IMPULSIVE BUYING BEHAVIOUR OF CONSUMERS IN BANGLADESH

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Abstract - This paper ventures to explore the connections, both conscious and subconscious between psychological, social and lifestyle cues with the tendency exhibited by the average consumer to purchase on impulse. The paper is based on descriptive data collected from a relatively small collection of respondents from various age groups and occupations; in an effort to gauge commercial activity at different levels of society. The purpose of the paper was to gain an understanding of what drives consumers to make spontaneous purchase decisions when they are shopping, whether they experience buyer's remorse, and whether they justify or regret their lifestyle choices. Some factors like good mood, financial stability were found to be stronger motivators and others like forced advertising and group accountability act as inhibitors to the impulsive purchase experience.

Index Terms - Impulse, Impulse buying, Buyer behavior, Bangladesh.

I. INTRODUCTION

Bangladesh is a growing economy with a real GDP growth rate of 7.14%. The country has been able to improve the material quality of life for its people, as a result of the rapid transformation in the structure of the economy. Bangladesh, primarily an agriculture-based economy at independence, marked by largely subsistence farming, has now largely commercialized its agricultural produce. Agriculture accounts for only 15 percent of GDP, whereas manufacturing and services now account for the bulk of the nation's output (Mahmood, 2017).

The consumption expenditure has grown at an average rate of 10.2 percent per annum during the last four years resulting in the emergence of a strong middle class with growing purchasing power (Bangladesh Bureau of Statistics). This has resulted in people vying for a more comfortable and urbanized lifestyle. The burgeoning of eateries and supermarkets is a reflection of that.

Research into consumer behaviour features as the foundation of all the planned and implemented marketing activities of a company. The numerous factors that determine consumer behavior characterizes it as highly complex and difficult to predict. One of the highly specific manifestations of consumer behaviour on the market is impulsive behaviour resulting in unplanned purchases.

Impulse buying is the act of purchasing goods or services without premeditation or planning, as if it were on a whim or impulse. It is a fundamental phenomenon that occurs in most buyers and consumers and has existed since the dawn of commercial enterprise. It is most evident when buyers rely on emotional cues and heuristics to make purchase decisions; often this kind of response is triggered by exposure to specially catered promotional messaging that affects the receiver both consciously and subconsciously into a buying decision (Business Dictionary, 2011).

Recently several supermarkets and shopping malls have been established in the urban city, Dhaka. Jamuna Future Park, Bashundhara City, Agora, Shawpno and Anannya Shopping Complex are just a few examples to name. As of yet, no researches have been conducted in Bangladesh to study the impulse buying behaviour of shoppers and what factors influence their decisions. This paper tries to paint a picture of impulse shopping as it exists in the Bangladeshi community of buyers and consumers. It looks into some of the factors associated with this kind of behavior as well as any sensory cues (Harvard Business Review, 2015); furthermore the paper will try to discern broadly, what manner of products are normally associated with this phenomenon and what medium they occur in [online versus brick-and-mortar].

A. Objectives of the Study

Broad objective: To understand the phenomenon of impulse buying among Bangladeshi citizens.
Specific objectives:

1. Determine factors associated with impulse buying
2. Identify sensory cues triggering impulse buying
3. Discern what category of products are bought on impulse
4. Determine what medium impulse buying occurs in

II. LITERATURE REVIEW

The impulsive decision for a buyer to consume or set out to consume stems from their innate desire to satisfy their hedonistic needs – the consequences of

which act are often passing thought Rook (1987). An interesting take on the matter arises from the works of Hoch and Loewenstein, where they say that "impulse buying is a struggle between the psychological forces of desires and willpower" (1991).

Essentially the question lies in identifying which personality factors are possibly compelling consumers to exhibit such behavior. The research paper of Youn and Faber, published in 2000, hypothesize several such factors that may play integral parts in this process; Lack of control or impulsivity is seen as the division between controllers (who like to delay gratification) versus the impulse-ridden (spontaneous, hedonistic and unpredictable). Stress reaction represents our reaction to emotional and situational cues amidst underlying caveats such as tension, time-constraints, financial burden, etc. Absorption as the nomenclature hints at is the state of engagement that the buyer inhabits through their purchase journey (the catchy jingle of in-store music, the quiet hum of air conditioning, the fragrant aroma of the food court or even the staccato bursts of cash registers beeping out invoices) – the thoroughbred of years of sensory marketing research (Harvard Business Review, 2015)

