

Factors Affecting Consumers' Impulsive Purchasing Behavior in Circle K Convenience Stores in Hanoi, Vietnam

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Abstract

Impulsive purchasing behavior has been observed as one of the important studies conducted by marketers and researchers, as impulse buying has become a prevalent phenomenon in every retail format. The study was conducted to assess factors affecting consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi, Vietnam. After reviewing a group of previous studies, the authors indicated 05 factors that affected consumers' impulsive purchasing behavior including impulsiveness, instant gratification, visual appeal, promotions and money availability. The study had selected 05 experts in the field of economics to conduct the expert interview. Moreover, the research team had also handed out the questionnaire and received 310 observations. Specifically, Impulsiveness had the strongest influence on the impulsive purchasing behavior of Circle K's consumers in Hanoi.

Keywords: factors, Impulsive purchasing behavior, Circle K convenience stores

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1. Introduction

Consumer behavior was considered as the most complex issue of marketing theory and practice due to its striking heterogeneity and many factors exerting a combined impact on it, in diverse ways, depending on the situation. Technologic developments and changes in lifestyles revealed impulsive purchasing habits which were an important phenomenon for consumer behavior after 1950s (Sheth 1985).

"Impulsive purchasing" or "impulsive buying" was described as any purchase that a shopper makes but had not planned (Baumeister 2002). Adelaar et al. 2003 shared the same view about impulsive buying which was considered an unplanned purchase made by a spontaneous decision and a subjective bias in favor of immediate possession.

In recent years, convenience stores have been booming in popularity due to their approachability, stable price, and quality assurance. There were dozens of convenience store brands in Vietnam such as Circle K or GS25, Family Mart, and 7-Eleven. In this research, Circle K was chosen to be the brand to elucidate the phenomenon of impulsive purchasing of consumers in Hanoi.

Being commissioned in 1915 in Texas, United States, Circle K was then widespread all over the world with more than 16,000 associates, and in Vietnam, there were over 400 stores. Its vision was to be the most preferred convenience stores in Vietnam to complete its mission which was to create a shopping environment with excitement, enjoyment, and safety with a wide selection of quality products, services, and food service items with fast and friendly service for consumers.

There have been numerous international and domestic studies conducted to investigate factors that affected the impulsive buying behavior of customers; however, little research was concerned with the impulsive purchasing behavior in Circle K Hanoi. To fill the research gaps, it is vital to conduct research on factors affecting impulsive purchasing behavior of customers in Circle K convenience stores in Hanoi.

2. Literature Review

There have been a lot of researchers studying the factors influencing impulsive purchasing behavior in diversified contexts both in international studies and domestic studies. Verhagen & van Dolen (2011) researched majorly about the impact of online store beliefs on impulsive purchasing that were Merchandise effectiveness, Ease of use, Enjoyment, Website communication style, Positive effect, and Negative effect. Asrinta (2018) analyzed the impact of sales promotion and store atmosphere on consumers' shopping emotions. Besides, sales promotion, store atmosphere, and shopping emotions were considered as factors influencing impulsive buying. Investigating the online market in Ho Chi Minh City, Pham Quoc Trung & Nguyen Ngoc Hai Ha (2017) recognized six factors that encouraged impulsive purchasing behavior: Visual appeal, Website ease of use, Trust, Impulsiveness, Instant gratification, and Normative evaluation.

Previous studies presented many factors affecting consumers' impulsive purchasing behavior. However, after scrutinizing those studies, the authors discovered some research gaps. Firstly, in terms of the factors, many studies focused on external factors while others only centralized internal ones. Secondly, it was found that most of the

prior research seemed to pay attention to impulsive buying behavior in online marketplaces. For the above-mentioned reasons, the authors decided to conduct research on “Factors affecting consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi”.

According to Kotler (2001), consumer purchasing behavior was defined as the study of how individuals were selected, buy, or use products, services, and how different experiences or ideas meet consumer needs and wants. Solomon (2006) also shared the view that consumer behavior referred to the process involved in selecting, and purchasing products, ideas or experiences by individuals, groups, and organizations to meet their needs and desires.

Overall, impulsive purchasing behavior was an increasingly significant trend Dittmar (2005). It was reported as a chronic, repetitive, and uncontrollable purchasing impulsive, primarily triggered by negative events or feelings with dire psychological, social, and financial consequences Joireman et al. (2010). Additionally, Pandya (2021) added that consumers' impulsive purchasing was the potential to grow further with modern technologies such as internet and television shopping channels and marketing innovations.

