

The Relationship Between Impulse Buying, Negative Evaluations and Customer Loyalty

ZHANG Yunlai, WANG Fengjuan

Business School, Beijing Technology and Business University, Beijing, China, 100048
zhyunlai@126.com

Abstract: Impulse buying (IB) is a very common phenomenon. Retailers have used various means to promote customer's IB. There may be negative evaluations such as disappointment and regret after customers have bought impulsively, negative evaluations may reduce customers' loyalty to producer and retailer further, marketers and scholars did not pay enough attention to this. Combing situational method and free memory method, we firstly confirmed the more consumers impulsive buy, the more disappointed and regretful consumers feel; Secondly, we found disappointment negatively impacted loyalty to producer and retailer both, regret to time and place passively affected loyalty to retailer, regret to product negatively influenced loyalty to producer only. Thirdly, we introduced attribution theory firstly and confirmed that it played mediating role during the process of negative evaluation's effect on loyalty. The conclusion has certain practical value for both manufacturer and retailer.

Keywords: Impulse buying, Post-purchasing evaluation, Disappointment, Regret, Loyalty

1 Introduction

The study of the customers' purchasing behavior showed that about two-thirds of the purchases belonged to impulsive ones in the shopping sites (Rook,1987). In the USA, IB sales account for \$4 billion annually and make up 80 percent of all purchases from certain product categories(Abrahams,1997). According to Cotton Council International "2004 global fashion survey" announced in mainland showed that consumers in mainland belonged to impulsive ones, 53 % consumers were impulsive when purchasing clothing which ranked the third in all the countries and regions(behind Germany and UK). Marketers had noted the importance of impulse purchase, and stimulated impulse purchase through show, stores and packaging design to increase sales in a short time. But consumers may generate evaluation of regret or disappointment after impulse purchase, negative evaluation may affect customers to patronize retailers and repurchase products. Namely, impulse purchase stimulated by the marketers would impact consumer loyalty towards retailers and manufacturers. Therefore, it is necessary to explore the effect of impulse purchase on post-purchase evaluation and post-purchase evaluation on customer loyalty.

2 Literature Review

Previous studies suggested that consumers evaluated IB both positively and negatively (such as Rook & Gardner,1998;Yang,2006,etc.). There is some debate as to which one is dominant of the positive and negative evaluation. Chen (2002) found consumer were satisfied generally with the product after the impulse purchase. But many studies proposed that impulse purchase was a behavior which violated personal best judgment (Hoch and Loewenstein, 1991). Rook (1987)pointed that most people would feel negatively(including the financial risk, guilt, unnecessary etc.)after they had made impulsive purchase decision. Piron (1991) thought that impulse purchase would result in dissatisfaction and regret. Wood (1998) concluded that a common ground among definition of impulse purchase in some past researches was that there were dissatisfaction and regret after purchase. Chen (2005) also considered that there would be dissatisfaction after purchase. Liang's (2007) survey showed that the proportion of dissatisfied customers after impulse purchase was 62.2%, half of the customers were not satisfied generally no matter what extent of IB tendency they had. In conclusion, there is some common sense that there were

negative evaluations after IB among many scholars.

The researches on combining impulse purchase and brand were very little. In general, Current studies have two streams: one stream is to view brand as a factor affecting impulse purchase, the other stream is very small. Several articles put forward theoretically that regret after impulse purchase would influence the evaluation of brands and repurchase intention (e.g., Wood, 1998; Chen, 2002). In the empirical research, Chen (2005) discussed the effect of evaluation of impulse purchase on brand loyalty towards product with price as stimulator, but he did not consider behavioral loyalty and loyalty towards retailer; Wu (2008) discussed the relationship between positive satisfaction and regret with impulse purchase, and two evaluations with attitudinal loyalty and behavioral loyalty. In fact, there would be negative evaluations (such as disappointed and regret) after impulse purchase, and negative evaluations would affect brand loyalty towards manufacturer and retailer, but the current studies did not pay enough attention to this point.

