

A Study of Impulsive Buyers and Its Relationship with Coupon Proneness - A Special Case of the Chandigarh Tricity

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ABSTRACT

Impulsive buying is on increase in the nation with the populations' major portion being young. The new India is shopping differently. They make on the spot decisions which are influenced by many factors including sales promotions like coupons. Coupons today are using many mediums to reach their target audiences. The mediums include mobile messages to online websites and even the highly preferable mobile applications. These mediums are also one of the reasons that help in instigating an impulsive buy by its users. The new breeds of diners are hungry for bargains and are unlikely to go where they can't get them. This study deals with the study of these impulsive buyers and how they are influenced by these coupons.

Keywords: Impulsive buying, Sales promotion, Coupons.

I INTRODUCTION

In today's times when customers are becoming more and more aware, they are also on the lookout for bargains. Sales promotions are carried out by companies to attract and ultimately push the customers towards increased consumption. There are various common forms of Sales promotions amongst which Coupons are ones which are used very frequently. Coupons are instruments that save money for the customer when he/she purchases a product. This could be a 25% discount of the value of the product or a fixed amount like \$5 on every piece (Harmon and Hill 2003: 167).

Coupons have a lot of advantages like increasing sales in the very short period and encourage the customers to switch their buying preference. Also, Coupons stimulates the trial of a new product. Coupons give consumers opportunities to obtain promoted products at reduced prices, because these reduced prices are in the form of a coupon, individuals who respond to coupon offers have been referred to as "coupon prone" consumer.

Coupons today are influencing how consumers spend their money. These coupons like other sales promotion methods are expected to provide the final push to the customer's dining decision.

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The new breeds of diners are hungry for bargains and are unlikely to go where they can't get them. They are helping feed a growing industry of companies that offer access to cheap eats.

II REVIEW OF LITERATURE

The concept of impulsive buying has been an area of interest for a long time now. Since the initial discussions by (Weinberg, Gottwald 1982) who tried to identify the emotions that lead to impulsive buying behavior, different studies have tried to examine traits and influencers that lead to impulsive buying behavior amongst consumers. (Jalees 2009) in his study has tried to test the interface of traits such as individualism, moods etc. with impulsive buying behavior. (Kacen & Lee 2002) conducted a cross country comparison to understand how cultural factors such as self-identity, normative influences etc. influence the impulsive buying behavior amongst the country. There are multiple studies that highlight how different factors such as store environment (Mattila and Wirtz 2008), signs, displays, and packaging (Peck & Childers 2006) affect the impulsive buying behavior of the consumer.

Coupons today are part of our everyday lives with their presence being everywhere. It's a huge industry today and thus a part of a lot of research too. Many studies over time have tried to understand the concept of Coupon proneness in a more comprehensive way. It was only in (Lichtenstein, Netemeyer & Burton 1990) when the study defined coupon proneness as a concept rather than one dependent on behavior.

Coupon prone across households and product classes has been studied by (Bawa& Shoemaker 1987). The study highlights how there is a difference in the demographics and behaviors of prone and non-prone customers.

Studies have been conducted across cultures and countries to highlight how cultural differences impact coupon proneness (Lalwani, Wang &Janiszewski 2018). A similar study is conducted by (Kitchen et al 2014) which conducts the research around coupon redemption behavior in Malaysia.

The literature is very limited in connecting the two concepts and this where lays the genesis of our research. A recent study by (Immanuel &Mustikarini 2018) has connected the dots on the same. It highlights that coupon proneness has a significant effect on impulsive buying behavior.

- H2: There is no Impact of discount coupons on Consumer Impulsive Buying Behavior.

V ANALYSIS AND INTERPRETATION

Sample	Sample Size
Users of Coupons	154

(a) Sample description

Users as high as 73% of the sample have been using the coupons in the last 3 months. The frequency is also quiet high amongst nearly 50% of the sample with these many using coupons more than a couple of times in the past 3 months.

Sections of Questionnaire	Shapiro Wilk test		
	Statistic	df	Sig
Section B (Attitude Towards Coupons)	0.838	104	.000
Section C (Impulsive Buying)	0.840	104	.000

III VARIABLES UNDER STUDY

Coupon Proneness is defined as an increased propensity to respond to a purchase offer because the coupon form of the purchase offer positively affects purchase evaluations (Lichtenstein, Netemeyer, and Burton 1990).

