

The Impact of Preview Information on Flash Sales-for Low Involving Electronic Products

Akhil T Shaji, Deepak S Kumar
Amrita School of Business
Amrita Vishwa Vidyapeetham, Amrita University
Coimbatore, India
akhiltshaji2015@gmail.com

Abstract— This study aims to understand the impact of preview information in the online flash sale context. The study is specific to the low end electronic products and tries to identify whether the preview information can postpone the purchase. The study also includes two pre-tests to identify and categorize the products into hedonic or utilitarian context and to map the different levels of discount and the time-period. The final experiment is done to identify the exact relationship between preview information of the discount and the time-period between the preview information and flash sale. The study reveals the impacts based upon the hedonic and utilitarian product category in the low end electronic products specific to the online flash sale context.

Keywords—Flash sale; hedonic or utilitarian; Delayed gratification; Discount; time-period; electronic products;

I. INTRODUCTION

The online e-commerce portals are gaining a lot of importance today and the introduction of the flash sale concept has become a more popular strategy these days. The preview information about flash sale is a common strategy used to attract customers by the online e-commerce players. A study by Piccoli and Dev suggests that “flash sales may be referred to as daily deals, private sales and online coupons”. The study also states that Flash sales websites are defined as electronic distribution channels that offer time-limited deep discounts (of about 50%) for the advanced purchase of products or services” [1]. A lot of studies states that the social shopping mechanism had today lead to the popularity of flash sale concept, Various forms of the social shopping concept like deals of the day, daily group deals, online couponing had been impacting the evolution of Flash sale [2].

A lot of studies had done to understand the purchase intention and the gratification of the online consumers under different segments [3][4]. Here the preview information about a flash sale is the major factor of this study. The preview information about the flash sale is available to customers at different point of time. The study focuses on the time and the preview information about the discount and tries to finds the relationship with the postponement of purchase.

The paper is structured in the following way. The research gap is identified primarily with the help of the literature review, followed by the conceptual model and the hypotheses development. Later it focuses on the methodology of this study, the analysis and finally the implications are also discussed.

II. LITERATURE REVIEW

A. Hedonic or Utilitarian classification

Before describing the developments of scales and other let us review the theoretical literature of the study. Many studies suggest that “there are two different kinds of the consumer evaluation, in which the object for consumption is placed into both the utilitarian dimension of instrumentality where it explains how useful or beneficial the product is and on the hedonic dimension explaining the experiential dimension of instrumentality which basically means how useful or beneficial the object is”. The two types which are stated above contribute, in to different degrees for overall goodness of the consumer behaviour. Studies also state that both “the hedonic and utilitarian reasons or motivations for the consumption need not be mutually exclusive” [5].

B. Delayed Gratification Behaviours

Different studies had stated that “some individuals are patient than others, and these individuals would be more likely to exhibit delayed gratification behaviors. The contextual conditions also can setup incentives for individuals, even though for whom who are not predisposed to delay gratification, to exhibit delayed gratification behaviors”. Thus, we can conclude both individual-level dispositions (e.g., patience) and contextual inducements determines the delayed gratification behavior [6][7][8]. The delayed gratification is a major area of consideration in the study and multiple context is created to identify the patience level and the delayed gratification of consumers.

C. Time Effects and price Discounts

The theoretical rationale for reference price discounts generally states that, “there is strong evidence that even though the consumers tend to be skeptical of externally provided reference prices, consumer perceptions of value and savings are positively influenced by such comparative prices even when the prices are exaggerated”. Studies also states that higher the levels of discounts the effect on consumers’ assessment will be more positive when compared to the lower levels of discount [9][10].

III. OBJECTIVE OF THE STUDY AND HYPOTHESIS

The main objective of this study is to find out

- How does preview information of flash sales affect the postponement of purchase by online customers?
- What are the key factors that could postpone the purchase behaviour of online customers?

