

CHAPTER 8

CONCLUSION

The previous chapter dealt with the major findings of the study. In this Chapter, a concluding summary along with implications and recommendations for further future works are highlighted. The research presents a significant effort at integrating diverse literature in psychology and marketing to understand impulse buying in services. The psychological side of marketing has been proven beneficial in many strategic marketing practices which also include instant decision to consume a product without deliberate thinking. As described in Section-1.7 of Chapter 1, it is found that a great deal of researches has already attempted to understand impulse buying process in goods that include the roles of individual differences and cultural differences. Such studies have provided valuable insights to the marketers about consumer behaviour.

However, as stated in Chapter-1, Section-1.7, using those findings for services may not be appropriate, since the consumption and buying process of services is somewhat different from goods. From literature, it is noticed that impulse buying studies related to services are scant. It is believed that impulse buying in services is difficult because of intangible attributes of services. Goods are tangible in nature and have strong sensory properties such as touching, smelling and seeing. These properties of goods are helpful in triggering impulsive buying tendency. They also provide some prior experiences which reduce the cognitive effort associated with pros and cons of buying goods on impulse. Even though there are some risks associated, such effects are relatively less enduring as they can be compensated by returning or by purchasing another one immediately. As the services in general, cannot be experienced prior to purchase, there is always a post purchase tension which may disrupt impulse buying in services. Again, the missing sensory attributes of services may somehow discourage impulse buying from happening. Few attempts have been made to understand impulse buying process in services which are however very recent (refer to Chapter-1, Section-1.7). These studies found that impulse buying does happen in particular services and is affected by perceived risk which may moderate impulse buying in services. Services are different in their purpose of use and interest. Most of the services are bought because of comfort and convenience, and others are for pleasure and entertainment. When value and interest differ, marketing approach would also differ. Therefore, studying them as one entity would not give

relevant understanding. Identifying and analysing any difference based on motivation of using the service should offer better insight on impulse buying behaviour for services.

This study is an attempt towards understanding the impulse buying process in utilitarian and experiential services. Moreover, the previous studies on this require more verified data from developing economy to support their findings (Sharma et al., 2014). Based on those needs which existing studies are not sufficient enough to fulfill, the present study attempted to offer a holistic understanding of consumer's impulsive buying in services keeping in mind the nature of services. Therefore, it attempts to understand impulse buying in different services pertaining to the need for future marketing approach. The study examines impulse buying in experiential and utilitarian services and identifies various internal factors and external stimuli that influence such buying behaviour in services.

7.1 Objective wise findings

7.1.1 Impulse buying in experiential and utilitarian services

With regards to the first objective of the study which is to explore impulse buying in experiential and utilitarian services, the result suggests that impulse buying does happen in services. A moderate level of impulse buying is seen among the respondents. It is known that buying and consumption process of goods and services are different to some extent. Goods can be consumed immediately after it is bought, but services are rather a process or performance than consumption of an object (Lovelock, 1991). The tendency for impulse buying of a service and the actual buying of that service may be disrupted by cognitive thinking of post purchase tension as services are high on intangibility. The present study also suggests that impulse buying tendency of services and actual impulsive buying has almost negligible relationship (Refer to chapter-6, Section-6.2 and 6.3). This gap between tendency and actual buying causes moderate level of impulse buying in services.

Detail analysis given in Chapter-4, Section-4.2.2 indicates that under experiential category, restaurant and movie services are two services where consumers mostly engaged in impulsive buying whereas in leisure travel it is least likely to happen. Decision of impulsive consumption is based on affective and cognitive state of mind (Verplanken and Herabadi, 2000). Affective is instant gratification and cognitive is about self control, thinking of rationality/irrationality. People with low self control and high on

impulsive attributes are prone to make impulsive decisions (Rook and Fisher, 1995). A common understanding from previous studies on impulse buying is that the hedonic elements of a product create the urge of impulsive buying (Hirschman and Hollbrook, 1982). Hedonic elements of a product stimulate pleasure seeking motive (Fiore and Ogle, 2000). People driven by hedonic buying motives are not likely to get engaged in deliberate thinking; rather they are interested in instant gratification of experiencing a product. The imagination or fantasy of pleasure from engaging in such situation triggers their buying motives. For example, the imagination of eating out in a beautiful restaurant may bring happiness. This triggers the decisions to go out and eat. Sensory elements of products which can induce hedonic feeling are more successful at enticing impulsive buying (Dholakia, 2000; Hoch and Loewenstein, 1991). Impulsive buying happens in response to emotional feelings which can evoke an instant requirement of acquiring a product to satisfy the emotional urge. Services with hedonic properties fulfil the pleasure of experience. In such cases, people generally fall for emotional situations and try to eliminate a bad mood or elevate a good mood. Experiential services are purchased not because of necessity but to boost one's ego with pleasure or pride (Holbrook and Hirschman, 1982). Watching a movie gives momentum pleasure and relaxation.

