What Internal and External Factors Influence Impulsive Buying Behavior in online Shopping?

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Abstract- Impulsive buying behavior can be considered as a way of increasing profit of marketers. Nowadays, the popularity of electronic commerce has gained more attention from researchers and marketers as well. Hence, studying the causes of online impulsive buying behavior is necessary as such study may generate certain innovative ideas or strategies to marketers to increase profit from online market. In this study, the author emphasizes on internal factors (e.g., psychological approach) and external factors (e.g., situational, product and website factors) in studying the impulsive buying behavior. The external factors (e.g., website designs) and internal factors (e.g., affective states) which cause impulsive purchase are interrelated in certain aspects and are hard to separate individually.

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I. Introduction

Consumers are always important because they are who marketers gain profit from within a trading process. Therefore, studying consumer behavior is an important issue for researchers and marketers to understand consumer’s thought and behavior. Within consumer behavior’s studies, impulsive buying behavior is always an interesting issue and many researchers and marketers make efforts to try to figure it out (SIRHINDI, 2010; MURUGANANTHAM & BHAKAT, 2013). Furthermore, in many studies about impulsive buying behavior, this behavior has taken a considerable part to contribute in total sales of product (MADHAVARAM & LAVERIE, 2004; SIRHINDI, 2010; JEFFREY & HODGE, 2007). According to Stern (1962), the rate of impulsive purchase in which people purchased without planning in advance has raised from 38.2 percent in 1945 to 50.9 percent in 1959. Further evidence from ABRAHAMS (1997), Americans had contributed $4 billion into impulsive buying sale annually and even 80 percent of all purchases for some products (as cited in JEFFREY & HODGE, 2007; as cited in SIRHINDI, 2010). Even though after the 2008 recession, a study of DOLLIVER (2009) indicated that 60 percent of females were still engage in impulsive purchase in online shopping (as cited in WELLS, PARBOTEAAH & VALACICH, 2011). Those studies have raised the importance of impulsive buying to researchers and marketers in studying the causes of impulsive buying behavior and increasing the sales of product.

Electronic commerce is getting popular especially in recent years. Computer and network have make human life become more convenience in many aspects such as communication. Through the electronic device and network, business pattern has also been influenced significantly as people can now carry out trading through these invention. The online sales have made profit from $236 billion in 2007 to $521 billion in 2012 (BEN-SHABAT, MÖRIARTY, & NILFOROUSHAN, 2013). The positive prediction of electronic commerce was made by some researchers as well. According to a report from McKinsey Global Institute (2013), China had made more than $190 billion in 2012. In addition to that, the institute also made positive prediction that China will increase the electronic commerce’s profit to $650 billion in 2020. MALPURU (2013) has also predicted that America will increase from $262 billion in 2013 to $370 billion in 2017.

Because of the popularity of electronic commerce, researchers have paid more attention to the study of online impulsive buying behavior nowadays. Some studies (SIRHINDI, 2010; MADHAVARAM & LAVERIE, 2004) found that traditional shopping and online shopping have different characteristics, for instance, the situational factors of online impulsive shopping are easy access, opportunity to access promotions, use of credit card, transportation of goods and low price of goods. All of these reasons are the factors that encourage people to purchase impulsively in online market. Hence, investigating the factors that affect online impulsive buying behavior is important and also the purpose of this paper.

II. Impulsive Buying Behavior and Online Impulsive Buying Behavior

For many researchers, impulsive purchase is always referred as unplanned purchase (JEFFREY & HODGE, 2007; TINNE, 2010). There are four characteristics to further explain impulsive purchase. First of all, impulsive purchase is unplanned purchase in which people decide to purchase goods without any plans in advance. Secondly, impulsive purchase is a result of exposure to the stimulus in which people purchase impulsively is triggered by the external...
impulsive buying behavior is a process in which people purchase goods without following a normal buying process. Normally, consumers would go through a process of recognizing needs, searching for information about the desired product, evaluating alternatives, and making a purchase decision. However, in impulsive buying, consumers do not go through this process, and instead purchase goods on the spur of the moment, often without prior consideration or evaluation. This behavior is characterized by an immediate and emotional response, driven by factors such as emotions, impulse, and lack of control.

