FACTORS IMPACTING ON IMPULSIVE BUYING BEHAVIOR AT COSMETIC STORES: EVIDENCE FROM PAKISTAN

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Abstract: This study examines the impact of different factor on impulsive buying behavior at cosmetic stores in Pakistan. To carry out the study, data was collected from six cosmetic stores in Kohat and Peshawar. The targeted respondents were customer of these cosmetic store .The cross sectional data was collected through questionnaire from 350 customers of cosmetic store.OLS method was used to achieve objective of the result. The regression result show that the store environment and price reduction statistical impact positively on the impulsive buying behavior of the customer . The study recommends that the policy makers and executives of cosmetic stores must consider the store environment and price reduction strategies in order to enhance the buying behavior of the customers.

Keywords: store environment, price reduction, impulsive buying, behavior

I. INTRODUCTION

Over the last several decade researcher and marketer focus on impulsive buying behavior of the customers. In store environment and price reduction impact on impulsive buying behavior (qbal A Akhtar s & Lodhi R N 2014). The business environment plays a vital role to attract the consumer impulsive buying behavior.(Mirabi V R & Samiey 2015). vidhya j & .tamizhjyothi k (2013-2014). The cosmetic store environment is one of the factors that impact on impulsive buying decision . Akram U et al.,(2016) identified the theoretical and practical gap on the in store environment and pricing strategies that have impact on impulsive buying decision of the buyers. Different factors attract customer to buy the product without preplanning. Most of the studies conducted in china, India, Grace and Malaysia etc regarding impulsive buying decisions. Most of the studies conducted into the western context and very limited study conducted on impulsive buying behavior keeping in view Pakistan scenario especially in the area of KPK Province. A detailed study needs to be conducted to evaluate the extent of the factors like store environment and price reduction impact on impulsive buying decision by customers at cosmetic stores in KPK Pakistan . There are variety of components in store environment like lighting layout, music, perfume odor and efficiency and efficacy or the salesperson (Baker et al., 2002). In store environment one of the factors is pleasant music, perfume odor that have positive effect on the buyer mood (Garlin and Owen, 2006). The exciting attributes at store give excitement to the buyer(Ashley, Ligas and Chaudhuri, 2010). Different factors attract customer to buy the product without preplanning. Most of the studies conducted in China, India, Grace and Malaysia etc . The focus of study on this area is conducted according to western context and no study is conducted to evaluate the customer buying decision in the area of KPK Pakistan which is the motivation for this research.

The attraction of consumer toward a product is based on its price reduction. The preference of consumer is to buy low price product that involve him into impulsive buying decision Thaler, (1985, 1999). The impulsive buying behavior is triggered when the product is discounted (A. Wong, 2003).

Akram U et al.,(2016) has identify the theoretical and practical gap on the in-store environment and pricing strategies impact on impulsive buying decision of the buyers.

A buying behavior of the consumer that is unexpected and unplanned is known as the Impulsive Buying Behavior. (Bailey & Nancarrow, 1998). Francis & Piron (2001) analyzed that the Impulse buying is a vital trend for researchers in consumer behavior and retailing business. According to Shahzad khan (2012) customer characteristic, nature ,design of store also impacts customer's unplanned decision (Vohs & Faber 2003). This study will find the possible determinant of impulsive buying behavior of consumers at cosmetic store in Pakistan. Also how these determinant influence the consumers' decisions at cosmetic store in Pakistan. This research paper intent to find out the determinants of impulse buying behavior for cosmetic store in Pakistan.

Research Question

- How the store environment impacts on impulsive buying behavior at cosmetic store in Pakistan.
- How does price reduction impacts on impulsive buying behavior at cosmetic store in Pakistan?

Research Objective

- To examine the store environment impact on impulsive buying behavior at cosmetic store in Pakistan.
- To examine the price reduction impact on impulsive buying behavior at cosmetic store in Pakistan.

Scope of Study

The aim of the study is to examine the link of in-store environment and price reduction impact on impulsive buying behavior .The study is conducted in cosmetic store in Kohat and Peshawer .The research confined to six cosmetic store located in Kohat and Peshawer i.e Molako, Mehak walley, Bashire Arcade, Lavisha , Wal mart and Humer Cosmetics.

Significance of Study

The primary goal of the current research is to examine the consumer's impulsive buying behavior at KPK Pakistan. The present study emphasizes the in-store environment and price reduction strategies and their impact on impulsive buying behavior.

