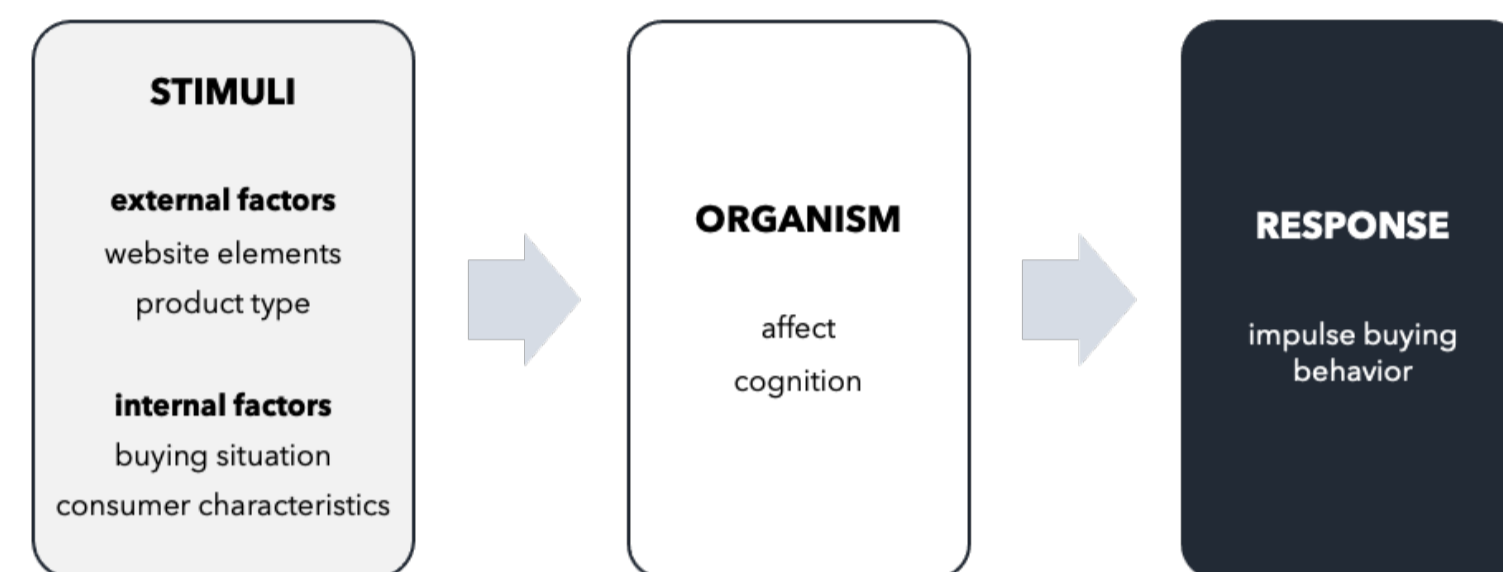


External and internal factors influencing impulse buying in online grocery retailing



Introduction

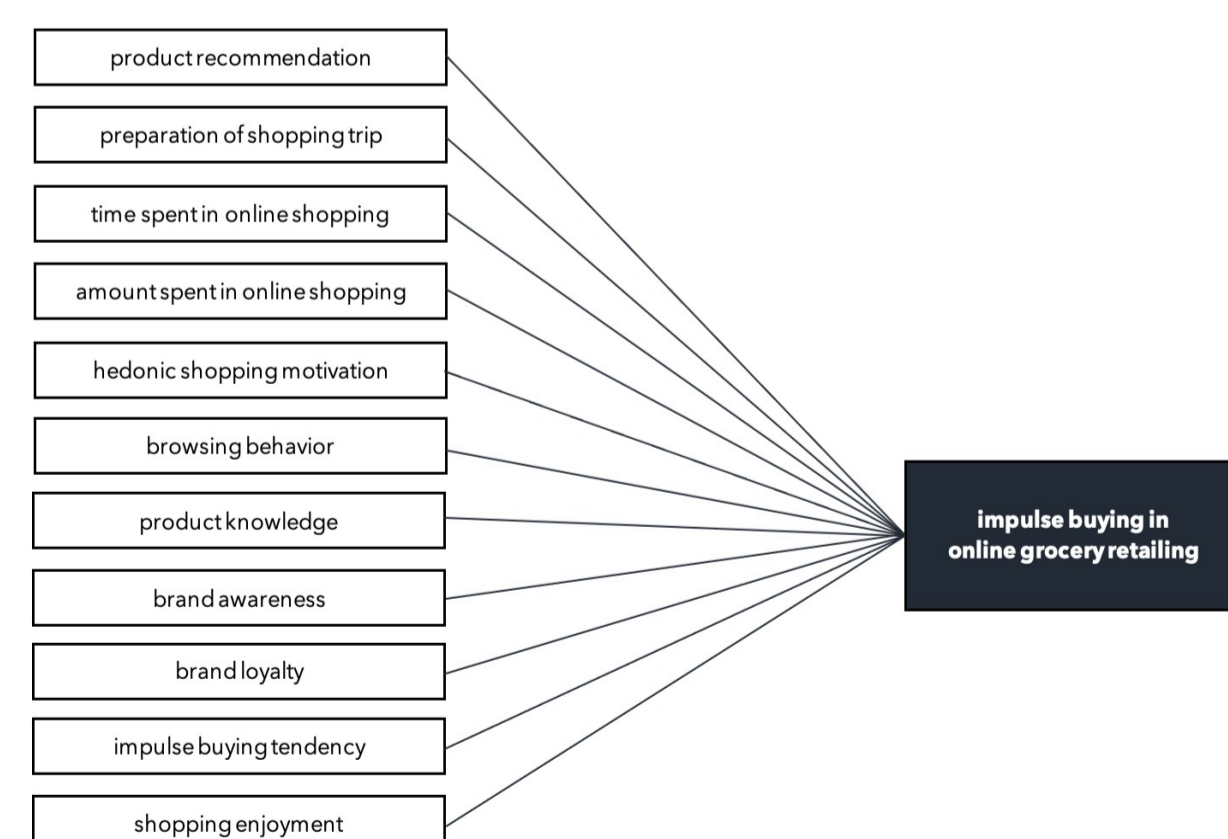
Impulse buying describes an unplanned, hedonically complex purchasing behavior, which can be influenced by external and internal factors. The **S-O-R framework** describes the relationship between external factors, which can be further divided into website- and product-related elements, as well as internal factors, which include the buying situation and consumer characteristics, and impulse buying behavior.



