Management Summary

27 to 62 percent of all purchases are impulse purchases (Bellenger, Hirschman, Robertson, 1978) and this number is still increasing (Crawford & Melewar, 2003). Therefore, it is important that store managers know how people are influenced and can be influenced when they are shopping. Although there has been done much research on impulse buying the findings concerning the factors it is influenced by are scattered and contradicting.

This thesis’ problem statement is “the effect of in-store promotions and personal traits on impulse buying concerning low involvement products” which will be answered by the use of four research questions. The first research question that will be answered is “What is impulse buying?” Next, promotions will be elaborated on using the question “What kind of promotion triggers impulse buying?” Since personal traits also play an important role in impulse buying the answer to the question “Are there certain personal traits which influence consumers to buy impulsively and if so, which products do they buy?” will make the relationship between the two clear. The last research question “What is the consumer behavioural process that leads to impulse buying?” combines the answers of the previous questions.

Several conclusions and recommendations can be drawn from these questions. The store environment can have influence on a customer’s mood and the time he spends in a store. The longer he browses in a store and the better his mood, the more likely he is to buy impulsively (Beatty & Ferrel, 1998). Promotions used to persuade the customer should aim at making the product more visible (Desmet & Ruadin, 1998; Narasimhan et al., 1996) and decreasing the distance to the product (Matilla & Wirtz, 2006).

Self-control turns out to be an important trait concerning impulse buying. It influences impulsiveness (Peck et al. 2006; Rook et al. 1995; Hausman, 2000) and self-esteem (Baumeister, 2002). The level of self-esteem might cause people to buy products on impulse to overcome discrepancies in their self-image and affects how vulnerable they are to reference groups’ influence.
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Appendix 1

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Chapter 1: The Research Proposal

1.1 The Problem Background

Everyone has experienced the sudden urge to buy a product that initially was not on the shopping list when shopping. This is an often occurring phenomenon mostly recognized as impulse buying. This desire to buy a certain product can be triggered by internal factors but also by external factors. A seller can use these external factors to increase sales. A method often used is the use of in-store stimuli which are promotional techniques employed to increase unplanned purchases of products. These include in-store siting, on-shelf positions, price-off promotions, sampling, point-of-purchase displays, coupons and in-store demonstrations (Abratt, 1990).

When using these methods trying to increase sales, one has to take into account that these techniques have different kind of outcomes on different kind of products and people. To give an example, when a vice product is promoted the outcomes will be different than when it is a virtue product that is promoted. Vice products are products bought when the short-term consequences outweigh the long-term consequences and virtue products are the opposite (Wertenbroch, 1998). Since people who buy on impulse want to satisfy their need right now, they do not take into account the long-term consequences (Hoch & Loewenstein, 1991). This will result in vice products to be bought more on impulse than are virtue products. There are many other product characteristics that have influence on their susceptibility to promotions like perishability, storageability, and price.

For customers, the differences in responses to promotion and their vulnerability for impulse buying come from differences in self-control, gender, etc (Bell, 1999; Baumeister, 2002).

If a store manager wants to influence the amount of impulse purchases he has to take into account all these factors and the way they affect each other.

1.2 Demarcations

Beyond the scope of this thesis is the impulse buying of high-involvement products like cars, furniture, clothes etc. These products require a lot of pre-purchase research and mostly have a relatively high price which means that they are less likely to be bought on impulse (Stern, 1962).
The products mentioned here will mostly be low-involvement products, which are products that are bought out of habit and there is lack of motivation to consider other alternatives (Solomon, 2007). This is because impulse buying is commonly considered as concerning low-priced, low-involvement products (Assael, 1985; Stern, 1962). However, this does not mean that high-involvement products cannot be bought on impulse.

This thesis focuses on the promotion within stores. There are other kinds of promotions outside stores that influence the consumer in such a way that they result in impulse buying but these will not be covered here.

1.3 The Problem Statement

As shown here there are many factors influencing whether promotion reaches the set goal, in this case impulse buying, so the problem statement that will be addressed here is:

“What is the effect of in-store promotion and personal traits on impulse buying concerning low involvement products?”

1.4 Research Questions

In order to answer the problem statement stated above the following research questions will be answered:

- What is impulse buying?
- What kind of promotion triggers impulse buying?
- Are there certain personal traits which influence consumers to buy impulsively and if so, which products do they buy?
- What is the consumer behavioural process that leads to impulse buying?
1.5 Academic Relevance

Many high quality papers on impulse buying can be found of which the oldest were publicized in the early 60’s (Rook, 1987; Rook & Fisher 1995; Youn & Faber, 2000). Although much research has been done, information about this topic is scattered and the existing theories and definitions differ much in terms of precision (Kollat & Willet, 1969). Since this thesis covers some aspects on which no research related to impulse buying has been done yet, theories and literature from different research areas are combined. By combining the existing knowledge of reference groups and their influence on purchase decisions with literature on impulse buying, relationships can be drawn even though literature discussing these relationships is not available. The amount of impulse purchases has increased significantly throughout the years and is still increasing (Crawford & Melewar, 2003) which makes it an interesting topic to study.