II. DETAILS EXPERIMENTAL

Over the last several decade researcher and marketer focus on impulsive buying behavior of the customers. The researcher explores that environment in a store along with reduced prices impacts consumer buying intentions. The spontaneous buying behavior is unintentional buying decision of the buyer. Many factors are there when the customer involved into the impulsive buying decision because the marketer and producer use different types of promotional approaches and the one of the approach is the in-store environment and price reduction strategies (Dong et al, 2011). According to Kollat and willet (1967), female are more involved into impulsive buying behavior as compared to man. Karbasivar et al.,(2011) examine that impulsive buying behavior is when customer abruptly involves into the product purchase . Most of researchers explored that in-store environment is one of the major component of the impulsive buying decision of the buyers (Hu and Jasper, 2006) .

2.1. In-store Environment on Impulsive Buying Behavior

Akram U et al.,(2016) elaborates different causes of impulsive buying decision of which one them is in-store environment and promotional that attracts the customer toward the product purchase without preplanning .According to Mirabi and Khazaei, (2015) the in-store atmosphere impacts customer impulsive buying behavior. M. Angelou and J. Wirtz (2013) define that in-store environment, lighting design and product assortment impacts impulsive buying decision of the buyer.

H1: In store Environment has significant impact on Impulsive buying behavior

2.2. Price Reduction on Impulsive Buying Behavior

Blackwell et al (2001) examines price reduction attracts the customer to preplanned purchasing decision process . Priti Salvi (2013) claimed that the off price scheme strategies also attract customer toward impulsive buying behavior .Most of visitor visiting the cosmetic store with reasonable price strategy also impacts unplanned decision of the buyers. Soni Neha et al (2013) found price reduction offer plays significant role in impulsive buying behavior. Li et al (2007) concluded that price discount speed up sale because planned and unplanned both customer involved in the buying process

H2: Price reduction has significant impact on Impulsive buying behavior

2.3. Conceptual Framework

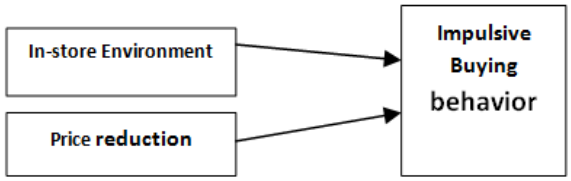


Fig 1.Conceptual Model – In-store environment, price reduction and IBB

2.4. Research Design

According to the hypothesis testing research design by sekran 92005) the nature of research is quantitative in nature. This research study follows and establishes the cause and effect of the relationship. Due to the nature of variables association, this study follows causal-hypothetical model.

2.4.1. Data collection and Analysis

In order to collect primary data survey questionnaire was used. The source of secondary data was from books, journals, websites, publications and literature in order to compare and analyze it with primary data. The relationship between price reduction, in-store environment and impulsive buying behavior is analyzed using cross sectional survey design.

2.4.2. Population and sample Technique

The study is conducted at cosmetic stores of Kohat and Peshawar. The participants are the customers of these store. According to Sekran (2004) the social research sample size from 50-500 is considered acceptable. The target for the collection of data was customer of these stores. The data will be collect from a total of 350 customers. The population of the study is the cosmetic store from Kohat and Peshawar city of KPK Province Pakistan. The Non probability type connivance sampling For the purpose of this research we use the sample technique of technique is used for this research

2.4.3. Instrumentation

For a recent study to collect the data a valid questionnaire is used. The questioner was adopted to achieve the objective of this study. The 2 Independent variables (in-store environment and price reduction) was measured through Dependent variable (impulsive). A five-point Likert-type scale will be used to capture all the items other than the demographics. The first section of questioner will collect demographic information of employees.

2.4.5. Measures

Part 1: In-store environment and price reduction source by J. Baker, D. Grewal and A. Parasuraman

Part II : Impulse Buying Behavior: Fisher and Rook evolved the scale of IBB to measure IBB used in this study.

2.4.6. Data Analysis Tools

The statistical tool used in this research is SPSS. For data analysis to have meaningful outcomes reliability test, regression and correlation has been applied. Data from questionnaires has been analyzed for finding out accurate and exact results. It is made ensure that the data entered in SPSS is confidential.

