Unplanned Purchases: The Influence of Sales Promotions on Impulse Buying

Arpan Shrestha

Faculty Member, Butwal Multiple Campus, Tribhuvan University
Email: arpanshrestha93@gmail.com

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Abstract

This study examines the influence of sales promotion efforts on impulse buying behavior in retail stores in Nepal. It investigates various sales promotional tools deployed for FMCG and their effectiveness in triggering impulse buying. This study includes four basic sales promotional tools viz. price discount; coupon; buy one, get one free; and consumer sweepstake. These environmental stimuli are considered as independent variables to predict the impulse buying behavior of the consumers. Under the realm of deductive approach, a survey was conducted among retail shoppers using a structured questionnaire. The questionnaire was administered by 600 retail customers in Western Nepal with 550 valid responses. It was revealed that the price discounts encourage impulse buying, leading to increased spending and brand switching. Coupons, while not directly linked to impulse buying, enhance brand loyalty and may indirectly increase impulse purchases by driving in-store visits. The 'buy one, get one free' promotion shows a strong positive correlation with impulse buying due to customer excitement. Similarly, consumer sweepstakes also promote impulse buying by encouraging customers to try new products. These results highlight the effectiveness of various sales promotions in stimulating impulse buying behavior, providing valuable insights for retailers aiming to boost their sales.

Introduction

The majority of human action is prompted by stimuli. Impulsivity is described as a quick and overpowering urge to act without thinking (Piron, 1991). Impulse activities are not always unintentional; routine actions that are carried out without considering the consequences are frequently regarded as impulse. An impulse conduct is defined as acting without considering the consequences for one's actions later on. It is not only a prevalent occurrence that has been researched in the fields of marketing, psychology and consumer behavior, but also evolved into the main objective for the majority of marketing endeavors (Rook, 1987).

Parboteeah (2005) and Piron (1991) argue that the impulse buying is the result of an exposure to a stimulus causing unplanned buying. This phenomenon involves on-the-spot decision by the shopper. Researchers of impulse purchasing in sub-continent countries have observed that a number of characteristics are common among these shoppers in supermarket settings including time availability (Beatty & Ferrell, 1998), gender, mood, materialism, age, culture, availability of money, product category (Mai & Willett, 2003) and product price (Zhou & Wong, 2004).

Retailers and marketers frequently take advantage of these emotions, which are linked to the fundamental desire for rapid satisfaction (Pradhan, 2016). For example, in the case of FMCG, someone might not be explicitly searching for a soap and shampoo. To encourage impulse shoppers to purchase things they might not have otherwise thought to buy, these goods are conspicuously placed at the checkout aisles. Studies carried out in the US and the UK have demonstrated that impulse purchasing behavior is influenced by a variety of factors, including national culture, the mood and emotional condition of customers, and demographics. However, Asian markets such as China, India, Singapore, Hong Kong, Thailand, and Pakistan have all witnessed a surge in its popularity. Impulse buying is also being influenced by marketing developments such as credit cards, debit cards, online shopping, and 24-hour retailing (Pradhan, 2016).

It is revealed that the shopping habits of Indian consumers have changed, with impulse buying becoming a highly noticeable behavior as a result of the introduction of foreign goods into the Indian market, the expansion of the organized retail sector, rising disposable income, advantageous demographic segmentation, and shifting cultural and lifestyle norms (Murugannantham & Bhakat,, 2013).

An efficient sales campaign encourages customers to buy a product by raising its base value for a short period. Promotions have the benefit of encouraging consumers to consider and assess brands and potential purchases. This phenomenon demonstrates to what degree certain customers are to temptation (Vitor, Ayimey, & Gayibor, 2013). Customers are informed and reminded about the offers by the retailer's promotional activities. Designing effective offerings may be useful to draw the customer attention. The examination of impulse buying in supermarkets and retail stores could be of much interest to the manufacturers as well as retailers Clover (1950), Rook (1987), Peck and Childers (2006), and Muruganantham and Bhakat (2013). Since, sales promotion motivates customers to impulse buying behavior in shopping, this study attempts to identify how consumer sales promotion influences on customer's impulse buying behavior to FMCG in the retail stores in Nepal.

