

MARKETING

An Investigation of Compulsive Buying in a University Setting

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Course Information (MKTG 300 -Principles of Marketing):

Marketing involves exchanges. The activities involved in marketing products, services, and ideas are examined within a framework of customer management. Topics include global marketing environment, market analysis and segmentation, consumer behavior, product development and management, pricing, promotion, and distribution. Marketing is examined from its role as a central function of business and non-profit organizations, and from its dominant role in a market economy.

Student Profile:

Undergraduate students fulfilling the core of their marketing course requirements. Given that this course is an introduction to marketing, students are not expected to have prior knowledge of marketing in a structured academic format and as such the academic research on compulsive consumption.

Background on Compulsive Consumption Research:

Compulsive buying has been defined as “chronic, repetitive purchasing that becomes a primary response to negative events or feelings” (O’Guinn and Faber 1989). Compulsive consumption has been the focus of consumer researchers since the mid-1980s (Hirschman 1992). Researchers have argued that compulsive buying is conceptually connected to a larger category of compulsive consumption behaviors that include alcoholism, drug abuse, eating disorders, and compulsive gambling (O’Guinn and Faber 1989). In addition, compulsive buyers are characterized by lower self-esteem, higher scores on general measures of compulsivity and a higher propensity for fantasy than the general population. Faber, O’Guinn and Krych (1987) find that several characteristics of compulsive consumption exhibit commonalities with other

manifestations of addictive behavior such as (i) the presence of a drive, impulse or urge to engage in the behavior (ii) denial of the harmful consequences of engaging in the behavior, and (iii) repeated failure in attempts to control or modify the behavior.

Effects of Compulsive Buying:

Compulsive buying can have serious implications on, for example, the mental states of the compulsive consumer, personal bankruptcies and credit card debt and the natural environment, among others (Roberts 1998). Compulsive consumers are affected by depression, anxiety, frustration and low self-esteem (Desarbo and Edwards 1992). Increases in personal bankruptcies and credit card debt are other negative consequences of compulsive buying. While compulsive buyers engage in frequent consumption, they might not have the financial wherewithal to pay for their purchases. Credit card debt keeps mounting nationwide and compulsive buying has become more noticeable with the rapid growth of the bank card industry (Faber, O'Guinn and Krych 1987). Further, compulsive buying can have a negative effect on the environment as well. A culture of consumption discourages the assignment of value to environmental concerns and detracts people from involvement in the public domain (Droge and Mackoy 1995).

From a consumer policy perspective, it is important to educate consumers about the potential effects of credit card debt as well as the proper use of credit. Currently most advertising for credit cards appeal to desire for status and instant gratification (Roberts 1998). Adolescents and compulsive buyers are particularly vulnerable to such appeals (Faber, O'Guinn and Krych 1987). Marketers could refrain from aggressive marketing campaigns targeted at such vulnerable segments of the population.

Compulsive Buying and Ignatian and Jesuit Pedagogy:

The young adults of today have been reared in a rapidly changing world where mass consumption and instant gratification are common. An understanding of the incidence of compulsive consumption and its negative consequences can assist such young adults in making prudent choices. Specifically, given that graduates from the Williams College of Business may choose careers where they might be in charge of developing and executing marketing campaigns, it becomes important that such potential marketers are aware of the effects of targeted marketing campaigns. An understanding of compulsive buying will assist in fulfilling the objectives of Jesuit and Ignatian pedagogy in the following ways:

(i) Prepare students for lifelong learning, by raising awareness about the potentially harmful effects of compulsive buying that students can use in their careers later when designing marketing campaigns.

(ii) Develop responsible citizens who are sensitive to the needs of our times by understanding that marketing programs targeted at vulnerable segments can have the effects of promoting unsustainable consumption habits among such segments. Particularly with an increase in personal bankruptcies and an increase in credit card debt, the need of the times is to promote responsible, not irresponsible consumption.

