

Americans who believe in equality are more likely to buy on impulse

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A new study from Rice University's Jones Graduate School of Business finds that Americans who believe in equality are more-impulsive shoppers. Credit: Rice University

A new study from Rice University's Jones Graduate School of Business finds that Americans who believe in equality are more-impulsive shoppers. And it has implications for how to market products differently in countries where shoppers are more likely to buy on impulse.

The study, "Power-Distance Belief and Impulsive Buying," was authored by Rice management professor Vikas Mittal and recently accepted for publication in the [Journal of Marketing Research](#).

Power-distance belief (PDB) is the degree of power disparity the people of a culture expect and accept. It is measured on a scale of zero to 100, and the higher the PDB, the more a person accepts disparity and expects

power inequality. Americans have a low PDB score relative to people in countries like China and India. The study found that people who have a high PDB score tend to exhibit more [self-control](#) and are less impulsive when shopping.

"In our studies, people with low PDB scores spent one-and-a-half times the amount spent by high-PDB individuals when buying daily items like snacks and drinks," Mittal said.

This effect was even more pronounced for "vice goods" -- tempting products like chocolate and candy -- than for "virtue goods" like yogurt and granola bars. The researchers hypothesized that people with low PDB scores -- who also should have lower self-control -- would show even stronger impulsive buying for vice goods because of their desire for immediate gratification. Indeed, the researchers found low-PDB people spent twice as much on vice goods as high PDB people spent.

The study results apply to everyday consumables like candy, chocolate and [potato chips](#). Extrapolating these results to goods like perfume, clothes and other hedonic categories that are more expensive has striking implications, Mittal said.

"We know that 80 percent of luxury-good sales in the U.S. are impulsive," he said.

For the study, the researchers conducted multiple experiments and surveys. In one large-scale survey, they asked 901 Americans to provide measures of their PDB, or their attitude toward equality. The average income of the survey participants was \$50,000. Then, the researchers observed the participants' online shopping behavior by giving them \$10 to purchase a selection of items and telling them they could keep any unspent money.

So, how do Americans match up to the world?

On the PDB (Geert Hofstede's Cultural Dimensions), the U.S. scores at a low 40 compared with Russia (93), the Philippines (94), Singapore (74), China (80) and India (77).

Austria (11), Germany (35) and New Zealand (22) also score low, whereas Japan (54), Vietnam (45) and South Africa (49) score more in the middle.

Why does PDB affect impulsive buying?

The researchers found that PDB influences impulsive buying through its effect on self-control.

"It seems that people with high PDB exert self-control more often and over time may get habituated to self-control," Mittal said. "Like many other good habits, self-control is something that can be improved and mastered through practice. Self-control in one domain of life transfers to other domains. Thus, parents who teach their children self-control can expect to also help their kids become better managers of their financial resources.

"We should emphasize that even within a single country or culture, you will find that individuals differ in terms of their PDB and self-control tendencies. As the financial crisis unfolds, we would all benefit from thinking about our level of self-control and impulsive buying. Slowly and gradually, through practice, one can at least mitigate, if not eliminate, these tendencies."

Mittal said that firms dealing with multicultural markets can apply knowledge about consumers' cultural background of PDB or a chronic measure of PDB to adapt their advertising, promotions and displays.

"Marketers need to ascertain whether their products or brands are viewed by different consumer segments as virtue or vice products," Mittal said. "Our study shows that vice products will be more susceptible to impulsive buying among low-PDB consumers."

More information: To read the complete study, visit [www.marketingpower.com/AboutAM... Impulsive_Buying.pdf](http://www.marketingpower.com/AboutAM...Impulsive_Buying.pdf)

Source: Rice University ([news](#) : [web](#))

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