Factors Influencing Impulsive Buying in Live Streaming: A Conceptual Framework

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Abstract

Purpose: Due to the widespread COVID-19 pandemic, many physical stores are prohibited to function, resulting in the emergence as well as general use of online shopping. This study looks into the effect of perceived value of bundle offers and telepresence values on impulse buying in live streaming.

Design/methodology/approach: An online survey will be conducted among Malaysian who view live streaming.

Findings: The expected outcome of this study is that consumers' perceived value of bundle offer and telepresence will be positively correlated with online impulse buying.

Research limitations/implications: The first limitation in this study is focusing only on one social media platform with a live streaming function, Facebook. The second limitation could be that all the respondents in this study had experience in using live streaming in Facebook only.

Practical implications: This research will benefit live streamer and e-retailer to further understanding consumes' buying behavior.

Originality/value: This study identifies the relationship of the perceived value of bundle offers and telepresence with impulse buying in live streaming. Previous study will either concentrate on the perceived value of bundle offers or telepresence. However, both perceived value of bundle offer and the telepresence will influence impulse buying. Due to that, it is essential to incorporate both the perceived value of bundle offer and telepresence when examine impulse buying in live streaming.

Keywords: Impulse Buying, Live Streaming, the Perceived Value of Bundle Offer, Telepresence

Introduction
As online technology advances, marketers use smartphones to offer more extraordinary services. People may now watch live streaming videos and shop online using smartphones. The mobility and the accessibility of the technology have allowed them to access devices
anywhere, for any period of time. As a result, live streaming is becoming more popular. Marketers begin to use live streaming to improve their sales performance.

As a consequence of this live streaming, it has emerged a new type of e-commerce. Livestreaming commerce occurs in real-time and is extremely engaging with consumers. At the same time, live broadcasters demonstrate the product's operation and any relevant information about the product. Consumers may inquire about the product's pricing, delivery, and other details live. Live streamers can react depending on the live material, which may influence consumer behavior.

Malaysia has a high rate of e-commerce use. There are 16.53 million internet users which represent half of the total Malaysian population. Meanwhile, 62% of smartphone users use their devices to make online transactions. In January 2019, 88% of Malaysian internet users reported searching for products or services online, while 88% reported accessing an online retail store through any device. Meanwhile, it revealed that 75% of Malaysians bought a product or service online using any device, 44% used a laptop or desktop computer, and two-thirds used a mobile device (Malaysia eCommerce, 2019).

Livestreaming to promote products via social media has become one of the most important factors in a buying decision. In addition to traditional channels such as online marketplaces and e-commerce websites, about one-third of Malaysians prefer to purchase through some platforms for social media platforms like Facebook and Instagram. These platforms are categorized as a subset of e-commerce (Hew et al., 2018). Businesses often utilize them for marketing (Ghazali, 2018). As a result, social media advertising revenue almost hit US$68 billion in 2018 and is projected to increase 28.4% through 2022 (Statista, 2021). For example, in 2017, the Facebook advertisement income was US$39.9 billion and US$13.2 billion in the 2nd quarter of 2018, representing a 42% increase over the same time the previous year. (Zafar et al., 2021).

However, the success of live streaming commerce, on the other hand, have some drawback. For example, live streamers may provide misleading statistics to attract consumers and suppliers, such as fans, web viewers, reviews, and volume of transactions are all factors to consider. Some consumers have problems with their transactions, which involve fraudulent products, quality concerns, and other issues after making a purchase. As a result, consumer confidence in live streaming commerce is eroded. When it comes to E-commerce, various consumers have different concerns. According to a prior study, companies use social media to impact consumers’ buying behaviour, whether routine or impulsive. The subject of impulsive purchases has gotten a lot of attention. Researchers began to focus on impulsive purchases in e-commerce, and contextual signals like advertising, celebrity endorsements, Site features, observational learning, social engagement, and customization were all implemented (Ullah et al., 2021; Zafar et al., 2020). A recent literature review has shown the scarcity of research in social media impulse buying, especially in the context-specific stimuli (Floh & Madlberger, 2013; Zhang & Benyoucef, 2016).