Literature Review

Since its first appearance in the media in 1950 with Clover, impulse buying has drawn significant attention from scholars (Rook, 1987). The significance of impulse purchases, particularly in the retail industry, was initially highlighted by Clover in 1950. Stern (1962) clarified that impulse buying is the act of a buyer making a purchase without having any prior plan to make the purchase.

Engel and Blackwell (1982) defined impulse buying as an act that is carried out without conscious awareness of it beforehand. According to recent studies, hedonic or affective aspects may contribute to impulse purchases (Cobb & Hoyer, 1986). The impulse to purchase is a sophisticated hedonistic inclination that may cause emotional strain. Furthermore, impulse purchases are frequently undertaken without giving their effects enough thought (Rook, 1987).

Upselling and cross-selling tactics are associated with impulse purchase (Dawson & Kim, 2009). According to Yu and Bastin's (2010), in-store Point of Purchase (POP) posters in supermarkets have a cost-effective and impulse buying effect. Immediate and persistent discount promotions help consumers make the best purchase selections by affecting both normative judgments and affective attitudes. Normative assessments can elicit affective attitudes, which are powerful predictors of impulse purchasing behavior. As a result, omni-channel businesses should prioritize creating channel cues that elicit good emotions to increase impulse purchases.

The study of Weerathunga and Pathmini (2015) recommends that retailers focus on effective sales promotion techniques, such as price discounts, free samples, and buy-one-get-one-free offers, to attract customers and increase profits, as these have a significant impact on consumers' impulse buying behavior (IBB) at supermarkets. Although loyalty programs have a moderate impact, they are necessary for persuading IBB and can assist attract customers while increasing earnings. As a result, businesses should carefully execute these methods in order to increase client engagement and drive sales.

Nagadeepa et al. (2015) emphasized the importance of sales promotion activities in creating retail marketing strategies, demonstrating how these approaches effectively attract customers and increase sales through various bargains and incentives. The study explicitly identified rebates and discount offers as the most impactful in encouraging customers' impulse purchase behavior, with loyalty programs also playing an important role. Shrestha (2018) entails that window displays, instore displays, and promotional advertising have a substantial influence on impulse purchases, however floor merchandising does not. This finding is consistent with research by Mehta and Chugan (2013), which emphasizes the significance of these visual merchandising tools. Window displays entice potential customers to visit establishments, in-store displays pique their interest and encourage purchases, and advertising signage allows for quick purchasing selections.

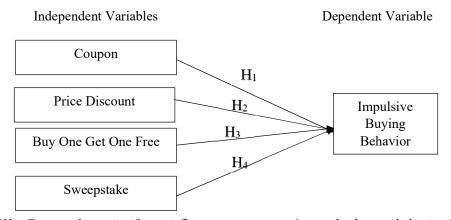
Pradhan (2016) provides valuable insights into the impulse buying behavior of consumers in supermarkets, identifying key factors such as availability of cash, consumer mood, POS terminal facilities, price, store layout, time availability, product promotion, store environment, and reference groups that significantly trigger these impulses. The findings reveal that while most of these factors influence impulse purchases, their impact can vary based on consumers' demographics.

Balakumar and Mishra (2017) observed that people are attracted to impulse buying due to the current offers, discounts, and plans provided by the garment sectors. As a result, pricing and reductions have a direct impact on impulse purchase behavior. It was also determined that younger people are more prone to impulse buying than older people since the elderly people have a different set of perceptions when judging and shopping. As a result, it was determined that there is a positive association between age and impulse buying.

Hypotheses of the Study

This study investigates the influence of coupons, price discounts, buy one get one free, and sweepstakes as the primary sales promotion techniques on customers' impulse buying behavior. Following hypotheses were tested in the study.

Figure 1
Conceptual Framework



- H1: Coupons have significant influence on consumer's impulse buying behavior for FMCG products.
- H2: Price discount have significant influence on consumer's impulse buying behavior for FMCG products.
- H3: 'Buy one, get one free' offers have significant influence on consumer's impulse buying behavior for FMCG products.

H4: Consumer sweepstakes have significant influence on consumer's impulse buying behavior for FMCG products.

Research Methods

Research Approach

Sekaran (2003) defines a deductive method as one that is used to determine and explain the features of variables of interest in a circumstance. Using the S-R model, this study investigated how environmental cues influence consumers' internal assessments and impulse purchase behavior in retail stores. Environmental stimuli include four types of sales promotions: coupons, discounts, buy one get one free, and sweepstakes. Impulse buying behavior is the dependent variable.

