



The effect of culture and salespersons' retail service quality on impulse buying



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ABSTRACT

This study investigates the effect of culture and salespersons' retail service quality on impulse buying and provides evidence that service quality moderates the effect of culture on impulse buying. The experiment uses a 2 (culture of participants: Singaporean versus American) by 2 (retail service quality: poor versus good) between-subjects factorial design with 102 Singaporean and 88 American working adults recruited from companies in Singapore. It finds that for both cultures, good service leads to higher impulse buying than does poor service. The significant interaction between culture and service quality on impulse buying indicates that when service is good, Singaporeans show higher impulse buying than do Americans. In contrast, when service is poor, Singaporeans reveal lower impulse buying than do Americans. The implication is that multinational companies should invest in creating and assuring good service quality when they do business in collectivist cultures but might give relatively higher weight to other kinds of competitive advantages when they do business in individualist cultures.

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Marketers have long realized that shoppers are largely making their buying decisions at the store, and shoppers who talk to a salesperson and try on something are twice as likely to buy as those who do neither (Underhill, 1999). Salespersons' retail service quality is therefore an important determinant of sales, particularly sales from those purchase decisions made right at the store or impulse buying. It is thus valuable for marketers of multinational companies to know how consumers from different cultures respond to varied levels of salespersons' retail service quality, especially with respect to impulse buying, in order to design effective marketing strategies to suit each country.

1. Literature review

1.1. Importance of impulse buying

Impulse buying refers to a sudden, compelling, hedonically complex purchasing behavior in which the rapidity of the impulse purchase decision process precludes thoughtful, deliberate

consideration of all information and choice alternatives (Bayley and Nancarrow, 1998; Rook, 1987; Thompson et al., 1990; Weinberg and Gottwald, 1982). It is an unplanned purchase characterized by a relatively rapid decision-making and a subjective bias in favor of immediate possession (Rook and Gardner, 1993). Compared to planned buying behavior, impulse buying is less deliberate and more arousing and irresistible (Hoch and Loewenstein, 1991; O'Guinn and Faber, 1989; Rook, 1987).

The importance of impulse buying can be seen from the huge sales it generates. Impulse buying behavior has been found in many countries such as the USA (Kacen and Lee, 2002), Canada (Canadian Press, 2012), Germany, the United Kingdom (Dittmar et al., 1995), and Sweden (Hultén and Vanyushyn, 2011). As high as 27–62% of all department store purchases are impulse purchases (Bellenger et al., 1978). Impulse buying in the USA accounted for 80% of all purchases in certain product categories (Abrahams, 1997; Smith, 1996). In recent years, the annual sales generated by impulse buying are beyond US\$4 billion (Kacen and Lee, 2002). An impulse shopping survey (Consumer Reports, 2009) revealed that 60% of women bought something on a whim in the previous year with their most recent impulse purchase averaging out to US\$108. Clothing was the most recent impulsive item, followed by food and accessories (25%, 14%, and 6% of respondents, respectively). A study about impulse buying on e-commerce websites showed that almost 40% of the money spent was from spontaneous purchases (User Interface Engineering, 2001).

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An online survey sponsored by Bank of Montreal interviewed 1000 Canadian adults between August 31 and September 5, 2012. It found that 59% of those surveyed did impulse shopping to cheer themselves up, buying items like clothes, shoes, and technology products. The value of impulse purchases amounted to C\$3720 on average per person annually, with men (C\$414 on average per month) spending more than women (C\$207 on average per month). More than half of respondents regretted impulse shopping and some faced financial difficulties from doing so (Canadian Press, 2012). Clearly, impulse buying has immense impacts on economy and buyers' emotional and psychological well-being.

1.2. Factors influencing impulse buying

Technology in the form of e-commerce and television shopping channels has increased and simplified consumers' impulse buying opportunities. Moreover, psychographic and demographic trends such as increasing purchasing power of teenagers and young adults, who tend to be more impulsive as found by Wood (1998) that the odds of impulse buying increased modestly with increasing years of age between 18 and 39 and thereafter declined, may increase impulse purchases.

Previous research conducted mainly in the USA and Great Britain (individualist cultures) has shown that several factors influence impulse buying behavior. These include consumers' mood or emotional state (Canadian Press, 2012; Donovan et al., 1994; Jalees, 2009; Rook, 1987; Rook and Gardner, 1993; Weinberg and Gottwald, 1982), trait buying impulsiveness (Rook and Fisher, 1995; Weun et al., 1998), normative evaluation of the appropriateness of engaging in impulse buying (Rook and Fisher, 1995), self-identity (Dittmar et al., 1995), and demographic factors such as age (Bellenger et al., 1978; Wood, 1998), biological sex (Canadian Press, 2012; Dittmar et al., 1995), and income (Hultén and Vanyushyn, 2011).

