Consumer Focus Affects Impulse Buying In Taiwan Night Market-A pilot study

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ABSTRACT

Impulsive behavior can arise in any circumstances and impulse buying is one of the acts which were and are still happening daily even though consumers are aware of it or not. This common phenomenon has been a longstanding interest in by market researchers but many questions regarding impulse buying behavior remains unsolved. This study reviews extant researches on impulsive behaviors and introduces a new interpretation of impulse buying. Namely, the author will highlight customer focus as a useful strategy which has ability to influence impulsive buying behavior at Taiwan night markets. The night market is a very special market, it has a unique cultural feature and plays an important role in the Taiwan socio-economic development. However, the understanding of impulsive buying behavior, as well as customer focus strategy in this market is very limited. The purpose of this study is to investigate the influence of "customer focus" on impulsive buying behavior in Taiwan night market context. This research is important to both marketing and management experts because it provides an additional explanation of impulse buying and comprehension of respondents' behavior, especially in terms of customer focus and their impact on such behavior in Taiwan night markets. Therefore, in this pilot study, the authors evaluate the validity and reliability of the design of questionnaire. The analytical results show that the questionnaire should be proper for the further test.

Keywords: impulsive behavior, impulse buying, customer focus, night market

I. INTRODUCTION

Impulsive buying behavior is a common phenomenon in daily life of consumers. Now shopping is not merely to obtain necessary daily merchandises, instead, it has become a leisure activity or express individual’s lifestyle [80], [24], or may satisfy crucial psychological and social demands [79], [78]. Life is constantly changing and that is the reason why a lot of innovations and improvements in marketing and selling art was born such as credit card, shopping online, telemarketing, 24-hour convenience store, instant credit, etc. [65]. These tools support customers shopping easier and more convenient than ever before. Impulse buying behavior has gained the attention of many researchers for more than 60 years [59], [70], [34], [63]. Despite several studies on impulse buying behavior has started since the 1950s but the majority of these extant studies mainly focuses on the supermarkets, retail outlets or online shopping of the western countries context, almost no similar research to this behavior at the night market. Every city and town in Taiwan have night market. With the total area of approximately 36,000 km only, but Taiwan possesses a large number of over 200 night markets which is a potential market of Taiwan [74], [8]. There exists a need to investigate more about the impulse buying behavior in a non-western context, especially for night markets instead of supermarkets, retail outlets or online shopping.

Most of the consumers are not adequate aware of the factors which are able to affect their impulse buying decision. And how to identify and control the impact of these factors on impulse purchasing behavior is also the question that the marketers and businessman want to explore. Why so many people make impulse buying so frequently? Early researches have demonstrated impulse buying behavior is stimulated by many factors such as shopping environment, personal traits, situational factors or demographic factors [109], [23], [97], [63], [65], [20], [22], [72] but none study has mentioned customer-focus as a factor affect impulse buying behavior in Taiwan night market context. Customer focus is the ability of an organization to efficiently and effectively concentrate on the work that enhances the experiences of customers with products and services [69]. Therefore, understanding the impact of customer focus on impulse buying tendency is important for both consumers as well as business people. General impulsive purchase and night markets’ impulsive purchase in particular is an issue that needs to be studied more deeply. In this study, author want to address how customer focus can influence impulse buying tendency at Taiwan night markets.

Impulse buying was becoming increasingly common in modern life and Taiwan night market is an ideal environment that many people easily to make impulsive buying. Through the understanding of impulse buying behavior, enterprises, especially business people at night markets can grasp a big business opportunities. This research investigate the influence of "customer focus" on impulsive buying behavior in Taiwan night market context. With above research background and motivation, this study aims to reach the following objectives: (1) Establishing the potential impact of customer focus on impulsive buying behavior model, (2) Analyzing of the causes of impulse buying behavior at Taiwan night markets, (3) Determining the potential impact of customer focus on impulsive buying behavior at the night market, (4) According
to the factors discussed in this study, offering some practical solutions for merchants and enterprises.

