

IMPULSIVE PURCHASES IN SUPERMARKETS

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ABSTRACT

Impulsive purchases are those kinds of purchases which the consumer makes without any previous planning. In many cases buyers in supermarkets, make impulsive purchases stimulated by many factors. Such factors can be discounts, promoting activities, exposure of products in shelves, testing, reference groups, etc.

The study begins with a general view regarding the development of supermarkets then proceeding with the types of purchases the consumers make and finally with the impulsive purchases.

To obtain better results, the study begins with the gathering of data from interviewing the supermarket buyers through a questionnaire structured in some columns. Processing the data is made using a statistics program SPSS. The study ends with some conclusions and recommendations showing how the purchasing power and impulsive purchase rate has increased affected by numerous promoting activities the supermarkets make.

Keywords: *Impulsive purchase, price strategy, promoting activities, product presentation*

JEL Classification: *M1, M31, M37*

1. Introduction

The impulsive purchase is an unplanned or spontaneous purchase. Items that are bought impulsively might be new products, samples or well-defined products with low prices. Parboteeah (2005, at Piron, 1991: 512) declared that impulsive purchase is not planned and therefore comes as result of being exposed to a stimulus. Impulsive buyers look to buy a certain item or visit the certain shop without having a specific objective. As a result, they are exposed to stimuli that provoke buyers to buy impulsively. When impulsive buyers desire to buy, they make the decision without asking for information or measuring possible alternatives. After the purchase, customers result in a positive or negative assessment influenced by internal and external factors, which cause their impulsive purchase.

2. Impulsive behavior at supermarkets

Such impulsive behavior is an unpredicted or spontaneous purchase. Kacen and Lee (2002) describe typical characteristics of such behavior as unpredicted purchases made by spontaneous

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decisions and a typical attitude to own something immediately. Stern (1962) classifies these attitudes in 4 categories as follows:

1. *Pure impulsive attitude* is a purchase that breaks the typical buyer's model.
2. *Bring-back impulsive purchase attitude* occurs when the buyer sees a product and is reminded an ad or information that this same product at home ran out.
3. *Suggesting impulsive purchase attitude* occurs when the buyer sees the product for the first time and projects it in his mind.
4. *Planned impulsive purchase attitude*, occurs when the buyer plans the purchase based on price, offers and similar. Parbotech considers the impulsive purchase as an unplanned purchase since the buyer is exposed to a stimulus and concludes it with emergency purchase. Ghani Imrar and Ian describe the impulsive purchase as buyers' decisions within the shop without the objective of buying something special. Since the customer looks inside the supermarket in order to buy special products, they are purposely exposed in stimulating beautiful areas so that they provoke the urgent need of the customer to buy something unplanned. Such urgent need for buying is so great so that the customer cannot resist the need to buy unplanned products. These are the internal and external factors that push the customer towards the impulsive purchase. Although such customer attitudes in supermarkets are too obvious, there are very few studies about the argument. Therefore, it is designed that this study helps in bringing some facts to understand this argument. Conclusions of this study are thought to help wholesalers or supermarket managers to encourage customer towards impulsive purchases.

Today's business environment has changed dynamically, by reflecting changes in customer's culture. Considerable increase in a number of supermarkets, malls, caused customers to change their buying habits: from buying in small neighborhood shops to large and cozy supermarkets. Globalization has a tremendous impact by showing and exposing the customers to a modern lifestyle making they shop more comfortably. This implies that modern customers prefer to shop in the supermarket in the same place where shopping and entertainment are combined. Supermarkets are chosen as well by people who work and have less time for shopping. This is because there are many shops in one place and hygienic and relax factors are more present in supermarkets and are highly appreciated by customers. This is why supermarkets substitute the traditional markets.

3. Methodology of the study

Primary and secondary data are used when this study was conducted. Primary data have been collected through a questionnaire – its first section provides mainly demographic information. The other section has been organized based on a Likert scale (Strongly disagree = 5, Disagree = 4, Neither agree nor disagree = 3, Agree = 2 and Strongly agree = 1). Web sites, articles, and books have been used as secondary resources for collecting information. Data have been collected by customers who buy in supermarkets regularly. The size of the sample was 250 persons. SPSS statistical program has been used for data processing.

4. Designing the questionnaire

The questionnaire was structured with few section and questions based on Likert scale. The first section aims to collect some common information regarding demographics such as gender, age, status, family size, education, employment, etc. The second section aims to understand the shopping habits. It tends to show the customers' preferences about neighborhood shops, marketplace, and supermarkets. The third section identifies the factors affecting directly the impulsive attitude of customers. To mention some of them: price reduction, promotions, offers, incomes, product display, etc.

