IMPULSIVE REACTION MEDIATES SITUATIONAL FACTORS ON IMPULSE BUYING DECISION OF FOOD PRODUCTS IN SUPERMARKETS IN MALANG CITY

Astrid Puspaningrum
Faculty of Economics of University of Brawijaya

Abstract: Retail Business in Indonesia has growth in a great number, especially supermarket, in Malang City, causes the tight competition. The understanding of situational effect on consumer’s purchasing decision assists the manager of supermarket to prepare the plan and appropriate retail strategy to deal with such competition. The purpose of this research are (1) to determine the impact of situational factors on impulse buying decisions in Food Product at Giant Supermarket (2) to determine the impact of situational factors on impulse buying decisions through buying impulsiveness in Food Product at Giant Supermarket (3) to determine the impact of buying impulsiveness on impulse buying decisions in Food Product at Giant Supermarket. 140 respondents were taken as sample. Sample method is purposive sampling. Tests a hypothetical model using Path Analysis. The result of this research are (1) situational factors have a significant impact on impulse buying decisions in Food Product at Giant Supermarket (2) situational factors have no significant impact on impulse buying decisions through buying impulsiveness in Food Product at Giant Supermarket (3) buying impulsiveness have no significant impact on impulse buying decisions in Food Product at Giant Supermarket. The research suggest for Giant Supermarket are to make a better exterior and interior so the customer can shop and do recreation at a same time and also to complete the food product such as fruits and always update the new food product in Indonesia.

Keywords: Situational Factors, Buying Impulsiveness, Impulse Buying Decisions, Food Product

The development of business world in the current globalization era has led to various forms of retail business in major cities in Indonesia to meet consumer’s various preferences of goods and services. Retail business is an important link in marketing because it plays a role as a marketer as well as a customer for producers and distributors. Among the existing marketers, retail business is the most visible marketer to final consumers, who is in a strategic position to gain feedback from consumers and deliver the ideas to producers and intermediaries in a marketing channel.

Nielsen’s data shows the growth of national market in 2009 amounted to 21% compared to the national market in 2008. From this figure, modern retail contributed to growth by 23.3%, in which the growth of mini market of 32.9% and the growth of supermarkets of 17.4%. The national growth in traditional store sector also increased amounted to 19.9%. Share from the modern retail from year to
Impulsive Reaction Mediates Situational Factors on Impulse Buying Decision of Food Products

year is also increasing about 37%, while the traditional is falling to 63%. Globalization era has resulted in a shift in consumer spending patterns, in which consumers prefer to shop in modern markets (mini markets, supermarkets or hypermarkets) rather than in traditional markets.

According to Nielsen’s data, the growth of modern retail in East Java in 2009 amounted to 20.8% compared with the growth of modern retail in East Java in 2008. Malang City as the second largest city in East Java is a strategic area for the growth of modern retail business because of the status of Malang City as one of student cities, leading many migrants from outside Malang City, so they are potential customers for existing retail business. Malang City is also known as a city of business and economy, so that the economic development of the people of Malang City is growing more rapidly which leads to more diverse purchasing power, shopping behavior, and the needs of society. In addition, Malang City is also known as a tourist destination that is visited by many tourists, both domestic and foreign tourists. Various advantages that exist in Malang City lead Malang City to be one potential market for retail businesses.

On one hand, the development of retail business in Malang, especially supermarkets, brings benefits to consumers with more choices of places for them to shop. But on the other hand, it will pose a threat to the supermarket managers itself because they have to face increasingly fierce competition in attracting existing consumers to shop at their supermarket. As a consequence in facing increasingly fierce competition, then supermarket managers should always understand the behavior of consumers as a whole in order to maintain supermarket’s survival and be able to formulate marketing strategies appropriately.

One of the most important things in the development of marketing thinking is recognizing consumers in making buying decisions of goods or services (Kotler, 1973). To understand how consumers make decisions, it is necessary to conduct a research on consumer behavior (Hawkins et al., 2007). According to the perspective of consumer behavior, this research is divided into three, namely the perspective of decision making, the perspective of experience, and the perspective of behavior influence. The perspective of behavioral influence focuses on consumer behavior and possibility of environment that influences the behavior (Mowen and Minor, 2001). Consumer’s environment can affect affection, cognitive, and behavior of consumer, hence understanding the influence of environment will be easier in the context of situational factors (Peter and Olson, 2008).

