# Do consumers buy impulsively more often in mobile shopping than in store?

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# Attestation of Authorship

"I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning."

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# Ethical Approval

Ethics approval from the Auckland University of Technology Ethics Committee (AUTEC) was granted on 16<sup>th</sup> February 2016, for a period of three years until 16<sup>th</sup> February 2019. The AUTEC ethics application number is 16/39. Information regarding ethics approval can be found in the appendix.

#### **Abstract**

Impulse buying is shown in the literature as a fast experience that occurs quickly, often with little thought on the part of the shopper. It tends to involve grabbing a product on the go rather than taking time to choose one. This form of behaviour is more spontaneous and can be perceived as "bad" (Rook, 1986). Consumer motivation refers to the process that may cause an individual to act, or behave the way they do. Motivations such as price discounts and emotional states of the individual are key factors that trigger impulse buying behaviour. Prior research has primarily focused on investigating brick-and-mortar or mobile impulse buying behaviour. However, what happens when consumers encounter opportunities to shop without planning via fast developing mobile shopping settings? There is a gap in understanding the similarities and differences of both settings and their ultimate impact on purchase behaviour. Hence, this research is aimed to differentiate consumer behaviour in the two settings.

This research focuses on identifying the similarities and differences in consumer motivation for impulse purchase between in-store and mobile shopping settings. It is also aimed at investigating whether consumers who have higher impulse buying tendency respond differently to purchase options between the two settings. Psychological variables such as materialism, time and money available, and immediate positive feelings are potential moderators of the relationship between consumer impulse purchase behaviour and the two settings.

In this thesis, 130 participants who had recently made a purchase were recruited in a public square to complete one of two versions of a questionnaire, either (a) in-store version, or (b) mobile version. Sixty-five copies of version one and sixty-five copies of version two of the questionnaire were collected to identify possible relationships in these two shopping settings. Measurement of impulse purchases is the dichotomous variable of 'intent to buy'. If participants state that they had no intention of buying the product, then it is considered as an impulse purchase.

Logistic regression and moderation analysis was performed to examine rates of self-reported impulse shopping for recent purchases via mobile versus in-store. Results indicate that consumer impulse purchase behaviours are more frequent in the mobile setting, as compared to in-store. The study further examined whether variables such as time availability, money availability, materialism, and positive mood impact this main effect. Hypothesis 2a aimed to

look at whether time availability impacted impulse buying behaviour in the mobile setting. Time availability refers to how much time the individual has available on a particular shopping trip. Results indicate that there is no significant relationship between the variables, and thus, the heightened impact of the mobile setting on impulse purchases was not moderated by time availability. Hypothesis 2b examined whether money availability impacted participants' impulse buying behaviour in the mobile setting. Money availability is recognised as how much money the consumer may have available. This hypothesis gave mixed findings. Therefore, money availability may marginally impact consumer's intent to purchase in the mobile setting. Hypothesis 2c looked at whether materialistic consumers tend to impulse purchase more in mobile setting. It is shown in the literature that consumers who are more materialistic tend to impulse purchase more (Watson, 2003). Results indicate that when shopping via mobile, low materialists are less likely to impulse purchase with purchase reason as the dependent variable. Hence, Hypothesis 2c is partially supported through a marginally significant result. Hypothesis 2d theorises that consumers who have more positive feelings in a purchase situation have a higher tendency to impulse purchase more via mobile. Past literature has speculated that consumers experiencing negative emotions such as feeling depressed or frustrated have a higher tendency to impulse purchase online due to the speed and ease of making a purchase (Kinney, Ridgway and Monroe, 2009). This hypothesis was again not supported, as analyses showed it is not significant.

In conclusion, these findings indicate that there is opportunity for future research to better understand the motivations for impulse buying behaviour in two key shopping settings: Instore and via mobile device. Results show that consumers' impulse buying behaviour is more frequent in the mobile setting. Although some of the hypotheses are not supported and contradict extant marketing literature, the research is still beneficial to practitioners and to researchers seeking to understand consumer motivations. Possible implications for future research can include sampling a different population, such as sampling demographics globally via online survey panels. Another possible limitation could be to conduct research right after an online purchase made via mobile, as the focus of the research is based upon prompt purchases. This will allow consumers to have a better recall and recognition of their prompt impulse purchases.

## Chapter One: Introduction

#### 1.1 Background

Impulse buying behaviour is a phenomenon that is well accepted in the Western part of the world, and is considered normal behaviour today (Zhou, Zhang, and Zimmermann, 2013). According to Business News Daily (2012), a survey conducted showed that approximately 90% of shoppers purchase items that are not on their shopping list. This indicates that consumers often make last minute decisions and can be influenced by both internal and external factors that may lead to an impulse purchase. It is crucial for marketers to understand what causes impulse buying behaviour, as this will lead to greater profit maximisation for companies.

Many marketers have combined the use of mobile commerce with traditional forms of instore marketing techniques, as many individuals rely on their mobile devices to make purchases. A survey discovered that out of 2,009 smart phone and tablet users, 40% of respondents claimed that they have made purchases via their devices (Econsultancy, 2012). The survey also showed that 17% of respondents stated that mobile devices have increased their impulse purchases and 27% said that they preferred the experience of shopping via their mobile better than shopping in-store (Econsultancy, 2012). Hence, there is a need for further research into the motivations for consumer's impulse buying behaviour via mobile, and instore.

Impulse buying behaviour is known in the literature to be "a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfil a specific buying task" (Beatty and Ferrell, 1998 p.170). Impulse purchasing tends to happen without much thinking or planning, and appears to be more frequent with female shoppers (Coley and Burgess, 2003). Motivations for consumers to impulse purchase can either be rational or emotional (Hanna and Wozniak, 2001). Rational motives are usually planned in advance and are objective oriented. Emotional motives on the other hand, are based upon an individual's social status and have a higher probability of being impulsive because emotional individuals tend to act on the spot. In-store impulse buying behaviour can be influenced by both internal and external motivating factors. Internal factors include states or traits experienced by the customer, which can be triggered by their emotions. For example, customers may have the need to fulfill hedonic desires, and they can experience a lack of

control. It also emerges in the literature that both positive and negative moods will have a positive impact on an individual's impulse buying behaviour. Positive moods play a key role as when a consumer is feeling happy or energetic, they may want to reward themselves, which might lead to an impulsive purchase (Rook, 1986). However, when a consumer is experiencing negative moods such as feeling sad or depressed, they may also purchase a product on impulse in order to cheer themselves up (Rook, 1986). Thus, both positive and negative moods can be a contribution to a consumer's impulse buying behaviour.

External factors including atmospheric cues of the store, the relationship between the salesperson and the customer, and how much money and time the customer has available can also impact willingness to make a purchase without a pre-planned intention to do so (Khorrami, Esfidani and delavari, 2005). Atmospheric cues include visual merchandising such as music, lighting and signage. Research has shown that the store environment is positively correlated to store trust and can lead to a more positive evaluation of merchandise (Guenzi et al., 2009). A good store layout, the size of the store and the environment is also a significant contribution to whether a consumer may impulse purchase, as these factors will grab the attention of consumers, giving them the desire to want to visit the store (Bohl, 2012). It is shown in the literature that a good store environment will lead to consumers' desires to stay in the store and browse for longer (Watson, Clark, and Tellegen, 1988), which can fuel unplanned purchase behaviour. The interaction between the salesperson and the customer also plays a key role in assisting impulse purchases, as the salesperson must be able to inform and persuade the customer to purchase the product effectively (Tendai and Crispen, 2009). Time and money availability refers to how much time and money the customer has available to shop; for instance, money availability can increase a consumer's buying power. Hence if a customer is low in money, then they might avoid shopping situations (Khorrami, Esfidani and delavari, 2005). Time availability can trigger impulse buying because the more time available, the longer the customer browses at the mall, and the more likely they are to discover an item they hadn't previously intended to purchase. On the other hand, consumers who are under time pressure may also make purchase decisions quickly and hence, this could lead to more chances of an impulse purchase.

The rise in popularity of smart phones has encouraged many individuals to use their mobile devices as a tool for all aspects of life, from communication with friends and family to taking photographs, paying bills, navigating via GPS to a new location, and now online shopping.

Similar to in-store impulse buying, there are a number of motivations that might lead to mobile impulse buying behaviour. Mobile shopping is known as "any purchase related activity conducted by smartphones or tablets through mobile internet" (Gao et al., 2015 p.250). It is speculated in the literature that consumers who online shop can be identified as more impulsive (Donthu and Garcia, 1999).

Recent research has shown that online impulse buying behaviour is convenient for consumers and can be triggered by factors such as easy access to products, fast purchase process, lack of social pressure, and the integration of social media platforms (Ramaswamy and Namakumar, 2009). Online websites tend to offer a greater variety of products at a cheaper price than instore, which has caused many shoppers to prefer mobile browsing and shopping to the traditional form of in-store shopping (Ramaswamy and Namakumar, 2009). This form of shopping allows consumers to free themselves from the constraints they may face in retail stores, such as having to wait in the queue to pay for products or face social pressure from a sales associate. The downside to shopping via mobile for consumers is the need for haptic information. This means that some consumers may want to touch and feel the product before making a purchase. Thus, there can be a high return rate of products, as these products may not be up to the customer's standards (Fu et al., 2006). Hacker attack is another common issue associated with shopping via mobile, as personal information such as payment details and addresses may leak to hackers.

#### 1.2 Research Objective:

Past research has primarily focused on either brick-and-mortar impulse buying behaviour or online and mobile impulse buying behaviour. However, there is a gap in understanding the similarities and differences between the settings and their ultimate impact on purchase behaviour. Hence, the objective of this thesis is to focus on comparing the similarities and differences in motivational factors for impulse purchase in mobile and in-store settings. This is highly beneficial for marketers, as it can aid companies in developing improved business strategies in order to attract the attention of consumers and to encourage unplanned purchases, and for greater profit maximisation. It is also beneficial for consumers, because understanding motivations for and influences on impulse purchasing can help arm consumers against making unplanned purchases.

The following research questions are presented, based upon the objective of this study. The

literature has clearly identified the motivations behind impulse buying behaviour, but has not made a comparison of the two shopping settings. Hence, research question 1 aims to identify the similarities and differences in consumer motivation for impulse purchase between in-store and via mobile. Research question 2 assesses possible trends to discover whether consumers respond differently to impulse purchase via the two settings. Lastly, research question 3 analyses the relationship between psychological variables, such as money and time availability, immediate positive feelings, materialism, the impulse buying tendency and impulse buying behaviour.

#### 1.3 Research Questions:

RQ1: What are the similarities and differences in motivational factors for impulse purchase between in-store and mobile settings?

RQ2: Are consumers who have a higher buying tendency more likely to impulse purchase in mobile (vs in-store) setting?

RQ3: What psychological variables might moderate the relationship between shopping settings (in-store and mobile) and impulse purchases?

#### 1.4 Methodology

This thesis used a simple experiment via a questionnaire that varied in two conditions based on the consumption setting, (a) in-store and (b) mobile. Participants were recruited to complete 65 copies of the in-store version and 65 copies of the mobile version of the questionnaire in order to identify possible trends in relation to these settings. Recruited participants needed to have made a purchase of a physical product in the past seven days, either in-store or via mobile. Participants were approached and asked if they had time to fill in a 5-7 minute questionnaire in regard to their shopping behaviours, and coffee vouchers were offered as an incentive.

#### 1.5 Organisation of the Thesis

This thesis is split into six chapters. Firstly, the thesis commences with an introduction, discussing what the research is about. Chapter Two reviews relevant literature on 'impulse buying' and the motivations behind this. The methodology of this thesis will be presented in

Chapter Three, and will then be followed by research findings in Chapter Four. Chapter Five focuses on the interpretation of the results, which will lead to a final discussion. Lastly, limitations, implications and directions for future research will be discussed.

# Chapter Two: Literature review

#### 2. 1 Impulse buying behaviour

Past literature has identified impulse buying behaviour to be "when a consumer experiences a sudden, often powerful urge to buy something immediately" (Rook, 1986). This behaviour is a phenomenon that is widely recognized in the Western part of the world, and is considered normal behaviour in society today (Zhou, Zhang, and Zimmermann, 2013). According to Beatty and Ferrell (1998), impulse buying is "a sudden and immediate purchase with no preshopping intentions either to buy the specific product category or to fulfill a specific buying task" (p.170). Impulse buying is a fast experience that occurs quickly, often with little thought on the part of the shopper. It tends to involve grabbing a product on the go rather than taking time to choose one. This form of behaviour is more spontaneous and can be perceived as "bad" (Rook, 1986). Impulse buying can involve a strong and sudden desire to buy a product which a consumer did not intend to purchase, and doing so without much contemplation (Rook and Fisher, 1995). An example could be a customer visiting the local shopping mall with the intention of purchasing a new washing machine, who also ends up buying a dress. This customer had no intention of shopping for a dress, but ends up walking out of the shopping mall with it. This is often shown more significantly in females, as studies have found that women often enjoy shopping in general more than men do, and are thus more likely to make impulse purchases than men (Coley and Burgess, 2003). Table 1 below shows the varied definitions in the literature for impulse purchase behaviours.

Table 1- Definition of Impulse Buying Behaviour		
Reference	Definition	
Engel & Blackwell (1982)	"Impulse buying is an action undertaken without previously having been consciously recognised or a buying intention formed prior to entering the store."	
Rook (1986)	"Impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict. Also, impulse buying is prone to occur with diminished regard for its consequences."	
Rook & Gardner (1993)	"Impulse buying is an unplanned behavior involving quick decision-making and tendency for immediate acquisition of the product."	
Rook & Fisher (1995)	"Involving spontaneous and unreflective desires to buy, without thoughtful consideration of why and for what reason a person should have the product."	
Bailey & Nancarrow (1998)	"[S]udden, compelling, hedonically complex buying behavior in which the rapidity of an impulse decision process precludes thoughtful and deliberate consideration of alternative information and choices."	
Beatty & Ferrell (1998)	"Impulse buying is a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. The behavior occurs after experiencing an urge to buy and it tends to be spontaneous and without a lot of reflection (i.e., it is 'impulsive'). It does not include the purchase of a simple reminder item, which is an item that is simply out-of-stock at home."	
Baumeister (2002)	"Impulsive purchasing involves getting a sudden urge to buy something, without advance intention or plan, and then acting on that impulse without carefully or thoroughly considering whether the purchase is consistent with one's long-range goals, ideals, resolves, and plans."	

