



REVIEW ARTICLE  
Vol.7.Issue.4.2020  
Oct-Dec.



**INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT  
AND ALLIED SCIENCES (IJBMAS)**  
*A Peer Reviewed and refereed Journal*

**A REVIEW ON CUSTOMERS PERCEPTION TOWARDS IMPULSE  
BUYING ON FMCG PRODUCTS**

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DOI: [10.33329/ijbmas.7.4.60](https://doi.org/10.33329/ijbmas.7.4.60)



**ABSTRACT**

The paper aims to review the factors that influence the customers towards impulse buying, the pre- purchase, post purchase mood of the customers, trends in Indian FMCG market. The study also suggests methods to minimize the practice of impulse buying and make the purchase activity a meaningful one. Normally the customers should be satisfied with impulse buying, but mostly the customers are dissatisfied and mislead with the concept of impulse buying. For this study opinions from the buyers were collected through direct interview method and the information are acknowledged. The study revels most of the customers belonging to upper middle class were not satisfied with impulse buying as they struggles a lot during the second half of the month. So for salaried individuals and middle income groups impulse buying is always considered as ban to the particular society. So this paper suggest for emotional balance by controlling the buyers stimuli and go for meaningful purchase activity. By following the suggestions discussed in this paper the buyers may be get benefited and can spend money in meaningful way.

**Keywords:** Impulse Buying, Impulse Purchase, Emotional balance, FMCG Sector

**INTRODUCTION**

Based on the emotions, attitudes and one's own feeling initiate an individual to purchase a product or service in an unplanned manner is termed as impulse purchase or unplanned purchase or impulse buying. Always the impulse buying is done without any prior plan and depends on the moment of purchase of the product. The impulse buying may be due to the inner feelings of the customer or the inner emotions may be triggered by the advertisement, offers or any other services offered by the company or shopping malls.

This kind of buying cannot be categorized for a particular product and common to purchasing activity of the individual and impulse buying is a common practice in the FMCG products, since all the

FMCG products may be necessary or affordable by the customer. Common FMCG products comes under impulse buying are kid's items, clothes, fashion jewelry, electronics items. Generally the shop keepers try to tap the customers based on impulse buying and try to boost the sales. During the festival seasons, yearend sales the shops try to boost the sales through offers and thereby stimulate the feelings of the customers to purchase the products.

As an impulse buyer the customer frequently forget the necessity of the product and purchase the product based on the offers, suggestions and sometimes even as a status symbol towards the purchasing of the product. This paper review on the various factors of impulse buying and the positive, negative aspects of impulse purchase and provide certain suggestions to minimize the impulse buying behavior.

## RELATED REVIEW

**Sid Hakins Stern (1962)** in his paper discusses on the types of impulse buying namely pure impulse buying, reminder impulse buying, suggestion impulse buying and planned impulse buying. Pure impulse buying is the consumer diverts from the normal purchase pattern and tends to impulse buying. Reminder impulse buying is the customer remembers the items to be purchased which missed during the regular purchase pattern. Suggestion impulse buying is the customer receives suggestion from the shop keeper regarding the purchase of the product. Planned impulse buying the customer waits for the new deals from the shop and add to the already planned purchase list.

**Pooja Luniya Dr. Manoj Verghese (2015)** reviews that marketers follow the traditional methods of promotion and make the buyers to plan their purchasing activity. But the changing trends and to meet the competition the sellers has to stimulate the habit of impulse buying among the customers. So for a long run business impulse buying is essential among the marketers.

**Parmar Vishnu and Ahmed Rizwan Raheem (2013)** explores the influencing factors of impulse buying among FMCG products by the customers residing in Pakistan. From the study variables were categorized as dependent variable and independent variable. The dependent variables were buyer's behavior of impulse buying and independent variables were store promotional activities, environment, window display, and individual income and credit card facilities of the customers. The study revels customers were attracted towards products that were free and price discounts. The income level, store environment, displays, colorful surroundings of the customers influence the habit of impulse buying.

**Dhanila Veena Parboteeah**, study shows the two conditions that enable the online impulse buying behavior. The negative opinions about the website should be avoided and ensure safety of the website for secure transaction. Interface design between the online customer and machine will promote the online impulse buying. The environmental psychology also plays a major role in the online impulse buying.

**Mazhar Ali, Shaheed Zulfikar Ali**, express impulse buying takes place due the extrinsic environment only. Individual personality plays major role in the impulse buying, but still only in research in developing countries like Pakistan. The intrinsic personality habits like openness, conscientiousness, extraversion, agreeableness, neuroticism promote impulse buying.