Situational factor is temporary environment that forms a context in a consumer’s activity, which occurs at a particular place and time (Hawkins et al., 2007). Consumers consume an item depending on how, when, where, and why the good or service is used (Assael, 1987). Situational factor is very complex; to understand it more easily, Belk (1975) groups situational factor into physical environment, social environment, time perspective, task definition, and previous circumstances.

A study of situational factors about the variable of physical environment or store atmosphere which was conducted by Stoltman et al. (1999) shows that physical environment is proven to influence consumer purchasing decisions more strongly than the effect of the products offered. In addition, a study by Roslow et al. (2000) also found that changes in the physical environment often affect changes in the form of consumer purchases. The findings of the study require attention to how to manage the physical environment in order to attract consumer’s attention and improve the business performance of store.

Another study about situational factor related to variable of social environment was conducted by Beardon et al. (1989) in Zhuang et al. (2006), which found that friends and family influence consumer purchasing decisions. Suggestions and recommendations from friends and family enforce consumers to buy particular product.

A study conducted by Park et al. (1989) found that time availability, as variable of time perspective, affects unplanned purchases and the number of purchases. Dawson et al. (1990) found that consumers with strong purchase intention are more likely to buy than consumers with casual motives.
Curren and Harich (1994) found that the mood of consumers (happy or sad), as variable of past circumstance, can affect consumer purchases. Excited consumers are more likely to buy than sad customers.

In general, the products offered by supermarket cover two major categories, namely food products and other non-food products. Food products include drinks while non-food products include personal care, personal care, and household products. Thus, consumer purchase decision at supermarkets will include the decision to buy non-food products and food products.

The Central Bureau of Statistics recorded the purchase growth of food and beverage product: 13.5% (2004); 20.1% (2005); 31% (2006); 17.5% (2007); and 14.9% (2008). In fact, in 2008 when the economic situation was weak due to the global crisis, this product still increased by 14.9% (www.swa.co.id). Based on these data, food products become one of the main products in supermarket because it continues to grow.

Bagozzi et al. (1998) in Zhuang (2006) suggests that food products purchase is driven by impulse, spontaneous purchase that is commonly caused by external stimuli (e.g. the arrangement of goods in store) and internal stimuli (e.g. hunger and mood) that can make consumers buy food products without planning it previously. Bagozzi et al. (1998) in Zhuang (2006) also suggest that buying non-food products involves the information search and processing (consumption problem solving).

Situational variables have different effects on the purchase of food products and the purchase of non-food products. These results are consistent with the research which was conducted by Nicholls et al. (1996a) suggesting that there is a mediating variable between situational factors and buying decisions. Park et al. (1989) conducted a study about situational factors, namely mood while shopping and available time, influence consumer decisions to buy products without planning it previously. According to Cobb and Hoyer (1986), unplanned purchase is synonymous with impulsive purchases. Rook and Hoch (1985) state that impulse purchase is an internal matter of individuals, in other words impulse purchase is more related to the impulsiveness of consumer and individual emotional states.

Buying impulsiveness is related to the characteristics of consumer which can be conceptualized as a tendency (impulsive reaction) to buy spontaneously, immediately, and kinetically, without deep-thinking, (Rook and Fisher, 1995). Furthermore, it is explained by Rook and Fisher (1995). Consumers who have high impulsiveness often make impulse purchases. Based on that opinion, it can be said that situational factors influence impulse buying decision through impulsive tendency or reaction. This opinion is similar to the results of a study which was conducted by Park and Lennon (2006), situational factor, in this case is physical environment, affects impulsive reaction which further affects the impulse buying decision of consumers.

Situational factors that can cause impulsive reactions are physical environment variable, social environment variable, time perspective variable, and past circumstances variable when shopping because they are related to consumer’s emotions (Hausman, 2000; Park and Lennon, 2006). Variable of task definition is not included in the situational variable because it is not related to consumer’s emotion, but the variable is related to the utilitarian value. According to Babin et al (1994), utilitarian value is an activity that has to be done to obtain the needed goods. Consumers go shopping for they have a purpose, so it is related to situational variable in the form of task definition variable.