II. LITERATURE REVIEW

A. Night Market

First, confirm that you have the correct template for your paper size. This template has been tailored for output on the A4 paper size. “A night market is defined as a trading place during evening and includes small business for a variety of cheaper products, cooked food and game playing [88]. Isak, Aziz, Amri supposed that a night market is a grouping of temporary outdoor stalls operated by petty traders where products are displayed for sales [81]. Yu [15] identified that a night market was a place basically having cooked-food vendors, using pushcarts or stationed in stalls and running their businesses at night.

Main factors attracting people shop at the night markets were low prices, a variety of products and the convenient neighborhood location [111], [71]. The reasons why night market become popular as the current and people spend their time at Taiwan night markets because it offers abundant shopping option with reasonable price of products and services in a friendly and relaxed atmosphere. Visiting the night market customers be enjoyed delicious dishes, the wide choices of freshly cooked food, fresh vegetables, and beverages. The interactions and mingling of local residents from various ethnic backgrounds could further strengthen community spirits and solidarity. The atmosphere, the sight, the smell, the sound, and the food were among the factors that contributed to repeat visitations [111]. Night market foods are more popular day by day because of their delicious taste, varieties and cheap price. The reason that is the majority of visitors go to night market is mostly for food [6]. Taiwan night markets have attracted a large number foreign visitors annually [15], [8], [10], [81].

In general, at a macro level, the night market’s contributions to the national economy could be assessed from two perspectives: Social impact assessment which looked into a new kind of the cultural value of the markets, and Economic impact assessment that examined the commercial value of the markets. From the social impact perspective, the night market would be an avenue that brought people together which could help to promote goodwill among different ethnic groups; it had help to change the image of the local authority from ‘enforcement’ to ‘community-centered’. From an economic impact perspective, it could stimulate the economy by providing convenient shopping alternative options for the community, and it could help to revitalize areas and town center. Additionally, it provided opportunities for the youth population to participate and gain experience in operating small businesses [81].

B. Impulse buying

Most early research defined impulse buying as an “unplanned” purchase [46], [47]. This definition was typically operationalized as the difference between a consumer’s total purchases at the completion of a shopping trip, and those that were listed as intended purchases prior to entering a store. Numerous studies subsequently investigated the frequencies of unplanned “impulse” buying across various product categories [70]; [59]; [34]; [37], and in different retail settings [59]. Impulse buying can be defined as unplanned, sudden, and spontaneous impulse to buy, which lacks careful evaluation of product and purchase consequences [19]; [20]; [65]; [22]; [23]; [24]; [25]; [26]; [27].

Stern [63] showed the existence of a meaningful relation between the impulsive purchase and marketing’ techniques. These techniques create one favorable environment for the impulsive purchase. Some more recent works showed that the variable of the sale atmosphere (sounds, views and aromas) are important stimulants that can produce the desire to buy impulsively [77]; [91]; [92]. Some elements as music, light and the display can affect the process of decision of the consumer [37]. Rook [65] indicate that the sudden emergency to buy seems to be motivated by the visual confrontation with the product or by stimuli of the environment. In the same way, the design of the retail outlet is able of to give the pleasure and to stimulate the visitor of the store. Research on perceived crowding postulates that spatial density is negatively correlated with satisfaction [94], [96] and number of purchases but human density is positively correlated with impulse purchasing [97]. According to a number of studies [62]; [23]; [58]; [41] the main characteristics of impulsive buying behavior are: inclination to impulse buying, spontaneity in buying, satisfaction felt after unplanned purchase, and lack of shopping list. This refers to the individual characteristics of the consumer. However, impulse buying is also investigated in terms of other factors such as demographic, cultural, and situational ones [18]. In another study, researcher claim that the impulse to buy is hedonically complex and may stimulate emotional conflict [65].

In summary, the impulse buying behavior of the consumer can be affected by many factors. Most of early researches on impulse buying behavior are usually carried out in the supermarkets, retail outlets or on the internet and these studies have demonstrated impulse buying behavior is stimulated by many factors such as shopping environment, personal traits, situational factors or demographic factors but none study has mentioned customer-focus as a factor affect impulse buying behavior in Taiwan night market context. And in this article the author will highlight customer focus as a useful strategy which has ability to influence impulsive buying behavior at Taiwan night market.