**Mohd. Rumzi Taushif, Manisha Gupta** , explains retailers make the in-store appearances to pull the customers from visitors to buyers. The impulse buying is one of the profit maximizing tools for the retailers. The stores in Delhi region were selected and their appearance, pricing, merchandise, promotional activities, ambience, displays were considered for the study.

**Namho Chunga , Hyo Geun Songb , and Chulmo Kooc**, explains the traveler's shows a impulse buying in social commerce to get benefit on deal of the day. Previously the studies were made based

on rationale buying, but the traveler's attitude promotes impulse buying in social commerce than normal buying. Here emotional feeling of the travelers plays a major role in impulse buying.

**Dr. Pooja**, focus on the females impulse buying behavior, since most of the shopping were done by the females. The cosmetics were mostly liked by the women's and the overall appearance of the store plays a major role in influencing of the buying behavior of the female customers. The Ambience of the store, Convenience of the products and Shelf Positioning of the products were the major aspects that promote influence buying.

**Mehrullah JamaliSiraj Baloch**, explains about 70% of the purchase in the retail were carried with impulse buying decision. The marketers were keen to identify the factors promoting the customers for impulse buying. The study made among Pakistan customer and identified cultural factors along with personality of the customers promotes the impulse buying. So the marketers should consider the cultural importance while doing promotional activities of impulse buying.

**Mustafa Ünsalan(2016)**, the customers deviate from normal purchasing not only due to need, but also the urge made them to go for impulse buying. The urge is sometimes due to inner values or external influencing factors that promote impulse buying.

Leyla, Ozer, Beyza, Gultekin (2015) suggests that Impulse buying trend positively promotes impulse buying and Pre-purchase mood positively encourages and No influence of impulse buying on post-purchase mood. Satisfaction has a biased role between pre-purchase mood and post-purchase mood.

## INDIAN FMCG INDUSTRY

The Indian FMCG industry may be classified by the segments such as food & Beverages, Personal care, Household care and others. Based on the Indian FMCG market 2020 report by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) calculated and projected the growth of from the year 2011 to 2020 and expected to grow by 103.70 US dollars by 2020. The Indian FMCG sector is highly potential market due to the macroeconomic growth factors like demographic factors, increase per capita income, rising of disposal income and organized retail market expansion in second and third tier cities. Also due the usage of internet and smart mobile usage the retail industries are focusing on the e-commerce and stimulating the impulse buying through online market. This gives a new market opening for the retail industry and boost up their sales.



Fig. 1

## GROWTH DRIVERS

The Indian FMCG sectors growth focuses on the market drivers like launching of new product, increase in the disposal income of the individuals, e-commerce, rural market opportunities and the government reforms.



**Fig. 2 Growth Drivers**

### **New Product Development**

With the increase in the market competition and opportunities, FMCG companies are introducing new product. The taste and preference level of the customers are changing day by day and to capture the market share the companies are investing a huge amount in research activities and introduces new product.

### **Increase in Disposal income**

Once upon a time the Indian households were conservative. But today with the modern world reforms they are changing and spending in the luxury items. Also the per capita income increases and a new category of upper middle class have formed in recent years.

### **E-commerce**

The smart mobile phones, internet makes the purchasing activity in the door steps itself. With the smart mobile any one can place order from anywhere in the world. This increase the e-commerce trade among the customers and the companies making available of their products through different online portals.

### **Rural Markets**

One of the biggest markets in India is the rural market that their needs are unfilled. The multinationals corporations are focusing on the rural market. The rural market customers are also expecting branded products again focusing in the increase of disposal income.

### **Government policies**

The government is making lot of reforms like attracting FDI (Foreign Direct Investment), passing of food security bill and GST encourages the FMCG industries to focus on the rural markets.

### **IMPULSE BUYING IN FMCG SECTORS**

FMCG (Fast Moving Consumer Goods) products are considered as pre packed goods for the consumers. They are nondurable items which are consumed immediately once displayed. The FMCG products can be consumed from the kirana shops, grocery stores, retails outlets and big shopping malls. Wherever the purchase is made the quality of the product are same since it is consumed by all categories

of customers from upper class to low income households. FMCG products are necessary for all, so impulse buying is common in these categories of products.

The shops will go for the clearance sale during the introduction of new items, loss in business, to attract the direction of the customers. This clearance sale is a common practice for the FMCG products. Lot of discounts, offers is introduced in the clearance sale to divert the customers and initiate their buying activity.

## FACTORS INFLUENCING IMPULSE BUYING

### INTERNAL FACTORS

The inner feelings of the individuals that stimulate to purchase the products are considered as internal factors.

#### Previous experience

Through the experience obtained in the previous purchase the buyers may get motivated to buy a particular brand. The product may be new to the customers or new to the market. As a first time user, if the product benefits the buyer, the customer becomes the loyal customer.