1.6 Managerial Relevance

Since 27-62 percent of all purchases are impulse purchases (Bellenger, Hirschman, Robertson, 1978) and this number is still increasing (Crawford & Melewar, 2003), it is very important for managers to have a clear understanding of what impulse buying is and how it can be influenced. There are many ways to promote a product. Knowing what promotional techniques evoke urges to buy, bring a customer closer to a product, make him more tempted (Rook & Hoch, 1985; Beatty & Ferrel, 1998) and deplete a customer’s self-control is important to make sure that the promotion results in an increase in impulse buying. To be confident that these techniques are having the desired effect, they should be tailored to specific customer groups, since stimuli will not be as effective on all people (Rook, 1987). When tailoring these stimuli to the customer groups the traits that have an influence on their tendencies to buy impulsively should be known to create a perfect fit. All this knowledge combined gives a store manager a good base to increase impulse purchases.
1.7 Structure of the thesis

To answer the problem statement, the structure of the thesis is the following. The second chapter will be elaborating on impulse buying in general, a clear definition will be given and all the aspects of impulse buying will be covered using existing literature. In the third chapter it will be made clear what kind of promotional techniques are most appropriate to trigger impulse buying. In chapter four the focus will narrow by elaborating on the different kind of personal traits that make some people more susceptible to promotion and impulse buying than others and the kind of products they will buy. Chapter five will answer the last research question and therefore will have a more psychological point of view. The processes that happen in the brain of the customer when he is being torn between yielding to the impulse and resisting the impulse will be covered here.

All of this will be done by reviewing existing literature.
Chapter 2: Impulse Buying

2.1 Introduction

When it comes to impulse buying much research has been done throughout the years. The first articles on impulse buying were published as early as the 1960’s and this has been a popular research topic since (Rook, 1987; Rook & Fisher 1995; Youn & Faber, 2000). As already predicted the growth of self-service supermarkets, super drug and variety stores has encouraged customers more and more to go shopping without a list and buy more than was planned (Anonymous, 1958). The more hectic way of living of the last few years has contributed to an increase in short stopping-by visits at stores for top-up purchases which has increased the volume of impulse buying as well (Crawford & Melewar, 2003). This shows that impulse buying became a very powerful tool for stores to increase their revenues throughout the years.

2.2 Definitions and Demarcations

Although a lot has been written about impulse buying already, there are some aspects on which there is no general consensus. What almost all researchers agree on is that impulse buying is an often occurring phenomenon that has to do with self-control, sudden urges, external and internal influences and that it is unplanned. But still there are many different definitions of impulse buying given in the existing literature. As Kollat and Willet (1969 p.81) put it in one of their papers, “Conceptual definitions differ not only in degree of precision but, more basically, in terms of the amount and type of decision making that is involved.” Therefore, multiple often used definitions of impulse buying will be discussed before choosing a definition that will be used throughout the rest of this paper.

Kollat and Willet (1967) and after them many more, define impulse buying as an unplanned purchase - which is any purchase that is not planned in advance – and use the terms interchangeably.
Bellenger, Robertson and Hirschman (1978, p.16) “Impulse purchasing can best be defined in terms of whether the purchaser made the decision to purchase prior or after entering the store.”

Rook (1987) says that the difference between a consumer’s total purchases at the completion of a shopping trip, and those that were listed as intended purchases prior to entering a store is a proper definition.

All researchers above do not take into account that not all unplanned purchases are impulse purchases. A customer can be reminded of a need that existed before entering the store but which he forgot. This purchase was unplanned but not bought on an impulse. Moreover, there can be an unplanned purchase that occurred because the product that the customer had planned to buy was out of stock so the customer had to buy a substitute (Stern, 1962).

Rook & Fisher (1995) are stating that impulse buying consists of desires that are spontaneous and unreflective of which the person did not consider why or what for the product must be bought.

The definition given by Rook and Fisher takes into account the spontaneous and unplanned, but also the fact that the purchase has not been considered at all, not even at home. This encompasses the most essential parts of impulse buying and therefore this definition will be used throughout this thesis.

Reference groups are groups that influence people to act in accordance with a frame of reference set by that group. These groups can consist of peers, family members or other people that aspire the person in question and to which he feels related in some way (Bearden & Etzel, 1982; Childers & Rao, 1992; Shibutani, 1955).

2.3 When and why people buy on impulse

Why do people feel the sudden urge to buy that one particular product while it is not on their shopping list and they do not really need it? Maybe they feel a sudden urge to buy something
(Baumeister, 2002) or they buy certain products on impulse to acquire material symbols of personal and social identity (Dittmar, Beattie and Friese, 1996). Impulse buying is encouraged, influenced, and triggered by multiple factors (See Appendix 2). Below, only the ones most relevant for the purpose of this thesis will be discussed.

Within the concept of impulse buying Stern (1962) identified four classifications. Firstly, pure impulse buying is a “novelty or escape purchase which breaks a normal buying pattern” (p.59). According to Stern this is the only pure impulse purchase and accounts only for a small number of the impulse purchases. Reminder impulse buying occurs when information about a product reminds a customer about the need for that product and leads to an impulse purchase. Further, suggestion impulse buying is when a customer recognizes a need for a product he encounters for the first time. The difference with reminder impulse buying is that the customer has no prior experience with the product. Finally there is planned impulse buying. In this situation the customer has planned a certain purchase but buys another product than planned because of offers, discounts or because the planned product is out of stock. So as is shown here, impulse buying always is a reaction to a stimulus (Kroeber-Riel, 1980).

There are environmental and situational factors that can encourage customers to buy products they were not planning on buying. The physical environment of the store itself has much influence on impulse buying (Peck & Childers, 2006). The more stimuli are present, the bigger the chances that a customer will be reminded of a forgotten need or recognizes a new need and thus gets involved in reminder or suggestion impulse buying (Beatty & Ferrel, 1998). Also other environmental factors like the store setting, music played etc play an important role (Turley & Milliman, 2000; Mattila & Wirtz 2001); they can cause avoidance and approach behaviour. The goal of a store manager should be to evoke approach behaviour, but this can also work out the wrong way. When many people display approach behaviour the store will become crowded. This makes people to leave the store sooner and they will only buy the planned products (Turley & Milliman, 2000). On the other hand, if a customer displays approach behaviour and browses longer, more stimuli will be encountered and the chance of impulsive buying increases (Beatty & Ferrel, 1998). A situational factor might be the presence of others when shopping. Shopping with peers or family members usually has a normative influence. The customer wants to comply with
these normative expectations and so shopping with others can construct or encourage impulse buying (Luo, 2005).

