
Factors Affecting Compulsive Buying Behavior

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Abstract

Consumer behavior is a widely researched topic in marketing. With the change in lifestyles of the people the marketing practices are also changing. The changing lifestyle has also created various pressures on the people in the society and it is reflected in the buying behavior of the customers. Compulsive buying behavior is one of such aspects where the customers face compulsions for shopping to alleviate tension, anxiety, or discomfort aroused by an obtrusive thought or obsession. It is also seen that people shop unnecessarily to create an impression of oneself on others.

The main purpose of the present study is to explore the factors causing the compulsive buying behavior. The technique used in this study is exploratory factor analysis. The findings suggest that creating impression has emerged to be the most important factor that leads to the compulsive buying by the customers.

Keywords: *Compulsive Buying, Creating Impression, Anxiety.*

Introduction: Compulsive buying is viewed as part of a broader category of compulsive consumption behaviors. Defined by the American Psychiatric Association (1985), as “repetitive and seemingly purposeful behaviors that are performed according to rules or in a stereotyped fashion,” compulsions are often excessive and ritualistic behaviors designed to alleviate tension, anxiety, or discomfort aroused by an obtrusive thought or obsession.

Compulsive buying and impulsive buying is sometimes confused with one another but they are not similar. Impulsive buying is motivated by an external trigger such as a product near a cash counter. (Johnson and Attaman, 2009). Compulsive buying is considered as a psychological disorder where one experiences an uncontrollable urge to buy. According to Edward (1993), compulsive buying occurs due to consumer's powerful and uncontrollable urge to shop. This urge is triggered by negative events or feelings and creates tension. Thus, compulsive buying appears to be more about obtaining short-term relief from negative feelings than about a desire for specific goods (Faber, 2010).

The primary objective of compulsive buyers appears to be psychological benefits derived from the buying process itself rather than from the possession of purchased objects (O'Guinn and Faber, 1989). Compulsive shopping can come about yearly, during the holiday season, to help soothe depression, anxieties and loneliness they might feel during that time. It can also occur when a person feels depressed, angry, and/or lonely. Shopping will not make someone love you more, help your self-esteem or the problems that might occur in

daily living. Compulsive shopping usually makes these feelings worse because of the increased debt the person has gained due to shopping. This is the era of social responsibility and the marketers should also understand their role in this regard. They need to understand that their marketing practices do not contribute to the negative outcomes of compulsive buying (Workman and Paper, 2010). The cost of increased consumption among compulsive buyers is passed to the nation's economy through the financial institutions providing credit to the retailer and customers in the form of mounting and non-collectable debt.

Literature Review:

Tariq Jalees (2007) ascertained the determinants of compulsive buying behavior and their relationship in reference to perceived social status associated with buying, materialism, self esteem and apparel product involvement. DeSarbo and Edwards (1998), considered compulsive buying behavior as a function of various psychological processes and personality traits and thus examined the nature of consumer heterogeneity in compulsive buying behavior. O'Guinn and Faber (1989), attempted to provide a descriptive and phenomenological account of the constellation of attitudes and behaviors of the compulsive buyer and also assessed how compulsive buying fits within the larger framework of compulsive consumption. Roberts and Roberts (2012), studied increasing incidents of compulsive buying among young consumers and also investigated if gender moderates the stress-compulsive buying relationship. The results suggested that the adolescents are increasingly turning

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towards compulsive buying in an attempt to cope with academic stress and gender was not found to moderate this relationship. Jhonson and Attaman (2009), investigated compulsive consumption within a product specific context

Objectives of the Study:

- The main objective of the study is to determine the factors causing the compulsive buying behavior.
- To help the marketers in framing their marketing practices which do not contribute to the negative outcomes of compulsive buying.

Data and Research Methodology:

Research Design: The present study is exploratory in nature and aims at determining the factors causing the compulsive buying behavior of consumers in Indore city.