III. RESULTS AND DISCUSSION

3.1. Response Rate

Three hundred fifty questionnaires were distributed among the customers of Kohat and Peshawar cosmetic stores. The duration of conducting survey was approximately three month from mid of February till mid of May 2017. A total of 300 responses returned as shown in Table 3.1 that yields the response rate (valid) to 300 percent.

TABLE 3.1
SAMPLE STUDY RESPONSE RATE

Questionnaire response	Frequency	Rate
Number of questionnaires distributed	350	300.00
Returned questionnaires	300	85.71
Usable questionnaire	50	16.66

Before running regression analysis the following steps were followed

1. Reliability
2. Data preparation and screening

a) Missing data
b) Testing of Normality
c) Testing of Multi-co linearity
d) Testing of Linearity
e) Detection of Outliners

The assumptions like linearity, multicollinearity, normality of multi regression were fulfilled. The values of tolerance and IF were found within the acceptable range having normal distribution of the data.

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3.2. Reliability

In order to measure internal consistency among variable a reliability test is performed as shown in Table 3.2.

Table 3.2 shows show the reliability of three variables i.e. 3 items of in-store environment, 2 items of price reduction, 4 impulsive buying behaviors. The values of reliabilities are 0.811, 0.687 and 0.784 respectively. The internal consistency reliability measure considered good justified from the values shown in Table 3.2 that are in the acceptable range.

Table 3.2.

Reliability

Variables	Items	Cronbrach's Alpha
ISE	3	.811
PR	2	.687
IBB	4	.784

The reliability values less than 0.05 is considered to be poor according to Sekran (1995) and are considered good and acceptable if are between 0.60 and 0.70 which is acceptable range of reliability

3.3. Categorical variable

A Categorical variable is a variable that can take on one of a limited, and usually fixed, number of possible values, assigning each individual or other unit of observation to a particular group or nominal category on the basis of some qualitative property.

Table 3.3.

		Frequency	%	Valid %	Cum.%
Valid	male	61	20.3	20.3	20.3
	female	239	79.7	79.7	100.0
	Total	300	100.0	100.0	

The table 3.3 shown above states descriptive statistics for categorical variables with 61 males (20.3 %) and 239 female (79.9 %) in the sample giving a total 300 respondent.

The percentage of 70 customer from the age range between 25 and 30 is 23.3, 179 customers with age range 30 to 35 having percentage 59.7 and 51 customer from age group between 35 and 40 having percentage 17.0 with total sample of the respondent equals 300 shown below.

The table shown above with 109 customer's income level between 25000-50000 that is 36.3 percent, 91 customer with income level between 50000-75000 that is 30.3 percent and 100 customers have income level above 75000 with percentage of 33.3 in a sample of 300 respondent.

The table 3.4 shown below with 109 customer's income level between 25000-50000 that is 36.3 percent, 91 customer with income level between 50000-75000 that is 30.3 percent and 100 customers have income level above 75000 with percentage of 33.3 in a sample of 300 respondent.

Table 3.4.
Income level

		Frequency	%	Valid %	Cum. %
Valid	25000-50000	109	36.3	36.3	36.3
	50000-75000	91	30.3	30.3	66.7
	75000 Or above	100	33.3	33.3	100.0
	Total	300	100.0	100.0	

3.4. Descriptive Statistic

The main feature of a collection of data with mean and standard deviation values are shown in the table 3.5

Table 3.5.

Descriptive Statistics

	N	Min	Max	Mean	Std. Dev
In-store environment	300	4.00	5.00	4.4700	.39814
Price Reduction	300	4.00	5.00	4.3250	.40714
Impulsive buying behavior	300	4.00	5.00	4.4283	.34132
Valid N	300				

The table 3.5 describes the descriptive statistics of the main features of data collection. The output shows that the variable in-store environment ,price reduction and impulsive buying behavior have mean values as 4.4700, 4.3250, 4.4283 and standard deviation values as 0.39814, 0.40714 and 0.34132,.

3.5. Correlation Analysis

This analysis helps to explain the direction and strength of variables to define relationship (linear) between variables.

