

IMPULSE PURCHASE IS NOT EVERYTHING – EXPLORING THE OTHER SIDE OF UNPLANNED PURCHASE

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Abstract

Each of us has some say in the final purchasing decision, and we can all handle making that decision. But many of us truly grasped the complexities of the buying process. There are two types of purchases that people make: those that were planned and those that were not. The subject of planned purchases has been exhaustively catalogued and generally summarised, leaving little room for further investigation. However, this is not the case with an unplanned purchase; research into unplanned purchases are still in its infancy. The sole type of unplanned buying on which research has been conducted is the Impulse Purchase, and the notion of impulse is now highly widespread. Now that we've established that impulse is indeed the one side of Unplanned Purchase that everyone can see, let's turn our focus to the other side, which hasn't been shown yet. The study is conceptual in nature trying to shed light on the flip side of the unplanned purchase.

Keywords: Unplanned, Rationality, Impulse Purchase, Decision Making, Conceptual Research.

THEORETICAL BACKGROUND

Customers in the present day know more than they did in the past about the state of the market. Moreover, the marketing industry is becoming more complex and difficult to navigate as time goes on. Keeping clients from defecting to rival products requires not only meeting their needs but exceeding their expectations. In order to meet or exceed customer expectations, businesses must first gain a thorough understanding of their target market's wants, needs, and decision-making processes. Customers make several choices, such as "what to purchase," "how to purchase," "when to purchase," and "how much to pay to purchase," all with the ultimate objective of making a purchase in mind. It's possible for the decision to buy something to change between a normal situation and an unforeseen one, and for the process to be different in each case.

Consumer Buying Behaviour

The term "consumer behavior" refers to the actions people take when deciding what, when, where, how, and from whom to purchase goods and services. The study of consumer behaviour entails examining the who, what, where, when, and why of product and service purchases. It makes an effort to decipher how buyers make decisions both independently and collectively. Figure 1 displays the full buying process.

Unplanned Purchase Behaviour/Impulse Purchase

Unplanned purchases are those that don't involve any sort of predetermined plan and instead arise out of the blue. Most books and articles depict unplanned buying as being as common as impulse buying. One might conclude, then, that impulse buying or impulse buying refers to the act of making a hasty, emotionally-motivated purchasing decision without first giving it much thought. In terms of logic, it is impossible to sway an impulse buy because it is fundamentally irrational (Stern, 1962). It's not just in brick-and-mortar establishments that impulse buys are common; the online shopping environment also benefits greatly from this shopping behaviour (Madhavan & Laverie, 2004). The following formula describes an impulse buy:

Impulse Purchase = Unplanned + Irrational + No involvement + No Brand Difference.

Exploring the works of authors who were bought on the spur of the moment the study's author can define what constitutes an "Impulse purchase" based on the data collected. These following written are the criteria for impulse purchase:

- 1) Irrational or Emotional
- 2) Purchase without a second thought
- 3) Unplanned decision
- 4) No brand comparisons
- 5) No involvement (Evaluations of alternative)

However, Unplanned buying behaviour is very complex in nature and holds ample scope for further and deeper research. There is a very positive relationship between the credit card (Deshpande & Krishnan, 1980) and the impulse purchase because they don't feel much as they are not losing any money in Physical form. There are so many studies already been done in impulse purchase and from the study we can identify certain factors affecting the impulse purchase:

- a) The other person involved at the time of the impulse purchase (Lee & Kacen, 2007).
- b) Personality of an individual (Sofi, 2017), (Verplanken & Herabadi, 2001) along with visual appeal, website convenience, etc. (Liu, Y.; Li, H.; and Hu, F., 2013).
- c) Recommender Agent. (Hostler, Yoon, Guo, Guimaraes, & Forgionne, 2011).
- d) Environmental and Individual Touch (Peck & Childers, 2006).
- e) Retailers (Beatty & Ferrell, 1998).
- f) In-store factor (Chaturvedi, 2010).
- g) Visual Merchandising (Patil, 2016), The Store Environment, Music, Appearance. (Raju, 2017).
- h) Mood of a purchaser (Gardener & Rook, 1998).

Almost all the works which has been done till now are the only focusing on the impulse purchase part and In most cases, it just isn't possible to spring for an impromptu buy, which may or may not be the same thing as an impulse buy.

OBJECTIVE OF THE STUDY

- i. To gather evidence of additional unplanned purchase categories
- ii. To determine the limits of possible impulse purchase controls.

