Management Science and Research
June 2015, Volume 4, Issue 2, PP.19-25

Study of Influencing Factors on Consumer Online Impulse Buying

Hualin Wang

Jiangxi University of Finance & Economics, Industrial Clusters and Enterprise Research Center, Nanchang China,

Email: wanghualin2002@163.com

Abstract

The convenience and anonymity of online shopping have stimulated people's impulse buying tendency. Impulse buying is not only a competitive method for businesses, but also a crucial factor influencing sales of e-commerce. Based on a systematic review of literatures, this paper explores factors affecting the online impulse buying. Moreover, by using the S-O-R model, this paper describes the formation mechanism of the online impulse buying behavior. At Last, it points out issues worthy of future studies. For example, this paper suggests to take into consideration of sociocultural impact and to put more emphasis on empirical studies.

Keyword: Online; Impulse Buying; Influence Factors; S-O-R

1 INTRODUCTION

Impulse buying behavior stands as a long mystery in the marketing industry. It is believed as an ashy behavior performed by consumers in relevant literature (Wansink, 1994). Since many retailers have noticed this phenomenon, they relocated their store layout, improved product packaging and carried out in-store promotions as a way to stimulate consumers' impulse buying. Over the previous years, with the popularity of credit cards, network marketing and home shopping networks, the impulse buying behavior has been well established (Rook, 1987). Due to the rapid development of B2C and O2O mode, the percentage of online shopping of the total shopping is also growing, while at the same time, consumers' impulse buying activities are also increasingly high (Kacen and Lee, 2000). According to the China Industry Research Network data, it shows that in Single Day (on December 11 every year), Alipay transaction has amounted to 35.019 billion. However, its average return rate has reached 25%, with some retailers as much as 40%. According to a relevant survey, consumer's returning of goods is probably out of three reasons, for example, the cooling of consumption impulses, which means buyers take the initiative to return goods. Faced with such a large group of online consumers and a high proportion of impulsive consumptions, impulse buying behavior has become a key research project in all types of enterprises and manufactures. Therefore, under this accelerated competitive market environment, impulse buying has not only been an effective market competition strategy, but also an important factor affecting sales of both retailer and e-commerce. (Parboteeah et al. 2009; Vohs and Faber 2007 etc.).

Generally speaking, a variety of promotional information can be found in webs. These information then act as stimuli to trigger impulse buying behavior at any time and places. Thus, it is of great significance to reveal the influence of online impulse buying to practices. It helps businesses to better stimulate consumers' desire to buy through Internet, mobile terminals and O2O. Also, it urges businesses to develop effective marketing strategies to increase their impulse buying behavior (Lee et al., 1989). On the other hand, consumers limit their buying frequencies by controlling their buying impulses and desires. However, by looking through literatures, we found that most researchers, both at home and abroad, focus on traditional retails (cement + brick), while ignoring the impulse buying behavior occurring in the web. For this reason, studies of consumers' online impulse buying are both unique and new (Sun and Wu, 2011).

2 FACTORS INFLUENCING THE NETWORK IMPULSE BUYING BEHAVIOR

In recent years, surveyors of information system argued that in the context of online retail shopping, the environment

of online shop had a significant impact on consumer behavior. Researchers figured out ten factors that may affect consumers' online buying: high transaction security, easy operation of shopping cart and search engine, a clear web navigation, a beautiful interface, a detailed product description, competitive prices, quick logistics speed, trust mechanism and regular customers (NetProfit Magazine, 1998). By reviewing literature, three factors stand out uniquely affecting the online buying impulses of consumers, namely the online environment, individual and situational factors.

