

CHAPTER 7

MAJOR FINDINGS

Analyses of the present research work have been discussed in earlier chapters. Chapter 4 explores general characteristics of the respondents and their impulse buying tendency for utilitarian and experiential services. Analyses in Chapter 5 include the general buying behaviour of the respondents along with the contribution of various internal and external factors on impulse buying of different services.

There are two major objectives of this research: the first concentrated on exploring impulse buying in utilitarian and experiential services and the second investigates the factors that contribute to impulse buying of experiential and utilitarian services. To achieve the objectives, the study is divided into two phases: first phase concentrates on exploring impulse buying in experiential and utilitarian services and the second part is about studying the factors influence impulse buying in experiential and utilitarian services. In the subsequent sections, the main findings and contributions of the study are summarised.

6.4 Impulse buying in experiential and utilitarian services

6.4.1 Impulsive buying attributes

Impulsive buying attributes such as general impulsive buying, lifestyle, optimum stimulation level and self-construal are measured to see how they affect impulsive buying tendency in services. In reference to Chapter 4, Section 4.2.2 of the present study, a moderate level of internal attributes is found in the respondents. Among all the internal factors, a relatively high score is found in lifestyle ($\bar{x}=3.15$) and general impulsive buying behaviour ($\bar{x}=3.01$) which suggests that respondents prefer somewhat modern lifestyle over traditional and sometimes engage in impulsive buying activity.

Perceived risk associated with buying a service is found of minimal level indicating that perceived risk is less likely to restrain respondents from buying a service. When comparing perceived risk, respondents face lower risk in purchasing experiential services ($\bar{x}=2.26$) than purchasing of utilitarian services ($\bar{x}=2.61$).

6.4.2 Exploring Impulse buying in experiential and utilitarian services

For the present study, services are listed down based on extensive literature reviews which are most commonly used in India. An initial survey is done on the listed services to categorise them into utilitarian and experiential services based on consumer's value, need and interest (refer to Chapter 3, Section 3.1.1.2 and 3.1.2.1). Thus, top three services for each of the category from a list of 18 services are finalized and studied further. The services are travel, restaurant, movie in experiential category and mobile, online shopping and banking services in utilitarian category.

Next, a survey was conducted to see the impulse buying in experiential and utilitarian services. The survey shows a slightly high impulse buying in experiential services than utilitarian, although the scores are found to be of moderate level for both the categories. However, it is also noticed in the study that with high level of internal attributes impulse buying also goes high. It is also examined in the study if impulse buying differs across demographic groups. The result indicates significant differences within some levels of demographic groups. Interaction effects between various demographic factors and impulse buying tendency are also noticed through using two way analyses of variance.

Following observations are made from the analyses:

- i. The average score suggests that a moderate level of impulse buying exists in experiential services ($\bar{x}=2.74$) (refer to Section 4.2.2 in Chapter 4). However, a separate analysis across the services under experiential category suggests that restaurant services ($\bar{x}=3.00$) has comparatively higher level of impulse buying followed by movie services ($\bar{x}=2.85$) where travel services ($\bar{x}=2.36$) show lowest level of impulse buying. Probably, consumers who are planned travelers look for information about a place or travel companion as well as think of available time and money before actually going for a trip. This is found from the study (refer to Section 5.1.2 in Chapter 5) that most of the consumers go for a trip once in a year or do not go at all. Interestingly, it is found from the analysis that perceived risk is low in leisure travel (refer to Chapter 4, Section 4.2.1) in comparison to other experiential services which can be interpreted as probably perceived risk does not always prevent impulsive buying of services.

ii. From Chapter 4, Section 4.2.3; it is found that higher the internal attributes higher the impulse buying for services. However, most of the respondents are found to have low or moderate level of internal attributes except in optimum stimulation level. Optimum stimulation level and independent self-construal do not seem to have significant influence on impulsive buying of experiential services because the respondents who are high in impulsive buying in services have obtained an average mean score of 3.07 in optimum stimulation level and 3.04 in self-construal. However, in comparison to other internal factors, independent self-construal has higher level of influence in impulsive buying of utilitarian services. The mean value of the respondents who are high on self-construal is 2.78.

iii. The average score for utilitarian services is found to be below moderate level (chapter 4, section 4.2.2). A detail analysis of the utilitarian services suggests that impulse buying can be found only in online shopping which is mostly bought on requirement or convenience as well as when there is a discount (chapter 5, section 5.1.3).

