

Influential Factors on Customers' Purchase Intension During a Flashsale on An E-Commerce Website: A Study in the Indian Context

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Abstract—Flash sale is an online promotional tool where deep discounts for a very limited time are offered for certain products on e-commerce websites. Study has not been done on the factors that influence the customers to purchase during a flash sale. This paper explores how factors such as discounted price, perceived sense of achievement, product quality, varied choices of products, convenience and delivery time would affect the intention to purchase during a flash sale on an e-commerce website. These findings give us an insight that would be helpful for the flash sale promotion.

Keywords—Flash sale, e-commerce, purchase intention

I. INTRODUCTION

There has been significant growth in business to customer e-commerce shopping and that is a critical issue for traditional shopping. Many researchers have come up with several models to identify the factors that influence the consumer purchase preferences for e-commerce websites Liang and Lai, (2002), Zviran et al., (2006), Schaupp and Belanger, (2005). Flash sale model is an online promotional tool where deep discounts for a very limited time are offered for certain products on e-commerce websites. This business model has gained popularity among the recently emerged ones on the e-commerce platform. An online flash sale is a combination of the following four principles:

- (1) Famous brands at very good discounted prices,
- (2) Limited number of product quantities,
- (3) For a short duration,
- (4) Providing the offer exclusively to members of the website, Ayadi et al., (2013). From the exiting literature, there is a wide acceptance of the survey methodology and the same was identified in this paper.

In this study, we have focused on identifying the factors that influence the customers to purchase during a

flash sale. It explores how factors such as discounted price, perceived sense of achievement, product quality, varied choices of products, convenience and delivery time would affect the intention to purchase during a flash sale on an e-commerce website.

II. LITERATURE REVIEW

Yu and Abdulai(2000) mentions that when it comes to rapid innovation in information technology and communications e-commerce stands out as a major contender. First to understand the concept of e-commerce, it refers to trade facilitated by the internet, connecting buyers and sellers, enabling them to place orders and have transactions online while goods are physically delivered. E-commerce has contributed a significantly in internet's growth Anil, (2000). The e-retailing's main feature, the customers is made to feel at ease by giving information of the product features, comparing prices with similar products, availability, etc., Brown, Pope and Voges, (2003).

Consumer behavior plays a significant part in the study of understanding the online shopping motivations of consumers in order to strengthen customers' sense of achievement after the online purchase Puccinelli et al., (2009). There have been many theories of consumer behavior that was adopted to understand and explain the buying intention, attitude and behavior Cheung et al., (2005). A conceptual model was developed by Dennis et al.,(2009) to discover the factors that impact the e-commerce shopping style and proposed that the consumers' behavior is influenced by their own attitudes and perceptions during shopping. Intention to purchase is a state of mind that lets the consumer to decide to possess a product in the future. Purchase intention in the e-commerce context is a bigger consequence of satisfaction prior the purchase Bai et al., (2008). Earlier research on e-commerce has proposed the common decision making criteria and suggests that shopping, technology and the product

specifications were the influencing factors for purchase decision Bai et al., (2008); Schaupp and Belanger, (2005); Szymanski and Hise, (2000). Even though the earlier studies differentiate between post-purchase and the pre-purchase and mostly focused on post purchase Maxham, (2001) and a few research on pre purchase as Chen et al. (2010) had told that there is a positive relationship among attributes of online stores and the intention to purchase products online will be affected by the shopping factors like convenience, product quality, etc.

In the case of online shopping, considering new promotional tools like flash sales which are emerging into the e-commerce to increase the selling among customers this also influences deciding factors to purchase products. This was found as a gap in the literature. E-commerce websites just do not intend to attract the customers their prior online purchase experience but also intend to attract the new customers to expand their customer base. The approach of research for the previous researches has tried to get information from the customers who have purchased earlier on e-commerce website and not knowing about the ones who have not done online purchase Schaupp and Belanger, (2005); Szymanski and Hise, (2000). It is evident that the population of online consumers who haven't done online purchase is more than the customers who have shopped online. So it is very important to do the research on the consumers who do not have prior experience with online shopping.

