

# The Comparative Research on Online Impulsive Buying Behaviour between the U.K. and China

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**ABSTRACT:** Given the rapidly increasing popularity of online impulse buying using digital platforms, it has raised significant interests about the antecedents of consumer behaviour. The aim of this study is to compare the main factors which influence online customers' purchase decisions on clothing in PRC and the UK. The study conducted was exploratory in nature, aiming to create an understanding of impulse purchasing behaviour before, under and after the actual action. The results show that several factors such as price discounts, online comments, can strongly affect the impulse buying behaviour among online customers. This study provides novel insights for marketing literature and online retailers. The result of this research would contribute to retailers and marketers who wish to penetrate the market in the UK and China who is already present in the market and wishes to keep the loyalty of their consumers. It can also be a part of the research on international customer behaviour towards online apparel shopping.

## 1. INTRODUCTION

**W**ITH the increasing acceptance of the internet among the society and the rapid development of multi-channel retailing, customers are always exposed to marketing stimuli which trigger their impulse purchasing tendency. The online shopping is becoming even more popular as it never close and provide customers with unlimited choices of prices and item comparisons (Chih and Hsi-Jui, 2012).

The United Kingdom had the largest online market share in 2015 among the Europe, with £1,174 sales per shopper, which is the highest among the Europe, and the average internet sales per customer within Europe was only £820 in the same year (Moth, 2016). According to the data released by the National Bureau of Statistics in China, China's online retail sales increase a third to £443 billion in 2015. and China is already the world's biggest online market (Tong, 2016). Therefore, the reasons behind the online impulse behaviour of customers in both the UK and China are worth considering.

As online impulse purchasing behaviour are becoming more often, online retailers create strategies to rise the frequency of unplanned buying, also websites are designed to trigger impulsive purchasing. Influential

factors such as emotion, gender, promotion can impact customers' impulse buying tendency. Nevertheless, there is not many focus on Eastern countries. According to Jacqueline and Lee (2012), factors related to culture would have vital effect on customer's impulse buying behaviour. This paper present a study of British and Chinese consumers and their online purchasing behaviour about apparel. This research investigates the main factors which influence online customers' buying decisions on apparel in China and the UK, the researcher also focus on the price sensitivity and its impact on impulse purchasing.

## 2. LITERATURE REVIEW

Nowadays, the consumer society is characterised by different kinds of customer behaviour, people are exposed to a lot of signals and impulses every day both in the real and virtual world (Sundström, 2007).

Price discounts in stores or online stores is one of the most popular marketing promotion tactics (Dawson and Kim, 2009). Price cuts is a marketing promotion tactic based on discounting the original price so that customers can purchase the same item at a lower price. Additionally, price discounts are often presented as a reduction of a certain percentage of the original price (Chen *et al.*, 2012). Price discounts can raise customers' buying intentions through the economic benefits (Ailawadi, Neslin and Gedenk, 2001). The price dis-

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counts might work by improving clients' awareness of saving and value (Fraccastero, Burton and Biswas, 1993).

Moods can also affect the impulse buying behaviour (Chih and Hsi-Jui, 2012). The previous studies on impulse purchasing behaviour have reached some elementary theories about the association between impulse buying behaviour and cognitive dissonance and how different factors impact the impulsive behaviour (Sun and Wu, 2011). Vohs and Faber (2007) selected 35 undergraduates from a University and conducted one psychology and marketing experiment among them. The results suggested that mood is a situational factor that impact the impulse buying behaviour. Some researchers discovered that "negative" moods would increase consumer's tendency towards impulse purchasing (Gardner and Rook, 1987).

During the process of socialisation, customers can learn new knowledge, skills and buying behaviours from their peers (Wang *et al.*, 2012). Lueg and Finney (2007) stressed that social networking, for example, online communication with peers, can have a significant influence on people's purchase behaviour as online customers. Moreover, a lot of communications can raise the stimuli showed to customers-for example, the products information, websites, and new items. Shoppers who can get to this information might have more chances to have impulse buying behaviour (Huang, 2016). It is coordinate with Han *et al* (1991)'s definition towards fashion-oriented impulse buying as they might look for new trend.

### 3. METHODOLOGY

In order to fulfil the research objectives and to solve the study questions, this dissertation used primary and secondary data since secondary data can be a helpful source when addressing the research questions. Qualitative research has been applied to gather primary data. The data was gathered via semi-structured interviews and self-completion online questionnaire. Two versions of the same questionnaire, one in English and the other one in Chinese were posted on social media in the UK and China.

