"Managing turbulence in economic environment through innovative management practices"

Proceedings of the 2<sup>nd</sup> International Conference on Management and Economics 2013



# THE COMPULSIVE BUYING BEHAVIOUR TENDENCY IN CLOTHING INDUSTRY IN SRI LANKA

A.A.I. Lakmali<sup>a</sup>, P. K. S. Jayarathna<sup>b</sup>

 <sup>a</sup>Temporary Lecturer, Department of Management Studies, University of Peradeniya, Peradeniya. isharaamarathunga@yahoo.com
<sup>b</sup> Temporary Lecturer, Department of Management Studies, University of Peradeniya, Peradeniya. jsrimali@yahoo.com

## Abstract

Compulsive buying is one of the negative and dark aspects of consumer behaviour which is a growing trend in many countries with the expansion of the shopping trends. Compulsive buying is defined "chronic, repetitive purchasing that becomes a primary response to negative events or feelings. This abnormal form of consumer behaviour is characterized by chronic buying episodes of a somewhat stereotyped fashion in which the consumer feels unable to stop or significantly moderate the behaviour (O'Guinn and Faber 1989, p. 155). The purpose of this study is to investigate the degree of compulsive buying tendency among consumers in clothing industry in Sri Lanka. The significance of this study is due to the fact that consumers in Sri Lanka trend in shopping have increased and the use of credit cards, discounts, promotional campaigns and other marketing practices encourage customers to fill their carts. The research design is a conclusive, single cross sectional descriptive one and data were collected from 250 individuals using convenience sampling technique. The hypothesis on self esteem is positively associated with compulsive buying behaviour, the fantasy is positively related with compulsive buying behaviour, need for emotional uplift positively related to compulsivity, sales people interaction is positively related with compulsive buying were tested using mean, standard deviation, T - test, ANOVA and correlation analysis. The analysis involved statistical methods such as reliability and validity tests. The results indicated that Sri Lankan consumers are moderately compulsive and it's growing with the increase in level of income. Further, Consumers with low self esteem tend to shop more. Emotional up lift, social relationship and sales people influences positively affect for increase the shopping tendency. The use of cards instead of cash, positively affect to become more compulsivity.

Keywords: Clothing Industry; Compulsive Buying Behaviour; Market Opportunities

## 1. Introduction

A plethora of product market opportunities are available to the post-modern consumers of present day globalized economy (Alex and Raveendran, 2007). A variety of products and brands in the market is targeted consumers' wants in different ways, compel consumers to consume more. Consumption becomes compulsive, when it is a major force afflicted a person's life, and created dysfunctional effect in other areas of life (Edwards,1997). Compulsive buying is defined as chronic, repetitive purchasing that becomes a primary response to negative events or feelings (O'Guinn and Faber 1989, p. 155). This negative form of

consumer behaviour is characterized by the feeling of consumers unable to stop or control the behaviour. The compulsive tendency was identified in western countries and a growing trend in developing countries like India (Alex and Raveendran, 2007) with the changes in market place, demographic and life style changes.

In the context of Sri Lanka, Lifestyles and social value changes are creating newer buying trends [among Sri Lankan consumers]. [They] are more fashion conscious [and] always on the lookout for something new. Consumers also desire greater shopping convenience, clean store environments, pleasant customer service and even parking facilities (Perera, 2011). [Further], Sri Lankans are becoming more and more western oriented in their lifestyle and influencing across product categories, such as food, beverage, clothing, footwear and entertainment (Perera, 2010). Clothing is Clothes collectively (Oxford Dictionary, 2012) and in the clothing industry, NOLIMIT operates 20 outlets, ODEL 17 outlets, Fashion Bug 17 outlets CIB 16 and Kandy 03 outlets are few of operating clothing store chains in Sri Lanka. With immense growth of clothing industry, the consumption becomes more complex. Therefore, in the clothing industry there would be around 150 outlets operating island wide can be classified as modern retail (Perera, 2010). Therefore, this study was carried out to investigate the degree of compulsive buying tendency among consumers in Clothing industry in Sri Lanka.

