

Impact of Social Media Marketing on Online Impulse Buying Behavior: A Study from Bangladesh Perspectives

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Abstract

Consumers buy products not only to fulfill their current needs but also for several reasons and situations. Such unplanned purchasing is called impulse buying. Impulse buying describes the behaviors of buyers or shoppers who purchase instantly without preplan. Social media marketing plays a significant role in online purchasing nowadays. The aim of the study is to find out the impact of social media marketing on the online impulse buying behavior of consumers. It is because consumers are much more aware than ever before having a lot of information through the internet and diverse technology. The study has been conducted through a systematic literature review and thereby a questionnaire-based survey including 60 respondents from a different group of customers. A statistical analysis has also been conducted using the convenience sampling technique. The paper has found that consumer is highly motivated by social media as marketers can easily reach to them at any time anywhere. They prefer to purchase products and services instantly online due to the following influential factors like hedonic motivation, trust, website quality, situational variable (comments and reviews, order placement system), promotional activities (discounts, buy one get on, coupon, gift voucher), payment facility (cash on delivery, cash back, free home delivery) and variety-seeking options. On the basis of the findings, it can be recommended that the internet provides more opportunity for the marketers to offer diverse products and services as the consumers can exchange information instantly using social media platforms like Facebook, Instagram, Twitter, LinkedIn, Pinterest, YouTube, and Snap chat.

Keywords: Online Impulse buying behavior, social media marketing.

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Introduction

Recent statistics of the country's telecom regulator showed that Bangladeshi Internet users reached nearly 100 million at the end of June 2019 with the addition of about 5 million new users in the first 7 months of this year. This growth also leads to more expansion of business over online especially using social media like Facebook, YouTube, and Instagram. The growth of the internet and social networks may influence the changes in behavioral patterns towards more planned and rational purchase processes. Online buyers of clothing and accessories consider social networks as a source of inspiration that can trigger their buying behavior (Aragoncillo, L. and Orús, C. 2017).

Background of the study

According to BRTC, the total number of Internet Subscribers has reached 91.421 Million at the end of January 2019. Among them, about 85.630 users are mobile internet users. This tremendous growth of internet users is the most lucrative and potential consumers for marketers in offering their goods and services online using social media. There is a need to study impulse buying on the internet, because of the increasing importance of this medium as a sales channel. A lot of researchers have shown their interest in studying impulse buying in an offline environment at an earlier time.

Objectives of the study

- To identify the factors that influence consumers toward online impulse buying behavior.
- To explain how social media marketing enhances or motivated to make a purchase online without a preplan.

Theoretical Framework

Online Impulse buying behavior

A drive buys or motivation purchasing is an unprepared choice to purchase an item or administration, made just before a buy is called impulse buying. One who tends to make such buys is alluded to as a driven buyer or motivation purchase (Bansal, M, and Kumar, S (2018). Consumers often make unplanned purchases spontaneously and intuitively after being exposed to stimulating cues, like price promotion, advertisement of the limited offer, and attractive product appearance. This sort of purchase, termed as an impulse purchase, holds three key features, which are 1) unplanned, 2) the result of exposure to a stimulus, and 3) decided “on-the-spot” (Liu, Y., Li, H. and Hu, F.2013).In this modern period, the lifestyle and livelihood of the people are changing as they are getting more facilities. They are not reluctant to waste time and

avoid harassment while they shop (Alauddin et al .2015). In the last decade, the Internet became an important platform that changed the way people work and communicate (Marco et al. 2014). With the emergence of new technologies particularly the Internet and convenient online payment systems like credit cards, debit cards, etc., and mobile banking, the opportunity for purchases has expanded enormously in the past decade. Online shopping has been the fastest-growing channel of shopping for more than a decade (Brohan 2007).

Social media marketing

Social networking is growing fast and is especially popular amongst young females (Denis, C.et al, 2010). Social media marketing is the use of social media platforms to connect with an audience to build a brand, increase sales, and drive website traffic. The major social media platforms (at the moment) are Facebook, Instagram, Twitter, LinkedIn, Pinterest, YouTube, and Snapchat. Nowadays, businesses use social media in a myriad of different ways. For example, a business that is concerned about what people are saying about its brand would monitor social media conversations and respond to relevant mentions (social media listening and engagement). A business that wants to understand how it's performing on social media would analyze its reach, engagement, and sales on social media with an analytics tool (social media analytics). A business that wants to reach a specific set of audiences at scale would run highly-targeted social media ads (social media advertising). Social media platforms are always evolving. When Facebook first started, people, can only share text updates. Now, there are so many content formats such as images, videos, live videos, and Stories. On social networking sites, companies can create profiles and fan pages, stage events, and the follower (Lewis et al., 2008). Moreover, users of social networking sites can also purchase gifts to send to friends or business associates. These gifts can be online and free, while other gifts can be real and purchased with real money.

