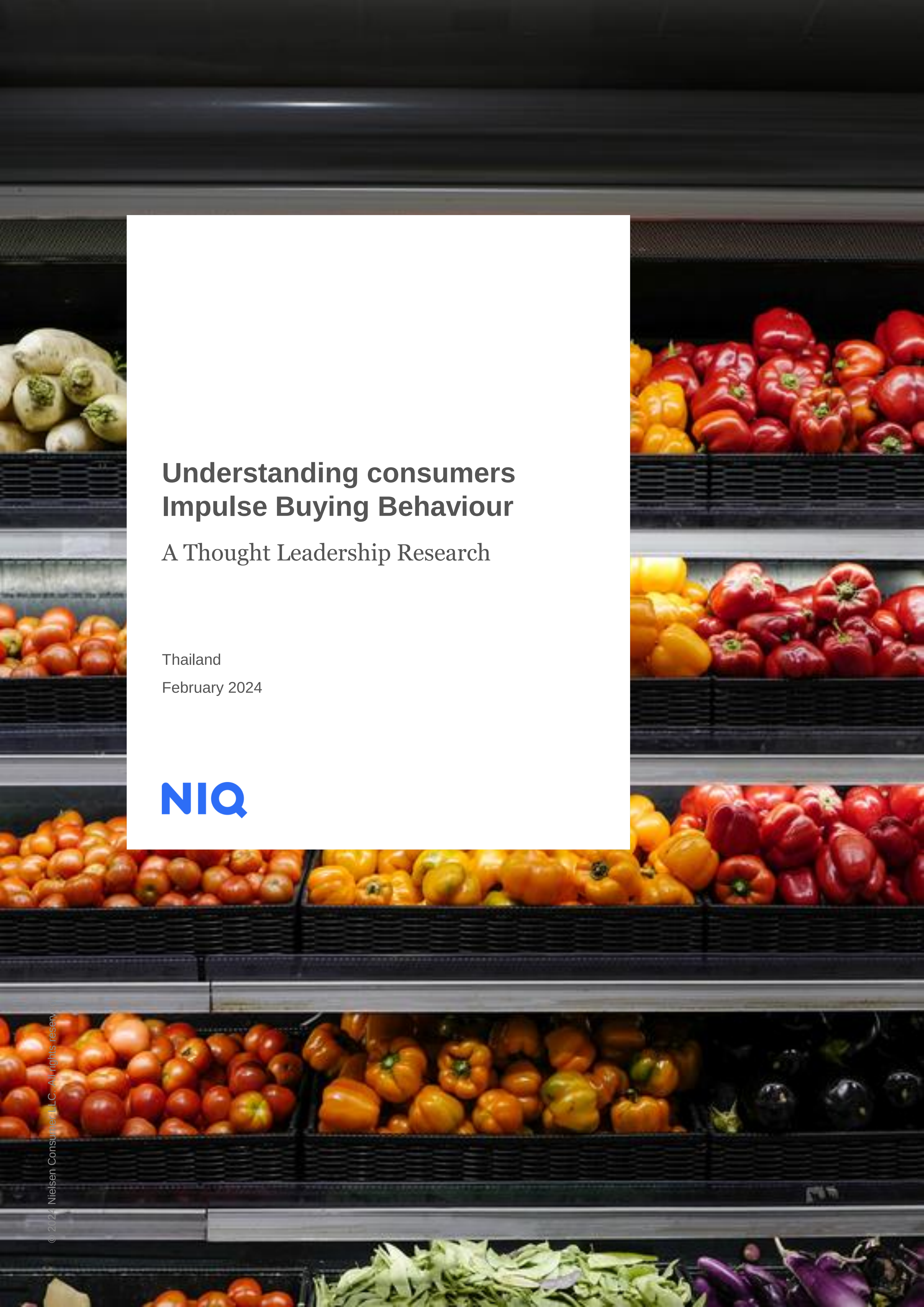

Understanding consumers Impulse Buying Behaviour

A Thought Leadership Research

Thailand

February 2024

NIQ

Explore a detail consumer impulse buying behavior, a critical aspect of modern marketing strategies. This report aims to uncover the psychological triggers and environmental factors that influence spontaneous purchasing decisions, providing insights into how marketers can enhance their engagement strategies to capitalize on these behaviors.

Impulse buying represents a fascinating area of consumer behavior characterized by unplanned purchases driven by emotional responses rather than deliberate decision-making. These purchases are often triggered by various stimuli in the shopping environment, which we will explore to understand how they can effectively be used to increase sales and customer engagement.

See how the significant role of marketing tactics in influencing impulse purchases. From in-store layouts to online advertisements, marketing strategies are designed to tap into the consumer's subconscious, encouraging them to make spontaneous purchases through carefully crafted emotional and visual triggers.