We intend to investigate the importance of the six factors, i.e discounted price, sense of achievement, product quality, varied choices of products, convenience and delivery time in affecting consumer purchase intention during a flash sale. Fig. 1 depicts the conceptual model. There are various shopping factors that is related to individual shopping online and the attributes of the website that link itself to the experience gained during the flash sale shopping Schaupp and Belanger, (2005). It is examined by Schaupp and Belanger, (2005) that the shopping process and told that convenience, sense of achievement and delivery are three main attributes affecting the experience gained during online shopping.

III. CONCEPTUAL MODEL

Flash sale

A flash sale typically offers promotions to customers for a very short duration with deep discounted price that are usually targeted on achieving a maximum number of customers accepting the proposed flash sale deal. When a flash sale deal goes active on an ecommerce website, existing customers and the users who have subscribed to the e-mail receive notification on e-mail, and also using social networking sites the flash sale deals are being promoted Piccoli and Dev, (2012).

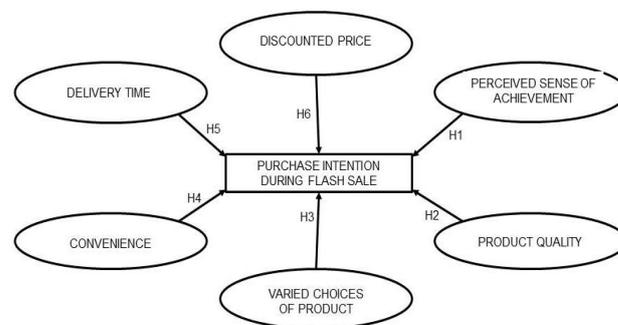


Fig.1 Conceptual Model

Sense of achievement

The web functionality perception, along with the added features given by the online vendors in the e-tailing website levitates the interactivity of the website to higher levels Teo, H.H., Oh, L.B., Liu, C. and Wei, K.K., (2003). Also it is noted that when the products are bought in a limited time and heavily discounted price the sense of achievement increases drastically. Hence the hypothesis is proposed as,

H1: Perceived sense of achievement is high during a flash sale

Product quality

Product quality and purchase intention Flanagin(in press) go hand in hand in case of ecommerce, it is identified that ratings and reviews, website quality Gregg, D. G. & Walczak, S. (2010), and the credibility perceived on e-word-of-mouth messages Cheng, X.,& Zhou, M. (2010). impact the purchase decision in a very positive manner. Moreover, the valence perception and product credibility suggestion have shown to have a greater impact on purchase intention, across a huge variety of consumer goods Floh, A.,Koller,M.,&Zauner, A. (2009). Boyer and Hult (2006) have told that the match between the products delivered the product requested is a key element in purchase decisions in online shopping. Turban et al. (2006) proposed that price that is reasonable and good quality is important to understand product quality.

H2: Perceived product quality influences highly on purchase during a flash sale

Varied choices of products:

Varied choices of product refer to the products being offered and the various features of the product Szymanski and Hise, (2000). Schaupp and Belanger (2005) suggested that e-commerce should provide a great breadth and depth of product offers to impress the consumer. Varied choices of products can be provided by the vendor by giving extensive product collection and variety Anand, (2007); Schaupp and Belanger, (2005); Szymanski and Hise, (2000); offering exclusive and unique products Anand, (2007); Schaupp and Belanger, (2005); and also offering seasonal wise products Schaupp and Belanger, (2005).

H3: Varied choices of product influences highly on purchase during a flash sale

Convenience:

The service provided and shopping practices of e-commerce websites that saves customers' time and effort in the shopping process is referred as convenience. Product searches Richard, (2005) and options for payment Liang, Lai, (2002) reduces the additional effort that is incurred in traditional shopping and increase the intention to purchase online. Product dilemma is a major issue while shopping online Liang, Huang, (1998) and the eagerness to share the information by the customers Armstrong, Hagel, (1996) can help the other customers to view those reviews and make the purchase more convenient

H4: Intensity of convenience factor highly influences the purchase during flash sale

Delivery time:

The total time that is spent in handling and shipping the product is termed as delivery time Schaupp and Belanger(2005) have pointed out that the customer is satisfied only when the product is delivered on time and reliability is high also as an extension they have also told that consumer anxiety should be reduced by providing product tracking technology along with minimal delivery time Anand, (2007) ; ,Schaupp and Belanger, (2005). Apart from these also the delay in shipping should be notified to the customers Schaupp and Belanger, (2005).

