

Impulsive Buying, Post-purchase Regret, and Credit Card

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Abstract. Impulsive buying is an unplanned purchase and is coloured by a strong urge that is difficult to resist buying suddenly. It is usually triggered by external conditions when dealing with products, accompanied by the arising of pleasant and passionate feelings with the consequences of anxiety, regret, and sometimes debt as well. It is suspected that it has something to do with the use of credit cards. This study was conducted in 249 early adult women aged between 18 and 22 years. The research method used is a quantitative survey with convenient sampling. A linear regression test is used for data analysis. The results showed a relationship between the three variables, in a positive direction. The higher the tendency to use credit cards, the higher the impulsive buying, and the higher the post-purchase regret that results. The practical implication of this research is the importance of discount as a promotional tool, in addition to the product's appearance and store atmosphere. Credit cards are one of the functional strategies that offer practicality, convenience, and safety for consumers. Although the use of credit cards facilitates the payment process, consumers should be wiser in using them, given the possibility of increased impulsive buying and post-purchase regret that can arise.

Keywords: *Impulsive buying, post-purchase regret, credit card.*

1. INTRODUCTION

The economic growth of a country influences the lifestyle of its people, including the pattern of shopping. Increased economic growth in Indonesia has made people prefer to do daily necessity shopping transactions in modern retail outlets that are self-service compared to traditional outlets (www.kppu.go.id). Changing patterns of Indonesian public spending into a business opportunity in the modern retail business.

People turn into consumers who "love shopping" and consider shopping as a means of recreation, so that modern retail businesses begin to glance because it is known as a business that has positive cash flow. Consumers tend to pay in cash, while retailers pay Rp. 297.76 trillion, with the dominance of spending for Rp. 288.91 trillion [3].

Research from Khare [4] concluded that credit cards

suppliers on credit. Marketers or retailers must implement a variety of strategies in their stores that can make consumers spend their maximum money while shopping [1]. To win the competition between outlets, each retailer seeks to provide various stimuli, such as arranging products and the physical environment in such a way as to be attractive, making attractive sales promotions, including providing credit card payment facilities to provide more comfort to consumers, while increasing the possibility to shop more for those who don't carry enough cash. Data from Bank Indonesia in 2015 the use of credit cards reached 10-12 percent of purchase transactions with total transactions reaching 281.31 million times with a value of Rp. 280, 54 trillion [2]. In 2017 the value of credit card transactions reached

allow consumers to show their status to others and communicate one's position in society. Ease of making transactions makes one need not worry when shopping

if you do not carry or do not have cash, because he can still make purchases with a credit card.

When visiting places to shop, consumers tend to make purchases that are not planned before. The work done by each individual when making decisions in buying activities is different from one purchase to another. Sometimes decision making is done spontaneously, with little information, and low involvement. This type of unplanned purchase is referred to as impulsive buying [5]. Impulse is a sudden desire to behave in a certain way. This happens when individuals do something more emotionally based than based on reasoned analysis Hoyer & MacInnis [6] defines impulsive buying as a purchase that occurs when a consumer suddenly decides to buy something that was not planned to be bought before. Impulsive buying is part of the pattern of consumer purchases in which purchasing decisions are made while in a store and at that moment consumers experience a sudden immediately Belk, 1995 in [7]. Rook in [8] states that the difference between impulsive buying and rational buying is the presence of an increased emotional factor, an urge to consume, and a psychological tendency to make an immediate purchase. Impulsive purchases usually involve high emotional responses and occur without a plan [9].

After making a purchase, consumers will evaluate the goods that have been purchased. The evaluation process will determine whether someone is satisfied with the items purchased or not. Consumers want to convince themselves that the product purchased can solve problems and can satisfy their needs [10]. It is not uncommon for consumers to compare products they have purchased with products they did not buy. Comparisons

between these products can cause a psychological condition known as cognitive dissonance or post-purchase regret [11]. Regret can occur when consumers

compare the results of products that have been purchased with the results of products that might be obtained if consumers buy other products (Bell, 1982; Tsiros & Mittal, 2000 in [12]).

One of the characteristics that can influence post-purchase regrets is impulsivity. Consumers who make impulsive purchases tend to feel regret towards the choices made compared to consumers who do not make impulsive purchases. This is due to the lack of effort to search for information during the decision-making process, due to the dominance of the emotional element compared to the rational element [13]. Research from Saleh [11] shows that unplanned purchases have a positive effect on post-purchase regret, with a stronger intensity on low-income consumers compared to high-income consumers. Sales promotion is not significantly positively related to unplanned buying, while bank card payment has a positive effect on unplanned buying. Research from Arslan [14] found that comfort and image factors on the use of credit cards have an impact on impulsive buying.