Based on previous studies, the study discussed the five prominent factors influencing impulsive purchasing behavior:

Impulsiveness: Impulsiveness in purchasing was an automatic response to novel stimuli that occurred at a preconscious level due to biological tendencies (Gąsiorowska 2011).

Instant gratification: Instant gratification was the state of satisfaction of a consumer when they were going to perform impulsive purchasing behavior (Youn and Faber 2000).

Visual appeal: Visual merchandising, which included it, was the visual presentation to communicate a store/company's fashion value and quality image to prospective consumers (Kim 2003).

Promotions: Promotions might include promotional gifts (such as free gifts, product maquette, free samples, etc) that attracted to buyers. (Youn and Faber 2000).

Money availability: A higher income level was one of several elements that contribute to impulsive purchasing at an advanced stage (Vishnu & Raheem 2013).

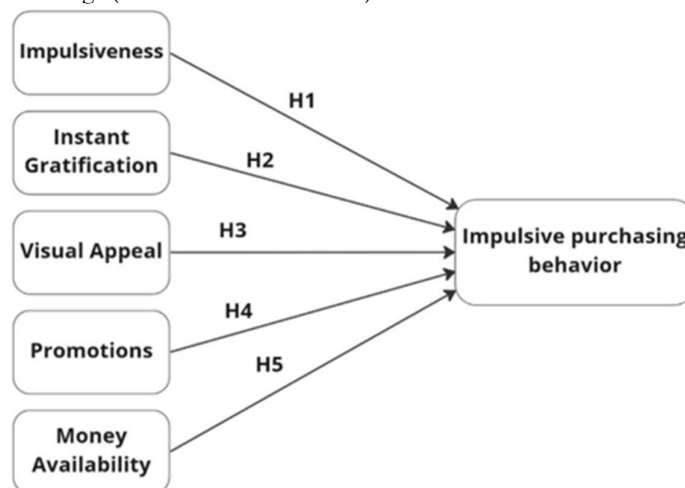


Figure 1. Research model

H1: Impulsiveness has a positive effect on consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi.

H2: Instant gratification has a positive effect on consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi.

H3: Visual appeal has a positive effect on consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi.

H4: Promotions have a positive effect on consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi.

H5: Money availability has a positive effect on consumers' impulsive purchasing behavior in Circle K convenience stores in Hanoi.

3. Research methodology

3.1 Qualitative method

The expert interview approach was the qualitative research technique used in this paper. Researchers implemented this strategy to consult experts about the scale of the study. Professional recommendations would provide researchers with a stronger foundation on which to develop and optimize the scale for the official survey. The study opted to conduct the interview in compliance with the following procedures to maximize the efficiency of

the qualitative expert survey method. Firstly, researchers developed primary research questions, scale, and hypotheses. Secondly, the study selected 05 experts in the field of economics to conduct the expert interview. Thirdly, the researchers proceeded to interview the chosen experts as several questions were posed to the experts during the interview. Finally, opinions from expert were organized and interpreted. Thus, the researchers would subsequently provide conclusions and adjust the research scale before delivering official surveys.

3.2 Quantitative method

3.2.1 Data collection

The research team has used primary data which were collected from impulsive purchasing behavior surveys. The collection process was carried out as follows: (i) delivering the questionnaire; (ii) collecting and processing data.

3.2.2 Data analysis

Descriptive Statistics: The research team used Statistical Packages for Social Sciences (SPSS) software to analyze the frequency distribution of factors impacting impulsive buying behaviors among consumers in Circle K convenience stores in Hanoi.

Exploratory Analysis: To test and purify the reliability of the scale surveys, the research team has utilized Cronbach's Alpha, or coefficient alpha. A statistical technique called Exploratory Factor Analysis (EFA) was used after Cronbach's Alpha to discover the fundamental pattern of a sizable collection of variables.

Regression: In this research, the team would implement regression analysis to identify the correlation between factors affecting the impulsive buying behaviors of consumers at Circle K convenience store.

Regression (Dummy variables): Specifically in this study, the researchers used dummy variables to abolish the disadvantages of linear regression when using categorical variables as predictors for connections between elements.

3.3 Research procedure



Figure 2. Research procedure

4. Results & Discussion

4.1 Results

The adjusted item-total correlation is more than 0.3, and Cronbach's alpha for the five scales is greater than 0.6, according to the analysis results of evaluating scale reliability. It guarantees enough reliability to be used in the exploratory factor analysis.

