

“Social Media Impact on Online Impulse Buying – A social Commerce Perspective”

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Abstract:

Background: The internet era has brought tremendous changes in the lives of people. Without any generation gap, people are accepting the internet to ease their lives. One such notable change we see in today's life is a change in buying behavior by shifting towards online buying. The Internet is loaded with information and knowledge, and also enables ease of transactions and social networking via social media. People are connecting with the world through social media they exchange status, and content and share opinions and views, hence there are various external stimuli due to which the buyer may end up in impulse buying. This paper aims at studying the impact of social media usage on online impulse buying especially focusing on the social commerce context.

Materials and Methods: The study was conducted by studying extensive literature on impulse buying behavior. With the intention of finding the impact of social media on impulse buying the previous study analyzed and presented diagrammatically the impacting factors as found in previous research.

Results: The works of literature under study provided the result stating that social media has a high impact on the consumer's purchase behavior and led to impulse buying. The research finding shows that the impact is due to various determinants such as the attractiveness of the website, personalized ads, likes, and comments, the social media community, personalized recommendations, perceived values, etc. The results were leveraged to derive online impulse buying behavior and the effect of social media in the social commerce context. The literature result must provide the direction for further studies.

Keyword: Online Buying Behaviour, Online Impulse buying, Social - commerce, Social media, Social media marketing, Social media community.

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I. Introduction

The study with renewed interest presents an overall review of the understanding the impulse buying behavior with reference to social commerce. The increasing popularity of social commerce in recent years, gave an immense opportunity to the researchers to study social commerce impact on buying behaviour. An increased number of researchers are keen on studying the customers' impulsive buying behaviour, especially in the social-commerce context¹¹. In recent years, due to increased impulse buying behaviour, many companies are looking forward to studying the psychological factors which are influencing impulse buying behaviour⁷. Thanks to social media, businesses today are opportunistic because they can closely watch their customer's behaviour by enormously employing social media. Social media usage has raged to such a high level that a great number of businesses are increasingly engaging with their customers via social media²⁷. When compared with traditional communication media, social media enables businesses to communicate and engage with both existing and potential customer effectively, thereby enabling the businesses to fit their marketing strategies using social commerce. Social media has created new interaction opportunities for the business and the prospects²³. The research on online impulse buying behaviour in the social commerce context is still in its infancy and this poses a great challenge for the researcher in developing new theories on social commerce behaviour⁴⁴.

II. Materials and Methods:

This paper has systematically studied the literature on the impact of social media usage on online impulse buying decisions in the social commerce context. This is done so because systematic literature reviews usually entail “integrating several different works on the same topic, summarising the common elements, contrasting the differences, and extending the work in some fashion³⁵ and to derive some meaning based on inferences drawn upon.

Social Media: Social media usage is mainly to maintain relationships and to maintain interpersonal connectivity for the reason of giving social support, friendship, and intimacy²⁰. Social media has significantly impacted the

individual during the coronavirus crisis and this is a visible phenomenon in most individuals' lives be it work, education, entertainment, or shopping. The reason for this phenomenal increase in social media usage is due to lockdown and social distancing norms. Individuals during this phase turned towards social media, not just for entertainment and connecting with people but also to lend and seek support⁵. Not to forget there are still problems such as low internet connectivity, low quality of products, low clarity about the authentication of the product, and return policies faced during online shopping, especially in India⁴⁰.

Social Commerce: Yahoo during the year 2005, introduced the label “social commerce”¹⁶. Social commerce has given worthy opportunities to even small retailers to buy or to sell online escaping the intermediary control by large online retailers; diving social commerce into two categories as B2C and C2C⁴². The increase in Impulse buying during online shopping has increased due to the birth of social commerce¹. With its dynamic characteristics, social commerce is drawing the attention of various researchers²¹. The study identifies that there exist two forms of social commerce websites, (1) social networking sites that incorporate commercial features (e.g., product catalogs, shopping carts, or payment services); and (2) traditional e-commerce websites that add social media-based features to facilitate consumers' social interactions and exchanges²¹. The enormous growth in the social network sites (SNS) such as WeChat, Facebook, Twitter, and Instagram are influencing individuals' ⁵². The number of likes and impulsiveness significantly contribute to the subsequent consumer's urge to buy impulsively¹¹. The increased growth in social media users is compelling the companies to create brand communities and engage with their consumers on social media like Facebook fanpage⁹.

