INTRODUCTION

Inshopping versus outshopping is an issue of concern to all retailers. Determining factors leading to outshopping or, preferably, leading to inshopping can help retailers plan effective marketing strategies. Outshopping is defined as shopping done outside of the home community (Berman and Evans 2007). Research linking outshopping to consumer psychographic variables such as tastes and lifestyles (e.g., Reynolds and Darden 1972) suggests that certain consumer groups may be more or, as is our interest, less prone to outshopping versus inshopping.

Materialism and buying impulsiveness are consumer traits that seem likely to be related to inshopping or outshopping behavior. Materialistic attitude is the orientation of a person toward possessions and money and their importance with regard to happiness (Moschis and Churchill 1978). Rook and Fisher (1995) define buying impulsiveness as a tendency of a consumer to buy spontaneously, immediately, and without thinking. The problem is that information on psychographic variables such as attitudes and behaviors can be difficult and expensive to obtain. On the other hand, information regarding demographic characteristics of populations is readily and inexpensively available through government sources. Thus linking psychographic and demographic variables, and relating them in turn, to local shopping loyalty will assist retailers in selecting target markets, developing effective advertising, and improving marketing offerings. The purpose of the present study is to contribute to this area of knowledge by clarifying the relationship among demographics, materialistic attitudes, buying impulsiveness, and local shopping loyalty.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Outshopping

A number of studies examined the question of where consumers would shop (e.g., Thompson 1971; Lillis and Hawkins 1974; Lumpkin, Hawes and Darden 1986; Dmitrovic and Vida 2007). Paspoulos (1980) noted that revenue loss from outshopping is not necessarily apparent, because of the volume of inshopping. Hermann and Beik (1968) found a relationship...
Can Materialism be Good for Local Retailers? . . . .

Stammerjohan, Cole, Clow and McKinley

Marketing Management Journal, Fall 2010

55

between price and outshopping, and several authors have examined whether outshopping is product specific. Lau and Yau (1985) found outshopping to be product specific and influenced by product form and price level of the product as well. Lau and Yau found consumers were willing to out shop more for “shopping products,” such as apparel and gifts. Alternatively, Papadopoulos (1980) did not find outshopping to be product specific as much as price-level specific (c.f. Hermann and Beik 1968) and service-level specific. That is, consumers do not outshop for expensive items that may require after-sale service. A similar conclusion by Anderson and Kaminsky (1985), though describing the inverse situation, was that outshopping offers no comparative shopping advantage for convenience items such as food, fuel, or personal care items.

In 1985 Hozier and Stem developed a behavioral scale to measure the strength of retail patronage loyalty, that is, the extent to which respondents shop locally. This measure outperformed retailer attribute ratings in predicting percentage of respondents purchasing locally and dollar amount of outshopping purchases. This measure provides a positive measure of inshopping. Compared to outshopping, consumer inshopping is the behavior preferred by most retailers who locate their stores to be convenient to their target customers. For this reason, Hozier and Stem’s (1985) local loyalty scale will be a useful measure of the desired behavior and dependent variable in this study, inshopping.

Consumer Traits and Outshopping

Several studies have examined psychographic traits of consumers with regard to outshopping behavior (Clow and Rohling 1994; Jarratt and Polonsky 1993). For example, Darden and Perreault (1976) showed that outshoppers tend to be fashion conscious, weight conscious, and self-confident. Jarratt (1998) concluded that different consumer segments had different reasons for outshopping. Therefore, understanding trait antecedents of outshopping, and thus alternatively to inshopping and local retail patronage loyalty, is critical in understanding target markets. The present study contributes to this literature by examining the relationship between local shopping loyalty, demographics, and two potential psychographic antecedents of local shopping loyalty: materialistic attitude and buying impulsiveness.

Materialistic Attitude

One important aspect of the American culture is material possessions and the acquisition of them. The different media to which consumers are exposed depict the image that the possession of material goods, high income, and wealth are the key to happiness and quality of life. Therefore, the modern culture has developed the perception that “happiness can be purchased at the mall” (Kasser 2002). As a part of life, consumers face daily decision-making about spending money and balancing purchase necessities with desired items. However, when the acquisition of goods become the primary goal of consumers, materialism is the driving force influencing this behavior (Fitzmaurice and Comegys 2006; Richins and Dawson 1992).