In this research, age, gender and country of origin were taken into consideration. However, other factors, for example, salary, were not attached importance on since these personal questions might decrease the respond rate of the questionnaire. When it comes to the interview, two respondents in each country were selected, one person was between the age of 17 and 24,

another one was between 25–35 since people on this age might have more disposable income so they may have different buying behaviour.

Several questions targeted the influence of different factors in relation to impulse buying behaviour, which included shopping mood, online comments, online store stimuli, commodity stimuli, other's recommendations, price discounts, promotion, free delivery and return.

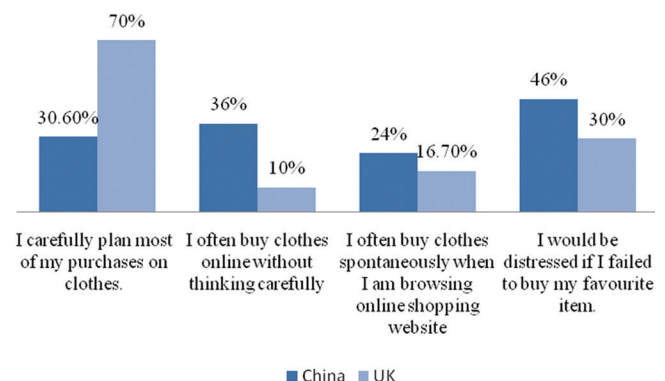
In this research, due to the questionnaire was anonymous, the respondents were never asked to provide their name, and other personal information. In terms of the semi-structured interviewees, the interviewees identification was kept confidentially, all the interviewees' information would not be disclosed without their permission.

### 4. RESULTS AND DISCUSSION

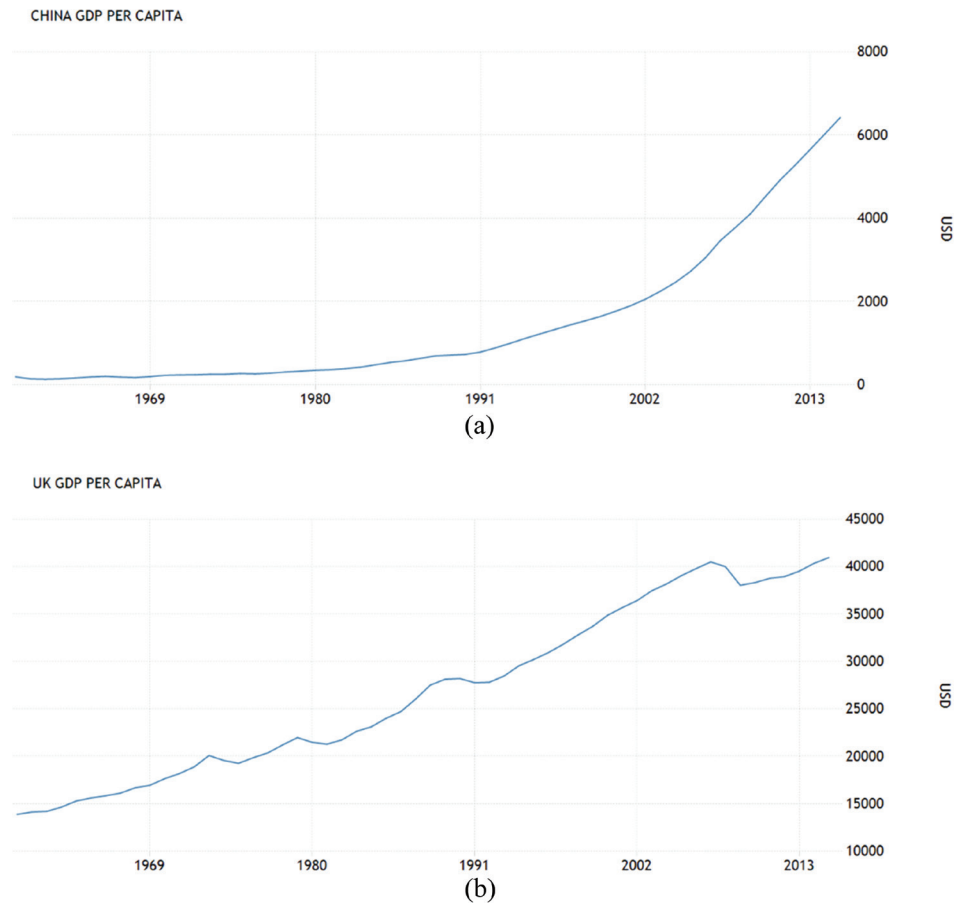
This bar chart shows the people's impulse buying character in both countries. It is clear that Chinese customers are more impulsive when shopping online, British shoppers tend to think carefully before purchase.

