The Effect of Situational Factors on Unplanned Buying of Fashionable Garments: A Special Reference of Norway and Sri Lanka

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(Received: 21/04/2016; Accepted: 02/06/2016)

Abstract

This paper focuses on observing the impact of situational factors for an unplanned buying decision of consumers while buying fashionable garments. Further the study mainly focuses on two contexts: Norway and Sri Lanka. The decision making process comprises mainly two steps, pre-decision and post-decision stage. Consumers may sometimes typically rely on simple strategies, rather than going through a series of steps or processes rationally when they made purchase decisions. In order to accomplish the competitive advantages over their competitors, it is important for both manufacturer and service providers to have a proper understanding about the consumers’ behavior, and their selection process of different products and services. Moreover, consumer preferences for products and services and the items they selected can vary based on their age, income, educational level, and their tastes. This study attempts to explore impulse buying behavior of apparels and differences of their decisions based on different circumstances, such as availability of money, availability of time and in-store promotion. 180 respondents from both countries were surveyed. Self-administered questionnaire was used to collect primary data. The findings of the study show that, the availability of money is only a factor, shows the significant relationship with the consumers’ impulsiveness regarding the both groups. Additionally, the Sri Lankan group demonstrates a significant relationship between the variables of in-store promotion and impulse buying behavior. Further, based on these two nationalities, the availability of time did not make any significant impact on consumer impulse buying behavior. Finally, according to these samples, the most significant relationship is developed between the availability of money for shopping activities and the impulse buying decisions of consumers of both nationalities.

Keywords: Availability of money, Availability of time, In-store promotion & Impulse buying behavior

JEL Classification: M31

Paper Classification: Research Paper

Introduction

From the end of the last decade of the 1900s until the present, most of the retailers are always struggling to keep and maintain their position in this massive competitive market. As a
result of this situation, some of the small ‘mom & pop’ stores have been totally diminished from the business world. Similarly, other stores are also continuously showing decline in sales and due to increasing competition. As Dotson and Patton (1992) pointed out, several factors such as: increase in the competitive threat of other type of format such as non-store retailers, lack of consumer interest for the shopping task, and poor customer service directly create a negative environment. Accordingly, it is very important for retailers as well as for manufacturers to have a clear knowledge about the way they target shoppers to make the purchase decisions, as to when, why, and whether the shopping trips leads to purchase. Moreover Kotler (2000) and Levy and Weitz (1992) explain that such information is very crucial to retail planning as well as to create sound marketing strategies. Zhuang, Tsang, Zhou LI and Nicholls (2006) reveal that different factors can affect consumers’ purchase decisions such as individual and psychological factors, cultural, social and environmental factors and the promotional strategies as well. Moreover, Moye and Kincade (2002) point out that, contrast to the non-store retailers, the physical retail store silently provides unique opportunities to its customers. The participation of the shopping trip physically helps to reduce the sensory stimulation as well as provides diversion from the busy routing lifestyle of the people. Nevertheless, it gives some opportunity to get social experiences outside the home, and its offer a marvelous chance to physically check the product by touching, smelling and make the comparison (Moye & Kincade 2002). The store retailers appeal to their target customers in the most effective manner by using the store environment. So, through their physical surroundings, stores have an ability to appeal all the senses (sight, sound, smell, touch and taste) of the customers (Moye & Kincade, 2002).

Accordingly, the study investigates the impact of situational factors such as the availability of time and money for the impulsive buying behaviour of fashionable garments. Further, most of the past research studies related to the situational factors have been conducted focusing on one country at one time. In the current study, buying behavior of two different countries: Norway and Sri Lanka, which represent two different cultural backgrounds have been examined. It has been observed, that eastern societies have the collectivist culture while the western societies have individualistic culture (Markus and Kitayama,1991). Hence, Norway has identified as a low contact culture and Sri Lanka as a high contact culture.

