

# **An Analysis of Factors That Influence Compulsive Online Shopping Habit Formation**

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**Abstract:** All parties involved in doing business over the internet must now account for the trend of impulse buys made via digital channels. The availability of internet-enabled devices has led to increased access to many product categories, which has contributed to the rise of impulsive online impulse purchases. When you make a purchase on the spur of the moment, you don't stop to think about the consequences. This study aims to better understand impulse buying on the internet and to discover the factors that contribute to this kind of shopping behavior. Some of them are cost, selection, variety, hedonism, adventure, marketing, ease of use on the web, novelty, and social acceptability. Data collected from online consumers is analyzed statistically to determine the impact of various demographic features on the identified variables impacting impulsive purchase. Online shoppers have provided this information.

## **INTRODUCTION**

The transformation we are seeing right now is the biggest one ever. The phrase "internet revolution" is an apt description of the profound changes brought about by the advent of the internet. The internet is quickly becoming one of the most popular ways to purchase and sell products and services as its reach and accessibility continue to grow. The shift in consumer behavior may be traced back to the rise of internet shopping. When consumers look for, evaluate, and buy goods and services online, this behavior is shown by their use of many websites. This shift in purchasing habits is directly attributable to the rise of online retail. The internet has had a profoundly disruptive and revolutionary effect on the marketplace, causing widespread changes in consumers' attitudes, behaviors, and practices in regard to the acquisition of products and services. The growth of web-based technologies has allowed for this change on both the supply and demand sides, giving contemporary marketers a new way to create and distribute value to their target audiences. Joshi claims that the e-commerce market in India has grown by 65% during 2017, indicating rapid expansion. According to Joshi, the company is now worth \$38. People from various walks of life have lauded the impulsive phenomenon, which is best

characterized by its focus on instant gratification. Research into impulsivity has been going on for decades since it helps bring in sales that are impulsive and not thought through, which is good for a company's bottom line. It's common enough that it may turn up in any culture. Emotional buying was equated with impulsive buying by Weinberg and Gottwald (1982). It's a phenomenon with various facets and possible interpretations.

## **LITERATURE FOR REVIEW**

The convenience of being able to purchase online whenever you choose is its greatest selling point. In the Indian environment, where goods are not uniformly distributed, there is a clear requirement for making hasty purchases. Online purchases are typically done on the spur of the moment, and when people are feeling impulsive, they tend to make irrational decisions. Internet-enabled media, as argued by Jeffrey and Hodge and Verhagen and Van Dolen, allows for easy comparison shopping and supplies all the facts one needs before making a final selection. Although the intangibility of goods purchased online has been a mental barrier for a while among Indian customers, this is quickly disappearing and online shopping is becoming more accepted. Online shoppers' actions might be influenced by their social networking activity. Dr Naveen Prasadula has found a positive correlation between environmental signals and website navigability in relation to impulse purchases. Emotions might also trigger spontaneous purchases. Excitement might sometimes lead to impulsive purchases. Silvera et al. argued that consumers' propensity for impulsive purchase would rise when they were feeling down. This research aims to provide light on the phenomenon of impulse purchases made over the internet. The authors Liu, Li, and Hu concluded that the online setting is more suited to encouraging impulsivity than the offline one. Wells et al. argue that the quality of a website interacts with the impulsiveness of the user to create the phenomenon of "impulse buying" online. Indicators of a high-quality website include user-friendliness and the likelihood that visitors will make a purchase on the site. Eroglu et al. categorize the Internet as high task relevant cue and low task relevant cue environments. Consumers are more likely to complete a purchase when they are provided with detailed information on the product they are considering, as well as a nice shopping experience, thanks to high task-relevant signals like ambiance. Establishing conditions that have the potential to make shopping a pleasurable experience requires low task-relevant signals such as aesthetic beauty or website pleasantness. Parboteeah et al. drew the conclusion that high-quality environmental cues influence online impulse buying, and they confirmed that online purchases are strongly associated with individual characteristics, vendor/service/product characteristics, website quality, attitude toward online shopping, intention to purchase online, and decision making. Culture plays an important role in

online shopping, according to Jacqueline J Kacen. Jones et al. found that people often make impulse purchases when shopping online. Customers' confidence in a certain website with respect to usability, pleasant experience, and risk factor, as stated by Mordani Pooja, played a significant influence in facilitating on-the-spot purchases online. Hedonic motivation, or the pursuit of pleasure, was cited by Kim and Eastin as a factor in how much time is spent online shopping before a purchase is made. Rastogi, (2018) used a variety of socioeconomic factors to describe what influences people's opinions and how they utilize the internet. Feng Zhu drew attention to the impact of customer reviews on business. Psychological processes and consumer attitudes were discovered to have a substantial influence on impulsive purchasing behavior by Hoch and Loewenstein. The need for instant enjoyment balances out worries about the future. It was validated by Haridasan et al. that online customers valued having access to a wide selection of products, being able to compare prices, and having flexible shipping choices. Online shopping has its own distinct effects on convenience, affordability, and instant pleasure. These features are considered to be distinct from the desired benefits of traditional brick-and-mortar establishments, such as social connection and individualized service.

