Impulse Buying Behaviour in Online Business Environment a Literature Review

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Abstract:
Consumer behaviour has changed drastically in the past decade. Today, consumers can order anything from anywhere with just a click, being online. The internet revolution has brought about a paradigm shift in the way things are done. The Internet and worldwide web (www) have dramatically changed the way consumers seek and use information. The Internet, which was earlier conceptualized as a tool for enchasing information, has become a prominent place of business these days.
For businesses today, the key to survival and the mantra for success greatly depends on how well they can integrate this medium in their business methodologies. In order to sell anything over the internet, they have to identify, analyse and deeply understand the clicks of fingers of the online consumers throughout the world. As a retailer in a physical retail outlet tries to understand and answer the entire why’s and how’s of offline customers in the form of studying their behaviour, the online marketer too needs to possess a deep understanding of his customer behaviours. This possesses the greatest challenge to businesses today. The major purpose of this paper is to compile the research literature available related to impulse buying behaviour in an online environment. The paper offers a brief overview of the few studies related to online impulse buying concept.

Keywords: Consumer behaviour, Online Consumers, Online environment, Impulse buying behaviour, Retailers.

1. Introduction:
If a few years back technology brought shopping information on to the laptops, today it brings products right to the doorsteps. The changing lifestyles, increase in disposable income and the paucity of time are prompting and compelling the changes in consumer buying patterns.
One such greatest change worldwide is to adopt internet shopping as an alternative to traditional brick and mortar shopping. There are millions of people online anytime, and they all are potential consumers in the online market. The Internet and web technologies created a new and unprecedented environment for governments, businesses, educational institutions, and individuals enabling them to webcast any information using multimedia tools. The number of people using the Internet is growing world exponentially over. The web has become a place where many life, play and work. It is the ultimate customer-empowering environment. The web is the ultimate customer-empowering environment, and it enables one to click the mouse to decide everything – Anything just a click away.

In the recent times, it has been observed that there has been an increase in the number of E-Commerce websites. e-commerce websites have come up like mushrooms offering all kinds of services to all kinds of customers. In the emerging world of E-Commerce where customers are surrounded by myriad choices, organizations are facing with a challenge of meeting consumer expectations in a highly competitive world. Countries around the world are growing fast, and people are becoming habitual of using the Internet as the evolution of human society, the improvement in Communication processes and Digital Convergence open up innovative opportunities and challenges for Marketing. Subsequently, the Internet has moved ahead to play a significant role in the Consumer Decision Making Process.
People increasingly use the Internet to check out company or product information. Thus, the Internet has become an important channel for companies to provide product information and offer direct sales to their customers. Firms of all sizes and from all industries offering all types of products have invested in internet applications and are trying to establish their own net presence. The online consumer may have different social and work environment when compared to the offline consumer. The online consumer is generally more powerful, demanding and above all invisible to the marketer. Thus, nothing is exactly predictable in online consumer behaviour. When it is difficult to understand the behaviour of customers buying before the eyes of marketers, it looks almost impossible to predict the behaviour of online customers who come from nook end corners of the world. But the fact is that those companies which better understand the intentions.
and behaviour of its customers can market better in this competitive world. In this backdrop, studying the behaviour of online consumer gains its importance.

1.2 Online Consumer Behaviour Theories:
Online consumer behaviour has been studied by researchers in different contexts. Researchers from different disciplines have contributed their fragments of work for academics, business and society. It is observed that researchers mostly draw theories from classical consumer behaviour research, such as behavioural learning (Skinner, 1938), personality research (Folkes 1988), information processing (Bettman 1979), and attitude models (Fishbein 1967). A close examination reveals that most of the components of the consumer behaviour theory have been applied to the study of online consumer behaviour also. But the fact is that online consumer behaviour is even more complex than general consumer behaviour. Similar complexity is also observed in the theories of online consumer behaviour.

