ONLINE IMPULSE BUYING: WHO HAD SUGGESTED YOU TO BUY ON INSTAGRAM

Elvina Assadam  
Brawijaya University  
Malang, Indonesia  
elvinaassadam@gmail.com

ABSTRACT

Since Instagram become phenomenon in this world and become new segment in business called Instagram commerce (Ig-commerce), this study aimed to know how peer communication and usage intensity trigger urge to buy impulsively and online impulse buying by following the stimulus organism response (SOR) paradigm. Data was collected by online survey from 180 customers who ever brought at Instagram more than 3 times and analyzed using partial least square (PLS). The result showed that there is significant effect of usage intensity and urge to buy impulsively of online impulse buying, but interestingly, we found that there is no direct effect of peer communication of online impulse buying; while indirect there is significant effect of online impulse buying. The research finding can contribute well to bosh the theorist as well as the practice.

Keywords: Online Impulse Buying, Peer Communication, Urge to Buy, Usage Intensity, Instagram, IG-Commerce

INTRODUCTION

Nowadays, the growth of social media user is going rapidly, lot of user use media social to support their activities in real word such as business. Instagram is one of most favorite media social in this world, so do Indonesia who has 68 million Instagram users, and Indonesia to be the fourth biggest Instagram user in the world. Amanda kelso told that Indonesia one of top business account, because more than 8 million Instagram users is business account. Than Indonesia is big potential market for online shopping especially in Instagram commerce.

In 2016 in America found 49% of sales were happened because buyers search online information in their smart phones before purchase (Paula, 2017). This is proof that interesting information in online media lead buyers to buy products impulsively.

According to Hausman (2000) impulse purchases in offline store reach 30%-50% of total shopping items, while in Verhagen and Dolen (2011) said that impulse purchases in the online store reach 40% of what a person spends. Online impulse purchase occurs
Online Impulse Buying: Who Had Suggested You to Buy on Instagram

because of the ease of products access, ease of purchase system, lack of social pressure, found huge of Information about the product.

Considering the importance of online impulse buying for online sellers to increase product sales, as found by Verhagen and Dolen (2011) that 40% of a person's expenses are spent unplanned, therefore knowing the factors that cause impulsive purchases is important. Many studies that have examined impulse buying in offline stores such as Shofi and Najar (2018) and Badgaian and Verma (2014) examined the behavior that causes impulse buying, Xiang et al (2016) examined perceptions of usability, comfort and social interaction of impulse buying, Vieira et al (2016) examined the impact of using debit cards and credit cards on impulse buying, Badgaian and Verma (2015) investigating the influence of personal and store conditions on impulse buying. The research of impulse buying such as Shih lo et al (2016) investigating the effect of online promotion on online impulse buying, Xiao et al (2017) identify the causes of consumers doing online impulse buying, Wu et al (2016) examined personal and web quality towards online impulse buying.

Impulse buying causes due to two factors: first, the state of mind created by the shopping environment (Rook, 1987), and second, certain characteristics inherent in individual consumers (Rook and Fisher, 1995). The tendency of impulsive purchases is also realized by consumers, and then become common activity in various types of products (Kacen and Lee, 2002).

According to Beatty and Ferrel (1998) define impulse buying is the sudden and immediate purchase without intention before buying, either to buy each particular category or to fulfill a list of items that must be purchased.

Basically, consumers who make online impulse buying cannot control their feeling and products merchandising stimuli when visiting online stores (Wells, Parboteeah, and Valacich, 2011). Social media will attract consumers' attention when there is a product advertisement display, added with marketing information that limited product, sale and limited time for sale, so purchasing on Instagram to be something common (Liang and Turban, 2011).

According to Huang (2016) the effect of marketing and purchasing stimuli in social media is very strong, because user has much time allocated for surfing and the larger volume of information is received by users when accessing social media. Social media provides many opportunities to search for products and read reviews contributed by colleagues.

The combination of social media and advertisers can attract attention to social media users. Marketing activities and stimulus purchases on social media are greater effect because of the large allocation of time and the amount of information received by users when using social media (Huang, 2016).

