

COMPARATIVE STUDY OF TRADITIONAL AND ONLINE IMPULSE BUYING IN PAKISTAN

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ABSTRACT

This study investigates comparative benchmarking of traditional buying with online impulse buying. Globally, online buying has become a major trend so a comparative analysis of traditional and online buying could yield quite insightful results in the context of developing countries such as Pakistan. To this end, questionnaires were filled by 200 respondents and response rate was 91 percent. Positive association has been observed between impulse buying tendency and real impulse buying for books in traditional stores. On the other hand, negative relationship has been found between impulse buying tendency and real impulse buying for books via online. Moreover, insignificant result has been found between impulse buying tendency and real impulse buying for electronic products both in traditional stores and via online. Furthermore, positive relationship has been noticed between buying tendency and real impulse buying for cosmetic products in traditional stores. On the other hand, negative association is found for cosmetic products stopping at online. In view of this, the paper sums up that in some cases and for certain products, respondents prefer online impulse buying while for other products this kind of buying is not a preferred mode.

Keywords: Impulse buying, traditional stores, online buying, cosmetic stuffs.

INTRODUCTION

Impulse buying is a sudden and spontaneous decision to act in a particular way to purchase products. It is argued that product acts as a stimulus in impulse buying. Therefore displaying of products has got increasing importance for the sale of shopping products. According to Kotler (1973), impulse buying depends on the marketer's ecological control during a store's environment. In the contemporary world, the trend of online shopping is also increasing day by day. It is argued that internet is widely used for shopping purposes (Ramus and Nielsen, 2005). However, there is a growing debate among researchers and academicians that whether traditional or online shopping contribute to impulse buying. Various studies have been conducted on this particular issue such as studies conducted by Ferrell (1998), Hosh and Loewenstein (1991) and Rook and Fisher (1995) in western countries such as United Kingdom, Germany, France and America. However, there is dearth of literature regarding this issue in the context of Pakistan. Therefore, there is a considerable gap in the existing literature. This study is an attempt to compare traditional buying with online impulse buying in order to find out that which method (traditional or online) is appropriate for impulse buying. The research would identify the appropriate methods for impulse buying behavior and will contribute to the limited literature in this area in the specific context of Pakistan.

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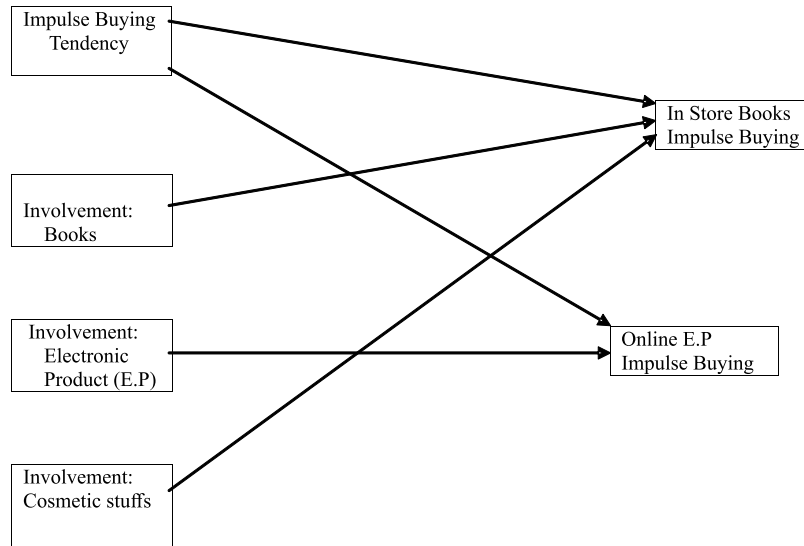
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LITERATURE REVIEW