III. The Relationship Between Internal Factors and Online Impulsive Buying

The internal factors include age, gender, culture, and socio-economic status. The gender differences do indeed influence online impulsive purchasing behavior. According to a study by Saarela et al. (2008), young age group is more likely to purchase impulsively than old age group. Young age group values information accessibility and additional information of the good, but they are more likely to be influenced by external stimuli (e.g., spend more time in online shopping) than old age group in engaging impulsively purchase online. Moreover, both groups also have different preferences when doing online shopping. Young age group tends to purchase video and music whereas old age group tends to purchase online documentation.

IV. The Relationship Between Psychological Factors and Online Impulsive Buying

Psychological factors are one of the important factors in explaining impulsive buying behavior. The psychological factors refer to individual factors which include personality traits, emotional states, interest, and cognitive processes (Mesiranta, 2009; Chen & Lee, 2015; Shahjehan, Qureshi, Zeb & Saifullah, 2012; Chen, 2011; Liu, Li & Hu, 2013). The psychological factors are similar in both online and in-store shopping in a large extent. However, psychological factors are the main and direct factor that cause people purchase impulsively.

a) Personality Trait

Some researchers have applied trait theory to explain impulsive buying behavior. Personality trait is defined as a person who performs in consistent behavior and thinking patterns. People who have tendency of impulsive buying are prone to be unreflective, emotional and impulsive (Chen, 2011). According to Youn and Faber (2000), people who have lack of control, stress reaction which people tend to experience emotional or cognitive reactions such as guilt. However, some studies have reported that impulsive purchase could be the lack of reflection as well (Tinne, 2010; Madhavaram & Laverie, 2004; Muruganantham & Bhakat, 2013).

The first study of impulsive behavior was from Clover (1950) who studied on impulsive buying mix and figured out some goods that are sold more impulsively. After that, Stern (1962) has provided significant contributions in identifying impulsive buying behavior. He divided impulsive buying behavior into few types which includes pure, planned and reminder. Later, the fourth type of impulsive buying behavior was introduced by Han and his colleagues which is suggestion/fashion-oriented impulsive buying (as cited in Muruganantham & Bhakat, 2013). Pure impulsive buying is novelty and escape purchase which people do not follow usual purchase pattern; planned impulsive buying is the specific purchase decision which is made based on certain conditions such as low price or promotion of the good; reminded impulsive buying is a purchase which people remind the lack of certain goods triggering it in the store whereas suggestion impulsive buying is a purchase which people purchase a new good by self-suggestion that good is needed (as cited in Madhavaram & Laverie, 2004; as cited in Muruganantham & Bhakat, 2013).

The process of impulsive buying behavior also differs from normal buying process. Normally, rational consumers would go through recognizing needs, searching information to figure out the goods they want, evaluating alternatives as well as experience of purchasing and post-purchase (Lamb, Hair, Jr., & McDaniell, 2013). However, within impulsive buying process, consumers are not searching information and evaluating alternative. Consumers start with browsing products and have product awareness. During this moment, consumers are exposed to the external stimuli that can trigger their desire to buy impulsively (Tinne, 2010; Muruganantham & Bhakat, 2013).

Impulsive buying behavior is mainly influenced by internal and external stimuli. Internal stimuli always refer as psychological factors, situational factors, demographic factors and socio-economic factors. On the other hand, external stimuli always refer as product’s characteristics and environmental characteristics (Karbasivar & Yarahmadi, 2011; Tinne, 2010; Muruganantham & Bhakat, 2013). The factors of online stimulus such as the design of the good or the price of the good. Thirdly, impulsive purchase is an immediate nature of behavior in which people purchase without considering the information search, alternative evaluation and consequences of making purchase. People purchase goods is the result of sudden and powerful urge or desire that forces them to purchase immediately. Last but not least, impulsive purchase causes people to experience emotional or cognitive reactions such as guilt. However, some studies have reported that impulsive purchase could be the lack of reflection as well (Tinne, 2010; Madhavaram & Laverie, 2004; Muruganantham & Bhakat, 2013).
experience negative affective states and thus they would do something to relieve their mood such as impulsive purchase and absorption which people are more sensitive to external stimuli and willing to try novel things are associated with impulsive buying as well.