Most people are likely to buy on impulse, but different in the degree, high-impulse, medium-impulse or low-impulse consumers. They vary in their impulsive purchase tendency [82]. Because many people can get better mood, feel happier, and reduce stress of their lives from shopping and they even regarded it as one of the important leisure activities so they often buy on impulse without thinking of consequences. So, why people make impulse buying? First, Impulse buyers are more social, status-conscious, and image-concerned. The impulse buyer may buy as a way to look good in the eyes of others. Second, impulse buyers tend to experience more anxiety and difficulty controlling their emotions, which may make it harder to resist emotional urges to impulsively spend money. Third, impulse buyers tend to experience less
happiness, and so may buy as a way to improve their mood. Last, impulse buyers are less likely to consider the consequences of their spending; they just want to have it [76].

C. Customer focus

Customer Focus is the ability of an organization to efficiently and effectively concentrate on the work that enhances the experiences of customers with products and services. Through their customer-focus efforts, companies can drive up the value that’s received by customers. This often means gaining a good understanding of the various customer segments, producing quality at acceptable costs, and delivering on all commitments. It can also mean knowing how to price and sell the right products and services to the right customers at the right time [69].

Customer focus is a multi-dimensional construct in the management and marketing disciplines [67], [64], [61], [60]. Drucker [57] argued that customer focus should be the main strategic aim of any organization and customer should be the main reason for the existence of the organization. Subsequently, others have extended upon this core idea creating what is now known as the marketing concept [56], [55] and a widespread belief that customer relationship activity is an essential part of everyday management practice [54].

Literature review shows that there is no widely accepted customer focus model. Different sub-constructs are used in different contexts within management and marketing. The conceptual framework for this study was developed by amalgamating different uses to develop four reasonably distinct sub-constructs that cover all uses discovered during the literature review.

Based on theory and research findings of previous studies in terms of impulse buying behavior and customer focus, an integrated research model (shown in Figure 2) has been proposed to study the impact of customer focus to impulse purchase tendency at the night market. To explore how customer focus affects impulsive buying tendency the following hypotheses are formulated:

1) H1 (a) - Gathering and understanding customer requirements has a significant and directly effect on customer focus at Taiwan night market.
2) H1 (b) - Collecting and utilizing customer information has a significant and directly effect on customer focus at Taiwan night market.
3) H1 (c) - Receiving and utilizing customer feedback has a significant and directly effect on customer focus at Taiwan night market.
4) H1 (d) - Improving customer relationships has a significant and directly effect on customer focus at Taiwan night market.
5) H2 - The greater the implementation of customer focus, the greater the attitude toward night market impulse buying.
6) H3 - The greater the attitude toward night market impulse buying, the greater the impulse buying tendency.

B. Questionnaire design

In order to gather information and data for this study, a questionnaire was designed with 63 questions. Contents of the questionnaire consists of 3 sections. The first section refer to general shopping behavior of the respondents, the second section includes dependent and independent variables which would be asked in the survey with multiple choice structured questions and mostly five-point Likert scale. Namely, the respondents were offered a set of statements with which they had to express the degree of their agreement and disagreement. The degrees are coded by figures from 1 to 5 (1 = “Strongly agree, 2 = “agree”, 3 = “neutral”, 4 = “disagree”, 5 = “strongly disagree”). The third section refer to respondent’s background information such as gender, age, education, income, etc. The detail of each measurement in the questionnaire was shown in the table 1. The questionnaire was designed in English, and
then it was translated into Chinese. Finally, the complete version of the questionnaire was distributed to target respondents.

In order to ensure the acceptable reliability and the appropriateness of factor analysis of the measurement, the pre-test was conducted with Cronbach’s Alpha value and the scale of variables and their measurement items were identified in the literature reviews. With the purpose of this survey is to understand the effect of customer focus on attitude and impulsive buying tendency of the consumers, a pre-test was conduct in early November 2014. There were 105 respondents who are students and also are night markets shoppers in Taiwan involved in this pre-test.

