

# Understanding Impulsive and Compulsive Buying Behavior of Online Consumers

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## ABSTRACT:

*Abstract: In today's time, the usage of internet and smart phones has been rapidly growing resulting in to quick sharing of information and enabling consumers to access and share information on the go. Consumers are preferring to use online mode over the traditional method of buying goods and services. The buying patterns of the online consumers in the Fastmoving Consumer Goods sector is generally governed by personal, psychological and social factors. It can have both the traits of compulsive and impulsive buying. The aim of this paper is to identify the factors formulating compulsive and impulsive buying behavior of online buyers and to identify relationship between compulsive and impulsive buying. For this purpose, data from 516 consumers who prefer to purchase online was collected. The tools used include Exploratory Factor Analysis, Confirmatory Factor Analysis and Structured Equation Modeling. Analysis of data reveals that deal is a confounding variable for both impulsive and compulsive buying behavior. Further there exists a positive impact of impulsive buying behavior on compulsive buying behavior.*

**Keywords:** Compulsive buying, Impulsive buying, online consumers, Deal.

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**INTRODUCTION**

Technology is the e-commerce industry's backbone. It not only helps connect sellers and customers on mobile and web platforms, but also enables to effectively manage customer orders, deliveries, returns purchased goods etc. E-commerce has thus indeed been growing in popularity for the last one decade –especially under certain demographics such as millennial's and in the FMCG sector i.e. Fast-moving consumer goods sector.

According to the report published by IBEF (Indian Brand Equity Foundation) on E-Commerce in December 2018, the Indian E-Commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and smartphone penetration. For the current generation of young people ordigital natives as they are called, technology is a normal part of their daily life. Consumers and their preference for technology, allows the E-commerce industry to reach the masses like never before. Consumers are opting to buy fast moving consumer goods like Processed Foods, Beverages, Dry Goods, Prepared Meals, Cosmetics, Toiletries, Over-the-counter Medications, Candy, Fresh Food, Consumer Electronics, Clothing etc. more from E-Commerce websites than from physical stores due to ease of access to E-Commerce websites, launch of 4G networks, 24 x 7 availability, wider variety of goods and services to choose from, easy digital payment options available and effective customer care services on the website. With a shift in the buying behaviour of the consumers from traditional method to online method, it becomes necessary for the companies to study the buying behaviour of the online consumers.

Consumer buying behavior can be broadly categorized in to two forms impulsive and compulsive buying behavior which mainly consists of Problem Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, Purchase and Post Purchase Evaluation. Nowadays, the irrational buying patterns have become common due the widespread increase in the usage of smart phones and expansion in the usage of internet by the consumers. They are becoming more of online consumers.

While studying irrational consumer behaviour, one needs to understand the psychology of human beings. A person's behaviour varies according to the situation that one faces. Especially during shopping, there are times when a consumer ends up buying what is not required and there are times when he buys impulsively without any intention. Both buying patterns can be differentiated based on the factors that have an impact on the buying behavior. This paper tries to identify variables formulating compulsive and impulsive buying behavior of online buyers and relationship between the two.



**LITERATURE REVIEW**

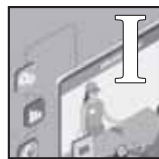
Many authors have attempted to define the syndrome of compulsive shopping and impulsive shopping. McElroy (1994) claimed that it is repetitive behavior that arises due to unhappy events, while Faber and O'Guinn (1992) defined Compulsive buying disorder as a “type of consumer behaviour

which is inappropriate, typically excessive, and clearly disruptive to the lives of individuals who appear impulsively driven to consume”. Impulsive buying on the other hand is the purchase determined by outside stimuli and is largely unplanned. According to Rook & Gardner (1993), Impulsive buying is an unintentional behavior that involves prompt decision making and propensity of acquiring the product immediately. Among the causes that determine compulsive buying and impulsive buying, we can count feelings whether positive or negative that people discover through the shopping experience. Materialism is another factor that affects the buying behavior of consumers. It is encouraged through advertising determining people to evaluate themselves in terms of what they have and how they look instead of their own abilities and values. Existing body of knowledge suggests various variables such as positive feelings, negative feelings, image management, pressure of society, affiliation, attractive deals and offers for compulsive buying behavior whereas memory management, affiliation, elevation, brand consciousness, safety and security for impulsive buying behavior were studied by different researchers. Some of them are given/ referred below:



**NEGATIVE FEELINGS**

According to Faber & Christenson (1996), compulsive buyers experience more of negative mood states more frequently prior to going to shopping. The moods of boredom, depression and anxiousness were reported as often occurring before shopping. Compulsive buying is the buying behavior that is repetitive and happens as a result of some negative feelings (Faber & O' Guinn, 1992). Compulsive buyers get temporary relief from negative thoughts which is a common factor of compulsive buying (Miltenberger et al., 2003). Compulsive purchasing leads to buying of goods or services that is either not affordable or not required. (Hoyer & MacInn is, 2007). Compulsive buying behavior counters the negative feelings like depression, stress or anxiety but this counter behavior in the long run turns into an unfavorable behavior for the society and consumers. (Edwards,1993). Negative feelings like stress and boredom in the life of people causes anxiety. Compulsive buying becomes one of the ways in which people counter anxiety. People give meaning to their life through compulsive buying (Kukar-Kinney et al., 2009). Compulsive buying is persistent and repetitive behavior that is developed due to unhappy events (McElroy 1994). Compulsive behaviors can occur due to low level of arousal like boredom, and high level of excitement like stress and anxiety (Miller 1980; Zuckerman 1979). According to Roberts (1998), the long-term effect of compulsive buying is negative as compulsive consumers deal with psychological and economic consequences including debt, interpersonal conflict, low savings, frustration, depression, anxiety and low self-esteem.



**IMAGE CONSCIOUSNESS**

There are consumers who get very conscious about their purchases. They compare it with the society. (Attiq& Azam et al. 2015). Consumers get pressurized by family, peer groups and friends. In societal and consumer psychology, social influence is the phenomenon of pressure adaptation



from such groups. (Goldsmith & Clark, 2008). Compulsive buyers believe that for happiness and success, expensive material is essential (Dittmar and Drury 2000). Many researchers state that high compulsive buying behavior is developed from peer communication, materialism, media exposure and television advertisements (Halliwell et al. 2005). According to Roberts (1998), the long-term effect of compulsive buying is negative as compulsive consumers deal with psychological and economic consequences including debt, interpersonal conflict, low savings, frustration, depression, anxiety and low self-esteem. Compulsive buyers frequently purchase appearance-related items as an attempt to improve their self-esteem (Krueger et al. 1988).

**Positive feelings**

Research on self-gifting explains that compulsive purchases are common when people experience positive moods as well as negative moods. Positive moods tend to lead to compulsive buying. For self-gifts, the common types of occurrences are to be nice to oneself, to reward oneself, to cheer oneself and to gift oneself on birthday (Mick & DeMoss, 1990). Research also suggests that self-gifts are purchased to mark and prolong positive mood states and that may be linked with such feelings. Consumers while reusing the gift, will re-experience the positive mood states (Mick et al. 1992). According to Moore 2009, people sometimes buy products that reminds them of their childhood days. Feelings of nostalgia then becomes a motivating factor for buying irrationally. A consumer when sees something that reminds him of his childhood, becomes emotional and might buy the product without any intention to buy it.

**Debt burden (not affordable still making the purchase)**

According to Edwards (1993), individuals exercise abnormal buying wherein they get addicted and spend to such an extent that leads to financial debt. There is an uncontrollable urge in the mind of the consumer to shop and purchase. This is recognized by therapists and financial counselors, who felt that uncontrollable shopping leads to financial debts. The result explains that there are five factors or dimensions that comprise compulsive buying. These factors were Dysfunctional Spending, Feelings about Shopping and Spending, Compulsion/Drive to Spend, Post Purchase Guilt and Tendency to Spend. This scale is used to understand why people become compulsive buyers that eventually land them into a financial debt. According to Gwin (2005), compulsive buying is a burden on the society. It not only harms the consumer but also the society in the form of dysfunctional families, debt and bankruptcies. According to Roberts (1998), the long-term effect of compulsive buying is negative as compulsive consumers deal with psychological and economic consequences including debt, interpersonal conflict, low savings, frustration, depression, anxiety and low self-esteem.

**Brand consciousness**

According to Sheth (1975), there can be five motives to buy a product that are functional motives, emotional motives, social motives, situational motives and curiosity motives. Functional motives focus on the performance of a product. Emotional motives focus on the comfort, style, design and

luxury of the product to satisfy emotional feelings. Social motives focus on status and self-esteem. Situational motives arise due to situational sources such as accessibility, price discounts and availability. Curiosity motives focus on innovative and new products. However, motives of the consumer may differ when buying an unbranded product or a branded product. Consumers attach meaning and personal value with the branded product (Keller, 2012). Brands play a role in searching for a consumer's self-identity i.e. it helps to reach one's ideal identity (Elliott & Wattanasuwan, 1998). Horváth & van Birgelen (2015) concluded that the compulsive buyers prefer branded products due to social and emotional motives. The motivation for compulsive buyers is that the brands make them feel good, it gives them status or make them feel fashionable.