6.4.3 Impulse buying in experiential and utilitarian services across different demographic groups

i. In reference to Chapter 4, Section 4.3, the result of oneway analysis of variance suggests that there are significant differences across different demographic groups in terms of impulse buying of experiential and utilitarian services. Age is one of the important factors amongst all where young consumers are more prone to make impulsive buying of both types of services than the older ones (refer to Chapter 4, Section 4.3 and 4.4). However, an unusual pattern is also noticed among the consumers in their later adulthood (46 to 55 yrs.) who are seen to indulge in impulsive buying. From the analysis, it has been noticed in both the services that impulse buying declines in between 36 to 45 yrs.

ii. Again, a difference in impulse buying is seen in terms of educational level. Undergraduates, graduates and postgraduates are more prone to make impulsive buying than the consumers who have studied upto high school or have higher degrees such as Ph.D., M.Phil or have done vocational studies. Among the occupational group, impulse buying of experiential services is more visible

among businessman and students than other groups (Refer to Chapter 4, Section 4.3).

iii. A detail analysis on various services within the categories reveals that among the three experiential services, a high level of impulse buying is seen in restaurant services. Following this, movie services are also successful at inducing impulse buying among the consumers though relatively lesser than restaurant services. In case of travel services, low level of impulse buying can be seen across various age groups. Likewise, impulse buying in restaurant services is more prevalent among post graduates, single or unmarried, students and businessman (Refer to Chapter 4, Section 4.2.2).

iv. Online shopping as a utilitarian service shows some level of impulse buying tendency. A similar pattern in impulse buying like experiential services is visible among the demographic groups for online shopping also. It is, therefore, seen that demographic factors and their levels are important contributors in impulse buying irrespective of different services (Refer to Chapter 4, Section 4.3 and 4.4).

6.4.4 Interaction effect of different demographic groups on Impulse buying in experiential and utilitarian services

i. Two way analyses of variance in Chapter 4, Section 4.5.1 show the interaction effect between age groups and income levels with regards to impulsive buying in experiential services. Significant differences are found in impulse buying of experiential services among different age groups in relation to various income levels. The age group between 46 to 55 yrs. with monthly income of Rs. 1 lac or above makes more impulse buying of experiential services. Likewise, the younger consumers are also interested in impulsive buying of experiential services. Age and affordability in terms of time and money can be considered as an important factor here.

ii. In case of gender (Chapter 4, Section 4.5.2), an interesting finding is that lower the income higher the impulse buying tendency among male which is exactly opposite in case of female. As income increases, female consumers are more prone to make impulsive buying decisions of experiential services than male. The tendency however declines among male as they grow older. As mentioned above,

however, at a high income level i.e. more than 1 lac in a month, impulse buying tendency increases and it is higher in case of female.

iii. The same is seen in case of online services too (Chapter 4, section 4.6.1), an interaction effect between gender and income suggests that as income grows female tend to make more impulsive buying than male which is significantly higher from income to income. But, in case of male the scenario is somewhat opposite; however, the differences within the income levels are almost negligible.

6.5 Influence of internal and external factors on Impulse buying in experiential and utilitarian services

i. When analysing the general buying behaviour of the respondents regarding the services studied in Chapter 5, the descriptive analysis, suggests that restaurant services are more frequently used. 46% of the consumers go to restaurants weekly. 33% go to restaurant monthly. In case of utilitarian, 34% of consumers buy mobile services weekly and 44% buys it monthly. Only 16% go for movie weekly. 38% go monthly. 32% buy things online monthly and 37% buys it randomly. Most of the consumers expressed that the main reasons of going to restaurant as well as planning a leisure trip are friends and family and interest. However, when it comes to watching a movie, three factors are important which are interest, good reviews, and friends and family influence. Discount attracts consumers for online buying. Requirement is the main reasons for buying banking and mobile services.

iii. In reference to the analyses given in Chapter 4, it is found that lifestyle and general impulsive buying behaviour have important influence on impulsive buying of experiential and utilitarian services. However, self-construal is also important in case of impulse buying of utilitarian services.

iv. Analysis in chapter 5 suggests that external factors have relatively stronger influence than the internal factors on impulse buying of services. Among the entire external factors, advertisement has the highest contribution. After advertisement, discount as an external factor has also fair influence on impulsive buying of services. Rating and reference is found to have more or less similar level of influence.