C. Research Quality: Reliability and Validity

"Reliability" and "validity" – two words that almost always crop up when discussing and analyzing scientific research. So, why are they so special? Reliability and validity are both very important criteria for analyzing the quality of measures. The everyday use of these terms provides a sense of what they mean. Without reliability and validity it would be very difficult to decide which research should be trusted and which should be completely disregarded.

Reliability is the extent to which an experiment, test, or any measuring procedure yields the same result on repeated trials. Without the agreement of independent observers able to replicate research procedures, or the ability to use research tools and procedures that yield consistent measurements, researchers would be unable to satisfactorily draw conclusions, formulate theories, or make claims about the generalizability of their research. In addition to its important role in research, reliability is critical for many parts of our lives [42].

In science and statistics, validity is the extent to which a concept, conclusion or measurement is well-founded and corresponds accurately to the real world. The validity of a measurement tool is considered to be the degree to which the tool measures what it claims to measure. Validity is important because it can help determine what types of tests to use, and help to make sure researchers are using methods that are not only ethical, and cost-effective, but also a method that truly measures the idea or construct in question [42].

In summary, Reliability is the degree to which an assessment tool produces stable and consistent results. Validity refers to how well a test measures what it is purported to measure.

IV. Pre-test Results

A. Data examination and screening

Author affiliations are not repeated each time for multiple authors of the same affiliation. Data preparation is an important step of data analysis. It includes data validation, editing and coding, data entry, error detection, and data tabulation. All of these work must be conducted before the beginning of the data analysis. Purpose of these work are to convert raw data collected from the survey into meaningful information.
In this survey, questionnaires were distributed directly to respondents. For some reason, 5 respondents made some missing information and error data. Therefore, their data was removed. There was no monetary incentive involved or given to the respondents. Their participation on the basis of voluntary. Information obtained from the questionnaires were coded and entered into SPSS version 18.0 for analysis.

B. Respondents’ Profile Analysis

There are total of 105 participants who response questionnaire in the pre-test of this survey. However, after checking sample selection criteria, because some missing information and error data were found, so only 100 responses are valid for data analysis.

There are 34% males and 66% females of respondents joined in the survey. Because of the limited time, this pre-test was conducted at the National Formosa University so all of the respondents are Taiwanese college students who are about 18-25 years of age, single and their income less than NT $20,000. The number of participants would be increased and the scope of survey would be expanded in the formal survey.

C. Reliability Analysis

Cronbach’s Alpha coefficient is considered as the most frequently used estimate of internal consistency reliability. The author utilized the SPSS version 18.0 to analyze the reliability of the factors in this study. The Cronbach’s Alpha scores were computed for all 7 variables (4 independent variables and 3 dependent variables). Therein, Gathering and Understanding Customer Requirements (GUCR), Collecting and Utilizing Customer Information (CUCI), Receiving and Utilizing Customer Feedback (RUCF), Improving Customer Relationships (ICR) are independent variables; Customer focus (CF), Attitude toward impulse buying (ATIB), Impulse buying tendency (IBT) are dependent variables.