**Social Management**

According to Moore (2009), social management includes feelings of affiliation, rebellion and social compensation. Affiliation means belonging to a certain group. So, a consumer at times in order to not feel alienated from a certain group ends up buying what is often purchased by the members of that group. Feelings of belongingness to one's community, society or a particular group become a factor of irrational buying behaviour of consumer. Rebellion becomes a reason of compulsive buying when a person buys or shops excessively without any intention, but just to take revenge. That is feelings of rebellion become a motive of buying irrationally. A consumer exercises irrational buying behaviour when he wants to make up for the feeling deprived of things others had while growing up. People therefore sometimes plan to buy things irrationally just on the basis that they want to own something that others owned in their growing up years. People shop and end up spending more than their earning capacity when they feel the need to reward them with something that justifies their hard work at workplace. Rewarding oneself becomes an important emotion while buying irrationally in the market. People feel that since they work with so much dedication and put in so much of effort that it becomes necessary to present themselves with something that makes them feel satisfied about their job. Self-identity formation includes elevation, crisis and immortality. Feelings of belonging to a group of higher status or thinking that buying things will certainly give an impression that a person is of higher stature, compels a buyer to behave irrationally while buying goods from the market. A consumer tends to buy in excess when he is in a frame of mind where he is trying to discover a new self of himself. He is facing a crisis or some upheaval, where he decides to buy more than what is required with a view to come out of that crisis. A consumer's outlook of how he will be remembered after death becomes a motivating factor for him to spend in excess, probably more than his spending capacity. A person therefore, might plan a purchase and shop just for the feeling of being remembered after he dies.

**Safety**

According to Moore 2009, people buy in excess quantity just for the sake of feeling safe. Sense of feeling secured and safe compels a person to spend more than their financial strength. People out of concern for their near and dear ones, tend to buy

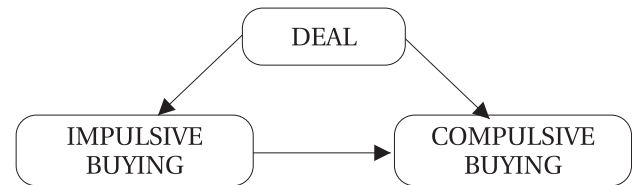
a product more than once just for the sake of making them feel secured and safe. The sense of belongingness and affinity towards ones family makes a person buy more than the required quantity of the product. This feeling of security that lands an individual in a debt burden, thus becomes a factor of irrational consumer buying behavior.

**Deal**

According to Pandey (2016), attractive deals and offers like the ones offered on seasonal and festival sales, play a significant role in compulsive buying. Many researchers state that high compulsive buying behavior is developed from peer communication, materialism, media exposure and television advertisements (Halliwell, Dittmar, & Howe, 2005). Compulsive buying can be triggered by inducing anxiety through emphasizing deals in sales promotion and advertising. (McBride, 1980; Valence et al., 1988). People buy

compulsively due to attractive online sales promotion offers (Vicdan, Chapa & de Los Santos, 2007).

According to Weerathunga & Pathmini (2015), attractive deals like price discount, free sample, buy one get one free offer, loyalty programs do have a significant impact on the buying pattern of the consumer. A consumer tends to buy without planning a purchase in advance making him an impulsive buyer, thus claiming that deal does have a significant impact on impulsive buying.



**Figure 1: Proposed Model**

**Table 1: Variables formulating compulsive and impulsive buying**

Variable	Authors
Q10 I usually spend all of my money left after paying bills each month	Hoyer & MacInnis (2007) Elizabeth A. Edwards (1993)
Q11 I feel driven to shop and spend, even when I don't have time or money	Gwin, C. F (2005)
Q12 People often think I earn more than I actually do.	Roberts (1998)
Q13 I always visit shops whenever there is an attractive display or offers	Halliwell, Dittmar, & Howe (2005) McBride (1980)
Q14 I have difficulty in controlling my urge to buy when I see a good offer.	Valence et al. (1988)
Q15 When I see a good deal, I tend to buy more than what I intended to buy.	Vicdan, Chapa & de Los Santos (2007) Weerathunga, Pathmini (2015)
Q16 I go for shopping whenever I'm upset, disappointed, depressed, or angry.	Faber & O' Guinn (1992) Edwards (1993)
Q17 I temporarily escape having to think about problems when I shop.	Kukar-Kinney et al. (2009) McElroy (1994) Miltenberger et al (2003)
Q18 I buy things even though I cannot afford them.	Miller 1980; Zuckerman (1979)
Q19 My purchases make me feel better about how others see me.	Hoyer & MacInnis (2007) Roberts (1998)
Q20 I never buy things that make me seem more successful.	Krueger (1988)
Q21 I am never jealous when friends own things I don't have.	O'Guinn and Faber (1989)
Q22 I feel more "classy" when I buy items owned by upper class individuals.	Scherhorn, Reisch and Raab (1990) Attiq & Azam (2015) Moon, Attiq & Rasool (2015) Dittmar and Drury (2000) Roberts (1998) Goldsmith & Clark (2008) Halliwell, Dittmar, & Howe (2005)