When a user surfs on social media for searching a post, or reads the experiences of others when making a purchase, it will encourage increased the urge to buy impulsively. The more often users use social media, the more they will interesting to open other links, then it will encourage impulse buying, according to the research of Leong et al. (2018).
The basic assumptions that cause changing attitudes or decision making can be discussed with the SOR or Stimulus theory, Organisms and Responses proposed by Houland, et al. 1953, stimulation is a message or stimulus that is given or communicated to others (people who get stimulation), stimulation is a form of the process of attention by the communicant for messages or stimuli received, and responses are actions that result from existing stimuli.

So when someone buy impulsively, he actually has got a lot of stimulation from vendors, Instagram provider, peer or another news. The fact is in the social media environment there is a huge flow of information not only from providers but also from peer or social relations.

![Figure 1. Research Model](image)

**LITERATURE REVIEW AND HYPOTHESES**

Outline in this study is consumer behavior. Consumer behavior is a combination of several disciplines study, such as: economics, psychology, sociology and anthropology. The customer behavior from economic theory is discussing the relationship between price policy and consumer response, as well as the differences in consumption interests caused by differences in economic levels between people.

From Psychological theory is factors that influence the forces of the Environment. Sociological theory encourages relationships and interactions between individuals that encourage their group relationships, where each individual more concerned to group behavior that to their self. While anthropological theory is emphasize community orientation towards individuals.

Consumer behavior according to Schiffman and Kanuk (2018) is an assessment of the way individuals make decisions to use their available resources (time, money, effort) to buy goods related to consumption This SOR theory will be an important foundation in this study, in several studies that will indicate factors that influence personal traits and emotional person. Research by Verhagen and van Dolen (2011) and Liu et al (2013) resulted in the behavior of consumers who make impulsive purchases caused by the influence of the external environment.

Humans as social beings will always communicate with other people, be they relatives, family, or peers. When communicating they will exchange information with each other,
Online Impulse Buying: Who Had Suggested You to Buy on Instagram

not least with information on the products used (Chomvilailuk and Butcher, 2014), with continuous delivery in the subconscious consumers will begin to feel the closeness to the products mentioned such as trust (Huang, 2016) who will then make consumers to make impulsive purchases online.

Frequent communication between peers can increase the likelihood of consumers to make unplanned purchases because with many peers getting information exchanges (Levin and Cross, 2004) that make consumers more aware of a product, believe products that have been known before, give more attention, replacing products with new ones, increasing trust.

**H1:** there is a positive effect between peer communications on online impulse buying.

When someone has a feeling of pleasure, someone will spend a lot of time in the store, either in an offline store or online store. A positive feeling will make someone enjoy the activity, so do while using smartphone. If someone using smartphone more frequent will increase find products that seem needed, so the drive to buy at that time will also arise (Betty and Ferrell, 1998). In the study of Leong et al. (2018) shows the results that the intensity of use has an effect on consumers’ online purchases.

**H2:** There is a positive effect between the usage intensity of online impulse buying

Communication between peers in social networks is an important issue in the field of marketing. Communication between peers on social networks greatly affects the consumer's personality. When peer communicate with each other, they will get new information, new ways to make purchases, good and bad products, ways to communicate in social networks.

The more frequent communication between peers will increase the urge to have the same item, or avoid a particular brand or product. Support and suggest from peers will influence the opinions of consumers when evaluating a product.

**H3:** There is a positive effect between Peer communication and urge to buy impulsively

When consumers spend more time looking at a product, allowing their self to like the product and make impulsive purchases based on the feelings they feel at the moment, it can trigger a sudden and strong feeling of encouragement to buy (Rook, 1987). According Beatty and Ferrell (1998) positive feelings also involve the urge to buy, and increase impulsive purchases.

In the study of Leong et al. (2018) found that the influence of the intensity of use on impulsive purchases was significant, the research conducted on consumers who had made purchases online through f-commerce, the increasing intensity of smartphone use would increase impulsive purchases.