In case of utilitarian services, impulsive buying happens only in online shopping whereas in mobile and banking services it does not happen as they are mostly used for specific requirement. Buying process of utilitarian services may need involvement of both rational and irrational process (Albers-Miller and Stafford, 1999; Bowen, 1990). Online shopping may give hedonic pleasure depending upon the browsing motive of the consumer and the type of products that one wishes to buy. If the browsing is other than requirement, then it may result in impulsive buying (Lee, 2009). Internet is one of the quick sources of information which provides reviews and rating about a service. In the study it is noticed that though perceived risk of online shopping is relatively higher, but the quick availability of information and hedonic browsing motives in some online products reduce the perceived risk associated with online shopping.

In a nutshell, it can be concluded that impulsive buying happens in both experiential and utilitarian services though experiential services are more powerful in triggering impulsive buying because of its hedonic properties. The study found that among the two categories of services, consumers' indulgence in impulsive buying is higher in experiential services.

7.1.2 Factors that influence impulse buying in experiential and utilitarian services

With regards to the second objective i.e. influence of internal factors and external stimuli on impulse buying of experiential and utilitarian services, the results of the study identify the important factors that contribute to impulsive buying behaviour of experiential and utilitarian services. It is found from the study that advertisement and lifestyle are the factors that have strong influence on impulsive buying of experiential services. It is confirmed by the findings that consumers level of impulsive buying increases as they get exposed to external stimuli such as advertisement. However, a certain level of both internal attributes and external stimuli are necessary for triggering such buying behaviour. Discount and independent self construal are important for impulsive buying of utilitarian services. Earlier studies also state that utilitarian buyers always look for the best deal in a product such as price saving and convenience (Clawson, Bostrom and Anson, 1993, Jarvenpaa and Todd, 1997, Overby and Lee, 2006) and therefore, purchase decisions are stimulated by discounts. Initially, the utilitarian benefits ultimately lead their impulsive buying decision. Present study also reinforces such findings in other parts of the globe.

The relationship between the tendency of impulsive buying of services and actual buying decision is relatively weak. The gap may be because of the delay between tendencies for impulsive buying and actual consumption. In case of restaurant services, most of the times consumption is possible as soon as the tendency arises. However, for leisure travel, strong tendency may be there but the consumption process is itself slower because of factors like planning involved in it. In such cases, other various cognitive factors such as perceived risk may interfere and disrupt the action of impulse buying in services. However, in the present study, no significant direct effect of perceived risk is noticed. Combinations of various internal factors and external stimuli may reduce such risk. Current study concludes that advertisement and lifestyle are the factors that have strong influence on impulsive buying of experiential services whereas discount and independent self construal are important for utilitarian services. For impulse buying to happen in services, these factors along with a strong interest in the service are important. According to Lee and Yi (2008), influence of perceived risk depends on the desire or interest to buy a product. Consumers unconsciously engage in cognitive evaluations where they search for supplementing information to reduce perceived risk associated with money or performance (Konus, Verhoef and Neslin, 2008). When consumers are

interested in certain products their involvement with the products are usually high which is unique to an individual (Dholakia, 2000; Petty, Cacioppo and Schumann, 1983). Consumers' emotions and feelings reduce the perception of risk about the product (Lee and Yi, 2008). These would assure the satisfactory performance of the service and may nullify the effect of perceived risk associated with impulsive consumption.