Research Design

The study aimed to investigate the influence of sales promotions on impulse buying behavior of consumer at retail store. This study uses a survey-based causal comparative research design. The well-structured questionnaire was produced and disseminated to the target sample. The respondents were from Western Nepal residents who bought FMCG products from retail outlets.

Population and Sample

The population of the study was all the customers of retail stores in western Nepal. Out of 600 sample, only 550 samples were returned. According to Cochran (1963), the minimum size of the sample should be 384. Only completed surveys were included to data analysis. The data were collected using judgmental sampling methods from the city of western Nepal. The sample includes of both male and female consumers from different retail outlets in Western Nepal. The sample description includes demographic details such as age, gender, income, and marital status to contextualize the respondent profile.

Data Collection

The primary data were collected using a structured questionnaire which were administered by the respondents themselves. The respondents were asked to rate each variable on a five-point Likert-type scale in the survey (Weerathunga & Pathmini, 2015).

Validity and Reliability

Internal consistency can be judged on the basis of Cronbach Alpha and factor loadings of the items (Weerathunga & Pathmini, 2015). According to Karbasivar and Yarahmadi (2011), the Cronbach Alpha coefficient was used to evaluate the scale's dependability and this technique is

used to determine the internal coordination of testing or questionnaires that measure a variety of specifications. All the variables' Cronbach Alpha coefficients were higher than the criterion of a score of 0.70 (Karbasivar & Yarahmadi, 2011).

Table 1Summary and General Profile of Respondents

Demographic Variables	No. of Respondents	Percentage
Gender		
Male	244	44.4
Female	306	55.6
Age Group		
18-25	381	69.3
26-35	99	18
36-45	39	7.1
46-55	19	3.5
56 and above	12	2.2
Marital Status		
Married	146	26.5
Unmarried	403	73.3
Divorced	1	0.2
Education Level		
Below 10	8	1.5
Plus 2	50	9.1
Bachelor	343	62.4
Master	129	23.5
Above Master	20	3.6
Annual Income		
Less than 500000	439	79.8
500001- 1000000	85	15.5
Above 1000000	26	4.7

Source: Field Survey, 2024

Data Analysis

Multiple regression model has been executed to analyze the collected data and to fulfill the study objective. The functional of model seems as below.

$$IBB = a + b_1CPN + b_2DSC + b_3BGT + b_4SWS + e_i \qquad ...(1)$$

Where,

IBB= Impulse Buying Behavior

CPN = Coupon

DSC= Discount

BGT= Bye one gets one free

SWS= Sweepstake

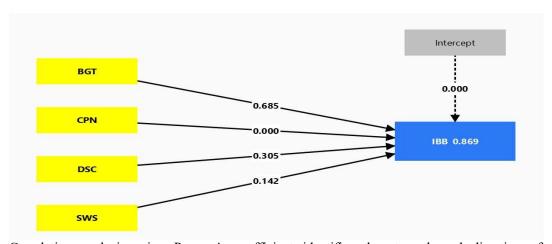
 e_i = Error

Results and Discussion

In this study, the data analysis techniques employed provide a comprehensive understanding of the relationship between sales promotion techniques and impulse buying behavior (IBB). Univariate analysis examines each sales promotion technique (coupons, discounts, buy-one-get-one-free, sweepstakes) and IBB independently using measures like mean, standard deviation, and median to assess central tendency and variability.

Figure 2

Measurement Model



Correlation analysis using Pearson's coefficient identifies the strength and direction of relationships between these techniques and IBB, revealing whether promotions positively or negatively influence impulse purchases. Multivariate regression analysis further quantifies these relationships, offering insights into the specific impact of each promotion type on IBB while accounting for other influencing factors. These techniques collectively illuminate how different

sales promotions drive consumer behavior in terms of impulsivity, contributing to a nuanced understanding of marketing effectiveness in stimulating immediate buying decisions.

Univariate Analysis of Sales Promotion Tools and IBB

The Table 2 presents a univariate analysis of sales promotion techniques and their impact on IBB (Impulse Buying Behavior). The sales promotion techniques examined are CPN (Coupons), DSC (Discounts), BGT (Buy-One-Get-One-Free), and SWS (Sweepstakes). The descriptive statistics provided include the mean, standard error of the mean (S.E. of Mean), median, standard deviation, and variance for each variable.