<table>
<thead>
<tr>
<th>Item</th>
<th>Gathering and Understanding Customer Requirements</th>
<th>Cronbach’s Alpha = .832</th>
<th>CITC1</th>
<th>CITC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>GUCR 9</td>
<td>Night market vendors try to understanding customer expectations</td>
<td>.139</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Collecting and Utilizing Customer Information = CUCI</th>
<th>Cronbach’s Alpha = .860</th>
<th>CITC1</th>
<th>CITC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUCI1</td>
<td>Night market vendors collect my information via my needs.</td>
<td>.617</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUCI2</td>
<td>Night market vendors collect my information via frequently and close interaction with me.</td>
<td>.669</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUCI3</td>
<td>Night market vendors usually remember my traits.</td>
<td>.702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUCI4</td>
<td>Night market vendors show care and concern about my information.</td>
<td>.712</td>
<td></td>
<td></td>
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<tr>
<td>CUCI5</td>
<td>Night market vendors maintain regular contact with their customers.</td>
<td>.584</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUCI6</td>
<td>Night market vendors often proactive to talk to me.</td>
<td>.447</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CUCI7</td>
<td>Night market vendors ask about my personal information sometime.</td>
<td>.560</td>
<td></td>
<td></td>
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<tr>
<td>CUCI8</td>
<td>Night market vendors use customer information to segment markets.</td>
<td>.593</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Receiving and Utilizing Customer Feedback = RUCF</th>
<th>Cronbach’s Alpha = .890</th>
<th>CITC1</th>
<th>CITC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>RUCF1</td>
<td>Night market vendors give individual attention to my feedback</td>
<td>.679 , .674</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF2</td>
<td>Night market vendors show care and concern while talking to me.</td>
<td>.678 , .683</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF3</td>
<td>Night market vendors always encourage my comments about their products/services.</td>
<td>.606 , .622</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF4</td>
<td>Night market vendors often quickly and directly resolving my complaints.</td>
<td>.645 , .657</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF5</td>
<td>Night market vendors have made improvements on the basis of feedback that they have received from me.</td>
<td>.759 , .762</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF6</td>
<td>Night market vendors use customer feedback to drive their innovation.</td>
<td>.695 , .692</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF7</td>
<td>Night market vendors always carefully listen to my feedback.</td>
<td>.729 , .735</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUCF8</td>
<td>Night market vendors often ask my opinion of their products/service.</td>
<td>.096</td>
<td></td>
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<tr>
<th>Item</th>
<th>Improving Customer Relationships = ICR</th>
<th>Cronbach’s Alpha = .865</th>
<th>CITC1</th>
<th>CITC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICR1</td>
<td>Night market vendors are friendly.</td>
<td>.577 , .576</td>
<td></td>
<td></td>
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</tbody>
</table>
Table I, table II, table III, table IV, table V and table VI shows the Cronbach’s Alpha Coefficient and Corrected Item-
Total Correlation (CITC) of 6 constructs with a total of 46 questions. Any question which has CITC less than 0.4 will be removed. In the first construct, “gathering and understanding customer requirements” (GUCR), the CITC of GUCR9 = 0.139 is less than 0.4. Therefore, this question was removed from the questionnaire. Similarly, the third construct is “receiving and utilizing customer feedback” (RUCF) with CITC of RUCF8 = 0.096; Improving Customer Relationships (ICR) with CITC of ICR2= 0.316 were removed. As a result, the Cronbach’s Alpha coefficient of each construct in this survey is ranging from the lowest of 0.765 (Impulse Buying Tendency) to the highest of 0.890 (Receiving and Utilizing Customer Feedback). This means that the reliability is good and acceptable. Therefore, the measurement scales of the constructs were been confirmed to be stable and consistent [43].

V. CONCLUSIONS

This study was conducted aiming to figure out four factors are capable affecting customer focus and the effects of customer focus on attitudes and impulse buying tendency. And in the pilot study, the authors established the potential impact of customer focus on impulsive buying behavior model and evaluated the reliability of the design of questionnaire. The Cronbach’s Alpha coefficient of each construct in this survey is ranging from the lowest of 0.765 (Impulse Buying Tendency) to the highest of 0.890 (Receiving and Utilizing Customer Feedback). The analytical results show that the reliability of all variables in the questionnaire is good and acceptable. This means that the measurement scales of the constructs were confirmed to be stable and consistent. Therefore, this questionnaire should be proper for the further test. It would be useful for the investigation which related to customer focus and its influence on impulsive buying behavior.

This pre-study designed a questionnaire and research framework for the further study in order to find the relationship among all dimensions which include gathering and understanding Customer Requirements (GUCR), collecting and utilizing customer information (CUCI), receiving and utilizing customer feedback (RUCF), improving customer relationships (ICR) are independent variables; customer focus (CF), attitude toward impulse buying (ATIB), impulse buying tendency (IBT) are dependent variables.

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