Online Social interactions: Online buyers prefer to gather product reviews from other buyers who used the product to decide on the product quality to reduce risk. Studies have shown that people search for online reviews because they consider online reviews provided by the users are more reliable than the marketer's advertisement. Hence, online reviews can be viewed as a means of social interactions between different consumers, exchanging products or service information. But the notable concern is overloaded information, and thus the consumers require to pay a lot of cognitive attention while processing such information, which may result in negative emotions⁴⁷. Research on Twitter identifies that community orientation and community norm adherence is the factor that moderates the consequence of social interaction among consumers. Researchers also observed that in online transactions return of the product purchased plays an important role and this will also affect their future purchase intentions².

Social Media Advertising: Companies can increase their sales and earn through social media advertising strategies. Businesses are shifting their budget towards digital marketing to increase their sales through social media advertisement since an increased number of internet users are using social media for information sharing which influences their buying behaviour to a great extent too²⁷. The concept of social commerce using Facebook has been labeled as f-commerce, and Facebook is used by online retailers to increase their sales by conducting online advertising and business activities¹¹. The study on the SNS advertisement shows that consumers will use information from social media to gain ideas and later turn them into purchase actions. Instagram stood out as the influencing social network that affects impulse buying, followed by Facebook and Pinterest; Twitter received the lowest scores. The photograph or recommendation shared by a consumer represents an external stimulus that motivates the impulse buying⁶. The previous studies on the effectiveness of personalized advertising show mixed results both positive and negative in the social commerce context³².

Online Impulse Buying: The digital revolution is also bringing a big change in the way consumers and companies interact and carry out transactions online, especially on social commerce. Social commerce is a part of E-commerce and is taking over any other medium of marketing communication and commercial activities⁴⁶. Online shoppers usually tend to seek immediate gratification and they feel difficulty in the postponement of their buying decision and they end up buying impulsively⁸. According to⁵⁰, impulse buying is categorized as pure impulse buying, reminder impulse buying, suggestion impulse buying, and “planned” impulse buying. Pure impulse buying is where consumers make a novelty purchase immediately. Reminder impulse buying requires the recall of one's prior experience or knowledge about products, and cognitive effort will be needed in the process. Suggestion impulse buying occurs when a consumer sees a new product and imagines a need for it. Compared with pure impulse buying, suggestion impulse buying may be an entirely relational process than an emotional reaction. Planned impulse buying is partially “planned” and refers that consumers being open to making purchases beyond shopping goals and searching for any promotions²⁹.

Impulse Buying Decision: Impulse buying occurs when an individual without any prior purchase planning gets involved in the stimuli and experiences an urge to buy a product¹¹. Consumers' excitement and pleasure, also trigger impulse purchases⁴⁷. The study on researcher the influence of celebrity on impulse buying shows that the celebrity post authenticity and positive sentiment has a positive direct effect on consumers' urge to buy impulsively⁵². This impulse buying behaviour is determined by an affective trust with the person who recommends on social media and affection toward the recommended product, which are influenced by both recommender-related signals. The researcher identifies recommender-related signals and product-related signals as the important determinant of impulse buying. The recommender-related signals are information quality and

similarity, and product-related signals are identified as vicarious expression and aesthetic appeal⁴⁹. An impulse buying decision is also determined by consumer characteristics, product characteristics, and online store characteristics.

Social Media Users: According to the 2020 Global Digital Report, the number of social media users are increasing rapidly. Social media is highly popular and act as an indispensable part of daily life for people all over the world²⁷. During the purchase through social media, the buyers show greater feelings of amusement, delight, enthusiasm, and joy³⁸.

Users identify themselves according to the characteristics of the online celebrity they follow which arise from the social categories and needs they pursue.