Data Collection: The data collected for conducting this research is primary in nature. A sample of 200 respondents has been considered through convenient sampling for collecting the data.

Tools for Data Collection: Data was collected through a close-ended questionnaire following the research work done by Tariq Jalees (2007). Respondents were required to indicate the responses on a 5-point Likert scale where 1 stood for strongly disagree and 5 stood for strongly agree. The questionnaire was administered on a sample of 200 respondents and the sampling technique used was convenient sampling.

Data Analysis: Factor analysis has been applied to analyze the data set. The KMO (Kaiser-Meyer-Olkin) test is performed to measure the adequacy of the data set and Bartlett's Test of Sphericity has been considered to examine the appropriateness of factor analysis for the data set. The Bartlett's Test of Sphericity is also performed in order to examine the hypothesis that the variables are uncorrelated in the population.

Results and Discussion: Exploratory factor analysis is used to identify the factors affecting the compulsive buying behavior. To study the factors following steps were taken;

- The KMO measure of sampling adequacy falls in the acceptable rang (above 0.45). The value of .688, these means that most of the variable obtained and exceed the minimum acceptable MSA level and thus all the 7 concerned variable are statistically significant and collectively meet the necessary threshold of sampling adequacy.
- The overall significance of correlation matrices is tested with Barlett Test of Sphericity providing support for the validity of factor analysis of the data set. The Bartlett's test of sphericity is showing the

significance (p-value) 0.000 which is less than 0.05 there on indicating that correlation matrix is significant ((KMO & Barlett's table).

The above standards indicate that the data is suitable for factor analysis. Principal Components Analysis technique was employed for extracting the data that allowed examining the various factors affecting the compulsive buying behavior. The Total Variance Explained table suggests that the 7 factors extracted account for 64.5% of the total variance.

The Rotated Component Matrix indicates the loading on each factor that can be positive or negative. A negative loading indicates that this variable has an inverse relationship with the rest of the factors. The rotation of factors is designed to give an idea of how the factors initially extracted, differ from each other, and to provide a clear picture of which item loads on which factor.

The methodology applied clearly provides seven factors that are extracted in this research study, each having Eigen value exceeding 1. The percentage of variance explained by factor one to factor for the seven extracted factors are 13.34, 11.61, 9.07, 8.61, 7.45, 7.44 and 7.0 respectively. The seven factors that have emerged in the study as factors affecting the compulsive buying behavior are as follows:

Description of the factors is as follows:

Creating Impression: The study revealed that respondents have perceived this factor to be the most important factors with the highest explained variance of 13.341%. 4 out of 21 variables load on significantly to this factor, which includes being high class excessive buying, make impressive in one's eye, costly shopping improves self image and unnecessary spending of money.

Unnecessary Shopping: This is the second factor with the highest explained variance of 11.613%. 4 out of 21 variables load on significantly to this factor, which includes respond to offers, no shopping makes anxious or nervous, purchase something without need and buy even if can't afford.

Feel Better: The third factor may be termed as feel better and explains 9.07% variation in the whole model. 3 out of 21 variables load on significantly to this factor, which includes buy to feel better, shopping makes me confident and create good opinion.

Materialistic: The fourth factor may be termed as materialistic and explains 8.614% variation in the model. 3 out of 21 variables load on significantly to this factor being rich to buy expensive things, afford to buy more makes happy and have nice things.

Strong Urges to Spend Money: This is the fifth factor

and may be termed as strong urges to spend money and explains 7.45% of the variations in the model. 2 out of 21 variables load on significantly to this factor, which include plan to shop and unnecessary spending.

Irresistible Urge to Shop: The sixth factor may be termed as irresistible urge to shop and explains 7.44 % variation in the model. 3 out of 21 variables load on significantly to this factor, which include strong urge to buy at times, irresistible urge to shop and after entering shopping center can't help shopping.

Reactive Aspect: The seventh factor may be termed as reactive aspect as the respondents approach shopping to overcome some certain feelings and explain 7.0 % variation in the whole model. 2 out of 21 variables load on significantly to this factor, which includes pushed inside for shopping and shop to face stress.

