Understanding Consumers’ Impulse Buying Behavior in Social Commerce Platforms

Emergent Research Forum Paper

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Abstract

Social commerce has emerged as a new online commerce platform which enhances users’ interactions and information contributions. Hence, social aspects are important elements in these environments. Nevertheless, the potential influence of social facets on social commerce users’ behaviors is not yet fully understood. In this study, we are interested in examining the influence of social factors in driving social commerce users’ impulse buying behaviors. Drawing from Latent State-Trait theory, we suggest that environmental cues, users’ personality traits, and interactions between these two elements can influence users’ urge to buy impulsively. To capture the social aspects of social commerce platforms, this study considers environmental cues from two different perspectives; the stimuli from other members, and from the website itself. Potential contributions to research and practice are discussed.

Keywords

Introduction

Social commerce is considered as a new form of online commerce which integrates social media features with traditional e-commerce facilities. Due to the popularity and growth of social networking sites, so many social commerce platforms have emerged in recent years (e.g. Groupon, Etsy, Pinterest, Facebook pages, etc.). These platforms put more emphasis on the social aspects rather than their offered products/services (Wang and Zhang 2012). The growing use of social commerce makes it the focus of recent studies. The current literature mainly studied factors which lead to the use of social commerce websites. For instance, constructs such as trust, social support, social presence, or relationship quality (Ng 2013; Shin 2013; H. Zhang et al. 2014) have been studied as the main motivations for users to engage in these platforms. Impulse buying has been studied well in consumer behavior literature; however, only few studies have examined it in the online environments (e.g. Chen et al. 2016; Liu et al. 2013; Wells et al. 2011). Impulse buying has been defined as “a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. The behavior occurs after experiencing an urge to buy and it tends to be spontaneous and without a lot of reflection (i.e., it is ‘impulsive’)” (Beatty and Ferrell 1998; p. 170). In this research, we are interested in understanding social commerce users’ impulse buying behavior. In the e-commerce literature, it has been found that website quality attributes have a positive effect on online impulse buying (Liu et al. 2013; Verhagen and Dolen 2011). A significant difference between social commerce and other forms of online commerce is that social commerce platforms contain much broader social aspects (mainly interactions among its users). Several studies have emphasized the importance of context in influencing individuals’ behaviors. Thus, in this study, we try to address the unique characteristics of social commerce websites and study how they influence users’ impulse buying behavior.

Drawing on latent state trait theory, we propose that environmental states, personal traits and the interactions between these two elements would affect impulse buying behavior. We consider environmental states from two perspectives; the social commerce website and the other users of the website. Accordingly, we consider scarcity messages which appear in the social commerce posts as the website feature that possibly influence impulse buying. To address stimuli from other users of the website,
we consider number of likes (or favorites) and previous purchases of the product/service. This information is indicated in the posts and advertisements of most social commerce websites (such as Groupon, etsy.com). To capture personality traits, we consider consumers’ impulsiveness and absorption.

The remainder of this paper is as follows: in the next section theoretical background is provided. Next, our proposed research model and hypotheses are discussed. Then, our proposed methodology is presented. Finally, we conclude by providing the potential contributions and existing limitations.

**Theoretical Background and Research Model**

Figure 1 shows our proposed research model. As indicated, we draw our model based on the Latent State-Trait (LST) theory which originally developed by Steyer et al. (1999). LST theory is a psychological theory which indicates that human behaviors are influenced by situations and environmental cues (states), individual factors (traits), and the interactions between these two elements. LST has been utilized as the framework to study consumers’ purchasing behavior in e-commerce platforms. As depicted in figure 1, “state” has been operationalized by scarcity of products/services, number of likes the product/service receives, and its previous purchases. Customers’ impulsiveness and absorption have been considered as the individual’s “trait”. Justifications for using these constructs are provided in the following sections.

