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Gender effects on impulse buying behavior

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1. Introduction

Gaurav Chaddha is a recent engineering graduate living in the outskirts of Delhi. His father, Mr Khushwant Chaddha runs a mid-sized textile mill in the area. Mr Chaddha has been running the mill for the last 30 years. Before the economic liberalization of India in 1991, he used to sell his produce using mainly two business models. First, by directly supplying to clothes' shops from where people would buy his fabric based on their requirements and getting them stitched by their local tailors into desired apparels. The other model involved selling ready to consume unbranded apparel to those same shops. However, post liberalization, things have changed with the entry of global apparel brands and the rise of home grown brands. Today, his mill serves merely as a cheap supplier of apparels to some of these brands, which then sell his apparels at exorbitant rates after putting their respective labels on them (rebranding). This has left the mill with no competitive advantage in a constantly evolving marketplace which has rendered the business untenable. After many year-on-year declines, it has now become unprofitable. It is evident that their business is nearing its endgame and if the Chaddhas do not switch to a new business model, it will not be long before it shuts down. Gaurav thinks he can turn around the fate of his family business by jumping into the branded apparel business, which will open up a new revenue stream. His father has the capital to venture into such a business; however, both of them are skeptical about the dynamics of the business. Gaurav recently read in the *New York Post* that nine out of ten shoppers in the USA are impulse purchasers. A research paper he looked at suggests that unplanned purchases can account for 27-62 per cent of total purchases in a department store set up (Bellenger *et al.*, 1978). Because, the father-son duo has already been in the apparel business for a long time, they know a lot about the supply chain and distribution aspects of the business. However, considering the fact that impulse buying can bring money in disproportionate amounts, Gaurav decides what any person with a good business acumen would do. He wants to carry out market research first to understand impulse buying behavior and the role gender can play in it. Can he engineer an about turn in the ailing family business? Can he decode the buying behavior of impulse shoppers so as to lure them into buying his new line of branded apparels?

2. Rise of branded apparels

According to a recent Technopak study, the Indian retail market is worth US$490 bn and is expected to reach US$865 bn by 2023. The apparel industry constitutes 8 per cent of the retail market, thus, valuing itself at roughly US$40 bn. This makes it the second largest retail category after food and grocery retailing. Given its vast untapped market potential, India is tipped to become a dominant consumption driven market as this sector clocks double digit annual growth in the years to come (Tyagi and Rani, 2015).

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However, it is to be noted that things were not as they are until very recently. Fashion and design elements were not incorporated into mainstream wear in pre-1991 India. As economic policies took off, a plethora of international brands started entering the Indian marketplace. At the same time, home grown brands like Van Heusen, Louis Philippe, Allen Solly, Peter England, etc., began making inroads into the branded apparel space. In recent years, big players in organized retailing have also leveraged this opportunity to up their game and this has led to the rise of retail chains such as Westside (Tata), Shoppers Stop (Raheja), Pantaloons (Biyani), etc. The marketplace is expected to get more cluttered with the easing of Foreign Direct Investment (FDI) norms.

Of the entire ready-to-wear apparel market, men's wear account for 42 per cent, women's wear 38 per cent and kids' wear 20 per cent, as per another Technopak study. Western and Indo-western apparels dictate the demand and the rise in the number of professional women has been a major contributing factor.
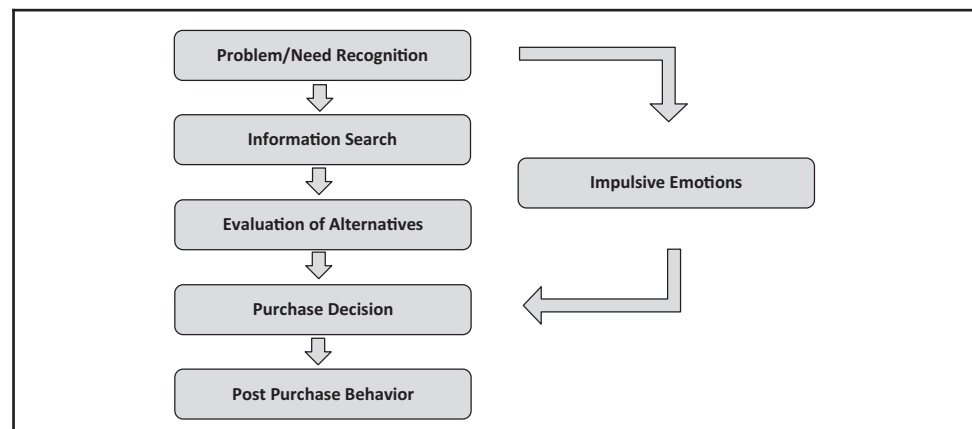
3. Impulse buying