Not only external factors influence whether customers will buy on impulse. Internal factors such as emotions play an important role too. In general, impulsive buyers are more emotionalized than customers that do not buy on impulse regardless of whether these emotions are positive or negative (Verblanken & Herabadi, 2001; Weinberg et al. 1982; Youn et al 2000). Some people buy on impulse to regulate their mood. Mostly a good mood gives people the feeling to reward themselves and more will be bought on impulse (Beatty & Ferrel, 1998). The effects of a negative mood on impulse shopping are contradictory. Beatty et al. (1998) state that it will diminish the chance of impulse buying while others (Youn and Faber, 2000; Verplanken et al. 2001) argue that when people experience negative emotions they will search for some sort of relief, which will be found when buying on impulse.

Impulse buying depends much on the ease of purchase. The cheaper, the smaller the product and the smaller the physical and mental effort the more likely it becomes that a product will be bought on impulse (Stern, 1962). So all the recent developments in shortening and simplifying the purchase process contribute to an increase in impulse purchases. Related to this are the time and money available. The more time is available to in-store browsing, the more stimuli will be encountered and the likelihood of impulse buying increases (Beatty et al. 1998).

Other influences on impulse buying are promotions, personal traits of the customer and characteristics of the product. These will be fully explained in the following chapters.

2.4 Consequences associated with impulse buying

Impulse buying might have several positive and negative consequences because it “encourages action without careful consideration about the objective environment, and with little or no regard for the potential realistic consequences” (Rook, 1987 p.190). Considering this, impulse buying might have more negative than positive consequences (Hausman, 2000) since the purchases are made thoughtlessly and without thinking about possible consequences (Rook & Hoch, 1985). An
often occurring consequence is feeling guilty (Rook & Hoch, 1985). Rook (1987) states in his paper that whether a person experiences the after-purchase consequences as negative or positive depends on the level of impulse control that person has. When the person almost resisted the impulse and yielded at the very last moment, he will be more likely to feel bad about himself than a person that gave in immediately.

Consequences can also occur in terms of self-image, status or place in a group and reactions of other people. Since impulse buying is often used as a tool to bridge the discrepancies between desired and actual self-image (Dittmar et al. 1996; Hausman, 2000) the purchase of a product can arouse a good feeling about oneself. The same idea goes for the reaction of a reference group. Purchase decisions are made in the frame of a reference group’s norms and values (Bearden & Etzel, 1982; Kaplan & Miller, 1992) and hence these groups have a lot of influence on the purchase decisions made. If the decision made matches the general consensus of the group the person’s status may rise, but it can also work the other way around. If a reference group holds a negative attitude towards impulse buying, an impulse purchase will be negatively evaluated and this may affect the person’s position in the group. The more visible a product is, whether it is consumed privately or publicly, the bigger is the associated consequence and normative evaluation (Bearden & Etzel, 1982; Childers & Rao, 1992; Rook et al. 1995). In chapter four, more can be found on the influence of reference groups and self-image on impulse buying.

2.5 Discussion

Impulse buying occurs very often and is not easily explained by one or two factors. The environment, emotions, situation and purchase process all influence whether an impulse purchase is going to take place. When the store environment evokes approach behaviour (Turley & Milliman, 2000) people encounter more stimuli and hence will be more likely to be reminded of previously existing needs or a whole new need is created (Beatty et al. 1998). So the aim of store managers should be to try to encourage people to spend as much time as possible in their store to increase the amount of impulse purchases. Just as the time spent in a store, time and money available are positively related to the probability that an impulse purchase will occur (Beatty et al. 1998). However, trying to increase the ease of purchase might not work on a when
a customer’s mood is not appropriate. Since there is no consensus on the influence of a negative mood, but there has been found a positive relationship between impulse buying and a positive mood (Beatty et al. 1998), a store manager should try to create an environment that influences the customer’s mood in a positive way.

The consequences associated with buying on impulse are mostly negative (Hausman, 2000). This can be because of a feeling of guilt, since the purchase is not well thought about (Rook & Hoch, 1985) or because of a bad normative evaluation from a reference group. Since purchases are evaluated according to the group’s norms and values a store manager who knows these norms and values can use his knowledge to comply with this. When matching a product or stimuli with these norms and values the negative consequences will decrease and a product will be more likely to be bought on impulse.

2.6 Conclusion

Impulse purchases happen often and are made without thinking which often results in negative consequences (Hausman, 2000). Decreasing the probability of these negative consequences is a method when trying to encourage impulse buying. Adjusting the shopping environment so that many stimuli are encountered and approach behaviour is evoked, is another way in which people will feel more urges to buy. As already mentioned in this chapter there are many other factors that influence whether the urge to buy translates into an impulse purchase. In the next chapter the role of promotions will be discussed.
Chapter 3: Promotions and Impulse Buying

3.1 Introduction

As already stated in the previous chapter, impulse buying is partly influenced by external stimuli. Most of these stimuli are in the form of promotions. Vendors have multiple kinds of promotions at their disposal when convincing people to buy their products. Not all promotional techniques have the same effect on impulse buying and even per product category the results differ. (Peck & Childers, 2006; Jones, Reynolds, Weun & Beatty, 2003). When reading this chapter it will become clear what promotional techniques are best to arouse impulse buying and what outcomes can be expected when they are implemented.

