



Factors Influencing the Likelihood to Purchase on Flash Sales

Athira Ramachandran (MBA15023)

Supervisor: Dr. Deepak Gupta



Abstract

The objective of this study was to understand what factors influence the likelihood to purchase on flash sale in India. A conceptual model was developed and tested empirically with pan India survey. Standardized scales were used to measure the different variables. These were adapted to better fit an online context. The sample size included 222. The data was analyzed using binary logistic regression. This study identified that income, time pressure, utilitarian values, personality type-competitiveness, and frequency of online shopping significantly impact the likelihood to purchase on flash sale.

Introduction

- ✓ Flash sales refer to an emerging e-commerce practice in which a firm offers one or more products/service at a substantial discount within limited time.
- ✓ The lifetime value of customers increases by 385% for sites using flash sales, whereas the other online retail stores show an increase of 94% only
- ✓ The objective of this study is to understand what factors influence the likelihood to purchase on flash sales in India

Literature Review

Construct	References
Scarcity Appeal	Clow, Kenneth E; Baack, Donald(2005),
Personality Type	Seounmi Youn, Ronald J. Faber (2000),
Impulse Buying	Rook and Fisher(1995)
Utilitarian Values	Snyder,Aaron; Levav, Jonathan(2009,2014)
Status	Eastman, Jacqueline K(2011)
Competitiveness	Paul B. Harris, John M. Houston(2010),

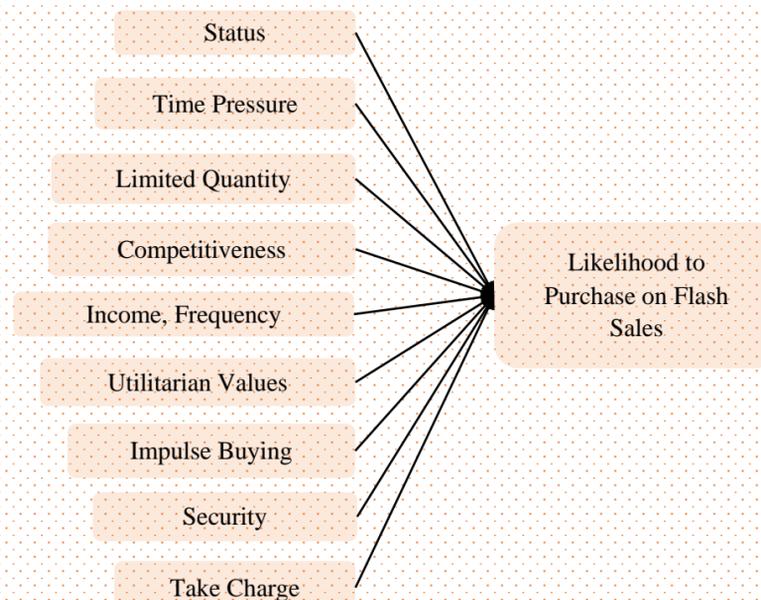
Data Description

Location Type	Female	Male	
Tier I	73	85	71%
Tier II	22	42	29%
	43%	57%	100%

Research Question

- ✓ What factors influence the likelihood to buy on flash sales?

Conceptual Model



Hypothesis

- H1.A:** Higher the time pressure faced by consumers, higher is the tendency for the consumer to purchase on flash sales.
- H1.B:** The tendency to purchase on flash sales will be higher for quantity scarcity offers.
- H2:** The tendency to buy on flash sales will be higher for consumers who are highly competitive.
- H3:** The tendency to buy on flash sales will be higher for consumers who take charge of things.
- H4:** The tendency to buy on flash sales will be higher for consumers who value security lesser than consumers who value security more.
- H5:** Higher the tendency of impulse buying behavior, higher is the likelihood to purchase on flash sales.
- H6:** Higher the perceived utility of flash sales, higher is the tendency to purchase on flash sales.
- H7:** Status seeking consumers are less likely to shop on flash sales.
- H8:** Young consumers are more likely to shop on flash sales when compared to older consumers.
- H9:** Consumers in middle range of income tend to shop on flash sales.

Results

Independent Variables	Results of the Regression model		
	OR	Coefficient	P- Value
Online Shopping Frequency	2.857	3.73	0.000
Time Pressure	0.670	-1.94	0.052
Limited Quantity	0.951	-0.28	0.783
Status	0.937	-0.89	0.373
Utilitarian	1.152	2.36	0.018
Impulse Buying	0.963	-1.20	0.231
Competitiveness	1.500	5.04	0.006
Take Charge	0.864	-0.91	0.365
Security	0.836	-1.09	0.275
Income	0.348	-2.50	0.012

Discussion

- ✓ **Frequency of online shopping** have a significant impact on the likelihood to shop on flash sales.
- ✓ **Limited time** for availing the offer on flash sales has a significant impact on the likelihood to shop on flash sales.
- ✓ Higher the **utilitarian benefits** perceived higher the likelihood to shop on flash sales.
- ✓ Higher **the competitive** the consumer is, higher is the likelihood to shop on flash sales.
- ✓ Middle **income** groups are more likely to purchase on flash sales.

Limitations

- ✓ Factors that are likely to impact the purchase behavior for flash sales as the part of this study.
- ✓ Further study could focus on product categories that are specifically found only on flash sales.

References

- Shi, S. W., & Chen, M. (2015). Would you snap up the deal? A study of consumer behavior under flash sales. *INTERNATIONAL JOURNAL OF MARKET RESEARCH*, 57(6), 931-957
- Chaturvedi, R. K. (2015). The Influence of Availability of Shopping Time on Impulse Purchase Tendency. *IUP Journal of Marketing Management*, 14(2), 47.