Variable	Authors
Q23 I get pleasure when I purchase during shopping.	Mick, DeMOss, & Faber (1992) Radner (2012)
Q24 I like it when people compliment my purchases.	
Q25 I feel more comfortable in public when I'm wearing something new.	
Q26 I enjoy going shopping to reward myself for hard work.	
Q27 Shopping is the one thing that I do to pamper myself.	
Q28 I buy things that remind me of my favorite role model.	Keller (2012) Elliott & Wattanasuwan (1998) Horváth & van Birgelen (2015) Hoyer & MacInnis (2007)
Q29 I buy things that reflect the person I want to be.	
Q30 A unique sense of style is important to me.	
Q31 Rather than shop for name brands, I prefer unique items.	
Q32 I am usually the first to start wearing items that later becomes fashionable.	
Q33 I cannot control myself when I start purchasing.	
Q34 Many of the things I buy, are never worn or used by me.	
Q35 When I see something I like, I buy one for someone else.	Moore (2009) Roberts (1998) Prus & Dawson (1991)
Q36 My purchases do not impact how connected I feel to people I care about.	
Q37 I feel peer pressured into buying things.	
Q38 I live by the phrase, "don't get mad, go shopping."	
Q39 I never had many possessions growing-up, and I don't need many now.	
Q40 I do not believe in working primarily to buy nice things	Moore (2009) El Hedhli, Chebat, & Sirgy, 2013 Gupta, S. (2013) Kellett, S., & Bolton, J. V. (2009).
Q41 When I find something I really like, I feel the need to buy two, just to be safe.	
Q42 My purchases somehow help me to feel safe.	
Q43 New things make me feel like a new person.	Moore (2009) Raab, G., Elger, C. E., Neuner, M., & Weber, B. (2011)
Q44 Shopping gives me hope that the future will be better than the past.	
Q45 I buy things that remind me of childhood.	
Q46 I do not shop any more than usual when my "sense of self" has been rattled.	
Q47 I think about how my possessions will be preserved after I die.	
Q48 I never think about who will care for my things after I am gone.	



**OBJECTIVES**

The objectives of the paper are mentioned below-

- To identify the factors of compulsive and impulsive buying for online consumers.
- To identify relationship between compulsive and impulsive buying for online consumers.
- To identify the effect of deal on impulsive and compulsive buying for online consumers.

Hypothesis for the study is stated below-

- Hypothesis(H1): There is a positive impact of Deal on Impulsive Buying Behavior of online consumers.
- Hypothesis(H2): There is a positive impact of Deal on Compulsive Buying Behavior of online consumers.
- Hypothesis(H3): There is a positive impact of Impulsive Buying Behavior on Compulsive Buying Behavior of online consumers.



**RESEARCH METHODOLOGY**

The study was exploratory and descriptive in nature as it tries to establish relationship between the identified factors and compulsive and impulsive buying. The study is based on both primary and secondary data. The area of present study was National Capital Region and the respondents were the ones who buy primarily through the internet. Nowadays people are buying more over the internet. Just with a click of mouse or in seconds through a smartphone, orders can be placed from various E-Commerce websites. Thus, a buyer whether compulsive or impulsive, tends to buy more because of the availability of online stores. A structured questionnaire was formulated on Google forms and its link was circulated amongst respondents through Email and data was collected on the same. Data was collected from 537 respondents after data cleaning, 516 was the final sample used for analysis. 5-point Likert scale was used for the questions (Q10 to Q48) that focused on analyzing the factors of compulsive and impulsive buying. For checking engagement of respondents Q33, Q34, Q36, Q39, Q40 and Q21 were negatively framed and reverse coding was applied to these questions for analysis purpose. The collected data was classified, tabulated and grouped under various heads for the purpose of interpretation. For analysis of data, Exploratory Factor Analysis, Confirmatory Factor Analysis and Structured Equation Modeling were employed through SPSS and Amos.



**DATA ANALYSIS & RESULTS**

**Demographic profile of the respondents**

Effective 516 respondents in the study comprises of 45.2% male and 54.8%

female. 48.6% of the respondents were between 18 and 25 years, 32.9% were between 25 and 35 years, 8.1% were between 35 and 45 years, 6.8% were between 45 and 55 years and the rest 3.3% were 55 years and above. For occupation, 29.4% were self-employed, 40.5% were doing service, 26.1% were professionals and 4.1% belonged to the others category. 22.1% of all the respondents were married, 57.6% were unmarried and 20.3% were married with kids. As far as income is concerned, 43.8% were earning between 2 lakhs and 5 lakhs, 30.4% were earning between 5 lakhs and 8 lakhs, 13.7% were earning between 8 lakhs and 11 lakhs, 8.3% were earning between 11 lakhs and 15 lakhs and the rest 3.8% were earning 15 lakhs and above. For education, 39% respondents were graduates and less, 51% were postgraduates or hold PG Diploma and the rest 7.2% belonged to the others category. As far as residential area is concerned, 28.9% belonged to North Delhi, 10.7% belonged to South Delhi, 20.5% belonged to East Delhi, 16.1% belonged to West Delhi, 23.8% belonged to NCR.