Consumer Impulse Buying Behavior

Impulse purchase behavior captivates marketers for its ability to shape consumer decision-making in ways that are dynamic, emotional, and often spontaneous. This phenomenon involves unplanned buying actions, typically driven by emotions rather than careful consideration. This captivation arises from **several key factors:**

1. **The unpredictability of impulse buying** makes it a compelling area of interest. Consumers engaging in impulse purchases often deviate from traditional decision-making patterns, presenting a challenge and an opportunity for marketers to **understand and influence this spontaneous behavior.**

2. **Emotional triggers** play a pivotal role in impulse buying, offering marketers a unique avenue to connect with consumers on a deeper level. The rapid decision-making associated with impulse purchases allows marketers to **capitalize on short attention spans and immediate consumer needs**, creating opportunities for quick, impactful engagement.

3. **The influence of point-of-purchase displays and in-store marketing strategies** cannot be overstated. Marketers can **strategically position products and create compelling displays** to encourage impromptu purchases. Additionally, social influences and peer pressure contribute significantly to the allure of impulse buying, allowing marketers to leverage social dynamics and trends.

Seasonal fluctuations and special promotional events significantly impact consumer purchasing behavior, often leading to increased impulse buying. This slide will delve into how businesses can strategically align their marketing efforts with seasonal trends and events to maximize consumer spending and engagement.

Digital platforms offer unprecedented opportunities to influence consumer impulse buying through personalized recommendations, real-time marketing, and social media interactions. We examine how e-commerce and digital marketing technologies have reshaped impulse buying patterns and how businesses can leverage these tools to their advantage.

Here, we present a comprehensive analysis of impulse buying patterns among consumers, highlighting the psychological and socio-economic factors that trigger these behaviors. Insights from this analysis are crucial for businesses looking to refine their marketing strategies and product placements to better align with consumer impulses.

Consumer Impulse Buying Behavior

4

Seasonal events, holidays, and promotional opportunities provide fertile ground for triggering impulse purchases. Marketers can **strategically align their campaigns with these** occasions to tap into the heightened consumer spending mindset.

5

Online platforms, with their recommendation algorithms and personalized content delivery, offer marketers new and potent tools to stimulate impulse buying in the digital space. E-commerce, in particular, provides opportunities for **targeted recommendations, limited-time offers, and a personalized shopping experience.**

6

The study of impulse buying patterns **provides valuable insights into broader consumer behavior.** Marketers can **refine their strategies, tailor products, and enhance the overall shopping experience** by understanding the triggers and motivations behind spontaneous purchasing decisions.

In essence, impulse purchase behavior is a rich and multifaceted area for marketers, offering avenues for creativity, strategic thinking, and the development of campaigns that resonate with consumers on a visceral level. Successful navigation of this landscape can lead to increased brand loyalty, revenue generation, and a profound understanding of consumer preferences in the ever-evolving marketplace.

Our research is aimed at decoding the complex dynamics of impulse purchases among Thai consumers. The objectives outlined in this study focus on identifying the frequency, triggers, and demographic profiles associated with impulse buying, providing a foundation for targeted marketing strategies.

Objectives

Understand the incidence of impulse purchase and the associated dynamics in-terms of channel, demographics, shopping mission, categories, triggers and barriers amongst Thai consumers

Specifically…….

- Size of impulse dynamics (out of every 100 shopping occasions)
- Shopping channels and trips, where impulse behaviour is predominant
- Which age cohort demonstrates impulse characteristics?
- Does accompaniment influence impulse purchase?
- Which categories have high affinity to impulse purchase?
- What store elements influence impulse behaviour during store visit?
- What individual triggers drive impulse purchases?

An in-depth look at the methodologies employed in our study, including sampling techniques, data collection methods, and analytical approaches. This rigorous methodology ensures the reliability and validity of our findings, offering valuable insights into the impulse purchasing behaviors of Thai consumers.

Study Design

Target Audience
- Gender - Males/Females
- Age: 18 – 55 yrs
- Involved in food and grocery shopping for the household
- Has visited any format of retail for food and grocery shopping in the last one week for any type of shopping viz. stocking/replenishment/others

Methodology
- Random sample representative of the target market demographics
- Online self-completion questionnaire
- LOI ~ 20 mins

Channels Mapped
- Hyper/Super Markets
- Online
- Convenience
- Traditional Grocery
- Minimarts/Markets
- Drug/Personal Care/Cosmetics/Pharmacy
- Cash & Carry

Categories Mapped
- Biscuits
- RTD Beverages
- Dairy & Vegan
- Dry Fruits, Seeds & Nuts
- Organic Products
- Chocolates / Candies / Confectionaries
- Dressing, Dip & Sauces
- Ice Cream & Desserts
- Breakfast Cereals & Muesli
- Tea & Coffee
- Frozen Food
- Salty Snacks
- Personal Care & Beauty
- Home Care
- Baby Care
- Batteries
- Stationery
- Tobacco
- Environment Friendly Products

Coverage:

- Sample size for Thailand (Urban): N=570

Summary

This study primarily targeted **weekly shoppers** to understand the incidence of impulse and the related dynamics. Reason for targeting weekly consumers was to capture the recency effect – key for accurately mapping impulse dynamics viz. incidence, channels, categories bought and triggers.