Compare to British customers, there were more Chinese customers who had impulse buying character since they thought less about every purchasing and were easily influenced by their favourite item. This phenomenon can be explained from the economic conditions of each country.

The line chart above illustrates the GDP per capita in the UK and China from 1960 to 2015. From the beginning, the GDP per capita in the UK was approximately 15 times more than China. However, from the last decade, China's economy witnessed an upward trend, increased from \$2,000 to above \$6,000. The GDP per capita in the UK raised from \$15,000 to \$40,000. At the end of 2015, the UK's GDP per capita was 7 times



**Figure 1.** The impulse buying character of customers in the UK and China.



**Figure 2.** The GDP per capita in both the UK and China (Trading economics, 2016) (Currency: USD).

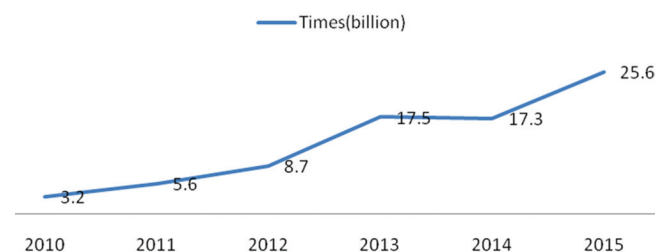
high than China. It can be seen that the income of average British raised steadily and the income of Chinese raised dramatically during the past ten years.

This might be the reason why Chinese individuals are showing more impulsive behaviour toward the on-line clothing purchasing. Since during the period from 1953 to the end of the 1970s, the first five-year plan started, China practised central planning under the direction of the State Planning Commission (SPC). The major effect of planning was to manage the production of main products by state-owned companies. The State Council had a great deal of ministries majority which was responsible for the production of the corresponding products. There were ministries for products such as agriculture, textile, etc. (Chow, 2011). The planned economy in China brought much influence on people's shopping behaviour since people can only get limited resources at that time. After the rapid development during the past years, Chinese have access to more and unlimited products, they also becoming more affluent in a relatively short time. The total number of times that Chinese consumer shopping online has surged in the past few years, increased from 3.2 billion times

to 25.6 billion times. This might lead more people to purchase products online which they had no access to before. This is in line with our results where the young Chinese population seems to be very familiar with on-line shopping principles and use it frequently and very effectively.

It can be seen that Chinese customers were more afraid of the risks that might happen during the online shopping process, while UK shoppers were more satisfied with their purchases.

### The number of times that Chinese customers shopping online



**Figure 3.** The total number of times that Chinese consumer shopping online. (Source: China Internet Network Information Centre).

In 2003, Alibaba expanded its business to C2C as Yun Ma started the Taobao platform. Afterwards, Taobao kept the upward trend of growing and acquired significantly popularity among the Chinese customers. However, the starting of the consumer to consumer (C2C) online market in China has immensely complicated the rules of fake products. The Alibaba, and especially its consumer to consumer (C2C) electronic commerce market, Taobao, has always suffered from criticism related to the plenty of counterfeit items sold on the website. As the C2C online market growing quickly, it gave new life to the previous issue of counterfeit products. Based on a survey conducted by CNNIC (2005), the trust-worthiness of online retailers is the biggest issue in carrying online purchases in China.

According to a random inspection by the China State Administration of Industry and Commerce in 2014, only 58.8% of products sold online were discovered to be authentic (Yin, 2015). In an online survey conducted by China's Central Television (2007), 75.5% of the 25,200 respondents claimed that they once purchased counterfeit products online. Also, the Chinese customer sentiment toward counterfeits in C2C online platform such as Taobao are complicated and ambiguous. Based on this attitudes, customers receive some products worth less than they expect. Additionally, in some Eastern countries, the consumer rights may sometimes be neglected (Carlin, 2009). In some cases, the online customers are not guaranteed with return or refund policies. However, in Western countries such as the United Kingdom, the protection of consumer rights is highly valued. This provides a substantial reason as to why Chinese customers are more aware of the quality risks brought by online shopping than their UK counterparts, as this research indicates.

