

A Study of the Online Impulse Buying Behaviour during COVID-19 Pandemic

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Abstract: Impulse buying is an important element in e-commerce. Now-a-days impulse buying has become so common that it constitutes approximately 50 percent of total spending by customers. Technology provides endless opportunities to customers for impulse buying by providing faster, smarter and convenient buying options. People are forced to stay indoors due to pandemic and as a consequence they spend more time on internet. This research paper investigates the phenomenon of impulse buying behaviour during pandemic as well as the factors behind the impulse buying behaviour. It brings insight regarding online impulse buying, impact of advertisements on impulse buying and price concerns during impulse buying. After a thorough literature review to explore key factors related to impulse buying, a survey has been conducted to record the data of various customers involved in impulse buying. After analysing the data, conclusions have been drawn with respect to various aspects of impulse buying.

Keywords: Consumer behaviour, COVID-19, Disposable income, E-commerce, Impulse buying behaviour, Influence of pandemic, Online shopping, Pricing, Purchasing habits, Retail industry.

1. Introduction

An impulse purchase or impulse buying is an unplanned decision to buy a product or service, made just before a purchase. One who inclines to make such purchases is known as an impulse purchaser or impulse buyer. As compared to previous decades, today's generation before buying a specific product wants to see various options available throughout various online platforms and check for a good deal. Therefore, marketers are trying to show great interest in understanding consumer's thought process and feelings before selecting the product in the presence of many alternatives. With the change in shopping from a traditional store to online purchase, the way people finalize their decision to buy a product online has changed. As people are becoming aware of the technology, they now ask for the opinion of friends, family and relatives before deciding to buy the product and also check reviews online in order to decide to buy particular product or service. According to a research and analysis "emotions and thoughts play a decisive role in purchase, by seeing the product or response to organized marketing campaigns." (Dr. Satinder Kumar & Ms. Arshveer Kaur, 2018)

In the current situation, because of the serious impact of the pandemic resulting in the growing use of the internet as a means of money transaction and purchase channel, consumer behavior seems to have changed towards a more planned and informed process (Germano, 2014). At the same time, several authors claim that the internet indeed favors impulse buying (Rodriguez, 2013). The online shopping trends are set to grow as consumers start to trust the internet and online retailers understand the time-saving advantages and ease of shopping online, and purchase the items they get at affordable rates. (Rebecca Hodge & Scott Jeffrey, 2007).

In this research, consumer's impulse buying behavior on the online channels during the pandemic situation has been studied.

2. Need for Study

There was a time when going out for shopping and visiting various shops before making a final decision was the norm. As the pandemic hit us hard, all this changed and it has changed the whole shopping scenario with respect to priorities and availability of products and services and the spending capacity of the consumers. The outbreak had an impact on the economy which had changed the consumer buying behavior when it comes to online shopping as there is a surge in purchasing which can be seen as consumers are becoming more centered towards buying cleaning and staples products. With the shift from traditional shopping to online shopping and an increased amount of time being spent on online channel. The internet has become the source for most of the buying decisions.

The Impulse buying is a phenomenon which has been there for a long time. However, there has been rise in impulse buying cases due to recent boost in E-commerce as a result of pandemic. This study explores the factors behind impulse buying.

3. Research Methodology

Research Purpose:

To study online impulse buying behaviour during the Covid-19 pandemic.

Research Objectives:

1. To study the effect of Covid19 on the online impulse buying behaviour.

- To study Impulse Buying Behaviour and its relationship with online sales, value for Money and ease of shopping.

Research Design:

- The study took place across India.
- Primary and secondary data have been used in this study.
- The study was conducted during the Covid19 pandemic.
- The primary data was taken through questionnaire and the secondary data was taken from journal articles and related academic journals and other literature.
- Simple Random sampling has been used in this study.
- Tableau and google spreadsheets have been used to analyse and visualize the data via cross tabulation method.

4. Literature Review

Most of the research studies in the recent times are stating that the online impulse buying is considerably increased in the Covid-19 pandemic outbreak. This is because of various factors like spending more time on e-commerce websites, online advertisements, social media influencing, etc.