The studies about the effect of situational variables on buying behavior largely focus on the effect of certain situational variables. Those studies were also mostly conducted in the United States. Hawkins et al. (2007) suggest that the same situational variables in one region or culture can cause different responses of consumer in other regions or cultures. The results of studies may be different because situational factors will lead to different decisions of consumer on different objects (such as restaurant, retail store) and different demography (age, ethnicity) of the subjects studied. It means that situational factors will have different influence if the research object and the selected research subjects are different.
Impulsive Reaction Mediates Situational Factors on Impulse Buying Decision of Food Products

This research was conducted to develop the concept of situational factors proposed by Belk (1975). The development of concept is based on the opinion of Nicholls et al. (1996a); Bagozzi et al. (1998) in Zhuang (2006); Park et al. (1989); Park and Lennon (2006) by including impulsive reaction variable as a mediating variable between situational factors and impulse buying decision of food products in supermarkets.

CONCEPTUAL FRAMEWORK

The conceptual framework of this study was built based on theoretical and empirical analysis related to the problem formulation in this study. The conceptual framework of this research is as follows:

Hypotheses used in this research are as follows:
H1: There is a significant influence between situational factors (physical environment, social environment, time perspective and past circumstances) on impulse buying decision of food product at Giant Supermarket.
H2: There is a significant influence between impulsive reaction on impulse buying decision of food products at Giant Supermarket.
H3: Impulsive reaction becomes the mediating variable of influence of situational factors (physical environment, social environment, time perspective, and past circumstances) on impulse buying decision of food products at Giant Supermarket.
RESEARCH METHOD

This type of this research is survey research, a research that takes samples from a population and uses questionnaires as the main data collection instrument. Thus, this research is categorized as explanatory research, research that explains the causal relationship between research variables through hypothesis testing (Singarimbun and Sofian Effendi, 2006).

The method used in sampling is non probability sampling. Sampling technique used in this research is purposive sampling. It is because the population in this research is considered heterogeneous according to a characteristic and the population is uncertain. Based on the characteristics that have been determined from the sample to be taken, consumers of Giant Supermarket are as follows:
1. Consumers who act as decision makers to buy at Giant Supermarket.
2. Consumers who shop for food products at Giant Supermarket.

Determination of the sample size of this study refers to the guidelines proposed by Roscoe (1975) in Sekaran (2006) that in multivariate studies (including path analysis), the sample size should be at least 10 times of the number of variables in the study. In this study, the variables studied are 4 independent variables (physical environment, social environment, time perspective, and past circumstances), 1 mediating variable (impulsive reaction) and 1 dependent variable (impulse purchase decision). Based on the guidelines given by Roscoe (1975) in Sekaran (2006) above, the minimum sample size is 10 x 6 = 60 respondents. In addition, according to Davis and Cosenza (1993) in Kuncoro (2003), the number of samples suitable for a study is influenced by the analytics tools used. The analytics tools used in this research is path analysis. A study using path analysis should use at least 100 samples (Ding, Velicer, and Harlow (1995) in Supranto 2004).

Based on those provisions, the samples used in this study were 140 respondents, who were divided proportionally to each branch of Giant Supermarket based on the average number of consumers going shopping at Giant Supermarket every day. Questionnaires were given when the respondents have finished purchasing at the cashier of Giant Supermarket.

FINDINGS AND DISCUSSIONS

This discussion focuses on the results of hypothesis testing as suggested in the research objectives. The analysis results can be described in the following table:

<table>
<thead>
<tr>
<th>Effect between variables</th>
<th>Path Coefficient</th>
<th>P-Value</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Environment → Impulsive Reaction</td>
<td>0.300</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Social Environment → Impulsive Reaction</td>
<td>0.289</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Time Perception → Impulsive Reaction</td>
<td>0.303</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Past Circumstances → Impulsive Reaction</td>
<td>0.216</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Physical Environment → Impulse Buying Decision</td>
<td>0.340</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Social Environment → Impulse Buying Decision</td>
<td>0.296</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Time Perception → Impulse Buying Decision</td>
<td>0.297</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Past Circumstances → Impulse Buying Decision</td>
<td>0.325</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Impulsive Reaction → Impulse Buying Decision</td>
<td>-0.121</td>
<td>0.58</td>
<td>Non-Significant</td>
</tr>
</tbody>
</table>