**H4:** there is a positive effect between the intensity of usage to the urge to buy impulsively

Betty and Ferrell (1998) claim that firstly, consumers will feel the urge to buy suddenly and be spontaneous before they want to buy impulsively. Impulsive buying can be interpreted as a very large desire experienced by someone on an object in an
environment, and buying behavior that actually tends to be spontaneous and fulfill the desire or encouragement. And when the impulse can no longer be dammed, the end result of the consumer will make purchases of unplanned products.

The research conducted by Li-Ting Huang (2016) about rules theory and social capital in online impulsive purchases. The sample from this study was 410 respondents from Facebook SNS users, focusing on teen users 20 - 39 years. The results of this study prove that the existence of a strong urge or desire to buy results in the real action of buying. The same results are also supported by the research of Verhagen T and Dolen W V (2011) and Belini S et al. (2017).

H5: There is a positive effect between urge to buy impulsively to online impulse buying.

Result of Huang et al (2016) study it was found that there was a positive and significant influence on the urge to buy, and the urge to buy as a mediation of impulse buying. The role of intense peer communication will make a person will increase the urge to make a purchase, and when the purchase push is greater, the user will make online purchases on Instagram in real time.

H6: There is a positive effect between peer communications on online impulse buying, through urge to buy impulsively.

The findings in the Leong et al (2018) study, namely the usage intensity of online impulse buying both directly or through the urge to buy impulsively proves that there is a positive influence on impulse purchase. The longer the use of Instagram will increase the urge to make purchases, which will affect someone to purchase a product, but it is not planned.

H7: There is a positive effect between usage intensity on online impulse buying, through urge to buy impulsively.

METHODS

This is an explanatory research, which aim to know Indonesian Instagram user. The instruments are adapted from literature than revised to fit the context to this research. The constructs is following previous study than improved to fill the research about peer communication and usage intensity which still rare explanation about this. All items are anchored on five point likert scales, ranging from strong agreement to strong disagreement. The questionnaires in this research spread with Instagram paid endorsement account which is @dramaojol.id by uploading these questionnaires on his story, than all followers will see and filling the questionnaire if they do not mind.

The respondent for this research needs 90 respondents, total item on each construct multiplied by five (table 1), but to avoid incorrect answer so we add respondent to double what is needed. The term for respondent is who had shopped in Instagram more than three times. To ensure the instrument of research, researcher chooses 30 of respondent to be pilot test before all processing the data. After all instruments stated fit to this research so continue to reliability and validity test all data. To test the clausal relationships in this study is the partial least square using PLS.
Online Impulse Buying: Who Had Suggested You to Buy on Instagram

Peer communication and usage intensity as dependent variable, online impulse buying as independent variable and urge to buy impulsively as intervening variable.

**Table 1: Operational definitions and number of measurement items.**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of item</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer communication</td>
<td>4</td>
<td>Wang et al. (2012)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Huang, (2016)</td>
</tr>
<tr>
<td>Usage intensity</td>
<td>5</td>
<td>Leong et al. (2018)</td>
</tr>
<tr>
<td>Online impulse buying</td>
<td>7</td>
<td>Verhagen and Dolen (2011)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bellini et al (2017)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leong et al (2018)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Park et al (2012)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wu et al (2016)</td>
</tr>
<tr>
<td>Urge to buy impulsively</td>
<td>2</td>
<td>Verhagen and Dolen (2011)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bellini et al (2017)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leong et al (2018)</td>
</tr>
</tbody>
</table>

Table 2 shows the respondent characteristic. Most respondents are women with bachelor degree. Respondents who shop in Instagram commerce mostly have income above 3.000.000 rupiah, which is once or twice in a month.