In impulsive buying, impulsivity (lack of control) is also a personality trait that links to individual’s impulsive buying tendency. This tendency includes two characteristics: the immediate urge or desire to purchase and the limited deliberation or evaluation of the consequences (Liu et al., 2013). In other words, a person who has higher impulsivity tends to purchase impulsively (Chen & Lee, 2015; Youn & Faber, 2000). In order to identify the people who are prone to impulsive purchase, the Big Five Model is applied in some studies (Chen & Lee, 2015; Shahjehan et al., 2011).

The study of Chen (2011) has indicated that the people who have the traits of need of arousal and material are prone to impulsive buying. Need of material is referred to people who have high tendency in materialistic are more likely to buy impulsively. On the other hand, the need of arousal is associated with the mood regulating function. This means that the influence of emotion can ultimately trigger impulsive buying. The people who score higher need of arousal are more likely to be triggered by external stimuli and impulsive purchase eventually.

In the latest study of Chen and Lee (2015), agreeableness, one of the personality traits in Big Five Model is also related with impulsive buying behavior. This trait is described as complaint and accommodating in social condition which includes trusting on others. Their result indicated that the people who are high in agreeableness are more willing to trust online market and purchase unreflectively than cautious people, thus, agreeable people are more likely to purchase impulsively.

b) Affective State and Personal Interest

Emotional factor always plays an important role in the influence of impulsive buying behavior regardless of in traditional market or online market. The emotional states can be divided into positive and negative affective states. Positive affective states can be referred to excitement or pleasure whereas negative affective states can be described as anxiety or guilt (Verhagen & Dolen, 2011; Youn & Faber, 2000; Mesiranta, 2009).

According to Verhagen and Dolen’s study (2011), the positive affective states can increase impulsive buying behavior. On the other hand, the website designs such as attractive goods, ease of use, enjoyment of the website and website communication style could be the indirect factors that affect impulsive buying behavior as these factors only have directly influence on emotion. Furthermore, Jeffrey and Hodge (2007) also indicated that people who are in positive affective states tend to spend more time in browsing the online retailers’ websites, therefore, increasing the opportunity of impulsive purchase.

In Mesiranta’s study (2009), individual’s interest can also influence people to engage in impulsive buying online. A respondent revealed that she bought a book on Tai Chi which she did not plan to buy it when she was browsing online bookstores due to her interest on Tai Chi.

c) Perception and Product Involvement

In Verhagen and Dolen’s study (2011), perception is also playing a role in online impulsive purchase. When people perceive enjoyment from the website, they tend to have positive affective states. Another study done by Parboteeah, Valacich and Wells (2009) also indicated that people perceive usefulness and enjoyment to the website are related to impulsive purchase.

Product involvement refers to a person who perceives the importance of the good based on their interest and value as well as the degree of effort consumers would likely be contributed on these goods (Bian & Moutinho, 2008). This factor also takes part in influencing people to involve in impulsive purchase. The good category refers to the types of goods. Certain goods are more favorable to consumer to purchase in online. In Chen (2008) study, the online product involvement of clothing and computer peripherals is examined. Chen (2008) divided the consequences of heightened involvement into two categories: emotional consequences and functional consequences. The emotional consequence is considered as interest aspect which more tend to produce emotional needs to certain goods. In other words, people spend more time and effort to know the goods they are interested in. Other the other hand, the functional consequence is referred to the tendency of informational needed to the good. People need to gain more information about the good, therefore, they spend time and effort on it. The result indicated that the clothing has higher impulsive purchase tendency and involvement in in-store shopping because online shopping is hard to emerge the level of interest (e.g., consumer cannot touch and try the clothing). On the other hand, the computer peripherals has higher impulsive tendency and involvement in online shopping because online shopping is fit for the goods which needs intensive information search (e.g., consumer can compare the price, brand and specific of the goods).