Source: processed data

The Effect of Situational Factors of Physical Environment on Impulse Buying Decision

Based on the table above, the physical environment of Giant Supermarket influences the consumer’s impulse buying decision of food products at Giant Supermarket. The findings of this study are in accordance with the opinions of Donovan and Rossiter (1982), Park and Lennon (2006) that physi-
Impulsive Reaction Mediates Situational Factors on Impulse Buying Decision of Food Products

The Effect of Situational Factors of Time Perspective on Impulse Buying Decision

The test results show that time perspective influences impulse buying decision. As has been pointed out, in this case, time perspective is measured by using two indicators: the length of time of shopping and the time of shopping.

The longer the time spent by consumers in choosing the desired product, the impulse to buy the product is more likely to emerge. The results of a study which was conducted by Park et al. (1989) show that the longer time consumers spend shopping, the stronger the impulse to impulse consumers. The time when consumers arrive at Giant Supermarket is an indicator as strong as the length of time spent in shopping in explaining time perspective with the average value of indicator, which is “quite agree”. Consumers prefer to go shopping after 3 PM because they are more relaxed and have a longer opportunity to get the products they want because they have finished working. This indicates that the time of shopping and shopping time of consumers influences the buying decisions made by consumers. Consumers who have spare time to go shopping at the Giant Supermarket tend to make impulse purchases.

The Effect of Situational Factors of Past Circumstances on Impulse Buying Decision

The test results indicate that past circumstances influence impulse buying decision. Good mood and good physical condition is defined as positive things that can affect consumers to be convenient in shopping. Positive emotion felt by consumers in shopping affects the consumer in shopping.

This finding supports the results of a study which was conducted by Babin and Attaway (2000) that positive emotion felt by consumers when shopping can affect the value of buying decisions. The more positive the mood, the higher the value of impulse buying decision of consumers. This supports the opinion of Babin et al. 4) that good mood and good physical condition of consumers is positively related to consumer buying tendency in the future. Mood state is very effective in influencing consumer behavior at the purchase place (Mowenn Minor, 2001).
The Effect of Impulsive Reaction on Impulse Buying Decision

The test results show that impulsive reaction does not affect impulse buying decision. The results of this study are different from the opinion of Rook and Fisher (1995); Kacen and Lee (2002); and Han et al. (1991) in Park et al (2006) that consumers who have high impulsive reactions will typically purchase products impulsively. The higher the impulsive reaction felt by consumers, the stronger the impetus for impulse buying decision. The findings of this study also differ from the opinion of Park and Lennon (2006) about that physical environment affects impulsive reaction and purchase decision of consumers.

The results of this study are in accordance with the opinion of (Hausman2000) that impulse buying decision is not always caused by impulsive reaction because when shopping, consumers do not only look at one product but they also seek for pleasure when shopping. Consumers who go shop for recreation or fun expect higher hedonic value. Consumers’ desire to find hedonic value in shopping can result in impulse purchase (Hirsman and Holbrook 1982 in Johnstone and Conroy 2005, Rook 1987 in Hausman 2000).

It is different from previous researchers because mediating variable between situational factors and impulse buying decision is not only seen from impulsive reaction but also hedonic value of consumption. The results of a study which was conducted by Nicholls et al. (1996a) on the influence of situational factors on impulse buying decision shows differences between consumers in India and consumers in Amer due to mediating variable that is suspected to be in the form of hedonic consumption value. Hedonic value of consumption is a consumption experience which is related to feelings, pleasures and senses, which affects a person’s emotion (Hiran and Holbrook 1982 in Johnstone and Conroy 2005). A person’s emotion is related to environment based on experience with the environment. According to Holbrook (1987) in Johnstone and Conroy (2005), consumers go shopping in retail business not only because of the products offered, but they also want to have a satisfying shopping experience. The emotion of consumers at the time of shopping makes them want to make more purchases to make shopping fun (Cobb and Hoyer, 1986). A fun shopping experience keeps consumers “doing recreation” in shopping by spending a long time even after they have finished buying the products they want and buying products without being planned. (Gotett et al., 2006).