## **METHODOLOGY OF RESEARCH**

The study chose for a descriptive and exploratory research approach. India's thriving economy and more informed consumers have made the country a prime market for international merchants in recent years. Customers are now able to go into previously uncharted territories, such as online purchasing, thanks to the widespread availability of internet services. Contextual factors including price, availability, familiarity, and novelty have been shown to increase internet purchases made on the spur of the moment. In order to get a more representative sample of internet users, surveys were sent online and used to compile a demographic profile of the respondents. The research chose to use a sample size of 154. Complex methods of analysis, such as "factor analysis" and "Analysis of Variance," are performed in Statistical Package for the Social Sciences (SPSS). In the research provided here, we have considered the following hypothesis.

H1: The tendency to make impulsive purchases while shopping online varies greatly between generations.

H2: Online impulse purchases are significantly different across the single and married populations.

H3: Online impulse purchases vary considerably by family size.

H4: Profession greatly affects the likelihood of making an impulsive internet purchase.

H5: The likelihood of making an impulsive purchase when shopping online varies greatly by household wealth.

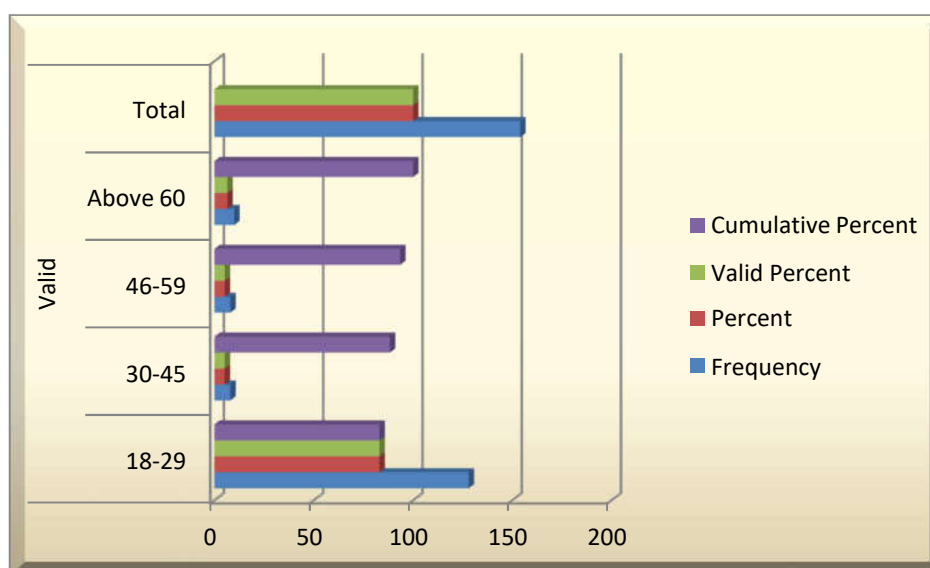
## DATA ANALYSIS AND FINDINGS

The data below is based on an SPSS analysis of 154 responses.

**TABLE 1.** Age of respondents

Age Group (Years)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-29	128	83.1	83.1	83.1
	30-45	8	5.2	5.2	88.3
	46-59	8	5.2	5.2	93.5
	Above 60	10	6.5	6.5	100.0
	Total	154	100.0	100.0	