**Exploratory Factor Analysis**

The Kaiser-Meyer -Olkin measure of sampling adequacy came out to be 0.912 which are above 0.65 (the acceptable level) for the factors of compulsive and impulsive buying. This shows that the items selected for the questionnaire are appropriate. The chi-square value of Bartlett's Test of Sphericity was found significant with  $\chi^2 = 10079.518$ ,  $p = 0.000$ , for all the factors being studied. This means that the factor analysis is acceptable. The factor analysis generated six factors for compulsive and impulsive buying with eigenvalues above 1. Total variance explained for six factors is 63.413%. The Varimax rotation clubbed the items on six factors for Compulsive and Impulsive buying. They were named as Social Management, Brand consciousness, Safety & Security, Deal, Positive and Negative feelings and Image consciousness. Cronbach's Alpha values for all identified factors are shown in Table 2:

**Table 2: Rotated Component Matrix for Factors of Compulsive and Impulsive Buying**

Measurement Constructs for Compulsive & Impulsive Buying	Variables	Factor Loadings	Cronbach's Alpha
Social Management (S_M)	Q34 Many of the things I buy, are never worn or used by me.	.768	.887
	Q39 I never had many possessions growing-up, and I don't need many now.	.728	
	Q35 When I see something I like, I buy one for someone else.	.721	
	Q38 I live by the phrase, "don't get mad, go shopping."	.719	
	Q33 I cannot control myself when I start purchasing.	.672	
	Q36 My purchases do not impact how connected I feel to people I care about.	.641	
	Q37 I feel peer pressured into buying things.	.635	
Brand Consciousness (B_C)	Q29 I buy things that reflect the person I want to be.	.763	.879
	Q30 A unique sense of style is important to me.	.759	
	Q28 I buy things that remind me of my favorite role model.	.734	
	Q32 I am usually the first to start wearing items that later becomes fashionable.	.670	
	Q31 Rather than shop for name brands, I prefer unique items.	.659	

Measurement Constructs for Compulsive & Impulsive Buying	Variables	Factor Loadings	Cronbach's Alpha
Deal	Q11 I feel driven to shop and spend, even when I don't	.778	.867
	Q14 have difficulty in controlling my urge to buy when I see a good offer.	.773	
	Q15 When I see a good deal, I tend to buy more than what I intended to buy.	.687	
	Q12 People often think I earn more than I actually do.	.664	
	Q16 go for shopping whenever I'm upset, disappointed, depressed, or angry.	.639	
	Q10 I usually spend all of my money left after paying bills each month	.625	
	Q13 I always visit shops whenever there is an attractive display or offers	.566	
Safety & Security (S_S)	Q43 New things make me feel like a new person.	.734	.865
	Q42 My purchases somehow help me to feel safe.	.730	
	Q40 I do not believe in working primarily to buy nice things.	.691	
	Q41 When I find something I really like, I feel the need to buy two, just to be safe.	.686	
	Q45 I buy things that remind me of childhood.	.657	
	Q44 Shopping gives me hope that the future will be better than the past.	.654	
	Q46 I do not shop any more than usual when my "sense of self" has been rattled.	.416	
Positive and Negative Feelings (F_P_N)	Q22 I feel more "classy" when I buy items owned by upper class individuals.	.798	.821
	Q23 I get pleasure when I purchase during shopping.	.737	
	Q21 I am never jealous when friends own things I don't have.	.737	
	Q25 I feel more comfortable in public when I'm wearing something new.	.736	
	Q24 I like it when people compliment my purchases	.736	
Image Consciousness (I_C)	Q19 My purchases make me feel better about how others see me.	.754	.705
	Q20 I never buy things that make me seem more successful.	.690	
	Q18 I buy things even though I cannot afford them.	.576	
	Q17 I temporarily escape having to think about problems when I shop.	.530	

**Confirmatory Factor Analysis**

Factor structure of compulsive and impulsive buying: A CFA was conducted for the construct of compulsive and impulsive buying. The overall fit of the measurement models were assessed through fit indices such as CMIN/Df, the root means squared error of approximation (RMSEA), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI) and Normed Fit Index (NFI), GFI(Goodness of Fit Index) and IF I(Incremental Fit Index). The six factors model including Social Management, Brand consciousness, Safety & Security, Deal, Positive and Negative feelings and Image consciousness, demonstrated good fit with the data, based on the Chi Square statistics is 1300.312, Df= 386, CMIN/Df=3.369, CFI=0.891, TLI=0.877, NFI=0.852, RMSEA=0.068, GFI=0.850 and IFI=0.891. The final alternative model has been tested, the fit indices support the proposed six factor model, providing evidence for the construct distinctiveness in validity table 5.