Ever wondered why those soft drink cans are kept near the check-out desks in shopping areas? Or those boxes of chocolates? Or maybe those pairs of colorful socks? Yeah, right. They are triggers aimed at adding some weight to one's shopping bags and by extension, their bills! As visible as they may seem, there are many other ways in which we are lured into digging deep in to our pockets.

Simply put, impulse buying implies unplanned buying – a purchase made without any advance planning (Stern, 1962). Over the years, researchers have constructed models to study the situational and individual difference variables that go into shaping impulse buying behavior (Beatty and Ferrell, 1998). Generally speaking, an impulse purchase involves three stages of thinking – a subjective experience before the buying impulse, accommodation of the urge to buy and consequences incurred because of the decision to buy (Rook, 1987). The moment a consumer's mind strikes a chord with a particular product, a string of emotions is generated and this has piqued the interest of academia for long (Burroughs, 1996; Piron, 1993; Rook and Hoch, 1985).

A typical purchase decision consists of five stages, namely problem/need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior (Engel *et al.*, 1968). However, when it comes to impulse buying, intermediate stages are skipped and the first stage is immediately followed by the penultimate stage, that is, purchase decision. This has been illustrated in Figure 1.

Figure 1 Engel Blackwell Kollat (EBK) model

Impulse buying has also been linked to personality traits such as lack of control, stress reaction and absorption, which can be related to internal (positive or negative feelings) and environmental/sensory cues (Youn and Faber, 2000). More commonly, shoppers with depleted self-regulatory resources feel stronger urges to buy, are willing to spend more and actually spend more under unanticipated buying situations (Vohs and Faber, 2007).

4. Factors influencing impulse buying

Although we talked about Gaurav's discovery earlier in this text that nine out of ten shoppers occasionally buy on impulse, studies conducted as early as three decades ago yielded the same results (Welles, 1986). Most consumers have at least shopped once on impulse. This behavior can be attributed to the impulsivity of emotions which overrides long term preferences in favor of short term preferences (Hirschman, 1985; Hoch and Loewenstein, 1991). This is the point where self-control is over powered and impulse buying occurs (Youn, 2000).

Primarily, there are two thinking processes which are generally responsible for impulse buying – affective and cognitive processes (Coley and Burgess, 2003). While affective processes refer to components like an irresistible urge to buy, mood changes and positive emotions about the product, cognitive processes include deliberations, unplanned buying, etc. However, these processes cannot be just attributed to factors on the consumers' side. The shopping store can do a lot to create an environment that is conducive to unplanned shopping. It has been found that environmental factors (e.g. ambience, product placement, etc.) and social factors (e.g. perceived crowding and friendliness of salespersons) go a long way in shaping impulse buying (Baker et al., 2002; Mattila and Wirtz, 2008). It is therefore also important on the part of retailers to study store image with respect to consumers' attitudes and perceptions (Assael, 1992). Such an understanding can help retailers enhance their stores' appeal to variety seeking consumers and help create a superior value for their target audience (Bloemer and De Ruyter, 1998; Hawkins et al., 2004; Jin and Kim, 2003; Yavas, 2001).