Impulse purchase was defined as – Any food or grocery product or brand buying decision made at the spur of the moment, without much prior planning or consideration or just **unplanned purchase** at the outlet.

1. Our study shows that **92% of Thai consumers shop for food & grocery weekly** and among these 9 out of 10 shoppers demonstrated impulse incidence, which is significant, even higher than average regional index. This means if one were to consider all shopping occasion during a week, in every 1 out of 2 shopping occasions impulse purchase was surely observed.

2. From a channel perspective, **Convenience store** and **Super/Hyper Markets account for 50%** of all impulse purchase amongst Thai shoppers, followed by Online and Grocery.

   Given there is some skewness on each channel, we observed impulsive purchase high across consumer groups in Convenience store, whereas for Super/Hyper Markets and Online channels are highly skewed towards aged 20-35 years old groups.

3. **Non pantry stock up missions** like **on-the-go and urgent needs** are the key missions which drive impulse purchases amongst Thai shoppers.

4. **Situational factors such as Holiday/Special Occasions** has a higher influence on impulse purchase with weekends and accompaniment to a lesser extent. Thais are more solo shoppers while prefer to shop more during weekdays.

Summary

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Impulse purchase was defined as – Any food or grocery product or brand buying decision made at the spur of the moment, without much prior planning or consideration or just **unplanned purchase** at the outlet.

5. Besides situational factors, **shopper's sudden inner desire** and **reminded buying** also play a critical role in driving impulse purchase for **offline channels.**
   - Individual **Impulsive desire & reminded buying** play a complementary role to impulse triggers, especially high in Convenience store and Traditional grocery.
   - Whereas in drug/personal store is highly triggered by **new product/variant** – product innovation launched is often introduced through this channel.
   - Besides, **in-store activation** strongly drives impulse purchase especially in Convenience, Supermarkets / Hypermarket and minimarts.
   - **External factors** and **social influence** seen limited amongst Thai consumers.

6. While for **online purchase behavior**, **new product/innovation** and **in-store attractive promotions** well prompt Thai shoppers to make purchase. Aside, sudden inner mood also play slightly lesser role.

7. Contrary to traditional belief that entry and exit points drive impulse, **in-store locations** have a higher influence, as well as **notable POS** located prominently inside the **physical store.** In the case of **online**, **special promotions** in the app/website plays strong role to induces Thai shoppers to impulsively purchase as well as **loyalty program** e.g. **membership points/coupons**

8. Most impulse purchase offline is **centered around food and beverages** – where **RTD Beverages** come as #1, followed by **salty snacks** and **tea & coffee.** This is similarly observed for both **offline** and **online channels.**

Findings

Thailand

Majority of Thai shoppers purchase food & grocery at least once a week, while 9 out of 10 shoppers in last one week demonstrate impulse purchase incidence

92%

APAC & Middle East: 93%

Thai consumers shop for food & grocery at least once a week. Especially highest amongst consumers with aged 18-20 years old.

90%

APAC & Middle East: 90%

Demonstrate last one week shopping incidence

83%

APAC & Middle East: 72%

Incidence of impulse purchase in last one week

Q10a. How frequently do you visit any form of retail outlet or do online shopping for food and grocery for yourself or for your household? Daily-1 | Once in 2-3 days - 2 | Once in 4-5 days – 3 | Once a week – 4 | Once a fortnight – 5 | Once a month – 6 | Less often than once a month – 7 | SINGLE CODE.

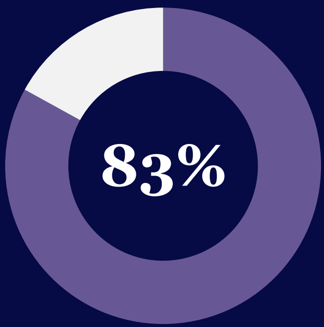
Q10b. Have you visited any retail outlet or done online shopping for food and grocery for yourself or for your household in the last one week? Yes/No.

Q10d. Did you make any food and grocery impulse purchase in the last one week while shopping for yourself or for your household online or at any retail store. By impulse purchase, I mean product or brand buying decision made at the spur of the moment, without much prior planning or consideration or just unplanned purchase. Yes/No.

