

An analysis of compulsive buying behavior: Questioning the role of marketing campaigns

Moin Ahmed Moon
Lecturer, Air University Multan Campus

Hassan Rasool
Assistant Professor, Pakistan Institute of Development Economics

Saman Attiq
Assistant Professor, International Islamic University, Islamabad, Pakistan

Abstract

This study defines the concept of compulsive buying behavior on the basis of available research as a buying behavior that is continuous and repetitive and it is stimulated in result of some negative feelings or events. Then it highlights the significant predictors of compulsive buying behavior discussed in literature by different authors. Study also incorporates the role of marketing practices play in compulsive purchasing of a consumer. This study adopts a qualitative content analysis approach. Only journal articles are included in analysis. Study questions the role of marketing campaigns polices and strategies in promotion of compulsive buying behavior. This study underlay's some reservations on the ethicality of the marketing campaigns. Future recommendations are also discussed in the end.

Key Words: Compulsive Buying Behavior, Marketing Campaigns, Ethicality.

Introduction

Buying different products and services is part of daily life of a common person. The lack of ability to overcome an overwhelming impulsion to purchase, characterizes the buying behavior of compulsive purchasers and it often leads to significantly severe outcomes. Compulsive buying behavior has negative consequences as recent research in this area has highlighted an issue of college students debt caused by this behavior. A lot of recent researchers argue that extreme use of credit cards by students (Lo & Harvey, 2011), continuously rising intensity of academic pressures (Roberts & Roberts, 2012), misuse of credit cards (Palan, Morrow, Trapp, & Blackburn, 2011), high debt ratio of credit cards among students (Joireman, Kees, & Sprott, 2010; Brougham, Lawson, Hershey, & Trujillo, 2011) and self management plans relating financial issues (Pham, Yap, & Dowling, 2012) are some of the negative costs associated with compulsive behavior. A compulsive purchaser does not accumulate the utility out of the product or the service purchased rather derives the utility from the mental or psychological satisfaction gained from purchasing process. The phenomenon of compulsive buying behavior has been an area of interest for researchers for last twenty years or so. Research has described negative consequences of compulsive buying behavior for an individual and for whole society (Weaver, Moschis, & Davis, 2011; O'Guinn & Faber, 1989).

Research illustrates that consumers who purchase compulsively indulge themselves in huge amounts of debts that causes emotional and economical problems for them and their families. If they are unable to pay off their debts then the problems increase for creditors. Therefore, it is important to comprehend and work out different systems or mechanisms of intervention for compulsive buying behavior. Literature has also describes the role played by marketing plans, campaigns and policies in endorsement of compulsive buying behavior. Research considers this role as danger that may increase this sort of behavior. This study takes up a qualitative method and uses content analysis technique for reviewing available literature on compulsive buying behavior. In this study, first we focus on conceptually defining the phenomenon of compulsive buying behavior on the basis of available literature. Then we will explore the possible causes of indulging into compulsive buying and in the end study walks around the precursors of compulsive buying behavior. In the end this study discusses the catalyst role of marketing campaigns in this problem behavior.

Defining Compulsive Buying Behavior

We have diverse views about compulsive buying behavior when it comes to available literature. Some researchers consider it disorder whereas some of them think of it as a motivator. Compulsive buying as an idea has been defined in plethora of literature as a buying behavior that is continuous and repetitive and it is stimulated in result of some negative feelings or events (O'Guinn & Faber, 1989). Compulsive purchasing leads to acquisition of quantities that are either not required or not affordable. (Hoyer & MacInnis, 2007).

The concept of compulsive buying has been theorized as a response or answer to the void created in the life of the people. People try to fill the void and lack in the life, which creates a negative feeling, through buying of material possession and through compulsive buying. This spending through compulsive buying grants the

individuals power and control over life (Faber & O'Guinn, 1992; O'Guinn & Faber, 1989). Negative feelings in the life of people such as boredom and stress also cause anxiety in the life of people. People try to address the anxiety through compulsive buying. Through this compulsive buying, people tend to grant meaning to their life (Faber & O'Guinn, 1992). Some people have low self-esteem, which tends to cause dissonance between their idea and actual life. People try to boost their self-esteem by engaging in compulsive buying, as material possessions tend to increase worth and purpose of the life of the people (Scherhorn, 1990).

It can be concluded that compulsive buying is used to alleviate the negative feelings which may afflict people (Faber & O'Guinn, 1988). Compulsive buying is a process which positively affects the people. People do not generally tend to engage in compulsive buying to possess the material possessions and products. The process of engaging in consumption and buying has therapeutic effects upon the people, which tend to alleviate the adverse effects of negative feelings in them. (Faber & O'Guinn, 1988; Hassay & Smith, 1996; O'Guinn & Faber, 1989). It can be concluded that people are motivated by a very strong and irresistible urge to engage in compulsive buying (Yurchisin & Johnson, 2004).