(iii) Inspire graduates to change society and the world for the better by engaging them in a discernment process concerning unsustainable consumption both among themselves and the

populations that they serve and thereby refrain from compulsive buying themselves. This also ties in with the Ignatian ideal of ‘discernment’.

Course Component and Objective:

The course component consisted of integrating a content component into one section of the MKTG 300 (Principles of Marketing) course for the Spring 2006 semester. The instructor was responsible for teaching two sections of MKTG 300 for the first time, with each section enrolling 28 and 27 students respectively. The course is the first marketing course that is taken by students in the Williams College of Business and so students have limited prior knowledge of marketing tools and techniques. The course component consisted of a short research project to promote the understanding of compulsive buying and to test for the effectiveness of the new component. The syllabus for the course was designed keeping this component in mind and the introduction of the component was a specific outcome of the Ignatian Mentoring Program. Specifically a study design was executed across two sections of the Principles of Marketing course to achieve the goals of understanding the effectiveness of and the implications of introducing a course component on compulsive buying.

Participants. Approximately 30 participants in each section of the MKTG 300 course were asked to complete a scale on Compulsive Buying (Table 1) that was introduced by Faber and O’Guinn (1992). This is a reliable and valid scale that has been used in multiple prior studies on compulsive buying.

Method and Procedure. Participants were administered the scale twice over the duration of the semester. While one section was treated as the test group, the other section was treated as a control group. In the first administration, both the groups were asked to fill out the questionnaire on the first day of class. Subsequently, the syllabus of one section of the course with the

integrated component, where the students were required to complete a short research project (approximately 2 pages) on their understanding of the effects of compulsive buying and their thoughts on the topic. This was the test group. The control group was asked to complete a project on designing a marketing plan that had nothing to do with compulsive consumption. On the day both the projects were due in class, the students were administered the compulsive buying questionnaire for the second time. As a manipulation check, towards the end of the questionnaire, an additional 4 items were included (e.g. “I am very aware of the consequences of compulsive buying”) anchored on a 5-point scale by ‘Strongly Agree’ to ‘Strongly Disagree’. Table 2 presents the complete list of manipulation check items. Differences within groups will be observed both on the scale items as well as the manipulation check items. The group with the research project paper on compulsive buying is expected to exhibit a higher level of awareness on the phenomenon of compulsive buying with regards to the manipulation check. Overall, it is expected that there will not be a significant difference between the two groups during the first administration of the compulsive buying questionnaire. After the test group completes the course requirements on the research paper, it is expected that the mean scores on compulsive buying will be significantly different between the two groups on the second administration of the compulsive buying questionnaire.

Insert Table 1 about here

Results

With the first administration of the compulsive buying questionnaire, participants indicated on 5-point scales that they were not compulsive buyers ($M_{\text{Experimental}} = 1.85$, $M_{\text{Control}} = 1.88$). All scales

were reverse coded. The difference was not significant across the two groups $t(44) = -.171, p > .05$. A principal component analysis with Varimax rotation of the four manipulation check items indicated that the four variables in the measure of awareness of compulsive buying loaded onto a single factor (eigenvalue = 2.98). This measure of awareness showed a relatively high level of reliability for a new scale ($\alpha = .85$). With the second administration, the manipulation check showed that the test group displayed a higher awareness of compulsive buying ($M_{\text{Experimental}} = 4.70$) than the control group ($M_{\text{Control}} = 4.24$). This difference was significant $t(47) = 3.36, p < .01$. However, the means of the two groups with regard to their compulsive buying behavior patterns ($M_{\text{Experimental}} = 1.84, M_{\text{Control}} = 1.95$) did not vary significantly, ($t(47) = -.77, p > .05$). Table 2 presents a comparison of the two groups with regard to their compulsive buying behaviors and the manipulation check items used in the study.