As far as the age of respondents is concerned, 42.2% of them were between 18-25 years old, 28.9% were 26-35 years old, 11.1% were 36-45 years old and 17.8% were over 45 years old. Ages from 18-35 years old were exposed to a variety of products, packaging, colors, music, different supermarket fragrances, etc. Whereas ages from 36-45 years old and over 45 years old, shopped in supermarkets because of limited shopping hours after work or other family obligations.

As far as the education of the respondents, 51.1% of them have University degree and are employed. This fact shows that they have a stable income level and buy with high prices. Whereas 24.4% have high school education, 11.1% had a master degree and 8.9% had attended professional courses.

Such an important question is related to incomes of the respondents. 53.3% were individuals with incomes varying from 46-70 thousand leke. 20% had incomes from 71-95 thousand lekë, 17.8% families with incomes 20-45 thousand leke. The smallest part is taken by families with incomes over than 95 thousand leke with 8.9%. Therefore, the respondents are individuals who belong to families with average incomes. Since the population has no high incomes and their purchases are not too many, it effects on impulsive purchases.

For the shopping preferences at neighborhood shops for groceries, there's a tendency of customers leaving. The majority of them, 48.9%, prefer to shop a little at neighborhood shops. As said above, the time affects why people leave the neighborhood shops because they cannot find everything they need. Some 31.1% prefer to shop at their neighborhood shops. This part mainly has to do with those customers who shop at their neighborhood shops because they live away from supermarkets and is impossible for them to go there. 11.1% of the respondents do not prefer to shop at their neighborhood shops. 6.7% of them do prefer more the neighborhood shops and a small part of 2.2% prefer too much to shop at their neighborhood shops.

35.6% of the respondents say that they prefer a little to shop at the marketplace, whereas 26.7% of them prefer to shop at the marketplace, 24.4% of them prefer very much the marketplace and only 13.3% of them do not prefer to shop at the marketplace.

The question related to shopping at the supermarkets results in a quite equal division, meaning that 33.3% of the customers do shop "a little", 28.9% shop "on average" and 28.9% of them shop "very much". A small part of them, 6.7% are regular customers at supermarkets by shopping there pretty much. Only 2.2% of the respondents do not go at supermarkets. This shows that there is a tendency of shopping at supermarkets away from the monotony of shopping at the neighborhood shops.

How much are we affected by the price reduction of products? The answer to this question is the effect of price reduction on customers. 40% of the customers "strongly agree" that price reduction makes them shop unplanned which is well, influenced by the economic conditions, thus, the price reduction is a good opportunity for shopping conveniently. 35.6% of them "agree"

that price reduction makes them buy unplanned. This is considered as an opportunity to add more products to the basket with the same amount of money. A part of them of 15.6% "neither agree nor disagree" that they are affected by price reduction in order to buy impulsively. These customers are willing to buy a product at a certain price when they need it and appreciate sales when they do not need a certain product. Only 6.78% agree on a little that price reduction makes them shop impulsively and 2.2% do not agree that such strategy affects their purchase behavior. These customers do not shop impulsively being affected by prices.

Considering the effect of different promotional schemes (buy one, get one free) we see that 40% of the respondents "agree" that they are affected by these schemes. 24.4% "strongly agree" that they are affected by the promotional schemes. 22.2% of them are affected "on average" and those who "strongly disagree" that are affected estimate 13.3%. Therefore, we notice that the customers are affected by promotional schemes because their incomes are not sufficient for buying all those products with the respective prices. A few are affected by promotional schemes. They simply are willing to shop with the respective prices.

35.6% of customers were motivated by the promotional schemes, although not for all the products. 31.1% of them are not motivated by the promotional schemes in order to purchase the products involved in them. Customers who "agree" and "strongly agree" that they are affected by different promotional schemes take a considerable part of 28.9% of the respondent. So, we understand that these types of customers are affected by prices and look for opportunities for promotions in order to purchase. We have a very small percentage of customers about 4.4% who are not affected at all by these promotional schemes.

Are the customers affected by supermarkets offers when they make their impulsive purchases? We see that generally there is a strong influence from the supermarkets' offers. Respectively, 50.1% are the ones who "agree" and "strongly agree", whereas 31.1% "neither agree nor disagree" to be affected by offers. Again, there is a strong price-orientation to products, therefore, the evaluation of offers is considerable. 17.7% of the respondents "disagree" and "strongly disagree" that they are affected by supermarket offers. These customers are irregular buyers at supermarkets and are not too interested in offers.