Internet plays a vital role as a retailing channel. In developing countries such as Pakistan, internet facility is available in all major cities. Online shopping volume is increasing gradually. It has been stated that online retailing is 13 percent and 65 percent in total retail sale in U.S and Taiwan respectively. In recent years, the focus of researchers has changed from traditional impulse buying to online impulse buying. According to Beatty and Ferrell (1998), products themselves are significant stimuli in buyers' behavior and affect instinct in impulse buying. Some products reflect self identity like clothing and music and are bought on impulse while others are functional goods which are rarely least bought on impulse. In the words of Hosh and Loewenstein (1991), those products in which consumers are highly involved will be bought based on appeal to impulses. Internet provides rich information about the product specification and other relevant information just in one click, but products cannot be checked and inspected closely in online shopping (Eroglu and Machleit, 1993). Impulsive purchasing inclinations are changing and changing tendency of consumers affect authentic impulse buying behavior (Rook and Fisher, 1995). Researchers struggle to discover a superior description for impulse purchase. Managerial studies on impulse buying focused on consumer-decisions buying after they entered the store. In order to assist marketing strategies researchers emphasized the categorization of consumer products into impulse and non-impulse goods. The chief drawback of managerial studies research is unplanned buying and impulse buying (Bellenger et al, 1978; Cobb and Hoyer, 1986; Kollat and Willett, 1967; Stern, 1962). To overcome this deficiency, some researchers focused on the psychological states. Impulse purchasing involves a sudden and spontaneous urge or desire to act in a particular way and the impulsiveness to purchase products can throw a consumer into a state of psychological disequilibrium (Rook and Fische, 1995). Impulse buying behavior (IBB) studies attracted the attention of academics and practitioners the world over. Stern (1962) describes four types of impulse purchase consisting of pure, reminder, suggestive and planned impulse purchases. Kotler (1973) states that impulse buying motivation can be the marketer's ecological control during a store's environment. Some researchers suggest that product act as stimulus, as in the capability of the purchaser to individually practice a product on a multi-sensory basis (Sawyer et al, 1997; Rosen & Howard, 2000). Ramus and Nielsen (2005) carried out a study of a particular sector and concluded that some customers use internet to buy food stuffs and some do not do so. The same study was conducted in 2002 that reveal that online shop did not contribute in impulse buying as benchmark to offline shop. The customer intended to buy stuffs online. In addition, Ramus and Nielsen (2005) further argued that the internet offers potential opportunities to purchase in the solitude of individual home, which has its own pros and cons. In this age of modernization, social standards have led to a culture of string-pulling the appearance of 'impulse' buying (Wood, 1998). Some stimuli can diminish self-control methodology, and restrict or decrease the power of clients to oppose the enticement to connect in instant satisfaction (Kappas, 2002). Impulse buying could affect other parameters such as financial reward, belongings, covetousness, immediate pleasure, post-purchase disagreement and self-exploration (Durgee and Oconnor, 1995)

THEORY FRAMEWORK AND HYPOTHESES



H1: Purchases of books in traditional store are more likely to be impulsive.

H2: Purchases of electronic Products through online are likely to be impulsive.

H3: Purchases of cosmetic stuffs in traditional store are likely to be impulsive.

RESEARCH METHODOLOGY

Questionnaire was distributed among the various students of BS (Hons) and MS level in the department of Management Sciences, Computer Sciences, Natural Sciences and Social Sciences of five different universities and colleges in Khyber PakhtunKhwa Pakistan. A number of 220 students were selected for data collection among them 200 students filled and returned the questionnaires. In this regards response rate of the respondents remained 91 percent.

RESULTS

As mentioned in Table 1, respondents were selected at the ratio of seventy percent (70 %) male and thirty percent (30%) female. Seventy-three percent (73%) of the respondents were selected from age 20 to 25, twenty percent from age 25 to 30 and 7 percent from age 30 to 35. Similarly, the ratio of the respondents in various disciplines such as social sciences, natural sciences, management sciences and computer sciences was calculated as 28, 15, 29, and 28 percent respectively in which 86 percent students were belongs to BS level and the remaining 14 percent were from MS level. Among these students computer was in use of ninety five (95%) percent students. The remaining 5 percent students did not know how to use computer. Eighty percent students were the daily users of the internet and the remaining 20 percent of the students did know how to use it.

As is evident in Table 7, positive association has been observed between impulse buying tendency and real impulse buying for books in traditional stores. On the other hand, negative relationship has been found and impulse buying tendency and real impulse buying for books via online. Therefore, H1 is accepted ($H_2 < 0.05$).

