

## Online Impulse Buying Behaviour – A Suggested Approach

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**Abstract:** 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 number of people using the Internet is growing exponentially world over. Today, consumers can order anything from any place with just a click, being online. The online consumer is generally more powerful, demanding and above all invisible to the marketer. This demands tactful strategic decisions to attain business goals by e-marketers. Impulse buying behaviour, though unplanned is a deep-rooted and a distinctive characteristic of consumer life style which in recent times is holding considerable shares in overall online sales. The primary objective of this paper is to identify and propose a model of online impulse buying behaviour which accommodates all those factors that cause online impulsivity. The model would help shopping websites and e-retailers to understand the underlying determinants and implement appropriate strategies to improve their impulse sales. The model would also prove to be helpful to academicians and other researchers in offering a theoretical base in their own respective fields.

**Keywords:** e-retailers, Impulse Buying Behaviour, Internet, Online Consumer, Online Impulse Buying Behaviour.

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### I. Introduction

If 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 incomes and 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 any time and they all are potential consumers in the online market. The Internet and web technologies created a new and unprecedented environment to governments, businesses, educational institutions, and individuals enabling them to webcast any information using multimedia tools. 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. These websites have come up like mushrooms offering all kinds of services to all kinds of customers. The improvement in communication processes and digital convergence open up innovative opportunities and challenges for marketers and marketing. Subsequently, the Internet has moved ahead to play a significant role in the Consumer Decision Making Process.

Consumer behaviour has changed drastically in the past decade. 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. In order to sell anything over the internet, marketers have to identify, analyse and deeply understand the clicks of fingers of the online consumers throughout the world. This possesses the greatest challenge to businesses today. 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.

## II. Impulse Buying Behaviour

Impulse buying is an integral part and an unavoidable act of a customer. Knowingly or unknowingly, cautiously or incautiously, intentionally or unintentionally everyone may have experienced it at some or the other time in their shopping experience. Though existent since the beginning of mankind, it has been recognised, realised 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**<sup>1</sup>; **Rook & Hosh, 1985**)<sup>2</sup>. In simple terms, impulse buying is described as an unplanned buying. The customer's focal point will always be the satisfaction he gains instantly after he makes his impulse purchase, within a spur-of-the-moment. Thus impulse buying behaviour occurs when a customer deeply experiences an urge to buy that product (**Beatty & Ferrell, 1998**)<sup>3</sup>.

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**)<sup>4</sup>. Later **Bellenger et al (1978)**<sup>5</sup> agreed to what **Stern (1962)**<sup>4</sup> quoted, and stated impulse buying as "any purchase that a shopper makes and has not been planned in advance". **Rook (1987)**<sup>6</sup> defined impulse buying as "a phenomenon which is experienced by a consumer when he feels a sudden, often powerful and persistent urge to buy something immediately." Buying on impulse begins when a consumer is influenced by an environmental stimulus which triggers a sudden urge to acquire the product. He stated impulse buying to be a pervasive aspect of consumers' behaviours and thus became a focal point for considerable marketing activity (**Rook, 1987**)<sup>6</sup>. Impulse buying is more like what a customer wants or desires rather than what he needs.

Consumer buying behaviour and marketers' efforts play a crucial role in influencing the purchase decisions of the consumers. Whatever the reasons behind, the sales graphs of different companies are showing a sharp rise over the years, a considerable percentage of which is due to consumer impulse purchases. This makes it an important field of study for academicians, researchers and most importantly for businesses.

### 2.1 Determinants of Consumer Impulse Buying

What matters for marketers is to find out how impulse buying occurs and figure out what stimulates this impulse buying behaviour. An impulse purchase decision, though taken by the consumer, is influenced by many factors around him. Though all these factors cannot be controlled by a marketer, his efforts to a certain extent play a vital role in influencing consumer impulse purchase decisions. This is the major reason why marketers would like to identify, analyse, understand and apply them in their activities to influence and turn it to an impulse sale.