Does the product display attract the customer's attention? Of course, it does, as shown in the study where 86.7% strongly agree, agree and neither agree nor disagree that the product display attracts their attention. Only 8.9% disagree of which 2.2% strongly disagree that are affected by the product display. Product packaging is expensive and requires special attention. The color, the form and the material influence the customer's perceptions. 10% of the product's price sold to the end customers belongs to packaging. Mistakes in packaging could be too expensive therefore companies plan a lot of projects in order to decide on the packaging.

How much are customers affected by reference groups' comments in order to buy impulsively? 37.8% of them are more or less affected, which means that there is an influence to these people as far as their purchasing behavior is concerned. 40% agree and strongly agree that are affected by the reference group. We notice here that friends play an important role for us as customers and the information we get from them not only helps us to make choices but encourages us to buy. In short, we are sure about the action we are taking. The part which is "less" affected by the reference group estimates 17.8% and not affected by all estimates 4.4%. These are customers who are not influenced by others but they make their own purchase decisions.

Customer preferences are endless. An important factor affecting these preferences is their incomes. The study shows that 28.9% agree that their incomes affect their impulsive purchase. If customers' incomes would be higher than impulsive purchases would grow. 17.8% of the

respondents again agree that incomes do affect them. Some 24.4% neither agree nor disagree that incomes affect unplanned purchases. This means that for certain purchases their incomes affect them, and for others no. These are the necessary products for customers. 22.2% and 6.7% disagree and strongly disagree that their incomes affect them. Here are included those customers who have higher than average incomes and may purchase impulsively without being affected by their incomes. Generally, it is noticed that incomes play an important role for the customers.

5. Conclusions

This survey shows an internal analysis of issues that push the customers toward impulsive purchases. It analyses how customers adopt different shopping strategies and how they respond to incentives within shops by purchasing impulsively.

The study analyzed what factors affect the impulsive purchases of people in supermarkets, identifying such variables as positive emotional conditions, searching inside the shop, presence of reference group, different incentives used by supermarkets, etc.

Supermarket managers can use young customers so that they can purchase impulsively and therefore increase sales and volume profits. The study highlights the primary role of searching inside the shops as a stronger factor in impulsive attitude. Marketing experts should work more to encourage the customer visit parts of the markets they had no plan to. Such way of thinking encourages the customers to take family members and friend with them in order to visit the shop in and increase thus the level of encouragement. As shown by previous studies, customers tend to attend those shops where the place smells good and fresh, puts on relaxing music, ventilates the air and use smooth colors. Perhaps customers cannot perceive all these at once, but they do realize when the smell in a shop is strong or unpleasant, or if there's ventilation or it smells like a forest if the temperature is too high or the music is unknown or nice, etc. The latter is mostly used to lessen the customers' stress after a crazy traffic in town in order to reach the supermarket. Supermarkets should be kept clean so that the sense of hygiene grows stronger; it is common that customers do not go back to shops that are dishelved and messy. All these elements within a shop are used to keep customers good-humored and relaxed only to make them come back again: they need to stay as long as possible inside the shopping area. Furthermore, the merchants should be attentive at customers' emotions since they are the ones that make them stay longer, and want to purchase by impulse. Shop managers can decide on designs that provoke the customers' curiosity as shopping incentives. They could decide to make shortcuts in different sections so that it is easier to walk inside the supermarket or establishing signs that not only show directions but also attract customers' attention and make them curious. In other words, the customer is more likely to go in other areas inside the supermarket simply for exploring. The ability of offers for products in a wider level satisfies the customers that look for and chooses the best making a habit out of it, and provoking also additional preference to buy impulsively. Moreover, the supermarket managers should be careful what shelves to put certain products. Additional products could be arranged next to basic products because they require the attention of the customers who have special requirements. Such kind of arrangement sparks the customers' curiosity that has special requirements within n a certain section and affects those who have common requirements. For as long as the customers are comfortable and satisfied in a wholesale environment, they are likely to spend more time walking inside the shop for advantage purposes. Customers who spend more time are more likely to compare prices and ask for sales or offers.

Such attitudes are translated by managers as promotional activities such as coupons: "buy one, get one free", or sales so that to satisfy this kind of customers. Different promotional activities in supermarkets encourage the sense of curiosity and persuade the customers to go in different areas of the supermarkets so that they are faced with the offer and thus with the opportunity of purchasing by impulse. Through "buy one, get one free" the managers regenerate the wholesales for these customers. The customers pretend to be more satisfied while shopping when the supermarket employees are friendly with them. For this reason, sellers in shops are trained to be able to find out the emotional state of their customers, the attitudes, and expectations and guide and assist them the way they want to. Rude answers irritate the customers and make them abandon shopping or worse, never come back to the same supermarket because of the employee's behavior. It requires more efforts to hold the products and take them home and is more probable to take friends, family members in the same place, whose recommendation could result in an impulsive purchase.

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