-explanatory but few aspects require further clarification. The distribution is more or less normal as the mean, mode and median are closer to each other. The mean score of purchase decision involvement seems to be on the lower side, the reason being inclusion of lower level of differentiation of grocery products and inexpensive items of daily usage.

**Table III**

Statistics	Impulsiveness	Attitudeplb	Involvement
Mean	15.9224	15.8621	8.1207
Median	16	16	8
Mode	17	16	8
Std. Deviation	3.99243	3.38752	2.84423

In an attempt to establish the predictive validity as well as the strength and direction of dependent as well as the explanatory variables, the OLS method was employed. The results of the regression analysis amply demonstrate that there is strong causal relationship between the dependent variable, attitude toward PLB and two independent variables namely attitude towards Private Label Brands and Purchase decision involvement. The adjusted R Square value is quite high as the F ratio is significant beyond  $p < 0.000$ . The DW statistic also represents feeble degree of auto-correlation. The standardized coefficients demonstrate that impulsive buying behavior is significantly influenced by attitude towards PLBs. On the other hand, it is meaningful to observe that involvement is negatively associated with patronage towards PLBs. Theory posits that highly involved customers have a narrow consideration set and are generally brand loyal (Bhattacharya, Dey, and Saha, 2012). Both the coefficients are found to be significant in explaining the behavior of PLB patronage.

**Table IV**

Coefficients <sup>a</sup>					
Variables	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
Attitudeplb	.755	.078	.664	9.697	.000
Involvement	-.334	.120	-.190	-2.778	.006

Note: a. Dependent Variable: Impulsiveness .b: Adjusted R Square 0.596, Std Error 3.17, DW 1.30. c .F value 85.851,  $p < 0.000$

**Managerial Implications**

The study reveals that consumers who are highly involvement are less inclined to go for impulsive buying and favoring PLBs. He organized retailers should understand this phenomenon and take appropriate promotional measures to emphasize minimal differentiation between national brands and PLBs. In an attempt to carve out a niche for PLBs, adequate usage of PoP materials and in-shop promotion and constant upgradation of product quality through business process reengineering is the order of the day to compete with giants national and international players and ensuing greater share of wallet for PLBs through impulsive buying adopting aggressive marketing strategies.

**Limitations and Scope for further research**

The study has got some limitations that need to be addressed and taken care of in case of future studies. The major limitation of the study is that the sample was drawn based on convenience sampling method due to constraints of financial resources and time. Future studies should include a larger set of explanatory variables that may be instrumental in influencing the impulsive buying behavior.

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