Regression Analysis

H_1: In-store environment has significant impact on impulsive buying behavior

Table 3.6

R	R Square	F	P	B T
.826	.682	641.725	.000	.692 21.145

a. Predictors: (Constant), In-store environment
b. Dependent Variable: Impulsive Buying Behavior

The relationship (R=.826) of in-store environment variable with impulsive buying behavior is shown in table 3.6. The value of R-square shown is 69% (0.682) which is in the acceptable range of coefficient of determination that is 50 %. The model fitness value F is 641.725. The significant results with p=0.000 that justifies the in-store environment impacts on impulsive buying behavior is statistical significant (t-1.96) at critical region 21.145. Thus Hypothesis H1 is accepted.

H2: Price reduction has significant impact on impulsive buying behavior

Table 3.7.

R	R Square	F	P	B T
.826	.683	644.825	.000	. 693 25.393

a. Predictors: (Constant), Price Reduction
b. Dependent Variable: Impulsive Buying Behavior

The relationship between price reduction with impulsive buying behavior (R=.827) is shown in table 3.7. The value of R-square is 0.684 (68. 4 %) which is also in the acceptable range. The model fitness value F is 644.825. The significant result with p equal 0.000 that justifies the price reduction impact on impulsive buying behavior is significant statistically at t equals 1.96 with critical region 25.393. Thus Hypothesis H2 is also accepted.

3.6. DISCUSSION

This research was planned to evaluate the factors impacting on impulsive buying behavior of consumer in cosmetic store of Kohat and Peshawar .The study supported the hypothesis of possible significant relationship between in-store environment , price reduction and impulsive buying behavior. The study inferred that the factors like in-store environment and price reduction are the significant factors that play a vital role in triggering impulsive buying behavior of a consumer

3.7. Hypothsis Summary

Table 3.8.

Hypothesis		Results
H_1	In-store environment has significant impact on impulsive buying behavior	Accepted
H_2	Price reduction has significant impact on impulsive buying behavior	Accepted

3.8. Limitation

- The data collected from two cities of KPK region Kohat and Peshawar and targeted only the cosmetic stores of the only two cities. The results may not be generalized and applicable to all the cosmetic stores in Pakistan.
- Due to short span of the research of the present study is conducted.
- The actual phenomena from real life may not match with the present study results.

3.9. Future Implications

- This study used two factor that impact on impulsive buying behavior. However in future, research will be carried out considering other factors like product category, location of shopping malls that will further direct the research for insight..
- The demographic variables such as culture, martal status, family size and geographic location needs to be explored for this study.
- The sample size will be increased with use of structure equation model for result measurements for precision.

CONCLUSIONS

The main objective of this research was to develop conceptual framework to examine in-store

environment and price reduction impact on impulsive buying behavior of customer. This study provides the important insight into impulsive buying behavior of customers in decision making at cosmetic stores of Pakistan. This study shows that in-store environment impact has statistical positive impact on impulsive buying behavior. Similarly price reduction has also statistical positive significant impact on impulsive buying behavior which accepts both the hypothesis (H1 and H2) set for the research.

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INSTRUMENTATION

Dear respondent,
I am MS Management (Marketing) Scholar at Kohat university of science and Technology , wishing to conduct research on "Factors impacting on impulsive buying behavior at cosmetic stores". All the responses were kept confidential

Personal data

Gender

a) male b) female

Age

a) 25-30 b) 30-35 c)35-40 d) above than 40

Income

- (Rs): 25000-50000
- 50000-75000 75000 or
- above

Respondents Education

- Below Metric
- Metric
- Intermediate
- Bachelor
- Master
- Above Master

Cosmetic Store

- Molako,
- mahek walley,
- Bashire Arcade,
- Lavisha
- Wal Mart
- Humer cosmetic store

Questioners

	Statements	Strongly disagree	Disagree	Neither Agree nor disagree	Agree	Strongly agree
		1	2	3	4	5

In-store Environment

1	In-store scent motivates me for unplanned purchasing	1	2	3	4	5
2	Good music motivates me to do unplanned buying.	1	2	3	4	5
3	Do not do unplanned shopping at crowed place.	1	2	3	4	5

Price reduction

1	Low price offers motivates me for unplanned buying of cosmetic	1	2	3	4	5
2	I am a price sensitive person.	1	2	3	4	5

Impulsive Buying Behavior

1	I also buy products other than those which are on my shopping list.	1	2	3	4	5
2	Intend to buy cosmetic if I really like it irrespective that it was planned.	1	2	3	4	5
3	I have less concern behavior about the cosmetic prices	1	2	3	4	5
4	I am really unplanned customer.	1	2	3	4	5

★★★