 Table 2

 Univariate Analysis on Sales Promotion Techniques and IBB

Descriptive Statistics	IBB	CPN	DSC	BGT	SWS
Mean	3.920	3.151	3.371	3.244	3.256
S.E of Mean	0.397	0.278	0.299	0.284	0.038
Median	4.000	3.200	3.400	3.200	3.600
Std. Deviation	0.931	0.652	0.700	0.664	0.894
Variance	0.867	0.425	0.490	0.441	0.799

Source: Field Survey, 2024

Among the factors, IBB is relatively important as seen by IBB's highest mean value of 3.920. DSC has slightly higher mean (3.371) the CPN (3.151), BGT (3.244) and SWS (3.256), among the sales promotion strategies. This implies that, in comparison to other strategies, discount may have a greater impact on impulsive purchasing behavior (Teller & Reutterer, 2008).

All variables have low S.E values, but IBB (0.397) and SWS (0.038) stands out. This suggest that the data on impulsive purchase and sweepstake responses are more consistent and less variables (Teller & Reutterer, 2008).

Since each variable's median value is nearer to its mean, the data appears to be reasonably symmetrical and free of notable skewness. Notably, SWS has the highest median (3.6), suggesting that it appeal to a little larger segment of the population than other sales strategies.

IBB has highest standard deviation (0.931), which indicates that customer's impulsive buying behavior varies significantly. SWS has the biggest standard deviation (0.894) among the sales promotion strategies, suggest that different people have different reaction to using sweepstake as promotional tools.

Variance validates the standard deviation trend. The greatest diversity is shown by IBB (0.867) and SWS (0.799), indicating varying customer perception or efficiency.

Correlation Analysis

Table 3 displays the correlation coefficients between the following five variables: budgeting (BGT), discounts (DSC), coupons (CPN), impulse buying behavior (IBB), and social well-being satisfaction (SWS). The degree and direction of correlations between variables are indicated by correlation coefficients, which vary from -1 to \pm 1.

Table 3 *Correlation Matrix*

SWS
1

^{**} Correlation is significant at the 0.01 level (2-tailed).

Source: Field Survey, 2024

According to the correlation analysis, the best promotional strategies for encouraging impulsive purchases are discounts (r=0.835) and "buy one, get one free" offers (r=0.909), which have the strongest correlations with impulsive buying behavior. Additionally, coupons have a moderately positive correlation (r=0.471), indicating a meaningful but slight influence. On the other hand, sweepstakes have a negligible negative correlation (r=-0.054), suggesting that they don't work to encourage impulsive purchases. Furthermore, discounts and "buy one, get one free" promotions have a significant correlation (r=0.821), although sweepstakes run separately from other promotions. The significance of price-based promotions in influencing customer impulsivity is highlighted by these findings.

Regression Analysis

With a $R^2 = 0.869$, the model reveals favorable explanatory power, suggesting that the independent variables represent 86.9% of the variation in impulsive buying behavior. The model's robustness is confirmed by the adjusted $R^2 = 0.868$, and its overall significance is validated by the F-statistic (F=904.895, p<0.001).

Coupons (p= 0.987, $\beta = 0$), have an extremely minor and statistically insignificant influence on impulsive buying. Coupons are a popular promotional technique, but they might not be able to effectively encourage impulse purchases because they are often associated with intentional, planned buying. Coupons' impulsive attraction may be diminished if consumers believe they are

difficult to redeem or provide little instant value. Therefore, the study concludes that there is no discernible effect of the coupon on customers' impulse purchases of FMCG goods. The study's results are consistent with those of a prior investigation by Pramanik et al. (2018), which lends credence to the finding that coupons have little to no effect on consumers' impulse purchasing tendencies when they visit retail stores.