Previous research on customers' satisfaction mainly based on the traditional theory of expectation-disconfirmation, no matter customer expectation or perceived actual performance of product, all were directed to selected product. But Houston (1991) found that customers were most satisfied when forgone brand was more awful than selected brand, or when the selected brand was better than forgone brand in the choice sets. Traditional expectation-disconfirmation theory explained it difficultly. To solve this problem, Inman, Dyer & Jia (1997) proposed generalized utility model of customer satisfaction. They took regret into expectation-disconfirmation theory as an important variable, replaced "disconfirmation" in the traditional theory with "disappointed", pointed out that customer satisfaction was function of expectations, disappointed and regret. This model further improved and perfected the traditional theory and could explain the formation of customer satisfaction and post-purchase behaviors further. Many researchers indicated that there were mainly two kinds of evaluations, i.e. satisfaction and regret after impulse purchase. Essentially they were different arrangements of conceptions, and satisfaction itself has two polar (extremely dissatisfaction and extremely satisfaction). Previous researches did not indicate clearly valuations were positive or negative after impulse purchase when they analyzed the effect of post-purchase evaluations on brand loyalty.

3 Model and Hypothesis

Given evaluations of post-purchase after impulse purchase were likely to be negative, this paper mainly analyzed the relationship between impulse purchase and negative evaluations (disappointment and regret) and the effect of disappointment and regret on customer loyalty. In order to better distinguish dissatisfaction from satisfaction, we found that "dissatisfaction" should be "disappointment" after analyzing its' connotation and measurement mentioned in previous studies on IB.

3.1 Evaluation towards IB

IB is stimulated by numerous factors. The appraisal of pre-purchase is dominated by emotion (cognitive assessment is heavily affected by strong emotional reactions, consumers are difficult to deliberate rationally and assess comprehensively the purchase behavior during buying), probably overstate purchasing benefits and underestimate purchasing cost even ignore. It is dominated by cognitive assessment after purchasing, consumers find the purchase decision has violated ethical or cognitive judgment at end. Consumer preferences are time-inconsistent, therefore there will be cognitive dissonance inevitably after IB.

There are probably two kinds of cognitive dissonance after IB, one is to compare actual performance of purchased product with expected performance of the product before purchasing. As previously mentioned, consumers often overestimate performance of product before buying, and do not feel as expectation after purchase and consumption. It will result in dissatisfaction (essentially it is regret). The second is derived from comparing different products. Consumers will compare actual performance of the purchased product with the expected performance of the products which has been considered and

forgone at last before purchase. According to Hoch & Loewenstein (1991), consumer's preference to product is inconsistent during pre-purchase and post-purchase. Consumers usually like the product before buying, and dislike it after buying, they fondle admiringly before they acquire the product or when they acquire it impulsively. All the above will highlight the evaluation gap between the purchased product and forgone one, it makes consumers to feel regretful. In addition, consumers make IB decisions in a relatively short time and without detailed assessment. The decision violates personal best judgment and is lack of willpower. Consumers will experience regret when they find alternative forgone because of impulse and careless assessment is better than selected ones after the purchase.

Because of the existence of cognitive dissonance, there appears to be two typical evaluations after IB, i.e. satisfaction and regret. Gardner & Rook (1998) and Yang (2006) also agreed that IB was a kind of behavior with both satisfaction and regret. Chen (2002) confirmed further that IB was positively corrected with regret to place, time and product. Chen (2005) also partially confirmed the above ideas. Wu(2008)verified that IB was negatively related to regret towards time, place and product significantly. Lin etc (2005) confirmed that the higher level of IB, the higher the tendency of regret, the lower satisfaction incurred. Zhang (1998) demonstrated that the subjective degree of IB was related to regret towards time, place and product.

Hypothesis 1: The more consumers impulsively buy, the more disappointed consumers feel;

Hypothesis 2: The more consumers impulsively buy, the more regretful to time consumers feel;

Hypothesis 3: The more consumers impulsively buy, the more regretful to place consumers feel;

Hypothesis 4: The more consumers impulsively buy, the more regretful to product consumers feels;

3.2 Disappointment and customer loyalty

Plenty of empirical studies showed that customer satisfaction related re-purchase intention positively, namely higher satisfaction will lead to higher brand loyalty. For examples, Taylor and Baker (1994) verified that satisfaction influenced inclination of post-purchase behaviors significantly; Shi & Liu (2005) showed that customer satisfaction had a significant impact on re-purchase intention. In the literatures on IB, Wu(2008) confirmed that satisfaction towards product, place and time correlated with impulse positively, and behavioral loyalty correlated with customer satisfaction to product positively. Since the opposite of satisfaction is dissatisfaction, namely disappointment, we have reasons to assume that there is negative correlation between disappointment and customer loyalty.