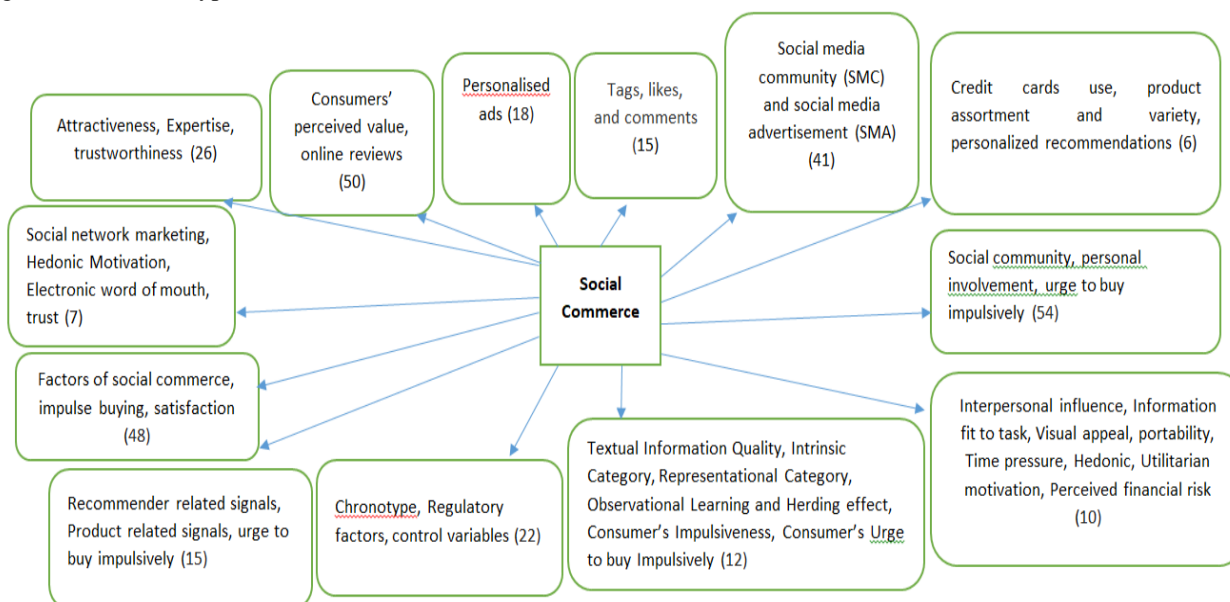


Fig no 1: Literature study on Impulse buying behaviour

Determinants of Online Buying Behaviour in Social Commerce:

The researcher finds a noted factor as parasocial interaction as the important factor for studying the social commerce impact on impulse buying. The results show that perceived usefulness and parasocial interaction have a significant effect on perceived enjoyment. And the social-relevant features have an impact on impulse buying⁴⁵. Further research carried out on specific social networking sites such as Facebook shows that textual information quality, observational learning and herding effect, and consumer likes trigger impulse buying¹². Further, the research also states that Perceived transaction values, Perceived acquisition value provided by bundle offers, and top review information have a positive impact on the urge to buy impulsively⁵³. Situational factor such as scarcity and serendipity has a high impact on online impulse buying in the social commerce environment³. Applying the theory of planned behaviour to study the impulse buying decision in social commerce; perceived price discount is a key factor that urges to buy impulsively in social commerce⁴². Adding further the research on impulse buying in the social commerce context in the emerging markets, it is noted that socialisation and availability of information will prompt the users to buy impulsively in social commerce³⁹. Hedonic gratification will make the users build a parasocial relationship with celebrities through social media, these parasocial relationship has a positive impact on impulse buying decision⁵². The impulse buying behaviour is influenced by product affection and trust, the recommender, their intention to purchase the socially recommended product is stimulated and they may buy the product impulsively¹⁵.

III. Result

The majority of the studies about impulse buying behaviour have comprised stimulus-organism-response¹.²⁹ People adopt social media with the motive of connecting and interacting with other people or their favourite brands and during this process, they are exposed to stimuli that trigger an impulse purchase. The research about age finds that more than 80 percent of young browsers (25–35) are connected on almost all social network sites⁴. Previous studies indicate that 65 percent of social media users state that social networks affect their shopping processes, and almost 50 percent agreed that social media inspires online shopping. Therefore, social media can be a powerful tool for all marketers, and hence businesses need to have a sound social media strategy to encourage impulse purchasing^{27,6}. The marketer needs to work on improving the social media

buying experience by way of ease of payment, variety of choices, and the existence of personalized recommendations. The literature also gives notable findings that female buyers considerably buy more online through social media influences, especially in the age group of 30 years and above³⁴. The study conducted in Indonesia reveals situational factor is the keen factor that influences impulse buying, and the effect of a situational factor does influence differently on hedonic and utilitarian motivation¹⁰.

IV. Future Research Scope

This study has used various research reviews in identifying the impact of social media on online buying behaviour as well as the various determinants of online buying with reference to social commerce. An interesting factor to be noted that the impact of social media networks on impulsive buying decisions is the consideration of culture. Social media is very dynamic, and the behaviour of consumers is constantly changing with the evolving platforms, and acknowledging the potential effects of buyers' national culture is crucial for understanding online impulse buying¹³. Hence a rigorous study is needed to collect the data and propose a model of the impact and intensity of social media on impulse buying especially in highly populated and developing country like India. The study needs to study the post purchase dissonance after impulse buying decision¹⁴.

V. Conclusion

Although we find various studies on online impulsive buying behaviour, the study on social commerce is very limited. Hence there is a large scope for researchers to do quantitative research on impulse buying in social commerce. This paper has attempted to provide a comprehensive review of research on the impact of social media on impulse buying behaviour. The study on impulsive buying has been widely discussed in previous studies but this study has its focuses on the area as s commerce (Social commerce). The study has provided the way for further knowledge for the research in the area of social commerce, the further studies need to frame a model that explains the impact of social media on impulse buying behaviour with respect to social commerce with appropriate testing and validation.

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