Many studies have been conducted towards exploring the factors which influence consumer impulse purchases in a brick-and-mortar store. The outcomes of such works brought about definitions of untapped, unique characteristic feature of consumers, which were not identified and studied earlier, like, consumer shopping orientation, consumer spending and economic behaviour, recreational shopping tendencies, optimal level of stimulation, temporal orientation, comfort levels, self-discrepancy, hedonic needs and many more. On the other hand, many others, whose focus was to provide marketing implications, concentrated on the role played by atmospherics (Physical surroundings) in triggering an urge to impulse buying in a retail setting. Whatever may be the focal point of the researchers; their contributions have helped both the marketers as well as the consumers. One such major contribution which still remains as a foundation for many researchers is made by Hawkins Stern. **Stern (1962)**<sup>4</sup> has identified the most influencing factors which trigger impulse buying tendency among consumers.

- **Low Price:** In recent times, it is observed that consumer income levels have raised, standard of living has raised, purchasing powers have increased, people became more quality cautious and fashion oriented. Even in these situations, it is a fact that low price has always been a major reason for an impulse purchase.
- **Marginal Need:** When customers are exposed to a product, their senses help them to feel the need of it. When they see, feel, touch, taste or hear something, which creates an urge to have it, reminds them of its use, and an impulse purchase occurs.
- **Mass Distribution:** An interesting tendency of a customer is that he buys or takes a product on impulse if they are mass distributed.
- **Self-Service:** Self-service counters provide an opportunity and freedom to look at, touch, read or know about the product very quickly and individually, than sales force-served counters. He is neither regulated, rushed nor delayed, which in turn provides a greater chance to make impulse purchases.

- **Advertisement:**It is a fact that advertisements have the power to provoke impulsive nature in consumers. This is the major reason behind businesses spending crores of rupees on advertisements, be it print or electronic.
- **Prominent Display:**Beautiful displays evoke desires of consumers. This is the reason why retailers invest a lot of resources in their window displays. They take utmost care in deciding when, how, where and what is to be displayed because they know that these prominent displays can ultimately increase their sales.
- **Short Product Life:**Products with a short life span, which have minimum chances of wastage are generally bought on impulse. This thought has even been proved by research conducted in this area.
- **Small Size and less weight:** People generally prefer to buy small and less weighted items on impulse for their convenience and try to be profitable.
- **Ease of Storage:**Only those items which can be carried and stored easily have a greater chance of being purchased on impulse rather than bulky items which demand more space and difficult to store.
- **Purchases of other customers:** Human beings possess a tendency of being influenced by choices of other customers. This tendency might have been experienced by every customer at some or the other time which results in an impulse purchase.

Thus, marketers would aspire to exploit these factors, apply them in their marketing strategies, improve their selling mechanisms and influence customers to go for impulse purchases. They always would try to offer discounts, indulge in different promotional programs, improve product displays, distribute on a mass scale and advertise massively to be profitable.

## **2.2 Online Impulse Buying Behaviour**

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. Though there exist enormous similarities between online and brick-and-mortar stores, online shopping is quite different from shopping at a physical store. 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, selling and then even in payment methods. Similarly, influencing online shoppers to buy on impulse in an online environment too is quite different from that of a physical store. Thus, the factors which influence the impulsivity of online customers can help marketers to design their strategies accordingly and be profitable to such an extent that they can gain competitive advantage.

## **2.3 Determinants of Impulse Buying:**

Online environment falls short in inducing impulsiveness among their customers through physical atmosphere and sensory cues. The reason behind this is that both e-retailers and e-shoppers operate behind their computer screens without a face-to-face interaction. Thus, online shopping website itself plays a communicating and a mediating role which becomes very vital. After an extensive review of online literature and considering the changes related to technological advancements and customer buying behaviours, the researcher quotes the following online factors to influence impulse purchases:

- **Website Quality:** The overall quality of the website greatly influences the attitudes of customers towards online shopping. A positive attitude induces positive perception and helps in creating positive emotions. These positive emotions build a desire or create an urge to buy products impulsively. The webpage layout and design, its features, visual appeal, content, technology used, page load speed, quality of service and the longevity of its existence determine the overall quality of the website. Thus, the better the quality of the website, the more is the chance of inducing purchase intentions.
- **Functional Convenience:**The functional convenience is that part of the website characteristics, which at the first instance of browsing persuades people who are online, to become online customers, impulsively. It is because of this reason that today, even in under developed countries, where the levels of education and technological advancement is still low, figures related to online purchases are raising high. Customized user friendly interface which helps in clear and simple navigation, detailed product information with content in the form of description along with images, huge choice of different products with comparisons,

personalised recommendations, excellent communication systems, competitive prices, multiple options of modes of payments, free home deliveries, efficient logistics and appropriate return policies make things convenient to anyone and everyone and ultimately induce impulsiveness among online browsers.

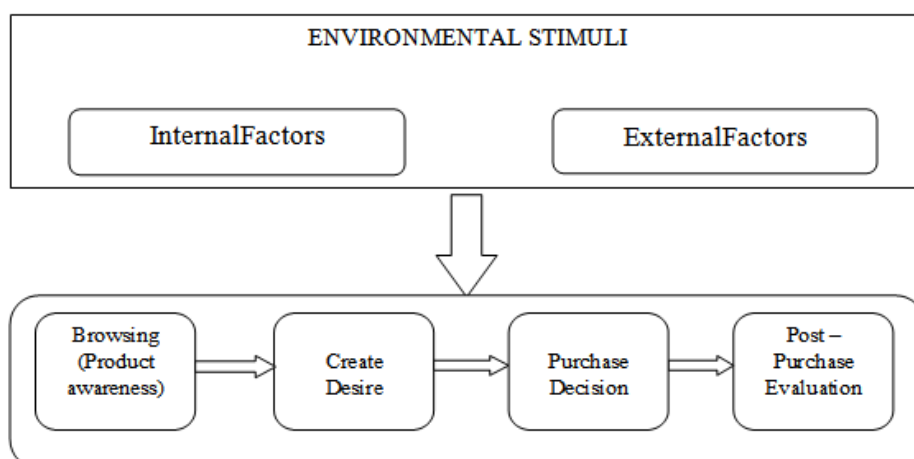
- **Trust:** Another prominent website characteristic that can attract and retain customers is the aspect of trust. Because of lack of face-to-face contact with sellers and on-the-spot exchange of money with products bought, it becomes a challenging task to e-retailers to gain the trust of its invisible online customers. Online browsers always carry a risk perspective in many dimensions. The positive desire or an urge to buy impulsively gets dissolved if they find the website unreliable. The variables which can gain trust and influence online browsers to make impulse purchases include personal information security, transaction security, security of payment, prompt delivery, after sale communication and customer service. Thus, it becomes mandatory for shopping websites to provide security wherever and however an online potential customer senses a risk.

Apart from attracting customers to shop online, website characteristics also play their part in offering an awesome shopping experience. Those shopping websites which plan strategically and offer sophisticated online websites with excellent communication systems, user friendly and easy operation of shopping cart and search engine, efficient network navigation with high transaction security, a beautiful interface providing comfortable and convenient shopping environment, a detailed product description using content as a potent tool, competitive prices with credit facilities, quick logistics, free home deliveries, friendly return policies and above all a reliable trust mechanism undoubtedly trigger impulse purchases.

#### 2.4. Impulse Purchase Decision Process

Consumer buying behaviour has always been an interesting area of exploration for researchers of all ages. The reason behind is its peculiar, complex and ever dynamic nature of customers. A model of impulse buying process has been proposed by considering previous models recommended by different authors by making appropriate changes. For the suitability of the present study, the consumer impulse buying process and Stimulus-Organism-Response Model have been considered. Impulse buying process differs from a consumer's general buying process which passes through five stages namely, need recognition, information search, alternative evaluation, purchase decision and post-purchase evaluation. Along with the number of stages, consumer attitudes, their perceptions and actions, the time taken to pass from one stage to other and the total time of buying process also differs in an impulse purchase. Going with the meaning of impulse, the whole process of impulse buying, in most cases, does not follow a rational, logical systematic sequence, ending up deciding in a very short span of time. Compared to the general buying process, impulse buying process differs to such an extent that it even excludes certain stages like information search and evaluation of alternatives to select the best. Even if they are present, the degree of significance and the magnitude of time spent are proved to be negligible. Figure-1 presents an adapted model for the one proposed by Churchill and Peter (1998)<sup>7</sup>, making appropriate changes in accordance with impulse purchase decisions.