It has also been found, in the context of apparel retailing, that visual merchandising using display elements which appeal to the utilitarian and hedonic aspects of the product significantly influence buying decisions (Law et al., 2012). Findings suggest that apparel product attributes mainly consist of three factors: variety of selection, price and sensory attributes (Park et al., 2012). Good interior store design can trigger impulse purchases by lowering the psychological defenses of the consumers (Bitner, 1990; Kotler, 1973). Studies also suggest that background music could influence the pace of in-store sales and traffic flow (Milliman, 1982). More recently, similar work by researchers point toward a positive relationship between impulse buying and external cues such as window display, credit card and promotional activities (Karbasivar and Yarahmadi, 2011).

There certainly is an insurmountable defense of impulse buying. Gaurav can himself relate to situations when he went to stores to buy a specific product and came out of the stores with everything but. However, given that a lot of players are already exploiting many different sections of the apparel market, making his own way out there and getting all the elements right will be an uphill climb even with the data he is about to gather.

5. Gender and impulse buying

Gaurav sets out to do the aforementioned market research to delineate his branded apparel retailing strategy by decoding the concept of impulse buying. Using a very simple approach, he designs a questionnaire containing four sections: the first section seeks basic personal information (e.g. age, sex, etc.) from the respondents, the second one deals with the traits which define their general impulsive behavior, the next section asks the respondents to rate a list of 14 factors (see Table I), which can influence the choice of an apparel store, on a scale of 1 (least important) to 5 (most important), and the last part elicits

Table I	Factors which influence the choice of an apparel store
Identifier	*Factors*
1	Location of store
2	Parking facility
3	Music
4	Store layout
5	Cleanliness
6	Fragrance
7	Lighting
8	Product display
9	Availability of basic amenities such as washrooms, drinking water, etc.
10	Billing time
11	Loyalty points
12	Behavior of sales persons
13	Number of trial rooms
14	Availability of brands that consumers prefer

information about post purchase behavior. The bulk of respondents in Gaurav's survey belong to the age group of 25-40 years. A total of 150 responses are obtained.

Factor analysis of the data is carried out and a significance value of 0.000 is obtained which indicates the appropriateness of the sample. Variance analysis reveals that 5 out of 14 variables can explain 68 per cent of the variability meaning that the complexity of the set can be reduced significantly with 32 per cent data loss (see Table II). Gaurav also notices a sharp drop between fifth and sixth components in Scree plot and decides to carry forward the study with five components at hand.

To get an idea of what the components represent, Gaurav constructs a rotated component matrix (see Table III) to reach a list of five most important attributes that determine consumers' choice of an apparel store. These attributes are as under:

■ Product Display;

■ Loyalty Points;

■ Availability of basic amenities like washrooms, drinking water, etc;

■ Store Layout; and

■ Availability of Brands.

Gaurav then conducts analysis of variance (ANOVA) of the data to understand how males and females respond to affective and cognitive components in their impulse purchase

Table II	Variance analysis of the factors influencing the choice of an apparel store		
		Initial eigenvalues	
Component	*Total*	*% of Variance*	*Cumulative (%)*
1	3.798	27.132	27.132
2	1.963	14.021	41.153
3	1.570	11.218	52.371
4	1.185	8.462	60.833
5	1.003	7.162	67.995
6	0.840	5.998	73.993
7	0.689	4.924	78.918
8	0.645	4.608	83.526
9	0.587	4.192	87.717
10	0.482	3.445	91.162
11	0.403	2.875	94.037
12	0.319	2.277	96.314
13	0.285	2.035	98.349
14	0.231	1.651	100.000

