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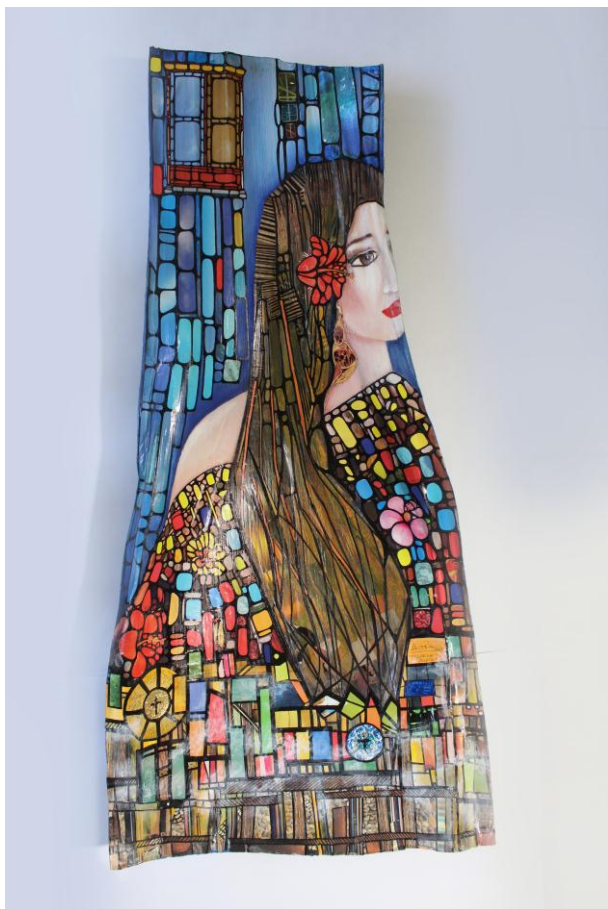
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The relationship between sales promotions and online impulse buying in Malaysia

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Abstract

The aim of this study is to examine sales promotion as a factor that gives impact on online impulse buying among Malaysians. The study was conducted utilizing the survey research method, aiming to create a better understanding of online impulse buying behaviour. The results show that sales promotion affect online impulse buying behaviour among online consumers in Malaysia. The conclusions showed that sales promotions positively impacted online impulse buying behaviour. These findings are expected to assist online retailers to give more focus on developing better and more creative sales promotions programs.

Keywords: Online Impulse Buying, Sales Promotion.

La relación entre las promociones de ventas y la compra por impulso en línea en Malasia

Resumen

El objetivo de este estudio es examinar la promoción de ventas como un factor que impacta en la compra impulsiva en línea entre los malayos. El estudio se llevó a cabo utilizando el método de investigación de la encuesta, con el objetivo de crear una mejor comprensión del comportamiento de compra por impulso en línea. Los resultados muestran que la promoción de ventas afecta el comportamiento de compra por impulso en línea entre los consumidores en línea en Malasia. Las conclusiones mostraron que las promociones de ventas tuvieron un impacto positivo en el comportamiento de compra por impulso en línea. Se espera que estos hallazgos ayuden a los minoristas en línea a prestar más atención al desarrollo de programas de promoción de ventas mejores y más creativos.

Palabras clave: Compra online de impulso, promoción de ventas.

1. INTRODUCTION

Rook (1987) among the first scholars to discover the definition of impulse buying from the perspective of consumer experience followed by Piron (1991) describing impulse buying as a hedonistic complex experience. The accelerated growth in the online retail industry today has changed marketing patterns. Online marketing has become vital and a must to have activity in the majority online business entities in order to gain customers' attention. This is due to the ability of consumers to shop wherever and whenever they desire

through online. Thus this gives rise to online impulse buying that causes consumers to buy more frequently and to purchase more (Chen & Yao, 2018). Many scholars studying online impulse buying are focusing on features of the online retail store such as media format Adelaar et al. (2003) and visual appeal Zhang et al. (2006) as well as buyers' personal characteristics such as gender and norms (Jeffrey & Hodge, 2007). There are extensive studies on sales promotions mainly from a traditional marketing perspective. However, few researchers have investigated the effects of sales promotions on online impulse buying. This study applies the structures of past studies on impulse buying and sales promotion in the online context. This study focuses on consumers who have experience in impulse buying during shopping at the online retail store.

2. LITERATURE REVIEW

Research findings suggest impulse buying normally be categorized as unplanned purchases, but unplanned purchases cannot always be categorized as impulse buying. Research done by Rook (1987) suggests that not all unplanned buying is impulsively decided because it is possible that impulse buying can occur even though the consumers involved in a high degree of planning. Iyer (1989) agreed with Rook (1987) theory by stated that all impulse buying is at least unplanned, but all unplanned purchases are not necessarily decided impulsively. However, later studies regarding this unplanned buying vs. impulse buying finally describe an impulse buy as an unplanned

buy where the decision is made only in store during buying process is still incomplete and arguably as this behaviour is too broad (Ahranjani, 2015).