Hypothesis 5: The more disappointed consumers feel, the lower loyalty to producer consumers are;

Hypothesis 6: The more disappointed consumers feel, the lower loyalty to retailer consumers are;

3.3 Regret and customer loyalty

Regret is considered to be an important variable to understand fully consumer satisfaction to product and explain many post-purchase behaviors (such as re-purchasing intention and the brand switching). Previous literatures have verified regret affected re-purchase intention and brand switching. Chen et al.'s (2005) study showed that changes of consumers purchase intention depended on whether there had been regret towards the previous buying decisions or not. The empirical study done by Tsiros & Mittal (2000) indicated that the re-purchasing intention of product was impacted significantly by regret incurred after the use of product. In the literature on IB, Yang(2006) pointed out that regret reduced re-purchase intention. Lin et al.(2005) verified that regret was correlated with re-purchase intention negatively. When consumers feel regretful towards products, he/she will generally reduce loyalty for retailers. The main reason is that the target of regret is product (including optional products), selected product is mainly concerned with the producer. Although optimal product is related to retailer, the responsibility is not in retailer.

Hypothesis 7: The more regretful consumers feel towards time, the lower loyalty to retailer consumers are;

Hypothesis 8: The more regretful consumers feel towards place, the lower loyalty to retailer consumers are;

Hypothesis 9: The more regretful consumers feel towards product, the lower loyalty to producer consumers are;

Hypothesis10: Consumers’ regret to product do not affect loyalty to retailer.

3.4 Moderating effect of attribution

Attribution theory helps individual to infer reasons behind behavior and its nature. Locus of control is the most important work of attribution, its work is to identify responsible party, i.e. internal and external reasons. After evaluating negatively, consumers consciously or unconsciously seek to find the reason behind disappointment and regret and judge their nature, then decide the way of future act. Due to self-service bias during attribution, customers generally will attribute reasons behind bad results to external factors(retailers and manufacturers), the result is the declination of loyalty to retailer and producer. Consumers sometimes can realize that it is their impulsiveness which has caused IB, namely consumers may attribute the reason to themselves when negative evaluations appeared. Compared with attribution the reason of negative evaluations to other factors, negative evaluations influence subsequent behaviors smaller when they attributed the reason to themselves. Therefore evaluations’ effect on loyalty towards retailer and producer will be smaller in this case.

Hypothesis 11: Compared to attribute the locus to producer, the effect of negative evaluations on loyalty to producer is less when consumers attribute the locus to other factors(including themselves, retailer and others).

Hypothesis 12: Compared to attribute the locus to retailer, the effect of negative evaluations on loyalty to retailer is less when consumers attribute the locus to other factors (including themselves, producer and others) .

Based on the above analysis, we put forward the model of relationship between IB, negative evaluations and loyalty. Comparing to previous research, we considered effect of evaluations of post-purchase on the loyalty to retailer and producer both, and the moderating effect of attribution (see figure 1).

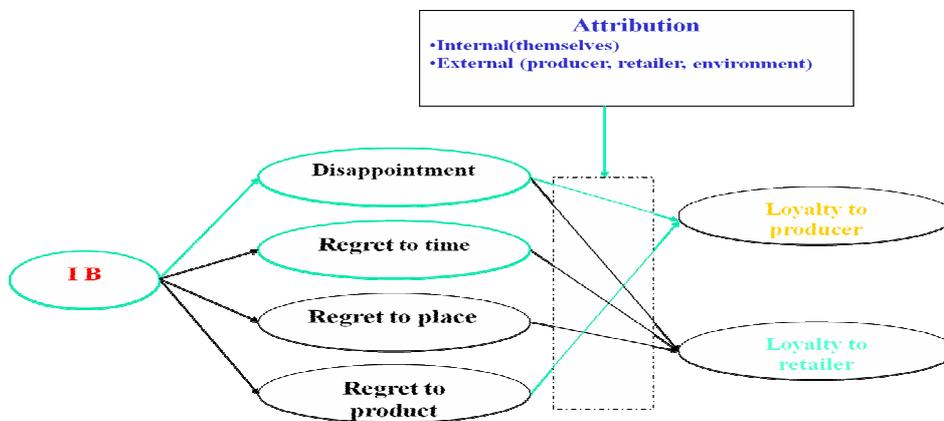


Figure 1 The relationship between IB, evaluations and loyalty

4 Study Design

4.1 Survey design

In order to reflect real situation and subjective feeling more truly, we combined situational method and free memory method to collect data, required subjects to fill the questionnaire according to the mostly

impressive experience of IB recalled.