Figure-1: Impulse Purchase Decision Process



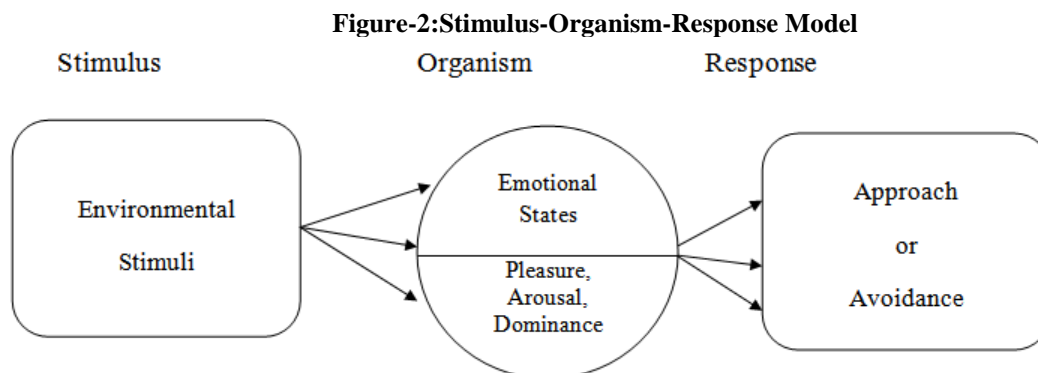
Source: Author's Compilation Adapted from Churchill and Peter (1998)

As shown in the figure, various internal and external factors initiate impulsiveness among customers, leading to the first stage of browsing. Browsing, though unplanned, makes the customer aware of the product and thus creates an intention of desire. Once the desire to procure the product ignites the customer without thinking much and spending time on analysing and evaluating its worth, makes a purchase decision. It is

because of this peculiar characteristic that few stages from the general buying process are excluded or performed in a very short span of time. The last stage of post-purchase evaluation is more or less the same in all kinds of buying processes.

### 2.5. Stimulus-Organism-Response (S-O-R) Model

One of the most dominant psychological models used in studying Consumer Behaviour is Stimulus-Organism-Response Model developed by **Albert Mehrabian and James A. Russel**<sup>8</sup> in the year 1974, shown in the Figure 2 below. The objective of the model is to describe the behaviour of individuals, when exposed to environmental stimuli. The environmental stimuli generate certain emotional states in the form of three dimensions which include Pleasure, Arousal and Dominance, commonly known as PAD. These internal evaluations of individuals result in either of the two responses, in the form of approach or avoidance, respectively.



*Source: Albert Mehrabian and James A. Russel (1974)*

Thus, the Mehrabian and Russel's S-O-R Model determines the relationship between the environmental stimuli, individual's internal emotional states and their resulting behaviour in the form of either approach or avoidance. The model suggests that the ultimate behaviour of individuals is the result of the interactions between the stimuli and their emotions. Though the design of the model was originally done for general environmental psychology, because of its appropriateness, it has been applied and adapted in several studies related to Consumer Behaviour by many researchers.