For materialistic persons, possessions are not only goods, but also acquire social and status meanings such as power, wealth, and prestige (Eastman, Goldsmith and Flynn 1999). As a result, the consumer derives more pleasure from the acquisition than from the possession utility of the product. Research has shown that materialists tend to spend more time shopping and more money during each shopping trip than other consumers (Fitzmaurice and Comegys 2006). In addition, materialism often acts as a symbol of the consumers’ membership in some aspirational reference groups (Hoyer and MacInnis 2007). On the other hand, materialism is often associated with negative measures of well-being (Christopher and Schlenker 2004; Kasser 2002; Kaser and Ahuvia 2002; Chang and Arkin 2002). Materialistic people seem to use shopping to eliminate self-doubts and make themselves feel better (Chang and Arkin 2002). Unhappiness at home and with family seems to produce materialism in adolescents.
Can Materialism be Good for Local Retailers? 

(Rindfleisch, Burroughs and Denton 1997; Roberts, Manolis and Tanner 2003, 2006) that may show up later in life (Steinberg 2002). Age was also found to be antecedent to materialism by Lerman and Maxwell (2006) and Cleveland, Laroche, and Papadopoulos (2009) and did not find significant results for gender or education.

**Buying Impulsiveness**

Buying impulsiveness is unplanned purchasing (Rook and Gardner, 1993; Virvilaite, Saaladiene and Bagdonaite 2009). This phenomenon is of considerable interest to marketers and it is related to both personal variables (Dittmar and Beattie 1995; Verplanken and Herabadi 2001; Kacen and Lee 2002; Lin and Chuang 2005; Silvera, Lavack, and Kropp 2008; Virvilaite, Saaladiene and Bagdonaite 2009) such as materialism (Richins and Dawson 1992) and situational variables such as mood (Rook 1987). Age is expected to be a predictor, and young people are expected to be more impulsive (Bellenger et al. 1978; Parboteeah 2005), although some studies suggest that the relationship may not be linear (Wood 1998). Likewise, gender is expected to be related, with women being more impulsive than men (Dittmar et al. 1995; McInikas and Smaliukiene 2007). In addition, Richins and Dawson (1992) indicated that higher materialism will result in greater impulsiveness. Combined with other factors such as time pressure or convenience orientation, buying impulsiveness does affect store selection (Skallerud, Korneliussen and Olsen 2008), which suggests that there could be a relationship with local loyalty (store selection) behaviors.

**HYPOTHESIS DEVELOPMENT**

With regard to local loyalty, it is true that reflective decisions are influenced by impulsive processes (Strack, Werth and Deutsch 2006) through varying availability of concepts based on impulsive responses, through motivational orientation—such as materialistic attitudes—and deprivation or felt need. In other words, the need to buy can be motivated by materialistic attitudes.

From a retailer’s point of view, local patronage loyalty is a desired outcome. While it could be argued that loyalty is a value, Hozier and Stem’s (1985) behavioral scale includes predominantly behavioral items. Therefore, we model loyalty as the desired dependent behavior in the study. As discussed earlier, trait antecedents should be important in predicting local loyalty and thus inshopping.

We view buying impulsiveness as a behavioral trait antecedent to local loyalty. It could be argued that that the compulsion to purchase where ever and when ever will be at cross purposes with loyalty behavior, resulting in a negative association. On the other hand, impulsiveness could lead to local patronage, as it should lead to increased patronage where ever one happened to be. Because one is “home” (inshopping) more than elsewhere (outshopping), we expect to find that impulsive buying is predictive of local loyalty. This leads us to Hypothesis 1.

\[ H_1: \] Buying impulsiveness is a positive predictor of local loyalty.

Materialistic attitude could be considered a set of values. As defined in this study, it represents a statement on the importance of material goods in a consumer’s life, the status that material possessions convey, and the happiness that comes from owning material goods (Moschis and Churchill 1978; Richins and Dawson 1992). Materialism is also thought to include possessiveness, nongenerosity and envy (Belk 1985). As a value, materialism could be assumed to motivate a number of other attitudes or behaviors. Cleveland, LaRoche and Papadopolous (2009) found that materialism predicts both local hedonistic and and global hedonistic shopping. However, because of materialism’s association with self-centeredness (Richins and Dawson 1992) and with fashion innovativeness (Darden and Perrault 1976; O’Cass 2004), we anticipate that local loyalty will fall victim to the need to have the latest fashion and that the latest fashion will
Can Materialism be Good for Local Retailers?... 

be perceived to be found elsewhere. In addition, Park, Burns and Rabolt (2007) found that, if sufficiently internet innovative, materialism and fashion innovativeness lead to internet outshopping. Thus, we anticipate in Hypothesis Two that materialistic attitude is problematic for local retailers and negatively related to local loyalty.

\[ H_2: \text{Materialistic attitude is negatively related to local loyalty.} \]