We sampled randomly. Samples consist of students from universities and communities lived in Beijing and Tianjin mostly. Comparing with the sample of students, the subjects recruited by this research are more representative.

4.2 Questionnaire design

There are two kinds of method to measure IB. One is objective method, which designs relating behavioral characteristics of IB (such as planlessness, strong buying impulse, no thought-out) into situation, and then measure actual spending. The second is subjective cognition approach, which lets consumer self-assess the extent of purchase reflecting behavioral characteristics of IB. The subjective method included 7 items copied from scale developed by Chen (2002). There were two reasons why we used the two methods at the same time. The first is they could reflect the subjective cognition. The second is it could modify the result that some subjects thought themselves were lack of impulsiveness (subjective) while they had spent a lot of money (objective).

Disappointment is defined as an individual state of feeling formed after he/she finds the perceived performance of a product was less than his/her expectations to that product. We used two items to measure. Regret refers to that consumer emotional reaction to the original purchase decision when he/she feel original purchase decision do not bring in the best result after impulse purchasing. On occasion of IB, it includes regret towards time, place and product. The scale was modified on the bases of scales developed by Chen (2002) and Tsiros & Mittal (2000). Customer loyalty general contains three dimensions: behavioral loyalty, emotional loyalty and cognitive loyalty (attitude). Behavioral loyalty means that customer will buy the products of same brand constantly; Emotional loyalty expresses the extent of customer's preference to a brand; Cognitive loyalty contains cognitive components. Based on the measures in related literature, we modified one item for every dimension. IB tendency is defined as the tendency of individual to buy immediately without plan and thought-out. The reasons why we adopted directly the scale of Weun, Jones & Beatty (1998)^[20] are below: their scale was very concise (5 items); Kacen & Lee (2002) found the validity of their scale was better than scale designed by Rook and Fisher(1995) in the cross-cultural study^[21].

5 Data Collection and Analysis

5.1 Descriptive analysis

5.1.1 Sample description

By convenience sampling, 145 questionnaires were handed out and 129 valid ones were collected. The highest frequent products bought impulsively by samples are clothing, following by Electronic Product. IB expenditure changes from ¥ 15 to 7800 Yuan, and the mean is ¥ 439.52 Yuan. There are 59 male of total sample (accounting for 45.74%), 70 female (accounting for 54.26%). Monthly income of family is mainly 4001~6000 Yuan (accounting for 27.91% of total samples), the samples of income less than ¥ 2000 and ¥ 2001~4000 Yuan take up 23.26% respectively. The age of sample is mainly 18~30(accounting for 61.24%).

5.1.2 Reliability and validity analysis

This study adopted Cronbach α (Internal consistency coefficient) to test the reliability of related scale. α of subjective cognition of IB is 0.844 after being deleted three items(I don't think this purchase accord with convention; I think I bought the product without consideration the consequence; I made the purchase decision on the spot quickly); Disappointment scale has two items and its' α is 0.733; α of regret towards time is 0.829 after being removed two items (I think I should buy when there will be more discount; I think we should consider a period of time to buy) ; After deleted two items (I think we should go to other stores to have a see; the retailer provided so small choices), α of regret towards place is 0.779 ; α of regret towards product is 0.748 after being deleted two items (I don't think I should buy this good; I think this good is worth so much money); α of loyalty to producer is 0.851; α of loyalty

towards retailer is 0.837 after being cut out one item (comparing with other stores, I'd prefer to go to this retailer for shopping). α of all scales are above 0.7, it shows that all the scales have internal consistency. We used factor analysis(principal analysis, varimax) to identify dimensions of concepts and calculate factor score. Analysis finds that the subjective cognitive IB and disappointment are both simple dimensional concept; KMO and Bartlett's test (Chi-Square=296.935, Sig.=0.000)of regret show that it is suitable for factor analysis. Factor analysis identifies three dimensions and they correspond to regret to time, place and product after further analysis. Loyalty has passed KMO and Bartlett's test (Chi-Square=274.075, Sig.=0.000), Factor analysis identifies two dimensions(Eigenvalues are above 1) and they correspond to loyalty towards producer and retailer after further analysis.

Table 1 Rotated Component Matrix of regret

item	Principal Component		
	1	2	3
12	0.895		
13	0.869		
16		0.776	
17		0.893	
22			0.829
23			0.898

Table 2 Rotated Component Matrix of loyalty

item	Principal Component	
	1	2
30	0.875	
31	0.915	
32	0.843	
34		0.926
35		0.927

5.2 Hypotheses test

In order to calculate more accurately, we replaced original scores of multiple items with factor score of variables. The results of simple correlation analysis are listed in table 3 using SPSS. Due to the relationship between objective IB and evaluations of post-purchase are not significant, so we did not given them. From the table 3, we can find hypothesis1-10 are supported by data.