Piron (1991) concludes that impulse buying behaviour usually occurs when the purchase is unplanned. It results from an exposure to a certain stimuli and this form of behaviour causes an individual to act (and make a purchase) on the spot. Such behaviour also occurs when an individual makes unintentional, unthoughtful and prompt purchases (Franken et al., 2008). It is described as an unintentional behavior because the consumer may not be specifically searching for a certain product, nor have made plans to make a purchase. Impulse buying behaviour is also considered unthoughtful due to the short amount of time an individual encounters between seeing and purchasing the item. Therefore, impulse purchasers make

their buying decision on a whim. Customers who impulse buy tend to value satisfying their instant desires more as it brings a sudden sense of happiness, rather than focusing on the outcomes of their purchase (Sharma et al., 2010). Additionally, consumers may also purchase impulsively when they have only one opportunity to purchase a specific item due to factors such as busy work schedules, transportation issues, or limited time sales, and therefore may be more likely to purchase the item right away without much contemplation. However, Jones et al. (2003) argue that not all unintentional and unplanned purchases mean an impulse purchase. Unplanned purchases can also be a result of stimulation in the minds of the consumer while being in the store. This may cause the consumers to recall or recognise a certain product which they have made plans to purchase, but had been delayed or postponed in purchasing

According to Han et al. (1991) there are four different types of impulse buying: (1) planned impulse buying, (2) reminded impulse buying, (3) suggestion or fashion-oriented impulse buying and (4) pure impulse buying. Planned impulse buying is to some extent planned in advance by a shopper, but with no specific product or category in mind. Products are later decided upon based on the different sales and promotions each store has to offer. Reminded impulse buying appears when the consumer has been reminded of the product by noticing it in-stores, much as Jones et al. (2003) document. Suggestion or fashion-oriented impulse buying usually takes place when the shopper has no previous experience with a new and fashionable product. And lastly, pure impulse buying is considered to best exemplify the construct of impulse purchase, because it is different to the consumer's usual buying behavior. This involves bringing the consumer out of his or her habituated shopping patterns (Han et al., 1991).

#### 2.2 Integrative review of literature on impulse buying behaviour

An integrative review has been conducted in order to gain a better understanding of the literature behind impulse buying behaviour. This form of review uses a detailed search strategy in order to collect relevant information on a certain topic (Beyea and Nicoli 1998; Melnyk and Fineout-Overholt, 2005). Keywords such as impulse buying, paired with consumer behaviour, online shopping, compulsive buying, hedonic desires, shopping, purchases, mobile shopping, purchase intentions, shopping trends, buying decisions, E-commerce, M-commerce, Omni-channels and buying motives were used to search for relevant articles. Articles that did not meet the criteria were excluded from the list.

Sixty-eight sources have been gathered in order to further investigate the topic of impulse buying behaviour. Table 2 (below) indicate that marketing, retailing and consumer behaviour were seen as the most common subject areas to explore this topic from the 1960's until late 1990. Other subject areas such as fashion, international marketing, economics, management and information systems began investigating impulse purchasing in the early 2000s. Articles focusing on mobile and online buying behaviour have significantly increased from 2003 due to the development of bigger and faster mobile phones that allow customers to shop for items anywhere, at anytime. Interest in the impulse buying topic has grown since 2000, with 50 articles reviewed for this thesis emerging since 2000, and 21 articles since 2010.

Table 2- Integrative Review of Literature		
Year of publication	Journals	Subject area
1962 (1)	Journal of Marketing	General marketing
1969 (1)	Journal of Marketing	General marketing
1985 (1)	Journal of Marketing	General marketing
1986 (1)	Journal of Retailing	Retailing
1987 (1)	Journal of Consumer Research	Consumer behaviour
1988 (1)	Journal of Consumer Research	Consumer behaviour
1989 (1)	Journal of Retailing	Retailing
1990 (1)	Journal of Consumer Policy	Consumer policy
1991 (1)	Journal of Consumer Research	Consumer behaviour
1992 (1)	Developments in Marketing Science	Marketing science
1993 (1)	Journal of Consumer Research	Consumer behaviour
1995 (2)	Journal of Consumer Research	Consumer behaviour,
1996 (=)	Journal of Economic Psychology	economics, psychology
1996 (1)	Journal of Psychology	Psychology
1998 (4)	Journal of Retailing	Retailing, psychology,
1))(1)	Journal of Economic Psychology	economics, marketing
	Psychological Reports	research
	An International Journal of Market	
	Research	
2000 (2)	Journal of Consumer Marketing	Consumer behaviour
	Association for Consumer Research	
2001 (2)	European Journal of Personality	Psychology, economics
, ,	Conflicts and Tradeoffs in Decision     Making	
2002 (3)	Journal of Consumer Research	Consumer behaviour,
2002 (3)	Association for Consumer Research	psychology
	Journal of Consumer Psychology	psychology
2003 (4)	Journal of Business Research	General business,
2003 (1)	<ul> <li>Journal of Fashion and Marketing</li> </ul>	marketing, fashion,
	Journal of Consumer Research	consumer behaviour
	Journal of Business Research	
2004 (3)	Handbook of Self Regulation: Research,	Psychology, consumer
	Theory and Applications	behaviour, international
	Association for Consumer Research	marketing
	Journal of International Consumer	
	Marketing	
2005 (1)	Journal of Consumer Psychology	Psychology
2006 (3)	Journal of Fashion	Fashion, marketing,
	<ul> <li>Journal of Consumer Marketing</li> </ul>	general business
	Journal of Business Research	
2007 (2)	Journal of Consumer Research	Consumer behaviour,
` ,	Electronic Commerce Research	general business

2008 (2)	<ul><li> Journal of Consumer Marketing</li><li> Journal of Services Marketing</li></ul>	Marketing
2009 (7)	<ul> <li>Journal of Research in Interactive Marketing</li> <li>International Journal of Consumer Studies</li> <li>Journal of Retailing</li> <li>The Journal of Applied Business Resources</li> <li>Journal of Service Management</li> <li>The IUP journal of Marketing Management</li> <li>Journal of Product and Brand Management</li> </ul>	Interactive marketing, Consumer behaviour, Retailing, General business, services, branding
2010 (2)	<ul><li>Young Consumers</li><li>Journal of Business Research</li></ul>	Consumer behaviour, general business
2011 (4)	<ul> <li>Journal of Information and Management</li> <li>Journal of Consumer Policy</li> <li>Journal of the Association for Information Systems</li> <li>Journal of Economics and Business</li> </ul>	Information systems, management, economics, general business
2012 (3)	<ul> <li>Journal of Business Research</li> <li>Journal of Product and Brand Management</li> <li>Internet Research</li> </ul>	General business, Product and brand management
2013 (5)	<ul> <li>European Journal of Marketing</li> <li>International Journal of Marketing Studies</li> <li>Journal of Product and Brand Management</li> <li>Journal of Consumer Psychology</li> <li>The service Industries Journal</li> </ul>	Marketing, branding, psychology, service
2014 (1)	<ul> <li>Journal of Retailing and Consumer Behaviour</li> </ul>	Retailing, consumer behaviour
2015 (2)	<ul><li>Social and Behavioral Sciences</li><li>Journal of Accounting Literature</li></ul>	Sociology, accounting
2016 (4)	<ul> <li>International Journal of Information Management</li> <li>Decision Support Systems</li> <li>Journal of Retailing and Consumer Services</li> <li>Journal of Information Management</li> </ul>	Information management, retailing, consumer behaviour

There is a substantial amount of literature on the topic of impulse buying behaviour and the drivers behind it. However, the integrative review of the literature as shown in table 2 demonstrates there is a gap between in-store impulse buying behaviour versus mobile buying behaviour. Hence, this research is intended to investigate this issue.

#### 2.3 Internal motivations for impulse buying

Knowing the motives behind each purchase is significantly important because it will benefit marketers with greater profit maximisation. Hausman (2000) found that at least 30-50% of retail sales in general are impulse purchases, and almost 90% of consumers engage in impulse buying regularly. Previous marketing scholars have suggested that every purchase decision is made upon a motive. The term motivation refers to the process that leads individuals to behave the way they do. According to Hanna and Wozniak (2001), there are two types of motives: rational or emotional. Rational motives are usually planned in advance and are objective oriented. Emotional motives, on the other hand, are based upon an individual's social status and are usually impulsive. Such motivations have a direct influence on the individual's social status, and pleasure. There are two purchase goal categories that researchers have identified. It is shown in the literature that consumers' purchase goals can either satisfy their utilitarian or hedonic needs (Hirschman and Holbrook, 1982). It is proposed that consumers who indulge in emotional consumption can experience happy feelings and a pursuit of fantasy, which satisfies their hedonic needs. According to Ratchford (1987), rational consumers make purchase decisions based upon whether the product is essential, and emotional consumers on the other hand make purchase decisions based on their feelings and self-expressive motives. They tend to make fast decisions that satisfy their instant desires. Solomon (1992) suggested that consumers who make purchase decisions from a rational perspective are most likely to search for information and compare alternative products, and are hence less likely to impulse purchase.

It is found in the literature that individuals differ on their impulse buying tendency (Rook and Fisher, 1995). The impulse buying tendency is defined as "to experience spontaneous and sudden urges to make on the spot purchases and to act on these felt urges with little deliberation or evaluation of consequence" (Beatty and Ferrell, 1998, p.174). The impulse buying tendency scale by Verplanken and Herabadi (2001) is a 20-item scale that has been developed to measure cognitive aspects such as lack of planning and deliberation, and affective aspects such as feelings of pleasure, excitement, compulsion, lack of control and regret against impulse buying. This is important to note in the literature, as these factors are considered as internal motivations that may have an impact on consumers' impulse buying behaviour.

#### 2.4 The influence of gender on impulse buying behaviours

According to Coley and Burgess (2003), men and women have different buying patterns and perform shopping activities differently. Evidence in the literature shows women are more likely to engage in impulse purchases as compared to men (Muller et al., 2011). Dittmar et al. (1995) found that since women constitute the larger part of shopping mall customers and shopping is perceived as being more of a woman's activity, women make more impulse purchase decisions. It is claimed in the literature that women tend to impulse buy items that have a symbolic and emotional meaning. Men, on the other hand, tend to purchase more functional and leisure items (Dittmar, 1989). Dittmar et al. (1995) claimed that items such as clothing, jewellery and cosmetics are generally bought by women, whereas electronic and sporting goods are bought by men. Scherhorn et al. (1990) agree with this view and state that women behave the way they do because they develop more passive and emotional ways in regard to coping with stress. Hence, they have a tendency to solve their problems by doing things that satisfy their instant desires. A study conducted by banking giant first direct (2010) found that 74% of women claimed that they do not always have a shopping list with them while on a shopping trip, as compared to 68% of men. Sixty percent of women said they are frequently tempted to buy impulsively if there is a sale on, as compared to 40% of men. This study shows that there are a large population of females who indulge in impulse buying behaviour, however more research is necessary to investigate this issue.

#### 2.5 Impulse buying versus compulsive buying

Impulse buying occurs "when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict. Also, impulse buying is prone to occur with diminished regard for its consequences" (Rook, 1986, p.191). Compulsive behaviour, on the other hand, is defined as "persistent and frequent buying which is a primary response to negative feelings. It creates immediate and short-term satisfaction but ultimately hurts the doer or other individuals" (Khorrami, Esfidani and Delavari, 2015, p.824). This form of behaviour engages in uncontrolled and excessive spending, often due to internal tension and often involving little or no regard to financial, social, or personal consequences (Billieux et al., 2008). It is often used to describe a series of different repetitive behaviours driven by an irresistible urge to purchase a product, and may lead to great consequences for the individual

(American Psychiatric Association, 1985). According to Solomon (2004), compulsive shoppers often engage in a buying behaviour in which they purchase products or services they do not need and even sometimes cannot afford. These shoppers do not think about the negative consequences associated with their actions. Researchers have also found that compulsive shoppers often experience feelings of shame, guilt, and regret due to their frequent, repetitive buying activities. These feelings may cause compulsive shoppers to neglect their families and friends because they do not want them to see how frequently and how much they buy (O'Guinn and Faber, 1989).

Impulse buying and compulsive buying overlaps to some degree, because they both involve spontaneous and unplanned purchases. It is speculated in the literature that compulsive buying is often related to addiction and uncontrollable buying. In comparison, impulse buying is associated with spontaneous and unplanned purchases. Positive affect and negative affect also have a direct influence on both impulse buying and compulsive buying. Positive affect refers to pleasurable feelings such as happiness, excitement and enjoyment. Negative affect, on the other hand, is associated with unpleasant feelings such as anger, sadness and depression (Watson et al., 1988). Research has shown that positive affect is commonly linked with the tendency to purchase impulsively, and negative affect is associated with compulsive buying (Flight et al., 2012). Kwak et al. (2002) suggests that the primary difference between the two is in the strength of the behaviour with the "range on a continuum from mild forms often considered humorous to severe cases, that disrupt everyday functioning" (p.61). This perspective is further enhanced by D'Astous (1990), as he states that "consumers are positioned along a continuum of 'urgency to buy', and those in the upper extreme are compulsive buyers" (p.18). Hence, impulse shoppers and compulsive shoppers are positioned at two different ends on the spectrum, with compulsive shoppers on the extreme end.

Figure 1- Continuum of Compulsive Buying

#### Continuum of compulsive buying



Sources: Based on D'Astous (1990), Kwak et al. (2002)

Overall, the main difference between impulsive buying and compulsive buying is that compulsive buying is viewed as a behaviour that is repetitive (Chamberlain et al., 2016). Unlike impulse buying, compulsive buying is an addictive behaviour that may bring harm to consumer's everyday life.

#### 2.6 Factors that motivate impulse buying behaviour

Impulse buying can be influenced and triggered by internal states or traits experienced by customers, such as the need to fulfill hedonic desires, or experiencing a lack of control, and can also be triggered by consumer's emotions or affective states. It is suggested that impulsive buyers are more likely to be responsive to their emotional conditions than non-impulsive buyers (Rook and Gardner, 1993). Touching products in a store, tasting free samples of food, or test driving a luxury car can often enhance the desire to impulsively purchase a product (Vohs and Faber, 2007).

Self-control plays a crucial part in shaping an individual's purchase behaviour. People high in self-control are said to be "reflective, cautious, careful, rational, and sensible" (Tellegen, 1982, p.179). They are more likely to plan their activities in advance. In comparison, individuals who lack self-control are spontaneous, reckless, and careless. These people tend to make decisions rapidly (Youn and Faber, 2000). The literature also shows that individuals with higher levels of self-control are able to manage their interpersonal relationships better and have a more interconnected relationship with their family. The chances of these individuals developing emotional problems such as depression and anger is also, as a result,

relatively low (Tangney and Baumeister, 2001). Smith (2001) discovered that students with high self- control tend to do better academically than students that have low self-control. Key to this thesis, evidence also shows that individuals with high self-control are able to control their spending and therefore might be less likely to impulse purchase (Romal and Kaplan, 1995).

According to Baumeister (2002), there are three key factors to adopting effective self-control: (1) standards, (2) a monitoring process, and (3) the operational capacity to alter one's behavior. Standards are the goals and norms an individual may acquire. An example of this could be a dieter's ideal weight. It is speculated in the literature that consumers who know exactly what they want are less likely to impulse purchase, and external factors such as sales assistants and advertisers are also less likely to have an influence on these consumers. "People who go to the mall with no particular purchasing goal in mind, for example, are more promising candidates" for an impulse purchase (Baumeister, 2002, p.671). A monitoring process refers to keeping track of one's buying behaviour, which can be achieved by shoppers jotting down how much they have spent and what they bought every time after making a purchase. Individuals who are more careful with their spending and keep track of their money are less likely to engage in impulse purchases (Baumeister, 2002).