3.2 Definitions and demarcations

In-store promotions are defined as “techniques to increase unplanned purchases of products” (Abratt et al. 1990, p. 112). Among other things they can help people be reminded of previously existing needs or they evoke new needs.

Promotions outside stores like leaflets will not be elaborated on here since mostly they do not contribute to impulse buying. This is because impulse buying occurs when the purchase of the product has not been considered before making the actual purchase (Rook & Fisher, 1995) and this is not the case with promotions outside stores.

3.3 Types of in-store promotions

There are many different promotional techniques vendors can use in store to promote their products and arouse impulse buying. The most used ones are price cuts, shelf-space allocation, point of purchase displays, and in-store positions (Abratt et al. 1990; Young et al. 2000).

Price cuts are a reduction in the price of a product. Narasimhan, Neslan and Sen (1996) mention three different kinds of price cuts, namely features, displays and pure price cuts. Pure price cuts
are when a vendor reduces its prices compared to the normal prices. Displays are in-store presentations of the reduced price of a certain product or product group. Lastly, features are price reductions which are announced in a leaflet. This last price cut technique is not an in-store stimulus and therefore will not have any influence on impulse buying.

Research has shown that shelf-space allocation is of significant influence on impulse buying. Shelf-space allocation is defined as the allocation of space among products and product categories within the store (Desmet & Renaudin, 1998). The more shelf-space is given to a product the more visible it is and the more people will buy it. One thing that should be kept in mind is that doubling the amount of shelf-space for a product does not double the sales of that product (Desmet & Renaudin, 1998).

A lot of customers use the store itself as a shopping list; they are reminded of previously existing needs (Rook & Hoch, 1985). A vendor can make use of this by displaying products that have small inter-purchase times very clearly. People are visually oriented and focus on eye level, this is why displays can increase impulse purchases significantly (Abratt et al. 1990). Also, customers are confronted with the products and the closer a person is to enjoying an impulse and thus to the product, the harder it is to resist (Rook et al, 1985; Beatty et al, 1998). A type of displaying is point of purchase displays; this is seen in a lot in supermarkets. At the queues for the cash register all sorts of candy bars are displayed. There are almost no obstacles here for a customer not to buy the product if the urge is felt.

As already mentioned in the previous chapter impulse buying can also be stimulated by making the purchase process easier. This can also be viewed as a kind of promotion. The purchase can be made less risky by return policies and payment can be made easier by accepting credit cards (Hausman, 2000; Rook & Fisher, 1995). This makes that customers have less obstacles to obtain the product they feel the need to buy for and buy it faster.
3.4 Possible results of in-store promotions

When exposed to a lot of stimuli a customer might lose his self-control temporarily which makes that he does not think about the implications of his actions and buys products he was not planning on buying (Mattila & Wirtz, 2006). Promotions can also remind of previously existing needs or can create new needs which need to be satisfied (Stern, 1962).

If promotions have an influence on people they can have different outcomes depending on the kind of promotion and the type of customer targeted. The sales of the entire product category might be influenced, but a promotion can also only influence the sales of a particular brand promoted (Bell et al. 1999). Not all products react in the same way to promotions, this has to do with product characteristics like storage ability, size, price etc. More about this can be found in the next chapter.

Price-cuts and simplifying the purchase process will mostly result in a higher volume of the same products to be sold. Especially with products that customers are able to stockpile, people will buy more to profit as much as possible (Stern, 1962). For displays and shelf-space allocation the increase of sales of one product will be at the expense of the sales of other products. Thus a vendor must be sure that a promotion that causes brand switching does not cannibalize regular sales (Gladson, 1990).

3.5 Discussion

As Desmet & Renaudin (1998) and Narasimhan et al. (1996) make clear, the visibility of a product is a very important factor in increasing the amount of impulse purchases. Whether this visibility is achieved by using displays, whether there is a price-cut involved, or with a big share of total shelf-space does not matter. By making products more visible customers will be more often reminded of the previously existing need since they ‘run into’ the product they need (Beatty et al., 1998; Stern, 1962). Also by combining these techniques that increase the product’s visibility the customer is brought closer to the product. The physical proximity decreases and self-control will be harder to maintain (Mattila & Wirtz, 2006). A disadvantage is that when a
vendor makes one product more visible this will be at the expense of other product’s visibility, since there is only a certain amount of shelf-space and displays available (Gladson, 1990).
Making the products more visible and implementing price cuts are relatively simple changes compared to making the purchase process easier. Although increasing the ease of purchase requires an investment it can be expected that the effect will last longer. This is because price cuts and increased visibility only lead to an increase in purchases of the promoted product or product category (Bell et al. 1999) and ease of purchase will affect all products available.

3.6 Conclusion

As is discussed above, making products visible is a very important factor when promoting products (Desmet & Renaudin 1998; Narasimhan et al. 1996). The best outcomes can be expected to come from a combination of the mentioned promotional techniques. But even when a vendor has designed a new promotion it cannot be guaranteed to work since a potential customer is not only influenced by external stimuli but also by his personal traits. In the next chapter, these personal traits that influence impulse buying and the product characteristics that make a product more likely to be bought on impulse are explained.
Chapter 4: Personal Traits and Impulse Buying

4.1 Introduction

“Impulse buying is simply the loss of one’s self-control or the surrender to temptation” (Luo, 2005 p.289). This quote makes clear that there is more needed for an impulse purchase to happen than a stimulus. Internal factors regulate whether self-control will be lost and the urge evoked by external factors will be acted upon. Personal traits help regulate if and to what extent self-control will be maintained. If these traits are known to the vendor it will become easier to create suitable target groups and focus promotions.