But how do seemingly ordinary cues translate into the reactions that sellers hope to incite in buyers, principally an increased disposition to purchase more? This is explained through the S-O-R model, or Stimulus (like aroma or sound), Organism (like sense of smell and hearing) and Response (like buying food to quell hungeror purchasing presents in excitement for holidays) (Chan, Cheung, & Lee, 2017). The S-O-R framework essentially validates the connection between the sensory cues that we are subject to during any ordinary purchase journey and how that slowly but surely translates into a full-fledged decision to buy a product or service. Often times it is as easy as diffusing the scent of lemons/lemonade on a hot summer's day and sometimes it may even be as cryptic as advertising free Wi-Fi to passersby to get them to patronize a coffee shop.

Dr. Elizabeth Hartney, a registered Psychologist, Professor, and Director of the Centre for Health Leadership and Research at Royal Roads University, Canada, in her article"Don't Be Manipulated into Overspending Due to Advertising" explains what and how advertising tricks could trigger impulse buying (2018). Time limits being one such trick where the shopper feels the need to buy right away or miss the chance of having the object of his/her desire. In addition, advertisers now dictate "must-haves", giving the buyer the sense of wanting to be equipped with necessities. Discounts on multiple product purchase is another trick where the buyer is under the essence of spending less when they are really spending more.

III. METHODOLOGY

As discussed, certain factors and elements have been identified in past studies as leading causes for impulse purchase behavior; we have tried our best to incorporate these into our primary data retrieval method. That being said, the research is mostly descriptive in nature and therefore relies heavily on qualitative data from a small sample of respondents (ideally 100 or more). The respondents were chosen utilizing two distinct approaches; first through a convenience sampling method of online surveys and then of course, through the snowballing method to reach wider, but again, more niche consumers who would be valid and reliable participants (based on the homogeneity social circles they belong to). The total number of responses amounted to 75.

The sampling frame was pre-determined through the medium of survey distribution; those who were more or less proficient with e-commerce and were avid users of social media websites. Finally, the survey incorporated several factors that had been identified in previous iterations of this study, a more thorough analysis can be found in the following sections. Again, this research was performed within a limited group of respondents inside the confines of the country of Bangladesh over a short period of time; in no way, shape or form may it represent the global landscape and consumer viewpoints of impulsive purchase behavior.

IV. FINDINGS OF THE STUDY

Our research strategy was to conduct a survey, by using questionnaires, to collect our primary data. The purpose of the questionnaire, we designed was to gather information about how the respondents perceive their impulse buying behaviour and how different factors affect their attitude while shopping. The questionnaire was designed and based on the factors affecting such behaviour, as discussed in the literature review.

A. Respondents Demography

These questions served as background queries, asked to get information about the respondents' gender, age and occupation.

The table shows the distribution of male and female respondents in the survey.

	Count of Gender	Percentage
Female	49	65.3
Male	26	34.7
Grand Total	75	100

The majority of the respondents, 65.3% compared to 34.7%, were female respondents.

Table below shows the respondent distribution according to their difference of age groups.

Age Group	Female	Male	Grand Total
15 – 20	2	1	3
21 – 30	43	21	64
31 – 40	3		3
41 – 50		2	2
50+	1	2	3
Grand Total	49	26	75

As can be seen the respondents in the age group of 21-30, both male and female, together constitute over 85% of the total respondents. It should also be noted that 4% of the respondents represent the age group of above 50 years of age.

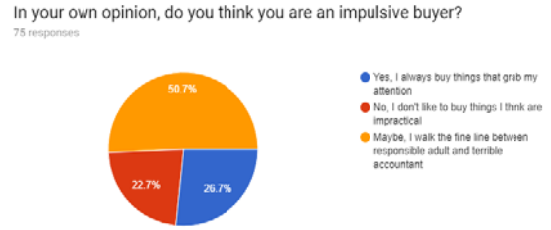
Table below includes the distribution of employment of the respondents.

Occupation	Female	Male	Grand Total
Freelance	2	1	3
Full-time	20	10	30
Part-time	4		4
Student	17	13	30
Teacher	1		1
Unemployed	5	2	7
Grand Total	49	26	75

As can be seen, Full-time employed respondents & students, had the highest frequency, constituting 80% of the respondents for the study.