2. METHODS

The research data were obtained directly from distributing questionnaires. They use credit cards in purchasing fashion products. Sampling using convenient sampling techniques. All items are measured using a Likert scale, ranging from 1 to 4. Impulsive buying is measured based on 7 dimensions from Beatty & Ferrel [15]. The number of items is 21 items. Post-purchase regret will be measured by 16 questionnaire items adapted from Lee & Cotte's [12] study. Credit card payments are measured by 4 items questionnaire adapted from Mahmoud Saleh [11]. Data were analysed using simple regression analysis techniques

3. RESULT

Table 1. Sample Frame of Respondents

Group	Particulars	Frequency	Percentage
Age	18–19	49	19.6
	20–22	200	80.4
Job	Student	215	86.3
	Employee	34	13.7
Expenditure	Up to IDR 500.000	93	37.3
	IDR 500.001-1.000.000	95	38.1
	IDR 1.000.001-2.000.000		
	IDR 2.000.001-3.000.000	37	14.9
	Above IDR 3.000.001	12	4.8
Having plan before buying	No	163	65.5
	Yes	86	34.5
Item to buy	Clothes	154	75.9
	Shoes	71	35
	Skin care	7	3.4
	Bags	19	9.4
	Accessories,	89	43.8
Factors driving unplanned buying	Others	6	3
	Discount	197	33.3
	Price	136	23
	Product display	124	21
	Needs	114	19.3
	Store atmospher	13	2.2
	Others	7	1.2
Emotion after buying	Happy	216	59.5
	Excited	121	33.3
	Ordinary	21	5.8
Buy immediately when viewing the desired item	Yes	126	50.6
	No	104	41.8
Reasons not to buy right away	Depends on the condition	19	7.6
	Budget		
	Adjusting needs	43	34.1
	Price consideration	21	16.7
	Rethinking	16	12.7
	Consideration of function	8	6.3
	Compare with other stores or products	4	3.2
	Quality considerations	4	3.2
	Looking for references		
	Depends on mood	3	2.4
No reason	2	1.6	
Reasons to buy right away	Fear of thinking when not buying	2	1.6
	Fear of running out of goods	23	18.2
	Like the product	25	24
	Out of necessity	17	16.3
	Having budget	15	14.4
	Want to buy	10	9.6
	Interesting	10	9.6
	To be satisfied	6	5.8
	There is a promotion	3	2.9

Spend a lot of time when shopping	Yes	2	1.9
	No	1	1
Reason for answering yes	Sometimes	174	69.9
	Compare before buying	66	26.5
Reason for answering no	Love shopping	9	3.6
	Consider before buying	59	33.9
Considerations before making a purchase	Others	47	26.9
	Already feel suitable	29	16.7
Factors that determine satisfaction when buying a product	Don't like shopping too long	39	22.4
	Already determine the items to be purchased	18	27.3
Information sought before making a purchase	Nothing	18	27.3
	Others	8	12.1
Which is preferred as a means of payment	Product price	8	12.1
	Product function	22	33.3
Reasons to prefer credit cards	Product durability	203	36.4
	Comparing with other products	128	23
Reasons to prefer paying cash	Nothing	122	21.9
	The decision making process before buying	93	16.7
Reasons to prefer credit cards	Product function	11	2
	Comparing with other similar products	180	45.1
Reasons to prefer paying cash	Time required	146	36.6
	Others	46	11.5
Reasons to prefer credit cards	Product price	11	2.8
	Product brand	16	4
Reasons to prefer credit cards	Product specification	188	29.5
	Product function	122	21.9
Reasons to prefer credit cards	Comparing with other products	119	18.7
	Nothing	94	14.7
Reasons to prefer credit cards	Credit card	93	14.6
	Cash	22	3.5
Reasons to prefer credit cards	Depends on the condition	124	49.8
	Practical	113	45.4
Reasons to prefer credit cards	As an alternative	12	4.8
	There is a promotion	65	52.4
Reasons to prefer credit cards	Others	15	12.1
	Spending is more controlled	3	2.4
Reasons to prefer credit cards	Practical	31	25
	More flexible	40	35.3
Reasons to prefer credit cards	Secure	16	14.2
	No charge	9	8
Reasons to prefer credit cards	Others	2	1.8
	Others	2	1.8
Reasons to prefer credit cards	Others	42	37.1