Insert Table 2 about here

Conclusion:

As predicted, we found no difference between the compulsive buying patterns of both the groups prior to their completing the research project. This is consistent with our expectations. Scores between the two groups after the completion of the research project were not significantly different. While not consistent with our predictions, this is not very surprising. The compulsive buying questionnaire measures behavior, and given the relatively short time between project completion and the subjects responding to the questionnaire, any change in behavior that can be attributed to the research project might be arbitrary. However, what is interesting is that the awareness of compulsive buying varies significantly between the two groups that completed

different projects. The group which completed a project on compulsive buying shows higher awareness of compulsive buying than does the group which completed a general marketing project. This awareness is indicative of the impact of the project on student's perception of compulsive buying. Awareness can be critical in the formation of attitudes (Priluck and Till 2004). As such the significantly different awareness scores between the two groups suggest that this is an important step in the formation of attitudes which might have an effect on student behavior. The inclusion of course components in classrooms that can emphasize and promote awareness of phenomena consistent with Ignatian pedagogy can be important in shaping student attitudes and may hold promise in promoting the objectives of the IMP program. This exploratory study enables us to measure the effectiveness of course components that are introduced into the classroom. The measurement of such classroom components has the potential of informing the instructor about the use and effectiveness of such components. Any future work should try to extend this study across multiple sections of a class. A larger sample size as well as a longitudinal approach in which students attitudes are measured at multiple points can also aid in furthering understanding of the effects of the introduction of such course components.

References

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Table 1: Compulsive Buying Scale Items

1. Please indicate how much you agree or disagree with each of the following items. Place an X on the line which best indicates how you feel about each statement					
	Strongly agree	Somewhat agree	Neither agree nor disagree	Some what disagree	Strongly disagree
a. If I have any money left at the end of a pay period, I just have to spend it	___	___	___	___	___
2. Please indicate how often you have done each of the following things by placing an X on the appropriate line.					
	Very often	Often	Sometimes	Rarely	Never
a. Felt others would be horrified if they knew of my spending habits.	___	___	___	___	___
b. Bought things even though I couldn't afford them.	___	___	___	___	___
c. Wrote a check when I knew that I didn't have enough money in the bank to cover it.	___	___	___	___	___
d. Bought myself something in order to make myself feel better.	___	___	___	___	___
e. Felt anxious or nervous on days I didn't go shopping.	___	___	___	___	___
f. Made only the minimum payments on my credit cards	___	___	___	___	___

Table 2: Mean Comparison Between Groups

		Test Group			Control Group		
		Pre test μ	Post Test μ	$t(d.f.), p$	Pre Test μ	Post Test μ	$t(d.f.), p$
1a.	If I have any money left at the end of a pay period, I just have to spend it	2.04	2.12	.28 (44)	1.95	2.20	-.22 (47)
2a.	Felt others would be horrified if they knew of my spending habits.	2.13	2.17	.00 (44)	2.13	2.36	-.76 (47)
2b.	Bought things even though I couldn't afford them.	2.17	2.04	-.65 (44)	2.35	2.20	-.61, (47)
2c.	Wrote a check when I knew that I didn't have enough money in the bank to cover it.	1.17	1.21	.35 (44)	1.13	1.08	1.10, (47)
2d.	Bought myself something in order to make myself feel better.	2.91	2.79	.95 (44)	2.70	2.68	.37 (47)
2e.	Felt anxious or nervous on days I didn't go shopping.	1.26	1.25	.30 (44)	1.22	1.20	.37 (47)
2f.	Made only the minimum payments on my credit cards	1.27	1.33	-1.59 (44)	1.65	1.96	-2.21 (46)**
	Overall Mean	1.86	1.85	-.17(44)	1.88	1.95	-.78 (47)
3a.	I am aware of the consequences of compulsive buying.		4.50			4.08	1.91 (47)
3b.	I understand the meaning of compulsive buying.		4.83			4.36	3.41 (47) **
3c.	I understand the concept of compulsive buying.		4.79			4.28	3.41 (47) **
3d.	I am aware of the significance of compulsive buying.		4.67			4.24	2.75 (47) **
	Overall Mean		4.70			4.24	3.36 (47) **

** indicates significance at $p < .05$ level.