When interest and frequency of buying a service is high, impulse buying of that service is likely to happen. People frequently involve in impulse purchases are more prone to repeat such purchases when the environment is conducive. It is found that frequency of buying is high in restaurant, movie and online services. Consumers' *interest* is high in restaurant and movie services followed by travel and online shopping. In case of leisure travel, even though interest is there but frequency of buying is relatively low. Frequent impulsive buyers who are high on general impulsive buying are often engaged in impulsive buying whenever an opportunity arises (Verplanken and Herabadi, 2001). Frequent impulse buyers with variety seeking motives and modern lifestyle orientation are easily driven by external stimuli. They feel the tendency for experiencing novel things/situations (e.g. eating out or watching a movie) when there are good ratings, discounts offer and appealing advertisements. These reinforce the instant gratification by experiencing the service immediately. It has also been noticed that frequency of buying is higher in mobile services and at the same time requirement is also higher. In such cases, high frequency of buying is a compulsion rather than impulse. Likewise, impulsive buying is low in banking services because the frequency and interest of buying is low where the hedonic attribute is missing in it.

Other important factors are friends and family which influences impulse buying of leisure travel. As decisions cannot be taken without the influence of reference group, the tendency for impulse buying gets disrupted in leisure travel. The yearly travel plan compels them to make more calculative travel choices. Affordability in terms of time and money may also influence the decision of travelling.

Demographic factors are also important in understanding impulsive buying of services just like the goods. Young and single or unmarried consumers make more impulsive buying of services than the older consumers which may be due to the fact that more a person free from family responsibilities more he/she tends to indulge in impulsive buying. The continuous contact with friends or colleagues could be a motivating factor for such buying behaviour. Students and businessmen are more prone to make impulsive

buying of services, as concluded from the study. Income has also an important role in impulsive buying of services. Female consumers comparatively at higher income group are engaged more in impulsive buying than male. However, in case of male, it is found that the tendency for impulsive buying of services is higher among lower income group. Male are more interested in utilitarian services whereas female are more interested in experiential services. The study suggests that female make more impulsive buying in restaurant and movie whereas no significant difference is found in male and female in case of online shopping. It is seen that consumers at higher income level who are single, or married without child tend to make online shopping more impulsively. The same behaviour is seen in case of restaurant services. Married females without child are more interested in eating out whereas single males are more prone to make impulsive eating out decisions. In case of movie, it is found that impulsive buying is higher when the income is low. However, this finding is slightly different for students with high level of monthly household income. They have high level of impulse buying tendency for movie services. Females are more influenced by advertisement in case of experiential services, however, no significant differences are found in gender in case of other external factors. Male are more influenced by ratings or word of mouth than female when buying utilitarian services impulsively. Use of social media marketing could be beneficial in this case.

7.2 Contribution to the body of knowledge

The present study establishes that there is no wide distinction between impulse buying of goods and services. Both are influenced by external stimuli and internal factors. However, it is found from the work that in case of services external stimuli have to be stronger enough to drive impulsive buying. A unique contribution of the study is that impulse buying process of experiential and utilitarian services are not exactly alike. Especially, an appealing advertisement is found to be more powerful in triggering impulsive buying of experiential services whereas a discount is more successful in enticing impulsive buying of utilitarian service. As described previously, the pleasure out of buying something compels one for impulsive buying. It is found that hedonic appeal in experiential services would drive impulse buying tendency while the blend of functional and hedonic appeal encourage impulse buying in utilitarian services. Therefore, impulse buying is more likely to happen in experiential services. Online

shopping though used for utilitarian purposes but sometimes involves hedonic browsing. Lifestyle and independent self construal as internal factors influence impulse buying of experiential and utilitarian services.

The present study has also explored the importance of Interest in impulsive buying, particularly in utilitarian services which has been rarely dealt with in earlier studies. Frequency of buying a service and a strong interest in it are together play important roles in impulsive buying in services. For example, consumers that have strong interest in leisure travel but if the frequency of taking such trips are relatively less would indulge in less impulsive buying of this service. In emerging economy like Assam, leisure travel is still believed to be limited to the elite groups, and hence incidence of impulse buying of leisure travel is relatively less than other services. Easily affordable services like mobile telephone, online shopping, eating out and movies are however, capable of triggering impulsive buying. Moreover, it is established through this research that discount works as an important trigger for impulsive buying of these services. In contrary to the expectation, perceived risk does not have significant influence on impulsive buying of services. External stimuli, however, can be effectively utilized to nudge consumers towards impulsive buying of services. Again, it is found that reduction of the time gap between the arousal of a tendency for impulsive purchase and the actual service delivery process is very important in order to successfully turn the tendency into actual buying. It is interesting to note that male consumers are more impulsive while buying utilitarian services whereas females behave more impulsively for experiential services. Another unique finding of this research is that older consumers in the age group between 45yrs. to 55yrs. are as much interested as the younger consumers in impulsive buying of services. Free from responsibility (in and out home) and affordability could be the reasons for such behavior. This research can serve as a foundation for planning precise and focused marketing strategy for services, specifically in emerging economy.