4.2 Definitions and demarcations

Self-control refers to “the self’s capacity to alter its own stated and responses.” (Baumeister, 2002, p. 670)

Self-completion is the process where “people acquire and display material symbols to compensate for perceived inadequacies in certain dimensions of their self-concept.” (Dittmar et al. 1996, p.190; Wicklund & Golwitzer, 1982)

Vice products are products that have positive short-term consequences when they are being bought that outweigh the bad long-term consequences (Wertenbroch, 1998).

Virtue products have good, or at least better, long-term consequences and the short-term effects may be less satisfying (Wertenbroch, 1998).

The traits that will be covered here are the ones often mentioned in the existing literature (e.g. self-control, vulnerability for others’ opinions, gender).
4.3 Personal traits that influence impulse buying

As impulse buying is seen as a loss of self-control it is straightforward to state that self-control is an important determinant of impulsiveness (Youn et al. 2000). Baumeister (2002) and Vohs & Faber (2007) argue that self-control depletes along the way when more and more situations are encountered in which a person needs to control its urges; this is called ego-depletion. This implies that people should become more impulsive towards the end of the day since they are running out of self-control.

Levels of self-control differ per person. Persons that in general have low levels of self-control are very impulsive in all they do. They are characterized as spontaneous, reckless and careless (Youn et al. 2000). These people are more open to influences from outside and thus easier to influence. Impulsive people are therefore more likely to buy products on impulse because their shopping lists are more open (Peck et al. 2006; Rook et al. 1995; Hausman, 2000).

As already shown in chapter two, reference groups have a significant influence on purchase decisions. Bearden & Etzel (1982) and Kaplan & Miller (1992) both argue that reference groups have a normative and an informational influence. The normative influence makes people want to comply to the expectations of the reference group, while the informational influence makes that people accept other’s information and product evaluations as a good source about reality. Since people want to comply to the expectations and norms and values of the reference group, its influence is significant. Mostly the norms and values of a person and the reference groups overlap since, in most cases, the person is a member of this group. Since a person shares the norms and values of the reference group, the group is very cohesive which means that the person will act according to these norms even when no one of that group is present at the moment of purchase (Luo, 2005). Group cohesiveness will increase with more communication. Through communication the reference group’s evaluation as well as its behaviour will become visible (Bearden & Etzel, 1982), which clearly sets the reference frame. This frame will be used as a reference when considering buying products. If the reference group is positive about a certain product it will be more likely to be bought on impulse since the chance of negative consequences will be smaller (Rook, 1995). The influence of the reference group depends on the type of product, in the next paragraph this will be elaborated on.
Mostly people who want to belong to a social group see this as a form to express their self-identity. Impulse buying can be used as another tool for this purpose (Dittmar et al. 1996). Also a difference in actual self-image and desired self-image, and thus lower self-esteem, can be overcome by buying products that are symbolic for the desired self-image (Dittmar et al. 1996; Hausman, 2000). Research has shown that self-esteem and self-control are interrelated (Baumeister, 2002). People with high levels of self-control mostly also have high levels of self-esteem as they do not become involved in acts that they might regret afterwards. In the same way, people with high levels of self-esteem do not feel many urges to buy on impulse and experience less ego-depletion.

In the existing literature some contradictions can be found concerning whether gender affects impulse buying. Most research shows that females buy more on impulse but the difference with males is very small. Some explanations given are that females are more emotional and thus buy more products to express their self-identity (Verplanken et al. 2001). Research that states that gender does not influence impulse buying argues that the difference occurs because women shop more often and thus have more opportunities to engage in impulsive buying (Verplanken et al. 2001; Kollat et al. 1967).

Other personal factors that are often associated with impulse buying are income, education and age. However not much research has been done on the relationship between these factors and impulse buying. The literature that does mention a possible relationship are contradictory and do not give an explanation about the findings. Income is found to be of no influence (Kollat & Willet, 1967; Wood, 1998), Verplanken et al (2001) found age not to be significantly correlated, but Rook (1987) states the opposite. The same problem occurs for education since Kollat & Willet (1967) say it does not affect impulse buying and Wood (1998) says it does.

4.4 Characteristics of products bought on impulse

Some products will be bought more on impulse than others. For the most part this is determined by the characteristics of the product itself.
As stated above, impulse buying sometimes occurs as symbolic self-completion. When taking this point of view it becomes clear that most of the products that will be bought on impulse will be the ones that have strong symbolic and emotional meanings (Dittmar et al. 1996). So products are not bought for what they do but for what they mean. Examples of these product groups are jewelry, sports equipments and magazines. For a product to be useful for symbolic self-completion it is important that it is visible. Visibility also determines the amount of influence that reference groups have on the purchase of the product (Rook et al. 1995). When a product is publicly consumed the amount of influence of the peer reference group will be larger, and for a product that is consumed in private the familial reference group will be of more importance (Bearden & Etzel, 1982; Kaplan & Miller, 1992). Which reference group will be more important depends on the culture (Childers & Rao, 1992). The group that is of less importance will not bring the worst consequences and thus the product it has influence on will be bought more on impulse.

Products that are easy to store are bought on impulse more often than products which given problems when stock-piling (Stern, 1962; Bell et al. 1999). Products that are suitable for storage are products which are not perishable and therefore can be kept for a long time. Size is also a very important factor when it comes to storage. The smaller a product the easier it is to store it. The size also influences impulse buying in another way, smaller products can be transported more easily than big products and therefore are bought faster (Stern, 1962).