**Table 2: Sample characteristic**

<table>
<thead>
<tr>
<th>Characteristics of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>21%</td>
</tr>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>79%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Elementary school</td>
<td>0%</td>
</tr>
<tr>
<td>Junior high school</td>
<td>0%</td>
</tr>
<tr>
<td>High school</td>
<td>34%</td>
</tr>
<tr>
<td>Diploma</td>
<td>1%</td>
</tr>
<tr>
<td>Bachelor</td>
<td>62%</td>
</tr>
<tr>
<td>Master</td>
<td>2%</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>4%</td>
</tr>
<tr>
<td>College student</td>
<td>22%</td>
</tr>
<tr>
<td>Employee</td>
<td>46%</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>16%</td>
</tr>
<tr>
<td>Housewife</td>
<td>12%</td>
</tr>
<tr>
<td>Monthly income</td>
<td></td>
</tr>
<tr>
<td>&lt;= IDR 1.000.000</td>
<td>20%</td>
</tr>
<tr>
<td>&gt; IDR 1.000.000 – IDR 2.000.000</td>
<td>24%</td>
</tr>
<tr>
<td>&gt; IDR 2.000.000 – IDR 3.000.000</td>
<td>13%</td>
</tr>
<tr>
<td>&gt; IDR 3.000.000</td>
<td>42%</td>
</tr>
<tr>
<td>Frequency of Purchase</td>
<td></td>
</tr>
<tr>
<td>1 – 2 times in a month</td>
<td>79%</td>
</tr>
<tr>
<td>3 – 5 times in a month</td>
<td>14%</td>
</tr>
<tr>
<td>5 – 10 times in a month</td>
<td>7%</td>
</tr>
<tr>
<td>&gt; 10 times in a month</td>
<td>0%</td>
</tr>
</tbody>
</table>
RESEARCH RESULTS

Measurement Model

We used SmartPLS 3.0 to assess the measurement model. Figure 3 shows the factor loadings of the indicators are above 0.6 and significant \( p < 0.01 \), from 0.62 to 0.92 which reveals the presence of construct validity. And the cronbach’s alpha and composite reliability are all above 0.7 ranging from 0.73 to 0.88 which are acceptable. Convergent validity is acceptable, when compared to the threshold of average variance extracted (AVE) of 0.5, ranging from 0.55 to 0.82. Based on rule that the correlation between any two distinct is lower than the square root of the AVE these construct showed that discriminant validity is accepted. Further, the explained variances of online impulse buying and urge to buy impulsively are 73% and 21%.

Structure Equation Model

The analysis result is shown in Figure 2, we found that all hypotheses are supported except hypotheses H1 that peer communication have not direct effect on online impulse buying, while peer communication have indirect effect on online impulse buying. Usage intensity has direct and indirect effect on online impulse buying. This can be seen from t statistic \( H_2 - H_7 \) bigger than t table which is 1.988.

![Figure 2. Structural model: main effect (H1-H7)](image)

DISCUSSION AND IMPLICATION

Discussion

Peer communication does not have a positive effect on online impulse buying. This is in contrast to the research of Chovaliluk and Buther (2014) who say that peers have a very large role when making in-store purchases. This can be due to the large amount of information flowing in the Instagram such as comments on products, competitor products or substitute products, so that very large information in the Instagram dominates purchasing decisions even though peer suggestions are still needed.

Usage intensity has directly effect on online impulse buying. This result supports previous research, Leong et al (2018) where usage intensity also has a significant effect on impulse purchase.
Online Impulse Buying: Who Had Suggested You to Buy on Instagram

Increasingly high usage on Instagram allows consumers to find a unique product with attractive designs and colors so that it will make an impression on consumer memory which then leads consumers to make purchases right then (Rowley, 2002).

The appearance of the same advertisement does not only come out once once, but several times in a few hours, so that the longer someone uses Instagram, the more they will find advertisements so brain will begin to accept and keep the products in the memory they see, and then user begin to lead the user's feelings that they wants the product.

Peer communication has a positive influence on the urge to buy impulsively, this is supported by the Huang study (2016) conducted on the Facebook commerce platform, where this can be an additional information about peer communication which is still rarely done.

A role of peer that provides a lot of information to consumers can be persuasive message that able to increase a great sense of desire to own or try products that are informed by friends. In accordance with the operant condition carried out by the marketing team, where the information continues over and over it will begin to be embedded in the minds of consumers (memorized).

The results in usage intensity research have a significant influence on the urge to buy impulsively. This result is supported by Leong at al (2018) the use of Instagram with high intensity tends to develop more the desire to feel the urge to make a purchase inadvertently.

The longer using Instagram will see many accounts that offer a product, even though initially consumers don't need it, but along with the intensity of seeing the same product over can grow self-awareness that he wants and needs the product, so that it will increase encouragement to make unplanned purchases.