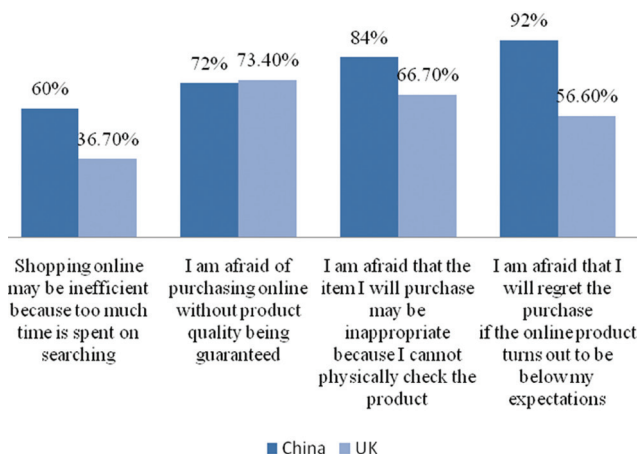


Figure 4. The psychologically perceived risk when shopping online.

This chart demonstrates the mean scores and standard deviations of impulse buying factors that were arranged in descending order by mean scores for the customers in both China and the UK. The researcher measured people's attitudes with 5-point Likert scale, from strongly agree to strongly disagree. The point "1" stands for "strongly agree" and the point "5" represents "strongly disagree", therefore, the lower the mean rank, the higher the influential.

From the results, it can be seen that Chinese respondents were more aware of the online reviews, British respondents focused more on the price discounts. However, the participants in both countries attached great importance on online comments and products description. The main influential factors will be discussed in the following paragraphs.

## 5. CONCLUSION

The purpose of this study was to examine the different influential factors of online impulse buying in both the UK and PRC, internally discovering what makes the customers purchase impulsively, and externally discovering how culture affect people's buying behaviours.

The researcher used the inductive method to collect primary data. Online questionnaires were used to collect data from two countries: the UK and PRC. Semi-structured interviews have also been applied to gather further details from the respondents. The results of the research show that there are many differences between Chinese customer and British customers in terms of their online impulse buying behaviour. Concerning the Chinese customers, most people over 40 had experience of planned-economy, at that time people cannot get as many as products they wish. Several years later, due to the rapid growth in the economy, most people can have more income as well as the access to unlimited online products, and the younger generation started online shopping quickly. Therefore Chinese customers showing more impulsive when shopping. The British customers, with higher GDP per capita, showing less impulsive when purchasing clothing online.

However, because of a lot of counterfeit products sold online, most of the Chinese customers would have higher perceived risks towards online shopping. The Chinese customer also focuses more on the quality rather than price. Therefore, they highly valued others' comments of products and take online comments as the most important factor when they buying clothing impulsively.



**Table 1. Different Factors which Influence Customer's Impulse Buying Behaviour.**

Description of Measures	China (n = 50)		UK (n = 30)	
	M	SD	M	SD
<b>Shopping Mood (5-point)</b>				
My feelings influence my purchases	2.04	0.94	2.03	0.91
<b>Online Comments (5-point)</b>				
The high review rate would increase my purchasing	1.88	0.82	1.97	0.66
I am willing to purchase if product comments are detailed	1.62	0.28	2.03	0.71
<b>Online Store Stimuli (5-point)</b>				
The ease of finding the product I want on a website would make me buy more.	2.02	0.84	2.33	0.91
<b>Commodity Stimuli (5-point)</b>				
I am more likely to buy when I have access to detailed information and colourful pictures/ videos for the product.	1.76	0.59	1.77	0.80
<b>Peer's Communication (5-point)</b>				
I listen to friends when they recommend an online clothing website.	2.06	0.79	2.13	0.88
<b>Price Sensitivity (5-point)</b>				
The availability of a price discount encourages me to buy more (e.g. 40% or 50% off).	2.24	0.97	1.76	0.25
<b>Promotion (5-point)</b>				
Gift promotion would trigger my desire to buy	2.78	0.94	2.63	0.98
The advertisement on a homepage would trigger my desire to buy.	3.04	0.94	3.20	0.95
<b>Deliver and Return (5-point)</b>				
I would purchase more to qualify for free delivery	2.20	0.92	2.57	0.96
I would buy more if the retailer provided free returns	2.50	0.98	2.50	0.99

The feeling can also influence the impulse buying behaviour as some Chinese tend to buy more when they feeling slightly depressed. However, some British customers would purchase more when they are in good mood.

As a typical collectivist country, Chinese customers tend to rely more on their friends' suggestions compare to British customers when shopping clothing online.

Additionally, several other factors can also affect customer's impulse buying tendency. Such as free delivery, free return, gift promotion, advertisement, website design, detailed product information. Nevertheless, these factors are less influential compared to the "online comments" and "price discounts".

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