BASE: THAI MARKET (N=570)

Thailand

Thai shoppers are more frequently stimulated by impulse purchase than the overall regional level



Incidence of impulse purchase in last 1 week

Ave. 1 week shopping frequency

6.64 *APAC & Middle East 6.93 times*

Ave. 1 week impulse purchase frequency

3.41 *APAC & Middle East 2.99 times*

Share of impulse occasions

51% *APAC & Middle East 43%*

Q10c. How many times have you visited any retail outlet or done online shopping for food and grocery for yourself or for your household in the last one week?

Q11a. You mentioned that you made impulse purchase of food and grocery items in the last one week while for yourself or for your household. By impulse purchase, I mean product or brand buying decision made at the spur of the moment, without much prior planning or consideration or just unplanned purchase. There could be one or more than one impulse or unplanned purchase of food and grocery items made by you in the last one week. Taking all impulse or unplanned purchases of food and grocery made by you in the last one week, tell me across which of these channels or retail formats did it take place and how many times in each one of them?

BASE: THAI MARKET (N=570)

Thailand

Especially through CVS and Super/Hyper Markets which account for 50% of all impulse purchase, followed by Online and Grocery

Channels	Incidence	Frequency	Share
Convenience Stores	73%	3.7	29%
Super/Hyper Markets	59%	3.4	21%
Online	51%	3.4	18%
Grocery	47%	3.3	16%
Mini marts/markets	18%	3.1	6%
Drug/Personal Care/Cosmetics	15%	2.8	4%
Cash & Carry	15%	3.2	5%

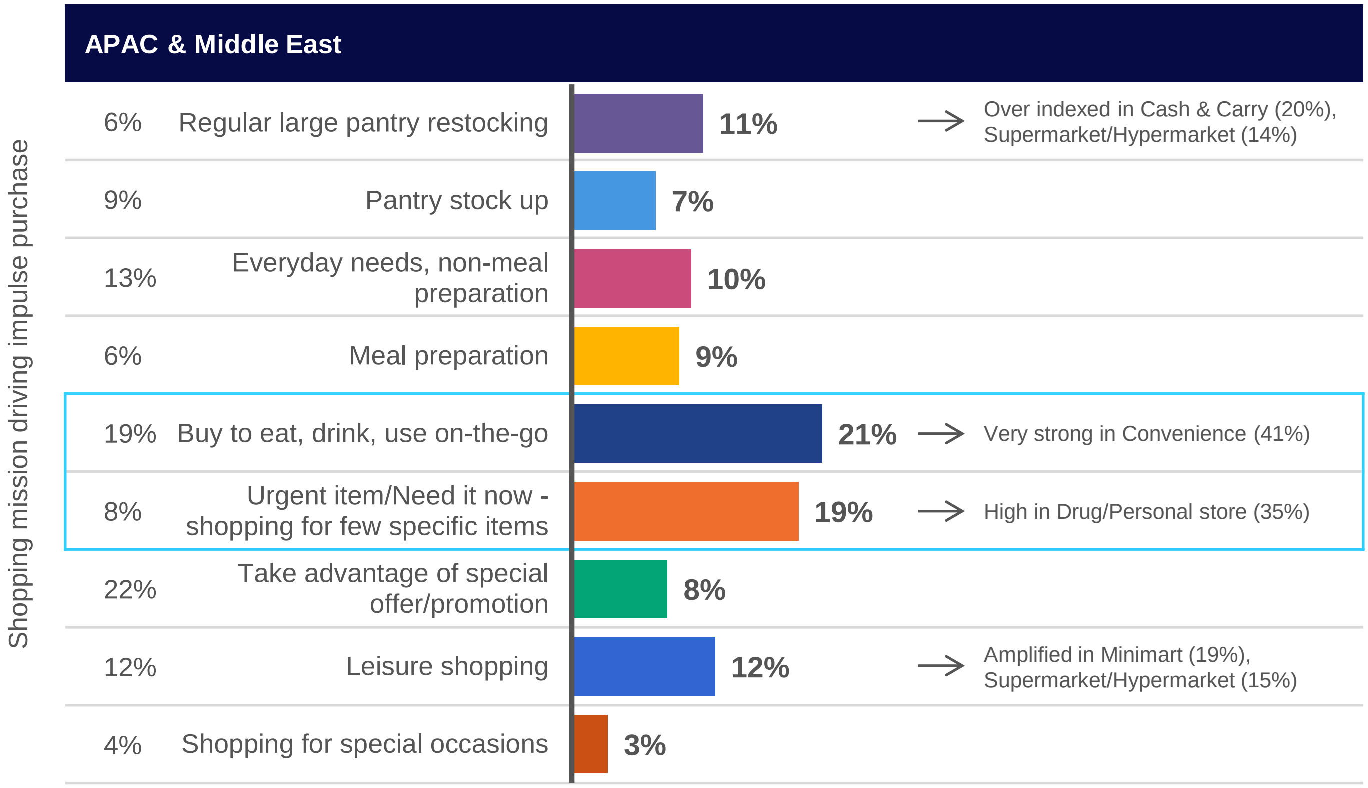
- **Convenience store** stands as #1 channel with highest incidence and frequency of impulse purchase among Thai consumers and capture significantly higher than average APAC & Middle East (15%)
- **Super/Hyper Markets** are primarily skewed towards middle aged 21-35 years old.
- **Online channels** come as a #3, is predominant by 21-35 years old as well.
- **Traditional grocery** well capture Thai shoppers from Upcountry area.