2.1 The Online Environment Factors

Many researchers have verified the environmental impact on consumers' buying impulses, but most of them concentrated in studies of traditional shopping. Compared with traditional shopping environment, online shopping is short of shopping atmosphere and the smell and texture of products (Baker, 1986; Bitner, 1992). Since both sellers and buyers are operating behind computer screens, it is impossible for them to have a face-to-face contact. Acted as an indirect medium of communication, shopping site itself plays an important role. Chinese scholar Zhao Hongxia (2014) and other researchers have confirmed that online communication is positively correlated with buying impulses of consumers. Verhagen and Dolen (2010) believed that a good communication between online sellers and buyers as well as efficient network navigation would stimulate their buying impulses behavior. In light of this, the online environment not only attracts consumers into the site, but it also stimulates their buying impulse behavior. According to relevant researches, when consumers are confronted with prompting messages (e.g. promotion, advertising), they will resort to impulsive buying (Dholakia, 2000; Rook, 1987). Hadjali (2012) and other researchers have also proved that promotions and price falls will also arouse their buying desire. Also, by ways of upgrading web designs, announcements and customer services, online operators can persuade consumers to buy more in an indirect way. Mattila and Wirtz (2001) argued that a comfortable and convenient shopping environment would lessen shoppers' self-management, leading to a higher possibility of impulse buying behavior. In addition, Vander and Heijden (2003) also pointed out that it was smart for online sellers to improve the appearance of their sites by using visual elements, for example, a skillful use of different colors will largely enhance the visual impact on customers. Moreover, in Parboteeah's doctoral thesis (2005), he stated, after doing empirical analysis and meta-analysis, that shopping convenience, website design and its visual impact have positive correlations with the impulse purchasing behavior of consumers.

Impulse buying behavior emerges when consumers react to outside stimuli. Further, this kind of stimuli is usually aroused by website environment, such as, product pictures, promotional information, advertisements, background music. Different stimuli will exert different extent of impulse buying behavior on customers. Some scholars have found that music plays a small effect on impulse buying, while promotional activities (such as price fall) would have a larger degree of influence (Karbasivar and Yarahmadi, 2011).

2.2 Individual Internal Factors

1) Demographics

In terms of demographic characteristics, factors influencing consumers' online impulse buying behavior include: age, gender, income, etc.

Researchers have confirmed the influence of age on impulse buying behavior (Wood, 1998; Bellenger, Robertson and Hirschman, 1978 etc.). Rawlings (1995) found that the young shows stronger impulse buying behavior than the old. By investigating the US adult population, Wood (1998) found that age bears no linear relationship with the impulse buying behavior. However, he realized that people aged 18 to 39 have a higher tendency of impulse buying behavior, while people aged over 39 have a lower tendency of it. This is because with age increases, people tend to be more rational. Bellener (1978) supposed that customers below age of 35 show stronger impulse buying behavior than their elder. Mai (2003) held that the young are pioneers of a new life. They are more likely to buy fashionable products and enjoy superior shopping experiences. Therefore, the young are more prone to impulsive buying behavior. On the other hand, older people are often calm and intellect, thus, they have the ability to control buying desires.

When it comes to the influence of sex on impulse buying behavior, researchers have reached different conclusions. Lin and Lin (2005) have carried out research in Taiwan inquiring the impulse buying behavior of young people. In this matter, they found that girls have a higher tendency than boys to buy things impulsively. Besides, Dittmar (1995) and Wood (1998) have also proved this ideal. Block and Morwitz (1999) have attributed this phenomenon to the following three reasons: first, traditionally speaking, it is women in charge of shopping right; second, women are more learned with products and shopping locations; third, due to women's traditional roles, they are more familiar with the performance of products in the shopping list (Urbany et al., 1996).

When it comes to demographic characteristics, scholars have examined age and sex, besides, they have also taken income level into considerations. Lin and Lin (2005) discovered that the disposable income of young people bears a positive relationship with impulse buying behavior. As their disposable income increases, they are more likely to buy products impulsively. Abratt and Goodey (1990) also contended that income level positively affects people's impulse buying behavior. They also suggested that American consumers' impulse buying behaviors are mainly due to their high income. Mai (2003) held that high-income consumers are less likely to limit their impulse buying behaviors, because of their ability to pay all sorts of bills.