It is known that peer communication does not directly affect online impulse buying, interestingly when added mediation of urge to buy impulse, peer communication has a positive effect on online impulse buying. This proves that the role of encouragement to make purchases is a full mediation of online impulse buying.

The field facts are found that this often occurs when sellers carry out promotions so that their followers promote by mention an account or link. Usually this is done by the seller in order to get new followers and then expect to be a prospective customer on his account.

Stimulus of suggestions and information on a product are either informed directly to the user through posts in the feed or in the Instagram story that provokes other users to see and research further on the product, when they get even greater positive information, for example from comments each product, a testimony that was deliberately shared to attract the attention of Instagram users, will make them feel even more if they need the product. The bigger they get positive information about the product, the greater they feel the urge to make a purchase, and the bigger they will decide to make a purchase online on Instagram.
New findings also found in this study, that usage intensity has a positive effect on online impulse buying indirectly mediated by the urge to buy impulsively. This also supports previous research Leong et al (2018), where usage intensity has a positive effect on online impulse buying which is mediated by urge to buy impulsively. When browsing is done by the user and finds an interesting product with complete information from the material, description of size, color choices, product additions from all sides, the user will feel safe when making a purchase and the risk of non-conformity will decrease then actually buy the product.

Theoretical Implications

In this research, we found several useful theoretical implications. First, this study has successfully verified the direct effect of peer communication and usage intensity on urge to buy impulsively. This is new finding especially in the context of Instagram commerce. Secondly, we found usage intensity may commonly effect on Instagram commerce than make user feel interest on a product than they buy thing impulsively. Thirdly, new finding that peer communication has no direct effect on online impulse buying. Peer may be one of decision making reason, but another reason may more effect to make user buy a product impulsively, such as price, quality, trend etc.

Managerial Implications

Besides the theoretical implication, this study also contributes several managerial implications. First of all, since peer may to be one of decision making reason to buy a product on Instagram, all players such as Instagram retailers, Instagram advertisers, Instagram marketers make a new strategy which is involve every user peer's. For example seller gives a reward to user who can answer a question correctly with tag another user on Instagram. This aimed to engage new customer and show that account is trusted seller, so this will build a trust on another new comers on that seller and may make them to interest one or two product. Secondly, the longer someone uses Instagram, the more it will be increase desire to buy a product impulsively. That so the players on Instagram should create a really good account to make user feel comfortable, such as a warm theme color, good lighting product, and good layout (figure 3). Using Instagram ads make a product show more often to another user, showing good product on Instagram act may provoke desire to buy to Instagram user who see it.
CONCLUSION

This research has verified the effect of peer communication and usage intensity in predicting urge to buy impulsively and online impulse buying among Instagram user. New finding has been validated from this study. Based on the SOR framework, this model explained 73.9% of variance in online impulse buying and 21.6% variance in urge to buy impulsively. Peer communication and usage intensity found have direct effect on urge to buy impulsively, but surprisingly there is no significant effect of peer communication on online impulse buying. And more important that urge to buy impulsively have large effect of 66.7% on online impulse buying. The finding of this study good for scholar and practical to get more insight and understanding about Ig-commerce in including urge to buy impulsively and online impulse buying among Ig-user.

Limitation

The limitation in this study was the respondent cannot be representation of Indonesian citizen, the sample needed 90 persons but Indonesian is maritime country which is so many island with different habit each other, and most of respondent in this study from java island, than cannot generalize for other island such us Kalimantan, Sumatra, Bali and Sulawesi.

REFERENCES


http://www.pewinternet.org/2015/08/06/teens-technology-and-friendships/ diakses pada 2 Januari 2019


Online Impulse Buying: Who Had Suggested You to Buy on Instagram


Paula Rodríguez-Torrico, Rebeca San Jos_e Cabezudo, Sonia San-Martín (2017). Tell me what they are like and I will tell you where they buy. An analysis of omnichannel consumer behavior. Journal of Computer in Human Behavior, 68, Pp. 465-471


Online Impulse Buying: Who Had Suggested You to Buy on Instagram