Most products bought on impulse fall in the lower price category, this also eliminates most shopping goods from being impulse products (Stern, 1962). A lower price makes the effort and risk associated with buying smaller and thus increases the probabilities of impulse purchases. Thus the products that are bought most on impulse are low involvement products. Impulse buying does not include pre-purchase considerations because the decision to purchase is made on the spot (Rook & Fisher, 1995). For low-involvement products the purchase decision can be made long before the purchase, but there is no extensive pre-purchase evaluation due to lack of motivation (Solomon, 2007), they are made without thinking. This makes these products susceptible to buying impulses.
Whether a product is a vice or virtue product also determines the probability of impulse buying. People that buy on impulse are known for the fact that they prefer a small reward now than a delayed big reward (Rook et al. 1985) Vice products give a ‘reward’ in the short term and virtue products in the long term (Wertenbroch, 1998). Since most impulse buyers only look at the short term vice product will be bought on impulse much more than virtue products.

4.5 Discussion

As can be concluded from the above, in general a person that is susceptible to impulse buying is highly impulsive in everything he does and has low levels of self-esteem and self-control (Youn et al. 2000; Peck et al. 2006; Rook et al. 1995; Hausman, 2000). Most of the times they buy the products in an attempt to overcome the discrepancies between a desired and actual self-image (Baumeister, 2002) and therefore they will be more likely to be vulnerable to reference group’s influences. These people want to comply to the norms and values of this group since group membership, just as acquired products, expresses self-identity (Dittmar et al. 1996). The more value a person attaches to a certain status, the more likely he will be to comply to the general consensus of the group and this will translate to the impulse purchases he does or does not make.

Even if a product is approved of by a reference group it may still not be bought on impulse often, this depends on its characteristics. If a person wants to express self-identity with the products as described above, the product will probably be consumed in public and be highly visible so it can be normatively evaluated (Rook et al. 1995). Besides its effect on self-image some more ‘practical’ characteristics are of importance as well. The easier it is to buy, transport and store a product the more likely it is to be bought on impulse. This means that the product has to be small and cheap (Stern, 1962) and preferably a vice product since impulsive buyers prefer immediate rewards (Rook et al. 1985).
4.6 Conclusion

Since a lot of personal traits influence if a person will buy on impulse, it is important to know these traits for a vendor so he can target according to it. Social groups play an important role in impulse buying (Luo, 2005) and therefore a vendor has to get to know their norms and habits to be able to promote products in a way that will make the group more likely to accept the product. When a product is approved of by a social group, the behavioural process that a consumer goes through will be smoother and a product will be more likely to be bought. This behavioural process will be discussed in the following chapter.
Chapter 5: The Consumer Behavioural Process that Leads to Impulse Buying.

5.1 Introduction

External stimuli and personal traits are not the only factors determining whether a person will buy on impulse or not. An impulsive act might be evaluated by others as a negative thing and can withhold that person from actually performing the act (Rook et al. 1995). Besides this, also the delayed gratification and depleted self-control influence whether the person subject to the temptation will yield to it.

5.2 Definitions and demarcations

Normative evaluations in the context of the thesis are defined as “judgments about the appropriateness of engaging in impulse buying behaviour” (Rook et al. 1995, p.305)

5.3 Encountering and processing stimuli

When entering a store a customer will consciously and unconsciously notice many different promotional techniques trying to persuade him to buy. Whether these stimuli have an effect on the customer depends on the product that is promoted, the promotion technique used, and certain personal traits as described in the previous chapters.

More impulsive persons will be more easily attracted by these stimuli since they are open-minded and more open to suggestions (Peck et al. 2006; Rook et al. 1995; Hausman, 2000). Since these people are more open to external stimuli and they are visually oriented the best way to reach this group is to use displays and other visual techniques. If the product promoted is a potential impulse product and is promoted in the right way, so that it attracts customers which due to their personal traits are susceptible to the stimuli, it will arouse the urge to buy.
5.4 Reacting to stimuli

If the stimuli the customer encounters arouses an urge to buy, there are other factors that influence whether the urge is acted upon. Normative evaluations which pose possible consequences, whether the customer seeks immediate gratification, and self-control all play a role when a customer is trying not to give in to the urge to buy. The sequence in which the process occurs depends per person and per situation.

Normative evaluations moderate a consumer’s tendency to buy on impulse (Rook et al. 1995; Hausman, 2000). This is the case since impulse buying is seen by most people as irrational, risky and immature. Realizing this, customers are aware of the fact that impulsive acts might have negative consequences and normative evaluations (Rook et al. 1995). An impulsive purchase can also result in a positive normative evaluation if the social group one belongs to, or wants to belong to, are positive towards impulsiveness. In other words, people are constrained or motivated by norms and opinions of social groups they belong to. The influence this factor has on people differs with the degree of importance they give other people’s opinions (Luo, 2005). The normative effect will be smaller for impulse purchases that are relatively invisible for others (Rook et al. 1995). This effect will be larger when others are present at the moment of shopping and when the products bought are used as a tool to express one’s identity or overcome self-image discrepancies since these products are bought to be highly visible.

When a customer has decided that the impulsive act he wants to perform will not be disapproved of by his peers, the amount of self-control will determine whether the act will be performed or not. As Rook (1985) states, people will do whatever is needed to maintain self-control when shopping. One technique that Rook talks about is trying to overcome the bad feeling of delayed gratification. He argues this can be done by allowing oneself a small reward for controlling the urge to buy a bigger reward right now, rationalizing the purchase and realizing that this might not be what is wanted later, or realizing the possibility of feeling guilty afterwards. This techniques however appears to be difficult since people are “disproportionately attracted to immediately available rewards” (Hoch & Loewenstein, 1991 p.494). Most people feel deprived when waiting for a delayed reward and therefore prefer an immediate reward even though the
delayed reward might result in a greater satisfaction. (See Appendix 3). Waiting for a reward becomes even more difficult when this reward is close (Hoch et al. 1991, Vohs et al. 2007). So the best way to overcome an urge is to move away from the temptation.