2) Personality

Impulse buying tendency (IBT) is considered to be a personality trait stimulated under certain environment (like Dholakia, 2000). IBT is defined as "an unexpected, immediate, hasty buying behavior of an individual" (Jones et al., 2003, p. 506). Survey shows that a person with a high impulse buying tendency enjoys a high possibility of unplanned and impulsive buying (Beatty and Ferrell, 1998). Impulse buying is a reckless behavior generated in an instant. People with this tendency prefer doing things from instinct, and their decision-making process usually requires a relatively short time. Moreover, many researches have shown that customers with high impulse buying tendencies bear a positive correlation with doing things from instinct (Sharma et al., 2010; Chih et al., 2012). Youn and Faber (2000) figured that people's impulse buying tendency could find explanations in their lack of self-control abilities. Due to the lack of cognitive control, consumers are prone to buy things without restraint. They also found that customers with high impulse buying tendency are more likely to be impressed by promotional activities, such as advertising, visual elements, promotional gifts. These stimuli act on those customers, urging them to buy more.

3) Buying Motives

Previous investigation on factors affecting impulsive buying behavior is basically focused on the product itself, while ignoring the real buying motives of consumers. Huang (2003) believed that consumers are not only satisfying their basic material needs, they also enjoying the whole shopping process. As studies on impulse buying behavior go deeper and further, some researchers realized the impact of utilitarian and hedonic on impulse buying behavior (like Basinet al, 1994; Overby and Lee, 2006). They found that people who enjoy shopping and surfing online sites are more prone to impulse buying behavior (Koufaris, 2002).

Buying motives include two aspects: utilitarian and hedonic. Utilitarian buying motive refers to a goal-oriented, rational and thoughtful buying behavior. On the other hand, hedonic buying motive refers to a more subjective and experience-based buying behavior, which gives priority to shopping pleasure. Thus, the impulsive buying behavior is classified as hedonic buying, which highlights emotion and mentality but ignores reason and functional benefits (Sharma, Sivaku-maran, and Marshall, 2010). Researchers hold that people with hedonic buying habits are more concerned with shopping pleasure (Kim and Forsthye, 2007). Generally speaking, hedonic buying motives focus on the value of shopping experience (Overby and Lee, 2006). By using qualitative and quantitative research methods, Hausman (2000) also confirmed that impulse buying behavior enjoys a positive relationship with hedonic buying motives. On this basis, Chih (2012) investigated the hedonic buying behavior among Taiwan consumers, he found that the positive mediating variables will indirectly but positively influence the impulse buying behavior of consumers.

4) Emotion

Emotion may be the most important motivating factor affecting people's buying (Hirschman and Holbrook, 1982).

By hiding its cognition, it can indirectly affect people's behavior (Cacioppo and Gardner, 1999). Whether direct or indirect, emotion plays a significant role in impulse buying activities. Roughly, emotion includes three dimensions, namely positive emotion, negative emotion and neutral emotion (Verplanken and Sato, 2010). Among these three emotions, the previous two have received much more attention (Laros and Steenkamp, 2005). It is said that positive emotion (such as excitement, passion) will stimulate people's immediate needs and desires for shopping. Likewise, negative emotion (such as frustration) will also motivate people's impulse buying, because such behavior makes them feel comfortable. Verplanken and Herabadi (2005) proposed that negative emotion would spur impulse buying behavior, through which consumers can get away from their negative mental state. Verplanken and Sato (2011) also predicted that positive emotion would lead to impulse buying. But negative emotion would also generate similar behaviors. Individuals in a negative emotional state will try to escape from negative emotions through impulse buying activities (Elliott, 1994). It has been considered as an attempt to be good to oneself and also a way to cheer oneself up. However, the casual relationship between emotion and impulse buying behavior has only been verified by a handful of scholars. For example, Verplanken and Sato (2010) have worked out the causal relationship between the two by guiding emotions (negative, positive and neutral emotions) of participants in laboratory. In their final stage of the experiment, they gave $5 to each of the participants and asked them to buy unhealthy food. The survey shows that people with neutral emotion spend 37% of the money buying unhealthy food, while people with negative emotion and people with positive emotion spend 49% and 59% respectively buying unhealthy food. These data show that people with different emotions enjoy different degree of impulse buying tendency. As we can see, customers in negative or positive emotions are more susceptible to impulse buying activities.