Another factor influencing impulse buying behavior is culture, which refers to the dynamic process that occurs within a given society and which creates the cognitive map of beliefs, values, meaning, and attitudes that drive people's perception, thoughts, reasoning, actions, responses, and interactions (Tung, 1995). Li et al. (2004) found the same number of unplanned purchases for American and Chinese shoppers. This unexpected finding might be because the Chinese sample was younger (79.3% was less than 35 years old) than the American sample (65.8% was less than 35 years old, $p < 0.0001$). As younger people tend to be more impulsive as found in Wood (1998), this Chinese sample may have exhibited more unplanned purchases than what was hypothesized for Chinese people in general. However, Jalees's (2009) study on 180 Pakistani respondents found that collectivism had a stronger relationship with impulse buying behavior as compared to individualism. This result might be treated as anomalous and perhaps unique to Pakistani culture. More replications comparing collectivists and individualists from different regions of the world are needed.

On the contrary, impulse buying was found to be less prevalent in China than in North America (Doran, 2002). Similarly, Kacen and Lee's (2002) survey of consumers in Australia, the USA, Hong Kong, Singapore, and Malaysia found that both cultural difference (individualism–collectivism) and individual difference (independent–interdependent self-concept) factors affected impulse buying behavior. Although no significant difference in trait buying impulsiveness existed between Caucasians and Asians, a difference was found in their impulse buying behavior. Compared to Caucasians, Asians engaged in less impulse buying behavior. Furthermore, independence did not influence Asians' impulse buying behavior, but it did contribute to impulse buying behavior among Caucasians. For Caucasians, the more independent their self-concept was, the more impulse buying behavior they were likely to exhibit.

Lastly, trait buying impulsiveness decreased with age among Asians but not Caucasians.

1.3. Objective and contribution of the study

As the marketplace worldwide becomes increasingly connected and globalized, the impact of cultural differences on consumer behavior should not be ignored (Maheswaran and Shavitt, 2000). Given the above mixed results regarding the influence of culture on impulse buying behavior, which by itself has a great contribution to companies' sales, countries' economy, and consumers' psychological well-being, further empirical evidence is needed to help global marketers understand the relationship between cultural difference and impulse buying. Such mixed results suggest that many factors interact with cultural difference, so it is beneficial to identify at least one of those moderating factors. According to Varadarajan (1996, p. 3), a contribution of a study can be to provide 'evidence of moderator variables that hold implications for actionable marketing practice.' This research utilizes an experiment to identify one such moderator.

Salespersons' retail service quality has not been studied whether it affects impulse buying. In a retail setting, salespeople are often the primary source of communication to customers. More important, they make up a part of the final touch point that consumers encounter before making purchases and therefore their behavior can draw consumers toward or away from a purchase.

The broader term 'retail service quality' is defined as consumers' evaluations of the overall excellence or superiority of the service from a retail store (Parasuraman et al., 1988) and is conceptualized as comprising five dimensions: physical aspects, reliability, personal interaction, problem solving, and policy (Dabholkar et al., 1996). Specifically, salespersons' retail service quality in this research focuses on the personal interaction dimension, encompassing the salesperson's perceived friendliness, pleasantness, courtesy, attentiveness to customers, and willingness to help customers.

While Asian developing countries seek economic success, their citizens become more individualist and materialistic (Kurman and Sriram, 2002). Hence, it is interesting to study whether these 'new Asians' differ from their Western counterparts in terms of impulse buying behavior given different levels of salespersons' retail service quality.

American and Singaporean cultures are examined in this study because they are relatively similar in terms of economic development but are different in many cultural dimensions. These include individualism–collectivism (American index = 91, Singaporean index = 20, higher scores mean more individualism), power distance (American index = 40, Singaporean index = 74, higher scores mean larger power distance), uncertainty avoidance (American index = 46, Singaporean index = 8, higher scores mean more uncertainty avoidance), masculinity (American index = 62, Singaporean index = 48, higher scores mean more masculinity), and long-term orientation (American index = 29, Singaporean index = 48, higher scores mean higher long-term orientation) (Hofstede et al., 2010).

Major theoretical contributions of this study are two. First, its finding that for both Singaporeans and Americans, good retail service leads to higher impulse buying than does poor retail service reaffirms the importance of providing good service. Second, the study demonstrates that salespersons' retail service quality moderates the effect of culture on impulse buying behavior. Particularly, the finding shows that collectivists like Singaporeans exhibit lower impulse buying than individualists like Americans only when the retail service is poor. When the service is good, Singaporeans actually demonstrate higher impulse buying than Americans do.

The following sections provide hypotheses about the effects of culture and salespersons' retail service quality on impulse buying

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