Source: Primary Data

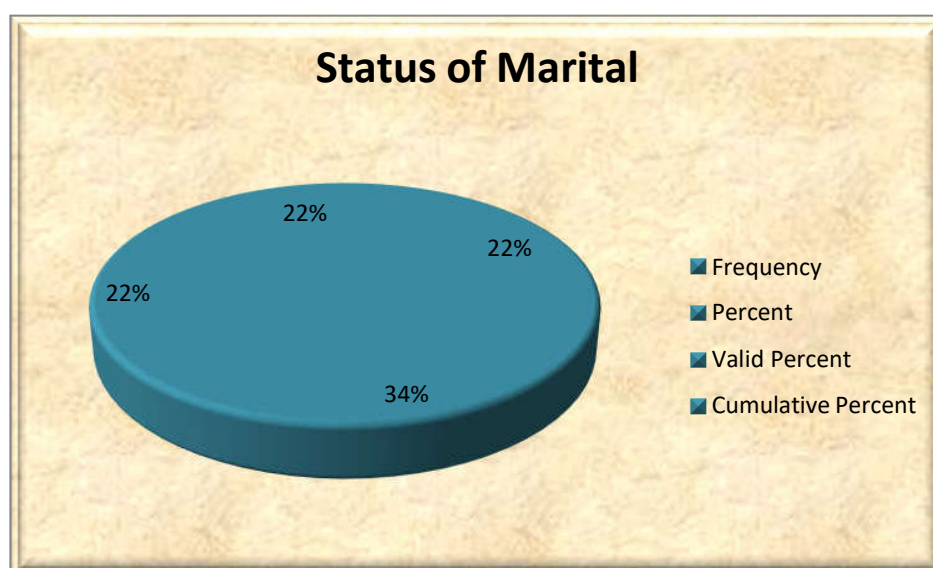


The ages of the respondents in the sample are shown in Table 1. The majority (83.1%) of respondents is between the ages of 18 and 29, while 5.2% are between the ages of 30 and 45, and another 5.2% are between the ages of 46 and 59, and 6.5% are beyond the age of 60.

**TABLE 2.** Marital status

Marital status		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	21	13.6	13.6	13.6
	Unmarried	133	86.4	86.4	100.0
	Total	154	100.0	100.0	

Source: Primary Data

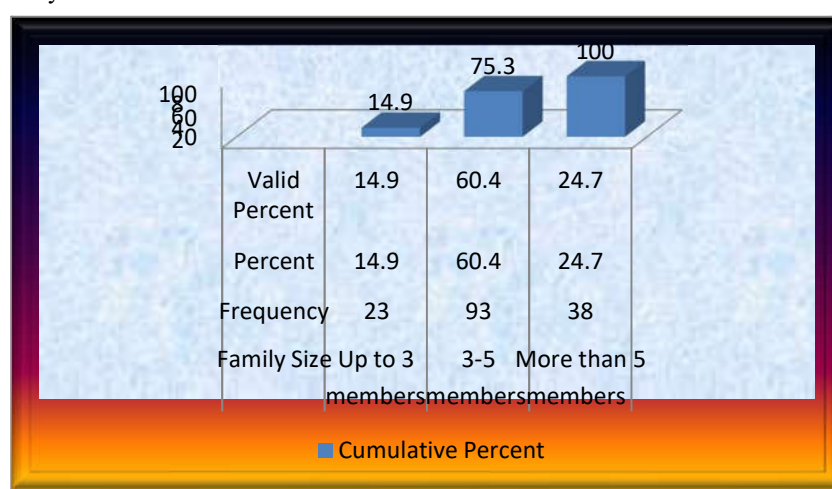


The marital status of the respondents is shown in table 2 above. It is seen that 13.6 percent are married in comparison to 86.4 percent unmarried.

**TABLE 3.** Family size

	Family Size	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to 3 members	23	14.9	14.9	14.9
	3-5 members	93	60.4	60.4	75.3
	More than 5 members	38	24.7	24.7	100.0
	Total	154	100.0	100.0	

Source: Primary Data



Family sizes are shown in Table 3 above. The results show that 24.7% of respondents had 6 or more people living in their household, 14.9% have 3 people, and 60.4% have between 3 and 5 people living in their household.

**TABLE 4.** Family income (Rupees per month)

Income in Rupees per month	Frequency	Percent	Valid Percent	Cumulative Percent
Up to Rs 50,000	36	23.4	23.4	23.4
Rs 50,000-Rs 80,000	61	39.6	39.6	63.0

More than Rs 80,000	57	37.0	37.0	100.0
Total	154	100.0	100.0	

Source: Primary Data

In table 4 above monthly income of the respondents is shown. Income levels of 23.4 percent of the respondents are up to Rs. 50,000 per annum. For 39.6 percent of sampled respondents the income levels is in between Rs. 50,000 to Rs. 80,0000, 37 percent of the respondents have monthly incomes of more than Rs. 80,000.