Based on the explanation above, it appears that impulsive reaction does not affect impulse buying decision making because consumers are shopping based on experience, which is the aspect of hedonistic shopping value, expressed as expression of enjoyment, ement, and spontaneity. (Chapter et al1994). This is in line with Nielsn’s data that 93% of Indonesian consumers go shopping as well as having fun.

The findings of this study differ from the findings of a study which was conducted by Han et al. (1991) in Park et al (2006) that impulsive reaction can lead to impulse buying behavior. This finding is different because of different research object. In a study which was conducted by Han et al. (1991) in Park et al (2006), the objects are fashion products. Consumer behavior in buying products in a research which was conducted by Han et al. (1991) in Park et al (2006) is different from consumer behavior in buying food and beverage products in this study.

In this study, impulsive reaction is not proven to be a mediating variable between the influence of situational factors on impulse buying decision because (1) when shopping, consumers do not only look at products but they also get pleasure (Hausman, 2000; Nicholls et al.) (2) 93% of Indonesian consumers go shopping and having fun at once (Nielsen) (3) research object which is different from the research object of a study which was conducted by Han et al. (1991) in Park et al (2006). This study shows that situational factors, in this case consists of physical environment, social environment, time perspective, and past circumstances, influence the value of the impulsive reaction, but impulsive reaction variable does not affect the impulse purchase decision making.
Impulsive Reaction Mediates Situational Factors on Impulse Buying Decision of Food Products

Research Implications

Based on the findings, managerial implication is focused on those variables. Managerial implication is described as follows:
1. Physical environment has a significant influence on impulse purchase. The implication is that managers of Giant Supermarket need to pay attention to product availability and product completeness. Completeness of products needs to be improved, so that the managers need to complete food products such as fruits.
2. Social environment influences impulse buying decision. The results of this study have the implication that managers of Giant Supermarket see that consumers usually go shopping with others; therefore, managers should conduct events or promotions with theme of family or pairs.
3. Time perspective significantly affects impulse purchasing decisions. Managers need to pay attention to consumers who have spare time and consumers who have limited time. The implication is that managers of Giant Supermarket need to make an attractive product arrangement, allowing consumers to choose and know the price of the product.
4. Past circumstance influences impulse buying decision. Managers of Giant Supermarket need to make interesting interior and exterior design of supermarket in order to generate impulse purchase and make the consumers happy.

CONCLUSIONS AND SUGGESTIONS

Conclusions

The results of this study can be concluded as follows:
1. The physical environment of Giant Supermarket namely the completeness of products and the music played provides a positive response of consumers; therefore, it encourages the impulse buying decisions of food products. The physical environment of Giant Supermarket influences impulse buying decision.
2. Shopping with friends and family can influence impulse buying decision of food products at the Giant Supermarket because it can provide feedback and recommendation from others’ experience about what to buy. Social environment affects impulse buying decision.
3. Consumers who have spare time can affect unplanned purchases of food products at Giant Supermarket. Time perspective affects impulse buying decisions.
4. Good mood and good physical condition that lead to convenience of shopping will influence impulse buying decision of food products at Giant Supermarket. Past circumstance affects impulse buying decision.
5. In shopping, consumers do not only see the products, but they also have fun. Impulsive reaction does not affect impulse buying decision.

Suggestions

Based on the conclusions, the suggestions that can be given are as follows:
1. Giant Supermarket should provide various products and provide the food products that are not available like fruit, both imported fruit and local fruit, and always follow the development of food products in Indonesia.
2. Music that has a slow tempo should always be played to consumers because it affects the length of time spent by consumers at the supermarket, which ultimately affects the buying behavior.
3. The exterior design (such as the color of the building) of Giant Supermarket should be renovated in order to shop provide a fun shopping experience.
4. The interior design also should be improved so that consumers can go shopping and have fun at once. Interior improvement includes merchandise grouping and lighting arrangement.
5. Giant Supermarket needs to keep holding events with theme of family because most consumers are accompanied by families when shopping. It can strengthen the decision making process made by consumers
6. The managers should provide more cashiers at Giant Supermarket, especially when there are a lot of consumers (after 3 PM), to avoid long...
queue at cashiers because it can affect the convenience of consumers.

REFERENCES


Impulsive Reaction Mediates Situational Factors on Impulse Buying Decision of Food Products


