

Impulse Buying – What is it? Why do we do it?

Have you heard the term ‘impulse buying?’ It means purchasing something at the spur of the moment or on a whim. It is not a planned purchase. From time to time almost all of us are guilty of impulse purchases. One of the main reasons retailers put candy, snacks, and other random items near the cash registers in the checkout lanes is to encourage you to make an impulse purchase. Many times, these items have higher mark-ups, meaning that the stores make more money when you can't resist making the purchase.



Did you know that the average American spends more than \$5,000 on impulse purchases each year? That's a lot of money! Impulse purchases are not restricted solely to the small items at the checkout lane. Have you ever headed to the store to pick-up one or two items and the next then you know, you have several items in your cart?

Scientists have determined five reasons why people buy on impulse. They are:

1. **Enjoyment.** We tend to pick up things that make us happy. The thought of immediate pleasure can make us feel good – especially if we have been having an unpleasant or stressful day.
2. **Fear of Missing Out (FOMO).** Have you purchased an item because the sign said it was only there for a limited time? Or that the sale ends tomorrow? Individuals become so concerned that they are going to miss out on something, that they make an impulsive purchase.
3. **Bargains and Deals.** When consumers think they are getting a good deal on an item, they tend to purchase it. Our brain can easily be tricked into thinking that purchasing an item is a really good idea. After all, who doesn't want a great deal?
4. **Stockpiling.** Another reason people purchase impulsively is to stockpile. As humans, we tend to think that we may run out of items. If we have a bunch of items, we don't have to worry about running out. It's good to stock up on certain items in case there is an emergency, such as a blizzard or power outage, but other items we may not need so much of.

O'Brien, Sarah. "Consumers Cough up \$5,400 a Year on Impulse Purchases." *CNBC*, CNBC, 23 Feb. 2018, www.cnbc.com/2018/02/23/consumers-cough-up-5400-a-year-on-impulse-purchases.html.

"The Science behind an Impulse Purchase." *Brain Fodder*, 2 Oct. 2016, brainfodder.org/science-of-impulse-purchases/.

5. **Biased Evaluation of Use.** This is another area where many people fall prey to impulsive purchases. You think you justify the purchase of an item and overestimate how often you will use it. This may happen to you around the fall and winter holidays or other seasonal times of the year. Cabinets and cupboards are always filled to the brim with things our families thought they really needed but seldom actually get used.

Since purchases like these make us feel good, they are considered emotional purchases. Scientists say this happens because the items can sometimes not only make us feel good about ourselves, but also helps minimize unhappy thoughts or self-doubt we might be experiencing. Research also shows that the worse people feel when they are near a shopping destination, the more likely they are to make an impulsive purchase.

So, what can you do to counter any impulsive purchasing tendencies? Here are some tips:

- ✓ Don't go grocery shopping on an empty stomach. You are likely to buy food you don't really need.
- ✓ Be careful walking by vending machines. They can lure you into buying something quick.
- ✓ When heading to a store, set a spending limit and stick to it. Only purchase the items you headed to the store for.
- ✓ Carry small amounts of cash. Never allow yourself to use a plastic card or mobile pay for impulse purchases.
- ✓ If you are going to be away from home for a period of time, bring along a couple of snacks and a drink. That way if you get hungry, you already have something on hand.
- ✓ Be careful with "buy one, get one" offers. Do you really need that second item?
- ✓ Pay attention to when you are most vulnerable. Once that is identified, what can you do to control your impulses?