Q11a. You mentioned that you made impulse purchase of food and grocery items in the last one week while for yourself or for your household. By impulse purchase, I mean product or brand buying decision made at the spur of the moment, without much prior planning or consideration or just unplanned purchase. There could be one or more than one impulse or unplanned purchase of food and grocery items made by you in the last one week. Taking all impulse or unplanned purchases of food and grocery made by you in the last one week, tell me across which of these channels or retail formats did it take place and how many times in each one of them?

BASE: THAI MARKET (N=570)

Thailand

Non-pantry stock up missions like on-the-go and urgent needs are the key missions driving impulse purchases



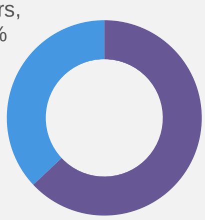
Q13. Thinking about the most recent occasion where impulse or unplanned purchase happened in each of these channels or retail format in last one week, tell me which one of these best describes the shopping trip?

BASE: THAI MARKET (N=570)

Thailand

Situational factors such as Holiday/Special Occasions has a higher influence on impulse purchase

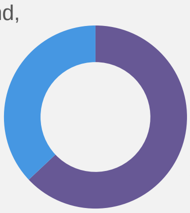
Shopping accompainment



Channels	Alone	Others
Online	76%	23%
Super/Hyper Markets	49%	51%
Convenience	67%	33%
Mini marts/markets	60%	40%
Grocery	66%	33%
Drug/Pharmacy/Cosmetic	64%	36%
Others	47%	53%

- Majority of offline channels shows skew towards accompaniment, except Super/Hyper Markets where it's equally skewed.
- Online and convenience store show high impulse purchase solo driven.

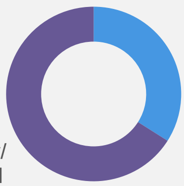
Weekday v/s weekend (sat & sun)



Channels	Weekday	Weekend
Online	69%	31%
Super/Hyper Markets	65%	35%
Convenience	66%	34%
Mini marts/markets	61%	39%
Grocery	53%	47%
Drug/Pharmacy/Cosmetic	61%	39%
Others	63%	37%

- Among Thai shoppers, impulse behavior shows slight skew towards weekdays.
- Traditional grocery reveals more balanced incidence of impulse behavior across both weekdays and weekends.

Regular v/s holiday/special occasion



Channels	Regular Day	Holiday/ Special
Online	31%	69%
Super/Hyper Markets	30%	70%
Convenience	44%	56%
Mini marts/markets	40%	60%
Grocery	31%	69%
Drug/Pharmacy/Cosmetic	12%	88%
Others	16%	84%