Impulse Buying: The Ultimate coping mechanism during the pandemic

Dr Sheetal Jindal, psychologist and consumer behaviour analyst from new Delhi said, ‘There is a difference between panic buying or hoarding essentials during the lockdown, and impulse buying during the lockdown’. While buying groceries and essentials, when you’re confused and not sure when shops will be open next, is one thing and absolutely natural behaviour - where you are buying things that don’t really need, as a way of managing with the fear of uncertainty.

There is a spike in demand for smart home gadgets, musical instruments, kitchen appliances, toys, books, and sports items along with the rise in sale of essentials like masks, sanitizers, and hand wash, reported by several e-commerce sites. In fact, there are more spending’s on online food delivery too. Regardless of lockdown and economic setbacks, the anxiety of uncertain, prolonged isolation, and anxiety is making people impulse buy to feel better. In order to escape from pandemic situation, people are trying to look for happiness in the products they are buying, which is sadly, quite grim, says Rajendra Dalal, market researcher, and analyst. (Prasad, 2020).

A. How coronavirus has altered our impulse buying habits

A survey conducted by Credit Karma, a personal finance website found that, to cope up with the stress of the coronavirus pandemic, about 35 percent of Americans have made impulse buying. One in 10 says they have spent \$1000 over budget during the lockdown period. We make impulse buys as a means of trying to regain control in the face of uncertainty, Consumer behaviour expert Kelly Goldsmith said. During the start it may not feel like spending much, but when the pandemic ends and

you are \$10,000 in debt, it is going to be a real wakeup call, he added. Experts are advising you to wait for 24 hours if you are an impulse shopper. If you cannot afford to make a purchase, buying now with pay later option may not be right for you at the pandemic situations. (Hope, 2020).

B. Impact of Covid-19 on consumer behaviour

Jagdish Sheth in his research article stated that, with the complete lockdown all over the world, consumers are unable to go to the traditional stores for groceries, instead the store comes home. This reverse the flow for purchasing and consumption pattern. In home delivery of everything including OTT services are breaking the old habits of physically going to brick and mortar places. It resulted in enhancing of expediency and personalization in consumer behaviour. What we need is to empirically study how ‘in-house everything’ impacts consumer’s impulse purchasing behaviour (Sheth, 2020).

C. Top pandemic impulse buys

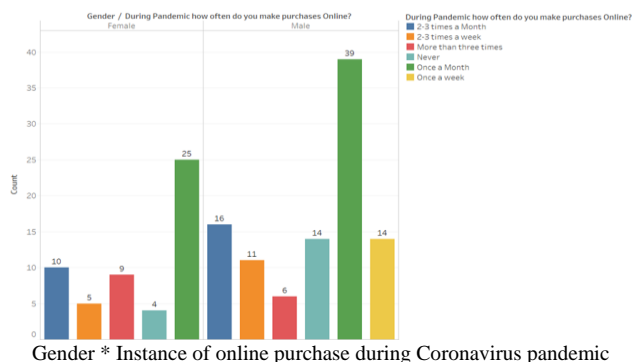
Impulse buying can also be an act of altruism. Though the primary motive of impulse buying is for ourselves, we also shop for the people in our lives. Josh Mayers, Slickdeals CEO stated ‘At Slickdeals, we’ve got large number of super savvy shoppers where we created a platform to share opportune information about finding the best deals, on the best products, at optimal times throughout the year. (SWNS staff, 2020)

Some of the top impulse buys in Coronavirus pandemic includes, cleaning supplies (42%), hand Sanitizers (38%), hand soap (32%), canned food (31%), video games (20%), headphones (18%), clothing (22%), books (17%), shoes (17%).

Pandemic Boredom leads to more retail impulse buys

The report from Valassis, Mich. Based marketing technology and consumer engagement firm indicated that, the rise of impulse purchase is potentially good news for retailers in the pandemic situation. From the last few months, the consumers have had changed the way they live and shop, added by Carrie Parker, the vice president of marketing for Valassis. The report also found that 76% of consumers are influenced by new product deals sent by brands, 52% have tried or ordered food from new restaurants, and 49% have tried a new e-retailers, 65% of the customers are eager to shop on summer sale and promotions. (Rueter, 2020).