A third consideration is that a number of authors have examined materialism linked with buying impulsiveness in various ways (e.g., Dittmar and Beattie 1995; Troisi, Christopher and Marek 2006). If a person has a materialistic attitude, then one assumes that buying and owning material things makes this person happy and secure. For the materialistic person, the act of buying is “comfort food,” that is, something they do to make themselves feel better. Since materialism is also associated with greater levels of anxiety and unhappiness (Christopher and Schlenker 2004; Kasser 2002; Kaser and Ahuvia 2002; Chang and Arkin 2002), the need for the comfort of acquiring things can be expected to be greater for materialistic persons. Hypothesis 3 reflects the expected positive relationship between materialism and buying impulsiveness.

\[ H_3: \text{Materialistic attitude positively predicts buying impulsiveness.} \]

In fact, we expect a positive relationship between materialism and buying impulsiveness, and a positive relationship between buying impulsiveness and local loyalty. In other words, if materialistic consumers are difficult targets for local retailers, the appeal to their “built-in” buying impulsiveness may be the critical factor in keeping their shopping local.

METHOD

Measures

In 1985 Hozier and Stem developed a scale to measure the strength of retail patronage loyalty. This ten item measure outperformed retailer attribute ratings in predicting percentage of respondents purchasing locally and dollar amount of outshopping purchases. The response choices were 1-never, 2-occasionally, 3-frequently, and 4-always.

Buying impulsiveness is measured with Rook and Fisher’s (1995) scale of nine items scored on a five point Likert scale. The authors reported Cronbach’s alpha of 0.82 and good evidence of unidimensionality, reliability and validity using confirmatory factor analysis and other predictive validity tests.

Materialistic attitude was measured using Moschis and Churchill’s (1978) six item scale, and a five point response choice. Although the Cronbach’s alpha of 0.60 is somewhat low, the authors reported several predictive validity tests, and judging by the items, the reliability results may be caused by the broad nature of the scale content.

The demographic variables of age, gender, and GPA (as a proxy for education) were included in the model, because information regarding these variables is much more inexpensively available than information regarding psychographic or behavioral variables. Improving the understanding of the relationship between the demographic variables and materialism, buying impulsiveness, and local loyalty may provide an additional contribution to both the literature and to retail management.

The Study

Paper and pencil questionnaires in English were used to collect data from both graduate and undergraduate students in various classes at a French university and at a mid-south university in the U.S. Although student samples are often criticized, college students are an important population to study with regard to materialism and local shopping loyalty for several reasons. First, young people are thought to be increasingly materialistic (Roberts 2000) and more buying impulsive (Bellenger et al. 1978), and there is some evidence that materialism declines with age (Lerman and Maxwell 2006). Thus, this sample may include a higher...
Can Materialism be Good for Local Retailers? . . . .  
Stammerjohan, Cole, Clow and McKinley

incidence rate of the attitudes and behaviors of interest. Second, as young people practice increasing autonomy with their increasing income, their consumption habits are more open to change versus older consumers whose habits have become more set with age. This combination of reasons makes this sample representative of a population of interest to retailers. The procedure resulted in 607 responses, further described in Table 1 below.

RESULTS

Table 1 shows the descriptive statistics of the sample by country. The male/female composition percentage is marginally significantly different ($\chi^2 = 3.44, p = 0.064$). Average age is significantly different ($t = 3.64, df=592, p = 0.000$), but GPA is not ($t = -1.286, df=450, p = 0.199$). Although there are no significant differences in buying impulsiveness, there are significant differences in both average materialism ($t = 1.96, df = 598, p=0.05$) and average local loyalty ($t = 4.80, df = 602, p=0.000$).

Exploratory factor analysis with Varimax rotation was performed on the measures. Using eigen values greater than one, seven factors were extracted. The first factor was buying impulsiveness with all nine items loading greater than .618 on that factor. This scale produced a Cronbach’s alpha of 0.89. The second factor included four items loading greater than .500 from the local loyalty scale. These items included the following items that were used in the final scale for this study:

$\#3$ I shop at local stores because it is important to help my community. (.866)

$\#5$ I shop locally to support the local merchants and business district. (.868)

$\#6$ Shopping at local stores is an enjoyable experience (.576)

$\#10$ I am loyal to my local shopping area (.721)

These four items produced a Cronbach’s alpha of .79. Item $\#7$ loaded on an its own factor, and items $\#8$ and $\#9$ both loaded on a different factor. These items were therefore dropped. No other items loaded higher than .500.

