Abstract: With the advent of technology and increased use of Internet, we have seen the growth of online shopping increasing throughout the years. This phenomenon has given rise to impulse purchasing behaviour online which is an area that has not been thoroughly studied by marketing researchers. This paper provides insights into consumers’ buying behaviours, both planned and impulse and in both traditional and online shopping contexts. The main aim of this paper is to conceptually examine the antecedents of online impulse purchase behaviour and if the factors affecting impulse behaviour in traditional shopping does in fact affect online impulse buying in the similar manner. In doing so, nine research propositions are developed for subsequent testing.

Introduction

Although the rate of growth in terms of sites and users has slowed since 1994 it is predicted that there will be 1.2 billion Internet users in 2005 (Bernstein, 1998). In spite of this growth little research has been done in understanding purchase behaviour in relation to websites or website visitations (pls refer to appendix for summary of literature review). An area of particular neglect is on-line impulse purchasing. In consumer behaviour there has been a consistent interest in understanding purchase behaviour, particularly in the areas of planned and impulse purchasing. Research has shown a number of behaviours and conditions that can be linked to planned and unplanned purchases but how relevant the information is gleaned to the case of online impulse purchases (OIP) has yet to be determined. Online purchasing behaviour has two separate but related aspects

1. Intentional search and access of purchase sites (planned behaviour)
2. Accidental access and subsequent purchase (unplanned purchase)

In the second situation the individual may be attracted by an offer on a site, attracted to a link or banner to another site- outcome is that some unintended purchase behaviour.

Aims

The aim of this paper is to firstly understand purchase behaviour in terms of planned purchase and more importantly impulse purchase behaviour in the traditional shopping situations. This paper would then extend to understanding purchase behaviour in the online context with the Internet as the growing technology and as a shop front replacing the traditional retailer. Finally, these findings would be synthesized to develop a model for impulse purchase behaviour and this would set the agenda for further statistical research to test if this model depicting the antecedents of impulse purchase behaviour in the traditional context would in fact impact upon online impulse purchase behaviour in a similar manner.

Literature Review

Overview of Buying/Purchase Behaviour Situations In Traditional Shopping

From the various literature reviews (Phillips, 1993; Rook, 1987; Kahn, et al., 1986; Dholakia, 2000), consumers’ buying behaviour can be classified into two categories, namely planned buying behaviour and impulse buying behaviour. For the purpose of this study, more emphasis will be given to explaining and understanding the concepts and rationale of the impulse buying behaviour in the traditional marketplace (purchasing context)

1. Planned Buying Behaviour:

In a planned buying situation, consumers have a “shopping list” or a planned list of products/services they intend to purchase. This list may be either in a written form or stored mentally. Consumers also engage in active information search for products and comparisons of attributes between brands (Bayley, et.al., 1998). These behaviours are regulated by the type of goods purchased as well as the purchase situation (i.e.) first time purchase, regular purchase, high / low involvement purchase (Shamdasani, et. al., 2000), etc. The antecedents of planned purchase behaviour: Need for product category, Availability of alternatives, perceived value of product attributes, credibility of store, etc.

2. Impulse Buying Behaviour

Rook (1987) defined impulse buying behaviour as:
“Impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonistically complex and may stimulate emotional conflict. Also, impulse buying is prone to occur with diminished regard for its consequences.”

Engel and Blackwell (1982) define an impulse purchase as:

"A buying action undertaken without a problem previously having been consciously recognized or a buying intention formed prior to entering the store".

As evident from the above definitions of impulse buying, one common characteristic is prevalent, that is, there is no prior or planned shopping list is prepared or stored mentally by the consumer. For the purpose of this paper, the definition of impulse purchase by Engel and Blackwell (1982) is adopted. The following antecedents affect impulse buying behavior:

2.1 Involvement
Zaichkowsky (1985) conceptualized involvement as:

“A person’s perceived relevance of the object based on inherent needs, values and interest”.

This definition of involvement can be applied to an array of studies involving advertisements, products and purchase decision, which this study is of relevance (Zaichkowsky, 1985). Studies done by Petty, et. al (1983), on the Elaboration Likelihood Model found that the quality of arguments presented in an ad had a greater impact on product attributes under high rather than low involvement conditions. This is so as the individual would have better product knowledge when highly involved with the product. High involvement here does not necessarily mean that an individual is engages feverishly in information search about the product (high information search), but rather, the individual sees a need for a product at a particular point in time. But how does being highly involved affect or even induce impulse purchase? Studies conducted by Bloch, et. al, (1986) on impulse buying found that a consumer engaging in ongoing search browsing a retail establishment without the intent to buy may, nevertheless, leave the store with a purchase. Bellenger et. al (1978) indicated that it can be reasonable to assume that the more frequently one is in the store, for whatever the reason, the greater the likelihood that one will buy. Given the significance of direct marketing such as catalog marketing and toll free order lines, such impulse purchasing also may be found among on going searches in the print medium (Bloch, et al, 1986).