#### Characteristics

For some customers shopping is a hobby and do shopping without any necessity. The individual traits sometime benefit the customers and create a bottleneck to the customers. These customers go for window shopping and never purchase any product. To showoff among the friends these buyers purchase without requirements.

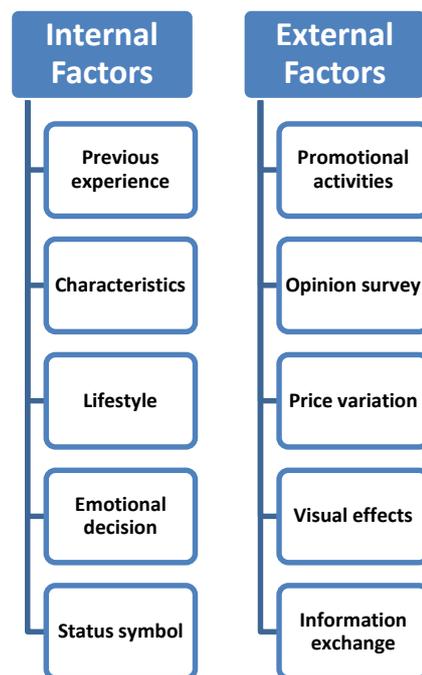


Fig. 3 Factors influencing impulse buying

#### Lifestyle

By adopting new lifestyle, the products purchased previously become useless and considered as trash. To go with the trends sometimes it is must to adopt ourselves. So the impulse buying support for these changing lifestyle.

**Emotional decision**

Normally the emotional decision promotes the impulse buying. But the emotional decision normally fails in the routine lifestyle. So it is necessary for the customers to be emotionally balanced to prevent from the unwanted purchase.

**Status symbol**

As a status symbol the buyers purchase luxury FMCG products. The buying of luxury items may benefit the customers or may not benefit the buyer.

**EXTERNAL FACTORS**

The inner feelings of the individuals that stimulate from the external world to purchase the products are considered as external factors.

**Promotional activities**

Promotional activities like branding, comparisons of similar products, celebrity promotion, and personal health promotion creates a curiosity among the customers to purchase the product. But in real time these promotional messages given by the company's may not be true and creates a false propaganda. But buyers get betrayed by the company's or shops and proper feedback may not be possible when the product fails.

**Opinion survey**

Opinion surveys are made by the buyers towards their relatives, friends, and mentors regarding the product purchase. Normally this happens in the cosmetics products, ordinary herbal products, health products. After completing all these kinds of surveys the buyer would choose the product on her own opinion. Sometimes they purchase all the items suggested by their relatives, friends, and mentors and never use any product. This is wastage of time and money to the customer. So customers try to avoid this kind of survey in their future purchase.

**Price variation**

The surprise discounts made by the malls to attract the attention of the customers with huge price variations from the normal retail prices. The buyer also in a hurry to purchase the product not to miss the offers and discounts. But the shops really rip their profits through huge sales or dump the profit margin in some other items. In some malls announcements were made regarding offers and provide bumper prices. Here the customers messed in the concept of impulse buying and purchase the product without the real requirement.

**Visual effects**

The visual effects are the displays made in the shop floor regarding the features of the products, demos of the product, and attractive displays of the products. Normally the kid's favorite items are displayed at the billing end of the shops. It is to encourage the children to request the parents for purchasing of the product. The parents also purchase the products in order not to disappoint their children.

**Information exchange**

Information exchange is the process of information given by the shopkeeper regarding the product. Through information exchange the sales person creates a brand opinion about the product in the minds of the customer and makes the customer to purchase the product. This purely depends on the salesperson information delivery skills. The information may be true to the knowledge of the customer and purchase the product.

### PRE PURCHASE BEHAVIOR ON IMPULSE BUYING

The customers get motivated with the product features, performance, aesthetics, and reliability during the pre purchase condition. The pre purchase mood encourages the customers positively. The buyers won't consider the negative information of the product. This positive opinion may be permanent or temporary or change over time regarding the product. Till the real purchase and usage of the product the feelings about the product stimulates the purchase of the product. The pre purchase opinion may be through promotional activities of the companies, opinion survey made by the customers, price fluctuations, visual displays, information shared about the product by the existing users.

All these things create a positive opinion about the product and promote the new customers to purchase the product. The pre purchase mind set may differ for the potential customers depend on the ability to purchase the product, usage of the product and benefits received from the product. So in pre purchase the customers are positive psychology and have a desire to buy the product.