The materialism scale produced the third and fourth factor, with three items each loading on separate factors. The first factor seems to represent individual values; the second factor seems to represent social judgment. Although this suggests the scale may not be unidimensional, all six items were used, as it was felt that both factors represented important content and should not be dropped. The resulting alpha, 0.64, probably reflects the multidimensionality of the scale rather than a true lack of reliability. This alpha is slightly higher than Moschis and Churchill’s reported reliability.

<table>
<thead>
<tr>
<th>TABLE 1:</th>
<th>Descriptive Statistics of the Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
</tr>
<tr>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>U.S.</td>
<td>253</td>
</tr>
<tr>
<td></td>
<td>51.5%</td>
</tr>
<tr>
<td>French</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>41.7%</td>
</tr>
</tbody>
</table>
Can Materialism be Good for Local Retailers? . . . .

Together these four factors explained 45.6 percent of the 61.7 percent of the variance accounted for by the factor analysis. Table 2, below, provides means, standard deviations, and simple correlations of the variables of interest.

In general these statistics look reasonable, although the non-significant correlation between materialism and local loyalty does not bode well for Hypothesis 2. Likewise, GPA does not appear to be correlated with other variables of interest.

Hypotheses Tests

Hypothesis 1 states that buying impulsiveness is a positive predictor of local loyalty behavior due to the convenience of local merchants. Hypothesis 2 suggests that materialism will be a negative predictor of local loyalty. Equation 1 describes the linear regression model used.

\[ \text{Loyalty} = a + b_1 \text{Age} + b_2 \text{Gender} + b_3 \text{GPA} + b_4 \text{Mat’lism} + b_5 \text{Impulse} + e \]

Where:
- \( \text{Loyalty} \) = Average of local loyalty scale
- \( \text{Age} \) = Chronological age in years
- \( \text{Gender} \) = 1, male; 2, female
- \( \text{GPA} \) = Self-reported GPA, proxy for education
- \( \text{Mat’lism} \) = Average of 6 items in materialistic attitudes Scale
- \( \text{Impulse} \) = Average of 9 items in buying impulsiveness Scale
- \( e \) = Random error.

A significant regression resulted (\( p = 0.002 \)). Table 3 below summarizes the standardized \( \beta \)s from the regression.

Hypothesis 1 is supported, but Hypothesis 2 is not. Impulsiveness is a significant, positive predictor of local loyalty behaviors, but materialism is not a negative significant predictor. Hypothesis 3 states that materialism is a significant predictor of buying impulsiveness. Linear regression supported this hypothesis with a significant ANOVA (\( p = 0.007, 0.000 \)) and a significant standardized \( \beta \) of 0.280, even with age (\( \beta = -0.70, p=.127 \)) and gender (\( \beta = 0.189, p=.000 \)) in the model. GPA was again non-significant. Hypothesis 3 was supported.

DISCUSSION AND FURTHER ANALYSIS

The present study is motivated by the difficulty of local retailers trying to establish loyalty in the face of increasingly materialistic customers. Our study did not find materialistic attitudes negatively related to local loyalty as hypothesized. Instead, we found, like Cleveland, LaRoche and Papadopolous (2009), that materialism was equally likely to predict outshopping or inshopping. Never-the-less, the relationship of materialism to buying impulsiveness does suggest that retailers should focus on stimulating impulsive buying in order to benefit from materialistic consumers. Further analysis also suggests that continued marketing and communications emphasis on younger consumers may be beneficial. Table 4 shows subsequent analysis showing that buying impulsiveness is not a predictor of local loyalty for consumers older than 22. While there are significant differences in all three variables of interest between men and women, neither buying impulsiveness nor age is a significant predictor of local loyalty for women. Instead, the significant predictor is GPA (\( \beta = .148, p = 0.035 \)), our proxy for education. In fact, buying impulsiveness is the significant predictor for men. This suggests that retailers need to focus on designing stimuli to capture the buying impulsiveness of men, versus continued focus on tantalizing women.

In addition, the present study examined the effects of differences in age groups and gender and found that gender is a significant predictor of materialism, buying impulsiveness, and local loyalty (regression results confirmed these effects). Age is a marginally significant predictor of buying impulsiveness (\( p = 0.078 \)) and a significant predictor of local loyalty (\( p = 0.012 \)). Age did not predict materialism. Individual analysis of the U.S. and French samples produced similar results.
## TABLE 2: Means, Standard Deviations, Simple Correlations, Cronbach’s Alphas