The capacity to alter the self is the most important, because it relates to the issue of whether an individual is able to resist the temptation to buy a product. It is also shown in the literature that individuals with a state of ego depletion are also likely to yield to temptation and buy impulsively (Baumeister, 2002). Ego depletion is seen in the literature as "a reduced desire or ability to use self-control in task performance due to using self-control on prior tasks" (Hurley, 2015, p.47). Consumers who have low self-esteem, and are not very confident, have been shown to be less able to reach goals of saving money, and less able to purchase things that will be of maximum advantage in the long run. Hence, they are more likely to make an impulsive purchase (Baumeister, 2002). Likewise, when people are depleted from dieting, breaking habits or controlling their emotions, they may be especially likely to engage in impulse buying behaviour (Baumeister, 2002).

It is proposed in the literature that impulsive buyers are also more likely to respond to their emotional conditions than non-impulsive buyers (Rook and Gardner, 1993). Emotional conditions such as stress are known to be associated with negative moods such as feeling unhappy, anxious, or depressed. Zeindler (2010) believes that it is crucial to keep in mind

how mood may affect ones' behaviour, because consumers exhibit a wide range of moods when making a decision. For example, when an individual is feeling low and unhappy, they may choose to shop intensely to forget about their problems. Therefore, highly stress-reactive individuals may engage in impulse buying behaviour because it may help them to forget about their unpleasant moods (Jalees, 2009).

Additionally, positive moods and attitudes might impact an individual's impulse buying behaviour because they would like to reward themselves (Gardner, 1993). Past literature has also suggested that unless a store has a distinct product offering or pricing strategy, retailers can differentiate their store by building on the relationship between the store's atmosphere and the consumer's emotional state (Park et al., 2006). Even if a consumer walks in to the store with a negative emotional state, there is a possibility that they may become emotionally uplifted and spend more than they intended to. These emotions are also related to hedonic desire. In the literature, hedonic desire is known as "the impact of a person's enjoyment and pain receptors on their enthusiasm to strive towards a goal or move away from a threat, which is similar to humans as we tend to approach pleasure and avoid pain" (Higgins, 2006, p.68). It is shown in the marketing literature that hedonic goods such as fashion items are mainly luxury goods, which will fulfill consumers' desires. These desirable products will bring the consumer happiness and pleasure (Wertenbroc et al., 2004). Utilitarian goods are different, on the other hand, because they are for practical uses and meet the consumers' needs. Basin et al. (1994) suggested that both utilitarian and hedonic desires are crucial factors in purchase intentions. The literature also states that impulse buying satisfies a variety of hedonic desires (Piron, 1991). Hedonic goods such as fashion items which are more clearly linked to fulfilling consumer desires, are shown to be more likely to induce impulse purchase behaviour than utilitarian goods such as toilet paper. Broback and Hyalmarson (2006) discovered that hedonic products such as clothing can provide consumers with both hedonic and/ or utilitarian value.

#### 2.7 External factors that can cue impulse buying

Visual merchandising is seen as an influential factor tied to purchase behaviour in the literature as it is defined as "the art and science of presenting products in the most visually appealing way, emphasising on the communication with the customers through images and presentations" (Ebster and Garaus, 2011, p.636). Although there is an enormous amount of

literature on the topic of visual merchandising, marketing scholars seem to have different definitions for this topic. Pajuodis (2005) considers visual merchandising to be paintings, pictures, signage, and references, whereas Mohan, Sivakumaran and Sharma (2013) propose that store environment consists of ambient, design, and social factors. Ambient factors are related to lighting, scent and music; design factors are those such as layout and assortment; and social factors involve, for instance, the use of sales assistants. Research has shown that store environment is positively correlated to store trust and will lead to a more positive evaluation of merchandise (Guenzi et al., 2009).

Due to intense competitors within the same industry, companies must often develop and implement business strategies in order to attract the attention of customers. This can be done through in-store promotions and store environment. A fast and efficient billing system, visual merchandising such as window displays and the presentation and layout of the store, and informative signage within the store and prompt staff are each factors that might influence customers to impulse purchase (Ghosh et al., 2010). A good store layout will attract the attention of consumers, which can lead to customers wanting to visit the store to browse for a product, and therefore, a higher probability that they will walk out with a purchase (Bohl, 2012). The size of a store also affects buying behavior, as large stores with more wares increase the chances of impulse buying (Virvilaite et al., 2009). The environment plays a major role on the consumer's emotions and satisfaction, as an impressive atmosphere in any store can enhance the customer satisfaction level and purchase experience (Silva and Giraldi, 2010). The better the environment, the more likely customers will have the desire to stay in the shop and browse for longer. Browsing in-store tends to create positive feelings for many customers. "Positive feelings can be conceptualized as positive affect, which reflects the extent to which a person feels enthusiastic, active, and alert. It is a state of high energy, full concentration, and pleasant engagement. Low positive affect involves sadness and lethargy" (Watson, Clark, and Tellegen, 1988, p.1063).

Spies et al. (1997) found that a good in-store layout can reduce the "information rate," meaning a good layout helps consumers to find products and information easily, unlike a poor layout. Atmospheric cues such as the music, lighting, and sales assistants in store also play a major role in influencing customer's impulse purchase decisions, because customers tend to enjoy a shopping experience with supportive and friendly shop assistants (Tendai and Crispen, 2009). Well-designed lighting systems may also bring an added dimension to an

interior, because it may guide the customer's eyes to key sales points, which will then create an atmosphere of excitement and induce positive affect that can influence purchase decisions (Smith, 1989).

The relationship between the customer and the salesperson has been emphasised as an important element in shaping how customers may perceive a certain product (Bagozzi, 1978). Having the right employees is also important, because engagement between the customer and the employee is often the most crucial element of marketing a retail business. The salesperson must be able to inform and persuade the customer to purchase the product in an effective interaction. According to Hausman (2000), "remember then that shopping is fun. If you do, and you encourage your employees, then the impulse shoppers will come to your store because it is a pleasure. And they will buy" (p.419). Rook and Fisher (1995) report that impulse buying behaviour is almost exclusively stimulus driven. Impulsive buyers often are more open to unexpected and unplanned buying ideas, meaning that they are more likely to respond positively to buying stimuli such as sales assistants and store promotions. Stern (1962) found that customers are more likely to impulse purchase when salespeople engage in a conversation, suggest and evaluate product information.

There are also many factors that encourages consumers to shop more rationally. Cost is a crucial factor to be taken into consideration before making a purchase, hence customers are less likely to impulse purchase a product that is high in cost. Past literature has found that a direct motivation that leads customers to impulse purchase is the use of sale items, as products that are more expensive and require more time and effort are less likely to be bought on impulse (Stern, 1962). If a retailer offers an item at a promotional price then it is more likely for the customer to purchase it without much contemplation compared to non-promotionally priced items (Williams and Dardis, 1972). A study conducted by McGoldrick (1982) showed that price may not be the main reason behind why consumers impulse purchase, though Cobb and Hoyer (1986) showed that price of products influenced approximately nine percent of impulsive buyers. Money availability is also important because it can increase consumers' buying power. If a customer is low in money, then they might avoid shopping (Khorrami and Esfidani, 2005). Hence, when people are in contact with negative emotions such as feeling unhappy or depressed, and they have money available, then it can lead to impulse buying (Foroughi et al., 2012).

Time availability refers to how long the customer has to browse and search for products while on a shopping trip. Iyer (1989) discovered that time pressure reduced unplanned purchases and time availability had a positive correlation with browsing for products in a retail setting. Hence, consumers who have more time available tend to browse for longer, and have a higher chance of impulse buying (Beatty and Smith, 1987). Khorrami and Esfidan (2005) also proposed that lack of time available will decrease impulse buying, and the more time the consumer has to shop, the more likely he or she is to be involved in impulse buying. Other researchers suggest that impulse buying usually happens within the first five minutes of shopping, and as time passes, it is unlikely for impulse buying to occur (Graa et al., 2011). This research project holds the view that the longer an individual browse in a store, the more likely they will make an impulse purchase. In other words, the more time available these shoppers have, the more likely they will make an impulse purchase. Hence, time availability should have a positive relationship with impulse buying behaviour.

Social influences also play a large role in assisting impulse buying behaviour. Influences may come from the consumer's social circle such as family and friends (Luo, 2005). Demerica (2010) suggested that it is best to take a friend or companion on a shopping trip because they may help a consumer avoid impulse purchases. For example, a shopper may find a dress they really like but their friend disapproves and hence, the shopper does not purchase the dress. However, Darwell (2012) argues the opposite. He proposed that family and friends can unconsciously motivate an individual to buy impulsively through their comments or gestures. The presence of others is a source of information and customers tend to rely on their opinion while making a decision (Harmancioglu et al., 2009). Many consumers are conscious of their image and care about what others think of them, therefore competition and social influence can be a motivator of impulse buying because shoppers may experience a need to have what others have (Solomon, 1999). This might have a direct influence on many individuals as they seek to fit in with group norms, as well as the group's expectations about their behaviour. Prior research also shows that compulsive shoppers are more likely to shop alone as compared to regular shoppers (Lejoyeux et al, 1999). Taking a friend or a companion on a shopping trip can be viewed as a positive and/or negative consequence. It can be positive because it may reduce unnecessary spending. However, it can also be a negative outcome because a shopper might be constantly worried about what others think. A simple thing such as a compliment can trigger an individual's impulse buying behaviour.

Implicit priming is another contributor to impulse buying behaviour, as it is commonly used when a stimulus influences the response to another stimulus. Past literature has identified priming to be an "unconscious form of human memory, which is conceived of as either the activation or the establishment of implicit memory by a primed stimulus such as Web advertisements that corresponds in some way to the test stimulus" (Tulving and Schacter, 1990, p.301). Shapiro (1992) suggests that the existence of unconscious processes can be identified through two measures; no evidence for recognition of target stimuli, and evidence of priming effect, which is considered as an implicit memory process (Srinivas, 1993). Since impulse purchases are more likely to occur when a customer is distracted, not thinking fully about the act of shopping or only having limited products to choose from at the checkout counter can influence impulse buying behaviour. The merchandise displayed at the checkouts also provide the appropriate cues to remind shoppers of items they intended to purchase before entering the store (Miranda and Mario, 2008), which can cause impulse buying behaviour. An example could be the items that are placed around the checkout counters at supermarkets. Small items such as chocolate, gum and magazines are easy to grab while in the process of checking out, and these small items don't usually require much thinking. Most consumers who purchase the candy at the checkout counters did not set out to buy candy when they visited the store, but were instead motivated to make the purchase by seeing candy on display. This is hence an example of how an impulsive purchase might work (Willcocks et al., 2002).

#### 2.8 Consequences of impulse buying behaviour

Impulse buying behaviour may be negative at times because it may lead to remorse and disappointment due to the decision making process taken on a whim (Das and Kerr, 2010). Kang and Johnson (2009) found a number of consumers may return a product they bought on an impulse. However, Kacen and Lee (2002) argued that although there are a large percentage of consumers who are not happy with their impulse purchases, people still engage in impulsive behaviour over and over again. A study by Rook (1986) showed that over 80 percent of the sample they gathered incurred a problem with their impulse purchase, and only 19 percent of consumers reported never having a problem following an impulse purchase. Importantly, 56 percent of respondents faced negative consequences and suffered financial problems as a result of their impulsive behaviour (Rook, 1986). Thirty-seven percent were disappointed with their impulsively purchased product, and 20 percent of respondents said

they felt guilty after the purchase. The literature shows that feelings of regret are more positively related to impulse buying for male shoppers than female shoppers. This is because women tend to do more shopping in general, therefore increasing the probability of impulse purchasing a product or service. Over time, these female shoppers become used to purchasing products impulsively and therefore can feel less regret (George and Yaoyuneyong, 2010).

#### 2.9 Online impulse buying behaviour

Impulse buying behaviour is not only prevalent in brick and mortar stores; it can also occur in online settings. Research shows that consumers who online shop can be identified as more impulsive (Donthu and Garcia, 1999). With advancement in technology, e-commerce activities have grown to be popular over the years and online impulse buying behaviour is now prevalent among consumers (Chan et al., 2016). It is suggested in the literature that 40% of online shoppers claim that they have impulse purchased, and consider themselves as impulse shoppers (Liu et al., 2013). Aligning with this, Verhagen and Dolen (2011) found that 40% of spending on e-commerce websites are considered to result from impulse purchases. An online retail report conducted by Nielsen (2012) identified possible motivators that have caused an increase of online businesses in New Zealand, which includes "convenience of comparing products and prices, promotional emails from daily deal sites, development in technology, specifically broadband and usage of the internet via mobile phones, increased trust in the security of online transactions and increased opportunity to purchase goods outside of the consumer's locality" (Nielsen, 2012). Online shopping allows consumers to free themselves from constraints they may encounter in physical stores, and hence, might lead to a higher probability these consumers may indulge in online impulse shopping behaviour (Chan et al., 2016). Wells et al. (2011) also found that "in an online context, idly browsing through iTunes to kill some time, without an a priori shopping goal, and deciding to purchase a song would be considered a pure impulse purchase" (p.34).

#### 2.10 Motivations for online impulse buying behaviour

Research showed that as of 2013, approximately one in four individuals worldwide have used some form of media websites (eMarketer.com, 2013). A survey conducted by eMarketer shows that in 2016, 68% of participants said they often searched blogs and websites for information and 64% claimed that they often browse social network websites (eMarketer, 2016). This shows that social media has been significantly popular over the years and

consumers rely on this channel to browse for information. Social media is viewed in the literature to be "a platform whereby social ventures can solicit support for many of their cause-related activities such as pledges or offering products for purchase" (Chung et al., 2016, p.289). Through social media platforms, consumers are able to share their knowledge and interact directly with social ventures (Norman and Russell, 2006). By participating in online discussions, social ventures are also able to use this opportunity to gather information regarding the wants and needs of their audiences. Consumers are also able to give feedback to the social ventures regarding website design in order to gain better user experiences (Chung et al., 2016).

Consumers who participate in online marketing activities "not only 'consume' the campaign, but can comment on it ('create'), share it with their friends and anyone else ('connect') and provide their uncensored thoughts about it ('control') for any and all to view" (Hoffman and Fodor, 2010 p.49). The term 'connect' signifies individuals participating in discussions with others within a social media site. For example, Facebook and Twitter have an interactive platform for consumers with similar interests to bond with one another (Heinonen, 2011). 'Create' refers to individuals posting photos and videos that reflect their opinion and beliefs. Lastly, 'control' occurs when individuals are able to self-manage their privacy settings in order to freely interact with other users. Social media sites are seen in the literature to be a healthy and friendly environment for the development of communication (Wang et al., 2012). However, such sites may increase the prevalence of impulse shopping in a digital world.

Popular social media platforms such as Facebook, Twitter and Instagram have a sponsored-post option in which an advertiser can pay to reach to a greater variety of audiences. This helps the company to create greater brand awareness (Hutter et al., 2013). These social media platforms also allow customers to browse and purchase products all at once. When a customer clicks the link provided, it will take them straight to the product inquiry page, where customers are able to purchase the product. This is convenient for consumers as they are able to shop anywhere and anytime. Yet such convenience can motivate consumers to make an unplanned impulse purchase.