**Literature Review**

Zhuang, Tsang, Zhou, & Nicholls (2006) cited from (Belk, 1975) demonstrate that, past researchers have identified numerous factors that influence consumer buying decisions. Moreover, these all factors can be classified into two main categories as situational factors and non-situational factors. The situational factors can be defined as “all those factors particular to a time and place of observation which do not follow from a knowledge of personal and stimulus attributes and which have a demonstrable and systematic effect on current behavior” (Belk, 1975, p. 152). Accordingly, situational factors consist with several elements: physical surroundings, social surroundings, temporal perspective, task definition and antecedent states.

Similarly Tinne (2011) cited from (Churchill and Peter, 1998) notes that, these highlighted different consumer buying situations can be created based on a number of factors, such as situational factors, social surroundings, which, mainly consist with people’s characteristics and roles, and their interacting manner, physical surroundings of the store, like, store location, merchandise display, store interior/exterior design, etc., and further social, and marketing factors. Besides that, the author further mentions some important factors such as culture, subculture, social class, family, reference groups, time, task, monetary condition and momentary moods as influences for consumer thoughts, feelings and actions of this decision making process. Sharma,
Sivakumaran and Marshall (2010) explain that, impulse buying can be identified to situations when the customer involves in shopping activities, such as, shopping during lunch time and shopping with limited money.

The explanation relevant to the impulse buying tendency and the availability of time reveals that, people tend to involve in more store browsing when they have more time. If the shopper has more time to walk throughout the shop and look around, it will be helpful to make some exposure to some items they have not planned. In this regard, authors of this paper have highlighted some alternative impressions that, retailers can make the shopping trip more efficient and quick to find the planned items by properly arranging the shopping layout and ultimately leaving more time to customers for browsing (Beatty & Ferrell 1998).

Availability of money for shopping activity is the other factor taken as an independent variable in the present study. Accordingly, Beatty and Ferrell (1998) mention that, consumer perception about the money they have in their hand to spend, make considerable impact on buying behavior. Further, authors explain that, perception of greater availability of money tends to increase the urge to buy impulsively. As a result of a feeling of availability of greater financial resources, negative feelings which can be created from the frustration with the inability to access the affordable items encountered in the shop, are reduced. Moreover, retailers can address this situation by making more availability of money, through introducing easy credit lines, discounts tying some sales events to paydays.

However, most of the research studies done in this certain study context can be found based on American consumers or some selected European consumers such as England and Norway (Park & Cho. 2013). At the same time, Tinne (2011) mentions that, very few Asian and developing countries such as India, Thailand, Pakistan, Indonesia, Korea have been selected for studies relevant for this field. Thereby, there is a gap in knowledge related to the impact of situational factors for impulse buying behavior between two different cultural contexts.

Objectives of the Study

The main purpose of this study is to identify the impact of situational factors such as in-store promotion, availability of time and money while going shopping and impulse buying behavior of consumers. Further, the study investigates the difference between these two groups regarding impulsiveness. The focus of this research explores the behavior pattern in durable product, fashion apparels.

The study had the following specific objectives:

1. To examine the impulse buying behavior differences between Norwegian and Sri Lankan consumers.
2. To find out the influence of situational factors for consumer impulse buying behavior in Norway and Sri Lanka.

Research Methodology

As a matter of fact, this study is almost an empirical one. So, as far as possible attempt was made to gather primary data and study were conducted as quantitative study. Thereby, the

Study Settings

The study focused on mainly two countries Norway and Sri Lanka. Study site was selected
by signifying a precise group of customers in both countries. University of Ruhuna located in the southern part of the country was selected as a study site in Sri Lanka. Similarly, the University located in southern Norway, named the University of Adger was chosen as the study site in Norway. Universities are selected as the test group because; it gives vast opportunity to get easy access for larger number of respondents in the particular group.

Sample

The sample consisted of 178 undergraduates from two nationalities. One hundred and eighty (180) questionnaires were circulated conveniently and all except two were returned as qualified ones.