2.2 Perceived Product Value
As conceptualized by Sweeney and Soutar (2001), perceived product value is defined as:

“How consumers assess products, not just in functional terms of expected performance, value for money and versatility; but also in terms of enjoyment or pleasure derived from the product (emotional value) and the social consequences of what the product communicates to others (social value)”

Sweeney and Soutar (2001) indicated that value included four important dimensions namely emotional, social, quality/performance and price/value dimensions, which is unlike most typical studies of value, which only include the price and quality dimensions. Attractive offers made by retailers do induce impulse purchasing to an extent. In-store stimuli such as point of sale displays, in-store special offers, price off promotions, affect the impulse shopping or buying decisions of consumers (Abratt, et.al., 1990). The more creative or attractive the offers are to the customers at the point in time of the purchase, the higher the probability of observing the impulse buying behaviour.

2.3 Perceived Product Risk
Risk is considered a multidimensional concept, involving five types of risks-performance, psychological, social, financial, convenience, and physical (Kaplan, Zbillo, and Jacoby 1974). However, the two most commonly studied risks are performance risk and financial risk (Bearden and Shimp 1982; Grewal, Gotlieb, and Marmorstein 1994; Shimp and Bearden 1982; Sweeney et al. 1999; Wood and Scheer 1996). When purchasing a product, an element of product risk is inherent as the consumer would be unsure if the product would perform as expected and if the financial risk taken to attain the product is indeed low. As defined by Shimp and Bearden (1982) financial risk is

“the risk that accompanies uncertainty concerning whether a product will involve greater potential loss if the product does not perform as intended”.

Performance risk as defined by Shimp and Bearden (1982) is
“the risk that accompanies the uncertainty of whether the innovative product will satisfactorily perform its intended function”.

Here, the lower the perceived product risk, the higher the probability of an impulse purchase.

2.4 Perceived Provider/Source Risk

Regarding the risk represented by the type of vendor, the literature on trust in marketing suggests the following conceptualization of provider risk:

“A vendor's reputation and the buyer's familiarity with the vendor have an impact on the buyer's trust and perceived risks”

(Dasgupta, 1988; Ganesan, 1994; Anderson and Weitz, 1989, 1992). Anderson and Weitz (1992), for example, found that a retailer's trust in their vendor was higher when they perceived the vendor to possess a reputation for fairness. A negative reputation, on the other hand, is likely to reduce trust between channel members (Anderson and Weitz, 1992). Further, the study conducted by Jarvenpaa et al. (2000) confirms the impact of vendor reputation on the creation of trust and purchasing willingness in an e-commerce setting. In terms of risk, an unknown vendor (low reputation) represents high risk, while a well-known vendor (high reputation) can be coded as low risk in the consumer's mind (Noteberg, et al, 2003). Source risk is likened as security on the Web. One would expect that by purchasing through the web, information that is provided by that individual is divulged or sold to other companies and that financial information such as credit card number and payment options are safe and kept private and confidential.

Source risk, known as Web Security is conceptualized by Salisbury, et. al.(2001) as:

“The extent to which one believes that the Web is secure for transmitting sensitive information (e.g. credit card or social security number)”

2.5 Buying Impulsiveness Behaviour Trait

Interestingly, two sub variables or factors that impact upon impulse buying behavior have been addressed by Rook and Fisher (1995) and these variables make up the overall moderating variable, Acceptance of Buying Impulsiveness Behaviour. These two variables are rather unique in that the authors take into account the impact of certain traits and evaluations of buying impulsiveness that consumers are aware of when indulging in such impulse buying behaviour. The variables are explored in details below:

2.5.1 Buying Impulsiveness Trait

Also know as impulsivity, the authors treat the act or behaviour of impulse buying as a human trait ranging on a high/low continuum that embodies consumer’s tendencies to think and to act in identifiable ways. Buying impulsiveness is defined as the consumers’ tendency to buy spontaneously, unreflectively, immediately and kinetically (Rook, et.al, 1995). One example as quoted below by the authors is a reflection of the above definition:

“Highly impulsive buyers are more likely to experience spontaneous buying stimuli; their shopping lists are more “open” and receptive to sudden, unexpected buying ideas. Also their thinking is likely to be relatively unreflective, prompted by physical proximity to the desired product, dominated by emotional attraction to it and absorbed by the promise of immediate gratification”