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**Figure 1. Proposed Research Model**

**Consumer behavior in Social Commerce**

Social commerce websites use social media features and provide facilities to enable users’ interactions and participations (Wang and Zhang 2012). This feature helps social commerce developers to enhance their relationship with their customers. According to a recent literature review on social commerce, user behavior is one of the most studied research themes (Baethge et al. 2016). As previous studies found, the salient factors influencing social commerce users’ behaviors include: social support (Hajli 2014; Liang et al. 2011; Shin 2013; H. Zhang et al. 2014), trust, website quality, and hedonic value (Kim et al. 2013; Lee et al. 2016; Pöyry et al. 2013; Sun et al. 2016). Reviewing social commerce literature emphasizes the importance of considering the social context in studying users’ behaviors. Nevertheless, most of the existing studies have not yet fully examined the influence of social facets on users’ purchasing behaviors. Furthermore, most of the current studies have considered users’ purchasing behavior as rational decisions. Thus, in this study we try to fill the existing gaps in the social commerce literature; specifically, our proposed research model will extend the current understanding of social commerce platforms in two ways. First, our research is among the few studies which explored users’ irrational buying behavior (i.e. impulse buying) in the social commerce platforms. Second, we try to adhere to the recent calls and consider the role of context in driving individual’s behaviors; therefore, to capture the social aspects of social commerce platforms, we consider environmental cues from two different sources: the website and the members.
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Urge to Buy Impulsively

Impulse buying is referred to a sudden purchase with no plan or intention (Beatty and Ferrell 1998). Since, it is difficult to measure the actual impulse buying behavior, previous studies have mainly considered urge to buy impulsively (UBI) as the proxy to measure impulse buying behavior (e.g. Liu et al. 2013; Parboteah et al. 2009; Wells et al. 2011). In this study, we also measure social commerce users’ UBI instead of their actual impulse buying behavior. Drawing on LST theory, we operationalize “state” as the scarcity messages, the number of likes of the products/services and their previous purchases. Meanwhile, individual’s “traits” has been operationalized by impulsiveness, and absorption. Scarcity message has been identified as a useful marketing tool. It enhances the buying process by notifying the customers that the chance of getting a specific product is limited (Lynn 1989). Accordingly, it has been identified that the scarcity message would put a psychological pressure on buyers and can motivate them to purchase. Scarcity message has been studied from two different perspectives; one is a message stating that there is a limited quantity and the other is a message indicating a limited time to complete the purchase (Rice and Keller 2009). Both types of scarcity messages are usually included in the social commerce websites posts (e.g., groupon.com). Scarcity has been defined as consumers’ perceptions regarding the scarcity value of a product/service due to its limitation (Lynn 1989). It has been found that the presence of the scarcity message would increase consumers’ urge to buy impulsively (Cialdini 2008). In our research model, we consider the scarcity message as an environmental state caused by the social commerce website; hence, we hypothesize:

H1: Scarcity message would increase consumers’ urge to buy impulsively.

Social commerce platforms usually integrate social media features with commercial facilities. For instance, most of the social commerce websites show the number of likes (or favorites) and the number of previous orders a post has received from other members. When a product/service post in a social commerce website has received high number of likes and high number of orders from other members, subsequent consumers will unconsciously form a positive perception about that specific product/service. This positive signal will trigger their UBI. The link between these social aspects and UBI can be explained by observational learning (Chen et al. 2011) and the herding effect (Banerjee 1992). Furthermore, it has been found that online social interactions can influence customers’ online impulse buying (Zhang et al. 2014). Observational learning (OL) information contains “discrete signals expressed by the action of other consumers, but not the reasons behind the actions” (Chen et al. 2011, p. 240). Hence, number of likes and previous purchases can be considered as OL. Herding effect will occur when consumers see others actions and then imitate those behaviors. Accordingly, social commerce users will be influenced by the number of likes and previous purchases of certain products/services; and will be engaged in herd behavior. Thus, the following hypotheses are proposed:

H2: Posts with high number of likes on social commerce websites will increase consumers’ urge to buy impulsively.

H3: Posts indicating high number of previous purchases on social commerce websites will increase consumers’ urge to buy impulsively.