B. Respondents' Perception on Impulse Buying

Question 4: Figure 1 depicts the respondents' perception about their personal tendency of impulsive buying.



Most respondents replied with may be. Neither they disregard the claim, nor were they sure enough to assert the claim. Over 25% respondents retorted with certainty about being an impulsive buyer. While 22.7% denied to fall for impractical purchases no matter how attention grabbing it is.

Question 5: The question implied a likert scale to collect the responses. Obtaining their response to different situation that influences impulse buying was the purpose of this question.

i. "I usually buy more things shopping with friend"Most respondents strongly disagreed to the statement above, at second best respondents just disagreed or stayed neutral to their friends' opinion. While about 21% agreed, their purchase decisions are influenced by their friends.

ii. "Website design makes me buy more/often from them"Except for 17% of the respondents, most are actually unaffected by website design to trigger impulse buying. Most respondents strongly disagreed to be lured by web designs into making unnecessary purchases. Similar number of respondents also replied to be neutral to such arrangements while shopping online.

iii. "Helpful salespersons can often encourage me to buy something I wasn't even interested in"30% of the respondents agreed to be encouraged into conducting unplanned purchases by helpful/friendly salesperson. Although, 24% respondents completely denied any influence of salesperson over their purchase decisions. Another 20% simply disagreed with the statement.

iv. "I like to pick up small things from the shelves near checkout"Most respondents remained neutral to the statement, about 26% to be precise. But cumulatively 45% of the respondents denied or strongly opposed to the assumption, stating they do not engage in any further procurement once they proceed to the checkout area. While about 20% agreed and 8% strongly agreed to being lured into purchasing by the arrangement of shelves near checkout area.

v. "I tend to buy lots of things when I am in a happy or festive mood" Depending on the mood, purchase behavior varies and the responses received, strongly suggests that. About 30% strongly agreed, while another 30% approved of the statement to portray their purchase behavior in the given situation. In total 20% of the respondents, disagreed to be influenced by festivity to make unplanned purchases.

vi. "Nice music or fragrant displays (flowers, food, toiletries, etc.) make me want to buy things"About 16% respondents strongly disagreed to be influenced by such stimuli. Another 17% disagreed to have any affect either. Approximately 29% respondents had no specific fondness, neither anything against it. 26% agreed to have affection towards such sensory elements.

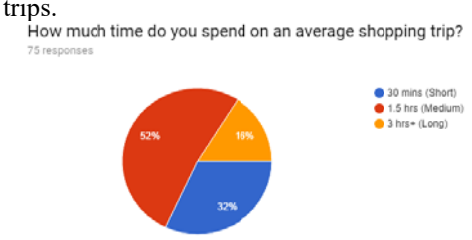
vii. "I will usually take advantage of discount/promotional offers"A boasting 44% of the respondents agreed to respond to discounts or promotional offers while purchasing. Another 26% strongly agreed to

the statement. An aggregate 70% responses are in favor of taking advantages of discounts or promotional offers.

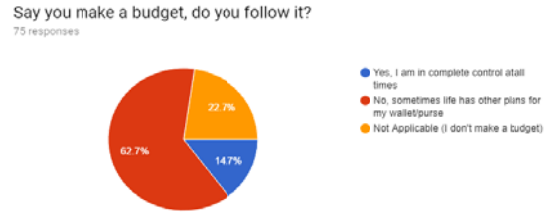
viii. When I've just gotten paid, I like to spend a little extra on "gifts" for myself, family/friends

About 58% of the respondents have agreed to spend more on when they have received their wages.

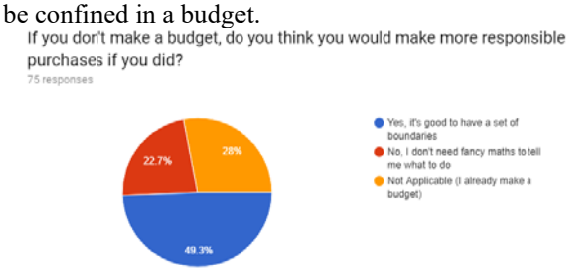
Question 6: Following figure shows most of the respondents (about 52%) tend to spend an hour & a half on their regular shopping trips. 32% of the respondents prefer to keep it short. 16 % of the respondents prefer to take their time on shopping trips.



Question 7: A small portion of the respondents have claimed to maintain their budget. More than 60% of respondents have replied, they fail to live within their budget from time to time.