METHODOLOGY OF THE STUDY

For the present study, Survey method has been used to gather the required information from the respondents on purposive basis. The study is by nature exploratory and descriptive. The study is constructed simply in the light of primary data as it were. The primary data have been gathered through personal interview and observation among the respondents from Upper-Assam. The researcher physically interacted with each of the 50 respondents (40 men and 10 women) to obtain their perspectives on the unanticipated purchase. 35 respondents to the data obtained were between the ages of 25 and 35; nine respondents were between the ages of 35 and 45; and six respondents were in the 45 and older strata. A situation has been asked to the respondents regarding the unplanned purchase which they have experienced in their lives. The questions were divided into two parts where one part deals with the close ended questions where second part is situation based open-ended and the personal experience of the candidate is also taken into consideration. A pilot research was conducted, and the questionnaire were pretested on such a small sample (n=5) to confirm that the sample was representative and that the questionnaire was reliable. There were no restrictions based on demographic factors such as age, gender, geography, or belief system. In order to eliminate any possible discrepancies in respondents' capacity to pay and rationale for making speculative purchases across income levels, only individuals with monthly incomes above 20,000 were selected as respondents. The collected data is analyzed descriptively by analyzing the situations in explanatory way which has been collected by the respondents.

DATA ANALYSIS

There are certain basic close ended questions which were asked to build a general understanding about the unplanned purchase and whether the respondents also find themselves in these situation or not. The researcher helps the respondents to understand the concept so that they don't confused in answering the questions. While asking about the existence of unplanned purchase in respondent's life, 100 % respondents agreed that at one time or another they found themselves in an unplanned purchase decision. Majority of the respondents i.e. 90% said that they act very rationally while being in an unplanned whereas the rest 10% act irrationally. As most of the respondents i.e., 86% also agreed that they do not save money for anything unplanned specifically whereas rest 14% said they saved money for such unplanned expenses. Asking about the time of this unplanned purchases in a month, most of the respondents i.e.82% said that it happens very random and can't predict the timing whereas 12% of the respondents said that it tend to happens in the beginning of the month. Among the rest 4 % said that unplanned purchase happens in the middle of the month and the final 2% said it happens at the end of the month. After asking some close ended questions, the respondents were asked to share some of the situations which they have faced in their life. The researchers helpthe

respondents by giving his own experience regarding unplanned purchase and ask if they also caught in such familiar situations or not. Apart from giving the researchers experience the respondents are also asked to share their experience in this situation and how they handle these situations.

Anecdote collected by the respondents:

(a) On previous month, I was driving my car to office and I meet with a small accident. Now that day I adjusted without the car and reached office one hour late. But I cannot be late everyday so I have to repair my car so that I can reach my office in time. As I have saved for such expenses obviously it was very difficult for me to manage.

Analysis: In this situation the respondents said that he had gone to the workshop which he knows because the expense was not very big so he can't go for the insurance policy. Going to random workshop may charge higher prices and there is no guarantee of their work. Now the respondents said that he never saved money for such expenses which he can't predict. So he had cut some other expenses to get his car repaired.

(b) I am working in an office and in previous month I was assigned a project and the work was half done but on the next day suddenly my laptop gets damaged. Now I need that laptop to complete the task given to me as all the files are in that laptop only.

Analysis: This situation is very unique as the person would have borrowed his friend's laptop to complete his project but as the files is in his laptop only, so he has to repair the laptop in order to complete the task in time. Now the respondent said that this type of expenses are very rare and can hardly be predicted so saving money for this type of expenses are not that important. The respondents cut some money from the entertainment fund which he saved, so that he can solve the immediate problem which is to repair the laptop.

(c) I have purchased two tickets of a cultural event due to social pressure where I have no interest at all. The purchase is purely unplanned, but now as I have purchased I will attend just to be social with others sacrificing the satisfaction of my own.

Analysis: Whatever we purchase all the time the purchase is not of our choice but the environment nudges us to do so. The above example is perfect where a lady had purchased two tickets of a cultural event not because which wants to join but because of the social pressure from the friends and colleagues. She could have skipped the event but being in that type of environment she ended up attending the event with least interest. Now while asking about the monetary part she said that she never saved money for such an event and she had to withdraw some money from her savings account which she supposed to use for purchasing a home appliance.

(d) I was travelling from Dibrugarh to Sivasagar by bus in the early morning and I had to pay ₹80 to the bus conductor as fare but I have a note of ₹500 only and unfortunately the conductor too has no change; so for the sake of change I have purchased a 1ltr "Mazza (A mango juice)" which cost me ₹60 because below 60 I will not get the change.

Analysis: The above situation is very common in India, where we it is very difficult to get

changes of 500 and 2000 rupees note. So in the above situation the respondent was travelling in the morning a fair distance of 90 K.M. and while at the time of payment the conductor of the bus was start arguing that you should bought some changes, we don't have the change. The respondent gets annoyed and quickly went to the nearby shop and purchase a soft drink of rupees 60 and she get the change of 500 and then she paid rupees 120 (which was the fair) money to the bus conductor. The respondent said that he has no interest in purchasing anything that time but given no option that 60 rupees goes in vain.