The main hypothesis of the study is

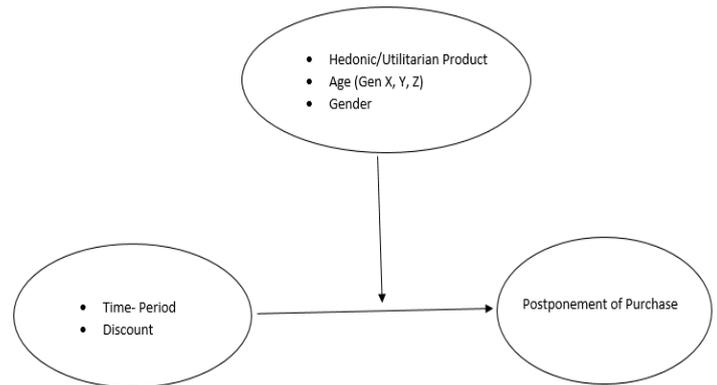
- Information about higher price discount during flash sale has positive impact on postponement of purchase.
- Higher the time-period between the preview information and the flash sale lower the impact on flash sale
- The relationship between preview information of flash sale and postponing of purchase will be stronger for hedonic context than for utilitarian context.
- The relationship between preview information of flash sales and postponing purchase will be stronger for Gen X than Gen Y
- The relationship between preview information of flash sales and postponing purchase will be stronger for Gen Y than Gen Z.
- The relationship between preview information of flash sales and postponing purchase will be stronger for males than females

IV. CONCEPTUAL MODEL

Based on the extensive review upon literature, this study proposes the conceptual model helps to understand the factors that influence and impact the postponement of purchase. These factors include time between preview information and the flash

sale, the discount level, the classification of the product (hedonic/utilitarian) and other control factors that is the age and gender.

FIGURE I: CONCEPTUAL MODEL



V. RESEARCH METHODOLOGY

In studying the relationship between the preview information and flash sales multiple experiments were done. Two major pre-test were done, mainly to identify the major hedonic and utilitarian products among the low-end electronics products ranging from rupees 1 to rupees 2000, the second pre-test was done to identify the different discount levels and the different time-period. The final survey was also based on the results from both the pre-test.

A. *Pre-test to differentiate hedonic and Utilitarian.*
 A pre-test was conducted to find the appropriate classification of hedonic or utilitarian product by the consumers. The identification of the hedonic and utilitarian products subsequently helped the final experiment done.

1) *Questionnaire development:*
 31 products in the category of low end electronic products were selected. Respondents were asked to classify the products into hedonic or utilitarian, the respondents were made aware of the two classification before they respond to the survey.

2) *Data description :*
 A total of 30 respondents from both the gender were collected for the pre-test. Among the responses, the major six

products (three from each category) were selected for the further studies.

TABLE I. DESCRIPTION OF SAMPLE

Products Name	Hedonic	Utilitarian
Power bank	6.6 %	93.34 %
Memory Card	10 %	90 %
Mouse	10 %	90 %
Smart Watch	80 %	20 %
Selfie Stick	90 %	10 %
Pen Camera	80 %	20 %

3) Result:

Based on the mean of the responses for experiment 1, Power bank, memory card, mouse was selected as utilitarian products and smart watch, selfie stick, pen camera was selected as hedonic product for experiment 2, and for the main experiment.

B. Pre-test to find out the different discount and time-period..

Another pre-test was conducted to find the appropriate classification of minimum, medium and maximum discounts and the minimum, medium and maximum time-period which they are willing to wait for the flash sale to occur. The identification of the different time-period and the discount levels subsequently helped the final experiment done.

1) Questionnaire development:

From the six products identified from the pre-test another questionnaire was developed. The questionnaire was to identify the minimum, medium and maximum discount levels and time-period. The questionnaire consists of open-ended questions stating the customers to mark the different time-periods and discounts they expect for each of the six products identified earlier.

2) Data description :

A total of 30 respondents from both the gender were collected for the pre-test. Among the responses, the minimum, medium and maximum time periods and the discount levels as per the customers were identified and is mentioned in the table below. These results were selected for the further studies.