6.5.1 Estimated differences in Impulse buying of experiential and utilitarian services when presented with external stimuli

i. The results from the test of differences in Chapter 5, Section 5.1.4 and 5.1.5 on impulsive buying of experiential and utilitarian services before and after exposure to external stimuli reveal some interesting findings. In experiential services, result suggests that respondents who are low or high on impulse buying tendency are found to be more influenced by external stimuli. The differences in impulse buying after exposure to external stimuli are higher in them than the respondents who have medium level of impulse buying tendency. The reason may be that impulse buying of experiential services is affected by situational factors such as time and money which probably prevents medium impulsive buyers from impulsive buying even when exposed to favourable external stimuli.

ii. In case of utilitarian services (Chapter 5, Section 5.1.5) different findings can be noticed as the changes in impulsive buying is more in case of respondents who have medium and high level of impulse buying tendency earlier. Utilitarian services are generally bought on convenience and requirement. Medium and high impulsive buyers in utilitarian services may find a discount offer convenient or beneficial which may trigger their impulsive buying when exposed to such stimuli.

iii. Overall, results suggest that external stimuli have been more effective in terms of impulse buying of utilitarian services than experiential as the difference in impulsive buying is somewhat higher after exposure.

6.6 Predictive value of internal and external factors on impulsive buying tendency of experiential and utilitarian services

Once it is understood that internal factors and external stimuli influence impulsive buying of both utilitarian and experiential services, it raises the question how much effect they exert on buying a service impulsively. From multiple regression analysis presented in Chapter 5, Section 5.3, it is found that the combination of both internal factors and external stimuli lead to such buying behaviour.

Based on the Canonical Discriminant Function Coefficients, the discriminant function among internal and external factors and impulse buying in experiential services is derived as:

$$D = -6.396 + 0.950 * \textit{Advertisement} + 0.708 * \textit{WoM} + 0.121 * \textit{Discount} + 0.161 * \textit{Lifestyle} + 0.099 * \textit{GIB} + 0.097 * \textit{OSL}$$

Based on the above equations, predictive value of all the factors are combined and presented in Table 39.

Table 39: Equations of Impulse buying in Experiential services						
Occurrence in Impulsive buying of Experiential services (When impulse buying score is 3 or above)		Threshold combined effect of independent variables				
		Internal stimuli		External stimuli		
		Lifestyle	General impulsive buying behaviour	Word of mouth	Reference	Advertisement
Occurrence	4.07	5	5	5	5	5
	3.84	5	4	5	5	4
	3.43	4	5	5	4	5
	3.04	4	4	4	4	3
No occurrence	2.85	4	3	4	4	3
	2.10	3	3	3	3	3
	1.11	2	2	2	2	2
	0.13	1	1	1	1	1
	-0.86	0	0	0	0	0

As per the analysis in Chapter 5, Section 5.3.1, for impulse buying to happen in experiential services, respondents need to have strong internal attributes, as well as the stronger effect of external stimuli. Two internal factors are important that are lifestyle and general impulsive behaviour. In case of external stimuli, except discount all the stimuli such as advertisement, reference and rating are important.

Combinations of these internal factors and external stimuli can lead to impulsive buying of experiential services. Lifestyle as an internal factor has important influence on impulse buying of experiential services. Likewise, rating is seen to be the strong predictor among the entire external factors whereas advertisement has minimum predictive value. Keeping all other factors' influence as high, a moderate level of general impulsive buying behaviour and the medium influence of advertisement would decrease

the tendency for impulsive buying. It can be interpreted that the impulse buying of experiential services would not occur in absence of these factors.

Similarly for occurrence of impulsive buying in utilitarian services given in Chapter 5, Section 5.3.2, the combined effect of general impulsive buying behaviour, lifestyle, discount, reference group and advertisement are important.