Table 1. Reliability Test

| <i>Factors</i> | <i>Cronbach's Alpha</i> |
|----------------------------|-------------------------|
| IP (Impulsiveness) | 0.764 |
| IG (Instant Gratification) | 0.795 |
| VA (Visual Appeal) | 0.742 |
| PM (Promotions) | 0.824 |
| MA (Money Availability) | 0.767 |

The validity of the scales was then examined by the researchers to make sure they accurately reflected the element they were trying to evaluate. Analyzing indicators such as KMO, P-value of Bartlett's test, Total Variance Explained which showed that the scales of factors and impulsive purchasing behavior scales are valid allowed the researchers to compute the effect of factors on impulsive purchasing behavior.

Table 2. KMO and Bartlett's Test

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.827 |
| Barlett's Test of Sphericity | Approx. Chi-Square | 2830.062 |
| | df | 253 |
| | Sig. | 0.000 |

KMO is 0.827 > 0.5; P-value of Bartlett's test is 0.000, very small (< 0.05); therefore, the EFA method is suitable

Table 3. Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|---------------|---------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | & of Variance | Cummulative % | Total | & of Variance | Cummulative% | Total | & of Variance | Cummulative% |
| 1 | 6.310 | 27.433 | 27.433 | 6.310 | 27.433 | 27.433 | 3.303 | 14.363 | 14.363 |
| 2 | 2.516 | 10.940 | 38.374 | 2.516 | 10.940 | 38.374 | 2.980 | 12.956 | 27.319 |
| 3 | 1.837 | 7.988 | 46.361 | 1.837 | 7.988 | 46.361 | 2.722 | 11.837 | 39.156 |
| 4 | 1.767 | 7.684 | 54.045 | 1.767 | 7.684 | 54.045 | 2.670 | 11.607 | 50.763 |
| 5 | 1.381 | 6.003 | 60.048 | 1.381 | 6.003 | 60.048 | 2.136 | 9.285 | 60.048 |

With the main component extraction method and Varimax rotation, there were 5 factors extracted from 23 independent variables of 5 scales. The extracted variance index was 60,048%, indicating that the 5 factors drawn explain most of the change of the dependent variable in the overall observation.

Table 4. Rotated Component Matrix

| | Component | | | | |
|-----|-----------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 |
| PM5 | 0.725 | | | | |
| PM6 | 0.719 | | 0.301 | | |
| PM2 | 0.713 | | 0.382 | | |
| PM1 | 0.711 | | 0.322 | | |
| PM3 | 0.680 | | | | |
| PM4 | 0.614 | | | | |
| IG3 | | 0.784 | | | |
| IG8 | | 0.778 | | | |
| IG2 | | 0.746 | | | |
| IG1 | | 0.626 | | 0.384 | |
| IG4 | | 0.574 | | | |
| MA3 | | | 0.816 | | |
| MA1 | | | 0.700 | | |
| MA2 | | | 0.680 | | |
| MA5 | | | 0.625 | | |
| IP2 | | | | 0.792 | |
| IP1 | | | | 0.773 | |
| IP3 | | 0.372 | | 0.632 | |
| IP5 | | | | 0.522 | |
| IP4 | | | | 0.468 | |
| VA3 | | | | | 0.859 |
| VA1 | | | | | 0.810 |
| VA5 | | | | | 0.730 |

The rotation component matrix showed that 23 independent variables had been properly grouped into 5 separate groups corresponding to 5 factors in the research model: Impulsiveness, Instant Gratification, Visual

Appeal, Promotions, and Money Availability.

Table 5. Descriptive Statistics of Variables in the Regression model

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------------------------|-----|---------|---------|------|----------------|
| B (Impulsive purchasing behavior) | 310 | 1 | 5 | 3.24 | 0.745 |
| IP | 310 | 1 | 5 | 3.27 | 0.820 |
| IG | 310 | 1 | 4 | 3.18 | 0.551 |
| VA | 310 | 1 | 5 | 3.59 | 0.731 |
| PM | 310 | 2 | 5 | 3.88 | 0.645 |
| MA | 310 | 1 | 5 | 3.84 | 0.718 |

Table 6. Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -0.376 | 0.248 | | -1.516 | 0.130 |
| | IP | 0.476 | 0.041 | 0.524 | 11.644 | 0.000 |
| | IG | 0.285 | 0.057 | 0.211 | 5.002 | 0.000 |
| | VA | 0.155 | 0.041 | 0.152 | 3.785 | 0.000 |
| | PM | 0.021 | 0.053 | 0.018 | 0.396 | 0.692 |
| | MA | 0.134 | 0.045 | 0.129 | 2.953 | 0.003 |

All factors had positive regression coefficients (Beta > 0). However, the factor PM was not significant in the regression model (sig value > 0.05), from the five factors calculated above, there were statistically significant positive impacts of four factors IP, IG, VA, and MA on the dependent variable B. In terms of impact level, factors were reflected by the Standardized Coefficients. Specifically, this coefficient was highest in the first-factor variable (IP) and the smallest in the variable PM.