<table>
<thead>
<tr>
<th></th>
<th>Means</th>
<th>Std. Dev.</th>
<th>Local Loyalty</th>
<th>Mat’l listic Attitude</th>
<th>Buying Impulse</th>
<th>Age</th>
<th>Gender</th>
<th>GPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Loyalty</td>
<td>2.36</td>
<td>0.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mat’l listic Attitude</td>
<td>3.14</td>
<td>0.63</td>
<td>-0.039</td>
<td>0.64**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buying Impulse</td>
<td>2.98</td>
<td>0.79</td>
<td>0.082*</td>
<td>0.229*</td>
<td>0.89**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>23.40</td>
<td>5.08</td>
<td>0.133*</td>
<td>-0.078</td>
<td>-0.088*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>1.50</td>
<td>0.50</td>
<td>0.098*</td>
<td>-0.183*</td>
<td>0.110*</td>
<td></td>
<td>0.003</td>
<td></td>
</tr>
<tr>
<td>GPA</td>
<td>3.06</td>
<td>0.493</td>
<td>-0.029</td>
<td>-0.032</td>
<td>-0.055</td>
<td>-0.111*</td>
<td>0.032</td>
<td></td>
</tr>
</tbody>
</table>

*Significant at p<.05   **Cronbach’s alphas on the diagonal

## TABLE 3: Standardized Betas, T-values, and Significance Levels of Predictors of Local Loyalty

<table>
<thead>
<tr>
<th></th>
<th>Std. Beta</th>
<th>T</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td></td>
<td>5.139</td>
<td>.000</td>
</tr>
<tr>
<td>Age</td>
<td>.129</td>
<td>2.736</td>
<td>.006*</td>
</tr>
<tr>
<td>Gender</td>
<td>.079</td>
<td>1.636</td>
<td>.103</td>
</tr>
<tr>
<td>GPA</td>
<td>-.013</td>
<td>-.267</td>
<td>.789</td>
</tr>
<tr>
<td>Mat’lism</td>
<td>.024</td>
<td>2.622</td>
<td>.631</td>
</tr>
<tr>
<td>Impulse</td>
<td>.129</td>
<td>.480</td>
<td>.009*</td>
</tr>
</tbody>
</table>

## TABLE 4: Standardized β's of Predictors of Local Loyalty for Age and Gender Groups

<table>
<thead>
<tr>
<th></th>
<th>F, p-value</th>
<th>n</th>
<th>Impulse</th>
<th>p-value</th>
<th>Mat’lism</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>&gt;22</td>
<td>241</td>
<td>.128</td>
<td>.106</td>
<td>-.047</td>
<td>.557</td>
</tr>
<tr>
<td></td>
<td>&lt;= 22</td>
<td>352</td>
<td>.124</td>
<td>.053</td>
<td>.048</td>
<td>.455</td>
</tr>
</tbody>
</table>

| Gender               | 2.22, 0.068| M       | .161    | .016    | -.018    | .783    |
|                      |           | 298     | .115    | .117    | .052     | .477    |
Can Materialism be Good for Local Retailers? . . . .

**CONCLUSION, LIMITATIONS, SUGGESTIONS FOR FUTURE RESEARCH**

This study contributes to the retailing literature by examining the effects of two consumer traits on local loyalty (inshopping) versus outshopping. While materialistic attitudes were not found to be negatively predictive of local loyalty, buying impulsiveness was a significant positive predictor. Considering that impulsive buying accounts for nearly 80 percent of all purchases in certain product categories (Abrahams 1997; Smith 1996), marketers need to focus efforts on stimulating purchase while customers are in the store or on their computers. Added conveniences, such as easy ordering and quick delivery or online advertising, may be the crucial stimuli that result in impulse purchasing. Strack, Werth, and Deutch (2006) model impulse purchasing as a response to a stimulus, modified by personal traits, situations, cognitive processes and more. Point of purchase displays and package design are two tools used by marketers to persuade consumers to engage in a sudden and spontaneous act of buying impulsiveness (Jones et al. 2003).

This study has limitations. Although the student sample is a desirable market segment with a high incidence of the variables of interest, generalization is questionable, and the study should be replicated using non-student populations. It is also true that statistical prediction does not equal causation. In this and most correlation studies, there is no way to eliminate questions of temporal precedence. In fact, it is entirely possible that local loyalty is an excuse for individual impulsiveness, rather than impulsiveness causing loyalty.

Consumer behavior is a complex phenomenon, and there are numerous other variables that could probably be included in future research. It is also possible, as suggested by Wood (1998), that the effects of some of the variables are non-linear. Threshold and curvilinear effects should be investigated. However, the study does suggest that despite increasing materialism, local loyalty is still possible in a young population. Many interesting questions remain, particularly with regard to stimuli that will motivate those impulse purchases.

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Can Materialism be Good for Local Retailers? 


Can Materialism be Good for Local Retailers? . . .

Stammerjohan, Cole, Clow and McKinley