Method of Data Collection

Self-administered questionnaire was used to collect the primary data from selected samples. It was built up focusing on demographic factors as first part and the questions related to the impulse buying behaviour, availability of time and money as well as in-store promotions as the second part of the questionnaire. Further, the questions used measurement by Likert scale of 1 to 7 which represents, 1- strong disagree to 7- strong agree. The Table 1 shows the detail explanation of the variables that used to the study.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Reference</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of money</td>
<td>Beatty and Elizabeth Ferrell (1998) and Kwon &amp; Armstrong (2002).</td>
<td>-Perception of availability of money., - Increases the feeling . -Decreases negative feeling. - Can afford to unplanned purchase. -Often on a tight budget. -Often have enough extra money,</td>
</tr>
<tr>
<td>Availability of time for shopping</td>
<td>Kwon &amp; Armstrong (2002).</td>
<td>-Have limited time - Not usually rushed in shopping. - Time pressure, increase shopping.</td>
</tr>
<tr>
<td>In-store promotion</td>
<td>Kwon &amp; Armstrong (2002).</td>
<td>- Go shopping when there are sales, - Enjoy looking for a discount.</td>
</tr>
</tbody>
</table>

Hypothesis Development

The author derived the particular hypothesis relevant to the study by considering the nature of the relationships between variables of impulse buying behavior and the in-store promotions, and availability of time and money. A study carried out with main 4 hypotheses likewise, $H_1$, $H_2$, $H_3$, $H_4$.

$H_1$: There is a significant difference on impulse buying behavior between Norwegian and Sri Lankan.

$H_2$: There is a significant difference in impact of situational factors on impulse buying behavior between Norwegian and Sri Lankan consumers.

$H_3$: Availability of money makes a significant positive impact for fashion apparels impulse buying behavior.
H3: Availability of time makes a significant positive impact for fashion apparels impulse buying behavior.

H4: In-store promotion makes a significant positive impact for fashion apparels impulse buying behavior.

Statistical Tools Used

The collected data throughout the structured questionnaire were analyzed using electronic software (SPSS software). In order to test the various hypotheses derived in the study, several statistical tests were applied, like T-test for equality of means and Spearman’s correlation for relationships.

Result and Discussion

The frequency statistics indicated that, around 49 present (49%) of the respondents were Norwegian nationalities and the around 51 present (51%) were Sri Lankans in this sample. Further, the majority of respondents are represented in age category 21-23.

Scale Reliability

The internal consistency of study measures was assessed using Crobanch’s Alpha. Accordingly, it was found that the reliability of the study measures was above 0.5 for all variables. The Alpha value of these four factors is (impulse buying: 0.818, availability of money: 0.515, availability of time: 0.194, in-store promotion; 0.745 respectively). Overall Crobanch’s Alpha was 0.733.

The first hypotheses were tested by using t-test. Thereby, demographic factors, availability of money, availability of time and the in store promotion were the independent variables and fashion apparels impulse buying behavior was the dependent variable. The findings of the t-test is shown in Table 2.

<table>
<thead>
<tr>
<th>Independent sample t-test</th>
<th>T value</th>
<th>Sig. (2 tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean value for impulse buying</td>
<td>-4.316</td>
<td>0.000</td>
</tr>
<tr>
<td>Mean value for time</td>
<td>2.669</td>
<td>0.008</td>
</tr>
<tr>
<td>Mean value for money</td>
<td>-5.596</td>
<td>0.000</td>
</tr>
<tr>
<td>Mean value for in-store promotion</td>
<td>5.226</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The result of t-test indicated that, all the factors considered indicate that a significant difference exists between these two groups at p< .001. Accordingly, the two groups display significant differences while buying fashion apparels impulsively. The two groups also have dissimilar views regarding the situational factors: availability of time (sig=.008) and availability of money (sig=.000) for shopping activities, and in-store promotions(sig=.000). Therefore, it concluded that, as two different nationalities, Norwegians and Sri Lankans have significantly different ideas regarding the impulse buying decisions and the situational factors considered in this study.
Regression Analysis

The regression analysis was employed to identify the relationship of underline dimensions of consumer impulse buying behaviour and the availability of money, availability of time and the in-store promotion in order to address the formulated hypotheses. There can be used statistical methods to check whether, there is any statistical linkage or association between the variables. Hair, et al. (2007 in pp. 356) explain that, ‘correlation and regression are associative techniques that help determining if there is a consistent and systematic relationship between two or more variables’. Further authors highlight, some major concepts that are important to understand regarding the relationship of the variables as presence, nature of the relationship, direction and the strength of association. Accordingly the researcher employed the correlation analysis to identify the relationship of considered variables.