As we can see, the antecedents of impulse purchase behaviour as stated by other authors have been incorporated in this trait explanation, therefore, warrants the importance and relevance of the buying impulsiveness to be included as one which affects impulse buying behaviour of consumers in the traditional shopping context. The researchers argue that those with a high score on the buying impulsiveness trait scale are more likely to "experience spontaneous buying stimuli; their shopping lists are more 'open' and receptive to sudden buying ideas (Bayley & Nancarrow, 1998). In addition, their thinking is likely to be unreflective, prompted by physical proximity to a desired product, dominated by emotional attraction to it, and absorbed by the “promise of immediate gratification" (Bayley & Nancarrow, 1998).

2.5.2 Normative Evaluation of Buying Impulsiveness

The Normative Evaluation of Buying Impulsiveness measures if an individual perceives impulsive buying as a norm, that is, if the individual has a favourable/unfavourable perception or disposition towards impulse buying. Normative Evaluation of Buying Impulsiveness is conceptualized as
“the judgments that a consumer has about the appropriateness of making an impulse purchase in a particular buying situation” (Rook, et al, 1995).

Online Purchasing Behaviour and Trends

3. Existing Research on Online Planned Buying Behaviour

3.1 Store Atmospherics

Atmospheric cues of the online store influence shoppers’ emotional and cognitive states, which then affect their shopping outcomes. Studies done by Childers, Carr, Peck, (2001) on hedonic motivations and by Mathwick, Malhotra, Rigdon, (2001) on experiential value conclude that although the instrumental qualities of online shopping (such as convenience and ease) are important predictors of consumers’ attitude and purchase behaviours, the hedonic aspect of the Web medium play an equally important role in shaping these behaviours (Eroglu, Machleit & Davis, 2003). Included in the hedonic/experiential qualities of the online store are the elements of the virtual environment counterpart of the physical environment of the retail atmosphere (Eroglu, Machleit & Davis, 2003). Store atmosphere is then as defined by Kotler (1973–1974) as

“The conscious designing of space to create certain buyer effects, specifically, the design of the buying environments to produce specific emotional effects in the buyer that enhance purchase probability”

Eroglu et al. (2001) developed a model proposing that, like their offline counterparts, online retail stores also create an atmosphere that affects shopper reactions. Although this atmosphere lacks the tactical and olfactory cues of the offline store environment, the online retailer can manipulate the visual cues and to a limited extent, auditory cues that can produce affective reactions in the site visitors. Similar to the traditional in store stimuli, these atmospheric cues such as colours, graphics, layout and designs can provide information about the retailer as well as influence shopper responses during the site visit (Eroglu, Machleit & Davis, 2003).

3.2 Consumer Trust /Credibility

Consumer trust is commonly defined as

“An expectancy, a belief, or a feeling that the word of an exchange partner can be relied on” (Rotter, 1967; Crosby, Evans, and Cowles, 1990; Moorman, Deshpande, and Zaltman, 1993; Morgan and Hunt, 1994).

A recurring issue in all electronic commerce research and one of the main impediments to growth of electronic commerce is the role of customer concerns and perceived risks in relation to the likelihood of purchase (Houston and Taylor, 1999; Jarvenpaa, Tractinsky, and Vitale, 2000; Farrell, Leung, and Farrell, 2000). It is widely assumed that the lack of confidence that Internet consumers have in this newly developed marketplace represents a major impediment against full-scale integration of the Internet marketplace with modern business. One of the most crucial issues that Internet consumers have identified is fear and distrust about loss of personal privacy associated with the emerging electronic marketplace (Wang, Lee, and Wang, 1998; Novak, Hoffman, and Peralta, 1999; AICPA 1998). The need for consumer trust has been emphasized heavily, especially in the area of electronic commerce. Since consumer concerns and perceived risks are particularly high in online purchasing, the need for trust is also considerably high if the desired outcome is to increase purchases over the Web (Noteberg, Christiaanse, Wallage, 2003).

3.3 Perceived Risk

Online consumers are concerned with those risks inherent in buying on the Web, risks such as credit card fraud and not receiving the right products (Bhatnagar et al. 2000). Perceived risk of online shopping has been shown to influence attitude towards online purchasing (Heijden et al. 2001). To expand on this issue, concerns about Internet security are fueled by stories of credit card information theft, breach of personal information, and programs that can provide hackers with access to an individual’s bank accounts (Burroughs, Sabherwal, 2002) As advocated by Kim, (2002), online shopping is characterized as shopping using the two sensory stimulations of sight and sound whereas traditional shopping uses the appeals enhanced by all five senses. As the consumer is not able to feel or examine the physical product, the element of perceived risk of shopping online is important and of huge consideration. Therefore, in terms of
purchase intentions, an individual who does not perceive the Internet to be a secure forum for conducting purchase transactions would therefore exhibit low retail electronic purchasing (Salisbury et al., 2001).