(e) Once I travelling to Guwahati from Tinsukia by my bike (Royal Enfield) and suddenly on the way I get some problem in the bike and somehow I had managed to reach a garage to sort out the problem. The problem had occurred due to shortage of engine oil in my bike. I always use synthetic engine oil (designed for royal Enfield only) for long life of engine but that oil is not available in the garage. So I had decided to use a normal engine oil which is the only option available in the garage.

Analysis: Bikers are always an attractive personality as the travel big distances form their bikes only. Now in the above situation the respondent got some trouble with his engine oil and he had Royal Enfield (it shows machoism and considered one of the classy bikes in India). Royal Field has a different engine oil ass compared to the other bikes. But in the garage where the respondent took his Bike, had no such engine oil. The garage had only the normal engine oil. There is no such garage nearby so the rider had to manage with the normal engine oil but interestingly the respondent said that he again changed the engine oil and put the Royal Enfield engine oil when he reached is destination. The respondent said that he never thought of such situation and that money was wasted for him.

(f) Once our house was totally destroyed by a storm and we are not prepared for that. We never plan such strong storm; no one can but that day it happens. We never saved any money for this type expenses but although as it already happened, now we have to act very rationally because we have a limited savings and somehow we managed.

Analysis: No one can predict a natural disaster, it just happens. The respondent shared a very interesting scenario where a strong storm destroyed their house. The respondent said that he never saved anything for such expenses but at that time he had to act very rationally as he had very limited income. The respondents said that he managed that incident and rebuilt the house by taking money from his relatives and friends. Asking about the any incident they can recall on an unplanned purchase, most of the respondents have faced such situations but stating all the situation may not necessary so only few selected sample anecdotes have been shown. The respondents agreed to the situation and said that although they save money in terms of saving but that saving they do is again for a specific purpose. Some respondents say that they save for purchasing a car, some save to buy home appliances and the thing which is almost very common that most of the respondents save for a specific purpose. They hardly save for the contingent kind of a situation and because of that when this situation arrives, the respondents find themselves in big trouble. Some respondents also said they tend to took loan form their friends and peers to get out of that situation.

CONCLUSION

There are two distinct sorts of decision-making: those that are deliberate and those that are spur of the moment. The focus in this paper is on impulsive buying decisions, and the author notes that there is no differentiation between the many types of impulsive buying, with all of them being summed up under the umbrella term "impulse purchase." However, after considering the aforementioned experiences and reading various literatures on impulse purchasing, it is clear that there is more to the phenomenon than meets the eye. Academics and marketers alike need to investigate new ways of classifying consumer behaviour lest unexpected purchases be equated with impulse buys.

Figure 2 is a helpful matrix that allows us to focus on the two most crucial aspects of the planned versus unplanned purchase.

In the matrix shown in figure 2 the green boxes:

(i) Planned + Rational = These are the kinds of purchases that individuals give careful thought to and make with their heads rather than their hearts. Decisions to buy in this way are typically:

(a) Complex Purchase: Consumers who exhibit this pattern of shopping tend to be open to trying out novel products but are unsure on how to evaluate their quality. As this is a very individualised and intricate choice, customers here tend to collect as much relevant information as they can. This is the most difficult kind of choice to make. Buying a new laptop to replace your old one is only one example of a possible source of motivation. You may be familiar with several brands like Samsung, Lenovo, Iphone, Acer, Asus, and so on, but you still require definite brand concepts. You have no idea how to get a good laptop because you have no idea what features or benefits to look for. So here the purchase is complex and an extensive problem solving. We can characterize complex purchase by the accompanying formulae: -

Complex Purchase = Planned + Rational + High Involvement + Significant Brand Difference.

(b) Dissonance Reducing: In this sort of purchasing behaviour, the consumer knows about the product and different brands accessible, Consumer get involved into purchase however have no settled brand preferences. The consumer might want to accumulate extra data about the brands to touch base at his brand decision. For example, a housewife purchases refined vegetable oils for her cooking and she might be comfortable with the idea of vegetable oil, vanaspati and ghee. She may likewise realize that Dhara, Dalda and Sundrop are a portion of the main brands accessible. Be that as it may, to set up her decision of brand, she might want to check with her companions and regular store about the properties of each. This buying behaviour is depicted as limited problem solving in light of the fact that the purchasers are in a circumstance where they are completely aware of the product class however not comfortable with every one of the brands and their highlights. We can characterize this purchase by the accompanying formulae: -

Disharmony Reducing = Planned + Rational + High Involvement + Few Brand Difference

(c) **Variety Seeking Purchase:** The buyer isn't actively engaged in this type of purchasing behavior, but there are still significant differences between the brands. In variety seeking, the cost of switching starting with one product then onto the next is low and this is the motivation behind why a considerable lot of the occasions out of fatigue, boredom, attempting to analyze something new and just to try something different, buyers tend to change their brands. This is regularly found on account of sweets, breakfast oats and soft drinks.

