

CHAPTER II

LITERATURE REVIEW

2.1 Impulse Buying

Impulse buying first literature came from Clover (1950) and until now, has had attracted a lot of interest to researchers (Stern, 1962; Rook, 1987; Kacen and Lee, 2002). Clover (1950) was the first who pointed out the importance of impulse buying especially in retail sectors. Stern (1962) explained, that a shopper makes a purchase of something without any prior plan to do it, the purchase that has been made is categorised as impulse buying. To make the definition more descriptive, there are four classifications of impulse buying or best known as “Impulse Mix”: pure impulse buying, reminder impulse buying, suggestion impulse buying, and planned impulse buying.

Before Rook (1987) investigated behavioural aspects from the consumer that may influence impulse buying, prior studies were focused on the product to determine impulse buying behaviour. Rook (1987: 191) explained “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.” It was suggested that impulse buying is a fast experience, not a slow one. It is more spontaneous than cautious. Both suggestions are similar with Rook & Gardner (1993), as they defined impulse buying as unplanned purchase with relatively rapid decision. It is also more about picking a product than choosing one. It is more emotional than rational. Weinberg

and Gottwald (1982) discovered that impulsive buyers evaluate themselves as being more emotionalized than non buyers.

Several studies tried to investigate another factors that could influence impulse buying behaviour after the study from Rook (1987). Luo (2005) investigated the effect of peers that accompany shoppers. The study found that the urge to buy tends to increase with peers' presence. But, with the presence of family members, the urge to buy tends to decrease. Verplanken and Herabadi (2001) found some factors in retailing environment that could trigger impulse purchase. Those factors are the appearance of the products itself, how the products displayed, supporting environment such; astonishing colours, enjoyable smell, or pleasurable music. External, environmental factors are related to the environment, situation that perceived from customer's point of view. All of those factors could lead to positive mood states, attract more attention, which are very important during in-store browsing. Kacen et al. (2012) investigated the difference between everyday low price (EDLP) and HiLo stores that could arouse impulse purchase. As the study found, HiLo stores, the store with better environment surrounding and service level than EDLP stores, were more likely encourage impulse purchase. Those two examples are similar with the explanation from Beatty and Ferrell (1998), as they claimed a positive mood created from store's environment could positively affect higher urge to buy impulsively. Meanwhile, a negative mood did not influence impulse buying urges or, even lowering the tendency to act in urge.

Impulse buying can be so powerful, making the urge to buy is very hard to resist. Even with the presence of awareness to potential negative consequences,

some consumers just ignore it while buying impulsively (Rook, 1987; O'Guinn & Faber, 1989). Consumers tend to ignore impulsive buying behaviour because it is suggested as a cure to improve consumers' mood. In their reaction to counter from bad event that affecting mood, consumers may buy something impulsively to gain positive mood. Ironically, this positive reward only holds for short time, as the reward turns to negative consequences in long term. Interestingly, the feel of fear to such bad consequences could stimulates compulsive behaviour (O'Guinn & Faber, 1989). Meanwhile, the desire to own a product may decrease or increase, as it depends on the situation and the awareness of the consumer. Consumers may aware if their desire to own a product is only on temporary term. Therefore, consumers are willing to wait until their desire decreasing as the time goes, or their daily work will distract that desire. But, it is possible that the phenomenon will do inversely, as the desire will increase by the time and make it harder for the consumer to not have desire to posses the object that they have been wanted (Hoch & Loewenstein, 1991).

The term of impulse buying behaviour and unplanned buying behaviour could be confusing as it may sound the same. But, it should be remembered if these two behaviours are distinct. Impulse buying is all about reflective, there is no reminder prior to buy the product. For example, a shopper takes a walk around sugar corner and suddenly he just remembered that he needs to buy sugar because the sugar's stock on his home is low. From the example, there is unplanned reminder to buy sugar. Therefore, that is not an impulse purchase example as if the shopper does not forget to add sugar on his list, it will be a planned purchase. Some of the

unplanned purchases may come from in-store stimuli, as that stimuli will usually remind the shopper to their present or future needs. Therefore, impulse buying in this context would be in-store decision without any prior awareness of the need to certain products (Kollat & Willet, 1967; Kacen et al., 2012).

Conceptually, there are four factors that could trigger impulse buying, consist of internal stimuli (impulsiveness, enjoyment, hedonism, fashion, emotions, normative evaluation, variety seeking, self identity, product involvement), external stimuli (store characteristics, sales promotions, employee or attendants, presence of peers and family, perceived crowding, sensory stimulation, shopping channel, self-service technology, retail merchandising), situational and product related factors (time available, money available, product characteristics, fashion products, new products), demographics, socio-cultural factors (gender, age, income, education, socioeconomic, cultures) (Muruganantham & Bhakat, 2013).