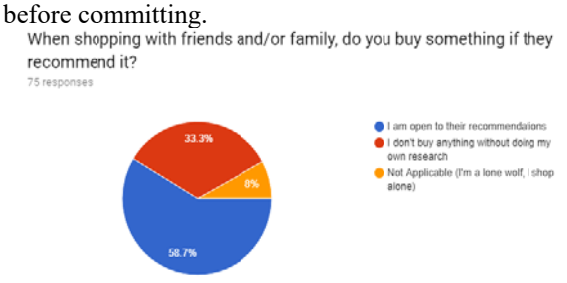


Question 8: The respondents who did not maintain any budget, most responded it would be a good idea to start limiting themselves within a set of boundaries in terms of expenditure. About 22.7% did not want to be confined in a budget.

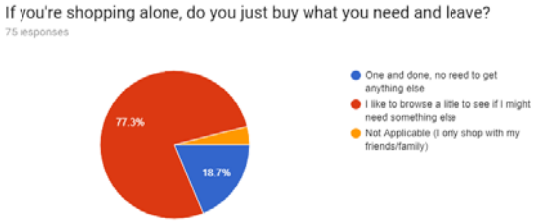


C. Factors Affecting Impulse Buying

Question 9: Most respondents, about 58.7% to be precise, has confessed to be influenced by friends or family or whoever it is they go shopping with. 33% responded peer recommendations to not be good enough for them as they tend to do their own research before committing.



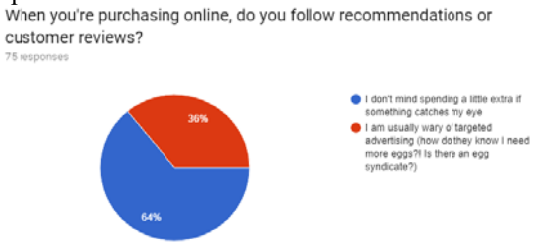
Question 10: A staggering 77% of the respondents have replied that they tend to browse a bit more even after getting what they went to shop. A small 18% respondents buy what they want and get out.



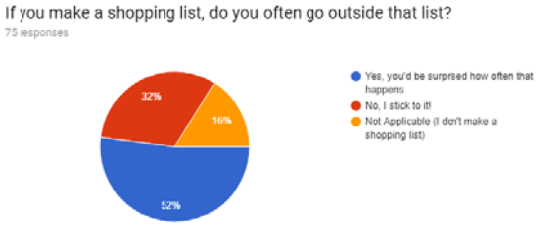
Question 11: 60% of the respondents have retorted that they get what they need in a shop & leave. While 40% have confirmed that sometimes other people's purchases reminds them of buying certain things or triggers unplanned purchase.



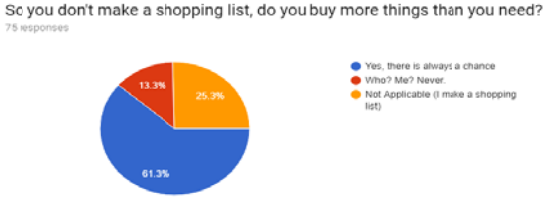
Question 12: Most respondents are open to recommendation or follow reviews in deciding what they want to buy while purchasing online. 36% of the respondents differs.



Question 13: More than half of the respondents have admitted to the fact that they go beyond their shopping list once they set for shopping. 32% of the respondents have assured to stick to their list while 16% of them do not even make any list before going out to shop.

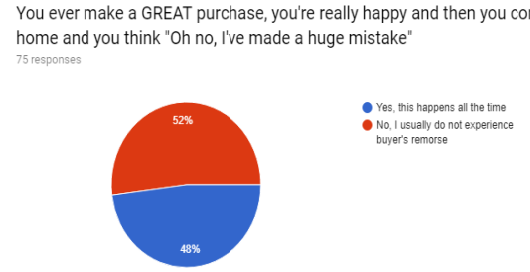


Question 14: Those who does not maintain any list, often purchases more than what they really need. About 61% of the respondents affirmed that.