In Table 4, average variance extracted (AVE) for Positive feelings, deal and image consciousness is less than 0.50 and construct reliability (CR) for Deal is less than 0.50, thereby not establishing convergent validity and reliability. So, after modifications final CFA model was constructed.

As given in Table 5, average variance extracted (AVE) for all constructs is higher than the acceptable limit of 0.5(Hair et al.2015). Construct reliability is as higher than the acceptable limit of lying between 0.6 and 0.7 (Hair et al.2015) Discriminant Validity is established by comparing AVE for any two constructs with the square of the correlation estimate between these constructs (Fornell & Larcker, 1981). The average variance extracted should be greater than the squared correlation estimates. Thus, CFA model establishes convergent and discriminant validity along with construct reliability.



**Table 3: Comparison of Measurement Models**

Model	Factors	CMIN/Df	CFI	TLI	NFI	RMSEA	GFI	IFI
Initial Model	Six Factors (Correlated Model)	3.873	.841	.826	.798	.075	.796	.842
Final Model	Six Factors (Correlated Model)	3.369	.891	.877	.852	.068	.850	.891

**Table 4: Validity of Initial CFA**

	CR	AVE	MSV	ASV
Image Consciousness (I_C)	0.621	0.355	0.234	0.206
Social Management (S_M)	0.888	0.533	0.424	0.278
Brand Consciousness (B_C)	0.882	0.560	0.496	0.273
Safety & Security (S_S)	0.867	0.522	0.496	0.281
Deal	0.868	0.491	0.384	0.248
Positive and Negative feelings (F_P_N)	0.823	0.483	0.199	0.064

**Table 5: Validity Table of Final CFA**

	CR	AVE	MSV	ASV
Image Consciousness (I_C)	0.729	0.577	0.304	0.201
Social Management (S_M)	0.888	0.533	0.425	0.277
Brand Consciousness (B_C)	0.882	0.560	0.496	0.289
Safety & Security (S_S)	0.867	0.523	0.496	0.278
Deal	0.865	0.567	0.379	0.265
Positive and Negative Feelings (F_P_N)	0.804	0.508	0.088	0.045

**Table 6: Confirmatory Factor Analysis: Items and Standardized Loadings**

Construct & Scale Items	Standardized Loadings
<b>Social Management (S_M)</b>	
Q34 Many of the things I buy, are never worn or used by me.	0.77
Q39 I never had many possessions growing-up, and I don't need many now.	0.69
Q35 When I see something I like, I buy one for someone else.	0.76
Q38 I live by the phrase, "don't get mad, go shopping."	0.82
Q33 I cannot control myself when I start purchasing.	0.72
Q36 My purchases do not impact how connected I feel to people I care about.	0.56
Q37 I feel peer pressured into buying things.	0.76
<b>Brand Consciousness (B_C)</b>	
Q30 A unique sense of style is important to me.	0.81
Q29 I buy things that reflect the person I want to be.	0.87
Q28 I buy things that remind me of my favorite role model.	0.84
Q31 Rather than shop for name brands, I prefer unique items.	0.61
Q26 I enjoy going shopping to reward myself for hard work.	0.59
Q32 I am usually the first to start wearing items that later becomes fashionable.	0.71
<b>Deal</b>	
Q14 I have difficulty in controlling my urge to buy when I see a good offer.	0.84
Q11 I feel driven to shop and spend, even when I don't have time or money.	0.76
Q15 When I see a good deal, I tend to buy more than what I intended to buy.	0.82
Q16 I go for shopping whenever I'm upset, disappointed, depressed, or angry.	0.75
Q12 People often think I earn more than I actually do.	0.56
<b>Safety &amp; Security (S_S)</b>	
Q42 My purchases somehow help me to feel safe.	0.78
Q43 New things make me feel like a new person.	0.62
Q40 I do not believe in working primarily to buy nice things.	0.77
Q41 When I find something I really like, I feel the need to buy two, just to be safe.	0.80
Q44 Shopping gives me hope that the future will be better than the past.	0.67
Q45 I buy things that remind me of childhood.	0.68
<b>Positive and Negative Feelings (F_P_N)</b>	
Q22 I feel more "classy" when I buy items owned by upper class individuals.	0.79
Q24 I like it when people compliment my purchases.	0.70
Q25 I feel more comfortable in public when I'm wearing something new.	0.73
Q21 I am never jealous when friends own things I don't have.	0.62
<b>Image Consciousness(I_C)</b>	
Q17 I temporarily escape having to think about problems when I shop.	0.66
Q18 I buy things even though I cannot afford them.	0.65