d) Cognitive Processes: Evaluation

Normative evaluation refers to people judge the appropriateness of impulsive purchase decision which may also take part in influencing impulsive purchase to some researchers (Liu et al., 2013). In early notion of impulsive purchase, researchers tended to believe that purchase was irrational and thoughtless. Nevertheless,
appropriate of their purchase decision. However, different buying situations can influence normative evaluation to be either negative or positive to same goods.

e) Cognitive Processes: Mental Accounting and Rationalizing

In Jeffrey and Hodge’s (2007) study, cognitive factors are used to explain online compulsive purchase. Mental accounting assumes that people have various imaginary accounts in their mind. Each imaginary account has different budget to be spent and also differs in every individual. The expenditure in different imaginary accounts is different and thus can cause people to have diminishing sensitivity when they purchase expensive goods in certain situations. For instance, when an individual bought a car that costs $39,000, that individual would have less sensitivity towards buying a car accessory that costs $500 as the ‘car’ account has already contained $39,000, therefore the spending of car accessory just cost $500 is considered as a small amount. The impulsive purchase of car accessory is more likely to happen in this situation. If the people did not buy the car and the salesperson promoted him the $500 car accessory, the person would consider the purchase of a car accessory is a large amount and thus, reduce his likelihood to impulsive purchase the car accessory.

People always try to be a rational consumer and thus they will seek good reasons for their purchase decision even when they purchase impulsively. The study of Jeffrey and Hodge (2007) has proven the notion effective. They tied some specific goods with donation to charity in which online consumers purchase specific goods and also donate $1 to charity in online market. The result indicated that the frequency of impulsive purchase rose from 2 percent to 9 percent to the specific goods.

V. The Relationship Between Situational Factors and Online Impulsive Buying

Situational factors can be either internal factors or external factors which only occur during consumer purchase. The factors include time, payment’s method, and presence of others (Tinne, 2010; Karbasivar & Yarahmadi, 2011).

The restrain of in-store shopping do not exist in online shopping, such as time and goods’ transportation. In online shopping, people can purchase at any time when they are free. Therefore, the online consumers would more likely engage in impulsive purchase. Sometimes, consumers are upset by the transportation of goods. The goods might be too big and hard to bring home by themselves and thus consumers would probably not purchase the goods (Sirhind, 2010).

Furthermore, in online market, the payment is solely processed by online bank or credit card. Some studies showed that the use of credit card is one of the factors to cause consumer purchase impulsively. This is because people do not have to pay immediately and thus they are more likely to overspend and impulsive purchase (Karbasivar & Yarahmadi, 2011). Credit card holders also found out that they are less conscious on the price of goods and this can cause them to purchase higher price items as well (Tokunga, 1993; Deshpande & Krishnan, 1980; as cited in Karbasivar & Yarahmadi, 2011).

In in-store shopping, the presence of others is an effective way to promote impulsive purchase. However, in online shopping, there is no salesperson to pressure the sale. Due to this reason, the impulsive purchase due to social pressure is less likely to take place online (Madhavaram & Laverie, 2004; as cited in Jeffrey & Hodge, 2007). However, a study which was done by Zhang, Hu, and Zhao (2014) indicated that opinion-based social interactions which provide review quality and source credibility and behavior-based social interactions that provide observational learning are efficient in causing online impulsive purchase as well.

Online auction is a different type of online shopping experience. Individuals who tend to have hedonic motive and impulsiveness are more like to purchase impulsively and pay higher price in this shopping experience (Abdul-Ghani, 2009; Angst, Agarwal & Kuruzovich, 2008).

VI. The Relationship Between Product’s Characteristics and Online Impulsive Buying

The product’s characteristic can also be an indirectly factors of impulsive buying behavior. The product’s characteristics can divided into price and different category of products (Mesiranta, 2009). In some research, the product’s risk is also included (Mesiranta, 2009). In Verhagen and Dolen’s study (2011), merchandise attractiveness can trigger both positive and negative emotion significantly.