Douglas et al. (1994) suggest that an efficient and powerful theoretical framework can be developed by integrating fragments of works offered by different researchers from different disciplines. Christy M. K. Cheung et al. (2003) has conducted an exhaustive survey of literature on the different theories related to online consumer behaviour, proposed by different researchers and has given an integrated framework. He has identified a sum total of 351 online consumer behaviour related articles and studied thoroughly. According to Christy M. K. Cheung et al. (2003, p198) the major theories accepted throughout the world in an online context are Expectation confirmation theory, Innovative diffusion theory, Technology acceptance model, the theory of planned behaviour, theory of reasoned action. His findings stated that Theory of Reasoned Action (TRA), Technology Acceptance Model (TAM) and the Theory of Planned Behaviour (TPB) attained more dominance with respect to the online consumer behaviour. Though Expectation Confirmation Theory (ECT) and Innovation Diffusion Theory (IDT) have repeatedly been tested, they could not attain a dominant position in the study of online consumer behaviour.

3.0 Impulse Buying Behaviour:

Impulse buying is an integral part and an unavoidable act of a customer. Knowingly or unknowingly, cautiously or incautiously, wanted or unwantedly everyone may have experienced it at some of the other time in their shopping experience. It is a deep-rooted and a distinctive characteristic of the consumer lifestyle. A peculiar characteristic which depicts certain traits of consumer personalities. Though existent since the beginning of mankind, it has been recognized, realized and gained importance only since past few decades. Today Impulse buying is a widespread phenomenon in marketplaces and thus has become the focus of all marketers (Gardner & Rook, 1988; Rook & Hosh, 1985).

Hawkins Stern was one of the first few researchers who tried to explore the concept of impulse buying. He has defined it to be “any purchase not planned in advance” (Stern 1962). Later Bellenger et al. (1978) agreed to what Stern (1962) quoted, and state impulse buying as “any purchase that a shopper makes and has not been planned in advance.”

Rook and Fisher (1995) in their work titled “Normative influences on impulsive buying behaviour” defined it as a “consumer’s tendency to buy spontaneously, unreflectively, immediately, and kinetically.” They identified that highly impulsive buyers are more prone to experience spontaneous buying stimuli and thus are more receptive to make sudden purchases”. Beatty and Ferrel (1998) extended this definition and stated that “impulse purchase is a sudden and immediate purchase with no prior shopping intentions of any product category that too without much of assessment excluding any regular purchase or routine purchase.”

4.0 Online Impulse Buying Behaviour:

Be it a weekend, a break in office, family time, get together, travel, leisure time or any minute of the day, any week of the month, any month of the year, there is complete opportunity to shop anything from anywhere in this world. The reason behind this fabulous shopping experience is undoubtedly the application of human intellectual power towards technological up gradation. Advancements in technology have brought a duck which lays golden eggs almost every day in the form of some of the other new invention. And that golden egg is none other than the advent of what is called the Internet. Along with changing the face and

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pace of almost all human activities, it has also brought about constructive and profitable changes in business which in turn resulted in new experiences of shopping.

The very first type of the new purchasing behaviour which originated around 1987 was television shopping, which introduced Quality Value Convenience (QVC) and Home Shopping Network (HSN). This new experience of shopping added words like convenience, shopping at home, saving time and money, getting rid of traffic before and after shopping, repeated product demonstrations, entertaining and most importantly unplanned purchases. The next vital change was the launch of World Wide Web (www), which paved the way for online shopping. This drastic technological upgradation has completely changed the way business is done, and in turn, the way consumers bought their goods or services. Further, with the emergence of smartphones and the explosion of social media in the 21st century, consumers have even more options about their purchase decisions. All these ultimately motivated one special type of purchase behaviour, called impulse buying. More people started buying products that were not planned, not intended and not needed, on impulse.

The Internet is virtual library carrying unlimited information which is accessible to anyone to publish or access any kind of information. An explosion of websites is seen which not only just disseminate information but also perform a lot of business in the name of digital marketing. The convergence of technological advancements in communications and information technologies has enormously increased the number of E-Commerce websites. Further, today’s customers are equipped with more sophisticated smartphones, easy and free access to the internet which made them experts to make their own purchase decisions. These circumstances undoubtedly gave a boost to online impulse purchases. Moreover, an online customer always has an advantage of easy and free access to a wide variety of products, convenient and economical purchase process in terms of time, money and risk, free from social pressures and home deliveries.