H5: Delivery time influences highly during a flash sale

Discounted price:

Price sensitivity is lower in online than the traditional outlets when the other attributes other than pricing is given higher importance Alba et al., (1997). In online there is more visibility to competitive products and in this situation it's the price factor that will play a major role in choosing the product. In case of flash sale the discounts are very deep there by directly influencing the purchase intension.

H6: Price discounts influences highly on purchase during a flash sale

IV. RESEARCH METHODOLOGY

An online questionnaire was developed and pilot survey was conducted to improve the questions so that it was more understandable for the respondents. Based on the inputs from the pilot survey necessary changes were made and final questionnaire was floated. The questionnaire was divided into three parts. The initial part of the survey was constructed in such a way to get details about the participants' past experience and habits in online shopping. The respondents were asked, if they bought products online, what type of products they bought online, and which websites were used frequently for purchasing. The second part of the survey was constructed in a way to understand the awareness on flash sale, how they reacted to flash sale, how flash sale impacted them. And in the third part of the survey the demographics and the socio-economic status of the respondents was collected.

V. FINDINGS

The questionnaire was filled by 135 respondents living in India with age group ranging from 18 to 55 and above. The gender split was male respondents being 48.5% and the female respondents 51.5%. Around 97% of the respondents had shopped online out of which 80% of the respondents had shopped during a flash sale. The demographics part of the survey inferred us that the online shopping was done mostly by the people living in metro city ie.,60% were from metro city and 40% were from non-metro city. From the survey it was evident that online shopping was felt as the more convenient way of shopping, good price discounts and also saved lot of time. But when we looked closely for flash

sale it was only the price factor and the perceived sense of achievement that obtained repetitive responses. On the other hand the ones who did not shop online or haven't done flash sale quit the survey.

VI. RESULTS AND DISCUSSION

Logistic Regression is used in the analysis of the data. Price of the products, varied choices of the products, perceived sense of achievement, product quality, convenience and delivery time are the independent variables and their effect on the intention to purchase during a flash sale. The results of logistic regression are as follows.

	<i>Coefficien t</i>	<i>Std.error</i>	<i>Z</i>	<i>p-value</i>	
Price	2.01193	0.503157	3.999	6.37 e-0.5	***
Achievem ent	2.68323	0.883553	3.037	0.0024	***
Quality	0.772808	1.49008	0.5186	0.6040	
Var.choic es	1.19022	0.753415	1.580	0.1142	
Deliv. time	1.45632	1.36863	1.064	0.2873	
Convinen ce	0.393883	0.450916	0.8735	0.3824	

Table 1. Result

		Predicted	
		0	1
Actual	0	23.88%	22.38%
	1	5.22%	48.50%

Table 2. Confusion Matrix

Based on the result as shown above, there were two significant variables related to purchase intention during flash sale: (a) Perceived sense of achievement is high during a flash and (b) Price discounts influences highly on purchase during a flash sale. Other hypothesis, Perceived product quality influences highly on purchase during a

flash sale, varied choices of product influences highly on purchase during a flash sale, Intensity of convenience factor highly influences the purchase during flash sale, Delivery time influences highly during a flash sale were not supported in this study. Price and perceived achievement are the most important factors that affect a purchase decision of a customer during a flash sale. So based on these results, it can be concluded that during a flash sale, organizations should concentrate more on the price and the sense of achievement of the customers.

VII. CONCLUSION AND FUTURE SCOPE

In a normal online shopping there is significance among all the independent variables, "discounted price of the products, varied choices of the products, perceived sense of achievement, product quality, convenience and delivery time that influences the purchase intension". In this study, when we relate it with the concept of flash sale the following attributes: discounted price, perceived sense of achievement, had high significance.

This was identified by collecting the data from 135 respondents living in India. This concept can further be enhanced by identifying the same globally and also the study can be extended to, the factors that lead to impulsive purchase during a flash sale.

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