## 1.1. Problem Statement

The process of shopping and buying has caused their lives to go out of control (Magee, 1994; Black, 2007). A modern identity and a sense of joining the rest of the world (being like Westerners) are sought in the consumption of material things (Sandıkcı and Ger, 2005). Thus, with the changes in the Sri Lankan market place, Sri Lankan consumers' trends in shopping have increased and the use of credit cards, discounts, promotional campaigns and other marketing practices. Since, the compulsion behaviours visible in Indian context, the tendency of consumers in Sri Lanka are becoming compulsive and in future experiencing negative effect of compulsiveness should be examined. Thus, this research addresses the research problem of finding the degree of compulsive tendency among Sri Lankan consumers by analyzing association between use of personality factors: Fantasy and Self esteem, Motivational factors: emotional uplift, Interaction with sales people, consequences: credit and shopping card usage, post purchase guilty, demographic factors: gender, marital status, age, income in relation to Sri Lankan consumers' clothe purchases.

## *1.2. Objectives of the Study*

The main objective of the study is to find out the degree of compulsive tendency among consumers in the clothing industry in Sri Lanka.

To find the degree of compulsive tendency among consumers in clothing industry in Sri Lanka. To find association of personality factors (Self esteem and fantasy) on compulsivity.

- To find association of Motivational factors (emotional uplift and Interaction with sales people) and compulsive tendency
- To find the association of credit card financing on compulsivity
- To find association of usage of shopping cards on compulsivity.

• To find the association between Demographic variables (Gender, Income level, Marital status and compulsive buying tendency

## 1.3. Hypothesis

- H1: There is compulsive tendency among consumers in clothing industry in Sri Lanka
- H2: Self esteem is positively associated with compulsive buying.
- H3: Fantasy is positively related to compulsive buying.
- H4: need for Emotional uplift is positively related to compulsive buying.
- H5: Sales People interaction is positively related to compulsive buying.
- H6: Credit card financing is positively associated with compulsive buying.
- H7: Shopping card usage is positively associated with compulsive buying.

## 2. Literature Review

Compulsive consumption is a response to an uncontrollable drive or desire to obtain, use, or experience a feeling, substance, or activity that leads an individual to repetitively engage in a behaviour that will ultimately cause harm to the individual and/or to others (O'Guinn and Faber, 1989). Recent researchers have investigated the construct of compulsive consumption (e.g. Faber, O'Guinn, and Krych, 1987) ;( Faber and O'Guinn, 1989); (O'Guinn and Faber, 1989; 1992);( Scherhorn, Reisch, and Raab, 1990); (Valence, d'Astous, and Fortier, 1988);(Faber et al. 1995); (Black 1996; 2007). Valence et al. (1988) suggest compulsive buying relating it three forces: emotional activation, high cognitive control, and high reactivity while (O'Guinn and Faber ,1988a, 1988b, 1989, and 1992), and (O'Guinn and Faber 1987), discuss compulsive buying as it relates to personality traits, family communication patterns, and demographic variables. Results concluded that tension, feelings of guilt following a compulsive purchase with a factor analysis revealing three factors: object attachment, emotional lift, and remorse. O'Guinn and Faber (1989) measured compulsive buying tendency using three factors: Personality factors, Motivational factors and Consequences. Personality factors: fantasy, self-esteem, purchasing vs. possessing, Motivational factors: object attachment, emotional uplift and remorse, Consequences: reliance of credit cards, emotional consequences: feeling of guilt or shame, feeling frustration due to unable to control behaviour. Hirschman (1992) proposed a general model of addictive consumption suggesting that people exhibiting some forms of compulsive consumption have similar characteristics and that these behaviours have common causes and follow similar patterns of development. The process of shopping and buying has caused their lives to go out of control (Magee, 1994; Black, 2007). Clothing, jewelry, makeup and collectibles with female compulsive buyers, and electronic equipment and collectibles with males have been examples of specific product categories of interest to compulsive buyers (Faber et al., 1987; O'Guinn and Faber, 1989; Christenson et al., 1992; Black 1996; 2007). Thus, All the researches address the personality factors, motivational factors for compulsion and the results or post purchase phenomina, we have selected the Faber and O'Guinn's (1989) three factors i.e. personality factors, motivational factors and consequences to test the compulsivity of Sri Lankan Consumers.