5. Analysis



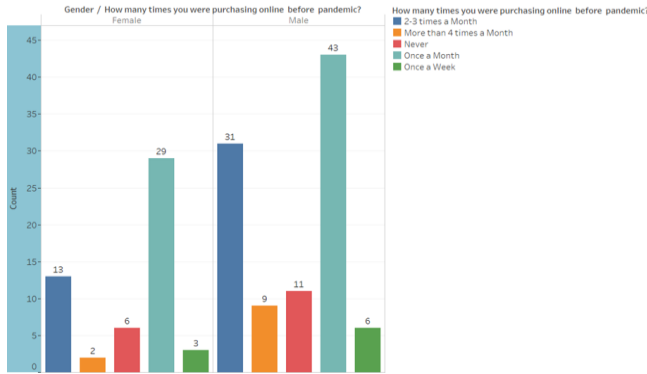


Fig. 2. Gender * Instance of online Purchase before Coronavirus pandemic

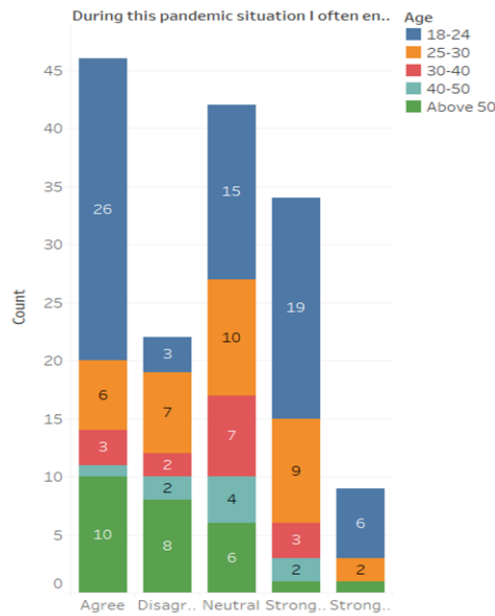


Fig. 3. Age * Instance of online purchase during Coronavirus pandemic

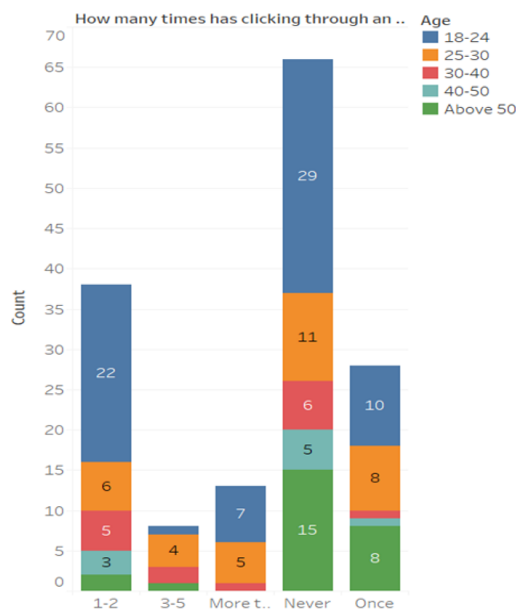


Fig. 4. Age * Result of Clicking through an advertisement in buying a product during the Coronavirus Pandemic

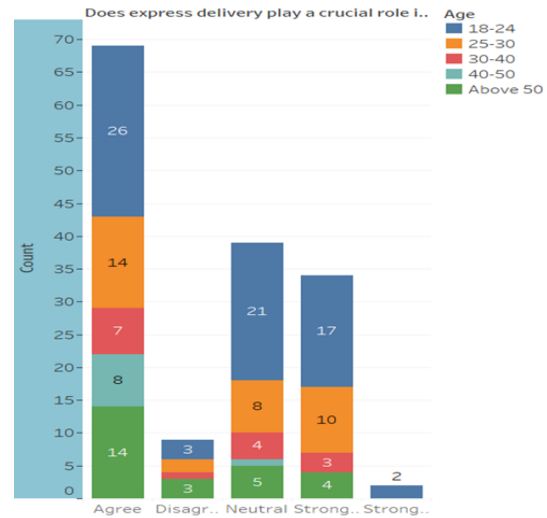


Fig. 5. Age * Taking a quick decision to buy a particular product if there is a limited quantity