Based on the Canonical Discriminant Function Coefficients, the discriminant function among internal and external factors and impulse buying in utilitarian services is derived as:

$$(Impulse\ buying\ tendency\ in\ utilitarian\ services) = -0.948 + 0.273*(GIB) + 0.222*(Lifestyle) + 0.164*(Discount) + 0.151*(Reference) + 0.119*(Advertisement)$$

Overall equations considering all the predictive value of all the factors and impulse buying in utilitarian services is presented in Table 40.

Table 40: Equations of Impulse buying in Utilitarian services						
Occurrence in Impulsive buying of Utilitarian services (When impulse buying score is 3 or above)		Threshold combined effect of independent variables				
		Internal stimuli		External stimuli		
		General impulsive buying behaviour	Lifestyle	Discount	Reference	Advertisement
Occurrence	3.70	5	5	5	5	5
	3.04	5	4	4	4	4
No occurrence	2.77	4	4	4	4	4
	1.84	3	3	3	3	3
	-0.02	1	1	1	1	1
	-0.95	0	0	0	0	0

The high level of two internal attributes that are general impulsive buying behaviour and lifestyle along with the strong influence of external stimuli such as discount, reference group and advertisement may trigger impulsive buying in utilitarian services. Even in that case, the maximum impulsive buying score in utilitarian services is 3.70 (derived from equations presented in Chapter 5, Section 5.3.2) which suggests that impulsive buying in utilitarian services is somewhat challenging as the score is just above the threshold level.

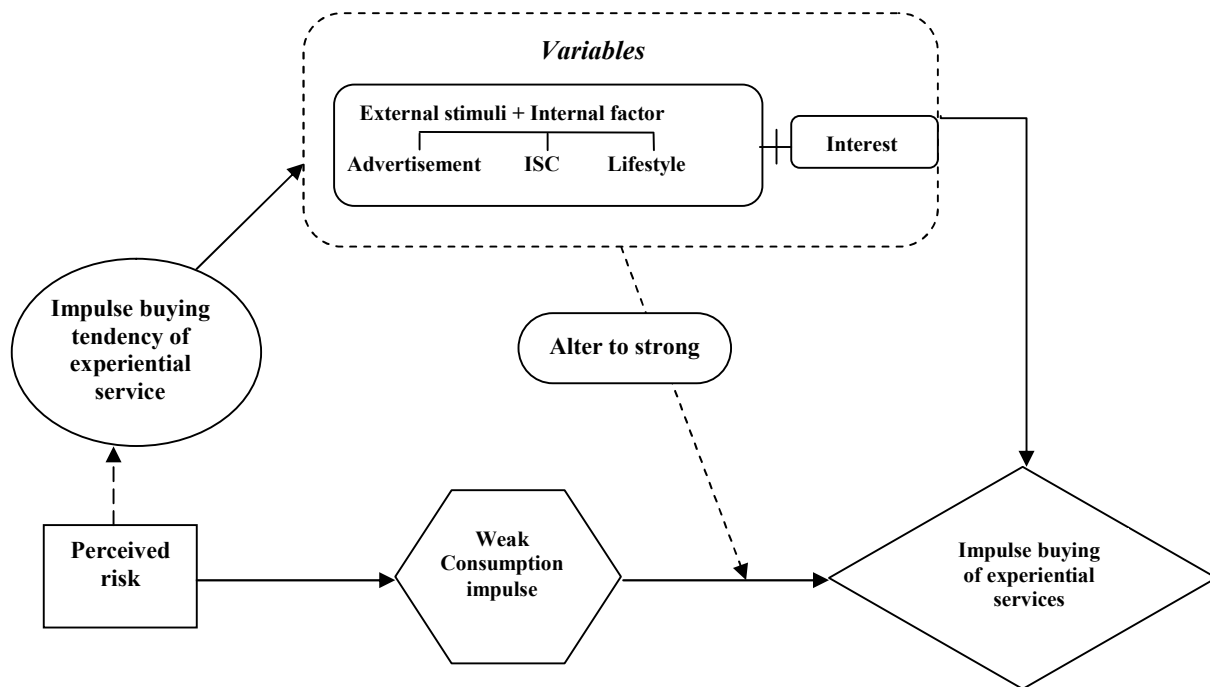
Overall, the findings suggest that for impulse buying to happen in utilitarian services, the presence of both internal factors and external stimuli have to be strong. The presence of insufficient level of these factors may reduce the tendency for impulse buying in utilitarian services. However, in case of experiential services, such negative tendency is not seen.