## 2.1. Personality Factors

Compulsive buyers exhibit a number of personality predispositions commonly included among compulsive consumption behaviours (Faber et al. 1987). The personality and lifestyle determine the consumer's behaviour on product and services. Self Esteem and Fantasy are two personality traits that literature suggests as influencing for compulsivity.

2.1.1. Self Esteem: External environmental stimuli or internal cues (Ludwig et al. 1977) as well as negative affective states can trigger episodes of compulsive behaviour. It has even been suggested that compulsive behaviours provide short-term relief from negative emotional states, but eventually become conditioned responses (Donegan et al. 1983; Falk 1981). Although the role of low self-esteem as a cause or an outcome is uncertain, its presence among people exhibiting compulsive behaviors is one of the most consistent findings in the literature (Marlatt et al. 1988). People suffering from various compulsive behaviours may also be more likely to experience negative affective states since one of the most consistent findings across these behaviours is low levels of self-esteem (Marlatt et al. 1988; Nathan 1988).

2.1.2. Fantasy: That is considered important in the formation of compulsive behaviour is that the individual can temporarily escape negative feelings through fantasies of personal success and social acceptance while engaging in the particular behaviour (Jacobs 1986). It has also been suggested that both fantasies and compulsive behaviours serve as a means of avoiding one's true problems by interfering with focusing on these problems (Kaplan and Kaplan 1957; Orford 1985). It may be that consumers who fantasize more are better able to focus or dwell on their thoughts and feelings, which may allow them to effectively escape reality in shopping situations (O'Guinn and Faber, 1989).

## 2.2. Motivational Factors

Motivations severe debt, and psychologically, in terms of remorseful feelings, lowered self-esteem, and a deleterious impact on interpersonal relationships (O'Guinn andFaber). Marketers have traditionally been interested in encouraging "leaping before thinking" consumption behaviours, where purchases are made swiftly and/or repeatedly before deliberation of possible alternatives and consequences is given more time (Workman and Paper, 2010).

2.2.1. Emotional Uplift: "Emotional lift," measured the respondent's perception of positive emotions produced by the act of buying (O'Guinn and Faber, 1989). The strong need for an emotional lift or a change in arousal level has been suggested as a necessary but insufficient condition for the development of compulsive behaviours (Jacobs 1986). Although most of the responses indicated a low level of interest in the product purchased, there was still some systematic variation in the type of goods bought. The type of items purchased most frequently were clothing, cosmetics, and gifts for significant others (O'Guinn and Faber, 1989).

2.2.2. Interaction with Sales People: Shopping for clothes, cosmetics, and gifts creates an interaction in which the salesperson dotes, telling buyers how attractive they look, what a good parent they are, or how much someone will appreciate them for giving this gift. These interactions provide the compulsive buyer with enhanced feelings of self-esteem (O'Guinn and Faber, 1989). This suggests that interaction with sales people and their comments on consumer choices are significant motivational factors, the attention the compulsive buyer receives.

#### 2.3. Consequences

2.3.1. Shopping Cards Usage and Credit Card Financing : Most of the population should fall into the lower part of the compulsive buying continuum [ Non compulsive to broader line in the scale developed by Edwards in 1997], and though many persons who find themselves in excessive debt may not be addictive in their spending behaviour, they may actually experience occasional buying binges motivated by anxiety, and

actualized by learned escape coping mechanisms, all of which signify an addictive response (Edwards, 1997). Financial institutions providing retailer and customer credit, retail institutions, all other consumers, as well as the nation's economy become subject to the increasing costs realized by compulsive buyers' mounting and non-collectable debt (Bragg, 2009).

2.3.2. Post Purchase Guilty: The compulsive buyers typically were ashamed and embarrassed by their behaviour, and felt that others could not understand it. They sometimes described themselves as unloved and rejected because of their behaviour (O'Ginne and Faber, 1989).