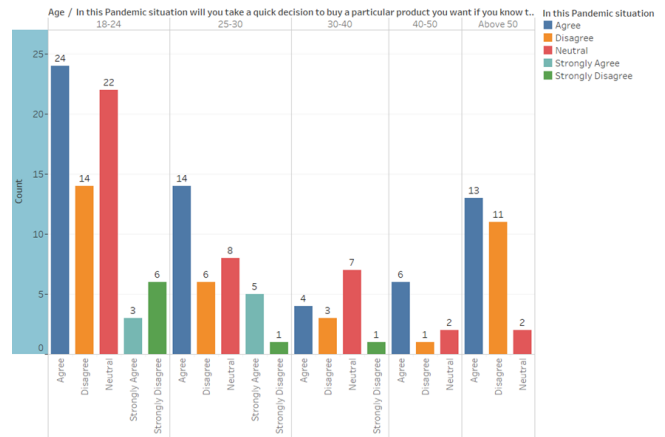


Fig. 6. Age * Role of express delivery in buying a particular product in Coronavirus Pandemic

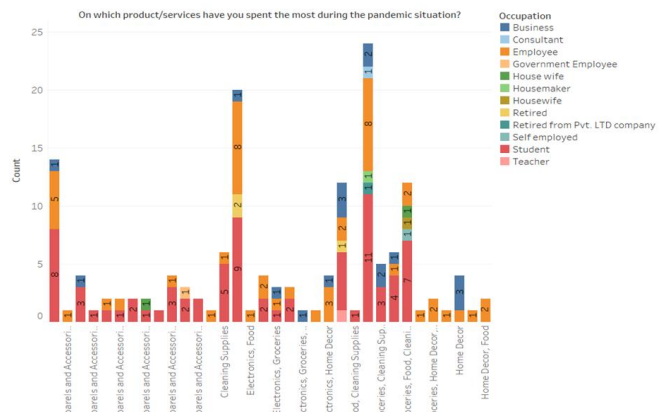


Fig. 7. Occupation * Time spent on particular product/service during Coronavirus pandemic

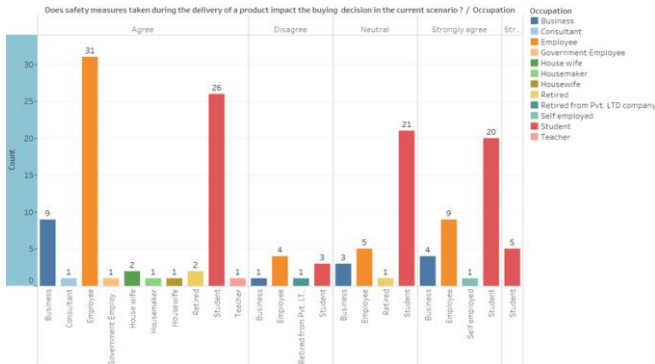


Fig. 8. Occupation * Impact of safety measures taken during the delivery on buying decision during the Coronavirus pandemic

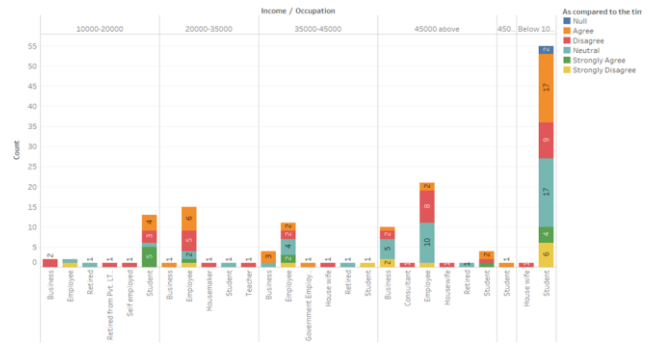


Fig. 12. Income * Occupation * Increase in spending capacity during Coronavirus pandemic when compare to the times before the pandemic