Table III Rotated component matrix; top five attributes have been boxed

			Component		
No.	1	2	3	4	5
1	0.016	0.154	0.710	−0.019	−0.258
2	0.023	0.183	−0.011	0.615	−0.119
3	−0.001	0.319	−0.536	0.456	0.241
4	−0.104	−0.236	−0.039	0.783	0.155
5	0.299	0.192	0.374	0.492	0.306
6	0.610	0.334	−0.338	0.388	−0.019
7	0.034	0.757	0.001	0.239	0.399
8	0.254	0.796	0.175	−0.058	−0.013
9	0.181	0.015	0.006	0.184	0.790
10	0.248	0.319	−0.083	−0.187	0.625
11	0.795	−0.153	−0.206	−0.181	0.255
12	0.752	0.367	0.239	0.064	0.056
13	0.682	0.189	0.341	−0.003	0.337
14	0.026	0.078	0.729	0.070	0.379

Note: Extraction method: principal component analysis

behavior (see Table IV). There is a significant difference when it comes to making purchase decisions to manage moods; females tend to outdo males in this regard.

A similar analysis of variance is done to study post purchase behavior of the two genders *vis-à-vis* each other (see Table V). It can be said from the table that females tend to feel guilty about their purchase decisions more than men.

5. Problems

Gaurav's family business is unprofitable and he is running out of time to execute his business maneuvers. He has read how several blue chip companies have been phased out over time and how several others have restructured themselves to continue. So, keeping this in mind, how should he go about implementing his plans? What should be his priorities?

Table IV Analysis of variance (ANOVA)–impulse purchase behavior with respect to gender

Classification	Mean (males)	Mean (females)	Significant difference between males and females (at 0.1 alpha)
Affective Components			
Irresistible urge to buy	3.525	3.775	No (Sig = 0.306)
Positive buying emotion	3.335	3.7	No (Sig = 0.261)
Mood management	2.75	3.3	Yes (Sig = 0.081)
Cognitive Components			
Cognitive deliberation	2.72	2.75	No (Sig = 0.905)
Unplanned buying	3.45	3.3	No (Sig = 0.602)
Disregard for future	2.8	2.6	No (Sig = 0.565)

Table V Analysis of variance (ANOVA)–post purchase behavior with respect to gender

Post-purchase behavior	Mean (males)	Mean (females)	Significant difference between males and females? (0.1 alpha)
Should have purchased another one	3.625	3.875	No (Sig = 0.306)
Feeling of guilt	2.75	3.4	Yes (Sig = 0.091)
Feeling of regret	3.3	3.45	No (Sig = 0.602)

Gaurav is aware that impulse buying happens a lot in the case of apparels. However, there are still things that he needs to figure out before he can go ahead with the launch of his own apparel brand. After the survey, it has become evident to him that the traditional clothes' store model will make his brand disappear into oblivion. The brand needs to stand out in the marketplace to be able to carve out a niche for itself. So, what should be the design characteristics of the store? What are the major factors influencing impulse buying behavior that need to be incorporated into the store design? What kind of strategy can Gaurav use to stimulate the affective and cognitive lines of thinking of the shoppers entering the store? How does this strategy differ with respect to gender?

The collected data reflect the fact that women, in general, shop more impulsively than men. Given this scenario, Gaurav is in a dilemma as to whether he should consider launching a female only apparel line. The continued rise in the numbers of working women is a factor he is seriously taking into account. Another bottleneck decision is to decide the pricing strategy. Because Indian shoppers are known to be price sensitive, it is a real concern that a higher price point will have lower likelihood of inducing impulse purchase behavior. Will a higher price point scare the shoppers away? What could be the recourse for Gaurav in this case?

Finally, because we are talking about impulse purchases, it is expected that the choices that consumers make spot-on may not make them feel good afterward and they would likely seek a replacement. Survey results have already brought up the fact that there is a tendency to regret the buying decision among shoppers. Therefore, it is imperative on the part of the store to make the replacement process frictionless as well as ensure that the incidence of replacement is avoided in the first place. What could Gaurav do to address this concern? These are some of the critical management and strategy decisions that he has to take before his new branded apparel business gets off the ground.

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