Table 7. Coefficients (Age factor)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------|------------|-----------------------------|------------|---------------------------|--------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -0.185 | 0.258 | | -0.718 | 0.473 |
| | IP | 0.472 | 0.040 | 0.520 | 11.783 | 0.000 |
| | IG | 0.281 | 0.057 | 0.207 | 4.929 | 0.000 |
| | VA | 0.148 | 0.040 | 0.146 | 3.670 | 0.000 |
| | PM | 0.015 | 0.052 | 0.013 | 0.294 | 0.769 |
| | MA | 0.160 | 0.045 | 0.155 | 3.551 | 0.000 |
| | isAge1 | 0.187 | 0.156 | 0.056 | 1.195 | 0.233 |
| | isAge2 | -0.277 | 0.101 | -0.163 | -2.745 | 0.006 |
| | isAge3 | -0.203 | 0.133 | -0.078 | -1.523 | 0.129 |
| isAge4 | -0.152 | 0.199 | -0.032 | -0.764 | 0.446 | |

To examine the impact of age on impulsive buying behavior, the author created a dummy variable for the Age factor. This variable had 5 values, so the 4 dummy variables created were Below 18 (isAge1), From 18 to below 22 (isAge2), From 22 to below 25 (isAge3), and From 25 to below 30 (isAge4), respectively and group above 30 as the reference group.

The regression coefficient of the variable isAge1 was positive, compared with the reference group, the group of people under 18 tended to make more impulsive purchases than those over 30. The remaining age groups (isAge2, isAge3, isAge4) had negative regression coefficients, indicating that people in these age groups tended to make fewer impulsive purchases than people over 30 years old.

4.2 Discussion

In general, the goal of the study was to pinpoint the factors influencing consumers' impulsive purchasing behavior

in the Circle K Convenience chain stores in Hanoi. The data illustrated that all the proposed hypotheses were supported, except for the impacts of promotions. Firstly, in terms of factors affecting purchasing behaviors, H1 illustrated that impulsiveness was positively related to impulsive purchasing in the context of Circle K convenience chain stores in Hanoi. Secondly, the results clarified that Circle K's Hanoi consumer purchasing behavior was affected by instant gratification. Thirdly, visual appeal was validated to have substantial effects on the impulsive buying behavior of consumers in Circle K convenience stores in Hanoi. Consumers appeared to be influenced to make impulsive purchases due to the visuals of the stores, both inside and outside. Fourthly, the research findings also demonstrated the efficacious impact of promotions on stimulating the impulsive purchasing behaviors of consumers in Circle K convenience chain stores in Hanoi. Fifthly, the findings proved that money availability was a driver of impulsive purchasing in Circle K convenience chain stores in Hanoi. Lastly, this study empirically tested the influence of gender on impulsive purchasing behavior of consumers and which groups of age could tend to buy most in Circle K Hanoi. Regarding the age aspect, it was discovered that consumers under the age of 18 tended to make the most impulsive purchases because they were still mostly dependent on their parents' incomes and rarely had a saving mindset.

5. Conclusion

Considering the purchasing behaviors among consumers in the Circle K convenience chain stores in Hanoi, this study aims to gain insight into consumers' impulsive purchasing behavior in Circle K convenience stores and the factors that influence those sudden. First, some important factors that have a significant impact on consumers' impulsive purchasing behavior include impulsiveness, instant gratification, visual appeal, and financial availability. It was also pointed out that promotional factors do not significantly influence impulsive buying behavior. In conclusion, comprehensively understanding a consumer group of Circle K convenience stores and their social networks enables convenience stores to capitalize on impulsive purchases. However, this study did have some limitations due to variances in period, location, and the topic under study, the same model may not produce the same results. As for the advice for further study, considering the model of the research is the first thing to be achieved. Last but not least, further research should widen the approach of spreading questionnaires other than distributing them into social media platforms and direct questions.

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