D. Post-purchase Feelings

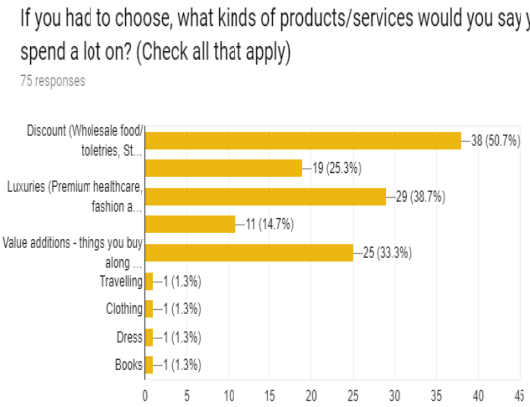
Question 15: 52% of the respondents have denied any post purchase remorse while 48% has said to have regretted their purchase decision afterwards.



Question 16: Among the respondents who regret their purchases later, above 58% eventually end up using the product/service, so they are okay with it. While 24% of the respondents regret their decision completely as the purchase go useless.



Question 17: Most of the respondents, comprising of 50% of the whole, have stated to they spend a lot on Discount(Wholesale food/toiletries, Stationery/Office supplies etc.). About 25% on Specialty items, 38% on luxury items and so on. The figure below details the rest.

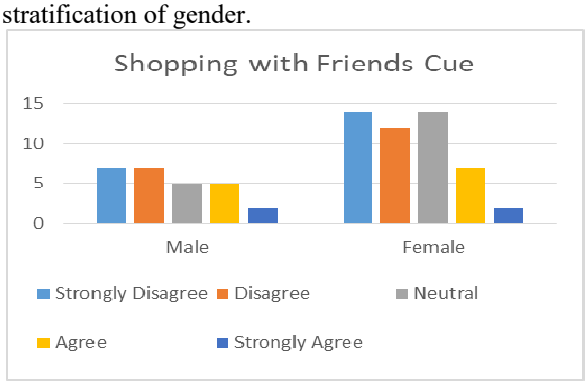


V. ANALYSIS OF THE FINDINGS

This sections tries to understand and illustrate the causes or cues that people respond to when traversing the topic of impulsive purchase behavior. This is not an exhaustive list, but curious phenomenon and patterns have been depicted and complementary illustrations drawn.

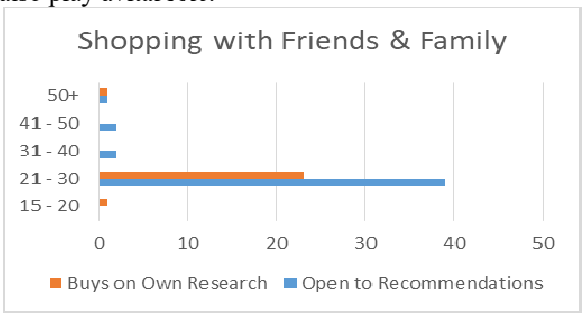
A. Psychological and Emotional Cues

The study drew a somewhat diverse grouping of respondents with 65-30 female to male ratio. Sensory cue analysis was then conducted based on this stratification of gender.

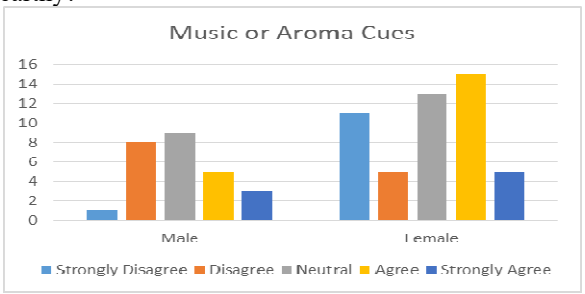


The questions in this section were asked to gauge a respondent's willingness to purchase more based on the existence of a certain factor. For example, while shopping with friends, both men and women are typically averse to purchasing more than they intend on an average shopping trip – the graph however does show that some respondents still enjoy the experience of shopping with close ones, and that can of course be seen on the bottom left here, where respondents were asked whether they were open to suggestions by friends or family, rather than purchasing products solely on their own research.

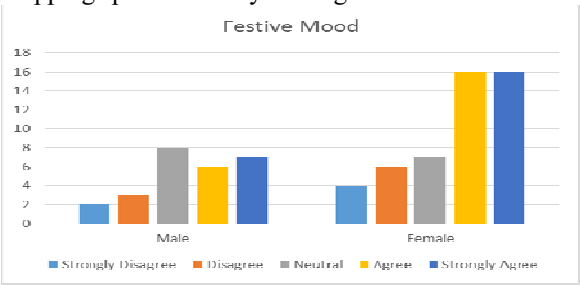
Interesting to note that as the age group increases, the instances where people become more open-minded also increase; of course disposable income and trust also play avital role.