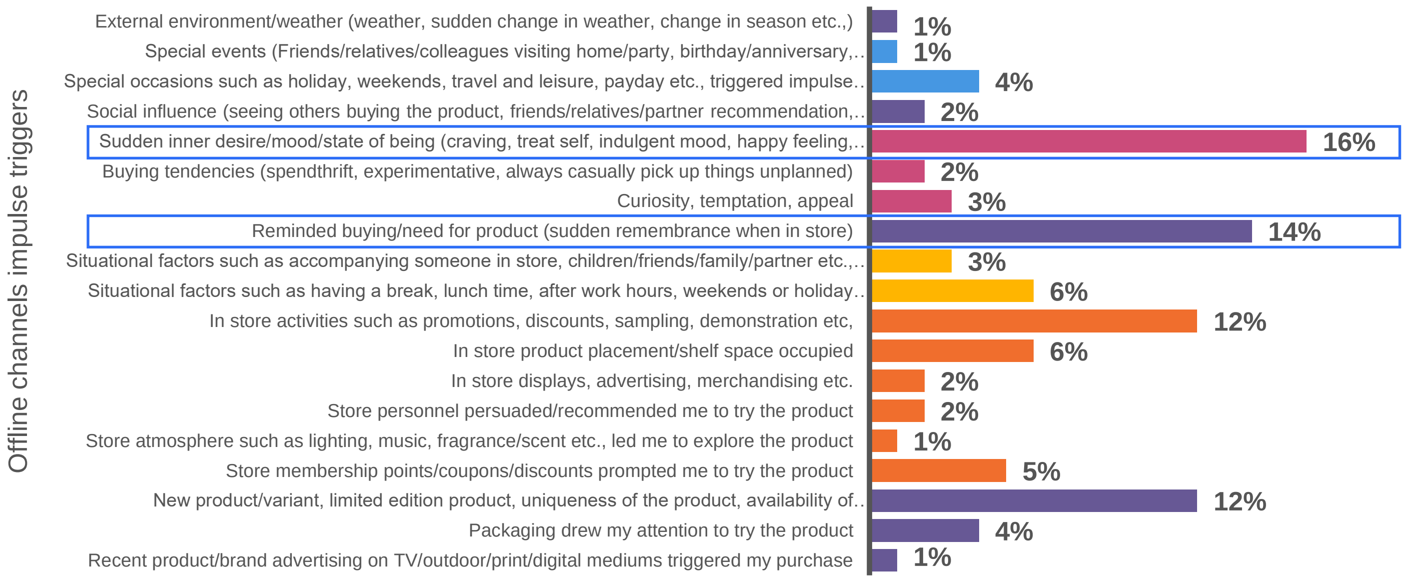
- Convenience store and Mini marts demonstrate most balanced incidence of impulse behavior across regular day as well as holiday/special occasions.
- Impulse purchase in other channels mostly skewed towards holiday/special occasions.

We would now like to talk a little bit more about your impulse or unplanned purchase ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in __________________ (DISPLAY CHANNEL/RETAIL FORMAT OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1). By impulse purchase, I mean product or brand buying decision made at the spur of the moment, without much prior planning or consideration or just unplanned purchase. Q15a. Which of these best describes the day? Q15b Was there anything special about the day? Q14 Please tell me how many people were with you at the time?

BASE: THAI MARKET (N=570)

Thailand

Besides situational factors, shopper's sudden inner desire and reminded buying also play a critical role in driving impulse purchase for offline channels



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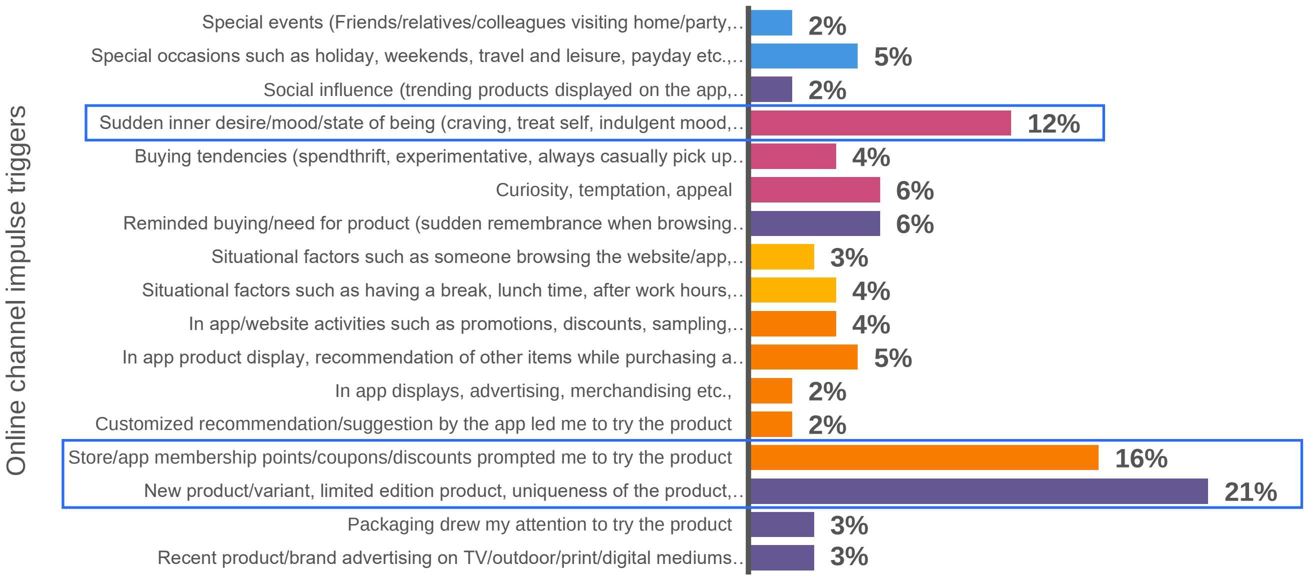
- Whereas in drug/personal store is highly triggered by **new product/variant** – product innovation launched is often introduced through this channel.
- Besides, **in-store activation** strongly drives impulse purchase especially in CVS, Supermarkets / Hypermarket and minimarts.
- **External factors and social influence** seen limited amongst Thai consumers.