#### 2.4. Demographic Variables

A comparison of the demographic characteristics of the compulsive buying and general consumer samples indicates that there was no significant difference in the household income of these groups (O'Guinn and Faber,1989). Consistent with the work of Moschis and Churchill (1978), O'Guinn and Faber (1989) and Dittmar (2005) found that compulsive buyers tend to be younger. Scherhorn, Reisch and Raab (1990), however, did not find age to be a significant factor. Several studies have suggested that the age onset of compulsive buying disease appears to be in the late teens or early twenties, (Christensen et al. 1994; Schlosser et al., 1994; Koran, 2002), though McElroy et al. (1994) reported a mean age at onset of 30 years (Black, 2007). Thus, while research has there is strong support that there exist more female compulsive buyers than males. In addition, it would be reasonable to expect from social learning theory and sociocultural theory that more females in the U.S. predisposed to behave compulsively would act out their behaviors through shopping as compared to males. more recent research (Christensen et al. 1994; Schlosser et al., 1994; Koran, 2002) has suggested that it is lower socioeconomic status compulsive buyers who hit bottom sooner, and are thus impacted by the disease to a greater extent as compared with higher socioeconomic classes of compulsive buyers.

#### 3. Method

#### 3.1. Sample

An initial sample included 200 individuals who shop in Colombo, Maharagama, Nugeogoda and Kandy areas. Non random, convenience sampling technique was used to select the participants due to the difficulties. Total 185 participants responded for the direct survey questionnaire and the response rate of the study is 92.5% from the total sample selected.

#### 3.2 Instruments

Compulsivity was measured based on (O'Guinn and Faber, 1989) seven item scale(Alpha Coefficient :0.811, factor analysis :0.721) and three items were to investigate fantasy and three items (0.803, 0.649) were to evaluate the self esteem with total six questions to analyse the relationship between personality factors and compulsive buying tendency in Sri Lanka. Motivational factors: Emotional uplift (0.836, 0.780) with four items and Sales people interaction (0.752, 0.677) with four items. Consequences: Shopping card usage with two items, Credit card usage with two items and six times for post purchase guilt. Each dimension were measured using non comparative itemized scaling technique a combination of 5-point Likert-type scale ranging from 1 = "Never" to 5 = frequently and participants were instructed to state their level of agreement on each statement. According to J.C. Nunnelly (1998), the alpha of a scale should be greater than .70 for items to be used together as a scale which is accomplished by all the constructs and factor analysis shows the validity of constructed items > 0.5, indicates that considerable level of validity with the questionnaire.

			,
Items	Cronbach's Alpha Value(Reliability)	Validity (Factor ´´` Analysis)	No of items
Compulsivity	0.721	0.811	7
Fantasy	0.780	0.720	3
Self Esteem	0.803	0.646	3
Emotional Uplift	0.836	0.780	4
Sale People Interaction	0.752	0.677	4
Shopping Card Usage	0.710	0.690	2
Credit Card Usage	0.806	0.790	2
Post Purchase Guilty	0.820	0.805	6

#### Table 01: Reliability and Validity Tests Results

## 4. Data Analysis

Demographic Variable		Frequency	%
Gender	Male	82	44.3
	Female	103	55.7
Age	Between 15 to 24	43	15
	Between 25 to 34	66	23
	Between 35 to 44	53	20.6
	Between 45 to 54	15	5.2
	Above 54	2	0.7
Marital Status	Married	101	54.6
	Single	84	45.4
Individual Income	Less than Rs.15000	24	13.0
	Rs.15001 to Rs. 30000	48	25.9
	Rs. 30001to Rs. 45000 `	38	20.5
	Rs 45001 to Rs. 60000	65	35.1
	Rs. 60001 to Rs. 75000	4	2.2
	. Above 75000	6	3.2
· · · · · · · · · · · · · · · · · · ·			

Table: 02: Sampling Frame

According to the sampling frame 56% of the clothing customers are females and the 44% represent male respondents, respondents were mostly from 25-34 age category and 55% were married. 35% respondents reported that their income were Rs. 45000- Rs.60000 range.

A combination of descriptive (mean, standard deviation, distribution, bi - variant correlation), and inferential (t-test and ANOVA) analysis is undertaken. ANOVA is used to capture the impact of categorical items on certain relationships /associations with the demographic variables.