As already mentioned in chapter 3, self-control depletes throughout the way and people whose self-control is less depleted feel less urges to buy (Vohs et al. 2007). Research has shown that when people’s regulatory resources that partly determine self-control are low, they are more vulnerable for cues and feel stronger urges to buy and they are willing to spend more money (Vohs et al. 2007). In other words, people become more impulsive (Baumeister, 2002). From this it can be concluded that when a customer goes shopping at the end of the day the behavioural process will take longer and will be harder to go through without giving in to temptation due to lack of self-control.

After having gone through this behavioural process there are two options. A customer might yield for the temptations and buy the product or the customer can resist the urge and move himself away from the temptation without buying (Rook 1985).

5.5 Discussion

As is already discussed in the previous chapters, the product promoted, the way it is promoted and the customer it is aimed at should be a match before it has the desired result of impulse buying. An impulsive person will sooner encounter the stimuli that are present (Peck et al. 2006; Rook et al. 1995; Hausman, 2000) which makes them a relatively easy target. However, even though this customer wants to make the impulsive purchase, he considers the possible consequences and normative evaluations of this purchase (Rook et al. 1995) which might keep him from purchasing.

When a customer’s self-control is low he will be more likely to be influenced by stimuli (Vohs et al. 2007) and therefore he uses strategies not to give in to temptation. Rook (1985) discussed multiple techniques, but all are hard to stick to since people always want a reward as soon as possible (Hoch & Loewenstein, 1991). The ability to wait for a reward has to do with the proximity of the reward (Hoch et al. 1991, Vohs et al. 2007) and again self-control. Self-control
has such a significant influence on impulse buying that store managers should try to use this knowledge. Since self-control depletes throughout the day (Vohs et al. 2007) customers are more easily influenced at the end of the day. If the store managers can persuade more customers to go shopping at the end of the day, people will be less able to resist all the urges they feel and the probability they will buy on impulse will increase.

5.6 Conclusion

When entering a store a customer encounters many different stimuli which try to persuade him to buy. Whether these have the desired effect depends on multiple factors. When a store manager knows the consumer behavioural process a customer goes through it becomes easier to create a good fit between customers and promotional techniques used. He can take into account the influence of social groups and self-control to make sure the stimuli used will have the best effect possible. In the next chapter all the theory presented so far will be used to draw conclusions and give recommendations.
Chapter 6: Conclusion and Recommendations

6.1 Conclusion

Impulse buying arises from desires that are spontaneous and unreflective of which the person did not consider why or what for the product must be bought (Rook & Fisher, 1995). It accounts for a large percentage of the purchases made and occurs when a customer acts upon an urge that is evoked by external stimuli (Kroeber-Riel, 1980).

These external stimuli are present in the store environment and are more likely to be encountered when a customer is spending more time in the store (Beatty & Ferrel, 1998). The environment can also influence a customer’s mood and the kind of behaviour that is displayed. When feeling at ease, a customer will display approach behaviour and will be in a positive mood. These feelings are preferred by the store manager since they make it more likely that the customer will buy on impulse (Beatty & Ferrel, 1998).

When promoting products so that they will be bought on impulse it is important to use techniques that increase the visibility and bring the customer closer to the product. Customers will be reminded of previously existing needs (Beatty & Ferrel, 1998; Stern, 1962) and self-control will be lost easier when the desired product is close (Matilla & Wirtz, 2006). Increasing visibility and decreasing the distance will have a positive influence only on the particular product or brand promoted (Bell et al., 1999).

The effect of these promotions are bigger when the promoted product is a typical impulse product. Products like these are mostly symbolic products that are consumed in public. Customers buy these products to express their self-identity or overcome discrepancies between the desired and actual self-image (Dittmar et al., 1996; Hausman 2000). Since impulse buying is highly correlated with the ease of purchase, the product promoted has to be easy to transport and store so this will not be an obstacle for the customer to buy (Stern, 1962; Bell et al., 1999).

Self-control is one of the main traits influencing whether people buy on impulse or not. People with less self-control are more impulsive and their shopping lists are more open and therefore they are more likely to engage in impulse buying (Peck et al. 2006; Rook et al. 1995; Hausman, 2000). These people with low levels of self-control mostly also have low levels of self-esteem (Baumeister, 2002) and will buy the products as a means of self-completion (Dittmar et al. 1996;
People with high self-control and self-esteem on the other hand will feel less urges to buy and experience little trouble resisting them. Therefore these people experience less ego depletion, so their vulnerability to impulse buying is low. Reference groups, just as impulse buying, play a role in expressing self-identity, so people with low self-esteem will be restricted more by the reference group’s opinion and possible consequences.

It can be concluded that by using the appropriate promotional techniques and by targeting the right group of customers with certain personal traits the amount of impulse purchases can be increased significantly.

6.2 Recommendations

As already mentioned, impulse buying accounts for a big share of total purchases and therefore it is important for a store manager to use the correct techniques to increase this part of the customer’s purchases.

Impulsive persons are known to be more open to external stimuli (Peck et al. 2006; Rook et al. 1995; Hausman, 2000) and therefore store managers should focus their promotions on these group of customers. To make sure that there is no risk that potential customers do not buy the product because of possible negative normative evaluations, the store managers should try to get to know what is and what is not accepted within the customer’s reference groups.

The store environment should be made as pleasant as possible. People will display approach behaviour, stay longer and will encounter more stimuli. Since their mood will also improve they will be more open to impulsive purchases. The use of many eye-catching displays is another easy way for store managers to increase impulse purchases since people are known to be visually oriented (Abbrat et al., 1990). But probably the best way a manager can influence impulse buying is by making the purchase process as easy as possible for the customer (Stern, 1962).