Why consumers purchase compulsively?

In the past few decades, researchers have mostly focused on linking compulsive buying to different personality traits (Shoham & Brencic, 2003). Numerous researchers have identified different characteristics of compulsive buyers including; a high inclination towards fantasizing and a low self-esteem, valuing materialism, higher levels of obsession, anxiety and depression along with disappointment, frustration and stress (Faber & O'Guinn 1989; Faber, 1988; Valence, d'Astous, & Fortier, 1988; Scherhorn, 1990; J. Roberts, A. & Jones, 2001; Koran, Faber, Aboujaoude, Large, & Serpe, 2006; O'Guinn, 1992). Among these characteristics researchers have mainly focused on an ability to fantasize in compulsive buying behavior. By fantasizing an individual escapes from a negative feeling and focus on individuals own accomplishment and societal acceptance (O'Guinn & Faber 1989). Fantasies in compulsive buying aims to review expected positive outcomes and avoid negative problems. Neuner, Raab, and Reisch (2005) suggested that when an individual is not able to meet his/her safety and security needs, they emphasis more on materialistic values and desires that translates buying as a source to claim status or rise in his/her need (Neuner, Raab, & Reisch, 2005).

1. Anxiety:

Furthermore, Valence, d'Astous, & Fortier, (1988) argued that when anxiety activates impulsiveness during buying it encourages consumer to lessen stress by engaging him/herself in compulsive buying behavior. Thus, we can say that motivational factors that engage a buyer in buying compulsively, are to avoid anxiety, to reduce stress and ultimately make oneself happy (Roberts, & Jones, 2001; Roberts & Pirog, 2004). Anxiety or stress experienced by a consumer is taken as cause as well as an effect of compulsive buying behavior.

Roberts & Pirog, (2004) argued that compulsive buying behavior is not an attempt to diminish the level of stress rather it is a way of or is mean achieve a person's own objectives. This is associated with the low level of self-respect in compulsive purchaser where extrinsic goals reflecting personal insecurities generally determine the goal systems (Kasser, 2002). Compulsive buying behavior is promoted by the goals that stress upon others approvals and rewards that are extrinsic including goals like to appear attractive concerning their clothing and fashion (Roberts & Pirog, 2004).

2. Appraisal:

In a consumer culture where it is believed that a consumer can purchase sense of security and welfare, compulsive buying serves as a temporarily repairs of an individual sense of self-worth and provides an emotional boost (d'Astous, 1990; Roberts & Pirog, 2004). As a result, on a larger scale compulsive purchasing behavior can be examined as an objective intended behavior that is aimed at boosting consumer's self-esteem (Roberts & Pirog, 2004). Prior researches illustrated that the women who showed compulsive tendencies tend to spend more on cosmetics and clothing and they pay more importance to attractive appearance as compare to men (Roberts & Pirog, 2004) that suggests that main reason for women making compulsive purchasing, is a desire to look attractive. Hence it is concluded that, the consumers who are victims of low self esteem show compulsive buying behavior as a way to gain social acceptance and appraisal that results in emotional boost (Hoyer & MacInnis, 2007).

Precursors of Compulsive Buying Behavior

It has been theorized by Valence, d'Astous, & Fortier, (1988) that two major factors affect the choice for compulsive buying by inducting a general state of anxiety among the people. The two pronged factor theory consists of: 1) factors which originate from the social and cultural values and norms of a given society 2) the particular psychological traits of a person and his/her personality. Some researchers (McBride, 1980) have noted that advertising create a society where the sense of achievement among individuals is associated with their material consumption and possessions. These forms of marketing manipulate the emotional state of the individuals and instate in them a desire for consumption, which does not result from a rational considerate choice made by the individual. To add to it, some researchers such as Shoham & Brencic, (2003) argued that other extraneous factors such as age and gender of an individual also affect the impulsive choice made by them to

consume and buy. Individuals in a society are trained to think that their consumption will raise their social status (Roberts and Jones 2001). On a downside such unplanned and impulse acts of consumption by the individuals may lead to unintended adverse consequences such as credit default and buying of credit which could not be repaid by the individual within its economic standing (Phau & Woo, 2008). The context of one's spatial location in proximity to such centers of commercial spending also increases the chances of unplanned irrational spending (Valence, d'Astous, & Fortier, 1988). It should be stated over here that most of such research focuses on developed countries, however some research has also been done on the buying patterns of individuals in third world developing countries, where the individuals are affected by the rampant western commercially induced consumption habits (Neuner, Raab & Reisch, 2005).