So what about the journey that the customer is taking while they are shopping? (Bierck, 2000) What happens, once they enter the store and jump into the world that the retailers have created; what aspects charm them, and what throws them off? We've taken a look at some novel approaches and of course first on the menu is the ambience; is the music catchy and comforting, does the produce section smell fresh and earthy?

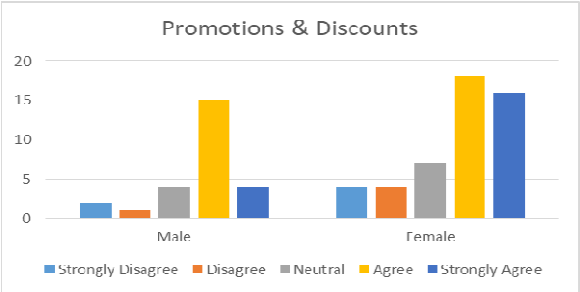


Out survey shows that respondents do not feel very strongly as though these components play an active part in their decision making process, but perhaps asked in a different way, we can see that customers in a festive or joyous mood; who have been inspired to be happy and content are very likely to engage in shopping sprees. So why the cognitive dissonance?

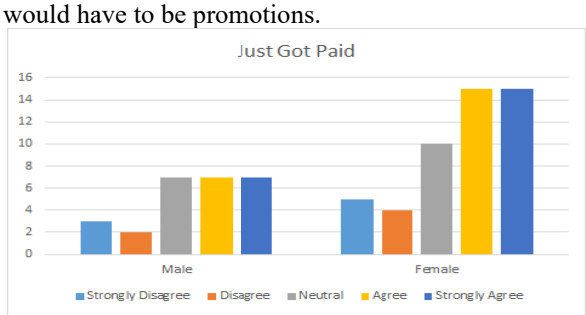


It may in part be due to the customer's overall experience at the store. (Bierck, 2000) The products might have been top grade, as well as the pricing and promotions, but employee service or checkout wait time and even the experiences of friends, family or peers could bathe an eventful trip in a dismal light.

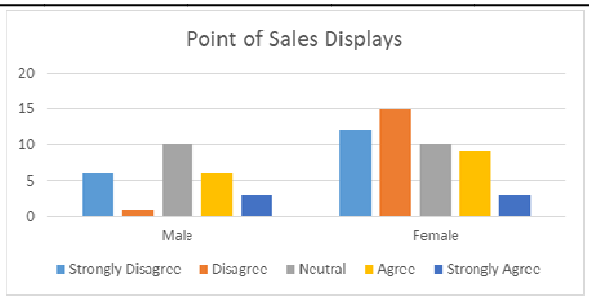
Speaking of festive moods, the most exciting time for any consumer is just after they've been paid for their grueling work throughout the month! As such, the data compiled from this survey shows exactly that sentiment; people love spending on themselves and loved ones immediately following payday because they feel justified in their purchase decisions and feel that gratification is a reasonable reward for their work.



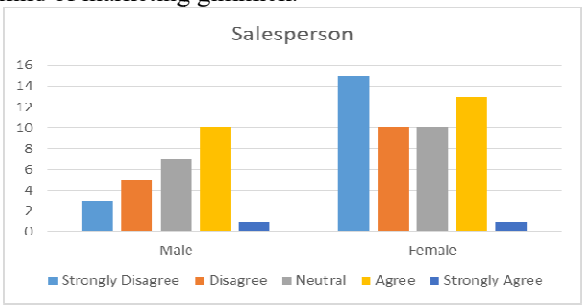
Coming back to the storefront though, the most obvious sources of customer attraction and retention would have to be promotions.



People love a good discount and often feel that their purchase decision was a knowledgable and prudent one.