Q19a. Which of these best describes your trigger for impulse or unplanned purchase ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in _________________ (DISPLAY CHANNEL/RETAIL FORMAT OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1)?

BASE: THAI MARKET (N=570)

Thailand

While for online purchase behavior, new product/innovation and in-store attractive promotions prompt Thai shoppers to make impulse purchase.



Q19a. Which of these best describes your trigger for impulse or unplanned purchase ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in _________________ (DISPLAY CHANNEL/RETAIL FORMAT OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1)?

BASE: THAI MARKET (N=73)

Thailand

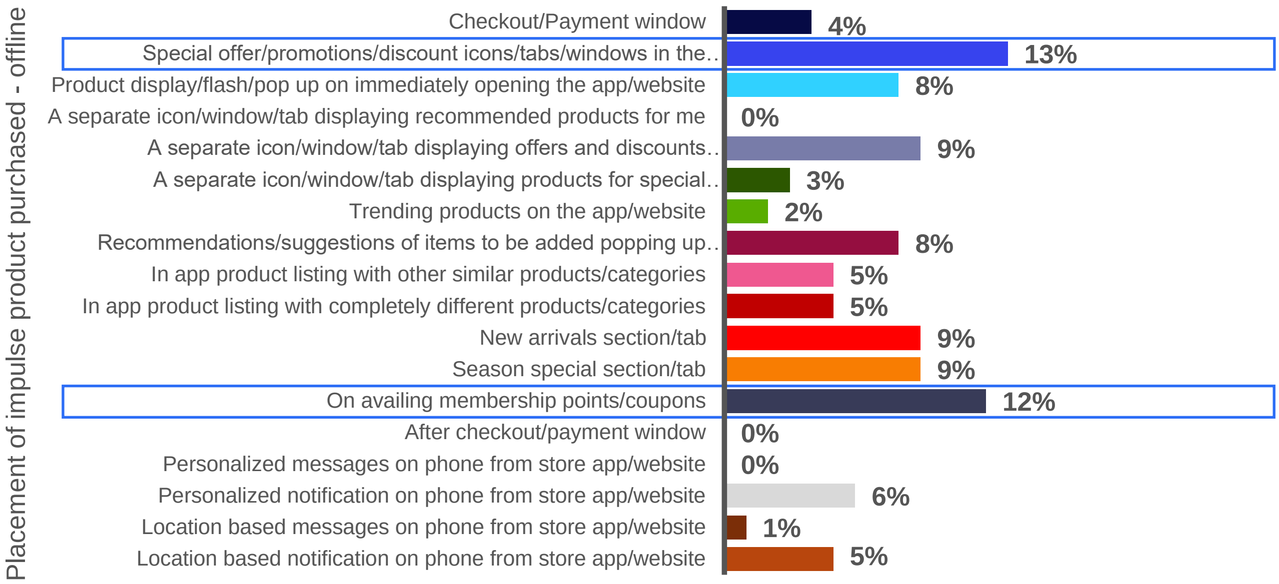
Contrary to traditional belief that entry and exit points drive impulse, in-store locations have a higher influence, as well as notable POS located prominently inside the store

Q20. Which of these best describes the placement of the impulse or unplanned purchase item you made ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in _________________

BASE: THAI MARKET (N=570)

Thailand

In the case of online, special promotions in the app/website plays strong role to induce Thai shoppers to impulsively purchase as well as loyalty program e.g. membership points/coupons