(Rook and Fisher 1995, Rook 1987) define **buying impulsiveness** as consumer's tendency to buy spontaneously, unreflectively, immediately and kinetically.

IV RESEARCH OBJECTIVE

In exploring the research, the following objective shall be met:

- (a) To explore demographics across impulsive buyers
- (b) To gain an understanding about the impact that discount coupons have on the Consumer Impulsive Buying behavior with reference to fast food restaurants.

(i) Hypotheses of Study

The following hypotheses have been proposed for the scope of this particular study-

- H1: There is no significant difference between age, gender across impulsive buyers

64% people reported to be impulsive as against the remaining 36% who could not be categorized as impulsive buyers based on the mean of their responses.

(b) Testing the reliability of Sections B, C of questionnaires

Cronbach Alpha was calculated for each section of the questionnaire:

Sections of Questionnaire	Cronbach Alpha
Section B (Attitude Towards Coupons)	0.864
Section C (Impulsive Buying)	0.733

(c) Checking the normality of collected data

Normality test was applied.

Average values of collected responses for each section was calculated and used for applying normality test.

Since the sample size < 2000, Shapiro-Wilk test has been used for ascertaining the normality of the data at hand

Thus the p-values are well below 0.05; therefore the data under consideration is not normal. Thus, non-parametric tests shall be used for analysis.

(d) Testing the hypotheses – H1

We conducted the Chi square test since data is non-normal. We have conducted the test for difference in

Thus the hypothesis of no significant relationship between the two variables is rejected.

Model	Standardized Coefficients		
	B	Beta	Sig.
Constant	2.200214		.010
Coupon Proneness	0.288	0.306	.000

categories amongst the Age and Gender demographics.

After conducting the test the value of significance in the output is the Pearson Chi- square and the p value corresponding the same. So the results are as follows

Variable	P - Value
Gender – Pearson Chi Square	0.485
Age – Pearson Chi Square	0.002*

The value for Age is less than 0.05 thus highlighting that there is a difference in impulsive buyers across the age groups. The difference is then checked and found out to be between the age group of 18-35 and 35 and above. This highlights an important aspect of demographics.

VI REGRESSION ANALYSIS

Thus regression equation based on the table above is-

$$\text{Impulsive Buying} = 2.200214 + 0.306 (\text{Coupon Proneness})$$

This implies that for 0.306 changes in Coupon Proneness there is one unit change in impulsive buying.

VII CONCLUSIONS AND IMPLICATIONS OF THE STUDY

Thus, the above tables give some keen insights into the usage and attitude of consumers towards coupons and their relationship to the impulsive buying

			Impulsive Buying	Coupon attitude
Spearman's rho	Impulsive Buying	Correlation Coefficient	1	0.248**
		Sig. (2-tailed)		0.011
		N	104	104
	Coupon attitude	Correlation Coefficient	0.248**	
		Sig. (2-tailed)	0.011	
		N	104	104

behavior-

(e) Testing the hypotheses – H2

We made use of Spearman's Correlation test to analyze the hypotheses H2, due to the following relevant factors:

- (i) The hypotheses try to study the relationship between attitude towards and coupons and Impulsive Buying Behavior.
- (ii) The data is non-normal in nature.

• **Applying Spearman's Correlation test**

**Correlation is significant at the 0.05 level (2-tailed).

- (a) Most people in the age group of 18-35 years are coupon users with online coupons being the largest source of the coupons but still the frequency is minimal thus providing a window of opportunity.
- (b) Also people from this age group are more prone to impulsive buying and thus need to paid special attention as their decisions are made quickly rather than the ones who make much thought off decisions.
- (c) The need of coupons is not being felt in the higher age groups. This is a potential segment that has not been targeted. The

challenge is to create a need for the same. Value creation is the way forward.

- (d) Today's Shoppers are impulsive and show favorable attitude towards coupons. Thus greater attention needs to be paid on platforms such as mobile apps, message services etc. so as to provide them exciting offers on the go.

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