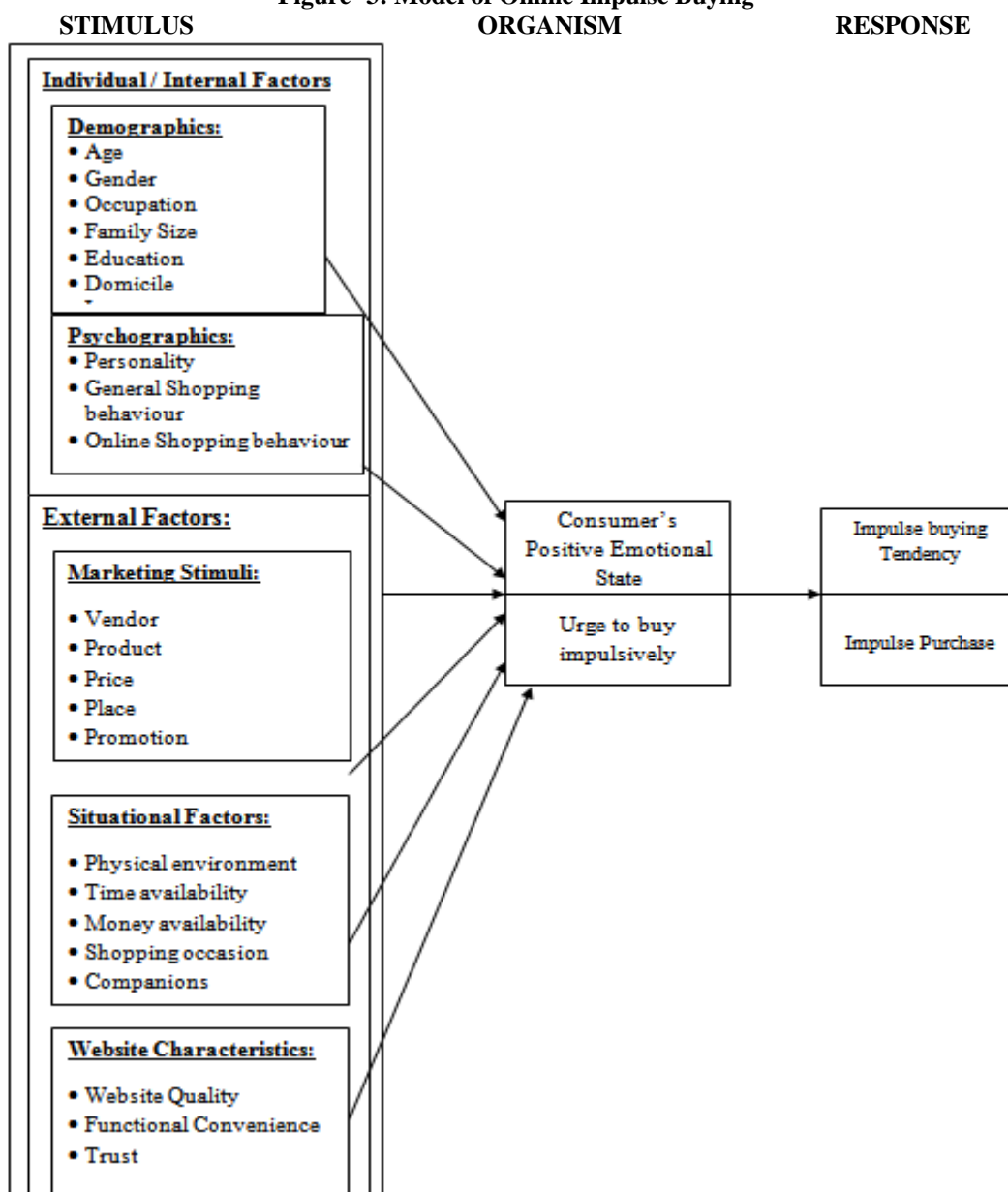
### III. A Model of Online Impulse Buying Process

After an extensive review of related literature and building on the research findings of previous studies, a model of online impulse buying process has been formulated as shown in the Figure 1.5 below. This model is an integration of the general impulse buying process adopted from **Churchill and Peter (1998)**<sup>7</sup> and **the Mehrabian and Russel's S-O-R Model (1974)**<sup>8</sup> of individual behaviour.

Considering the whole gamut of factors influencing consumer purchase behaviour, examining both conceptual and empirical evidences of previous studies, understanding the paradigm shifts in changing trends in business, technology and customers, an integrated model has been proposed to investigate the impulse buying behaviour in an online environment. When the impulse purchase decision process integrates with the Stimulus-Organism-Response model, all the factors which have their impact either directly or indirectly on consumer buying decision, form the **Stimulus**. These factors have been segregated as internal factors and external factors, respectively. The internal factors are the sum of individual consumer demographics and psychographics.