6.7 Testing models of impulsive buying in experiential and utilitarian services

Further analysis is done to see whether any direct and indirect relationships exist among the factors and if such relationships drive consumers' impulsive buying of services. It offers comprehensive frameworks of impulsive buying of utilitarian and experiential services using structural equation modeling. The model is an attempt to test the mediating and moderating effect of internal factors and external stimuli on the tendency of impulsive buying of services as well as actual impulsive buying of services. Separate models are offered for both the services using all the internal and external factors in Chapter 6.

Important external and internal factors are identified that influence the process of impulsive buying. In reference to the results in Chapter 6, Section 6.1.1.1, when mediating effect of internal factors is tested keeping perceived risk as controlling variable, result suggests that independent self construal *and* lifestyle are two of the important factors that influence impulsive buying of experiential services. The decision to buy a service impulsively is a complex process as it is affected by various factors. From the previous literature it is found that perceived risk may affect impulsive buying of services (refer to Chapter 1, Section 1.3.3). The tested model found that perceived risk has almost no control on impulsive buying of services, however, it has some control on the tendency of impulsive buying. In the analysis presented in Chapter 5, Section 5.1.3, interest is found to be an important factor for impulsive buying in services; therefore, it is also added as a mediating variable in the model. Interest significantly and positively affects intention as well as actual impulsive buying of experiential services. Again, the moderated mediation analysis result suggests that advertisement as a moderator variable between lifestyle and impulsive buying tendency strengthens the impulsive buying behaviour of experiential services. The pleasure of experiencing a service may be stimulated by an advertisement and a variety seeking lifestyle, which may reduce the degree of perceived risk associated with purchasing.