The price of the goods is considered as the main factor to cause people to purchase impulsively whether in online shopping or in-store shopping (Karbasivar & Yarahmadi, 2011; Mesiranta, 2009). Some people reported that their online shopping can cost more compared with traditional shopping (Mesiranta, 2009). In other words, they purchase more impulsively in online shopping than traditional shopping. Furthermore, price is essential to individuals having positive affective to browse online and encouraging impulsive purchase to happen (Park, Kim, Funches & Foxx, 2012).

Chen’s (2008) study indicated that clothing is less impulsive purchase than computer peripherals.
when these two items are compared in studying the impulsive tendency and product involvement. Chen explained that computer peripherals are more fit to information search in Internet whereas clothing can inhibit the impulsive purchase because clothing cannot be touched and tried, therefore computer peripherals have higher impulsive purchase tendency.

A study from Zhang, Jing and Yang (2012) showed that consumer purchase voucher can be divided into virtual product (e.g., consumer paid online and then the electronic voucher will send to them immediately) and actual product (e.g., consumer paid online and then the actual printed voucher will mail to them which takes few days). The result indicated that people are more impulsively purchase the virtual product because their gratification cannot fulfill immediately. They also revealed that consumer impulsive purchase more on hedonic luxuries (e.g., candy) than utilitarian necessities (e.g., rice).

VII. The Relationship Between Website’s Characteristics and Online Impulsive Buying

The website’s characteristics are traditional environmental factors to trigger impulsive purchase in consumers. However, the factors of online impulsive buying are not similar to the factors of tradition impulsive buying. In in-store shopping, the environmental factors are similar with actual store such as buy-one-get one free, different with in -store promotion which is more tailored state toward the website. In this study, the online impulsive purchase is investigated and emphasized on the relationship between psychological factors, situational factors, product’s characteristics and website’s characteristics. Nowadays, consumer behavior is widely explained by many researchers and is discovered in details from the study of impulsive buying behavior. The impulsive purchase started in the 1950s by Clover and then more and more researchers contributed to it. A researcher, Stern has provided more detailed explanation for impulsive purchase by dividing into four types which are pure, reminder, suggestion/fashion-oriented, and planned impulsive purchase. The process of impulsive purchase is characterized by lack of information search and alternative evaluation; consumer is triggered by the stimuli and raises the impulsive urge to purchase. Therefore, impulsive purchase is referred as unplanned buying behavior; urge is triggered by external stimuli; making purchase decision on the spot and without lots of reflection after purchasing. The factors that influence impulsive purchase are divided into two major categories which are internal factors and external factors. The internal factors can also refer as individual factors which include psychological, demographic,
social and cultural factors. On the other hand, external factors refer as external stimuli which include product and environmental factors. However, the inventions of computer and network have changed human life significantly which include purchasing behavior. Therefore, studying the online impulsive purchase is important to sellers who intend to increase their profit and bring better shopping experience to online consumers.

Internal factors are less focused in this study because some issues such as cultural and socio-economic factors are still less concerned by researchers nowadays. However, there has a study revealed that impulsive buying behavior is different in gender (e.g., females tend to purchase clothing and males tend to purchase electronic equipment) and age (e.g., young age group is more likely than old age group to purchase impulsively in online shopping).