Table 3 Correlation coefficient (Pearson)

	Disappointment	regret to time	regret to place	regret to product	loyalty to producer	loyalty to retailer
Subjective IB	0.328(**) 0.000	0.546(**) 0.000	0.294(**) 0.000	0.331(*) 0.028		
Disappointment regret to time					-0.506(**) 0.000	-0.204(*) 0.020
regret to place					0.181 0.06	-0.408(**) 0.000
regret to product					-0.220(*) 0.012	-0.260(**) 0.003
					-0.429(**) 0.000	-0.088 0.322

Note:**signified correlation is significant at the level (2-tailed), * signified correlation is significant at the 0.05 level (2-tailed).

Subgroup analysis was used to test moderating effect. We divided the samples into two groups when analyzing the moderating effect of attribution during the process of disappointment's impact on loyalty to producer. The first consists of samples which had attributed the locus of disappointment to producer, the rest belonged to another group. Then, we calculated and compared correlation coefficient between

disappointment and loyalty towards producer. In the discussion of the moderating effect of attribution on other processes, the same way and process were used. The Results are listed in table 4.

Correlation coefficient between regret to product and loyalty to producer is not significant in group whose samples had attributed the locus to producer. All the others are significant, and the differences of coefficients between groups are obvious. Absolute value of correlation coefficients bellows are bigger than the absolute values of upper ones corresponding. Therefore, attribution plays moderating role when disappointment affected loyalty to producer and retailer and regret to time and location influenced loyalty to retailer. Why did not attribution moderate when regret to product impact on loyalty to producer? Regret to product is only related to products, products are mainly concerned with producer. If only customers feel regret to product, the effect of regret to product on loyalty to producer will be consistent no matter which factors they attributed. Consumers Hypothesis 11 is supported partly and 12 gets support.

Table4 Correlation coefficient of groups formed according to locus of attribution

	Loyalty to producer	Loyalty to retailer
Disappointment	-0.451(**)/-0.775(**)	-.268(**)/-.603(*)
Regret to time		-0.403(**)/-0.654(**)
Regret to place		-0.222(**)/0-.360(*)
Regret to product	-0.466(**)/-0.213(0.382)	

Note: Italics is correlation coefficient calculated by use of the data of sample who had attributed the locus to producer or retailer.

6 Conclusions and Implications

6.1 Conclusions

Research results show that the subjective impulse buying positively influences disappointment and regret to time, place and product. Disappointment negatively impacts loyalty to producer and retailer both, and the former is bigger than the latter; The more regretful consumers feel towards time and place, the lower their loyalty to retailer; The more regretful consumers feel towards product, the lower their loyalty to producer. If consumers attribute the locus of disappointment to producer/retailer, it's effect on loyalty to producer/retailer is more influential than to other factors; If consumers attribute the locus of regret to time and place to retailer, their effect on loyalty to retailer are more influential than to other factors (such as themselves). When consumers attribute the locus of regret to product to producer, it's effect on loyalty to producer has no difference with the one attributing to other factors (such as themselves). Objective impulse buying has no relationship with negative evaluations directly.

6.2 Implications

The key to improve customer loyalty for producer is to reduce disappointment and regret towards product and for retailer is to avoid consumer to feel regretful towards time and place. Enterprise can reduce regret from two aspects: one is to reduce consumer's expectations. When marketers want to entice consumers to purchase impulsively, they should ensure quality of products and advertise product practically, advertisement should emphasize the psychological utility rather than physical utility. The other is to enhance the actual performance of product.

Marketers may reduce regret from two aspects: One is to reduce effect of IB on regret. What marketers need to do is to reduce the subjective cognitional impulsiveness. Therefore marketers should target the

segments which have strong purchasing power or whose evaluations towards IB are positive (such as young people). Although object impulsiveness of market segment is high, the subjective cognitive impulsiveness maybe not high, disappointment and regret maybe not high also. On the other hand, marketers may reduce regret directly, marketers can strengthen customers' confidence on purchasing decision through implicating that this moment and this place are the best for their buying, it makes consumers wouldn't feel regret.