Retailers are also able to use the social media platforms to offer product promotions to their targeted audience, and it is also cost effective (Lin, 2012). Companies such as Amazon now offer same-day delivery for their Prime member customers, which might also be an effective strategy to promote their online sales (Amazon.co.uk, 2015). Amazon is known to be one of

the largest and most successful online shopping platforms that had 244 million active users as of 2014, and is still continuing to grow at a rapid speed. In 2015, statistics showed 304 million active customer accounts worldwide with a net sale of more than 107 billion U.S. dollars (Statista, 2016). There are also 54 million Amazon.com Prime customers as of 2016, and 30 million Amazon customers have downloaded the Amazon.com mobile app as of 2016 (Amazon.co.uk, 2016). Another example of a successful platform is Facebook. Facebook is now well known for the consumer-to-consumer (C2C) commercial activities it has to offer to their users. For example, Facebook groups allow users to sell both new and secondhand products via posted advertisements. If a consumer is interested in making a purchase, they can instantly connect with the seller to make an arrangement (Jeffery and Hodge, 2007).

During an online purchase, the buyer and the seller are operating behind computer screens, so therefore a good communication between the two is crucial in order to stimulate impulse buying (Verhagen and Dolen, 2010). Compared with in-store shopping, online shopping lacks the shopping atmosphere the consumers may face, as well as being able to smell and touch products (Baker, 1986).

Another factor that could impact consumer motivations to make impulse purchases online is the influence of haptic information. As shown in table 4, the influence of haptic information is important because some consumers may have the need to feel and touch the product before making judgments. The term 'touch' has been identified in the literature as "sensation aroused through stimulation of receptors in the skin" (Stevens and Green, 1996, p.20). Haptics is known to be "utilizing the hands to gather information about an object" (James et al., 2007 p.47). Past research has revealed that some individuals may prefer to evaluate products through touch and may experience frustration when shopping if they do not have the opportunity to touch products (Citrin et al., 2003). Kacen and Lee (2002) found that independent individuals (i.e., consumers from Western countries such as the U.S., Australia and New Zealand) have a greater tendency to engage in impulse buying behaviour as compared to those who are interdependent (consumers from Eastern countries such as China, Korea, and Vietnam). The need to examine products haptically can be driven by motivations associated with what Holbrook and Hirschman (1982) describe in terms of either consumer problem solvers or consumers seeking fun, fantasy, arousal, sensory stimulation, and enjoyment. Peck and Childers (2003) find that individuals react differently in the amount of touch they exhibit while on a shopping trip. For example, many customers may want to touch products to put them in their shopping trolleys, and others may be more cautious with their purchase decisions and like to touch the products before deciding whether to make a purchase or not. Peck and Childers (2003) also found that haptically inclined consumers will experience negative feelings such as frustration when they are not able to touch the product they like. However, less haptically motivated consumers are usually unaffected by lack of haptic information. For those less haptically motivated consumers, they tend to make their purchase decision based on seeing pictures of the products. For example, a less haptically motivated customer may have the desire to purchase a sweater, but she'd prefer to see pictures of the sweater on catalogues or the Internet, rather than having to touch and assess the texture of the sweater (Peck and Childers, 2002). Research shows that products such as financial services, entertainment, travel, clothing, and apparel are known to be popular products sold on the Internet (Peck and Childers, 2002).

The use of up-selling and cross-selling in marketing efforts via the web also contributes to the motivations that drive consumers to purchase impulsively online. Research shows that the implementation of these marketing efforts can help a firm to gain ten times more revenue, and is more effective than primarily focusing on customer retention strategies (Coyles and Gokey, 2002). Up-selling involves a retailer's effort to upgrade an existing customer's purchase, meaning selling a better product to the customer than the product that they intended to purchase. Cross-selling, on the other hand, refers to a retailer's efforts in selling additional related products (Levy and Weitz, 2007). Schmitz (2013) views cross-selling as "a boundaryspanning process designed to sell additional items that differ from those a customer has purchased or has expressed interest in buying previously" (p.56). Cross-selling and up-selling can involve a product or service (Li, 2005). These two methods aim to build a relationship between the customer and the company, to allow for future profit maximisation (Blattberg et al., 2001). Ultimately, cross-selling will result in customers owning more products from the same company. The more products they own from the same company, the better the company understands the consumer's needs (Blattberg et al., 2001). This will also help the brand attain customer satisfaction as the company is in a better position to know the needs and wants of their consumers. By using this method, companies are able to generate future growth opportunities, have stronger customer ties and greater profit maximisation (Kamakura, 2008). However, customer relationship management specialists have claimed that almost three-quarters of cross-selling methods may not work (DeGabrielle, 2007). According to a shop.org survey (Hamblen, 2000), up-selling and cross-selling can increase

customer value to online retailers, and in turn financial profitability. Malester (2006) found that Amazon.com's net sales grew 25 percent after implementing promotional offers such as cross-selling between product categories and free shipping on orders over \$25. Despite the mixed reviews, cross-selling might fuel further impulsive shopping online.

Online shopping also has a higher chance of return rate as consumers are not able to try the products before making the purchase. Instead, consumers need to rely on photos of the product and their own personal judgment in order to determine whether it is the right product for them (Fu et al., 2006). The Wall Street Journal (2013) reported that a third of Internet shoppers have returned a product at some stage. "Consumers' initial lack of experiential information makes product choice more risky" (Wood, 2011, p.157). This shows that online shopping can be more risky because consumer's judgments based on the description and photos of the product may be inaccurate. Therefore, online shopping has a higher probability of product returns as compared to in-store shopping.

Compulsive buyers are usually ashamed of their frequent buying behaviours (O'Guinn and Faber, 1989). Because of these feelings, they may not want their families and friends to witness the act. Lee and Park (2008) claimed that compulsive shoppers tend to also be afraid of sales assistants recognising them, and labelling them as 'buyers who buy too often.' Hence, this can be recognised as a motivation to online shop. In comparison to the brick and mortar environment, shopping online will enable the consumer to be alone and to make judgments based on what they think, and not what others may think. There is also no face-to-face social contact that may cause these consumers to feel uneasy (Alba et al., 1997).

Greater variety of products available online might also stimulate consumers to impulsively purchase an item online, as variety can create positive feelings for the consumer, and a more exciting buying experience (McAlister and Pessemier, 1982). In relation to the bricks and mortar shopping environment, the Internet provides consumers with a greater variety of products and brands than may be accessible in-store (Kinney et al., 2009). Shoppers are also able to use the Internet to search for information such as the latest fashion trends and subscribe to their favourite stores in order to receive promotional sales (Kinney et al., 2009). Thus, factors such as a bigger variety of products available, the anonymity of the shopping environment, and the occurrence of cross-selling activities could motivate consumers to purchase impulsively online as compared to in-store.

As more individuals rely on the Internet to shop, marketers have been incorporating the use of promotional stimuli in order to attract the attention of consumers (Moran and Kwan, 2015). Promotional stimuli may include offers such as buy-one, get-one-free deals, free shipping costs, and coupons. Suggestion stimuli are also used to generate future sales. These can include new styles and featured items. Importantly, each of these external factors can trigger a consumer's impulse buying behaviour (Jones et al., 2003). Price discounts and bonus packs contribute to impulse buying behaviour as it is a well known strategy that has been implemented both in-store and online (Dawson and Kim, 2009). Price discounts are known to be "a price-based sales promotion strategy in which customers are offered the same product at a reduced price. In contrast, bonus packs represent a quantity-based sales promotion strategy in which customers are offered more of the product for the same price" (Mishra and Mishra, 2011, p.197). Previous marketing scholars have found that in the instore setting, consumers tend to value bonus packs as compared to a discount (Xu and Huang, 2014). Diamond (1992) found that consumers view bonus packs more positively "because they are framed as a gain whereas the price discount is framed as a loss" (p.255). In essence, consumers tend to associate bonus packs with getting two products for the price of one (Chandran and Morwitz, 2006). In the online context however, online shoppers tend to be more price sensitive due to the enormous amount of competitors that may offer the same product at a cheaper price. Therefore, the cheaper the price is, the more likely the consumer will impulse purchase (Xu and Huang, 2014). Bonus packs are also more difficult to implement as compared to a discount in an online setting, and may be more difficult for the consumer to envision (Chen et al., 2012).

Website design is also an important factor that may have an impact on consumers' impulse buying behaviour. Liu et al. (2013) discovered that visual appeal of the website, product availability and ease of use are the main contributors of online impulse buying. Amazon.com offers their customers customised recommendations based on their previous searches and Apple's iTunes application also recommend consumers music and videos based on their previous purchases (Hasan, 2016). It is shown in the literature that in the online setting, consumers tend to evaluate the quality of the service before they make any purchases (Zhand and Von Dran, 2002). Hence, creating an enjoyable experience for online shoppers is crucial, and can encourage more unplanned spending.

#### 2.11 Cross-channel integration and online impulse buying behaviour

Cross-channel integration is important in western society because customers need to be able to simultaneously use online and offline channels while making a purchase. The term 'cross-channel' refers to "the experience of a customer who has used a combination of several different channels for the same purchase" (Vasiliu et al., 2015, p.479). Each retail channel is different and has its own features, which create unique and satisfying customer experiences (Berry et al., 2010). However, there are both positive and negative impacts of using cross-channel integration.

Omni-channel is seen in the literature to be "an integrated sales experience that melds the advantages of physical stores with the information- rich experience of online shopping" (Rigby, 2011, p.4). For example, the use of free WIFI connection in physical stores will allow customers to use their smartphones to search for information about products (Vasiliu et al., 2015). This form of integration will benefit both the consumer and the retailer. Consumers are able to gather information conveniently and have the freedom to use different channels in different settings (Berry et al., 2010). Retailers, on the other hand, are able to use this opportunity to explore the benefits and overcome the deficiencies of each channel, so that customers feel safe and have an enjoyable shopping experience (Zhang et al., 2010). As mentioned earlier, customers tend to enjoy a shopping experience with supportive and friendly shop assistants (Tendai and Crispen, 2009). This is closely linked with impulse buying behaviour because many customers prefer interacting with sales assistants and thus, experience a direct motivation to impulse purchase. Cross-channel integration strategies such as obtaining product information through a mobile application may result in an unsatisfactory shopping experience because these customers may not get the opportunity to have direct contact with the store employees (Selnes and Hansen, 2001).

Factors such as the use of sales discounts, coupons, social media platforms where consumers are able to engage and interact with the seller, and the use of cross-channel integration can push consumers to more impulsive behaviour, as shown in Table 4. However, the influence of haptic information and the high return rate of products may play a moderating role in this context. Hence, the literature does not present a clear picture of whether impulse buying is more or less likely online. In the next section, I investigate one further context of online shopping that can yield more impulsive shopping behaviour: Shopping from a mobile device.

#### 2.12 How mobile devices impact purchase behaviour

The rise in smart phones has caused many individuals to use their mobile devices as a tool for all aspects of life, from communication with friends and family to taking photographs, paying bills, navigating via GPS to a new location, and now online shopping. EMarketer (2014) predicted that smartphone users will increase to more than two billion by 2016. According to Deloitte Consulting (Brinker et al., 2012), approximately \$31 billion worth of retail revenue is predicted to be made from smartphones by 2016. Research showed that the 2012 Black Friday weekend attained 20% of online sales from the use of touch screen devices such as tablets and smartphones (IBM, 2013). This shows that more and more consumers are now migrating from desktops to touchscreen devices such as smartphones and tablets.

Mobile shopping is seen in the literature as "any purchase related activity conducted by smartphones or tablets through mobile internet" (Gao et al., 2015, p.250). Shoppers are able to use their smartphones to conveniently connect to the Internet and compose, modify or place orders online. They are also able to search for store hours and find directions to the store (Strom et al., 2014). This form of shopping experience allows consumers to shop at any time and any place with the help of smartphones and mobile networks (Wong et al., 2014).

Another motivator that contributes to shopping via mobile is the implementation of mobile applications, as such applications when employed by retailers are convenient for shoppers to more easily shop, compare, and make a purchase at any time and anywhere. Hence, the use of mobile applications by commercial brands and retailers can significantly increase purchasing decisions (Huang, 2016). These mobile applications also make it more convenient for consumers because they do not need to search for, enter or remember the exact website address. Instead, they can simply click on the application and it will load itself to the home page or create a shopping experience attuned to consumer pre-set preferences. Hence, researchers have concluded that consumers may choose this form of buying behaviour as compared to shopping via desktop computers (Huang, 2016).

Using mobile devices to shop works greatly with flash sales, as many retailers use limited-time flash-sale promotional offers in order to attract the attention of consumers (Haghirian et al., 2005). This means that consumers are able to enjoy better discounts and a wider

selection of varieties. Moreover, e-retailers are also able to connect and communicate more precisely with their targeted audience through the use of mobile devices (Haghirian et al., 2005). Researchers have also claimed that consumers who receive more marketing contact are more likely to indulge in making purchases via their mobile device (Ansari et al., 2008). Consumers are also able to integrate the use of mobile device and desktop computer when making a purchase (Lin et al., 2011). For example, consumers can use their mobile devices to find their desired products and leave them in the shopping cart, as this will reduce the chance of missing a good purchase lead. The consumer can later use their desktop computer to conduct information search if necessary, in order to make the final decision. Likewise, consumers could also first search for relevant information via their desktop computers, and then purchase the item with their mobile device. Researchers conclude that the combination effect of desktop computer and mobile device will lead to an increase in overall purchase decisions.

Previous studies on the topic of shopping via mobile devices suggested that factors such as ease of use, perceived usefulness and perceived enjoyment are the main causes of such purchase actions (Davis et al., 1992). Perceived usefulness is defined as "the individual's subjective perception that use of the technology is useful" (Davis et al., 1989, p.2). This means that once consumers find the functions of a mobile device useful, this will then generate positive feelings, which can further motivate purchase decisions. Perceived enjoyment, on the other hand, occurs when "the individual believes the technology is fun to use" (Davis et al., 1992, p.2). Consumers are able to use their mobile devices to connect and interact with service encounters, which will also create a positive shopping experience.

## 2.13 The impact of mobile on impulse buying

The differences in shopping on computer and mobile are also viewed differently throughout the literature. Mobile devices are seen as an exciting and pleasurable tool that allows consumers to shop at their convenience. Feelings of control and enjoyment of such tools are also positively related to intentions to purchase (Dabholkar, 1996). A computer, on the other hand, is perceived as a tool that can often be associated with work. In comparison to online shopping via desktop computer, mobile shopping via mobile phone or tablet electronic devices face greater risks because mobile networks are more vulnerable, and therefore are more prone to hacker attacks (Morosan, 2014). According to Mamonov and

Benbunan-Fich (2015), online encryption systems tend to be more robust as compared to the mobile encryption system. Hence, consumers might worry about the safety of mobile purchases. Dai and Palvi (2009) states that consumers are often worried whether vendors are able to protect their personal information such as credit card details and location privacy.