### POST PURCHASE BEHAVIOR ON IMPULSE BUYING

The post purchase behavior evaluation is important because it influences the purchase patterns and the consumable activities of the customers. Here the customers after purchase review the prices, usefulness, features and functions, quality of the product. The benefits on purchasing, necessity of the product are considered in a relaxed manner that influence in the next purchase pattern of the customer. If the evaluation gives positive feeling the customer encourages purchasing the product next time. The customer also motivates his/ her friends, relatives to purchase the product and utilize the benefits from it. But on the next side, if the customer is dissatisfied with the product purchased then it is reflected in the next purchase and also negative feedback to the neighbors. The negative opinion may be with the brand, company or shop.

To overcome the negative opinion customers normally compare their purchase pattern with peers and validation of the purchase. Through the media propaganda and the reviews the customers are satisfied towards the product. This can be termed as hypothesis testing by the customers and through this purchase of the product is determined in the future.

### ADVANTAGES OF IMPULSE BUYING

- Impulse buying really adds an element of value to the customer wardrobe. Without knowing the real necessity of the product through impulse purchase it benefits the customer
- Through impulse purchase the lifestyle of the customer may get changes and add a status to the customer. It explores new directions and improves the personality of the customer.
- The yearend sales, discounts, festival offers, promotes impulse buying that add value to the wallet of the customer

### DISADVANTAGES OF IMPULSE BUYING

- Frequently impulse buying lead to mistakes such as creates an attraction over the products and customers won't purchase any items. This creates a false opinion about the customers towards the shop owners.
- Without the real necessity of the items the buyers would purchase the product and dump the items in the house for name sake. This is a loss to the buyers without realizing the loss.
- The online purchase and digital money is a big curse for the middle class customers, since they didn't realize the expenses made by them. The middle class customers struggle a lot for the repayment of the bills and not able to lead a normal life.

## **SUGGESTIONS TO OVERCOME IMPULSE BUYING**

**Budgeting:** The buyers should always ready with the budget before entering the shop floor. Budgeting helps to put the first things first. Thus prevents the buyer from unwanted spending. So as a purchaser try spend minimum time to create our own budget.

### **Provide freedom in budget**

Normally the budget is to prevent overspending. But sometimes it's necessary to have some cushion in our budget to meet family needs like visiting excursion places, theme parks and fun making events. Also the expenses for fun activities should be reasonable and affordable in our budget.

### **Be Patience**

Before going for the real purchase waits for a day and there may be some changes in the offers made by the companies. Be patience to check out the offers and decide the real purchase.

### **Be Planned**

Planning is deciding in advance and always has a plan while purchasing the grocery items. The FMCG products also have the same characteristics and planning will protect the money.

### **Beware of email alerts.**

The email alerts increase the pulse of the customers and stimulate to purchase the product. So try to clean the inbox frequently and prevent from sales damaka offers.

### **Emotional balance**

Emotional decisions normally lead to wrong path. So try to avoid purchase during emotions and try to control the emotions. By controlling the emotions our wallet would be safe.

### **Always have a company**

Always a good company while shopping will prevent from over shopping. The company may be our friends, sibilings or persons those who give sound suggestions on the purchase.

### **Cash purchase**

The cash purchase may be old method of purchase but it benefits the customer by showing the real expense from the hand. Only the required money for purchase would be carried by the customer and this prevent the overspending in unnecessary items. Have a habit of avoiding extra money in the pocket during shopping times. Buying with cash in hand show the real expenses than electronic purchase.

### **Avoid comparisons**

Avoid the character of comparing our purchase pattern with our friends purchase pattern. The taste, requirement and preference level may not be common for both. So it's better to avoid comparative purchase. Identify the real requirement of ours and make purchase on it.

### **Avoid social media**

The social media always exaggerate product features and stimulate the customers to purchase the same. Having chatting in social media make us purchase the unnecessary items.

### **Set goals of purchase**

Always set goals for the purchase to avoid debt, mortgages and to avoid unwanted investment. This will protect our wealth also.

### **Control Starts With Clarity**

Clarity in purchase should reflect in the decision making of the choosing of items for purchase. Clarity gives right attitude of purchase and safeguards us from all unnecessary expenses.



**Fig. 4 Ways to overcome Impulse Buying**

### Conclusion

Impulse purchasing behavior is a process of purchasing the products through emotions and necessity stimulus made by the customer friends, neighbors, shopkeepers. The paper discussed on the factors of impulse buying, pre-purchase and post purchase behavior, advantages and disadvantages of impulse buying and suggestions to overcome impulse buying. The practice of impulse buying sometimes benefits the customers, but mostly annoys the customer's feelings after the real purchasing of the product. So it is better to minimize the practice to safeguard the wallet and unwanted dumping of the product. With the technology changes, customer's preference level also gets changed in the routine lifestyle. Instead going with the advertisement of the companies, the customer's has to think twice and take wise decisions.

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