Literature Review

Aragoncillo, L. and Orús, C. (2017) observed that the ease of payment, the greater variety, and the existence of personalized recommendations can be powerful tools to encourage impulsive buying through the internet. Social networks can play a relevant role in motivating impulse buying behavior. Facebook and Instagram have a great degree of penetration as these social networks trigger some impulse buying among consumers arousing their intention to make purchases.

Dawson, s. and Oregon, M.K (2009) conducted a study on “Cues on Apparel Websites that Trigger Impulse Purchases” and found two main categories emerged as important indicators of impulse buying online and

were the promotions and ideas categories. Such cues include various sales promotions, gift with purchase, free shipping, contests or sweepstakes, easy return policies, or idea cues including new styles, featured items, top picks, and gift ideas to name a few. The findings of the study suggest that online shoppers may value different types of external cues on a website more than others. Promotional offers and purchase ideas were desired the most. The internet serves as a convenient shopping channel that allows the consumer to shop at their leisure, offering 24 hour/7 days a week shopping, and in the comfort of their own home.

Karbasivar, A. and Yarahmadi, H. (2011), examined the effect of four external cues (window display, credit card, promotional activities (cash discount, free product)) on consumer impulse buying behavior.

Marco et al. (2014) explained that impulsiveness can exert significant influence on the evaluation of online offers, and also potentially affects subsequent purchase behavior. Impulsive consumers evaluate trustworthy and untrustworthy offers differently, if compared to non-impulsive consumers.

Madhavaram, S.R, and Debra A, Laverie D.A (2004) identified in his research that the introduction of online retailing and diffusion of marketing innovations such as 24-hour retailing, telemarketing “cash machines”, “instant credit”, and home shopping networks make it increasingly easy for consumers to make impulse purchasing. Stimuli responsible for impulse purchases over the internet are the virtual customization of the product, the appeal of the product, discount, and advertisement on the website. Consumers think that Online retailers offer ease and convenience but security and returns are a concern.

Liu, Y., Li, H., and Hu, F (2013) identified that perceived website ease of use, visual appeal and product availability are important online cues for engendering impulse purchase online. Specifically, perceived product availability and website ease of use affect organic variables via the mediating effect of perceived visual appeal. Further, shopping in such a visually appealing site, consumers will have more pleasure of making the purchase and have a positive evaluation on making an unplanned purchase, resulting in a stronger feeling of being urged to buy impulsively. Rasheed, A. et al (2017) analyzed variables like Store Atmosphere, Point of Purchase Display, Promotional Activity, and Payment Facility.

Jamal & Lodhi, (2015) examined that hedonic motivation and shopping, the availability of credit cards, and promotional offers also somehow influence consumers for impulse buying. Women’s impulse buying is based on the basis of their emotions, as they look in society,

class, and relationships which men are more practical, what things suit their personality, value, etc. Al-Zyoud, F (2018) explained in their paper that shoppers, particularly women, are motivated by a variety of different reasons, including socializing and enjoyment, social networking.

From the extensive literature review, the following ten (10) variables greatly constitute the online impulse buying behavior of customers.