2.3 Situational Factors

Situational factors refer to the environmental and individual influence in impulse buying process. These include the availability of time and money, also, the persuasion of other people.

It is said that the amount of time available for a consumer would determine whether he or she would buy impulsively. Researchers have confirmed that time pressure has negative impact on impulse buying behavior. Due to the lack of time to browse the shopping site, consumers are likely to produce negative emotions, thus reducing their tendency towards impulse buying behavior (Beatty and Ferrell, 1998). On the contrary, people with more time, the amount of time they spend on shopping site will be longer. Compared with people rarely browse the website, people who browse it will produce more unplanned buying (Jarboe and McDaniel, 1987). It has been found that in-store browsing has been a considerable part of impulse buying behavior. Meanwhile, Ahituv, Igbaria, and Sella (1998) believed that inadequate thinking would give rise to time pressure. Therefore, in such time pressure environment, negative emotion will be emerged (Halpern, 2005) and later be enlarged (Teuchmann, 1999). By using multi-regression analysis, Graa* and Dani-elKebir (2012) proved that time pressure will lower consumers' buying desires. Meanwhile, by using structural equation modeling, Lin and Lin (2012) confirmed that time pressure has negative impact on the positive emotions of consumers.

Disposable money is the promoter of the impulse buying behavior (Beatty and Ferrell, 1998), for it can increase the purchase rights of each individual. Without enough money, he or she may avoid shopping environment. Also, other's companion may increase the possibility of impulse buying behavior (Luo, 2004). Comments and persuasions from friends will also play a role in promoting or inhibiting impulse buying (Mai et al., 2003). For example, when others regard a buying process as irrational, they may try to persuade the buyer to rethink his choice. In this case, if the buyer without any companions, he or she may choose to buy this product. By using analysis of variance, Lin and Chen (2012) investigated 453 teenagers, who come from Taiwan, aged 13 to 17 years old. They found that teenagers who received more persuasion from others, the higher the possibility of impulse buying.

3 THE MODEL OF CONSUMERS' ONLINE IMPULSE BUYING PROCESS

Since 1990s, investigators have given key attention to consumers' impulse buying behavior. Recently, an increasing number of respondents also raised questions like "when" and "why" impulse buying behavior will occur (Vohs and Faber, 2007). During consumers' buying process, they will go through a strong "balance beam" effect, which means the struggle between emotional desires and cognition processes. These desires and cognitions are the result of a

combined effect of both internal and external stimuli. With the increase of emotional desire and the decrease of cognition, consumers will surrender to impulse buying activities.

In fact, researchers have begun using environmental psychology theory to analyze the behavior of online consumers. S-O-R theory has proven to be an effective theory for understanding how the web stimulates the online impulse buying behavior (Deng and Poole, 2012; Li et al., 2011). However, by looking for relevant literature, we found that only two studies of impulse buying behavior have utilized the environmental psychology theory. In market research, though S-O-R model is an important signal theory on shopping environment, only Parboteeah (2009) and a few researchers gave a simple interpretation of it. Lately, Chang (2011) applied S-O-R model to analyze traditional impulse buying behavior of consumers. Further, Animesh (2011) applied this model to information network in order to study online purchases.

S-O-R1 is a significant theoretical model used to study the environmental impact on individual behaviors. The main assumption of the model is that when individuals are stimulated, they would produce a particular reaction through which their behaviors can be predicted. Donovan and Rossiter (1982) for the first time applied the S-O-R model into studying the impact of retail environment on consumer behavior. They see the environment of the retail store as a stimulus signal, the emotional response of consumers as an organism and their approach or avoidance behavior as a reaction. According to the S-O-R model, stimulus (S) will affect individual's inner emotion assessment (O), and produce a corresponding approach or avoidance behavior (R). Thus, the theoretical framework of this paper (Figure 1) is based on studies of the S-O-R model and relevant literatures on impulse buying behavior. In the S-O-R model, stimulus is considered as the internal state of individuals and also the catalyst in the impulse buying process.