## 5. Results

The mean values for Compulsivity and dimensions are ranging 2 to 4 on scale. The neutral value on 5 - point scale was 3. i.e. Therefore, HO:  $\mu \le 3$ , H1:  $\mu > 3$  at the significant level of 0.05. the "Neither Agree or Disagree" = 3. All t values are > 1.701. Standard deviation is in the range of 0.2 to 0.8. All t statistic values are > 1.7. Therefore, the null hypothesis H0 is rejected.

		Std.	Test Value = 3 95% Confidence I	nterval
Item	Mean	Deviation	t	Sig. (2-tailed)
Compulsivity	2.501	0.7276	44.28	.000
Self Esteem	2.302	0.8926	21.94	.000
Fantasy	2.224	0.7687	22.15	.000
Emotional Uplift	2.416	0.4050	37.70	.000
Interaction with Sales People	3.3317	0.6422	47.74	.020
Debit card Usage	3.5297	0.4718	4 .89	.000
Credit card Usage	3.1757	0.2949	1.84	.000
Post Purchase Guilty	3.162	0.3267	2.38	.020

## Table 3: One Sample T – Test Statistics

Table 4: Correlation Analysis

	1	2	3	4	5	6	7	8
1.Compulsivity	1	.646(**)	.759(**)	.335(**)	.478(**)	.658(**)	.660(**)	.193
		.000	.000	.000	.000	.000	.000	.000
2.Self Esteem	.646(**)	1	.716(**)	·347 (**)	.549(**)	.633(**)	.605(**)	.235 (**)
	.000		.000	.000	.000	.000	.000	.000
3.Fantasy	.759(**)	.716(**)	1	.327 (**)	.523(**)	.858(**)	.694(**)	.456 (**)
	.000	.000		.000	.000	.000	.000	.000
4.Emotional Uplift	.335(**)	.347 (**)	.327 (**)	1	.478(**)	.658(**)	.660(**)	.205 (**)
	.000	.000	.000		.000	.000	.000	.000
5.Interaction with Sales people	.478(**)	.549(**)	.523(**)	.087	1	.585(**)	.469(**)	.654
	.000	.000	.000	.000		.000	.000	.000
6.Debit card Usage	.658(**)	.633(**)	.858(**)	.246(**)	.585(**)	1	.650(**)	.175
	.000	.000	.000	.001	.000		.000	.000
7.Credit card Usage	.660(**)	.605(**)	.694(**)	.348 (**)	.469(**)	.650(**)	1	.278
	.000	.000	.000	.000	.000	.000		.000
Post Purchase Guilty	.193	.235(**)	.456(**)	.205(**)	.654	.175	.278	
	.000	.000	.000	.000	.000	.000	.000	1

The results of correlation analysis depicts that correlation coefficient, r represents the linear relation between variables. The findings shows that Compulsivity has a significant positive relationship with Self esteem (.646, r < 0.05) fantasy (.759, r <0.05), Emotional Uplift (.335, r<0.05) Interaction with Sales people (.478, r < 0.05), Shopping Card Usage (.658, r <0.05) and Credit Card usage (.660, r <0.05). Interaction with Sales people and the emotional uplift has a weak positive relationship (0.087, r<0.05) and Post purchase guilt has a weak positive relationship with the compulsivity (.193, r <0.05).

Table 5: Association of Demographic Variables and Compulsivity : One Way ANOVA

	Age		Gender		Income		Marital Status	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Compulsivity	1.258	.145	1.189	.213	1.575	.018	1.161	.245

## 6. Discussion

The mean value of the compulsivity is 2.501 that indicates most of the respondents are rarely or some time shop due to compulsivity. Mean value for Interaction with sales people, Post purchase guilty, credit card usage and use of shopping cards are in the range of neither to agree or disagree to often (Mean Value < 3). The t statistics for all dimensions are < 1.701. That indicates there is an association between compulsivity and Personality factors: the Self esteem, fantasy. Motivational factors: Emotional Uplift and Sales people interaction. Consequences: credit card financing, shopping card usage and post purchase guilty. The correlation analysis on analysis results indicated that the significant relationship between compulsive tendency and factors other than post purchase guilty. Post purchase guilty has (r = .193) a positive but insignificant relationship. The results indicated that Sri Lankan consumers are moderately compulsive and it's growing with the increase in level of income. Further, Consumers with low self esteem tend to shop more. Emotional up lift, social relationship and sales people influences positively affect for increase the shopping tendency. The use of cards instead of cash, positively affect to become more compulsive. In this case, since our F statistic calculated, Age (.145 > 0.05) Gender (213 > 0.05) Income level (0.018 < 0.05) Marital Status (.245 > 0.05). This concludes that there is significant variability of compulsive tendency based on income levels and other demographic variable are not significantly associated with the compulsivity.