Other common issues such as viruses may also occur on mobile devices. Hence, trust must be attained in order for consumers to shop via mobile devices. Additionally, desktop computers and laptops are well known for their big screens, which is another beneficial factor to be taken into consideration. Mobile devices on the other hand face many constraints, such as smaller screens, inconvenient input and limited computing abilities (Wang et al., 2015). This can create a negative shopping experience for users because it can be difficult to search for relevant information using smartphone. Another difficulty mobile shoppers may encounter is the technical problems associated with mobile networks when not connected to wireless internet. Mobile networks can be unstable at times, which may cause a service disconnection and slow responses (Zhou, 2013).

Brands such as Coca Cola, Xbox and 20<sup>th</sup> Century Fox are using the mobile channel in order to interact with their consumers at any time and any place (Barnes, 2002). This can be implemented through mobile text, image, and video advertising in order to reach to a greater target market. Mobile text advertising can be identified as "a paid form of location-sensitive personal Short Message Service (SMS) communication from an identifiable source, designed to persuade the receiver to take some action, either in real time or in the future" (Richards and Curran, 2002, p.74). Pecks and Childers (2006) also showed that the mobile text advertising platform allows companies to reach their target customers with a personalised message that may meet their needs and interest, and therefore these consumers may be more likely to indulge in an impulse buying behaviour. Impulse buying is seen as an immediate behaviour because consumers experience a sudden and strong urge to make a purchase (Beatty and Ferrell, 1998). Because of this, Davis and Santos (2009) claim that "the close proximity and ubiquitous nature of the M-commerce service and device makes the consumer more vulnerable to the feeling of having to buy something instantly" (p.16). The below table shows a summarised comparison of the key factors that differ in shopping via mobile and instore shopping.

Mobile shopping	In-store shopping	
Drivers		
Able to shop anytime, any place  Ease of access to shopping channels at any hour allows for quick satisfaction of needs.	Friendly sales assistants  Sale assistants that provide exceptional service can motivate and encourage consumers to purchase impulsively.	
Greater variety of products  Online shopping tend to offer a bigger variety of products available for customers, and the prevalence of cross selling activities could motivate consumers to purchase impulsively.  High return of product rate  Ease of availability of return options can influence an impulsive purchaser who sees	Satisfies instant desires  Consumers are able to take the product home straight away, rather than having to wait for deliveries as compared to shopping online, which will satisfy their instant desires.  The influence of haptic information  Consumers have the option of touching and trying on the products in-store, which	
this as an option to avoid regret.	may motivate them to purchase the product.	
Cross-channel integration Companies can use combined strategies such as sale discounts, coupons and social media platforms to attract the attention of consumers. These consumers are also able to engage and interact more freely with the seller which can push consumers to more impulsive behaviour.	Atmospheric cues Atmospheric cues such as lighting, promotions and music may help to attract the attention of consumers, which will lead to consumers coming in to the store to browse for products.	
Deter	rrents	
Hacker attacks  Hacker attacks can happen due to the mobile networks being vulnerable. Personal information such as payment details and address may leak to hackers.  Small Screen	Sale assistants Some consumers may wish to shop alone, and may feel intimidated by the sales assistants. This will have a negative effect on impulsive shoppers, as they may decide not to make a purchase.  Time availability	
Smartphones and tablets are small touch-screen devices, which may not be convenient for some consumers.	Due to the fact that in-store shopping isn't as convenient as online shopping, consumers must have sufficient time in order to browse for products, which may have an impact on their purchase behaviours.	
High return of product rate  The potential need to return a product that consumers are not able to touch or try	Social influences Social influences refer to the way an individual may act to please their friends	

on can deter some consumers from purchases.	and family. If a friend says negative things about a product, it is then unlikely for the
*	consumer to purchase it.

The literature review leads to the following hypotheses, which are grounded in theory on store atmospherics, haptic touch, motivations, impulsive purchase behaviours, time and money availability, materialism, emotional state and immediate positive feelings. As shown in the integrative review, this research examined sixty-eight papers from the years 1962 to 2016 to understand how motivations to purchase impulsively and without intention may have arisen, and how those tendencies may alter or extend into a new setting of shopping via handheld, mobile, touchscreen devices. Hence, the following hypotheses are developed.

# 2.14 Hypotheses:

Mobile retail settings, as opposed to in-store retail settings, allow for shopping at any time and place. They also give access to a wide range of products for consumers to choose from. The literature has shown that such factors can increase motivations to purchase impulsively (Wong et al., 2014). Hence, formally, this leads to hypothesis 1:

H1: In a mobile (in-store) setting, impulse purchases will be higher (lower).

I also propose several variables as moderators to this main effect. The literature has shown that consumers who have more time available tend to browse for longer, and have a higher chance of impulse buying (Beatty and Smith, 1987). Hence, the researcher predicts that:

H2a: The more time available, the more likely the consumer is going to engage in impulse buying behaviour in mobile settings (vs in-store).

Money availability is another variable that may impact consumer's impulse buying behaviour. It is found in the literature that money availability can increase consumer's buying power. Therefore, if a consumer has no money, then they may choose to avoid shopping (Khorrami and Esfidani, 2005). Hence, hypothesis H2b is established:

H2b: The more money available, the more likely the consumer is going to engage in impulse buying behaviour in mobile settings (vs in-store).

It is shown in the literature that consumers who are more materialistic tend to impulse

purchase more and are more likely to borrow money from others in order to buy luxury items (Watson, 2003). Hence, hypothesis H2c predicts that:

H2c: Consumers who are more materialistic, have a higher tendency to impulse purchase more via mobile (vs in-store).

Hedonic motives such as positive feelings can have a positive influence on consumers and their shopping behaviours (Kinney, Ridgway and Monroe, 2009). Past literature has found that when a consumer is experiencing negative feelings such as feeling depressed, lonely or sad, they may choose to make a purchase online (as compared to in-store) because of the speed and ease of making a purchase. This will then create a positive feeling for the consumer and will lead to future sales (Kinney, Ridgway and Monroe, 2009). Hence, the researcher predicts that:

H2d: Consumers who have more positive feelings, have a higher tendency to impulse purchase more via mobile (vs in-store).

# Chapter Three: Research Design

A research design is viewed in the literature to be "a strategy for answering the questions or testing the hypotheses that stimulated the research in the first place" (Pinsonneault and Kraemer, 1993, p.81). A quantitative research design, an experiment, has been undertaken to identify similarities and differences in in-store impulse buying and impulse buying via mobile devices.

This research design was chosen as quantitative studies focus on using numbers to record information (Walliman, 2010), and these numbers can then be analysed and interpreted for research needs. The purpose of quantitative research is to help the researcher to understand possible trends associated with the research topic. This form of research focuses on close ended questions, as well as the relationship between the dependent and independent variables in the study. It also aids the process in confirming hypotheses by the use of statistical calculations (Kaminski, 2004). Qualitative data, on the other hand, is aimed to provide researchers with detailed explanations of a specific area of interest (Patton, 2002). It involves sampling from a small population and will play an exploratory role. This form of research design is commonly seen through the use of in-depth and semi-structured interviews, as well as focus groups (Taylor and Bogdan, 1998). Qualitative research methodology aids the researcher in exploring more in-depth content in information, so that they are able to identify possible relationships and variables (Marshall, 2003).

However, in the established research on impulse buying, many important variables have been previously identified in the literature, and hence, a qualitative method could be less informative. A quantitative method that allows for comparison of responses from consumers shopping in-store vs. shopping on mobile device is more suited to answering the research questions posed in this thesis.

# 3.1 Research methodology

The random assignment experimental design is used in this research, because it distributes variation. The purpose of the random assignment procedure is to "assign units to conditions based only on chance, in which each unit has a nonzero probability of being assigned to a condition" (Shadish, Cook, and Campbell, 2002, p.248). It can also help to provide unbiased estimates of the average treatment effect (Rosenbaum, 1995). Hence, the goal of my simple

experimental design is aimed to compare responses across two conditions: in-store vs. mobile.

In this study, I recruited subjects in two conditions based on the setting of consumption: (1) in-store shopping, or (2) mobile shopping. These two conditions form the basis of the experimental design. This allowed me to assess potential impulse purchase behaviour for recent shopping occurrences, and to compare responses based on shopping setting, whether in-store or via mobile. The research design also allowed testing of various motivational factors as moderator variables in impulse shopping.

#### 3.2 Recruitment procedure

Participants were recruited from Aotea Square in central Auckland on three consecutive Thursday and Saturday afternoons in April 2016 (7<sup>th</sup> April 2016, 9<sup>th</sup> April 2016, 14<sup>th</sup> April 2016, 16<sup>th</sup> April 2016, 21<sup>st</sup> April 2016 and the 23<sup>rd</sup> April 2016) in order to complete the two versions of the questionnaire, (a) In-store version, and (b) Mobile version. 65 copies of version one (in-store) and 65 copies of version two (mobile) of the questionnaire were completed to identify possible trends in relation to these two opposing settings.

Aotea Square in Auckland is a large public area that attracts participants of all ages and ethnicities, which will help ensure the validity of the data collected. The researcher approached participants with a clipboard, which had a copy of the questionnaire attached. Participants needed to have made a purchase on a physical product in the past seven days, either in a physical shop or via mobile, in order to be proceed with this questionnaire. If a participant did not meet this criteria, they were excluded from the research. This is to ensure this study focuses solely on shoppers who have made a recent purchase and can recall or describe details about that purchase. To aid in locating recent shoppers, when the researcher was gathering questionnaire responses to the in-store version, the researcher approached individuals with shopping bags or retail bags in hand.

Participants were approached and asked if they had time to fill in a 5-7 minute questionnaire in regard to their shopping behaviours. Coffee vouchers for a downtown Auckland coffee shop valued at approximately \$5 were given as an incentive at the completion of the questionnaire. A consent form was also provided to the participants to gain approval for the study, and they were told all information will be kept confidential. Data was collected over a

six-day period, from 11AM until 5PM on alternating Thursdays and Saturdays. The procedure of data collection involved starting off with version 1 of the questionnaire on Thursdays for the first 2.5 hours, and later swapping to version 2 for the last 2.5 hours. Data collection on Saturdays were conducted vice versa (responses were collected for version 2 for the first 2.5 hours of data collection, and version 1 for the last 2.5 hours of data collection). This method to collect data was appropriate and effective, because the researcher was able to move around freely and approach participants of all ages and ethnicity.

Participant's confidentiality and privacy must be maintained. The researcher clearly explained to each participant that all responses are to be kept anonymous, no names are attached to the questionnaire, and the responses will only be used for the use of this research assignment by the researcher herself, and her supervisor as approved by AUT and not distributed to any other entities or individuals. Participants also had the right to ask for a copy of the research once completed. If participants did not wish to continue during the duration of the study, they were free to leave or discontinue participation at any point they chose.

#### 3.3 Data preparation

The researcher prepared 130 copies of the questionnaire, with 65 copies of the (a) in-store version, and 65 copies of the (b) mobile version printed and stapled together along with a consent form for the participants to sign. An information sheet was also printed and provided to the participants as it gave them a brief overview of the research. The researcher then separated the two versions of the questionnaire in two different folders, for ease of identification. A clipboard containing a copy of the questionnaire and pens were also prepared.

## 3.4 Data analysis procedure

This research involved gathering data to analyze in SPSS software chiefly using the analysis of variance (ANOVA) and logistic regression tests. Once the data was entered into a spreadsheet, ANOVAs and logistic regressions were used to determine if there are any significant differences between the various motivational factors in the two settings, mobile vs. in-store. Reliability checks, linear regression, and univariate analysis of variance tests were also undertaken in order to identify possible trends. The researcher also used the Hayes

MODPROBE model software to further investigate the issue of impulse buying behaviour between the two settings.

#### 3.5 Participants

Sampling is defined in the literature as selecting individuals that guarantees generalisation (Pinosonneault and Kraemer, 1993). For the purpose of this research, 130 participants were approached. The sample consisted of 88 females and 42 males. The higher prevalence of females (67% female) in my sample emerged in part because woman tend to shop more in general as compared to men (Coley and Burgess, 2003).

Ages ranged between under 20 years old to above 60 years old, with the average group for this study being 21-30 year olds, as 59 participants stated that they fit in to this category. The majority of the participants were New Zealand European, followed by 'other' ethnicities such as Sri Lankan, Korean, and Canadian. In terms of income levels, 32 participants stated in the survey that their annual income is below \$20,000 NZD, and 6 participants reported an income over \$100,000 NZD per year.

# 3.6 Participant Demographics

Demographic factors of the participants include age, gender, ethnicity and income levels. The charts below indicate their responses given across both conditions in the questionnaires.

Figure 2- Gender

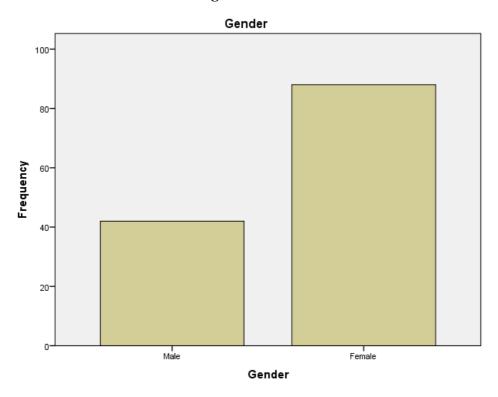


Figure 2 shows that out of the 130 participants, 88 were female and 42 were male. A higher percentage of females were recruited for this study.

Figure 3- Age

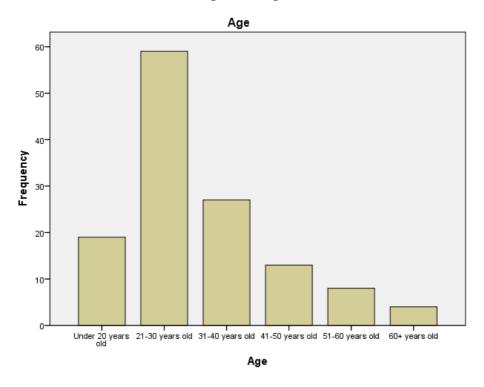
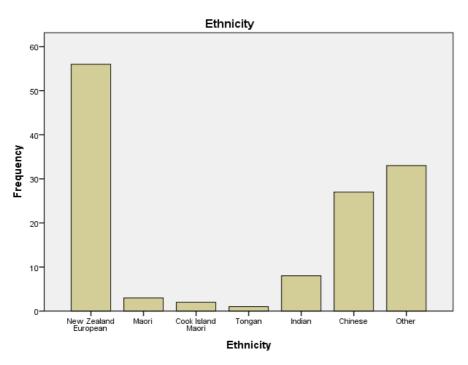


Figure 3 shows the age of the participants in this study. There are 19 participants who are under 20 years old, 59 participants between the ages 21-30, 27 participants in the age group 31-40, 13 participants aged between 41-50, 8 participants aged 51-60 and 4 participants who were 60+ years old.

Figure 4- Ethnicity



56 out of the 130 participants reported that they are New Zealand European, 3 said they are Maori, 2 Cook Island Maori, 1 Tongan, 8 Indian, 27 Chinese and 33 in the 'other' category, consisting of ethnicities such as German, Canadian, Sri Lankan, and so on.