The present attempt is probably the first of its kind to explore impulsive buying in experiential and utilitarian services in an emerging economy. The findings would pave the way for future researchers for more works in impulsive buying of services. The study perhaps can be used as a stepping stone to understanding impulsive buying in services as well as general buying behaviour of different services. Whether it is goods or services if buying is on the basis of requirement then the decision making process is easier and simpler. However, if it is on impulse, then the process is somewhat different. The delay

between tendency of impulsive buying and actual buying is relatively less in case of goods whereas in case of services the delay is a crucial factor which determines the final action of buying. Present study establishes that impulse buying happens in services is a moderate level, and various internal factors and external stimuli influences in the process. The findings from this study are robust and offer many interesting understandings of consumer behaviour in case of services. An important contribution of the study is identification of utilitarian and experiential services based on consumer's need and interest. Identifying different services and clubbing them into one category based on the nature of their use should help marketers strategising innovative marketing practices in services. Restaurant, movie and leisure travel are found in the category of experiential services while mobile, banking and online shopping are in the utilitarian category.

7.3 Implications of the study

Considering the growth of the service industry and its contribution to employment in both developed and developing economy, studying impulse buying in services is not only necessary, it is urgent also. It is very important to understand consumers and the market to strategize innovative marketing techniques for sustainable growth of this industry. The nature of services makes it difficult for marketers and researchers to offer a concrete marketing approach for all the services. To understand services better on the basis of consumer's consumption habit, different services require different marketing approach. For example, the buying behaviour would be different for experiential services than utilitarian as found from the study. Therefore, understanding consumers buying behaviour and their decision making style while buying is important. As not much research work has been done in this regard, the findings of the present study would be a stepping stone for understanding impulsive buying behaviour of consumers in experiential and utilitarian services.

It would be advantageous if marketers try to identify the services where consumers have interest and accordingly use discount or advertisement to propel impulse buying. The promotional strategy should be strong enough to assure quality and convenience at the same time. Strong hedonic element in the promotion of services would be important for impulsive buying in both experiential and utilitarian services. The pleasure seeking motive of an individual is more likely to be controlled by external stimuli. Moreover,

marketers should concentrate on reducing the gap between tendency of impulsive buying and consumption of the service. Special emphasis should be given to promotions of services through web platform which would reduce the perceived risk by offering necessary information quickly and efficiently about a service. The research work would provide hints to service marketers to come up with innovative marketing strategies for services like travel and tourism, movie and restaurant to fuel impulsive buying. Short travel plan has to be introduced for reducing the gap between planning and actual travelling.

7.4 Recommendation for future research

Primary data of current study is collected from Assam in India. Similar studies can be carried out in other parts of India, particularly in the major metro cities and world at a large. As many services are taken together for study, much importance could not be given to any specific service. Future studies may be conducted taking each service separately to find more in-depth knowledge. In the present study, external stimuli are studied using virtual shopping scenario. In future, studies can be carried out in real life buying environment for more dependable results. Situational factors such as time and money could also be the important factors in studying impulsive buying of services. In the present research, it is found that respondents in the later adulthood are more prone to make impulse buying of services. In future, studies may be carried out comparing different age groups and their impulse buying in different services. The questionnaire where external stimuli are presented using virtual scenario has some limitations in that matter. A questionnaire with more such items would be better to be able to differentiate the impulsive buying behaviour in the customers and delineate more important features from the study. Besides, future studies may also concentrate on the factors that are found to have more relevance in the study. For example, giving more importance to advertisement as a tool for studying experiential services whereas discounts for utilitarian services. Future studies can also use interest as one of the major factors when studying impulse buying in services.

In future, the study may be broadened in its scope by including more number of samples from different area of study within India or outside of India so that a segmentation of the respondents can be made based on utilitarian and experiential services. Future studies may also emphasis on different services studying them

separately in the context of impulsive buying which may help understand higher order needs and at the same time would help marketers in formulating effective marketing strategy to boost impulse buying in different services. An extensive study of perceived risk associated with impulsive buying of different services may also provide significant research output for marketers and academicians.

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