3.4 Perceived Ease of Use of Website (Shopping Enjoyment)
Perceived ease of use of the Website has been shown to influence attitude towards online purchasing (Heijden et al. 2001). The impact of perceived ease of use, however, seems to vary depending on the type of task the consumer is undertaking. Its effect is more significant when consumers are using a Website to inquire about products rather than to purchase them (Gefen and Straub 2000). In their comprehensive study of impulse buying, Beatty and Ferrel (1998) found that in-store browsing behavior might increase the urge to buy impulsively. If online consumers enjoy their shopping experience, they might engage in more exploratory browsing in the Web store leading to more unplanned purchases. In addition, Beatty and Ferrel found an increase in impulse purchasing urges for shoppers with positive feelings during shopping. Even though consumers may not expect to be entertained when they shop online, if they do enjoy their experience, they are more likely to return to the Web store (Koufaris, 2002).

3.4 Convenience
For Internet shopping, convenience has been the most cited shopping motivation or benefit (Jarvenpaa and Todd, 1997). Convenience is derived from 24-hour a day, seven-days a week accessibility, the speed of transaction, and the immediate delivery of information and products that can be ordered from home, work, or on the road. Shopping online has been viewed as economizing on resources, because there exist no store hours, no transportation costs, no waiting lines, and no pushy salespeople (Kim, 2002). Consumers do not have to leave their home nor travel to obtain merchandise, and they can browse for items by category or online store. Especially for big-ticket items, price comparisons can be facilitated in an information-rich environment without having to travel to multiple stores. Some Web sites further simplify this process by providing side-by-side comparisons of competing products on the same page. Also, the Internet offers consumers the opportunity to make requests for products and services that are not currently carried in the traditional retail channels (Kim, 2002).

4. Existing Research on Online Impulse Buying Behaviour
To date, relatively very little research has been conducted to study the effects or antecedents of impulse purchasing online. Based on minimal research that has been done in this area, the factors that affect impulse purchasing in the traditional shopping context does similarly affect impulse purchasing online with the only difference being that through shopping at a physical shopping front, immediate gratification occurs unlike online shopping where delayed gratification of the impulse purchase is experience.

Research Questions
The research questions that would then drive the above study are:
Does the demonstrated effect of impulse purchase behaviour in the traditional shopping context hold true in the impulse purchase behaviour of the online shopping context?

5.1 What are the factors that impact upon offline impulse purchase behaviour (already covered by the literature review)

5.2 What are the factors that impact upon online impulse purchase behaviour?

Conceptual Framework / Model
Reviewing the existing literature on impulse buying behaviour in the traditional shopping context, the various factors from various literatures have been synthesized into a model depicting, in particular, impulse purchase behaviour. This model below can be then tested to explore if these antecedents or independent variables as well as the moderating variable do in fact impact upon online impulse purchase behaviour as explored in traditional impulse purchase behaviour.
Based on the above literature reviews and the research questions, a number of relationships involving the antecedents, moderators and the ultimate consequence of impulse purchase behaviour / online impulse purchase behaviour may be derived from the above suggested impulse purchase behaviour framework/model. Nine propositions have been identified to be tested by the impulse purchase behaviour model.

The first proposition is one which is general, linking the antecedents and moderating variables in the model and explaining the relationships between these various factors and impulse purchase behaviour.

**P1**: Involvement, perceived product value, perceived product risk and perceived provider risk will directly impact upon online impulse purchasing behaviour while buying impulsiveness behaviour trait will act as a moderator of this relationship.

**Involvement Effects on Impulse Purchase Behaviour**
When an individual is highly involved in a product, brand or product category, knowledge about the product, brand or product category increases. This may in turn lead to purchases based on impulse especially in the online shopping front where one is not able to feel or touch the products but instead rely on previous knowledge as well as sight of the good to make the purchase. This leads to the second proposition stated below.

**P2**: The higher the involvement/category knowledge in the product or brand, the higher the possibility of impulse purchases behaviour online.