SL.	Variables/Factors	Authors
V 1	Hedonic motivation(Pleasure activity)	Jamal & Lodi (2015), Al-Zyoud, F(2018), Denis, C.et al (2010)
V 2	Trusted seller	Marco et al. (2014), Al-Zyoud, F(2018)
V 3	Website quality	Marco et al. (2014, Liu, Y., Li, H. and Hu, F.(2013), Madhavaram, S.R and Debra A, Laverie D.A (2004), Al-Zyoud, F(2018)
V 4	Order placement system	Dawson, s. and Oregon, M.K (2009), S.R and Debra A, Laverie D.A (2004) Al-Zyoud, F(2018)
V 5	Comments and reviews	Madhavaram, S.R and Debra A, Laverie D.A (2004), Al-Zyoud, F(2018)
V 6	A promotional activity like Discount offers	Liu, Y., Li, H. and Hu, F.(2013), Karbasivar, A. and Yarahmadi, H. (2011), Rasheed, A. et al (2017), Madhavaram, S.R and Debra A, Laverie D.A (2004), Jamal & Lodi (2015), Al-Zyoud, F(2018)
V 7	Payment facility	Aragoncillo, L. and Orús, C. (2017), Dawson, s. and Oregon, M.K (2009), Rasheed, A. et al (2017) Al-Zyoud, F(2018)
V 8	Free home delivery	Dawson, s. and Oregon, M.K (2009), Rasheed, A. et al (2017)
V 9	Variety seeking options	Aragoncillo, L. and Orús, C. (2017)
V 10	Time constraints	Aragoncillo, L. and Orús, C. (2017), Rasheed, A. et al (2017),

Research methodology

Sampling and data collection

For the current study, a questionnaire survey was conducted within Cumilla city from person to person for data collection. Data was collected from a sample of 50 respondents. The respondent students (below 25 years of age), service holder, businessperson, and housewife

Measurement development

Most of the statements used for developing the questionnaire were drawn from the literature on impulse buying behavior. The dependent variable is the online impulse buying behavior and the most significant ten (10) independent variables were used to conduct the survey. There are more four variables that have also significant relationships with buying behavior. A five-point Likert rating scale was used to measure their responses. The scale ranged from five (strongly agree) to one (strongly disagree).

Data Analysis Method

Statistical Packages for Social Science's (SPSS) software was used to analyze data. Firstly descriptive statistics were generated by SPSS for demographic analysis. Then association was conducted to find out the relationship between the buying behavior of women on convenience food (dependent variable) and factors influencing the buying behavior (independent variable).

Results

Descriptive Statistics

Of the total fifty (50) of the respondents, about 50% of them are students, 30% are service holders, and 20% are housewives and businessperson. The majority of the respondents are women who are highly influenced by social media marketing as they spend a lot of time on social media.

Regression analysis

Reliability test

Reliability Statistics	
Cornbrash's Alpha	N of Items
.820	12

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688 ^a	.473	.321	.49508
a. Predictors: (Constant), influence of others, variety seeking option, trusted seller, pleasure activity, payment facility, order placement, website quality, lifestyle, free home delivery, discount offers, comments and reviews				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.366	11	.761	3.103	.005 ^b
	Residual	9.314	38	.245		
	Total	17.680	49			
a. Dependent Variable: online impulse buying						
b. Predictors: (Constant), influence of others, variety seeking option, trusted seller, pleasure activity, payment facility, order placement, website quality, lifestyle, free home delivery, discount offers, comments and reviews						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.172	.618		1.896	.066
	pleasure activity	.092	.118	.118	.775	.443
	website quality	.096	.110	.127	.869	.390
	trusted seller	-.033	.075	-.056	-.440	.662
	order placement	.029	.096	.043	.304	.763
	comments and reviews	.060	.106	.099	.571	.571
	discount offers	-.043	.092	-.079	-.471	.640
	payment facility	.015	.104	.020	.142	.888
	free home delivery	.061	.106	.096	.578	.567
	variety seeking option	.186	.131	.222	1.416	.165
	lifestyle	.030	.085	.053	.353	.726
	influence of others	.214	.084	.372	2.557	.015
a. Dependent Variable: online impulse buying						

The results of the regression analysis are presented in the above Table. The results indicated that almost all variables have a statistically significant relationship at ($p < 0.001$). The independent variables have a moderate to high positive relation with the dependent variable (buying

behavior of women). Promotional activity (discount offers) has the highest value (.555) and lifestyle has the lowest value.

So, it is proved that all the above-analyzed factors have statistical significance with the online impulse buying behavior.

Conclusion and Implications

Consumers often make unplanned purchases spontaneously and intuitively after being exposed to stimulating cues, like price promotion, advertisement of the limited offer, and attractive product appearance. Such an unplanned purchasing tendency of consumers online creates a lucrative opportunity for marketers. The marketer needs to go through an extensive study on consumers' psychological motives of which most of them the consumer is unaware. The factors that motivate consumers to make a sudden or unplanned purchase while using social media are needed to be redesigned by the sellers both online and offline that will ultimately increase consumers' trust in online marketers. So, this segment should be studied more deeply to design an effecting marketing strategy by the marketers.

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