Table 2. Hypothesis Testing Results

	R ²	Stdβ	Unβ	SD Error	T	P
Credit card with impulsive buying	0.418	β ₂ = 0.647	unβ ₂ = 2.318	Sβ ₂ = 0.174	13.322	0.000
Credit card with post-purchase regret	0.146	β ₁ = 0.174	unβ ₁ = 0.540	Sβ ₁ = 0.240	3.191	0.025
Impulsive buying with post-purchase regret	0.146	β ₁ = 0,246	unβ ₁ = 0.214	Sβ ₁ = 0.067	2.250	0.002

4. DISCUSSION AND CONCLUSION

The result of the study showed that there is a significant relationship between credit cards with impulsive buying, and impulsive buying also has a significant relationship with post-purchase regret. The higher the use of credit cards, the more impulsive buying they eat, followed by the increasing post-purchase regret. Most respondents have a high level of impulsive buying, credit card use, and post-purchase regret too. The factor that most causes consumers to do impulsive buying is discount as an effective form of promotion that can attract the attention of consumers and encourage them to buy the products offered. Besides the price of goods, product appearance, needs, and store atmosphere also encourage consumers to do impulsive buying. Mowen and Minor (2001) in [16] found that most respondents make purchases more because they like to buy goods rather than needing so that the purchase is unplanned and the purchase choices are made right away because of strong positive feelings about an item. Most respondents feel happy when shopping, as is the characteristic of impulsive buying according to Jeon (1990) in [15], that is feeling happy, happy, and enthusiastic that causes someone to be generous to respect themselves. Consumers feel as if they have more freedom to act, and will produce behaviours aimed at maintaining positive feelings in the form of shopping. The availability of time also affects someone to make impulsive purchases.

According to Zimmere and Scarborough [17] comfort is a factor that is highly expected by consumers when shopping. Payment using a credit card provides its convenience, because of the convenience it offers. The reason for using a credit card is because it is considered practical and can be an alternative when consumers do not bring cash. While some respondents prefer to use cash, even though they have a credit card because they are more able to control spending. The use of cash can occur felt more "pain" because consumers give a portion of "his property", which is not experienced

when used is a credit card. When the use of credit cards becomes uncontrolled, there will be feelings of regret in consumers after making a purchase. One of the things that causes this feeling is that impulsive buying has been done. A significant positive correlation between these two variables proves this. Regret is influenced by two factors, namely disposition and situation factors. Disposition factors that influence remorse are self-esteem, social comparison, doubt, age, sex, and impulsivity [13]. While the situation factors include a sense of responsibility for the choices made, a gap between expectations and reality, choices between brands and prices, type of purchase, time in decision making, store service, involvement, and the existence of choices for other products.

After making a purchase, the consumer will conduct an evaluation, which will determine whether or not someone is satisfied with the product that has been purchased. In this study, it was found that the factor that most determines a person's satisfaction with the product that has been purchased is the function of the product itself, as well as a comparison with other products. Post-purchase outcome regret is a comparison of an individual's assessment of the results of what has been purchased and what might be bought. Whereas the post-purchase process regret arises when individuals compare poor decision-making processes with better decision-making processes that are possible [12].

Most respondents (68.3%) experienced post-purchase outcome regret. Regret can occur because consumers feel sorry for not choosing another product, after evaluating the results by comparing what they have got with what they should be able to get [18]. The most sought after and considered information before consumers make a purchase is the price of the product, as well as the brand. Simonson [19] found that there is a two-way relationship between regret and choice between brand and price. Consumers tend to choose expensive products from brands that are already known to avoid feelings of regret.

From the discussion above it can be concluded that the credit card will encourage someone to do impulsive buying, because of the practicality, convenience, and ease of payment methods offered. This is in line with research from Saleh [11] who found that credit cards will encourage someone to make an impulsive purchase. Arslan [14] also found that comfort and image factors when using credit cards had an impact on impulsive buying. After making a purchase, consumers who make impulsive buying will tend to feel post-purchase regret, due to lack of consideration before deciding to make a purchase [20]. Wood [21] who conducted a literature review of this relationship concluded that impulsive buying encourages someone to feel sorry and angry.

From the marketing perspective, this research has practical implications in the form of the importance of giving discounts as the most effective promotion to enable purchases, considering the price of goods is the factor most considered by consumers. Another thing to consider in marketing characteristics is the appearance of the product and the atmosphere of the store. A credit card payment facility is one of the company's functional strategies that offer practicality, convenience, and security for consumers. From the consumer side, especially credit card users can be warned to be more careful in using credit cards, to prevent impulsive buying and the emergence of post-purchase regrets.

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