Figure 5- Income

There are 32 participants in the below \$20,000 NZD category, 21 in the \$20,000-\$30,000 NZD category, 21 in the \$30,000-\$40,000 NZD category, 19 in the \$40,000-\$50,000 NZD category, 11 in the \$50,000-\$60,000 NZD category, 19 in the \$60,000-\$100,000 NZD category and 6 in the \$100,000 and over category. One participant also chose not to indicate their income levels.

#### 3.7 Stimuli

The questionnaire started off with situational questions such as "did you intend to purchase this product?" which required a basic Yes or No response. The questionnaire also consisted of short answer open-ended questions that asked participants to justify their choices. It then continue with enduring type questions related to consumer motivations to impulse buy, including the impulse buying tendency scale by Verplanken and Herabadi (2001). The motivational factors that were tested in this study were the impulse buying tendency scale, time and money availability, immediate positive feelings, and the material values scale. Participants were asked to rate how important each variable is to them on a 7-point scale, where "1" = "strongly disagree," "4" = "neutral," and "7" = "strongly agree."

For the full questionnaire, see the appendix. A complete list of the variables included in this study is also presented in Table 4 below.

Table 4- List of Variables in this study		
Independent	<b>Dependent Variables</b>	Moderators
Variables		
Condition	Intent to buy	Impulse buying tendency scale
- In-store	After describing a recent	(Verplanken and Herabadi, 2001)
- Mobile	purchase, participants were	9 item scale; participants are
	asked if they had intended to buy	asked to rate the importance of
	the item.	each variable on a 7-point scale.
	Basic Yes or No answer. If	
	participant says 'no', it is	
	categorised as an impulse	
	purchase.	
	Purchase Reason	Time and money availability
	An open-ended item asked	scales (Beatty and Ferrell, 1998)
	participations to describe the	5 item scale; participants are
	reason they made a purchase.	asked to rate the importance of
	Purchase reasons were coded in	each variable on a 7-point scale.
	as 'impulsive' or 'non-	
	impulsive' categories. For	
	example, codes such as 'price'	
	and 'social influence' can be	
	categorised as impulsive.	
		Immediate positive feelings scale
		(Kinney, Ridgway and Monroe,
		2009)
		4 item scale; participants are
		asked to rate the importance of
		each variable on a 7-point scale.
		Material values scale (Richins
		and Dawson, 1992)
		7 item scale; participants are
		asked to rate the importance of
		each variable on a 7-point scale.

The dependent variables include purchase intent item. After describing a single recent purchase, participants were next asked a single question "did you intend to buy this item?" which required a basic Yes or No answer. This allowed the researcher to categorise this dichotomous variable of purchase intent, as participants that stated they did not intend to buy this item were categorised as impulsive shoppers. Purchase reason was another dependent variable that was tested throughout this study. The researcher coded open-ended responses to the question of why consumers purchased their item into categories. These codes include: 'price', 'social influence', 'gift', 'need', 'impulse buy', 'replacement', 'desire', 'NA', and 'convenience'. Codes such as 'price', 'social influence', 'impulse buy', and 'desire' were categorised as "impulsive" behaviour, and 'gift', 'need', and 'replacement' were coded as "not impulsive".

The independent variable in this research is the condition of the impulse purchase.

Participants were selected to complete two different versions of the survey, (a) in-store and (b) mobile. This allowed the researcher to group the participants in accordance to their purchase conditions.

The moderator variables tested in this research are the motivational factors that might influence impulse buying behaviour. The impulse buying tendency scale by Verplanken and Herabadi (2001) is a 20-item scale that has been developed to measure cognitive aspects such as lack of planning and deliberation, and affective aspects such as feelings of pleasure, excitement, compulsion, lack of control and regret against impulse buying. In my questionnaire, I use a shortened version of Verplanken and Herabadi (2001)'s scale and selected nine items that most clearly demonstrate the construct of impulse buying tendency (or which more directly tap the construct). Using these nine items also allowed for a more concise and expedient study to avoid participant fatigue. Examples include "I usually think carefully before I buy something", "Most of my purchases are planned in advance", "I sometimes feel guilty after having bought something", and "I only buy things that I really need."

The time and money availability scales developed by Beatty and Ferrell (1998) consisted of six measures. In my questionnaire, five items including "I have limited time available to shop", "I am not rushed for time to shop", "I do not feel I can afford to make any unplanned purchases", "I am currently on a tight budget", and "I feel that I have enough extra money so

that I can splurge a little if I find something I really like" were presented to the participants.

The immediate positive feelings scale developed by Kinney, Ridgway and Monroe (2009) is a four item scale which measures the effectiveness of in-store and online shopping. This scale was adapted in to the two versions of the questionnaire, with one focusing on mobile and one on in-store. Measurements included "When shopping in a store (or mobile), I can satisfy my urge to shop and buy faster", "When shopping in a store (or mobile), I can get more immediate pleasure from buying", "Buying in a store (or via mobile) can get me out of a bad mood faster" and "The in-store (or mobile) shopping experience is more exciting."

Lastly, the material values scale by Richins and Dawson (1992) aims to examine materialism as a facet of consumer behaviour. This scale consists of 18 items that measure three basic factors: centrality, success and happiness. Due to the questionnaire being 5-7 minutes long, the questions needed to be precise. Hence, the researcher selected seven items from the materialism scale, including "I admire people who own expensive homes, cars and clothes", "Some of the most important achievements in life include acquiring material possessions", "My life would be better if I owned certain things", and "it sometimes bothers me quite a bit that I can't afford to buy all the thing I'd like to buy."

Reliability checks were conducted to assess whether the scales are reliable and valid. The Cronbach's alpha statistical approach is often used as a common measure to evaluate internal consistency (Hair et al., 1992). In this study, Cronbach's alpha coefficient was 0.82 for the impulse buying tendency scale, 0.79 for the materialism scale, 0.58 for the time availability scale, 0.66 for the money availability scale and 0.84 for the immediate positive feelings scale. According to Nunnally (1978), an acceptable and reliable Cronbach's alpha value ranges from 0.7-0.9. The time and money availability scales were adapted for this research. Therefore, demonstrating a low but acceptable Cronbach's alpha value. Despite a low Cronbach's alpha figure, this measure has been used in previous marketing papers. A low Cronbach's alpha value may be caused by the low number of questions, or poor interrelatedness between the items. However, if the value is too high, it means that some of the items may be redundant as the same questions are being tested, but in a different guise (Tavakol and Dennick, 2011). It is also important to note that the number of test items must be at a reasonable figure, because if it is too small, then it may underestimate the reliability (Tavakol and Dennick, 2011).

Finally, demographics of the sample were also included in the questionnaire and contained information such as age, gender, ethnicity and income levels. Participants were given the instruction to circle the most appropriate response that applies to them. In order to find out the participant's age, they were asked to circle the most appropriate age group that best suit them. The age groups are as follows: "under 20 years old", "21-30 years old", "31-40 years old", "41-50 years old", "51-60 years old" and "60+ years old." To collect data on the ethnicities of the sample, participants were asked to state whether they are "New Zealand European", "Maori", "Samoan", "Cook Island Maori", "Tongan", "Indian", "Chinese", or "Other" – where they are required to specify their ethnicity. To find out participant's income levels, they were asked to select the category they best fit under, which include "Below \$20,000 NZD", "\$20,000 NZD-\$30,000 NZD", "\$30,000 NZD-\$40,000 NZD", "\$40,000 NZD", "\$40,000 NZD", "\$50,000 NZD-\$60,000 NZD", "\$60,000 NZD-\$100,000 NZD", and "\$100,000 NZD and over." Lastly, to find out participants' gender, they were asked to select from "male" or "female". For the complete study design, please see the appendix.

# Chapter Four: Findings

This chapter will focus on the statistical analyses that were conducted to test the hypotheses. To test the hypotheses and test for significant results, a series of logistic regressions and moderated regressions were run.

# 4.1 Main effect (explicit measure)

H1: In a mobile (in-store) setting, impulse purchases will be higher (lower).

A logistic regression was performed with condition (in-store vs mobile) as the independent variable and purchase intent as the dependent variable. This is not statistically significant ( $\chi^2$  (1, N=130) =1.65, p =.198). Exploring the potential trend of this marginal result, though, reveals via the positive Beta weight (B=.479, p=.198) that as a participant's self-reported level of impulse buying tendency rises, their intent to purchase via mobile lowers.

The logistic regression statistical test was chosen because there are only two possible outcomes. The first variable of 'intent to buy' has a basic Yes or No answer. The researcher has also coded reasons for purchase as 'impulsive' or 'non-impulsive'. Hence, a logistic regression was performed to test the hypotheses for this thesis.

#### 4.2 Second main effect (implicit measure)

In order to discover the main motives behind consumer shopping behaviours, the researcher coded open-ended responses to the question of why consumers purchased their item into categories such as 'price', 'social influence', 'gift', 'need', 'impulse buy', 'replacement', 'desire', 'NA', and 'convenience' (see Table 5 for more examples of this coding). Coding allows the researcher to quantify open-ended responses and to conduct further statistical tests. Codes such as 'replacement product' and 'need the item' are coded as non-impulsive-purchase behaviour. However, codes such as 'price' and 'social influence' can be categorised as a motivator behind impulse buying, because as the literature shows, impulsive purchase behavior is tied to unintentional buying encouraged by lower prices, promotions and social others (Williams and Dardis, 1972). A second, blind coder with basic knowledge of the subject 'impulse buying' also viewed the categories and classified them in to the nine sub headings. The inter-coder reliability check was conducted and the Cronbach's alpha was at the value of 0.95. The blind coder also categorised the responses into impulsive and non-impulsive buying behaviour and the Cronbach's alpha was at a value of 0.97, which indicates

that both of these checks are reliable.

The codes represents purchase reason were categorised as "0" for non-impulsive reasons and "1" for impulsive reasons. This open-ended measure revealed a more clear and varied picture of possible reasons behind a purchase than the simple "yes" or "no" answer to "Did you intend to purchase this item?"

The conditions for this study were also coded, with 0 = mobile setting, and 1 = in-store setting. The positive Beta weight indicates that as a participant's self-reported level of impulse buying tendency rises, their intent to purchase via mobile lowers.

Impulsive	Non-impulsive
Price	Gift
"Good price"	"Mother's day gift"
"Big sale"	"Birthday present"
"Just got paid"	
Social influence	Need
"For a function"	"Needed a new sound system"
"Health and fashion conscious"	"Needed it for a party"
Desires	Replacement
"I really liked it"	"Needed a replacement one"
"Couldn't stop thinking about it"	"Old one ran out"
Impulse buy	Convenience
"I was just intending to go window	"Easier to buy online"
shopping"	"Only online had the specific colour"
"Impulse purchase"	
	NA

The term implicit measure refers to "individuals not realising what is being measured or be able to consciously correct their answers within the allotted time constraints" (Dimofte, 2010,

p.924). According to Chartrand (2005), individuals may be oblivious of the external cues that stimulate the engagement of a cognitive process. An implicit measure applies in this setting, as consumers may be unaware of and therefore unable to clearly articulate whether or not they were impulsive in the explicit question, yet responses to the open-ended question allowed for implicit purchase reasons to emerge and be cataloged.

A logistic regression performed with condition (in-store vs mobile) as the independent variable and purchase reason as the dichotomous dependent variable was statistically significant,  $(\chi^2(1, N=130)=2.61, p=.014)$ . The positive Beta weight (B=.894, p=.014) indicates that when shopping via mobile, consumers are more likely to purchase for 'price', 'impulse', and 'desire', and therefore to be impulsive. Hence, Hypothesis1, that consumer impulse purchase behaviours will be higher in mobile settings (vs. in-store settings), is supported. Importantly, the additional variable of purchase reason allowed the researcher to examine possible main effects of condition (shopping in store vs. shopping via mobile) on an open-ended, self-reported and implicit measure of potentially impulsive reasons behind a purchase.

#### 4.3 Moderated main effects

In order to assess the moderating effect between the variables, the SPSS version of MODPROBE (2009) was used. MODPROBE is a software program that is commonly used in logistic regressions in order to determine single-degree-of-freedom interactions (Hayes and Matthes, 2009). This software will also identify the effect of an independent variable on an outcome variable, which is also dependent on the moderator variable. Hayes and Matthes (2009) also found that "such an effect reveals itself statistically as an interaction between the independent and moderator variables in a model of the outcome variable. When an interaction is found, it is important to probe the interaction, for theories and hypotheses often predict not just interaction but a specific pattern of effects of the focal independent variable as a function of the moderator" (p.924).

## Time availability

H2a: The more time available, the more likely the consumer is going to engage in impulse buying behaviour in mobile settings (vs in-store settings).

To test H2a, a moderation analysis was performed with purchase reason as the dependent variable, condition as the focal predictor and time availability as the moderator variable. Results indicate that this moderation was not statistically significant (B=-.03, p=.92). The confidence interval for this interaction crossed zero, CI = (-.53, .48). Hence, there is no significant relationship between the variables.

A moderation analysis was also performed with purchase intent as the dependent variable,

condition as the focal predictor and time availability as the moderator variable. Results indicate that this moderation was not statistically significant (B=.08, p=.76). The confidence interval for this interaction crossed zero, CI= (-.43, .59). Thus, there is no significant relationship between the variables.

# Money availability

H2b: The more money available, the more likely the consumer is going to engage in impulse buying behaviour in mobile settings (vs in-store).

To examine H2b, a moderation analysis was performed with purchase reason as the dependent variable, condition as the focal predictor and money availability as the moderator variable. Results indicate that this moderation was also not significant (B=.0004, p=.99). The confidence interval for this interaction crossed zero, CI= (-.59, .60).

A moderation analysis was also performed with purchase intent as the dependent variable, condition as the focal predictor and money availability as the moderator variable. Results indicate that this moderation was approaching significance (B=-.52, p=.09). The confidence interval for this interaction crossed zero, CI= (-1.15, .10) To explore the trend indicated by this marginal result, the negative and non significant Beta weight indicates that when shopping on mobile, the less money available, participants could be more likely to impulse purchase. In particular, conditional effects of the focal predictor of money availability score on purchase reason show that higher money available scores of 1 standard deviation above the mean (M= 5.51) and higher have a non-significant impact on impulsive shopping via mobile (p=.73), yet when money available score is the mean score (M= 4.30) and 1 standard deviation lower, the coefficient is closer to significance (p= .30).

#### Materialism

H2c: Consumers who are more materialistic, have a higher tendency to impulse purchase more via mobile (vs in-store).

To examine H2c, a moderation analysis was performed with purchase reason as the dependent variable, condition as the focal predictor and materialism scale as the moderator variable. Results indicate that this interaction was marginally significant (B=-.60, p=.07). The confidence interval for this interaction crossed zero, CI= (-1.2, .05). The negative and near significant Beta weight demonstrates that when shopping via mobile device, low materialists

are less likely to impulse purchase. In particular, conditional effects of the focal predictor of materialism score on purchase reason show that higher materialism scores of 1 standard deviation above the mean (M=5.07) and higher have a non-significant impact on impulsive shopping via mobile (p=.68), yet when materialism score is the mean score (M=3.91) and 1 standard deviation lower, the coefficient is significant (p=.02).