Bagozzi (1986) believed that when consumer behavior is described as the S-O-R model, the outside environment, a mix of marketing variables and other environmental factors would act as stimuli to be delivered to consumers. Also, Organism is seen as a mediating variable, which is a combined action of perception, psychological, feeling and thinking activities (Bagozzi, 1986). In this paper, the psychological state of a consumer includes two dimensions, namely emotional response and cognitive status. Emotional response and cognitive behavior is the psychological response to stimuli. In the S-O-R model, response means the final purchase decisions and behavioral responses of consumer, during which they will buy impulsively or forgo buying.

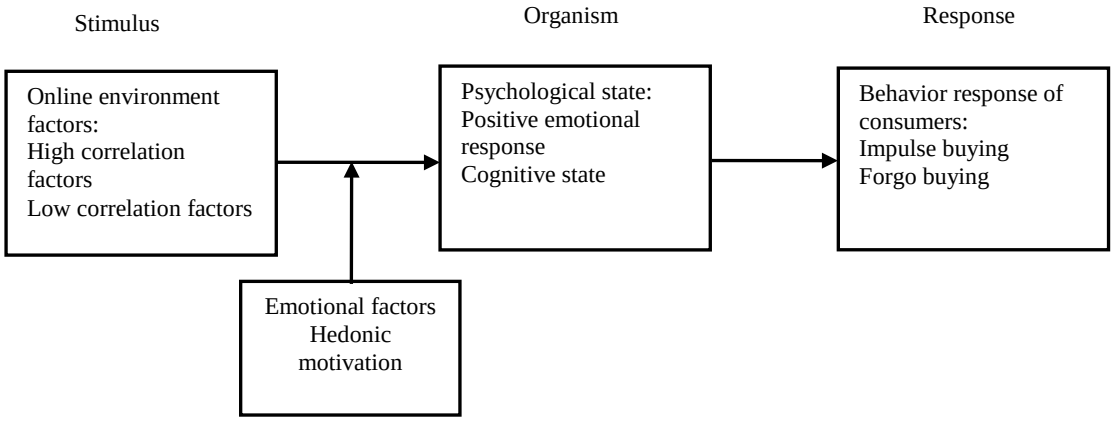


FIGURE 1: A FORMATION MECHANISM OF THE ONLINE IMPULSE BUYING BEHAVIOR OF CONSUMERS

Figure 1 illustrates the impulse buying behavior of consumers, also, their action and psychological state in the process. This paper found that the most important factor affecting consumer impulse buying comes from stimuli of online environment. Hedonic motivation and situational factors do not directly affect their online impulse buying behavior. Rather, by regulating S-O, these two motivations affect the impulse buying behavior of consumers. In the survey, researchers used the hedonic motivation as a variable, which manipulates the online environment stimuli as well as the positive emotion and cognitive response of consumers (Xiao and Nicholso, 2013). It is because hedonic motivation will serve to the positive emotion of consumers. Different contextual factors (such as time and money) will have positive or negative impacts on impulse buying behavior. Due to the lack of time and money, consumers

[1] S-O-R. It refers to: "Stimulus-Organism-Response. It is put forward by Mehrabian and Russell (1974).

would probably give up buying (Lin and Lin, 2012). It is because without enough time and money, consumers could not fully understand the product information, thus, they rather forgo buying products.

4 CONCLUSION

Most researches are carried out on the background of Western countries, while relatively small in China. Cultural differences and the economic development of different countries may affect the impulse buying behavior of consumers (Kacen and Lee, 2002; Vohs and Faber, 2007). Therefore, future studies on consumers' impulse buying behavior should focus on the shortcomings and loopholes in the existing studies. These may include the following aspects:

Firstly, researches on the Chinese social and cultural influence. Currently, most studies focused on Western countries, while neglected the influence of native culture on consumers (Kacen and Lee, 2002). Many investigators have emphasized the importance of studying the impulse buying behavior from different cultural environments (individualism, collectivism). Jacqueline and Lee (2002) held that culture had considerable influence on impulse buying behavior of consumers. Individualism and collectivism, especially, will help us better understand people's impulse buying. For example, Chinese people like to be praised but afraid of losing face. If this aspect can be given enough attention, people's impulse buying behavior will also be aroused (Yu and Bastin, 2010). Therefore, in order to further improve our understanding of people's impulse buying behavior, researchers should better study the social-cultural influence in the future.