Variety Seeking = Planned + Rational + Low involvement + Significant Brand Difference.

(ii) **Unplanned + Irrational** = Those purchase decisions where people generally do not plan and they act irrationally while taking the decision falls under this category. These purchase are generally called impulse purchase. Those purchase decisions where nothing is fixed in advance and it happens all of a sudden can be termed as unplanned purchase. In most of the books and literature the unplanned purchase behaviour is shown at par with the impulse purchase. So it can be said that an **impulse purchase** or **impulse** buying is an unplanned decision to **buy** a product or service, made just before a **purchase** without a second thought backed by emotions. Impulse purchase can be described by the following equation:

Impulse Purchase = Unplanned + Irrational + No involvement + No Brand Difference.

In the above matrix, the Red boxes:

(i) **Planned + Irrational** = This research does not consider well-thought-out purchases, as consumers are typically illogical right before making a purchase. In any case, the existence of such purchasing decisions seems plausible in general, thus there is room to investigate their occurrence.

(ii) **Unplanned + Rational** = The present study focuses on these type of purchase decisions where people generally do not plan but act very rationally while being the purchase situations. This type of decisions are very practical and the present study also focuses in these type of purchases (The anecdotes given in page number 8 are perfect example of this type of purchases)

Since the present research is limited to the impromptu phase of the decision-making process, the aforementioned analysis suggests that the unexpected purchase may involve a new type of decision-making that is distinct from of the impulse purchase. In that case, it will be easier for academics to classify impulse buys and put limits on how often people make them.

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Figure 1: Categorization of Purchase Decision

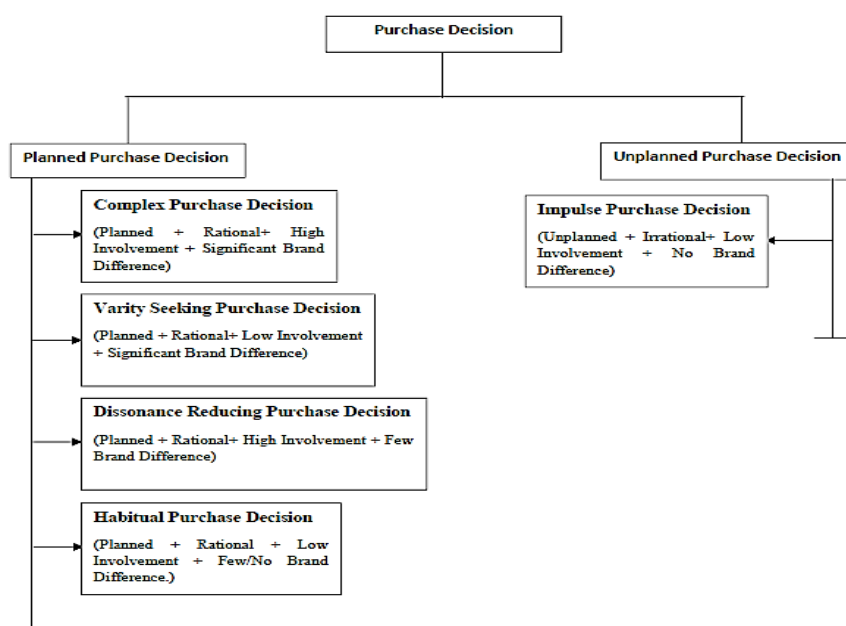


Figure 2: Planned-Unplanned Matrix

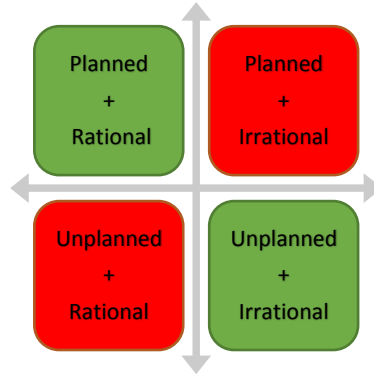


Table 1: Question asked regarding the background of the theory

SI. NO.	Questions Asked	Responses
01	Have you ever been involved in a purchase which is unplanned in nature?	Yes (100%)
		No (Nil)
02	How you tackled the situation?	Rationally (90 %)
		Irrationally (10%)
03	Do you save money for the unplanned purchase which is unavoidable?	Yes (14%)
		No (86%)
04	When did you think this purchases tend to happen in a month?	Beginning (12%)
		Middle (4%)
		End (2%)
		Random (82%)