While this study incorporates a specific internet promotional phenomenon which is bundle offers. A bundle is referred to as the technique of selling more than one good and service in a single bundle at a discounted price (Michnik, 1974). Bundling is a popular technique used in the products and services industries. Value or combo meals, for example, have long been available in the restaurant business and are widely utilized in a variety of settings (Kwon & Jang, 2011; Zafar et al., 2021). All industries give different bundle deals and frequently advertise them on social media. Such promotion may encourage impulsive purchases. As a result, we believe that package offers may impact customers' desire to purchase impulsively while watching a live stream on a social media site. The main focus of this study is to determine
the potential effect of online package offers and social interaction in the setting on impulsive buying, especially in the context of live streaming on social media sites. Existing research shows that people who buy impulsively are influenced by bundle offers perceived transaction and acquisition values (Kwon & Jang, 2011; Zafar et al., 2021). A bundle offer perceived acquisition and transaction values immediately boost the consumers' impulse buying tendency, and the bundle offer grabbed impulsively. Furthermore, the customer is pleased with the package offer (Lai et al., 2009). According to Setyani et al. (2019), the contemporary digital environment provides customized advertising that affects the viewers. It encourages individuals to engage in hedonistic behavior, thus influencing their impulsiveness. On the other hand, besides the perceived transaction and acquisition value of bundle offer, social presence and telepresence also greatly impact live streaming. According to Biocca (1997), social presence is the subjective sensation of being with someone and interacting with them. In addition, social presence may be influence by environmental and individual factors that influence psychological distance (Siriaraya and Ang, 2012; Kang and Gratch, 2014; Verhagen et al., 2014).

According to existing research, social presence may boost flow experience in a web-based group or environment (Hoffman & Novak, 1996). Live streaming viewers believe that the streamer and other viewers are both present in the live stream room. In addition, viewers in a single live stream may create a group and feel linked, and these experiences may enhance viewer engagement and immerse them in the environment. Additionally, social presence and telepresence assist customers in developing a stronger connection with vendors and further understanding the product or service they want (Ye et al., 2020). Presence on the other hand may trigger impulsive purchasing behaviors (Shen & Khalifa, 2012). Despite this, few studies have examined the effect of live streaming commerce on impulsive purchasing behaviour. As a result, we must investigate how various kinds of presence affect customers' impulsive purchases in live streaming (Ming et al., 2021).

**Literature Review**

*The Stimulus-Organism-Response Relationship (S-O-R) Theory*

The underlying theory for this research is the S–O–R theory. This theory is made up of three main components, which are Stimulus (S), Organism (O), and Response (R). The S–O–R theory is a paradigm of environmental psychology for studying consumer behavior. The S-O-R diagram illustrates how the environment influences individual actions, with the stimulus leading to an internal mechanism that controls the response. Nowadays, the S-O-R theory may be utilised to identified customer behaviour in buying experience rather than on a conventional basis.

Stimuli are triggers that may awaken people's senses and influence their reactions (Parboteeah et al., 2009). In live streaming, stimulation acts as a circumstance element that influences the cognitive and emotional perceptions of the audience (Lee & Chen, 2021). In this study, the stimulus represents the perceived transaction and acquisition value of the bundle offer, the social presence of the live streaming platform, viewers' social presence, streamers' social presence, and telepresence that may affect the organism which is the impulse buying tendency. The organism is a state that exists between the stimulus and the response (Chang & Chen, 2008). It consists of two distinct internal reactions, emotional and cognitive, that modulate the impact of the stimulus on individuals' responses (Lee & Gan, 2020). The cognitive reaction consists of an overwhelming want to purchase, positive purchasing emotion, and mood control. On the other hand, an effective response consists of cognitive contemplation, unplanned purchasing, and disdain for the future.
The response is the results from consumers' responses to impulse purchasing stimuli and the organism, which is their internal assessments (Tang et al., 2019). It may also be defined as people's ultimate choices and behavior throughout the process (Ming et al., 2021). In this study, the impulse purchasing tendency will influence the response outcome, an urge to buy impulsively.

**Urge to Buy Impulsively**

Beatty and Ferrell (1998) described the urge to acquire something impulsively is defined as "the feeling of want that is felt when one comes into contact with an item in the environment." "Impulse buying is a term that describes a hasty, unexpected, compelling and hedonistic purchase behavior that does not include a thorough evaluation of all available information and alternatives (Parboteeah et al., 2009). On the other hand, Djafarova and Bowes (2021) stated that impulse buying lacks logical judgment and is influenced by emotions. Impulsive buying is motivated by customers' emotions, impulsive behavior, or a lack of cognitive control. These behavior is motivated by attractive items, which cause shoppers to purchase without considering financial or other factors (Akram et al., 2018).

**Hypothesis Development**

**Perceived Transaction Value and Perceived Acquisition Value**

The price bundle offers two different values, perceived purchase value and perceived transaction value. Perceived acquisition value is defined as benefits that can positively influence the net revenue generated by a customer's purchases of products or services. Such advantage may encourage consumers' hedonic purchasing behavior. On the other hand, perceived transaction value makes consumers happy because they can benefit from a reasonable price offer (Lichtenstein et al., 1990). Therefore, hedonic sensation makes the customer feel worthy when a product or service is purchased at a lower price (Audrain-Pontevia et al., 2013). As a result, a bundle offer's perceived acquisition and transaction values immediately excite consumers' impulsive buying tendency, causing them to grab the offer impulsively (Zafar et al., 2021). Thus the following hypothesis is posited

H1: The perceived transaction value of a bundle offer has a positive relationship with the impulse buying tendency.