Impulsiveness, absorption and the interaction effects

According to the literature, only considering environmental states would provide a limited understating of impulse buying behavior (Chen et al. 2016; Wells et al. 2011). Consequently, in addition to environmental states, individual traits would also influence the impulse buying behavior. As identified by previous studies, consumers’ impulsiveness and absorption are two personality traits which play a role in influencing individual’s impulse buying behaviors (Youn, S. & Faber 2000). Buying Impulsiveness refers to “both the tendencies (1) to experience spontaneous and sudden urges to make on-the-spot purchases and (2) to act on these felt urges with little deliberation or evaluation of consequence” (Beatty and Ferrell 1998, p. 174). Absorption is “a tendency to become immersed in self-involving experiences triggered by engaging external stimuli” (Youn and Faber 2000, p. 180). People with high absorption are more likely to respond to engaging stimuli they receive. It has been shown that consumers with higher levels of impulsiveness are more likely to experience UBI (Beatty and Ferrell 1998; Wells et al. 2011). Similarly, individuals with high absorption levels will be more influenced by external stimuli and thus, are more likely to engage in impulse buying. Therefore, we hypothesize that:
H4 (H5): Consumers with higher buying impulsiveness (absorption) would experience a stronger UBI.

In line with LST theory, this study tries to explore the interaction effect of impulsiveness and absorption on the relationships between environmental states (caused by both social commerce website and social commerce members) and UBI. Hence, we contend that:

H5 (H6): Impulsiveness (Absorption) would moderate the relationship between number of likes and UBI; such that, the relationship will be stronger when customer’s impulsiveness (absorption) is high.

H7 (H8): Impulsiveness (Absorption) would moderate the relationship between previous purchases and UBI; such that, the relationship will be stronger when customer’s impulsiveness (absorption) is high.

H9 (H10): Impulsiveness (Absorption) would moderate the relationship between scarcity and UBI; such that, the relationship will be stronger when customer’s impulsiveness (absorption) is high.

**Research Methodology**

Participants of our study will be individuals (n=150) who have purchased from a social commerce website in the past six months. To test the research model, we will conduct a between-subject experiment. We will apply full factorial (2×2×2) between subjects design by manipulating the three constructs (scarcity, number of likes, previous purchases). We have examined different advertisements and posts of Groupon.com which is one of the most successful social commerce website (Hughes and Beukes 2012). One of the most commonly sold products/services on this website are restaurants coupons. Therefore, restaurants coupons will be used in our experiment. To conduct the experiment, we will randomly assign participants into different experimental treatments. After completing the demographic, impulsiveness, and absorption scale survey; participants will be asked to read a scenario which describes a specific shopping task. The purpose of this scenario is to distinguish impulsive from normal buying behavior (Wells et al. 2011). Then a link will direct each participant to an experimental interface showing different advertisements/posts. After completing the shopping task, participants will be asked to complete the manipulation check and UBI survey items. To test the results, we will run ANOVA analyses using SPSS to first test the manipulation check; then a generalized linear model analysis will be conducted to check the differences among our experimental groups.

**Conclusion and Implications**

This research aims to understand social commerce users’ impulse buying behavior. To capture this goal, we propose a research model based on LST theory and contend that environmental states, individual’s traits, and the interaction between these two elements would influence consumers' urge to buy impulsively. We argue that when users imitate others’ choices and forget about their own information; the chances of buying impulsively will increase. To consider specific features of social commerce website, we study environmental cues from two perspectives; stimuli from the social commerce website and from other users of the website. This study will contribute to both research and practice. From the research perspective, our study will extend the social commerce literature by studying impulse buying behavior of social commerce users; previous literature has mainly focused on studying rational behaviors of social commerce users. Furthermore, our study is among very few to extend the applicability of LST theory not only to the research in online impulse buying behavior but also to the social commerce literature. Finally, we try to address the influence of social context on users’ behaviors. Accordingly, to capture the role of members’ interactions, we study environmental stimuli from two perspectives. On the practical side, our findings can provide insightful suggestions for social commerce providers which can help them to increase their website usages. Moreover, our results can help social commerce users to become aware of their impulse buying and the factors which influence this behavior. We should acknowledge several limitations which can be addressed by future research. There are other factors which are important in this context, such as trust or online reviews (their valence, the number of reviews, etc.). We encourage future studies to examine the influence of these factors on impulse buying behavior.

**REFERENCES**

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