Secondly, a social phenomenon: the star effect. Idolatry is a kind of over psychological phenomenon in the growing-up process of the children and the young. It is most popular among the adolescent (He, 2006). Idolatry is a unique feature of the minor. They often show excessive love on something or somebody (Raviv et al., 1996). They also tend to be emotional rather than rational. However, studies on the behavior of idolatry are rare. In past few years, only a small number of studies proceeded from the perspective of psychological impact (Cheng, 1997). For example, by surveying 337 high school and college students in Taiwan, Yang (2008) found that students with idolatry tendency showed positive correlation with impulse buying behavior. However, he did not take into account the multiple collinearity in the research, thus, its experimental result was not very salient and unique. Moreover, the impulse buying behavior of the young people is able to give incentives to the marketing strategy of the corporate (Lin and Lin, 2005), since marketers can build brand loyalty through teen's idol worship.

Thirdly, verify this theoretical model by empirical studies. This paper only proposes a theoretical model featuring online impulse buying behavior. For this reason, it lacks empirical research. In future studies, scholars should use empirical study to discuss the formation mechanism of the impulse buying behavior from both the high and low correlation factors, thus better improving the theoretical development of the online impulse buying behavior. In this way, we can help online retailers and manufactures to better understand the way to stimulate the impulse buying of consumers. Correspondingly, both the retailers and manufactures can better satisfy people's needs, thus improving the competiveness of shopping sites and businesses.

REFERENCES

[1] Zhao Hongxia, Cai Zihui, He Shan. Study of Online Product Display, Online Interaction and Impulse Buying based on Virtual Haptic Perspective [J]. Chinese Journal of Management, 2014, (1): 133-141

[2] Amel Graa, Maachou Dani-elKebir. Application of Simulus & Resonse Model to Impulse Buying Behavior of Algerian Consumers[J]. Journal of Management, 2012, (1): 53-64

[3] Cai, S., Xu, Y.,Designing not Just for Pleasure: Effects of Web Site Aesthetics on Consumer Shopping Value[J]. International Journal of Electronic Commerce, 2011, (1): 159-188

[4] Chang, H.-J., Eckman, M., Yan, R.-N. Application of the Stimulus-Organism-Response Model to the Retail Environment: the Role of Hedonic Motivation in Impulse Buying Behavior[J]. International Review of Retail, Distribution & Consumer Research, 2011, (4): 233-249

[5] Cheng, F.-F., Wu, C.-S., Yen, D.C.,The Effect of Online Store Atmosphere on Consumers' E-motional Responses-an Experimental Study of Music and Colour[J]. Behaviour & Information Technology, 2009, (3): 323-334

[6] Chih, Wu and Li. The Antecedents of Consumer Online Buying Impulsiveness on a Travel Website: Individual internal factor perspectives[J]. Journal of Travel & Tourism Marketing, 2012, (2): 430-443

[7] Deng, L., Poole, M.S. Aesthetic Design of E-commerce Web Pages Webpage Complexity, Ordder and Preference[J]. Electronic Commerce Research and Applications, 2012, (4): 420-440

[8] Ding, C.G., Lin, C.-H. How does Background Music Tempo Work for Online Shopping?[J]. Electronic Commerce Research and Applications, 2011, (2): 299-307

[9] Xiao and Nicholson. A Multidiciplinary Cognitive Behavioural Framework of Impulse Buying: A Systematic Review of the Literature[J]. International Journal of Management Reviews, 2013, (1): 333-356

[10] Zhang, X., Prybutok, V. R., & Strutton, D. Modeling Influences on Impulse Purchasing Behaviors During Online Marketing Transactions[J]. Journal of Marketing Theory and Practice, 2007, (1): 79-89

AUTHOR

Hualin Wang. Male. Han nationality. Associate professor. Specialize in marketing and e-commerce. Ph. D. graduates from the Wuhan University of Public Economic Management. Email: Wanghualin2002@163.com