The major demographic variables include age, gender, occupation, family size, education, domicile and income of the individual. The psychographics include the shopping personality of the individual, his/her general shopping behaviour and online shopping behaviour, respectively. The external factors include website characteristics, marketing stimuli and the situational factors involved. The website characteristics include the quality of the shopping website, the functional convenience it offers to its customers and the trust mechanism that they practise to gain reliability of their browsers. Vendor, product, price, place and promotion are the variables under marketing stimuli. Physical environment, time and money availability, companions and shopping occasions are considered under situational factors.

Figure -3: Model of Online Impulse Buying



Source: Author's Compilation Adapted from Impulse buying process of Churchill and Peter (1998) and S-O-R Model of Mehrabian and Russel (1974)

All these factors, either individually or in combinations have their influence on the emotional state of the consumer, which forms the **Organism** of the S-O-R model. In this model of online impulse buying process, it is determined as the urge to buy impulsively, which in other words is the generation of a desire to get the product, instantly. This urge to buy impulsively further leads to an approach or avoidance which is what is the **Response** of the S-O-R model. The response here for the consumer's positive emotional state is in the form of inducing impulse buying tendency resulting in an impulse purchase, eventually. Traditionally, impulsivity has been defined as an individual personality trait that is characterized by a strong emotional constituent, where in the individual loses his perceptual control over his behaviour. It is often described as an irresistible urge which lacks rational thinking or reasoning. **Rook (1987)<sup>6</sup>** and **Rook and Fisher (1995)<sup>9</sup>** stated that the degree to which individuals can have control over their urge to buy a product, varies from person to person. Individuals who incline to be more impulsive have less control over their urge and on the other hand, individuals who have less control over their urge to buy are more impulsive in nature. Thus consumer impulsivity is directly related to an individual's control over his behaviour. And highly impulsive customers are more likely to perform impulse purchases.



Many factors influence customers towards triggering their impulsivity. Different researchers have tried to study the impulse buying tendency of customers in different situational backdrops. **Underhill (1999 p.158)**<sup>10</sup> worked on the effect of five senses on customer impulsivity. He stated that almost every impulse purchase is a result of seeing, touching, hearing, smelling or tasting. Few other researchers expressed that independent customers who shop regularly are more prone to buy on impulse compared to others who are dependent. Customers possessing more impulse buying tendency generally do not carry any shopping list. Even if they do, they do not strictly comply with their pre-planned list. They make appropriate changes to their shopping lists as they become emotionally or unexpectedly attached to any item and acquire immediate satisfaction. Point-of-purchase stimuli too have a greater influence on high impulsive customers.

Further, researchers have also expressed with empirical evidences that customers falling in the age groups of 18 to 40 show more impulse buying tendency with less self-control, which decreases gradually as their age piles up further. However, the underlying fact is that customers are prone to impulse purchases due to many reasons which is of greater interest to marketers. **Marketers today are not concerned with why customers buy on impulse but rather what makes them to buy on impulse.** They are concerned with understanding the underlying relationship between consumer buying behaviours and their impulsivity. This is the reason why marketers spend billions of rupees in different marketing activities to push impulse purchases. They would like to explore the different factors or determinants of consumer impulsivity to imbibe them in their marketing strategies and be profitable.

#### IV. Conclusion:

Online Impulse buying behaviour has been and is still a mystery, even in this 21<sup>st</sup> 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, the model becomes an exact fit to gain an overall understanding and investigates whether the motivators of impulse purchases in traditional and digital shopping are same or not.

Further, it also helps to identify those factors which trigger impulsiveness at higher degrees in an online environment, the knowledge of which greatly supports the strategic decisions of e-retailers in raising their sales graphs. Apart from providing managerial implications to shopping websites and e-retailers, this model also helps to understand the determinants of online customer satisfaction. When applied appropriately, it helps to leave online impulse shoppers with pride, enjoyment and an excellent shopping experience, which is what, is the need of the hour.

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