Compulsive buying behavior and marketing campaigns

Along with studying the concerns highlighted by researchers Hoyer & MacInnis (2007), this paper also studies the ethical dilemmas introduced by such marketing techniques which induce rampant, irrational consumer spending. There is limited empirical evidence on this phenomenon but it has been noticed that by false advertisements and fake promises of easy credit, the individuals are induced to spend in patterns which are ethically questionable. A study conducted by O'Guinn & Faber (1989) discovered that female impulse buying is concentrated on cosmetic industry products as well as gift buying for others of significant value. Such purchases are often induced by the complimentary remarks given by the sales team to the individual. Such remarks boost the self worth of the individual, forcing him/her to make the decision of purchase (Hoyer & MacInnis 2007). Individuals engaging in compulsive buying are also concerned about the return policy of the store (Hassay & Smith, 1996). Roberts & Jones (2001) have noticed that advertisers create a desire in the consumers to engage in buying, making them believe that consumption and buying would grant them social stature and power. Some of the advertisers have also appealed to shopping as a form of therapy which reduces the tensions borne by the individuals (Roberts & Pirog 2004). Compulsive buying is also affected by the promise of premium which may be added to their purchase (Prendergast, Tsang, & Poon, 2008; d'Astous & Jacob, 2002). It has been noted that extraneous stimulus such as bargaining and reduced prices also engage a consumer in compulsive purchasing (Rajagopal, 2008). Stores also tend to create such external stimuli within the premises of the stores by creating particular patterns of display and sites of visual advertisement (O'Guinn & Faber 1989). It has been noted that consumers feel aroused by the particular sights and associated sounds in the store, which have been created by the in-store advertisers. It has also been suggested that a sense of premium associated to the product along with the in-store decoration induces the consumer to engage in compulsive buying (d'Astous & Jacob, 2002). Faber and O'Guinn (1988) have argued that a particular type of feel-good virtual reality created by television advertisement makes the individuals feel that the real world is synchronous with the reality depicted by television advertisement. People watching such advertisements compare their social situation to that depicted on television and believe that their spending patterns would place them in similar social position.

A research conducted by Shoham and Brencic (2003) have showed that a positive environment through advertisement created inside the store by the store can result in creating a desire for provoking a desire for compulsive buying in the heart of the individual. The research also identified that to make the marketing strategy more effective, companies divide the market according to segments such as age, gender etc. Marketing techniques are further perfected according to the segmented market. Prendergast, Tsang & Poon, (2008) further identified the role of the high visibility and particular placements of products in a store which provides more incentive for the people to engage in impulsive buying. Negative emotions play a keen and important role in inducing the consumer to engage in such compulsive buying (O'Guinn and Faber 1992) as such consumption and spending pattern provide the person with a feeling of power, self-satisfaction and self-worth (Prendergast, Tsang & Poon, 2008).

Ethicality of marketing campaigns and compulsive buying behavior

The above instances of marketing techniques, strategies and campaigns mentioned in literature raise ethical considerations. It is to be considered whether the companies are ethically and morally justified in using such techniques which exploit the emotions and feelings of the consumers? The drafters of social policy should ensure that such exploitation of the people and consumers is limited and does not turn into a social issue, where companies manipulate the people for their profit.

Future Recommendations

From such discussion concerns emerge that companies carry the potential of possible exploitation of the people. These concerns can be further listed as: First, research should examine the role played by marketing in making the compulsive buying choices of the consumers. Research of such nature would provide evidence for the impact of marketing upon the compulsive buying behavior of the people. Second, empirical research should be conducted to record the role such marketing plays in the compulsive buying behavior of the people. Lastly, research to be conducted in future should not be of exclusively western markets but should extend to other underdeveloped countries and markets. Huge growth in consumer behavior is recorded in countries like Brazil, Russia, India and China. The role of such marketing techniques in conditioning consumer spending behavior

should be studied. It can be expected that compulsive buying is in a growth and early stage in such economies. If such a problem is discovered in these markets, then an early intervention may be able to contain the adverse impacts of such compulsive buying behavior in these markets.