Negative evaluations are difficult to be avoided after IB, enterprise should use means to induce consumers to attribute the locus to others factors, such as enhancing communication in highlighting outstanding quality of product, so as to strengthen consumers' belief in purchasing decision.

6.3 Shortcomings and suggestions

This paper did not consider incentives of IB. In fact, different incentives may directly impact evaluation of post-purchase, and would affect the attribution of negative evaluations. Because of the restrictions of time, manpower and money, the number of samples was limited. Further studies were suggested to consider different incentives and increase the sample size.

Acknowledgements:

Project "the study on attribution of satisfaction on overall satisfaction and loyalty" supported by start-up fund for young teachers' scientific research project of BTBU.

Author for correspondence was WANG Fengjuan.

References

- [1]. Rook D W. The Buying Impulse[J]. *Journal of Consumer Research*, 1987,14,189~199
- [2]. Abrahams B. It's all in the Mind[J].*Marketing*,1997,27,31~33
- [3]. Chen Minghui.The Influence of Communication Strategies, Impulsive Traits and Product Characteristics on Impulsive Consumption Behavior. Taiwan University,2001(in Chinese)
- [4]. Hoch S J & Loewenstein G F. Time-inconsistent Preferences and Consumer Self-control[J]. *Journal of Consumer Research*, 1991,17,492~506
- [5]. Piron F. Defining Impulse Purchasing[J].*Advances in Consumer Research*, 1991, 18:509~514
- [6]. Wood M. Socio-economic Status, Delay of Gratification, and Impulse Buying[J]. *Journal of Economic Psychology*,1998, 19, 295~320
- [7]. Chen Wenrong. The Influence of Impulsive Buying Behavior on Brand Loyalty[D]. Wuhan University,2005(in Chinese)
- [8]. Liang Shu. An Empirical Study on Consumer Satisfaction based on Integrated Model of Impulse Purchase[J].*Statistic and Decision*,2007(13),84~85(in Chinese)
- [9]. Wu Wenzheng. A Study on the Effect of Impulse Purchase on the Brand Loyalty[D].South China University of Technology,2008(in Chinese)
- [10].Houston D A, Sherman S J & Sara M. Baker. Feature Matching, Unique Features, and the Dynamics of the Choice Process: Pre-decision Conflict and Post-decision Satisfaction[J]. *Journal of Experimental Social Psychology*, 1991,27(5), 411~430
- [11]. Inman J J, Dyer J S & Jia J. A Generalized Utility Model of Disappointment and Regret Effects on Post-choice Valuation [J]. *Marketing Science*,1997,16(2) ,97~111
- [12]. Gardner M P & Rook D W. Effects of Impulse Purchase on Consumer's Affective States[J]. *Advances in Consumer Research*, 1998, 15,127~131
- [13]. Yang Wenjing. The Study on Customer's Impulse Buying[J]. *Market research*.2006,6,46~49(in Chinese).
- [14]. Lin Chiehhuang,Chuang Shinchieh, Lai Chiehsung. Impulse Purchase: A Model of its Antecedents and Consequences in Consumer Decision Making[J]. *Commerce & Management*

- Quarterly,2005,6(1),47~58.
- [15]. Zhang Chongzhao. A Study on the Effect of Customer's Impulsiveness and Normative Appraisal on Impulse behavior [P]. National Science Council,1998(in Chinese)
- [16]. Taylor S A & Baker T L. An assessment of the Relationship between Service Quality and Customer Satisfaction in the Formation of Consumer's Purchasing Intentions[J]. Journal of Retailing, 1994, 70(2) ,163~178(in Chinese)
- [17]. Shi Youchun & Liu Chunlin. An Empirical Analysis of Customer Repurchase Behavior[J].[Nankai Business Review](#), 2005(1),35~39(in Chinese)
- [18]. [Chen Rong Jia Jianmin,Hefeng](#).The Dynamic Impact of Regret on Consumer Choice Intention[J].[Systems Engineering theory & Practice](#). 2005(12),25~31(in Chinese).
- [19]. Tsiros M, Mittal V.Regret:A Model of its Antecedents and Consequences in Consumer Decision Making [J]. Journal of Consumer Research, 2000,26(4),401~417
- [20]. Weun S, Jones M A & Beatty S E. The Development and Validation of the Impulse Buying Tendency Scale [J]. Psychological Reports, 1998, 82,1123~1133
- [21]. Kacen J J & Lee J A. The Influence of Culture on Impulsive Buying Behavior[J].Journal of Consumer Psychology, 2002, 12(2) ,163~176