Figure 21: Impulsive buying in experiential services

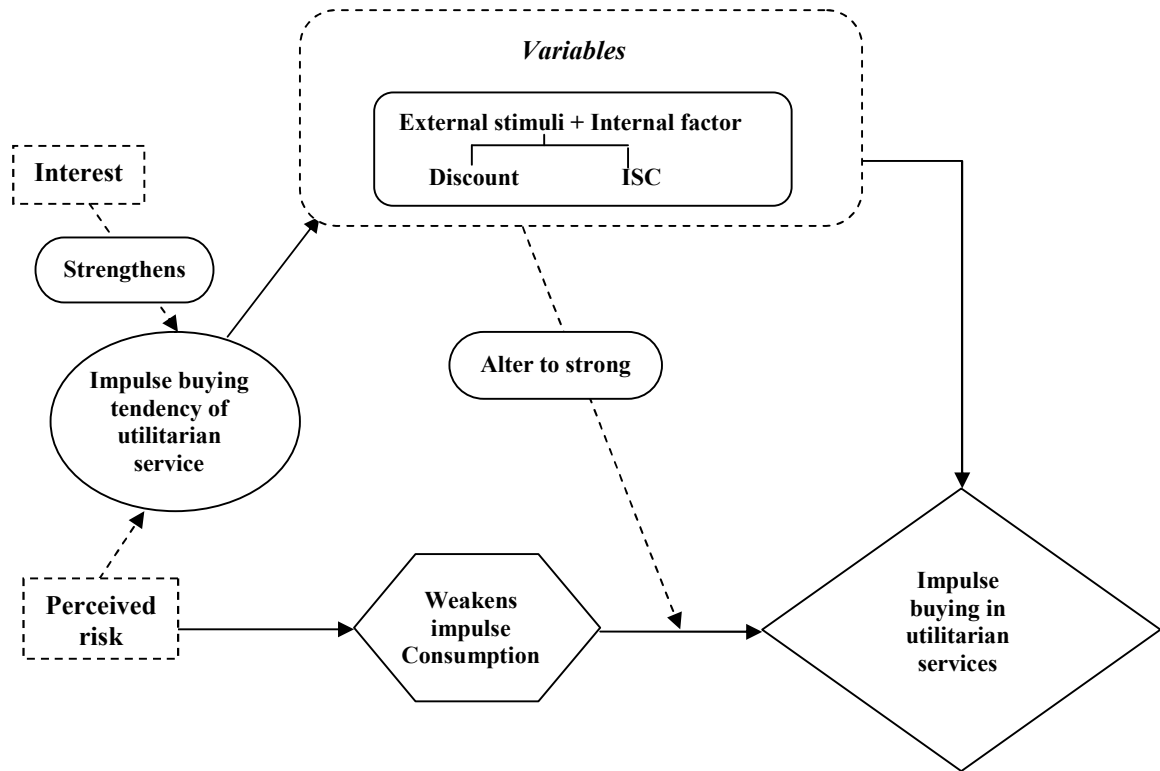


The process flow of impulsive buying process in experiential services suggests that lifestyle, advertisement and the ability to take independent decision drive impulsive buying in experiential services. Again, if these factors accompany with interest which the consumer has towards a service, would work as strong driver of impulsive consumption of that service. It is found from the study that interest works as a stimulating factor rather than a controlling one in case of impulse buying of experiential services. Thus, presence of strong internal and external stimuli may strengthen the tendency of impulsive buying and lead to actual buying. On the basis of the findings, a new model for impulse buying of experiential services is found which is presented in Figure 21.

In case of utilitarian services which is presented in Chapter 6, Section 6.1.1.2, it is found that Independent self construal and discount help in converting the tendency for impulsive buying to actual impulsive buying of utilitarian services. When perceived risk and interest is tested to see if they have any influence on the impulse buying process of utilitarian services, only interest is found to have effect on impulse buying tendency. Consumers' tendency for instant gratification of the service would be enhanced if he/she has strong interest in the service and at the same time exposed to tempting discount offer of a service. Independent decision making ability is one strong factor that leads to ultimate buying decision. A strong tendency of acquiring the service at the same time

ability to take decision would lead to consumer's impulse buying in utilitarian services. A new framework for impulsive buying in utilitarian services is found in Figure 22.

Figure 22: Impulsive buying in utilitarian services



Overall, it is found that lifestyle and advertisement are important drivers of impulsive buying in experiential services while independent self construal and discount have strong influence on impulsive buying of utilitarian services. Internal factors and external stimuli influence on perceived risk may moderate its effect on actual impulsive buying of services. It is found that tendency of impulsive buying does not necessarily lead to the actual impulsive buying of services. There are various intervening factors that interrupt the shift from impulsive desire to impulsive behavior even when in the presence of buying stimulus (Rook and Fisher, 1995).

6.8 Rationale for testing two separate models

When tested a theoretical model including both utilitarian and experiential services, a poor model fit has been found which would not necessarily give a farfetched result for a practical implication. Therefore, separate models have been tested for both the services.

The model emerged for experiential service has found to moderate fit while the model for utilitarian services has a good fit.

Some differences in impulse buying of experiential and utilitarian services have been noticed with regards to the contributory factors. Optimum stimulation level does not have significant influence in the impulsive buying of both the services. Again, interest leads to tendency as well as actual impulsive buying of both the services.

6.9 Conclusion

The present chapter highlighted the major findings of the study in light of the formulated objectives. Some new and valuable insights have come up from the present study which is expected to provide some knowledge regarding consumer behaviour in service industry. Overall, it can be concluded that impulse buying does happen in services though it differs from services to services. It's a complex process and various factors are involved in the journey. Both internal individual attributes and external stimuli together influence impulsive buying of services. The moment a consumer feels a strong tendency of buying a service and at the same time exposed to external stimuli then impulsive buying of services would be stronger. However, influences of those factors differ from services to services depending upon nature and utility. Therefore, strong marketing strategy would be required to encourage impulse buying in services. In continuation, the next chapter summarizes the contribution of the study to the body of knowledge along with recommendation for future scope of the study. The next chapter briefly explains the conclusion of the research with a brief introduction of the topic, need of the study as well as implication of the findings. Finally, it offers contribution to the body of knowledge and recommendation for future research.

Reference

Rook, D. W., and Fisher, R. J. (1995). Normative influences on impulsive buying behavior. *Journal of Consumer Research*, 22(3), 305-313.