Psychological factors significantly and directly influence consumers to purchase impulsively whether in online or in-store shopping. The personality trait of impulsiveness can affect people to purchase and without the evaluation of the consequences due to the immediate urge. However, the impulsive purchasers are also characterized as unreflective, emotional and venerable (e.g., people experiences negative event and they will purchase impulsively in order to relief the negative feeling). Furthermore, people who have higher needs for arousal and material also tend to be impulsive purchase. In Big Five Personality Theory, people who contain the trait of agreeableness are more trusting online shopping and purchase impulsively. Positive effects such as excitement and pleasant are playing important and direct factors in causing people to purchase impulsively as well. This factor is always interacted with external stimuli to cause impulsive purchase. For instance, people who experience positive effective are more likely to browse longer and thus the opportunities of impulsive purchase would increase as well. The interest also influences people to purchase specific goods impulsively. Besides, perception might also cause consumers to purchase impulsively. The product involvement also contributed into impulsive purchase which refers to the level of importance of the goods to consumers and how many effort the consumer involved in the goods. There are some limitations of online shopping experience. The product (e.g., computer peripherals) with functional consequences of heightened involvement is more likely to produce impulsive purchase because information search and comparison of the goods are more effective online. Surprisingly, evaluation is indeed happening in impulsive purchase where people would actually judge their impulsive purchase decision. This notion is based on some researches that people normally did not regret to their impulsive purchase. The cognitive factors such as mental accounting and seeking purchase reason are fit to describe the impulsive purchase. People diminish their sensitivity of expenses based on how much they had spent already and seek reasons to purchase which actually influences impulsive purchase, because they tend to think they are doing the appropriate purchase decision.

The situational factors occur when consumer purchase, for example, time, payment’s methods and sale’s types. The restrain of in-store shopping do not exist in online shopping, such as time and shipping services. The payment’s method mainly based on online banking or credit card. This payment’s method actually causes people to be less sensitive to the expenditures and price of goods, thus overspend and impulsive purchase to happen. There also some factors discourage consumer to purchase impulsively such as presence of others. In online shopping, the salesperson does not exist, but it actually the cause of impulsive purchase in actual shopping. Online auction is common in online shopping. However, because of the bidding system, consumers who tend to have hedonic motives and impulsiveness actually purchase impulsively and pay higher price to the goods.

Both product’s characteristics and website’s characteristics are considered as indirectly factors which need to interact with internal factors in order to produce impulsive purchase. The product’s characteristics also play an important role in causing impulsive purchase. It mainly divides into price and different categories of products. The cheaper price of goods is a main factor to cause people purchase impulsively whether in online or actual shopping. However, online shopping is easier to compare the price of goods, thus impulsive purchase happens easier compared with in-store shopping. On the other hand, some products such as clothing are less likely to be purchased compared to computer peripherals, because consumer cannot touch or try the clothing whereas computer peripherals can easily compare online. The virtual good is more likely to purchase impulsively. That is because virtual goods can get immediate gratification whereas the actual goods have to wait and the urge cannot be fulfilled immediately. Also, consumers tend to impulsive purchase in hedonic luxuries which has proven that impulsive purchasers are emotional individuals.

Although website’s characteristics are indirect factors in impulsive purchase, the quality of the website also plays an important role. However, the website’s characteristics are similar to in-store’s environmental factors. Website’s characteristics are often divided into high task-relevant which refers to facilitating consumer purchase experience and low task-relevant which refers as pleasuring consumer feeling and emotion. High-task relevant consists of navigability, security and variety of good. Low-task relevant consists of visual appeal and
website pleasantness. Some controversies happen in navigability; some studies indicated it is effective for impulsive purchase some studies are not. This might due to various factors such as different culture of participants in those studies which might influence the result.

Although the psychological part is deeply investigated in this paper, some issues are not. For instance, the interaction between age, gender, culture and socio-economic factor and online impulsive purchase are still underdeveloped. Although there are numerous impulsive purchase related with those factors, online market is still lacked in academic field. Some issues are inconsistent, but these inconsistencies might due to the other variables that lead to different results.

IX. Conclusion

In conclusion, online impulsive buying behavior is important in increasing profit to sellers and shopping experience to consumers. Psychological factors such as personality traits, affective states, interest, product involvement, perception, normative evaluation and other cognitive factors play crucial and direct roles in affecting impulsive buying behavior. However, the external factors such as situational factors, product’s characteristics and website’s characteristics can also contribute to the impulsive purchase in online market. Therefore, both internal and external factors are the important causes for online impulsive purchase. Online impulsive buying behavior is still a new study nowadays. Hence, some issues are actually underdeveloped, such as cultural and socio-economic differences. However, the basic issues such as the emotion and website’s characteristics are widely studied in recent years.

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