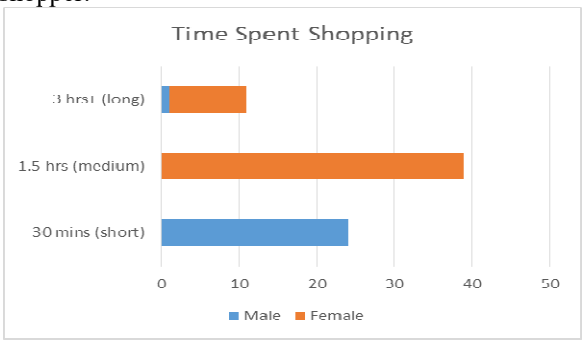
Retailers will also use this psychology to win over the customer in other ways, principally, point-of-sale displays. These are basically display shelves arranged around the checkout counter, often at the height of small children that advertise generally low-margin items like chocolates, socks, chewing gum, lighters, zippos, lip balm, etc. at competitive prices and attractive bundles. Although popular abroad, POS display sales do not curry the same amount of enthusiasm here; interestingly however, men are somewhat more likely than women to patronize this kind of marketing gimmick.



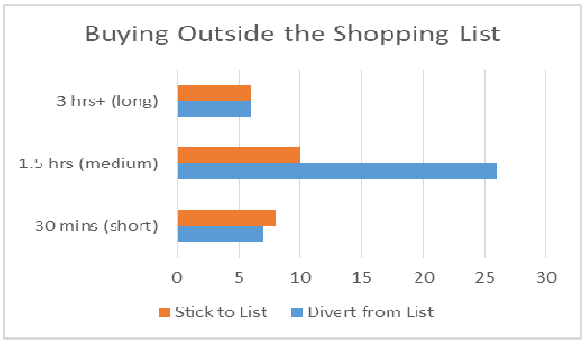
Finally, we'll be looking at the influence of the salesperson's presence in a store. Very interesting metric here shows that a knowledgable salesperson has relatively more sway over male customer's purchase decision than female's. However, both genders agree that a smart, dependable employee can close the deal.

B. Shopping Time and Shopping Lists

So how does the gender gap fare when it comes to the average shopping trip? Turns out women spend far longer on their shopping than men; a stereotype that has been passing joke for all of time, but may prove valuable insights into the nature of the impulsive shopper.



So what exactly engages a buyer to spend so long the store or on a shopping trip? We hypothesized that it may have had something to do with a structured plan before leaving the house; a shopping list.



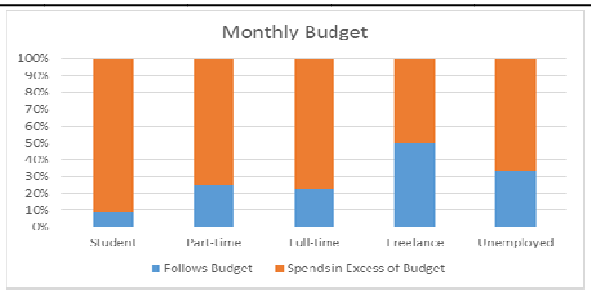
So first let us look at the shoppers who generally create a shopping list before heading out. As we can see, shoppers are likely to deviate from their lists as the journey peaks on a standard run of about one and a half hours; any less or more, the distribution remains more or less equal. Why this phenomenon occurs is anyone's guess – if the issue were greater time to choose, then lengthy trips would have suffered even greater departure from planning, but this was clearly not the case in the data that was collected.



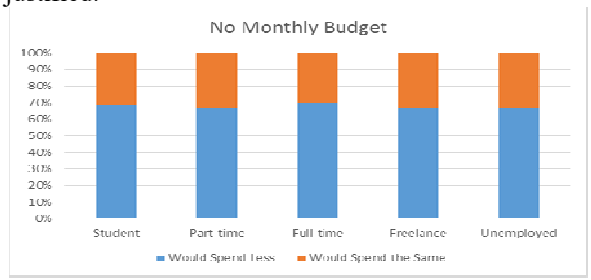
So, is the inverse true, that unstructured visits yield even more unbridled shopping sprees? Delightfully, the answer is yes. Consumers scarely purchase only what they require on these commercial sojourns. Furthermore, consumers without a pre-planned list of items are free to browse and entertain any host of items or services on their outing; their only constraints of course, being time and budget. Speaking of the budget, it is the next step of our analysis.

C. Budgeting

Among the respondents that we surveyed, a fair amount created a monthly budget for their expenses and lifestyle. On the right is the graph that illustrates how many respondents follow their budgets, based again, on their occupational capacities.