Conclusion: The present study attempted to explore the factors affecting the compulsive buying behavior of the customers. We identified seven factors that play an important role in the compulsive buying by the customers; Creating impression, Unnecessary shopping, Feel better, Materialistic, Strong urges to spend money, Irresistible urge to shop and Reactive aspect. Creating impression has emerged to be the most important factor that leads to the compulsive buying by the customers. It is found that compulsive buyer's highest motivation for buying is to prove oneself and create an impression on others even if it is through unnecessary spending of money for not so necessary things and many a times for unnecessary things. It is also found that people shop to cover certain feelings such as stress but care should be taken by the marketers of products that they do not encash upon such aspects of the compulsive buyers through their marketing strategies.

The present research study has a few limitations. First the study has been conducted only in Indore city. This research can be conducted in other geographical regions of the country. The study has been done on a limited sample size.

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Appendix

Table 1

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.688
Bartlett's Test of Sphericity	Approx. Chi-Square	584.500
df		210
Sig.		.000

Table 2

Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
4.583	21.822	21.822	4.583	21.822	21.822	2.802	13.341	13.341
1.971	9.384	31.205	1.971	9.384	31.205	2.439	11.613	24.953
1.693	8.061	39.266	1.693	8.061	39.266	1.905	9.070	34.023
1.473	7.015	46.281	1.473	7.015	46.281	1.809	8.614	42.637
1.378	6.563	52.844	1.378	6.563	52.844	1.566	7.457	50.094
1.281	6.102	58.946	1.281	6.102	58.946	1.563	7.442	57.536
1.174	5.590	64.536	1.174	5.590	64.536	1.470	7.000	64.536
.983	4.681	69.218						
.921	4.388	73.606						
.755	3.594	77.199						
.703	3.347	80.546						
.617	2.940	83.487						
.574	2.735	86.221						
.568	2.704	88.925						
.452	2.150	91.075						
.419	1.996	93.072						
.366	1.743	94.815						
.319	1.518	96.333						
.304	1.446	97.779						
.246	1.173	98.952						
.220	1.048	100.000						

Table 3**Rotated Component Matrix**

	Component						
	1	2	3	4	5	6	7
high class	.829	-.005	-.059	.125	-.051	.223	.175
impressive in one's eye	.700	.209	.212	-.089	.154	-.086	.019
costly shopping improves self image	.613	.335	.177	.033	.202	-.047	-.050
unnecessary spending	.534	.295	.023	.280	.021	.022	.022
respond to offers	.236	.756	-.033	.058	.182	-.067	.076
no shopping makes anxious or nervous	.200	.745	.131	-.159	-.137	-.013	.188
purchase something without need	.073	.718	.200	.117	-.003	.107	.012
buy even if can't afford	.445	.447	-.137	.016	-.230	.142	.064
buy to feel better	-.121	.102	.811	.044	.020	-.050	.050
shopping makes me confident	.217	.109	.759	.148	.096	.163	.082
create good opinion	.429	.021	.564	-.128	.027	-.038	.202
being rich to buy expensive things	-.057	.014	-.010	.784	-.049	-.064	.159
afford to buy more makes happy	.300	-.049	.067	.723	.038	.127	.055
have nice things	-.043	.099	.120	.626	.166	.008	-.505
plan to shop	-.042	-.119	.120	.043	.868	-.078	.212
necessary spending	.261	.149	-.010	.011	.739	.261	-.154
strong urge to buy at times	-.093	-.182	-.143	.165	.009	.716	.161
irresistible urge to shop	.034	.441	.094	-.193	.071	.649	-.044
after entering shopping center can't help shopping	.410	.100	.312	.005	.091	.635	-.051
pushed inside for shopping	-.066	.083	.149	.163	.186	.043	.777
shop to face stress	.266	.196	.116	-.008	-.064	.057	.594

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.