2.1.1 The Relationship Between Impulse Buying and Gender

Several studies had demonstrated the matter of gender on affecting impulse buying. To find any difference impulse buying behaviour between men and women, or to determine whether it is men or women that have greater impulse buying behaviour. However, the result is not always consistent. Cobb and Hoyer (1986) found that male were more likely to have impulse buying behaviour than female, as it was suggested female were more likely already have a shopping plan before entering shop. Similarly, Mai et al. (2003) found if Vietnamese men engage in higher impulse buying tendency than Vietnamese women, the result is contrast with their suggestion if men in Vietnam do not have responsibility or hobby for

shopping, even in previous study suggested if approximately 70% shopping decision made in Vietnam urban area came from women (Lan Anh, 2001). Awan & Abbas (2015) also conducted a research in India and found if male were more impulse than female. Zhang et al. (2007) found male consumers were more likely have greater intention to purchase, purchase frequency, and impulsivity in the scope of online shopping. In contrast, Lin and Lin (2005) claimed if Taiwanese adolescent female engage more in impulse buying than Taiwanese adolescent male. Ekeng et al. (2012, p. 568) also suggested the same as they found “The independent samples test result revealed that impulse buying differed significantly between male and female shoppers/consumers ($p < 0.01$), with the phenomenon more common among female shoppers due to their likeness and spontaneous attraction to fanciful products”.

However, several studies found that there is no difference exist between male or female on affecting impulse buying behavioural at all. Kollat & Willet (1967) described if gender does not matter in impulse buying, neither men nor women have higher unplanned purchase behaviour. This would happen if the purchase held is constant. Even if they found if women had higher percentage for unplanned purchases, it is just simply because women usually encounter more purchases than men. Rana & Tirthani (2012) also found that there is no significant relationship between gender and impulse buying. The explanation based on the data collected, which came from Patiala region. According to them, the people in Patiala are more conservative compare to other cities in India.

Between men and women, there are motivations or reasons existed behind their impulse buying behaviour. Dittmar (1995) hypothesised if impulse purchase items were reflection from self idea or preference and could be affected by social categories such gender. Their hypothesis was supported from the result of study; men were more personal identity reasons for their purchases meanwhile women were more social identity reasons. This could explain the possibility for some studies had successfully found different contradictive result of impulse buying behaviour between gender.

2.1.2 The Relationship Between Impulse Buying and Age

Impulse buying is associated to emotional aspect (Rook, 1987; Weinberg and Gottwald, 1992). Previous studies however, found older individuals were abler to control their impulse buying tendencies compare to younger individuals as older individuals show better regulation of emotional expression. (McConatha et al., 1994; Kacen and Lee, 2002). Lin and Lin (2005) found the impulse buying tendencies among Taiwanese adolescent are gradually increase between ages 15 to 19. In addition, Wood (1998) found impulse buying increases slightly on consumers ages between 18 and 39, and declines slight after. The finding from Bellenger et al. (1978) also found that shoppers under 35 years old were more had impulse buying tendency than shoppers over 35 years old.

2.1.3 The Relationship Between Impulse Buying and Income

Mai et al. (2003) expected consumers with high level of income will have higher impulse buying behaviour than those with low level of income. Consumers

with high income shall have more flexible shopping list, as they are able to afford to buy something unexpected, as they may not find any difficulty to pay. Lower income consumers may not have that strong financial power to fulfil their unexpected willingness to buy something and that could suppress their impulse buying behaviour.

Rana and Tirthani (2012) found that respondents' monthly income affects impulse buying. Their research was based from customers who shopped in several Patiala City, India retail stores. Ekeng et al. (2012) also found that income significantly affecting impulse buying but with inverse association. In contrast, Lin and Lin (2005) found a positive association between Taiwanese adolescents' pocket money with impulse buying behaviour. The higher amount of pocket money owned mean higher impulse buying tendency.

However, there are studies that suggest income has no relationship to impulse buying. Awan and Fatima (2014) suggested there is no significant relationship between consumers' income and impulse buying in Bahawalpur City of Pakistan.

2.2 Hedonic Consumption

According to Ryan and Deci (2001), the thought about hedonic pleasure has come from a long time ago back to fourth century B.C. It was Aristippus, a Greek philosopher who taught if the goal of life is to experience the maximum amount of pleasure, and the happiness is the totality of one's hedonic moments. Basically, hedonic philosophers like Aristippus, Epicurus, Bentham, Locke, and Hobbes believed that humans will try to maximise their experience of pleasure and to

minimise pain. Hedonic philosophers traditionally used subjective point of view to determine individual's position. So, it depends on the individual to determine whether he or she on the state of gaining pleasure or pain (Waterman, 2008; Henderson & Knight, 2012). Consumers may value their shopping experience in two forms: hedonic and utilitarian (Babin et al., 1994).