**Perceived Product Value Effects on Impulse Purchase Behaviour**
Perceived value in terms of ease of use of website, enjoyable shopping experience online, convenience of shopping online as well as the value obtained by purchase of a product online may impact upon the possibility of impulse purchase occurring online. As indicated by Beatty and Ferrel (1998), ease of website use leads to more online browsing behaviour and this ultimately would increase the probability of impulse purchases online. Sweeney and Soutar (2001) also indicated that one of the dimensions of value is the emotional aspect of value and emotions does play a role in impulse purchasing behaviour.

**P3**: The higher the perceived product value, the higher the possibility of impulse purchases occurrence online.
Perceived Product Risk Effects on Impulse Purchase Behaviour

Purchasing a product on impulse leads to an increase in perceived performance risk and financial risk as there is low search for information and purchase is relied upon affect. There is also the case of online security measures and skepticism and insecurity of divulging personal information as well as credit card numbers over the Internet (Bhatnagar et al. 2000). Therefore, the lower the perceived performance and financial risk (elements of perceived product risk), the higher the probability of an impulse purchases occurring over the Internet.

P4: There would exist a significant negative correlation between perceived product risk and impulse purchase behaviour online.

Perceived Provider/Source Risk Effects on Impulse Purchase Behaviour

The ability to be able to trust that the online vendor is able to service the purchase that has occurred over the Internet does affect the purchase behaviour of an individual. Past experience with excellent or satisfactory performance by the online vendor for example, prompt delivery, money back guarantee will encourage more online browsing behaviour which Beatty and Ferrel (1998) have indicated leads to further impulse purchase behaviour online. Trust and credibility of the online retailer (Noteberg, Christiaanse, Wallage, 2003) plays an important role in the area of perceived provider or source risk. The lower the perceived provider or source risk associated with the online purchase, the higher the possibility of online impulse purchase behaviour occurring, leading to the proposition as stated below.

P5: There would exist a significant negative correlation between perceived source/provider risk and impulse purchase behaviour online.

Acceptance of Buying Impulsiveness Behaviour Effects on Impulse Purchase Behaviour

Different individuals perceive and hold different acceptable levels of buying impulsiveness (i.e) some individuals may be more prone to impulse purchasing behaviour and some are not. Similarly some products warrant or induce impulse purchasing in individuals more than other products might. The final four propositions stated below describe the moderating or interaction effects the acceptance of buying impulsiveness behaviour has on the various independent variables leading to impulse purchase behaviour. High buying impulsiveness trait and positive perception of impulse purchase behaviour as a norm leads to higher acceptance of the buying impulsiveness behaviour. Low buying impulsiveness trait and a negative perception of the impulse purchase behaviour leads to a lower acceptance or even non acceptance of the buying impulsiveness behaviour.

P6: Involvement will have a stronger, positive association on online impulse purchase behaviour under conditions of positive/ higher acceptance of the buying impulsiveness behaviour than under alternative conditions (i.e.) Non acceptance or low acceptance of the buying impulsiveness behaviour.

P7: Perceived product value will have a stronger, positive association on online impulse purchase behaviour under conditions of positive/ higher acceptance of the buying impulsiveness behaviour than under alternative conditions (i.e.) Non acceptance or low acceptance of the buying impulsiveness behaviour.

P8: Perceived product risk (low) will have a stronger, positive association on online impulse purchase behaviour under conditions of positive/ higher acceptance of the buying impulsiveness behaviour than under alternative conditions (i.e.) Non acceptance or low acceptance of the buying impulsiveness behaviour.

P9: Perceived provider/source risk (low) will have a stronger, positive association on online impulse purchase behaviour under conditions of positive/ higher acceptance of the buying impulsiveness behaviour than under alternative conditions (i.e.) Non acceptance or low acceptance of the buying impulsiveness behaviour.

Conclusion

The foregoing discussion suggests that online impulse purchasing behaviour is an important area of study, which has not been, clearly emphasized upon though the advent of technology and the increased use of the
Internet by consumers. Consumers, being time poor look toward convenience, ease of purchase and time saving factors, which are advantageous, found through using the Internet for purchase purposes. Online retailers must realize that an effective way of attracting consumers and inducing purchases of their products in this retail channel is through impulse purchasing. The framework suggests that the very antecedents that affect impulse purchase in a traditional shopping situation may well transcend to impulse purchasing online. Taking this into account, broadening our view of impulse purchasing online and testing the impulse purchase behaviour framework, we would be better able to understand the factors that impact upon online impulse purchasing. This would provide managers and online retailers with a strong knowledge and direction of such purchase behaviours of consumers and therefore design effective strategies to sell their products online and capture as much as possible, consumers who are most susceptible to impulse purchasing, which is a behaviour strongly driven by Internet shopping and browsing.

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