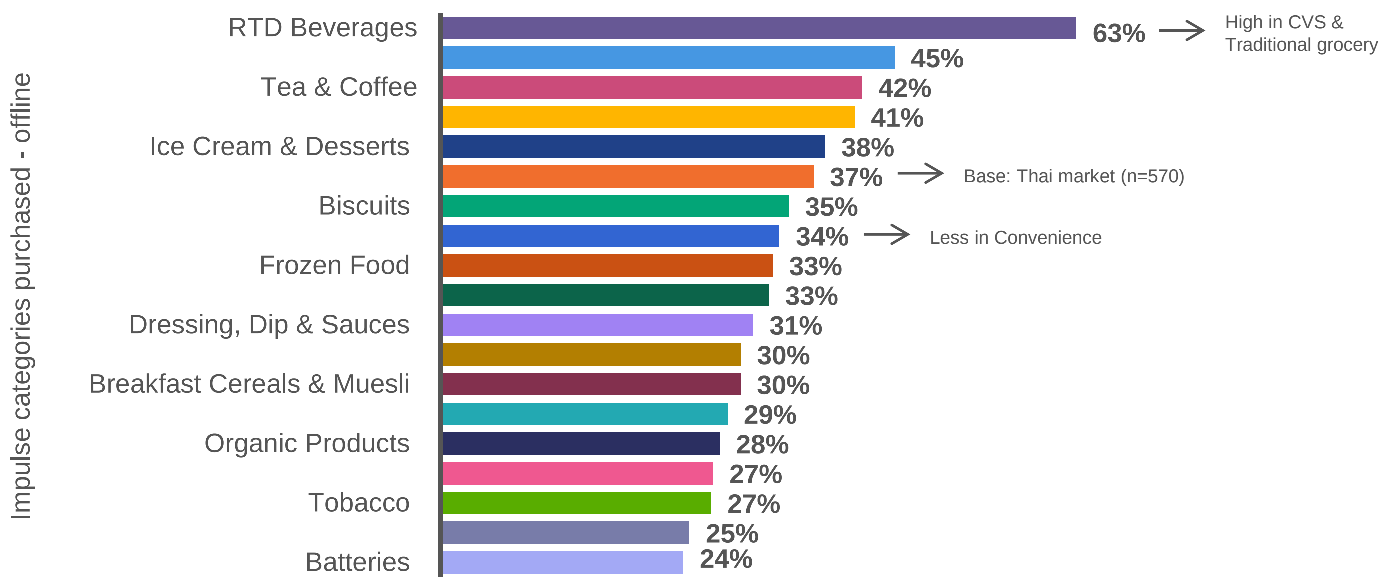


Q20. Which of these best describes the placement of the impulse or unplanned purchase item you made ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in __________________

BASE: THAI MARKET (N=73)

Thailand

Most impulse purchase offline is centered around food and beverages where RTD Beverages come as #1, followed by salty snacks and tea & coffee

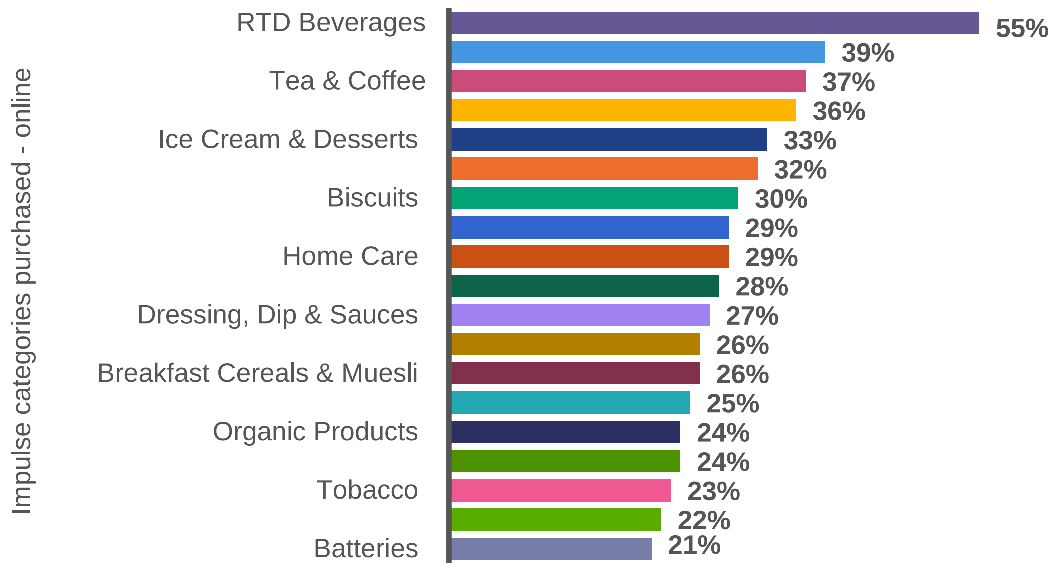


Q17. Into which of these categories does your impulse or unplanned purchase ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in _________________ (DISPLAY CHANNEL/RETAIL FORMAT OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) fall into?

BASE: THAI MARKET (N=570)

Thailand

Online impulse dynamics similar to offline with respect to categories purchased



Q17. Into which of these categories does your impulse or unplanned purchase ___________ (DISPLAY OCCURANCE OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) in _________________ (DISPLAY CHANNEL/RETAIL FORMAT OF MOST RECENT IMPULSE/UNPLANNED PURCHASE OCCASION IN LAST ONE WEEK FROM Q9 AS PER INSTRUCTION 1) fall into?

BASE: THAI MARKET (N=570)

About NIQ
NIQ is the world's leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. In 2023, NIQ combined with GfK, bringing together the two industry leaders with unparalleled global reach. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™.

NIQ, is an Advent International portfolio company with operations in 100+ markets, covering more than 90% of the world's population. For more information, visit NIQ.com