Hirschman and Holbrook (1982, p. 92) explained hedonic consumption as “those facets of consumer behaviour that relate to the multisensory, fantasy and emotive aspects of one's experience with products.” Sound, scents, tactile impressions, visual images, all are the part of multisensory above. The internal multisensory can be categorized into two types, historic imagery and fantasy imagery. Historic imagery triggers individual's past experience that in reality did occur. For example, the scent of perfume may trigger consumer's past experience of romance with someone who used the perfume. Fantasy imagery occurs when the consumer perceives the multisensory image without any prior experience before (Singer in Hirschman and Holbrook, 1982) Consumer will construct an imaginary image from the colours and shapes that are seen, the sound that are heard, or other part of multisensory as there is no historic experience before to be consider.

Emotional arousal is the another type of response related to hedonic consumption beside multisensory imagery (Hirschman and Holbrook, 1982). The feelings that related to this emotional arouse including joy, jealousy, fear, rage, and rapture (Freud in Hirschman and Holbrook, 1982). These emotion feelings could trigger the experience to consumers that the industry wanted. The shopping behaviour among consumers recently have had shifted not to only make the right

purchase, but it is all about the experience of shopping (Tifferet & Herstein, 2012). This emotional desires may often affect consumers' motives on the choice of products (Maslow 1968). A good example explained by Pandey and Srivastava (2013). In this condition, an educated person may assume buying a book as hedonic. In contrast, less educate person may not assume similar.

The previous study from Yu and Bastin (2010) discovered the dimension of hedonic shopping value among Chinese consumers. Base on the first respondents' report, they found four hedonic value facets which are need for fun, novelty, escapism, and social interaction. But, after factor analyses was conducted, they found five instead of four facets which are novelty, fun, praise from others, escapism, and social interaction.

2.2.1 The Relationship Between Hedonic Consumption and Gender

The finding from Kruger and Byker (2009) revealed that women were more enjoying shopping than men, and women could perceive shopping as recreational. In addition, Dittmar and Drury (2002) explained that shopping will have more role impact, both emotionally and psychologically to women than men. It was suggested too, women are more fashion oriented than men (Chyan and Cia, 2006). Women will have higher tendency than men to keep up with the latest fashion trends and innovations, which such behaviour is strongly associated with hedonic shopping motives.

Hedonic behaviour is related to maximising pleasure gained, therefore, Tifferet and Herstein (2012) proposed women would have higher level of hedonic consumption than men. Their finding however, found consistent result as women

from a large of Israeli college reported have higher level of hedonic consumption than men. They also argued if women need the specific space, atmosphere, and time to find what they want. Arnold and Reynolds (2003) also revealed that women are more hedonic oriented than men in the context of retail stores shopping.

2.2.2 The Relationship Between Hedonic Consumption and Age

Older consumers are more mature than young consumers, they also have better planning in future about life. Older consumers then, suggested were more rational in shopping and more cautious about the shopping decision than younger consumers (Brusdal and Lavik, 2005). The characteristics of young generation that they are have fewer responsibilities than old generation, making them are more hedonic in shopping (Brusdal and Lavik, 2005). They also seeking for fun and pleasure in their life. For the context of Iranian young consumers, the young consumers are preferring appeal and emotional aspect of service than rational aspect (Nejati and Moghaddam, 2012). Meanwhile, hedonic value pursuit for maximising pleasure and minimising pain. It is expected then, younger consumers will posses higher hedonic consumption behaviour than older consumers.

However, Hanzae and Rouhani (2014), found that age of consumers has no significant relationship to purchase intention of luxury brand car, which classified as hedonic behaviour.

2.2.3 The Relationship Between Hedonic Consumption and Income

Consumption, spending certain amount of money could lead the spender to happiness (Dunn et al., 2011). Hanzae and Rouhani (2014), found there are

significant relationship between monthly family income and purchase intention of luxury brand car which is showing the sign of hedonic behaviour. Higher level of income then, shall lead to higher hedonic consumption behaviour.

People with higher level of income may tend to avoid consume inferior products. For the example, they may prefer healthy and expensive food like meat and olive oil than bread and butter (Songer, 2014). This kind of luxury consumption is close related to hedonic consumption behaviour.