Table 3: Result of the Pearson Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Mean value for impulse buying</th>
<th>Mean value for time</th>
<th>Mean value for money</th>
<th>Mean value for in-store promotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwegian</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean value for impulse buying</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean value for time</td>
<td>.084</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean value for money</td>
<td>.331**</td>
<td>.239*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mean value for in-store promotions</td>
<td>.142</td>
<td>.205</td>
<td>.129</td>
<td>1</td>
</tr>
<tr>
<td>Sri Lankan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean value for impulse buying</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean value for time</td>
<td>.203</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean value for money</td>
<td>.353**</td>
<td>-.097</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mean value for in-store promotions</td>
<td>.224*</td>
<td>.047</td>
<td>.487**</td>
<td>1</td>
</tr>
</tbody>
</table>

**correlation is significant at the 0.01 level (2-tailed)  
* correlation is significant at the 0.05 level (2-tailed)

The correlation process was executed to analyze the relationship among the variables of impulse buying behavior and the availability of money and time and in-store promotion for shopping activities between two nationalities, Norway and Sri Lanka. According to the Table 3, the results suggest that the Norwegian sample displays modestly significant relationships between consumer impulse buying behavior and availability of money at the 0.01 (2-tailed). Further, it represents that, though the availability of time for shopping activities are not significantly influenced by impulse buying behavior, it shows significant positive relationships between the availability of money and time (s=0.025, p< 0.05) for prospective shopping activities. Similarly, Sri Lankan sample indicates a significant relationship between the impulse buying behavior and the situational factors, like, availability of sufficient amount of money for shopping and in-store promotions in the store environment at the 0.01 and 0.05 (2-tailed) levels respectively. Therefore, this particular group of respondents presents considerable positive connections between the availability of money for shopping activities and in-store promotion.
Table 4: Regression Analysis

<table>
<thead>
<tr>
<th>Standardize Coefficient</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationality of respondents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norwegian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>constant</td>
<td>.394</td>
<td>2.688</td>
<td>.009</td>
</tr>
<tr>
<td>Mean value for mon</td>
<td>.394</td>
<td>3.953</td>
<td>.000</td>
</tr>
<tr>
<td>Sri Lankan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>constant</td>
<td>.518</td>
<td>-.192</td>
<td>.848</td>
</tr>
<tr>
<td>Mean value for mon</td>
<td>.518</td>
<td>5.648</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: dependent variable is mean value for impulse buying

Table 4 shows that, the findings of the regression analysis. In particular, it indicates that, availability of money for shopping activities is the most significant factor that is making high influence to consumers impulsiveness for both Norway and as well as Sri Lankan consumers. The strength of this influence respectively ($\beta = .394; p < 0.01$) for Norwegian and ($\beta = .518; p < 0.01$) for Sri Lankan sample. In other words, when the consumers from two nationalities have, affordable amount of money for their shopping, they tend to buy some extra things impulsively or without any prior plan. Moreover, both samples are designated positive relationship towards this particular variable. Further, it displays that, increase of availability of money in hand for shopping by one unit tends to increase the impulse buying activities of Norwegian consumers by 45% and Sri Lankan by 84%. Therefore, consumers, Sri Lankan consumers are more impulsive than the Norwegian group when they have more money to spend.

Hypothesis Testing

After analyzing the data collected through administrated survey of these two different respondent groups, it was observed that, mainly two hypotheses favorable.

Thus, the findings of the study supports the formulated hypothesis as $H_1$ ($H_{1a}$ and $H_{1b}$) and proves that Norwegian consumers convey totally different from the Sri Lankan consumers, in their buying behavior pattern while they are buying fashion apparels impulsively. Also the impact of situational factors for their impulse buying behavior of these two groups are different.