All factor loadings (standardized regression coefficients in Table 6) ranging from 0.56 for Q36 and Q12 to 0.87 for Q29 were highly significant and exceeded 0.5 level which is meaningful in factor analysis approach. The R<sup>2</sup> Statistic for Q38 (I live by the phrase, “don't get mad, go shopping.”) was found to be the highest (0.6724) for **Social Management**, R<sup>2</sup> Statistic for Q29 (I buy things that reflect the person I want to be.) was found to be the highest (0.7569) for **Brand Consciousness**, R<sup>2</sup> Statistics for Q41 (When I find something I really like, I feel the need to buy two, just to be safe.) was found to be highest (0.64) for **Safety & Security**, R<sup>2</sup> Statistic for Q14 (I have difficulty in controlling my urge to buy when I see a good offer.) was found to be the highest (0.7056) for **Deal**, R<sup>2</sup> Statistic for Q22 ( I feel more “classy” when I buy items owned by upper class individuals.) was found to be the highest (0.6241) for **Positive and Negative Feelings**, R<sup>2</sup> Statistic for Q18 (I buy things even though I cannot afford them) was found to be the highest (0.4225) for **Image consciousness**.

**Structured Equation Modelling**

Hypothesis(H1): There is a positive impact of Deal on Impulsive Buying Behavior (IMPB) of online consumers.

Hypothesis(H2): There is a positive impact of Deal on Compulsive Buying Behavior (CBB) of online consumers.

Hypothesis(H3): There is a positive impact of Impulsive Buying Behavior on Compulsive Buying Behavior of online consumers.

Hypothesis testing is based on estimating the proposed relationships using structured equation modeling. Output of the SEM Model is given in Figure 2. Overall fit indices for the model presented good fit with the data (CMIN/Df= 2.861, CFI=0.882, TLI=0.869, NFI=0.831, RMSEA=0.043, GFI=0.859 and IFI=0.883). Clearly fit indices lie within the limits of moderate to good fit. The results indicate that the identified factors of impulsive buying are: Social Management, Safety & Security and the identified factors of compulsive buying are: Brand Consciousness, Deal, Image Consciousness and Positive and Negative feelings.

To analyze the factors affecting compulsive and impulsive buying: Social Management, Brand consciousness, Safety & Security, Deal, Positive and Negative feelings and Image consciousness, output of regression path coefficients given in the following Table 7 needs to be examined. At 5% level of significance P values in the table indicate that all the factors are significant for compulsive and impulsive buying. Also, Deal has a significant impact on both the impulsive and compulsive buying behavior and impulsive buying behavior has also a significant impact on compulsive buying behavior. Thus, hypothesis (H1) is accepted indicating a positive impact of deal on impulsive buying, Hypothesis (H2) is accepted indicating a positive impact of deal on compulsive buying behavior and Hypothesis (H3) is also accepted indicating a positive impact of impulsive buying on compulsive buying. We can therefore say, that people buying without planning the purchase in advance i.e. the ones buying impulsively do ultimately become compulsive buyers.

**Table 7: Unstandardized Regression Weights**

		Estimate	Estimate	S.E.	C.R.	P	Result(5% Level of significance)
IMPB	<---	Deal	.493	.063	7.831	***	Significant
CBB	<---	Deal	.104	.050	2.068	.039	Significant
CBB	<---	IMPB	.509	.113	4.489	***	Significant
I_C	<---	CBB	1.000				
F_P_N	<---	CBB	.593	.175	3.385	***	Significant
B_C	<---	CBB	1.942	.342	5.678	***	Significant
S_M	<---	IMPB	1.000				
S_S	<---	IMPB	.835	.093	9.016	***	Significant
Q34	<---	S_M	1.000				
Q39	<---	S_M	.877	.079	11.058	***	Significant
Q35	<---	S_M	.958	.085	11.232	***	Significant
Q38	<---	S_M	1.202	.086	13.906	***	Significant
Q33	<---	S_M	.941	.081	11.550	***	Significant
Q37	<---	S_M	1.250	.098	12.798	***	Significant

		Estimate	Estimate	S.E.	C.R.	P	Result(5% Level of significance)
Q30	<---	B_C	1.000				
Q29	<---	B_C	.927	.051	18.014	***	Significant