A second test of H2c was also conducted with purchase intent as the dependent variable. A moderation analysis was performed with intent to purchase as the dependent variable, condition as the focal predictor and materialism scale as the moderator variable. Results indicate that this interaction was not statistically significant (B= -.30, p= .37). The confidence interval for this interaction crossed zero, CI= (-.95, .35). Hence, there is an unclear relationship between the variables for H2c.

# Immediate positive feelings

H2d: Consumers who have more positive feelings, have a higher tendency to impulse purchase more via mobile (vs in-store)

To test H2d, a moderation analysis with purchase reason as the dependent variable, condition as the focal predictor and immediate positive feelings as the moderator variable reveal that this interaction was not significant (B=.09, p=.72). The confidence interval for this interaction crossed zero, CI= (-.41, .59). Thus, there is no significant relationship between the variables.

A second test of H2d was run with the independent variable of purchase intent. A moderation analysis was also performed with intent to purchase as the dependent variable, condition as the focal predictor and immediate positive feelings scale as the moderator variable. Results indicate that this interaction was also not significant (B=-.39, p=.16). The confidence interval for this interaction crossed zero, CI= (-.94, .16)

# Chapter Five: Discussion

This chapter focuses on discussing and interpreting the statistical analyses that were conducted in order to test the hypotheses, in chapter 4. It will also provide insights into why these current findings may have occurred, followed by a discussion of implications, limitations and directions for future research.

#### 5.1 Hypotheses testing

## 5.1.1 Hypotheses 1

Hypotheses 1 posited that consumer impulse purchase behaviours will be higher in mobile settings (vs. in-store settings). The creation and rise of technology in mobile devices has led to individuals being able to conduct and provide for almost all their daily needs through the use of their mobile phone, including shopping. Past literature has revealed that shopping via mobile has had a significant increase over the years (Liu et al., 2013). Statistics also show that 40% of online shoppers claim that they have impulse purchased, and consider themselves to be impulse shoppers (Liu et al., 2013). Hence, this hypothesis aimed to identify whether the mobile setting might encourage consumers to impulse purchase more often.

Results from my study were mixed. For the variable of purchase intent, this trend was nonsignificant (B=.479, p=.198). According to Nunnaly (1978), an acceptable p-value should be <0.05. Thus, hypothesis one is not significant for the variable of purchase intent.

However, testing Hypothesis 1 with the variable of purchase reason, an implicit measure which provides deeper insight into the reasons participants are making purchases, allows the researcher to conclude that Hypothesis 1 is confirmed. For the variable of purchase reason, this trend was significant (B=.894, p=.014). This means that consumers are more likely to impulse purchase via mobile, as compared to in-store when they have a reason to make a purchase. This could be buying a new dress for a function, or a reduction on desired products. Thus, Hypothesis 1 is partially supported and warrants further examination.

#### 5.1.2 Hypotheses 2a

Hypotheses 2a theorises that the more time available, the more likely the consumer is going to engage in impulse buying behaviour in mobile settings (vs. in-store settings). Time

availability is a variable demonstrated in the literature that assesses how long the customer has to browse and search for products while on a shopping trip. As shown in the literature, Iyer (1989) proposed that time pressure reduced unplanned purchases in a retail setting. Khorrami and Esfidan (2005) also suggested that lack of time available will decrease impulse buying, and the more time the consumer has to shop, the more likely he or she is to be involved in impulse buying. This study has tested this hypothesis using a moderation analysis, with purchase intent as the dependent variable. Results indicate that there is no significant relationship between the variables (B=.08, p=.76). Hence, hypothesis 2a is not supported for the dependent variable of purchase intent. Testing hypothesis 2a with the variable of purchase reason as the dependent variable, results again indicate that there is no significant relationship between the variables (B=-.03, p=.92), meaning that time availability does not impact whether or not a consumer is more impulsive when shopping on mobile. Hence, Hypothesis 2a is not supported. In this way, it is clear that time availability does not impact whether shoppers tend to be more impulsive while shopping via mobile.

This is interesting because of the role of time and time pressure when shopping via mobile. The literature suggests that lack of time will have a negative effect, as it will decrease impulse buying (Khorrami, Esfidani and Delavari, 2005). Similarly, consumers with more time available have the opportunity to browse goods within the store and may purchase products which they had no intention on purchasing (Foroughi et al., 2012). Thus, the literature concludes that time availability positively affects impulse buying. Yet this study shows that time availability does not impact impulse buying more or less when on mobile vs. in-store.

# 5.1.3 Hypotheses 2b

Hypotheses 2b examines whether the participant is more likely to engage in impulse buying behaviour in mobile settings (vs. in-store settings) when they have more money available. For many consumers, cost is a crucial factor that may have an effect on their purchase behaviours, as they may be more reluctant to impulse purchase a product that is high in cost. A study by Cobb and Hoyer (1986) showed that price of products influenced approximately nine percent of impulsive buyers, and hence money availability can increase consumer's buying power. When consumers are low in money, they may choose to avoid going to the local shopping mall (Khorrami and Esfidani, 2005). Moreover, when individuals are experiencing negative emotions such as feeling unhappy or bored, and they have money

available, then this can increase the chances of impulse buying (Foroughi et al., 2012).

The dependent variable of purchase intent was tested against condition as the focal predictor and money availability scale as the moderator variable. Results showed that it is marginally significant (B=-.52, p=.09), which indicates that money availability might marginally impact consumer's intent to purchase in the mobile setting. This means that whether or not a consumer has money available, their intent to purchase via mobile is seen more significant, as compared to shopping in store. Thus, Hypothesis 2b is partially supported with the dependent variable of intent to buy.

When testing purchase reason as the dependent variable, condition as the focal predictor and money availability scale as the moderator variable indicate that this moderation was not significant (B=.0004, p=.99). Hence, Hypothesis 2b is not supported for the dependent variable of purchase reason.

A study by Khorrami, Esfidani and Delavari (2015) showed that money availability has a significant effect on impulse buying in the in-store setting. However, this research is aimed at finding out whether money availability has an impact on consumer's impulse purchase behaviour via mobile shopping as contrasted to in-store shopping. Thus, for the mobile setting, money availability might marginally impact consumer's impulse purchase behaviours. Mixed findings for hypothesis 2b indicate that further examination is needed in order to determine whether money availability impacts consumer's impulse purchase behaviours via mobile.

# 5.1.4 Hypotheses 2c

Hypotheses 2c examines whether consumers who are more materialistic have a higher tendency to impulse purchase more via mobile device (vs. in-store settings). Materialism in the literature is viewed to be "the importance a consumer attaches to worldly possessions" (Belk, 1984 p.291). This means that individuals who are more materialistic tend to place possessions at the centre of their lives. A study conducted by Moran and Kwak (2015) discovered a positive correlation between materialism and online impulse buying behaviour. They found that materialistic individuals reacted positively with suggestion stimuli, meaning products that were suggested by the sales assistant had a high purchase rate with materialistic consumers. This thesis aligns with Moran and Kwak's (2015) findings, and holds the view

that materialistic consumers tend to impulse purchase more on mobile as compared to instore. Testing hypotheses 2c with purchase intent as the dependent variable indicated that there is no significant relationship between the variables (B=-.30, p=.37). This means that materialism does not impact whether consumers are more impulsive with their purchases via mobile when intent to buy is explicitly considered. Thus, hypothesis 2c is not supported with the dependent variable of purchase intent.

However, testing hypothesis 2c with purchase reason as the dependent variable showed that this interaction is marginally significant (B=-.60, p=.07). When shopping via mobile, low materialists are less likely to impulse purchase. This could mean that materialistic customers may prefer shopping in-store, as compared to shopping via mobile, as this will satisfy their hedonic desires instantly. However, further investigation will be needed in order to justify this assumption. Hence, Hypothesis 2c is partially supported through a marginally significant result.

This study aligns with past literature, as consumers who are more materialistic tend to impulse purchase more and are more likely to borrow money from others in order to buy luxury items (Watson, 2003). These materialistic consumers are unlikely to save their money, and instead, spend it on items that can satisfy their instant desires. Marketing scholar Belk (1995) also discovered that consumers that are more materialistic may feel obsessed with spending money, which can lead to a "buy now, pay later" approach to consumption. Companies are able to use marketing strategies such as "buy now, pay later" financing options in order to attract the attention of materialistic consumers, and thus create greater profit maximisation. Results from the present study indicate that mobile settings can encourage more materialistic consumers to be more impulsive in their purchase behaviours.

## 5.1.5 Hypotheses 2d

Hypotheses 2d theorizes that consumers who have more positive feelings in a purchase situation have a higher tendency to impulse purchase more via mobile (vs. in-store settings). Prior marketing scholars found that hedonic motives such as positive feelings can have a positive influence on consumers and their shopping behaviours (Kinney, Ridgway and Monroe, 2009). Past literature has found that when a consumer is experiencing negative feelings such as feeling depressed, lonely or sad, they may choose to make a purchase online (as compared to in-store) because of the speed and ease of making a purchase. This will then

create a positive feeling for the consumer and will lead to future sales (Kinney, Ridgway and Monroe, 2009). In this study, purchase intent was used as the dependent variable, condition as the focal predictor and immediate positive feelings scale as the moderator variable. Results indicate that this was not statistically significant (B=-.39, p=.16). This means that Hypothesis 2d is not supported as immediate positive feelings scale does not impact whether a consumer impulse purchase more on mobile.

A second test with purchase reason as the dependent variable also showed that the interaction between the variables are not significant (B=.09, p=.72). Hence hypothesis 2d is not supported.

This study contradicts with prior research as findings showed that immediate positive feelings have a positive relationship with consumer's impulse buying behaviour (Kinney, Ridgway and Monroe 2009). This is because when a consumer is experiencing negative feelings, shopping online may help consumers to overcome these negative feelings. The fast speed and ease of making a purchase online will turn these negative feelings into positive feelings, as online stores offer express check-outs that are increasingly convenient for consumers. Kinney, Ridgway and Monroe (2009) also discovered "the immediacy of positive feelings pertains specifically to the shopping and buying process, rather than to actually receiving or consuming the product" (p. 300). Companies can use this opportunity to target their customers and create a safe and enjoyable online shopping experience for their customers. However, this thesis found that positive feelings did not moderate the relationship between shopping setting (mobile vs. in-store) and the outcome of impulse purchase behaviour.

Overall, this study comes to the conclusion that there are a few hypotheses that are partially supported and the rest are not supported. Table 6 provides a clear summary of the status of the hypotheses.

Table 4- Hypotheses Testing			
H1: In a mobile (in-store) setting, impulse	Partially supported for variable 'purchase		
purchases will be higher (lower).	reason' = (B=.894, $p$ =.014).		
	Not supported for variable 'purchase intent'		
	= (B=.479, p=.198).		
H2a: The more time available, the more	Not supported for variable 'purchase intent'		
likely the consumer is going to engage in	= (B=.08, $p$ =.76).		
impulse buying behaviour in mobile settings	Not supported for variable 'purchase		
(vs in-store settings).	reason' = $(B=03, p=.92)$ .		
H2b: The more money available, the more	Partially supported for variable 'purchase		
likely the consumer is going to engage in	intent' = $(B=52, p=.09)$ .		
impulse buying behaviour in mobile settings	Not supported for variable 'purchase		
(vs in-store).	reason' = (B= $.0004, p=.99$ ).		
H2c: Consumers who are more	Partially supported for variable 'purchase		
materialistic, have a higher tendency to	reason' = $(B=60, p=.07)$ .		
impulse purchase more via mobile (vs in-	Not supported for variable 'purchase		
store).	intent'= $(B=30, p= .37)$ .		
H2d: Consumers who have more positive	Not supported for variable 'purchase intent'		
feelings, have a higher tendency to impulse	= (B=39, $p$ =.16).		
purchase more via mobile (vs in-store).	Not supported for variable 'purchase		
	reason' = (B=.09, $p$ =.72).		

# Chapter Six: Implications, Limitations and Direction for Future Research

#### **6.1 Implications**

This research is one of the first studies designed to compare consumer's impulse purchase behaviour via mobile and in-store shopping settings. Findings from this research can be useful for marketers and researchers who have the same area of interest. It is also beneficial for the consumer, as understanding under what circumstances consumers are more likely to make impulsive purchases can help shoppers potentially control excess and unnecessary spending. Marketers are able to use this information to identify possible trends and opportunities in order to better target their customers to stimulate growth.

Results from this study indicates that hypotheses 1, 3 and 4 were marginally significant. Hence, it can be concluded that consumer impulse purchase behaviour is higher in mobile setting, as compared to in-store; money availability might marginally impact consumer's intent to purchase in the mobile setting, as compared to in-store; and low materialists are marginally less likely to impulse purchase in the mobile setting, as compared to in-store.

Marketers are able to use this information and set up promotional campaigns in order to attract the attention of their target market, which will in turn create greater profit maximisation. For H1, companies can start developing and creating an enjoyable and efficient mobile environment for their consumers, as more consumers are migrating from the traditional form of shopping to buying products via their mobile device. Marketers can also offer express shipping options and weekly deals via subscription emails, in order to keep consumers updated and potentially spur more spontaneous purchase decisions.

When it comes to the potential role of money availability, businesses can run promotional online offers such as offering 'limited time only' discounts or 'free postage for over \$50 orders.' This will create hype and might make consumers want to impulse purchase. Successful online e-tailers such as Boohoo,com and Beginning Boutique often have limited-time-only sales where they discount some products in order to attract the attention of consumers and facilitate more spontaneous, unplanned purchases.

In regards to understanding the role of materialism in encouraging impulse buying via mobile, companies can use marketing strategies such as "buy now, pay later" financing options, as well as layby of items, so that consumers pay off their expensive luxuries in several transactions and might not have to worry about not having enough money to pay for other bills.

#### 6.2 Limitations

There are several limitations that need to be acknowledged in this study. Firstly, the location of the data collection originally was designed to be located at one of the biggest shopping malls in Auckland to ensure only consumers who have recently purchased a product participated in the survey. The goal of the researcher was to focus solely on shoppers who have made a recent purchase and can recall or describe details about that purchase. However, due to ethical requirements, data collection was conducted at Aotea Square, a public square in Auckland's central business district. Only people with shopping bags were approached, however this is a less accurate gauge of the recency of shopping occurrence than intercepts within a store or inside a shopping mall itself. Another limitation to data collection is that the researcher did not have a table, as using a table would have delayed approval from the Auckland Council to collect data inside the public square. Instead, the researcher walked around Aotea Square with a clipboard and approached participants. Due to the absence of a table and signs, people around Aotea Square tended to walk away quickly and were reluctant to speak with the researcher.

Secondly, the results of the findings shown as another limitation that needs to be taken in to consideration, as results indicated that there are no perfect findings. Hypotheses 1 was significant for only one dependent variable measuring implicitly consumer impulse behaviors, while Hypotheses 3 and 4 were marginally significant, and hypotheses 2 and 5 were not supported. This means that further examination of these hypotheses is needed.