#### 7. Conclusion and Recommendations

Purpose of this study was to investigate the degree of compulsive buying tendency among consumers in clothing industry in Sri Lanka by analyzing the association of level of self - esteem, fantasy, up lift the level of emotions, interaction with sales people, and post purchase guilty and the compulsivity. The respondents in aggregate responded as "rarely" to "neither agree nor disagree" for compulsivity, personality factors: Level of self esteem, fantasy, Motivational factors: Emotional uplift. Under motivational factors interaction with sales people, credit card financing, shopping cards usage and post purchase guilty were ranked to "neither agree nor disagree" to "often" range.

The results indicated that clothing consumers in Sri Lanka are moderately compulsive and it's growing with the increase in level of income. Further, Consumers with low self esteem tend to shop more. Emotional up lift, social relationship and sales people influence positively affected for increase the shopping tendency. The use of cards instead of cash, positively affect to become more compulsivity. If at present the compulsivity is at moderate level and visibility of increase in compulsive tendency should be addressed by the business organizations when planning future strategic and tactical marketing plans. The limitations of this research were study mainly focused on the clothing industry in Sri Lanka and derived conclusion for the whole Sri Lankan context based on Sri Lankan consumers 'clothe purchasing behavior. The data gathered through a researcher administrated questionnaire and some observable behaviors of consumers were not accounted to get the real picture of compulsive tendency in Sri Lanka. The future research implications on different factor contribution and the application based on products can be provided good insight on compulsivity in Sri Lankan context. Further, the increase of compulsivity warns to Sri Lankan marketers, health institutes and to the government and the general public to be aware about the negative effect of compulsivity. Thus, marketers should concentrate on their marketing activities and sales people interaction to reduce these kinds of negative impacts of consumer behaviours.

## Acknowledgement

٤

This research paper is made possible through the help and support from everyone. Especially, please allow us to dedicate our acknowledgment of gratitude toward the our significant advisors, contributors and as well as all the our lecturers who have taught us. The product of this research paper would not be possible without all of them.

#### References

- Alex,N.J.,Raveendran,P.T. (2007).Compulsive Buying Behaviour In Indian Consumers and Its Impact On Credit Default-An emerging paradigm. International Marketing Conference on Marketing and Society.
- Ali,M.B.(2004).Relationship Between Motive, Credit card, Information, Peer And Frequency With Compulsive Buying Tendancy.University Uara Malaysia.
- Edwards,E.A.(1993).Development of a New Scale for Measuring Compulsive Buying Behavior. *Financial Counseling and Planning*, 4.
- Faber, R.J., Christenson, G.A., Zwaan, M.D., Mitchell, J. (1995). Two Forms of Compulsive Consumption: Comorbidity of Compulsive Buying and Binge Eating. *The Journal of Consumer Research*, 22:3.

Jalees, T. (2007). Identifying Determinants Of Compulsive Buying Behavior. Market Forces, 3:2.

- O'Guinne, T.C., Faber, R.J. (1992). A Clinical Screener For Compulsive Buying. Journal Of consumer Research, 19:3.
- O'Guinne, T.C., Faber, R.J. (1989). Compulsive Buying; A Phenomenological Exploration. The Journal of Consumer Research, 16.
- Shahjehan,A.,Qureshi,J.A.,Zeb,F.,Saifullah,K.(2012).The Effect of Personality on Impulsive and Compulsive Buying Behaviors. *African Journal of Business management*, 6(6), 2187-2194.
- Workman,L.,Paper,D.(2010).Compulsive Buying: Theoretical Framework. The Journal of Business Inquary,9 (1).
- O'Guinn, T. C., & Faber, R. J. (1989). Compulsive Buying: A Phenomenological Exploration. Journal of Consumer Research, Vol. 16 (No. 2), 147-157.