Table 8 presents the regression result of Impulse Buying of Electronic Products in Traditional Stores and Impulse Buying of Electronic Products via online. Buying 3 indicates impulse buying behavior of electronic products in stores whereas buying 4 reveals impulse buying behavior of electronic products via online. As can be seen in table 8, the insignificant result has been found between impulse buying tendency and real impulse buying for electronic products both in traditional stores and via online. Hence, H2 is rejected ($H_2 > 0.05$).

Table 9 exhibits the regression result of impulse buying of cosmetic products in traditional stores and impulse buying of cosmetic products via online. Buying 5 represents impulse buying cosmetic products and buying 6 is impulse buying cosmetic products via online. The regression results reported in Table 9 shows that there is positive relationship between buying tendency and real impulse buying for cosmetic products in traditional stores. On the other hand, negative association is found for cosmetic products stopping at online. Therefore, H3 are accepted ($p\text{-value} < 0.05$).

CONCLUSION

Based on our overall findings and analysis, the study concludes that ninety five percent students were using computer and were aware of its various functions and only 5 percent of the respondents did not know how to use a computer. Eighty percent students were using internet on daily basis while the remaining 20 percent did know the use of internet. Positive association has been observed between impulse buying tendency and real impulse buying for books in traditional stores. On the other hand, negative relationship has been found and impulse buying tendency and real impulse buying for books via online. Insignificant result has been found between impulse buying tendency and real impulse buying for electronic products both in traditional stores and via online. Positive relationship has been noticed between buying tendency and real impulse buying for cosmetic products in traditional stores. On the other hand, negative association is found for cosmetic products stopping at online. Based on our overall finding and analysis, it can be summed up that online impulse buying is gaining momentum in case of certain products but in some cases it is still not a preferred mode of buying.

Table 1: Gender of the Respondents

Gender	Frequency	Percentage
Male	140	70
Female	60	30
Total	200	100

Table 2: Age of the Respondents

Age	Frequency	Percentage
20-----25 Years	145	73
25-----30 Years	40	20
30-----35 Years	15	07
Total	200	100

Table 3: Area of Specialization of the Respondents

Specialization	Frequency	Percentage
Social Sciences	55	28
Natural Sciences	30	15
Mgt Sciences	58	29
Computer Sciences	57	28
Total	200	100

Table 4: Educational level of the Respondents

Degree level	Frequency	Percentage
BS (Hons) 16 years edu.	172	86
MS 18 Year Edu.	28	14
Total	200	100

Table 5. Computer Users Ratio

Computer Users	Frequency	Percentage
Computer Users	190	95
Non- Computer Users	10	05
Total	200	100

Table 6. Internet Users Ratio

Internet Users	Frequency	Percentage
Internet Users	160	80
Non- Internet Users	40	20
Total	200	100

Table 7: Regression Result

Variables	Buying 1 Impulse Buying of Books In Traditional Stores			Buying 2 Impulse Buying of Books Online		
	Coefficient	t-value	p-value	Coefficient	t-value	p-value
Impl.	0.7650	4.034	0.020	0.023	0.215	0.230
Invl.	0.4320	9.982	0.000	0.653	1.095	0.650
Ipml.*invl	0.8510	7.985	0.030	0.872	0.963	0.370

Table 8: Regression Result

Variables	Buying 4 Impulse Buying of Electronic Products in Traditional Stores			Buying 5 Impulse Buying of Electronic Products Online		
	Coefficient	t-value	p-value	Coefficient	t-value	p-value
Impl.	0.9640	0.7650	0.350	0.984	0.340	0.230
Invl.	1.5320	0.3470	0.210	0.583	0.760	0.100
Ipml.*invl	0.7410	0.8760	0.160	1.973	0.280	0.150

Table 9: Regression Result

Variables	Buying 5 Impulse Buying of Cosmetic Products In Traditional Stores			Buying 6 Impulse Buying of Cosmetic Products Online		
	Coefficient	t-value	p-value	Coefficient	t-value	p-value
Impl.	0.903	4.981	0.000	-0.095	-1.042	0.196
Invl.	0.861	6.092	0.010	0.896	0.952	0.120
Ipml.*invl	0.694	12.601	0.000	-0.487	-1.103	0.430

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