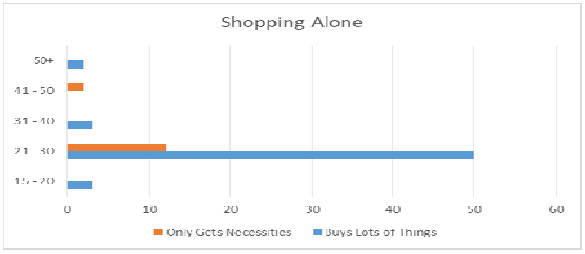
As can be seen, most respondents spend in excess of their pre-arrangements, most likely to purchase items that catch their fancy – an observant take would also be that people make their budgets at the start of the period or month when money is tight, however when they get paid, we have noted that many exhibit a predilection to spending liberally, seeing it as justified.



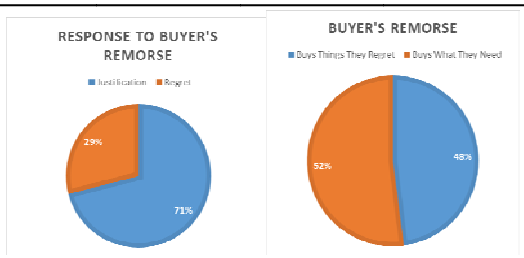
Again, we have asked the alternative with respect to consumer choice – that is, if one did not make a budget, did they believe that they would have spent less. The results were wholly optimistic; people genuinely believed that if they had created a monthly budget their unchecked spending would be curbed and they would make more responsible purchasing decisions. This sentiment was also shared across the board as we can see, every division of employee believes that their finances would be in better shape had they been less spontaneous and more calculating.

D. Social Marketing

Finally, we take a look at the social dynamics that affect the average shopper on their purchase journey be it in a brick and mortar or on the internet.



We previously explored the social shopper's mindset, and now we look at the solitary buyer. Stratified by age, the average shopper buys whatever items that catch their fancy; not weighed down or complemented by the opinions of their peers, family or friends, these solitary consumers generally purchase in excess of what they require and may experience buyer's remorse.

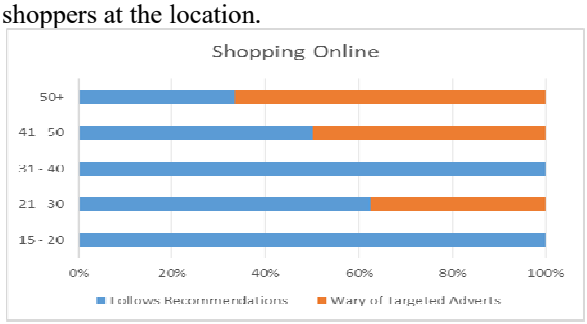


The data shows that people generally feel that they do not regret their purchase decisions even if the product or service was unnecessary.And in a separate vein, among the people who understand that their purchases were unjustified and spontaneous, the majority have chosen to justify their actions as logical in the long term (as they will need it later). A smaller portion however, expressed regret for their actions and noted that this kind of behavior was unhealthy.



When we talk about the shopping experience, we often note the arena of commercial activity, which brings us to the topic of shopping in-store or on the internet.

Among the respondents who prefer to do their shopping in brick and mortar establishments, the majority of shoppers noted that they prefer to stick to their own shopping and that other's people's baskets or carts had no sway on their purchase decisions. Curiously, a very high percentage of elderly shoppers exhibited a propensity to be inspired by other shoppers at the location.



Conversely however, respondents who did the bulk of their shopping online were well receptive of targeted advertisements and recommendations. It may be that online shoppers find themselves to be savvier and/or it is easier to research and compare online where purchase decisions may be tied to feelings of justification and seizing a good deal or opportunity that has presented itself.

CONCLUSION

It is difficult to pinpoint the ideal "average" consumer, however the data that we have collected for the sake of this report illustrates largely predictive patterns in the way the majority of shoppers think, be it stratified by gender, age group or occupation. Some factors like good mood, financial stability are stronger motivators and others like forced advertising and group accountability act as inhibitors to the impulsive purchase experience.

Despite the proliferation in supermarkets and shopping malls in Bangladesh, as of yet, no researches have been conducted in Bangladesh to study the impulse buying behaviour of shoppers and what factors influence their decisions. Hence, our research will lay the foundation for future researches on the phenomenon of impulse buying. Future research on this subject could include measuring the association of various factors and the act of impulse buying. These studies could be used to increase sales by enabling companies to predict impulse buying behaviour of customers to an extent, and adjust their marketing strategies accordingly.

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