**TABLE 5.** Occupation of the respondents

	Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Students	127	82.5	82.5	82.5
	Service	13	8.4	8.4	90.9
	Professional	5	3.2	3.2	94.2
	Housewives	9	5.8	5.8	100.0
	Total	154	100.0	100.0	

Source: Primary Data

Majority of the sampled respondents are students i.e. 82.5 percent. 8.4 percent are employed in the service sector, 3.2 are professionals and 5.8 percent are housewives. Exploratory factor analysis is used to reduce space by reducing the number of variables. The aptness of factor analysis depends upon the size of the sample. We have used principal component analysis and varimax rotation, based on which seven factors are identified as follows:

‘Price Variety’ is identified as the first factor; it includes price and its importance on online impulsive purchase and free return policy. ‘Hedonism’ is the second factor and it includes variables like ‘I am often surprised by my online impulsive buying, ‘I often feel I have spent more and unnecessarily after online impulsive buying and ‘online impulsive buying acts as mood changing’. The fourth identified factor is ‘Adventure’ which includes variables like online impulsive buying brings relief in stress levels after indulging in online impulsive buying, excitement of online impulsive buying, fun element associated with online impulsive buying, sense of adventure and unexpected insights drawn from online impulsive buying. ‘Social factor’ includes gifts associated with online purchases. Availability of online information has positive influence on any online buying behaviour. ‘Merchandising’ factor includes the availability of wide variety of options and convenience of shopping. ‘Online navigability’ is identified as the sixth factor and includes website’s visual appeal over online impulsive buying; online reviews influence online impulsive buying. ‘Novelty and Social Acceptance’ is the seventh factor and includes friend’s opinion, uniqueness and online impulsive buying giving me social acceptance.

After reducing the dimensions, we proceed to check the hypothesis. Mean values are extracted and

ANOVA is exercised upon the demographic variables and factors.

*H1:- There is a significant difference in online impulsive buying based on age.*

**TABLE 6. Mean**

Age (Years)	Price Variety	Hedonic Factor	Adventure	Social Factor	Merchandising Factor	Online Navigability and Reviews	Novelty and Social Acceptance
18-29	3.8451	3.2539	3.3255	3.4199	3.1816	2.9883	3.1914
30-45	3.9583	3.5938	3.3750	3.3750	3.7188	3.5000	3.4375
46-59	4.3333	3.8125	3.7083	4.0000	3.4063	2.5000	2.6875
Above 60	3.8500	3.3750	3.6000	3.4000	3.9250	3.7000	3.5500
Total	3.8766	3.3084	3.3658	3.4464	3.2695	3.0357	3.2013

The highest mean value 3.8451 is for price variety across all age groups as shown in table 6 above. For 60 years and above aged respondents “merchandising factor” is the most important. Besides this, “social factor” also assumes importance for 18-29 and 46-59 year age groups.

ANOVA is collection of statistical model used to analyze the difference or variances in the group under study. One way ANOVA is applied between factors and age, as shown in Table 7 below.

**TABLE 7. Anova**

				Sum of Squares	Mean Df	Square	F	Sig.
Age	Price Variety * Age	Between Groups	(Combined)	1.857	3	.619	1.724	.165
		Within Groups		53.855	150	.359		
		Total		55.711	153			
	Hedonic Factor * Age	Between Groups	(Combined)	3.109	3	1.036	2.492	.062
		Within Groups		62.365	150	.416		
		Total		65.474	153			
	Adventure * Age	Between Groups	(Combined)	1.695	3	.565	1.531	.209
		Within Groups		55.364	150	.369		
		Total		57.060	153			
Age	Social Factor * Age	Between Groups	(Combined)	2.604	3	.868	2.450	.066
		Within Groups		53.142	150	.354		
		Total		55.746	153			
	Merchandising Factor * Age	Between Groups	(Combined)	7.049	3	2.350	8.314	.000
		Within Groups		42.392	150	.283		
		Total		49.442	153			
	Online navigability & Reviews * Age	Between Groups	(Combined)	8.721	3	2.907	6.674	.000
		Within Groups		65.332	150	.436		
		Total		74.054	153			
Age	Novelty & Social Acceptance * Age	Between Groups	(Combined)	3.787	3	1.262	2.806	.042
		Within Groups		67.473	150	.450		
		Total		71.260	153			



Age

Groups

The significance values for merchandising, online navigability, novelty and social acceptance are 0.00, 0.00 and 0.42 respectively and these values are less than 0.05. Hence, it can be concluded that there is significant differences in opinions across age group for merchandising, online navigability and social acceptance factors.

*H2- There is significant difference in the online impulsive buying based on marital status*

Similar to table 6 mean values are calculated across factors of online impulsivity and marital status. The highest mean of 4.07 is for price variety amongst married respondents.

Further the ANOVA results show the significance value for adventure is 0.003, hedonic factor is 0.038, merchandising is 0.00 and a social factor is 0.038. As these values are less than 0.05, there is significant difference in the mean of these factors and therefore H2 is accepted for merchandising, online navigability, novelty and social acceptance.