Based on the growth of grocery shopping via the Internet and the importance of impulse buying for grocery stores, this master thesis specifically addresses the factors influencing **online grocery impulse buying** to fill the research gap. Therefore, the objective of the thesis is to explore the effect of **external and internal factors** on impulse buying of groceries in online retailing.

Research Model

Based on literature review and the identified factors influencing online grocery impulse buying, the underlying research model is depicted, which also forms the basis for the hypothesis of the empirical study.



Hypothesis

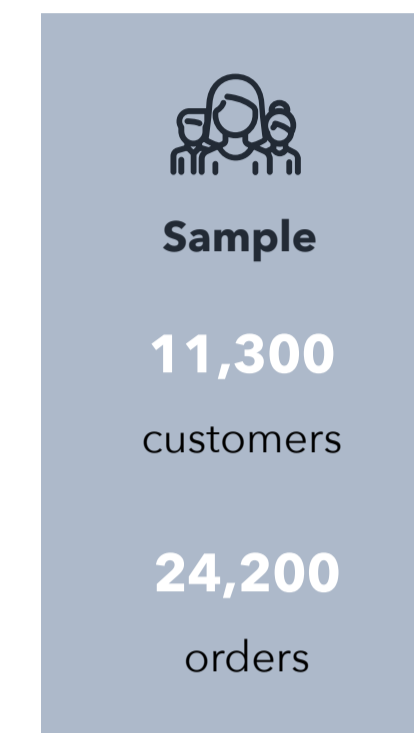
By placing groceries in the product recommendation section, sales and clicks of the products increase. There is a positive correlation between hedonic shopping motivation, browsing behavior, brand awareness, brand loyalty, impulse buying tendency, shopping enjoyment, time/amount spent in the online shop and impulse buying. There is a negative correlation between preparation of the shopping trip, product knowledge and impulse buying

Methodology

The methodology is focused on **quantitative research** since existing studies have mainly used quantitative methods to identify online impulse purchases. Both are investigated with an **online organic food retailer**, which means that the target group of the study comprises customers of the company.

1 Field experiment

Product recommendations (muesli bar, chocolate brownie, crisps and beer) were integrated in the **checkout** of the online shop to show the effect of external factors on impulse buying. For the product selection, the **hedonic value** of preselected groceries were determined in a pre-study because products with a high hedonic value endorse impulse purchases.