Additionally, the findings of the tests indicated that, Norwegian sample show significant relationship only between the availability of money and impulse buying behavior of consumers. Same relationship can be identified in the Sri Lankan sample. Hence, the study accepts hypothesis $H_2$ for both groups. However, hypotheses $H_3$ and $H_4$ is accepted only for Sri Lankan sample.

Discussion

As explained in past literature, availability of time for shopping activity display positive relationship with the impulse buying tendency of consumers, which has been explained in detail above. The findings of the current study prove that, related to the Norwegian sample, the result is a line with the suggestions given by the past research studies. But with respect to the Sri Lankan sample, there are differences.

The variables like the availability of money for shopping activities and the in-store promotions display positive significant relationship with consumers’ impulse buying behavior in the Sri Lankan group. Thereby, these findings a line with the suggestions given by the past research studies.
Conclusion

This study examined the relationship between the availability of money, availability of time, in-store promotion and the impulse buying behavior of consumers in Norway and Sri Lanka. Even though the respondents show the positive relationship with all three factors considered, only a factor, which is, availability of money shows the significant relationship with the consumers' impulsiveness regarding the both groups. On the other hand, the Sri Lankan consumer group demonstrates a significant relationship between the variables of in-store promotion and impulse buying behavior. Further, based on these two nationalities the availability of time did not make any significant impact on consumer impulse buying behavior. Finally, according to these samples, the most significant relationship is developed between the availability of money for shopping activities and the impulse buying decisions of consumers for both nationalities.

Beatty and Ferrell (1998) mention that consumer perception about the money what they have in their hand to spend, make the considerable impact of buying behavior. Further authors explain that the perception of greater availability of money tends to increase feeling in shopping trips and makes a strong urge to buy impulsively. As a result of that, feeling of availability of greater financial resources, decreases the negative feeling of frustration with inability of accessing the affordable items encountered in the shop. Moreover, as explained by Ackerman and Tellis (2001) as cited by (Schutte, 1998), collectivism can be significantly influenced for the consumer’s frugality in private consumption. The study specially highlights that, Chinese consumers are more status conscious and not frugal when they buy public consumption goods and especially gifts. This author further explained that because of the high price consciousness of Chinese consumers, most of the shops in the given sample, allowed to bargain for consumers in Hong Kong, Taiwan and Singapore. The same idea was further proved by the findings of the current study, that respondents from Sri Lankan group express significant relationship between the in-store promotion and their impulse buying behavior.

Future Implications

Managerial Implications

The findings of the study provide valuable insights and implications for Sri Lankan apparel retailers who plan to succeed in this competitive business environment and as well as compete with strong foreign brands.

Accordingly, retail should pay considerable attention to the ability of purchasing power and the income level of their target customer base, while they design their strategies and promotional activities. Moreover, through introducing easy credit lines, discounts and some sales event to paydays, retailers can address this situation by making more availability of money (Beatty & Ferrell, 1998).

Theoretical Implications

The study enabled conceptualization of the effect of main three variables in shopping environment for the impulse buying of fashionable garments. These findings further facilitate application these variables to other context of buying behavior such as compulsive buying. Moreover, this knowledge can be applied to study the impulse buying behavior of other product categories such as food items and electronic products.
Limitations of the Study

Clearly, the use of a student sample in this study limits the generalization of the findings, as respondents represent a specific subset. Further, if the study can conduct with a sample to represent an entire customer group who is in the younger age category, more reliable results can be found. This study used apparels, which may have resulted in significant influence of availability of money on impulse buying behavior. Future studies may be extended to other consumer products.

Future Research

According to the findings of the study, the element of availability of money and in-store promotion in a retail store environment had a positive relation to the impulse buying behavior. The study has focused on locally owned retail environment as well as the physical retail stores. However, these results may be different in other store formats, like, on-line retailers. Therefore, it would be interesting to test the difference between male and female consumers while they are buying fashionable garments in impulsively. Similarly, it seems to be interesting to study the differences of behavior of consumers other nationalities, especially between different cultural contexts.

References


Author’s Profile

P K C Dinesha is serving as a Lecturer in Department of Marketing, Faculty of Management and Finance, University of Ruhuna, Sri Lanka. She has contributed to several studies regarding the consumer behavior in different cultures.