Hence it is found that married and unmarried respondents have significantly different opinions regarding adventure, hedonic, merchandising and social factors.

*H3: There is significant difference in the online impulsive buying based on the family size.*

The highest mean of 4.0197 is observed for price variety for 3 to 5 member family. Further ANOVA is carried out. It is seen that the significance value for price variety and hedonic factors is 0.01, merchandising is 0.002, novelty and social preference is 0.023. As these values are less than 0.05. H3 is valid for these four factors. The results show significant difference on the online impulsive buying based on family income for price variety, adventure and social factors.

*H4: There is significant difference in online impulsive buying based on occupation.*

Based on the mean values price variety emerges as the most important factor across all occupational categories. The highest value of 4.46 is observed for professionals. The ANOVA results show that the significance value for merchandising factor is 0.000 that is less than 0.05. Hence the hypothesis holds valid for merchandising factor. Significant differences are observed for merchandising factors across occupational categories.



*H5: There is significant difference in online impulsive buying based on family income*

The highest mean value of 4.1011 for price –variety in the family income category of Rs.50, 000 to Rs. 80,000 on monthly basis. The ANOVA results show that the significance value for price-variety is 0.000, adventure 0.014, social factor 0.001 and merchandising 0.041. As these values are less than 0.05. The hypothesis holds valid for these factors as significant difference is observed on the online impulsive buying based on family income for price variety, adventure and social factors.

## **DISCUSSION**

“Rapid growth in e-commerce and advancements in information technology is making impulsive buying in online setting an epidemic” . The major findings of the study are most online shoppers are young falling in the age group of 18 -29. The sampled respondents are found to be mostly unmarried with a percentage of 86.4% who spend long hours browsing the web. The family size is within 3 to 5 for 60.4 percent respondents. The respondents were of urban background 59.7% and 82.5% are students. It was observed that variety of pricing options hold maximum importance for greater assortment and product variety is one of the most influential factors for online consumers in carrying out impulse purchases according to Brohan, and Chen-Yu and Seock. Product variety and availability of greater assortment over online platform is found to be causing greatest impact in driving online impulsive buying according to Brohan; Chen-Yu and Seock. Merchandising is the attractiveness and size of the product assortment, Verhagen and Van Dole. It is found to positively affect online impulsive

### **Managerial Implications**

Young people are found to indulge in online impulsive buying in a greater way due to comfort and ease with the online platform. Unmarried people buy more compared to married people. People with smaller family size are found to be more internet savvy and indulge more in buying impulsively. Income is an important determinant but impulsive buying does not show corresponding increase with increase in income. Hedonism, adventure, novelty, price variety have emerged as important factors. Price variety implies the different pricing options available over different online sites. This factor has significant impact based on marital status and family income. Merchandising is found to have significant differential effect over people across age, marital status and occupation. Merchandising is all about the variety and availability of different product variants and definitely plays a very crucial

role of attracting the attention and generating a level of interest and finally leading to impulsive buying behaviour. Online navigability is found to affect people across age, marital status and family size. The comfort while surfing the website acts as a catalyst there by propelling the impulsive purchases. Social acceptance is also found to cast a differential impact over respondents in terms of age, marital status, family size and income. The acceptance, reach and availability of the online buying medium are increasing day by day.

## **CONCLUSIONS**

In the course of this research work, we demonstrate that impulsivity may occur across a number of digital environments. The Internet is having a significant effect on many facets of society by, among other things, raising people's levels of awareness, facilitating easier information flow between individuals, and giving a forum in which divergent viewpoints may be spoken. Marketers will benefit from the findings because they will shed light on the impact of the identified components, allowing them to make strategic plans and decisions that boost impulsive purchases via digital channels. The Journal of Marketing Research is set to publish these results. This is because of the ever-increasing number of businesses and individuals from all walks of life who are actively participating in these platforms, as well as the incredible pace at which they are expanding in both breadth and reach. Moreover, this is because the popularity of this platform is rapidly increasing. The results might aid marketers in their strategic planning and decision making by providing them with a deeper insight into the impact of the identified factors. The results appeared in the Journal of Marketing Research.

## **Limitations and Scope for Future Studies**

The focus of the research is on the phenomenon of online impulsivity. Due to the short time period and the fact that all of the data is gathered at once, the reliability of the findings may be compromised. One facet of consumer behavior, digital platform impulsivity, is the focus of this research. Researchers in the future should be able to replicate this study with a larger sample size and more factors.

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