2 Post-purchase survey

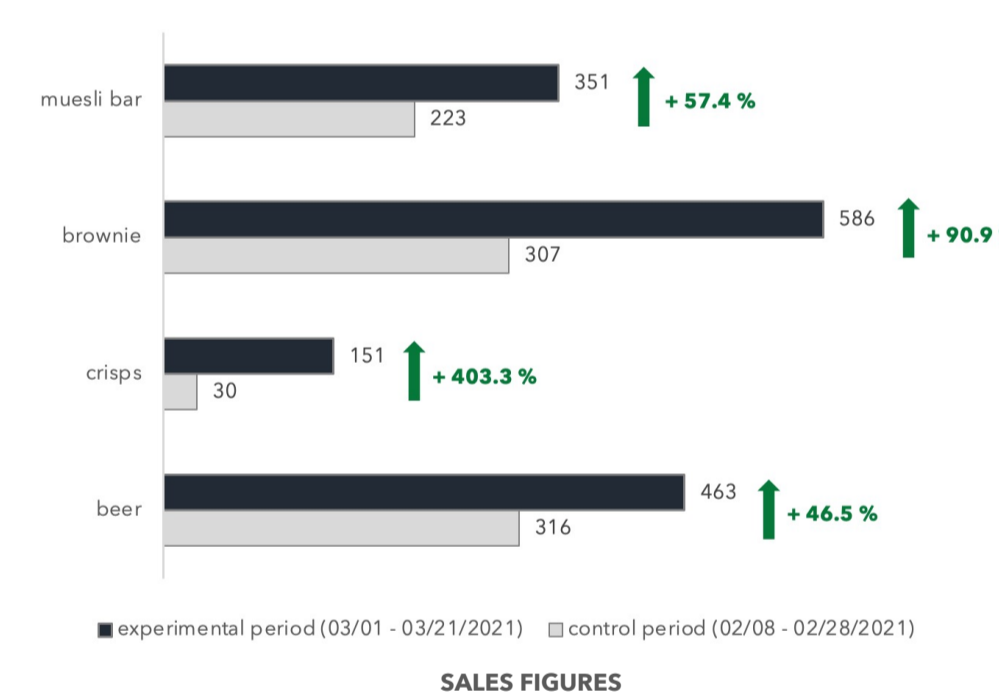
Since only external factors are included in the experiment, the survey aims to explore the influence of internal factors on impulse buying behavior. For this purpose, customers were asked to participate in an online survey directly **after shopping**. In addition to the experiment, which focuses on figures, the survey offers a deeper insight into the **customer perspective**.



Results

1 By placing groceries in the product recommendation section, sales and clicks of the products increase.

Product recommendations led to a **sales increase of more than 70 %** in total, which is an indicator for impulse purchases, and product clicks were doubled. The **brownie** achieved the highest sales and click volume and is thus considered as the **best-selling and best-clicking** product in the study.



2 There is a positive correlation between impulse buying tendency, hedonic shopping motivation, browsing behavior and impulse buying. There is a negative correlation between product knowledge and impulse buying.

hypothesis	correlation coefficient (r)	significance (p)
product recommendation * impulse buying	r = 0.557	p < 0.001
hedonic shopping motivation * impulse buying	r = 0.139	p = 0.037
browsing behavior * impulse buying	r = 0.134	p = 0.044
product knowledge * impulse buying	r = 0.393	p < 0.001
Impulse buying tendency * impulse buying	r = 0.165	p = 0.013

The results of the survey show that impulse purchases were made via product recommendations and were positively influenced by **impulse buying tendency**, the **hedonic shopping motivation** or the **browsing behavior**. In contrast, impulse buying decreased when individuals were **familiar with the product**.

3 There is no correlation between brand awareness, brand loyalty, shopping enjoyment, time/amount spent in the online shop, preparation of the shopping trip and impulse buying.

Discussion

Based on the results of both studies, groceries are purchased impulsively via the Internet and these impulse purchases will be influenced by external and internal factors which were identified in this thesis.

Product recommendations represent an external factor on impulse purchases in online grocery retailing. Since sales figures increased across all four products, it can be derived that the hedonic value of a product encouraged impulse purchases and confectionery, snacks and beverages are considered as typical impulse buying categories in online grocery shopping. In addition, the positive result can also be attributed to the fact that product recommendations were integrated in the checkout which is also successfully realized in grocery stores.

Regarding the negative relationship between **product knowledge** and impulse buying, it can be said that online grocery shoppers like to buy unknown products impulsively, which can be defined as pure impulse purchases. It was also determined that when **impulse buying tendency** is high, more impulse purchases were made in the online grocery store. Another result shows that if the **hedonic shopping motivation** or the **browsing motivation** of a person is high, impulse purchases will increase, especially when hedonic products are involved. Therefore, the expression of these personality traits plays an important role in impulse buying behavior in online grocery retailing.

Future Research

Despite the limitations of the experimental design, the results of the study indicate that online grocery shopping can be significantly influenced by external promotional activities like product recommendations. Additionally, communication which relies on specific behavioral attributes and personality traits can address impulse buyers in online grocery shopping and, therefore, promote impulse buying behavior. Specifically, online grocery retailers can integrate targeted promotional activities in each stage of the customer journey to increase impulse buying. Furthermore, the influence of the attitude and lifestyle of a person, such as an organic food lifestyle, on impulse buying can also be investigated in online grocery shopping.