References

- Brougham, R. R., Jacobs-Lawson, J. M., Hershey, D. A., & Trujillo, K. M. (2011). Who pays your debt? An important question for understanding compulsive buying among American college students. *International Journal of Consumer Studies*, 35(1), 79-85.
- d'Astous, A. (1990). An inquiry into the compulsive side of normal consumers. *Journal of Consumer Policy*, 13, 15-31.
- d'Astous, A., & Jacob, I. (2002). Understanding consumer reactions to premium-based promotional offers. *European Journal of Marketing*, 36(11/12), 1270-1286.
- Faber, R. J., & O'Guinn, T. C. (1988). Expanding the view of consumer socialization: A nonutilitarian mass-mediated perspective. In E. C. Hirschmann & J. Sheth, N. (Eds.), *Research in Consumer Behavior* (Vol. 3, pp. 49-77). Greenwich, CT: JAI.
- Faber, R. J., & O'Guinn, T. C. (1992). A Clinical Screener for Compulsive Buying. *Journal of Consumer Research*, 19(3), 459-469.
- Ger, G., & Belk, R. W. (1996). I'd like to buy the world a coke: consumptionscapes of the less affluent world. *Journal of Consumer Policy*, 19(3), 271-304.
- Gilbert, D. C., & Jackaria, N. (2002). The efficacy of sales promotions in UK supermarkets: A consumer view. *International Journal of Retail and Distribution Management*, 30(6), 315-322.
- Hassay, D. N., & Smith, M. C. (1996). Compulsive buying: An examination of the consumption motive. *Psychology & Marketing*, 13(8), 741-752.
- Hoyer, W. D., & MacInnis, D. J. (2007). *Consumer Behavior* (Fourth ed.): Houghton Mifflin.
- Joireman, J., Kees, J., & Sprott, D. (2010). Concern with Immediate Consequences Magnifies the Impact of Compulsive Buying Tendencies on College Students' Credit Card Debt. *The Journal of Consumer Affairs*, 44(1), 155.
- Kasser, T. (2002). *The high price of materialism*. Cambridge, Mass: MIT Press.
- Kasser, T., & Ryan, R. M. (1996). Further examining the American dream: Differential correlates of intrinsic and extrinsic goals. *Personality and Social Psychology Bulletin*, 22, 280-287.
- Koran, L. M., Faber, R. J., Aboujaoude, E., Large, M. D., & Serpe, R. T. (2006). Estimated Prevalence of Compulsive Buying Behavior in the United States. *The American Journal of Psychiatry*, 163(10), 1806-1812.
- Lo, H.-Y., & Harvey, N. (2011). Shopping without pain: Compulsive buying and the effects of credit card availability in Europe and the Far East. *Journal of Economic Psychology*, 32(1), 79.
- McBride, S. (1980). Many voices, one world: Communication in society, today and tomorrow. *Unipub, New York: UNESCO. Journal of Applied Business and Economics* vol. 14(1) 2013 47
- Neuner, M., Raab, G., & Reisch, L. A. (2005). Compulsive buying in maturing consumer societies: An empirical re-inquiry. *Journal of Economic Psychology*, 26(4), 509-522.
- O'Guinn, T. C., & Faber, R. J. (1989). Compulsive Buying: A Phenomenological Exploration. *Journal of Consumer Research*, 16(2), 147-157.
- Palan, K. M., Morrow, P. C., Trapp, A., & Blackburn, V. (2011). Compulsive Buying Behavior in College Students: The Mediating Role of Credit Card Misuse *Journal of Marketing Theory and Practice*, 19(1), 81-96.
- Pham, T. H., Yap, K., & Dowling, N. A. (2012). The impact of financial management practices and financial attitudes on the relationship between materialism and compulsive buying. *Journal of Economic Psychology*, 33(3), 461.
- Phau, I., & Woo, C. (2008). Understanding compulsive buying tendencies among young Australians. *Marketing Intelligence & Planning*, 26(5), 441.
- Prendergast, G., Tsang, A., & Poon, D. (2008). Predicting Premium Proneness. *Journal of Advertising Research*, 48(2), 287-296.
- Rajagopal. (2008). Point-of-sales promotions and buying stimulation in retail stores. *Journal of Database Marketing & Customer Strategy Management*, 15(4), 249-266.
- Roberts, J. A., & Jones, E. (2001). Money attitudes, credit card use and compulsive buying among American college students. *The Journal of Consumer Affairs*, 35(2), 213-240.
- Roberts, J. A., & Pirog, S. F. (2004). Personal goals and their role in consumer behavior: The case of compulsive buying. *Journal of Marketing Theory and Practice*, Summer, 61-72.
- Roberts, J. A., & Roberts, C. (2012). Stress, gender and compulsive buying among early adolescents. *Young Consumers*, 13(2), 113-123.

- Scherhorn, G. (1990). The addictive trait in buying behavior. *Journal of Consumer Policy*, 13(1), 33-51.
- Shoham, A., & Brencic, M. M. (2003). Compulsive buying behavior. *The Journal of Consumer Marketing*, 20(2/3), 127-138.
- Valence, G., d'Astous, A., & Fortier, L. (1988). Compulsive Buying: Concept And Measurement. *Journal of Consumer Policy*, 11(4), 419.
- Weaver, S. T., Moschis, G. P., & Davis, T. (2011). Antecedents of materialism and compulsive buying: A life course study in Australia. *Australasian Marketing Journal*, 19(4), 247-256.
- Yurchisin, J., & Johnson, K., K.P. (2004). Compulsive buying behavior and its relationship to perceived social status associated with buying, materialism, self-esteem, and apparel product involvement. *Family and Consumer Sciences Research Journal*, 32(3), 291-314.