5.0 Review of literature:

Online shopping has been passing through a period of immense growth. Statistics denote that more than one-third of online purchases are made on impulse. Both online and brick-and-mortar marketers sell products in similar methods. Though there exist enormous similarities between online and brick-and-mortar stores, online shopping is quite different from shopping at physical stores. Online stores have peculiar characteristics and special challenges which demand greater and different efforts from online marketers. As a first challenge, online retailers need to design qualitative, user-friendly and attractive websites. Next, they need to motivate and influence online users by communicating competently. Influencing the purchase decisions of online shoppers is quite challenging when compared to a face-to-face sale. The complete transaction process varies right from presenting the products, communicating, persuading, sale and then payment methods. Similarly influencing online shoppers to buy on impulse in an online environment too is quite different from that of a physical store. Few researchers have tried to explore consumer behaviour in this perspective, the description of which is presented in the form of Literature review, below.

Nina Mesiranta in her academic dissertation has made an attempt to understand impulse buying experiences in an online environment by conducting face-to-face interviews with 17 online customers. Her research presented an analytical framework which recognized four major elements of online impulse buying which were connected to shopping environment, web store, product, and consumer. The themes that were considered are a convenience, delayed gratification, product variety, product presentation, return policies, trustworthiness, price, risk, interest loyalty and mood of the customer. Further, the research has identified three types of online impulse buying, namely, order increase, web store browsing and out-of-context purchasing. The influence of the four elements was depicted in the form of the latter three online impulse buying experiences.

Rebecca Hodge in her thesis has observed visitors of Hunstville High School in Ontario, Canada and studied their true purchasing behaviour to explore the factors that influence online impulse buying. The foundation of her study greatly depended on mental accounting and psychophysics of pricing which he believed greatly impact customer impulsivity. The results identified that the total amount spent, and a pop-up advertisement positively influence and are directly proportional to the likelihood of making a purchase on
impulse, in an online environment. The results also mentioned that providing a reason of donating a certain percentage of the price to charity increases the frequency of impulse purchases.

**Mikahila T.Bloomfield** has examined impulse cues on the Facebook pages of apparel retailers. He has been influenced by a similar study conducted by Dawson & Kim (2010) who focused on impulse cues on top-selling retailer websites. Mikahila T.Bloomfield tried to identify the sales impact of impulse cues as a marketing strategy. The usage frequency of Facebook posts of top retailers, in the form of impulse cues, were examined over a period of 30 days. Further, the researcher tried to build a relationship and identify the impact of Facebook likes, comments, and shares on web sales respectively. His results showed that post frequency, fan participation, and a higher fan count were not strong predictors of web sales. But the number of impulse cues on Facebook pages certainly influenced sales positively.

**Dhanila Veena Parboteeah** conducted an empirical study and had contributed a model of online impulse buying. The study revolved around two conditions, namely the emotions of online customers and their fear of purchasing in an online environment. The researcher strongly suggested that marketers can work on either of these to attract and enhance their sales graphs. Favorable emotional reactions can be improved by implementing innovative and creative strategies to attract customers. On the other hand, the negative cognitive reactions can be reduced by building trust in all ways and means. The results suggested that application of any of these or both of these will surely attract and build a big online customer database.

**Andrea Kruszka** has focussed on understanding consumer motivations for purchasing daily deals on impulse. Contradicting to the previous research results, this study stated that the time spent on online had nothing to do with impulse purchases. Those who buy daily deals on impulse were not only those who spend more time on browsing. Another surprising result of this study was that online customers buy neither due to the one-click convenience or the ease of shopping; rather it is because of the good deals which save them money. Thus, utilitarian motivators were more important compared to hedonic motivators, when bought on impulse. However, the researcher concluded mentioning that online customers buy on impulse because of hedonic, utilitarian or even a combination of both these elements.

**Hualin Wang** in his article entitled “Study of influencing factors on consumer online impulse buying” has explored theoretically the factors affecting impulse buying in an online environment. The factors identified by him have been classified into two headings namely, Individual Internal factors and Situational factors. Individual Internal factors further have been classified into four subgroups namely, Demographics, Personality, Buying motives and emotions. Situational Factors include the availability of time, money and companionship. The researcher used S-O-R model (Stimulus-Organism-Response model) to describe the mechanism of online impulse purchases with the help of these motivators.

**Arne Floh and Maria Madlberger** have tried to adopt the concept of impulse buying in an online context. The study has worked on factors such as electronic marketing stimuli which included banners, pop-ups, and newsletters. The other factors included in their study were situational, personal and technical factors, respectively. The study adopted focus group interviews and web questionnaires distributed to respondents. The results showed a high percentage of impulse purchases online. Books, CDs, and DVDs were reported to be the most frequently bought products impulsively, online.