TABLE II. DESCRIPTION OF SAMPLE

	Minimum	Medium	Maximum
Discount level	30 %	35 %	45 %
Time -period	3 days	4 days	6 days

3) Result:

Based on the mean of the responses for experiment 2, the minimum discount is 30% and minimum time-period is 3 days, the medium discount is 35% and the medium time-period is 4 days, also the maximum time-period is 6 days and the maximum

discount is 45% this result is thus used for the main experiment. The data is shown in the Table II

C. Experiment

From the two pre-tests done the input for the final experiment is gained. The exact hedonic and utilitarian products were identified and the different discount levels and time-period was used to design the final experiment. Different scenarios were created for the six products chosen from the initial test and the scenario included different combinations of the discount and time-period for each of the six products.

1) Questionnaire development:

From the pre-test inputs, different scenarios were made with the multiple combination of time-period and discount of each of the six products identified. Thus, for each product all possible combination of the discount and time-period is used and collected the response for all the combination.

2) Data description

A total of 132 respondents from both the gender responded for the final experiment. Among the responses, the hedonic products don't have considerable impact based upon the changing scenarios, but the utilitarian products are impacted based upon the changing combinations.

3) Result:

Based on the analysis done on the responses collected the results shows that the hedonic category of products doesn't get impacted on the when the combinations of discount level and time-period changes and the postponement of purchase doesn't happen in its case. But specific to the utilitarian category the different combinations will show some impact in certain scenarios and the postponement of purchase happens to those specific combinations.

VI. RESULT AND DISCUSSION



Fig.2 The combination model of discount and time-period

The figure 2 shows the different combinations of the time-period and the discount levels. The questionnaire included each of the nine cases to all the six products chosen by conducting the pre-test. The Low time-period and high discount model showed an overall apt solution for the flash sale of the low involvement electronic products because, the result showed high chance of postponement is there in that combination when compared to the other combinations. The postponement will happen only in the case of utilitarian and hedonic products in this category will not lead to the postponement of purchase with the changing combinations of time-period and discount-levels.

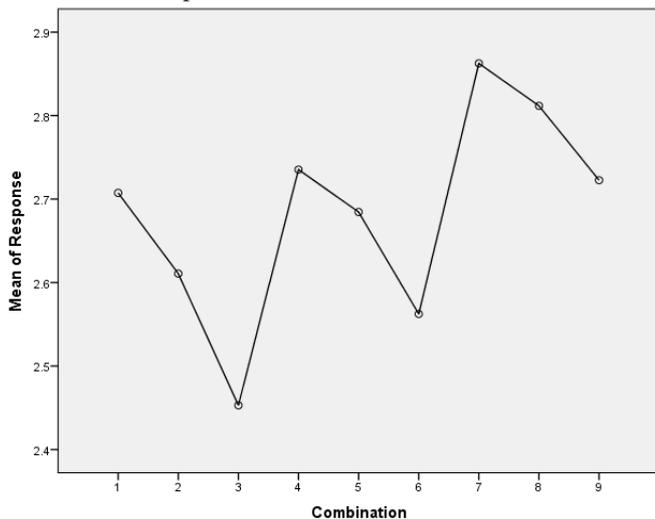


Fig.3 Utilitarian analysis

The Utilitarian products in the low involvement category can thus be influencing the postponement if it offers minimum time-period i.e.: 3days or less and a maximum discount of at least 45 percent. It has been identified that the age and gender is also not a considerable factor which affect the postponement of purchase with the respective scenario.

The study considered only the low involvement electronic products and it didn't consider the variables like brand, aesthetics, etc. and these are some areas of further research and studies.

VII. CONCLUSION

The hedonic products need not require any flash sale to get sold. The flash sale combination of different discount levels and time-period doesn't postpone the purchase of any hedonic product from the low involving electronic product category. The utilitarian products with minimum time-period and maximum discount level will postpone the purchase than with minimum time-period and minimum discount level. The utilitarian products with minimum time-period and medium discount level

will postpone the purchase than with maximum time-period and minimum or medium discount level. The utilitarian products with minimum time-period and maximum discount level will postpone the purchase than with medium time-period and maximum or medium discount level. The utilitarian products with minimum time-period and maximum discount level will postpone the purchase than with maximum time-period and maximum, medium or minimum discount level. The utilitarian products with medium time-period and maximum discount level will postpone the purchase than with maximum time-period and minimum or medium discount level.

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