		Estimate	Estimate	S.E.	C.R.	P	Result(5% Level of significance)
Q28	<---	B_C	.908	.057	16.016	***	Significant
Q31	<---	B_C	.656	.062	10.616	***	Significant
Q26	<---	B_C	.625	.063	9.949	***	Significant
Q32	<---	B_C	.644	.053	12.257	***	Significant
Q14	<---	Deal	1.000				
Q11	<---	Deal	.897	.077	11.603	***	Significant
Q15	<---	Deal	1.021	.084	12.134	***	Significant
Q16	<---	Deal	1.033	.081	12.802	***	Significant
Q42	<---	S_S	1.000				
Q43	<---	S_S	.857	.077	11.067	***	Significant
Q40	<---	S_S	1.037	.086	12.095	***	Significant
Q41	<---	S_S	1.271	.092	13.825	***	Significant
Q44	<---	S_S	1.203	.098	12.236	***	Significant
Q45	<---	S_S	1.002	.088	11.425	***	Significant
Q22	<---	F_P_N	1.000				
Q24	<---	F_P_N	.816	.074	11.096	***	Significant
Q25	<---	F_P_N	.807	.075	10.823	***	Significant

		Estimate	Estimate	S.E.	C.R.	P	Result(5% Level of significance)
Q21	<---	F_P_N	.763	.077	9.856	***	Significant
Q17	<---	L_C	1.000				
Q18	<---	L_C	1.551	.234	6.617	***	Significant

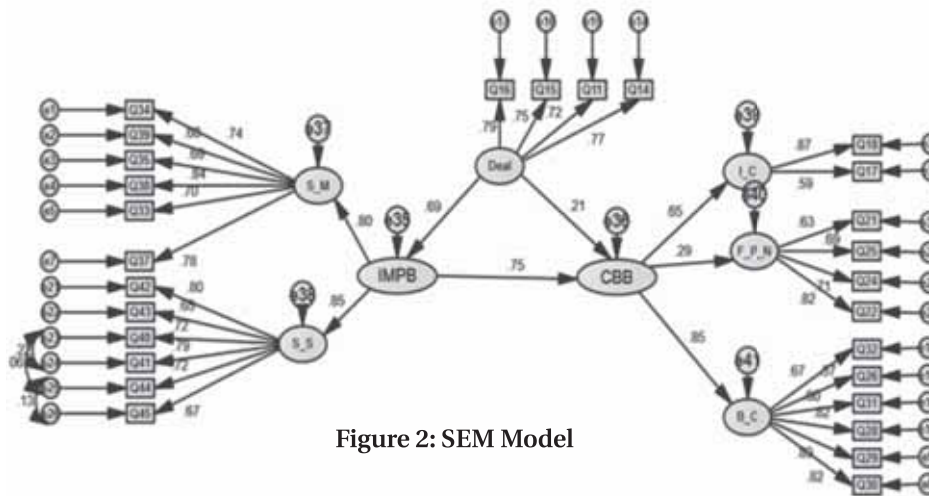


Figure 2: SEM Model



**CONCLUSION**

The expansion of E-Commerce industry due to increase in the bandwidth offered, affordable data charge by internet companies, cheap smart phones being manufactured in the market, has brought a shift in the buying pattern of the consumers. People are moving from traditional method to the online method of buying goods and services. From soaps,

apparels, cosmetics, books, jewellery to software, smartphones, hardware, accessories etc., individuals are buying almost everything on the internet. Thus, the irrational buying behavior of consumer i.e. Compulsive buying and Impulsive buying is being exercised even on the internet.

The paper focused on analyzing the reasons that affect the irrational buying behavior of online buyers of goods and



services. Through literature review, various factors affecting compulsive and impulsive buying like negative feelings, positive feelings, deal, emotion management, brand consciousness etc., were identified. But after analyzing the responses collected through a structured questionnaire, it was found that the factors namely, social management, deal and safety & security highly impacted impulsive buying and factors namely image consciousness, brand consciousness, deal and positive feelings highly impacted compulsive buying behavior online buyer. Deal is a confounding variable for both compulsive and impulsive buying, thereby helping in establishing the fact that there exists a positive relationship between impulsive and compulsive buying. Impulsive buying which is largely unplanned does get affected by attractive

deals, offers and discounts offered to the online consumers. Since the country is experiencing a boom in the E-Commerce sector therefore, many attractive offers, discounts and deals are being offered on E-Commerce websites thereby compelling buyers to shop in an unplanned way. When a buyer starts buying impulsively, they tend to develop a habit of irrational buying whenever an attractive offer is displayed on any shopping platform or website. Thus, an impulsive buyer starts to plan his purchases based on the deals and offers. They ultimately become a compulsive buyer who plans irrational purchases. Hence, it can be said that deal has largely become one of the reasons why an impulsive buyer becomes a compulsive buyer and starts to behave more irrationally when it comes to buying goods through E-Commerce websites.

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