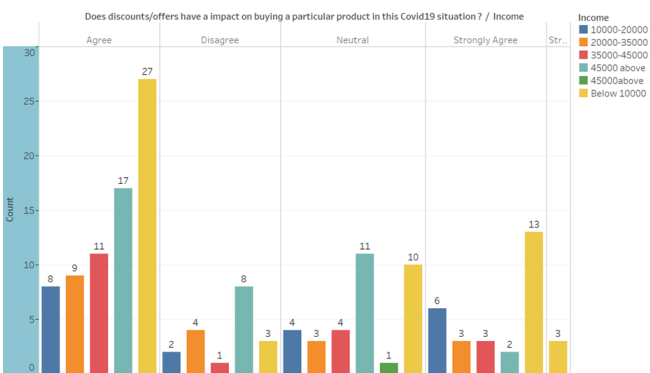


Fig. 9. Income * Impact of offers and discounts on buying a particular product in Coronavirus pandemic

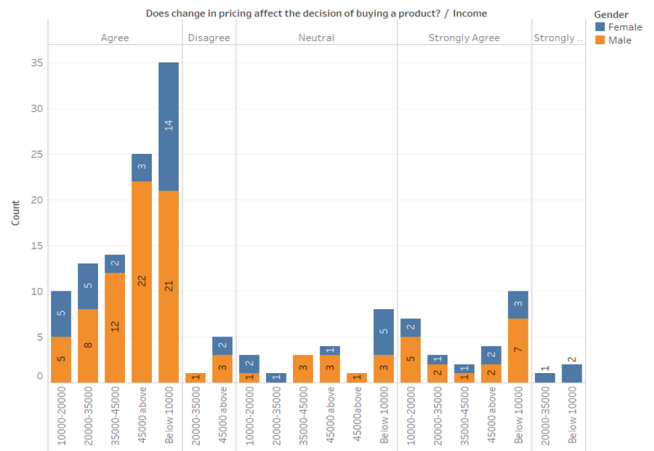


Fig. 13. Gender * Income * Effect of pricing on purchase decision making

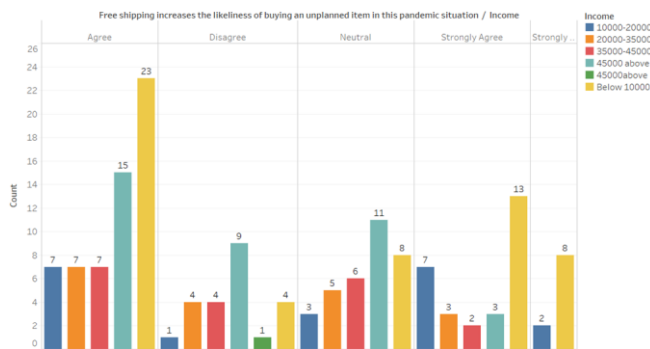


Fig. 10. Income * Free shipping increases the likeliness of buying an unplanned product during Coronavirus pandemic

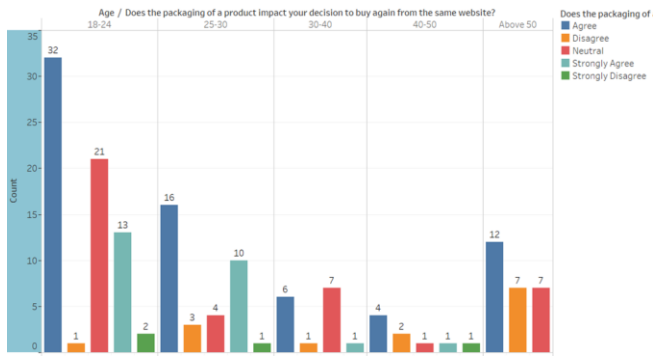


Fig. 14. Age * Packaging of a product will impact the decision to buy again from the same website