**Moez Ltifi**, in his article, has mentioned that the enormous developments in communications, Information Technology and most importantly the advent of Internet have changed the way business is done. The study mainly focussed on visual appearance, navigation and customized view of a website to be the most important elements to offer and enhance the pleasure of online customers. According to this study high levels of pleasure improve commitment of the customer towards that website which in turn stimulates impulse purchases.

**Lim Pie Ling and Dr.Rashad Yazdanifard** conducted a study to identify the causes of online impulse buying behaviour. The article mentioned both internal and external factors to trigger impulsivity among online consumers. The variables considered under Internal factors were age, gender, culture and socio-economic states of respondents. Apart from these demographics, personality, personal interest, individual...
perception, cognitive evaluation, mental accounting and rationalising were also considered. And on the other hand, External factors included situational factors, product characteristics, and website characteristics, respectively. The authors concluded stating that both internal and external factors have their influence on online impulse purchases.

John D Wells, Veena Parbateeah, and Joseph S.Valacich have examined the interplay between website quality and consumer impulsiveness. The study firstly agrees that both individual and environmental characteristics influence online consumer impulsivity. But this study mainly focuses on the effect of website quality, which is a variable under environmental characteristics. Security, navigability and visual appeal were the three specific characteristics considered under website quality. The results strongly provided the evidence of website quality playing a powerful role in stimulating impulse purchases.

The study of Veena Parbateeah, Joseph S.Valacich, and John D Wells has explored the impact of website characteristics on online consumer’s urge to buy impulsively. The article stated that the likelihood and magnitude of impulse purchases were dependent upon the quality of task-relevant and mood relevant cues. Task-relevant cues effect the usefulness and mood relevant cues effect the enjoyment of online browsers, respectively. The results determine that both these cues have their influence on likelihood as well as the magnitude of the urge to buy impulsively. Thus, high-quality website characteristics stimulate online customers in developing their urge to buy impulsively and in turn change to an impulse purchase.

Brittanie Moran and Lynn E.Kwak reported that online customers tend to be more impulsive accounting for more than a quarter of online purchases. Their study specifically considered the impact of stress, materialism and external stimuli on online impulse purchases. The foundation of their research was that consumers indulge in impulse purchases when they identify self-discrepancies. External stimuli provided by marketers’ act as catalysts to reduce their stress and results in material consumption. The results of the empirical study showed a positive relationship between stress and materialism, but surprisingly external stimuli did not motivate the respondents under study towards impulse purchases.

Thomas Adelaar et al., have experimented with the effects of media formats on customer emotions and impulsivity with reference to music compact discs. The study included three distinct media formats in an online environment, which were the text of the lyrics, still images of the music video and the video itself. Each one is playing a soundtrack simultaneously. The results surprisingly showed that display of the text of the lyrics had a greater effect on raising emotions and impulse buying intent of the consumers than still images or the video itself. Thus, through this study, the authors have recommended online marketers to implement innovative combinations of audiovisual formats to influence customer buying decisions positively.

6.0 Conclusion:

Researchers tried to explore this concept of online impulse buying and identified factors such as website features, sales promotions, and advertisements greatly influence impulse buyers positively. Few others tried to connect the emotional and cognitive responses which resulted in hedonic motives in turn giving birth to impulsive desires. Further, the contribution of developments in web-based technologies cannot be ignored which is evident through the statistics being shown towards the enormous rise of impulse purchases online, year by year. Due to vigorous competition even in this field, online retailers offer a wide variety of products, with acceptable prices, influencing customers through innovative promotions and making the ordering, payment and delivery systems easy and secured.

Online Impulse buying behaviour has been and is still a mystery, even in this 21st century. A deep understanding of consumer buying behaviour is mandatory for online retailers to survive and succeed in this hyper-competitive business environment. And since impulse buying has become a universal phenomenon, retailers and researchers need to explore this in its depths. The concept is further stressed, as it contributes considerably to the sales graphs of respective companies. Thus, a thorough review of literature of this kind can help provide the factors which influence the impulsivity of online customers. This, in turn, can support
marketers to design their strategies accordingly and be profitable to such an extent that they can gain competitive advantage.

7.0 References:


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