Haugh (1983) defined sales promotion as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the final consumer with the primary objective of creating an immediate sale. The similar definition also has been proposed by (Belch & Belch, 2003). In fact, large numbers of definitions of sales promotion proposed by scholars have a common viewpoint i.e. involve a temporary and tangible modification of supply, for the ultimate goal of direct impact on the behaviour of the consumer, retailer or sales force. Sales promotion techniques are instruments that seek to increase sales of products and brands, usually in a short time. Youn & Faber proved that price discount influences impulse buying by their findings on the relationship between short-term satisfactions of impulsive consumers. A later study by Xu & Huang (2014) found that price discount heavily influence the consumer's intended to buy impulsively. Bonus pack in sales promotion program act as gains is viewed better than those acts as reduced losses (Diamond & Sanyal, 1990). In fact, some consumers view bonus packs in a very positive way because they believe that they are getting something for free for the same price (Chandran & Morwitz, 2006). Another type of sales promotion is a coupon. Huff & Alden (1998) highlighted that the more price-conscious the consumer, the more positive will be the attitude towards a coupon. In summary, this study focuses on price discount, bonus pack, and coupon a sales

promotion technique to influence online consumers to buy impulsively (Abidin & Haseeb, 2015; Suryanto, 2016).

3. METHODOLOGY

This study population involved youth in Malaysia who have experienced buying products at the online retail store. The reason for choosing youth in Malaysia is because this segment is the majority of Malaysia's population (Muda et al., 2016). It is also the largest segment of the Internet population in Malaysia based on age. In fact, again MCMC reported that the number of youth in Malaysia using the internet has grown significantly compared to the other generations. This would justify the reason for youth contribution in online retail business. A set of 420 questionnaires were distributed to the selected undergraduate students from Malaysian universities in peninsular Malaysia. A total of 397 complete questionnaires managed to be collected. Demographic profile was gathered from the samples. Table 1 presents the demographic details of the samples.

Table 1: Demographic of the Samples

Variable	Categories	N	Percentage (%)
Gender	Male	172	43.3
	Female	225	56.7
Age	19-30	397	100.0
Monthly Income	Below 1,000	397	100.0
Online Shopping Experience	MYR	397	100.0
Online Impulse Buying Experience	Yes	397	100.0
	Yes		

Factor analysis computed by SPSS 24 assesses the measurement model. The factor loadings of the indicators are all above 0.7 and significant ($p \leq 0.01$), ranging from 0.71 to 0.84, which reveals the presence of construct validity (Jabarullah and Hussain, 2018). Cronbach's alpha and composite reliability are acceptable, when compared to the threshold of 0.7, ranging from 0.73 to 0.82. Sales promotion is positively related to online impulse buying i.e. $\beta=0.419$. Sales promotion explains 17.4% of the variance of online impulse buying based on the regression analysis run by SPSS 24 software. The results indicate that a moderate degree of sales promotion is the best approach to promote online impulse buying. It is also suggested that future research should pay attention to the possible other variables, in particular also considering the popularity of applying structural equation modelling (SEM) technique in the field.

Table 2: Descriptive Statistics for Sales Promotion

Variable	N	Min	Max	Mean	Std. Deviation
Sales Promotion	397	1.56	5.00	3.55	0.58

Table 3: Analysis Results for Sales Promotion

Determinants	β	Tolerance	VIF	Cronbach's Alpha
Sales Promotion	0.419	1.000	1.000	0.821

4. DISCUSSION

This study has found significant positive relationships between sales promotion and online impulse buying. This study shows that sales promotion explains a medium percent of the variation in online impulse buying. Sales promotion has a medium explanatory power to

predict online impulse buying which explains 17.4% of the variance. This positive relationship exists between sales promotion and online impulse buying means that when consumers have a positive influence on sales promotion (in terms of a price discount, bonus pack, and coupon) they have the potential to purchase impulsively at the online retail stores. A recent study by Chiang et al. (2017) also proves that sales promotion on the online retail store website influences consumers' decision on buying impulsively. In summary, this study extends the exploration of sales promotion on the online retail store website as a stimulus factor influencing online impulse buying.

5. CONCLUSIONS

A positive relationship exists between sales promotion and online impulse buying means that when consumers influenced by the good sales promotion provided by the online retail store, they will have the intention to buy impulsively. The result also shows that online consumers in Malaysia are moderately sensitive towards sales promotion provided by the online retail store. The consumers tend to buy impulsively when being influenced by good sales promotion offered by the online retail store. Online retailers have to gradually evolve to focus on providing creative and innovative sales promotion in order to influence consumers throughout the entire shopping experience, for instance, converted coupon to gift card offering and one-week guaranteed warehouse price offered promotion. Besides that, online retailers have to look for new ways to influence consumers'

perceptions. The finding of this study is limited to Malaysia setting and the respondents are Malaysian youth. There may be differences between Malaysia and other developing or developed nations. Future studies may consider using another sample instead of youth which can be more accurately reflects the population of current and potential online consumers. Online impulse buying behaviour and perception of online consumers in terms of sales promotion may vary between student and other user groups such as high income earners, housewives, and between generations. Apart from that, future study should focus on a few other variables. For instance, considering some situational variables like the availability of time and money, which were found to have an influence on impulse buying (Mohan et al., 2013).

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