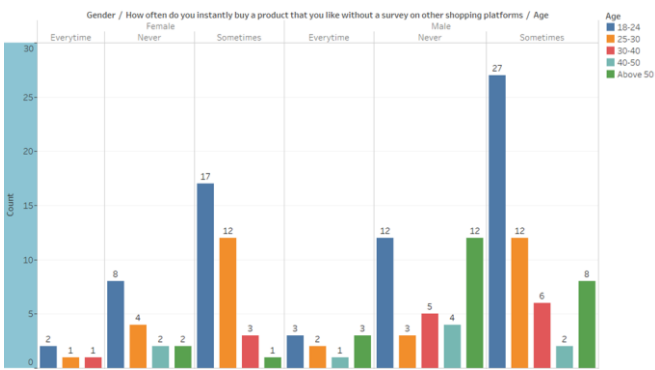


Fig. 11. Gender * Instantly Buying a product without doing a survey on other shopping platforms * Age

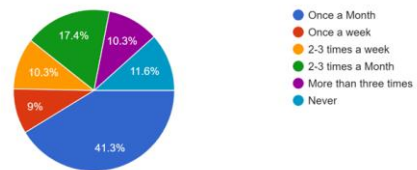


Fig. 15. Instance of online purchase before pandemic

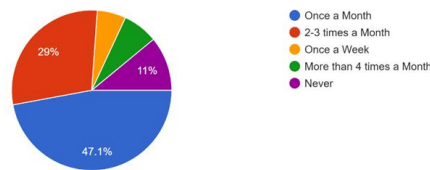


Fig. 16. Instance of online buying during pandemic

6. Findings and Observations

- Before the pandemic, Males purchased more over online channels as compared to Females.
- During the pandemic, Males dominated the online shopping and also there has been a rise in that number as compared to pre pandemic period.
- The time being spent online has drastically increased during the pandemic and the majority of these people are between age range of 18-24.
- Younger people are more susceptible to impulse buying and tend to buy more products online if they get premium products at lower price and also would instantly buy if a product has limited stock.
- During the current situation, the most bought products online are groceries and cleaning supplies and a huge growth can be seen in its sales all over.
- People with higher incomes would genuinely take discount and offers into considerations along with lower income people during Covid-19 pandemic.
- People within the age range of 18-24 do impulse buying. The number of males in that age group indulging into impulse buying is more compared to females.
- More youngsters now have increased capacity of spending online during the pandemic as a result of increased time spending online.
- People with lower income, especially males, accept that pricing change in online products affect their buying decisions.
- Frequency of buying 2-3 times a month has increased considerably in the pandemic situation as compared to pre-covid times.
- Consumer spending online has increased as their frequency of online shopping has also increased.

7. Recommendations

- People these days are quickly adapting and moving towards E-Commerce stores due to Covid19. People came to know about the different E-Commerce sites where they can buy any type of product they want. Every Organisation should take this opportunity and should increase its presence online.

- Organisations should target the customers having age below 30, and can attract them by giving discounts and providing quality products.
- In the coming future most of the Businesses/Organisations will be moving towards E-Commerce. They must withhold the existing customers and attract new customers at the same time by providing offers/ discounts according to their business.
- As we see the statistics, every customer is showing online presence one way or another. Organisations should attract the customers by advertising through all online channels.
- Organisations should use analytical tools to keep track of their customers like spending time, visiting pages, buying products etc. Organisations should take steps to increase the number of customers and get engaged with them.

8. Conclusion

Impulse buying behavior of customers has increased during pandemic compared to the times before. This is because of the fact that consumers spent more time over internet during the lockdown period. Consumers came across various online advertisements, offers and discounts. The companies should keep these factors in mind and improve the ease of customer shopping. They may trigger the impulse buying by making their remarkable presence online. Understanding the customer groups and their preferences will also help ecommerce companies to take advantage of impulse buying behavior of consumers.

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