2.3 The Relationship Between Impulse Buying and Hedonic Consumption

According to Muruganantham & Bhakat (2013), hedonism is one from four internal stimuli aspect that could trigger impulse buying. In the definition about impulse buying from Rook (1987: 191), he stated “The impulse to buy is hedonically complex and may stimulate emotional conflict.” The definition of hedonic consumption according to Hirschman and Holbrook (1982: 92) is “those facets of consumer behaviour that relate to the multisensory, fantasy and emotive aspects of one's experience with products.” The similar emotional arousal that come from these behaviour suggests that impulse buying is related to hedonic consumption (Rook and Hoch, 1985). Forty-one percent of respondents reported if they encountered hedonic elements feeling in their most recent impulse buying activities. Interestingly, while the feeling customers perceive like “happy,” “good,” or “satisfied,” were classified as pleasurable, customers may also encounter from painful feeling like “helpless,” “out-of-control,” or “devilish.” The contrast between these feelings make impulse buying is hedonically complex (Rook, 1987).

2.4 Ethnicity Role in Impulse Buying and Hedonic Consumption

Ethnic identity, according to Parker (1964: 325) is “refers to the evaluation of one’s membership identification with his own and other ethnic groups”. It was suggested that ethnicity is related to consumer behaviour attitude, like in how they prefer traditional or ethnic based goods than convenience goods (Laroche et al., 1998), and the positive relation between ethnic identity and culture-specific consumption behaviour (Xu et al., 2004).

Kacen and Lee (2002) discovered that there is a difference of impulse buying behaviour between two different cultural groups, Caucasian and Asian. The findings also proofed that a person who has more trait impulsiveness buying has made more unplanned purchases in the previous month. But, Asian reported were able to regulate themselves as more independent sense of self does not mean to more impulse buying behaviour, while Caucasian reported otherwise.

Hirschman (1982) investigated the hedonic consumption pattern among consumers in different religion and nationality based ethnic groups. He grouped Catholic, Jewish, and Protestant as religious group, and Chinese, Greek, Irish, Italian, Jewish, and English as nationality group. Data were collected from college students that are residing in New York City. The result is various on every religious and nationality groups toward hedonic consumption variables, which include projective behaviour, imagery, favourite physical activities, enthusiasm, and motives.

2.5 Hypotheses Development

Gender

Based the findings of previous research from Arnold and Reynolds (2003), Lin and Lin (2005), and Tifferet and Herstein (2012), author can hypotheses:

H1: Gender of consumers has an association with impulse buying behaviour on Balinese consumers.

H2: Gender of consumers has an association with impulse buying behaviour on Chinese consumers.

H3: Gender of consumers has an association with impulse buying behaviour on Javanese consumers.

H4: Gender of consumers has an association with hedonic consumption behaviour on Balinese consumers.

H5: Gender of consumers has an association with hedonic consumption behaviour on Chinese consumers.

H6: Gender of consumers has an association with hedonic consumption behaviour on Javanese consumers.

Age

Based the findings of previous research from Bellenger et al. (1978), Wood (1998), and Brusdal and Lavik (2005), and author can hypotheses:

H7: Age of consumers has an association with impulse buying behaviour on Balinese consumers.

H8: Age of consumers has an association with impulse buying behaviour on Chinese consumers.

H9: Age of consumers has an association with impulse buying behaviour on Javanese consumers.

H10: Age of consumers has an association with hedonic consumption behaviour on Balinese consumers.

H11: Age of consumers has an association with hedonic consumption behaviour on Chinese consumers.

H12: Age of consumers has an association with hedonic consumption behaviour on Javanese consumers.

Income

Based the findings of previous research from Ekeng et al. (2012), Rana and Tirthani (2012), and Hanzae and Rouhani (2014), and author can hypotheses:

H13: Income of consumers has an association with impulse buying behaviour on Balinese consumers.

H14: Income of consumers has an association with impulse buying behaviour on Chinese consumers.

H15: Income of consumers has an association with impulse buying behaviour on Javanese consumers.

H16: Income of consumers has an association with hedonic consumption behaviour on Balinese consumers.

H17: Income of consumers has an association with hedonic consumption behaviour on Chinese consumers.

H18: Income of consumers has an association with hedonic consumption behaviour on Javanese consumers.

Ethnicity

Based the findings of previous research from Hirschman (1982), and Lee and Kacen (2002), author can hypotheses:

H19: There is different pattern of impulse buying behaviour from different ethnicities base on demographic factors.

H20: There is different pattern of hedonic consumption behaviour from different ethnicities base on demographic factors.

Impulse Buying to Hedonic Consumption

Based the findings of previous research from Rook and Hoch (1985) and Tifferet and Herstein (2012), author can hypotheses:

H21: 1mpulse buying has a positive relationship with hedonic consumption.