6.3 Limitations to the Research

Due to time and other issues, this thesis has some limitations.

The limitation that is always present when doing research by reviewing existing literature is that conclusions are drawn on other researchers’ findings. In this thesis, sources from multiple disciplines are used and integrated. However, since not all the sources that have been used are
discussing impulse buying but only an aspect of it, it is possible that the literature on these subjects might be less useful when it is applied in another setting than the original one.

Impulse buying is influenced by more factors than the ones discussed in this thesis. The factors that are mentioned here are the ones most relevant for the purpose of this thesis and are the factors most discussed in the literature studied.

6.4 Suggestions for Further Research

As already mentioned not much research has been done and no general consensus is presented concerning several factors that might be of influence on impulse buying such as a negative mood, income, education, gender and age. When these factors and their relationship with impulse buying are further investigated store managers can better select their target groups and match the promotional techniques used better to these groups.

Another topic that might be worthwhile to investigate further is the effect of normative evaluations and peer group pressure on impulse buying. Much information can be found on the relationship between social influences on purchase decisions in general but only few good sources can be found that discuss how these groups affect impulse buying. When more about this relationship is known, a store manager can adapt its promotional techniques so that not only the single customer is influenced by those techniques but the whole reference group.
References:


Appendix 1
Conceptual model

The effect of promotion within stores on impulse buying

What is impulse buying?
- Definition
- Why?
- When?
- Feelings
- Consequences

What kind of promotion triggers impulse buying?
- In-store stimuli
- Promotion techniques
- Promotion per product group
- Effects of promotion

Are there certain personal traits which influence consumers to buy impulsively and if so, which products do they buy?
- Self-control
- Self-image
- Gender
- Vice/virtue products
- Perish ability/stockpiling
- Price

What is the consumer behavioural process that leads to impulse buying?
- Normative influences
- Bad external/internal reactions
- Self-control
Appendix 2

TABLE 1
Most Frequently Endorsed Cues

<table>
<thead>
<tr>
<th>Cues</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having money</td>
<td>81</td>
<td>60.0</td>
</tr>
<tr>
<td>Birthday</td>
<td>72</td>
<td>53.3</td>
</tr>
<tr>
<td>Items on sale</td>
<td>72</td>
<td>53.3</td>
</tr>
<tr>
<td>Feeling happy</td>
<td>69</td>
<td>51.1</td>
</tr>
<tr>
<td>Christmas</td>
<td>68</td>
<td>50.4</td>
</tr>
<tr>
<td>Traveling</td>
<td>67</td>
<td>49.6</td>
</tr>
<tr>
<td>Low prices</td>
<td>65</td>
<td>48.1</td>
</tr>
<tr>
<td>Having leisure time</td>
<td>62</td>
<td>45.9</td>
</tr>
<tr>
<td>On vacation</td>
<td>62</td>
<td>45.9</td>
</tr>
<tr>
<td>Wanting something</td>
<td>62</td>
<td>45.9</td>
</tr>
<tr>
<td>Receiving money</td>
<td>62</td>
<td>45.9</td>
</tr>
<tr>
<td>Being with friends</td>
<td>60</td>
<td>44.4</td>
</tr>
<tr>
<td>Having a date</td>
<td>59</td>
<td>43.7</td>
</tr>
<tr>
<td>Free samples</td>
<td>59</td>
<td>43.7</td>
</tr>
<tr>
<td>Free gifts</td>
<td>56</td>
<td>41.5</td>
</tr>
<tr>
<td>Feeling self-indulgent</td>
<td>56</td>
<td>41.5</td>
</tr>
<tr>
<td>Money</td>
<td>54</td>
<td>40.0</td>
</tr>
<tr>
<td>Shopping for things for others</td>
<td>52</td>
<td>38.5</td>
</tr>
<tr>
<td>In a favorite store</td>
<td>51</td>
<td>37.8</td>
</tr>
<tr>
<td>Food</td>
<td>50</td>
<td>37.0</td>
</tr>
<tr>
<td>Feeling good about yourself</td>
<td>50</td>
<td>37.0</td>
</tr>
<tr>
<td>Credit cards</td>
<td>49</td>
<td>36.3</td>
</tr>
<tr>
<td>Coupons</td>
<td>49</td>
<td>36.3</td>
</tr>
<tr>
<td>Feeling hungry</td>
<td>48</td>
<td>35.6</td>
</tr>
<tr>
<td>Holidays</td>
<td>47</td>
<td>34.8</td>
</tr>
<tr>
<td>Shopping malls</td>
<td>46</td>
<td>34.1</td>
</tr>
<tr>
<td>A bargain</td>
<td>45</td>
<td>33.3</td>
</tr>
</tbody>
</table>

This table supports some of the statements made about factors that influence impulse buying. It shows the cues that are most frequently encountered and have made the person encountering it buy a product on impulse.

As can be seen money plays a very important role since ‘Having Money,’ ‘Money,’ and ‘Receiving Money’ have a percentage of at least 40%.

‘Items on Sale,’ ‘Low prices,’ and ‘A Bargain’ all support the big influence of price cuts as already stated in chapter 3.

From this table it can also be concluded that mood indeed partly determines the probability of impulsive purchases. Feeling happy, self-indulgent, good about yourself and hungry all have a significant percentage. This table only mentions relatively positive moods so according to this research a negative mood does not significantly influence impulsive buying.

‘Shopping with Others’ also is mentioned, so these normative influences make an impulse purchase happen 38.5% of the time.