Table 4
Regression Results

Hypothesis	IDVs	β	Std. Error	t	р
H_1	Coupon	0.00	0.0261	0.017	0.987
H_2	Discount	0.305	0.0365	11.114	0.000
H_3	Buy one get one free	0.041	0.685	23.291	0.000
H_4	Sweepstake	0.017	0.142	8.820	0.000
R=0.932	$R^2 = 0.869$	Adj. $R^2 = 0.868$	F= 904.895	p = 0.000	

Source: Field Survey, 2024

Discount has a significance value (p= 0.000, β = 0.305), suggests Impulsive buying behavior is significantly and favorably impacted by discounts. Discount significantly enhance the chance of impulsive buying, as indicated by the huge β value. In line with well-established research on price-based promotions causing impulsivity, discounts give customers the impression of instant savings and urgency, which motivates them to act swiftly to take advantage of the offer. The present study's findings supported those of the earlier investigation. According to Pramanik et al. (2018), discount encouraged families to switch and make purchases earlier than anticipated. Li and Wang, (2007) study demonstrated the same point and concluded that a discount offer would expedite a clearance sale. As well this study has also been supported by Nagadeepa , Selvi, and Pushpa (2015).

Even though the "buy one, get one free" promotion has a lower β value than discounts, it nevertheless has a significant effect on impulsive buying. Although BGT advertisements increase consumers' perceptions of value, their slightly smaller impact may be due to their suitability for specific product kinds (e.g., consumables or perishables). This implies that even while BGT works, it might not be suitable for every consumer or product category. The result of the study is similar to the previous study of Weerathunga and Pathmini (2015) and Pramanik et al. (2018) which supports the study that buy one get one free have significant influence on customers impulse purchasing. Li and Wang (2007) state that a manufacturer or marketer must use this

promotional strategy—buy one and get another one entirely free—if they want to quickly and efficiently clear out their stocks.

The effect of sweepstakes on impulsive buying is moderately significant (coefficient (β =0.017, p<0.001). They are less effective than discounts or BOGO deals, due to their low β value. Although the benefits of sweepstakes are less immediate than those of direct price-based promotions, they may nonetheless have a limited impact on customers by appealing to their enthusiasm or sense of novelty. The study's results are consistent with those of a prior investigation by Ammarray (2020), which lends credence to the finding that sweepstakes have significant effect on consumers' impulse buying behavior when they visit retail stores.

Conclusion and Implications

This study provides significant knowledge about the relationship between impulsive buying behavior (IBB) and different sales promotion strategies. Of the strategies that were analyzed—discounts, coupons, "buy one, get one free" (BOGO) offers, and sweepstakes—discounts were found to be the most effective, greatly promoting impulsive purchases. While sweepstakes had a moderate effect, BOGO offers also had a noticeable positive impact, although that was marginally less effective than discounts. On the other hand, the impact of coupons on impulsive purchasing was statistically insignificant.

These results support the idea that price-based promotions, such as BOGO and discounts, are especially good at encouraging impulse buying. While BOGO campaigns play on consumers' need for extra utility, discounts instill a sense of urgency and quick value. Even though they have a minor impact, sweepstakes are less appealing because of their delayed benefits, which depend on the novelty and excitement of possible awards. Coupons, which are frequently linked to organized purchases, did not considerably reduce impulsive behavior.

The study's findings highlight how important well-planned promotions are in promoting impulsive buying, with theoretical and practical implications for marketers hoping to shape customer behavior in retail environments.

The results of this study can be used by marketers and retailers to create more persuasive promotions that encourage impulsive buying. Since discounts are the best way to generate urgency and increase sales, especially when used in conjunction with flash sales and limited-time offers, they ought to be given top priority in promotional campaigns. Similar to this, "buy one, get one free" (BOGO) promotions can be used strategically for products like consumables and perishables where customers appreciate extra quantity. They can also effectively help clear out excess inventory. Conversely, sweepstakes ought to be employed as supplementary instruments

rather than as stand-alone tactics. Sweepstakes may be more appealing and successful if they are combined with purchase incentives, such "Buy to Enter" deals. In the meanwhile, coupons need to have their designs reassessed in order to more effectively target particular clientele. Higher perceived value and easier redemption procedures can make them more alluring and promote impulsive purchasing.

Future studies should examine the differences in sales marketing efficacy between product categories and cultural environments. Comprehending these subtleties can assist in customizing promotional tactics for particular customer segments. Studies could also look into whether promotions-driven hasty purchases result in recurring business or long-term client loyalty. Given how common online shopping is becoming, further research is also necessary to determine how digital marketing like e-coupons and customized discounts affect impulsive purchases. Marketers may improve the efficacy of their campaigns and increase consumer engagement and business profitability by matching promotional techniques with consumer behavior patterns and preference.

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