Thirdly, out of the 130 samples, only 42 participants were male. To improve this research next time, an even sample of both males and females would give a clearer identification of gender differences in impulse buying behaviour among the two settings.

Another limitation for this study is the method of intercept for the mobile setting. The researcher was able to gather participants whom have shopped via the in-store setting promptly, as individuals whom were walking around Aotea Square holding shopping bags were assumed to have made a purchase on that day. However, participants in the mobile

setting, were approached by the researcher and asked whether they have made a purchase via mobile in the past seven days. Hence, it is harder to more accurately and clearly guage recent mobile purchases via the current method.

Lastly, another limitation is that the purchase intent variable should have been on a ranking scale from 1-7 instead of a basic Yes or No answer. This could allow the researcher to get a better idea of to what extent these participants consider their intent, and would have allowed more statistical variance in responses. Demographic questions such as age, should ask participants for their precise age, rather than selecting their age groups. This will allow the researcher to be able to more directly calculate the average age of the participants.

#### 6.3 Directions for future research

The research conducted only included individuals from Auckland, and consisted of a large percentage of New Zealand Europeans. Future research may consider including a global demographic. For example, the researcher can survey a different sample of population, and have an even split of females and males. This will allow the researcher to better understand the gender differences in impulse buying behaviour. To survey the population on a global demographic, the researcher can use online survey panels in order to conduct this research.

This research primarily focused on the motivations behind consumer's impulse purchase behaviour in-store and via mobile. In future, the researcher can include online impulse purchases as another variable to be analysed. Although there is a substantial amount of literature on online impulse buying behaviour, no researchers have tested it alongside mobile purchases.

Another direction for future research is asking individuals to participate in the research immediately after making a purchase via mobile. This could be done through mobile applications where after the consumer makes payment, an option asking consumers to fill out a quick survey can be implemented. This will ensure consumers are considering a very recent mobile purchase.

In conclusion, this thesis examined 54 years of literature on impulse buying behaviour, time and money availability, implicit priming, social influences, ego depleted consumers, and visual merchandising theories to investigate the question of if impulse purchase behaviours

are more likely in mobile shopping settings vs. traditional in-store settings. The factors that can motivate impulsive shopping via a mobile device were found to be cross-selling and upselling techniques, interacting with consumers via social media platforms, cross channel integration, greater variety of products and the convenience of being able to shop anywhere and at any time. A study investigated this question, using in-person intercept of 130 of participants in a public square in Auckland, New Zealand. Results show initial evidence that consumers do have a tendency to be more impulsive in their purchases via mobile settings (vs. in-store), and that money availability and materialism have a marginal impact on this finding. Though further study is warranted, this thesis provides among the first evidence that mobile shopping can encourage consumers to be more impulsive and to be more likely to spontaneously purchase mobile offerings.

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# **Appendices**

#### **AUTEC Secretariat**

Auckland University of Technology
D-88, WU406 Level 4 WU Building City Campus
T: +64 9 921 9999 ext. 8316
E: ethics@aut.ac.nz
www.aut.ac.nz/researchethics

18 February 2016

Sommer Kapitan
Faculty of Business and Law

**Dear Sommer** 

Ethics Application: **16/39 Mobile and in-store shopping habits.** 

Thank you for submitting your application for ethical review to the Auckland University of Technology Ethics Committee (AUTEC). I am pleased to confirm that your ethics application has been approved for three years until 16 February 2019.

As part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <a href="http://www.aut.ac.nz/researchethics">http://www.aut.ac.nz/researchethics</a>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 16 February 2019;
- A brief report on the status of the project using form EA3, which is available online through <a href="http://www.aut.ac.nz/researchethics">http://www.aut.ac.nz/researchethics</a>. This report is to be submitted either when the approval expires on 16 February 2019 or on completion of the project;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this. To enable us to provide you with efficient service, we ask that you use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at <a href="ethics@aut.ac.nz">ethics@aut.ac.nz</a>. All the very best with your research,

Kate O'Connor

**Executive Secretary** 

**Auckland University of Technology Ethics Committee** 

Cc: Lili Wang liliwang0403@live.com; Ken Hyde



# **Consent Form**

Projec	ct Supervisor:	Sommer Kapitan	
Resea	rcher:	Lili Wang	
I have	read and unders	stood the information provided about this research project in the	
	Information Sh	neet dated 01 December 2015.	
0	I have had an o	opportunity to ask questions and to have them answered.	
0	I understand th	at I may withdraw myself or any information that I have provided f	or
	this project at a	any time prior to completion of data collection, without being	
	disadvantaged	in any way.	
0	If I withdraw,	I understand that all relevant information including tapes and	
	transcripts, or j	parts thereof, will be destroyed	
0	I agree to take	part in this research.	
0	I wish to receive	we a copy of the report from the research (please tick one): YesO	
		NoO	
Partic	ipant's signature		
Date:			
Appro	ved by the Aucl	kland University of Technology Ethics Committee on 16 February	
2016,	AUTEC Refere	nce number 16/39.	

Project title: Do consumers buy impulsively more in mobile shopping than in store?



# **Participant Information Sheet**

## **Date Information Sheet Produced:**

02 December 2015

#### **Project Title**

Do consumers buy impulsively more in mobile shopping than in store?

#### An Invitation

My name is Lili Wang and I am currently completing a Master of Business at the Auckland University of Technology. In order to help me complete my degree, I seek your participation to investigate how consumers shop in mobile and store environment. Participation in this research is 100% voluntary and you are able to withdraw at any time prior to the completion of this survey. All information provided will be kept confidential and will only be used for academic purposes.

### What is the purpose of this research?

The purpose of this research is to investigate motivations for how consumers shop in mobile environments versus store environments.

How was I identified and why am I being invited to participate in this research? Participants that are invited to participate in this research are customers that have made a purchase either on the day, or via their mobile devices in the past seven days.

## What will happen in this research?

The participants will require 5-7 minutes to complete the survey. Questions ask about your purchases and your personality. The findings may be used for academic publications and presentations.

#### What are the discomforts and risks?

There will be no more than minimal risks or discomforts associated with the procedures to be followed. Participants are able to withdraw from the survey at any point if they feel uncomfortable.

#### What are the benefits?

The findings of this research are intended to benefit the marketing literature, as it will aid companies in making effective business strategies in order for greater profit maximization. It will also benefit the participant and the researcher, as participants will enhance their knowledge on the topic of impulsive buying behaviour, and the researcher will gain a Masters Degree in Business. Additionally, a small incentive will also be offered to the participants as a reward.

## How will my privacy be protected?

Your participation to this research will remain anonymous. The researcher will not be able to identify the participant.

## What are the costs of participating in this research?

The survey should take no longer than 5-7 minutes.

# How do I agree to participate in this research?

To agree, simply complete the survey.

#### Will I receive feedback on the results of this research?

Yes, feedback can be given to the participants in the form of an URL.

### What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Sommer Kapitan*, *sommer.kapitan@aut.ac.nz*, +64 09 9219999 EXT 5131. Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC, Kate O'Connor, *ethics@aut.ac.nz*, 921 9999 ext 6038.

### Whom do I contact for further information about this research?

#### **Researcher Contact Details:**

Name: Lili Wang

Email Address: <a href="mailto:liliwang0403@live.com">liliwang0403@live.com</a>

Phone Number: 021 175 3881

## **Project Supervisor Contact Details:**

Name: Sommer Kapitan

Email Address: Sommer.kapitan@aut.ac.nz

Phone Number: 09 921 9999 EXT 5131

Approved by the Auckland University of Technology Ethics Committee on 16 February 2016, AUTEC Reference number 16/39.

(Version 1- in-store) Thanks for agreeing to contribute to some student research for my master's project

The following form asks you questions about your purchase experience today and the way you tend to shop in general. Please answer each question presented to the best of your ability, choosing the answer that best represents you. **Remember, there are no right or wrong answers.** 

Have you	shopped for any product in the past 7 days?
0 1	Yes
0 1	No
Have you	made a purchase for a physical item in the past 7 days?
0 1	Yes
O 1	No
What did	you buy?
Did you in	ntend to buy this item?
0 1	Yes
0 1	No
Please exp	plain why, or why not:
Did you n	eed this item?
0 1	Yes
O 1	No
Was your	item on sale?
0 1	Yes
O 1	No
If so,	what percent off is it?
What cate	egory would your purchase fall in to?
O E	Electronics
O F	Fashion
O 1	Beauty and skin care
O F	Gurniture
O F	Pet supplies
0 8	Sporting goods
0 (	Other- please specify

The following questions ask about your typical experiences. Remember, there are no right or wrong answers. Please **circle** the answer that best represents you.

	Strongly Disagree			Neutral			Strongly agree
I usually think carefully before I buy something.	1	2	3	4	5	6	7
Most of my purchases are planned in advance.	1	2	3	4	5	6	7
I only buy things that I really need.	1	2	3	4	5	6	7
I like to compare different brands before I buy something.	1	2	3	4	5	6	7
It is a struggle to leave nice things I see in a shop.	1	2	3	4	5	6	7
I sometimes feel guilty after having bought something.	1	2	3	4	5	6	7
I am not the kind of person who "falls in love at first sight" with things I see in shops.	1	2	3	4	5	6	7
I find it difficult to pass up a bargain.	1	2	3	4	5	6	7
If I see something new, I buy it.	1	2	3	4	5	6	7
I admire people who own expensive homes, cars and clothes.	1	2	3	4	5	6	7
Some of the most important achievements in life include acquiring material possessions.	1	2	3	4	5	6	7
I try to keep my life simple, as far as possessions are concerned.	1	2	3	4	5	6	7
Buying things gives me a lot of pleasure.	1	2	3	4	5	6	7
I have all the things I really need to enjoy life.	1	2	3	4	5	6	7
It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like to buy.	1	2	3	4	5	6	7
My life would be better if I owned certain things I don't have.	1	2	3	4	5	6	7
I have limited time available for me to shop.	1	2	3	4	5	6	7
I am not rushed for time to shop.	1	2	3	4	5	6	7

	Strongly Disagree			Neutral			Strongly Agree
I do not feel I can afford to make any unplanned purchases.	1	2	3	4	5	6	7
I am currently on a tight budget.	1	2	3	4	5	6	7
I feel that I have enough extra money so that I can splurge a little if I find something I really like.	1	2	3	4	5	6	7
When shopping in a store, I can satisfy my urge to shop and buy faster.	1	2	3	4	5	6	7
When shopping in a store, I can get more immediate pleasure from buying.	1	2	3	4	5	6	7
Buying in a store can get me out of a bad mood faster.	1	2	3	4	5	6	7
The in-store shopping experience is more exciting.	1	2	3	4	5	6	7

# Please provide the following details about yourself:

Age:			
C	Under 20 years old	Income:	
C	21-30 years old	0	Below \$20,000 NZD
C	) 31-40 years old	0	\$20,000-\$30,000
C	) 41-50 years old	0	\$30,000-\$40,000
C	51-60 years old	0	\$40,000-\$50,000
C	0 60+ years old	0	\$50,000-\$60,000
Ethnic	ity:	0	\$60,000-\$100,000
C	New Zealand European	0	\$100,000 and over
C	) Maori	Gender:	
C	) Samoan	0	Male
C	Cook Island Maori	0	Female
C	) Tongan		
C	) Indian		
C	) Chinese		
C	Other (Such as Dutch, Japanese)		

(Version 2- Mobile) Thanks for agreeing to contribute to some student research for my master's project.

The following form asks you questions about your purchase experience today and the way you tend to shop in general. Please answer questions presented to the best of your ability, choosing the answer that best represents you. **Remember, there are no right or wrong answers.** 

Have you shopped for any product via your mobile device in the past 7 days?								
O Yes								
O No								
Have you made a purchase for a physical item on your mobile device in the past 7 days?								
O Yes								
O No								
What did you buy?								
Did you intend to buy this item?								
O Yes								
O No								
Please explain why, or why not:								
Did you need this item?								
O Yes								
O No								
Was your item on sale?								
O Yes								
O No								
If so, what percent off is it?								
What category would your purchase fall in to?								
O Electronics								
O Fashion								
O Beauty and skin care								
O Furniture								
O Pet supplies								
O Sporting goods								
Other – please specify								

The following questions ask about your typical experiences. Remember, there are no right or wrong answers. Please circle the answer that best represents you.

	Strongly Disagree			Neutral			Strongly Agree
I usually think carefully before I buy something.	1	2	3	4	5	6	7
Most of my purchases are planned in advance.	1	2	3	4	5	6	7
I only buy things that I really need.	1	2	3	4	5	6	7
I like to compare different brands before I buy something.	1	2	3	4	5	6	7
It is a struggle to leave nice things I see in a shop.	1	2	3	4	5	6	7
I sometimes feel guilty after having bought something.	1	2	3	4	5	6	7
I am not the kind of person who "falls in love at first sight" with things I see in shops.	1	2	3	4	5	6	7
I find it difficult to pass up a bargain.	1	2	3	4	5	6	7
If I see something new, I buy it.	1	2	3	4	5	6	7
I admire people who own expensive homes, cars and clothes.	1	2	3	4	5	6	7
Some of the most important achievements in life include acquiring material possessions.	1	2	3	4	5	6	7
I try to keep my life simple, as far as possessions are concerned.	1	2	3	4	5	6	7
Buying things gives me a lot of pleasure.	1	2	3	4	5	6	7
I have all the things I really need to enjoy life.	1	2	3	4	5	6	7
It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like to buy.	1	2	3	4	5	6	7
My life would be better if I owned certain things I don't have.	1	2	3	4	5	6	7
I have limited time available for me to shop.	1	2	3	4	5	6	7
I am not rushed for time to shop.	1	2	3	4	5	6	7

	Strongly Disagree			Neutral			Strongly Agree
I do not feel I can afford to make any unplanned purchases.	1	2	3	4	5	6	7
I am currently on a tight budget.	1	2	3	4	5	6	7
I feel that I have enough extra money so that I can splurge a little if I find something I really like.	1	2	3	4	5	6	7
When shopping on mobile, I can satisfy my urge to shop and buy faster.	1	2	3	4	5	6	7
When shopping on mobile, I can get more immediate pleasure from buying.	1	2	3	4	5	6	7
Mobile buying can get me out of a bad mood faster.	1	2	3	4	5	6	7
The mobile shopping experience is more exciting.	1	2	3	4	5	6	7

# Please provide the following details about yourself:

		Income:	
Age:		0	Below \$20,000 NZD
0	Under 20 years old	0	\$20,000-\$30,000
0	21-30 years old	0	\$30,000-\$40,000
0	31-40 years old	0	\$40,000-\$50,000
0	41-50 years old		
0	51-60 years old	O	\$50,000-\$60,000
0	-	0	\$60,000-\$100,000
O	60+ years old	0	\$100,000 and over
Ethnicit	y:	Gender:	
0	New Zealand European	0	Male
0	Maori		Female
0	Samoan	O	remaie
0	Cook Island Maori		
0	Tongan		
0	Indian		
0	Chinese		
$\circ$	Other (Such as Dutch, Japanese)		
J	omer (ouen as Duten, supanese)		