H2: The perceived acquisition value of a bundle offer has a positive relationship with the impulse buying tendency.

**Social Presence of Livestreaming Platform, Social Presence of Viewers, Social Presence of Streamers, and Presence**

According to Ming et al. (2021), the social presence of the live streaming platform consists of the social presence of viewers, streamers, and the presence. These are the stimuli (S) used to assess impulsive purchasing behavior. Social presence is defined as a medium that allows consumers to communicate with others to be mentally present (Algharabat et al., 2018). From the live streaming platform perspective, the social presence of the live streaming platform is a platform that allows buyers to sell products and viewers to purchase products. In addition, the social presence of viewers is an activity of interaction between viewer and buyer in exchange information. On the other hand, the social presence of streamers allows streamers to display products to viewers, which could increase viewers' sense of trust (Ming et al., 2021). As a result, these stimuli will have a favorable relationship with impulsive purchasing tendencies. Increasing customer trust in both goods and streamers may help the social presence of live streaming services to overcome the psychological divide between buyers and sellers (Ming et
al., 2021). Uncertainty and danger are minimized with live broadcasts, and customers are more likely to purchase at that moment. As a result, the social presence of live streaming platforms may influence impulsive buying tendencies. Therefore, it can be hypothesized that:

H3: Social presence of live streaming has a positive relationship with the impulse buying tendency.

Viewers in live streaming commerce may learn more about a product by reading other viewers' comments during the live streaming. Reading these comments could influence viewers' perception of the products, and they will have a higher level of confidence in live streams. The marketers' show products as part of consumer communication could make online buying more sociable, decreasing the feeling of unreality and encouraging viewers to purchase things online. Therefore, it can be hypothesized that:

H4: Social presence of viewers has a positive relationship with the impulse buying tendency.

Livestreaming commerce may improve a person's feeling of social presence because live streamers can showcase their goods in-depth, interact with viewers, and help viewers resolve their issues while live broadcasting (Lee & Chen, 2021). Consequently, these services lower the psychological barrier between streamers and viewers, allowing viewers to clearly understand the service or product they want, growing trust and eventually driving viewers to buy their products (Jiang et al., 2019). We may infer that streamers' social presence has a relationship with impulse buying tendencies. Therefore, it can be hypothesized that:

H5: Social presence of streamers has a positive relationship with the impulse buying tendency.

Livestreaming enables live streamers to showcase items in exhaustive and engage with internet users in real-time, and these live videos may give viewers more excellent feeling of telepresence (Sun et al., 2019). This excellent feeling of telepresence may offer more information and make viewers feel safer and more transparent (Lu et al., 2016). As a result, viewers will feel safe in the online buying environment and trust the live streaming (Lee & Park, 2014), leading them to purchase such goods from such live streaming commerce. Therefore, it can be hypothesized that:

H6: Telepresence has a positive relationship with impulse buying tendency.

Impulse Buying Tendency

Impulse buying tendency triggers customers to make unplanned, impulsive, and unreflective purchases (Atulkar & Kesari, 2018). Without any doubt, impulsive purchasing tendencies are significant predictors of impulse purchases in environments for online shopping. (Beatty & Elizabeth Ferrell, 1998). According to Omar (2006), impulse buying tendency can be conceptualized as a human trait affected by marketing stimuli such as advertising, graphic components, or promotion and finally responds to buying impulsively (Seounmi & Ronald J., 2000). Therefore, impulse buying tendency might be defined as a mediator. For example, in previous research, impulse buying tendency mediated the relationship between cruise characteristic and impulse buying (Kwon, 2021). Saad & Metawie (2016) introduce impulse buying tendency as a mediator between store environmental factors and impulse buying behavior as well as individual character factors and impulse buying behavior. Therefore, it can be hypothesized that:

H8: Impulse buying tendency mediates the relationship between the perceived transaction value and the urge to buy impulsively.

H9: Impulse buying tendency mediates the relationship between the perceived acquisition value and the urge to buy impulsively.
H10: Impulse buying tendency mediates the relationship between the social presence of live streaming platform and the urge to buy impulsively.
H11: Impulse buying tendency mediates the relationship between the social presence of viewers and the urge to buy impulsively.
H12: Impulse buying tendency mediates the relationship between the social presence of streamers and the urge to buy impulsively.
H13: Impulse buying tendency mediates the relationship between the telepresence and the urge to buy impulsively.

Figure 1: The Proposed Conceptual Framework
Methods
The population sample of this study will be Malaysians who have experience purchases products in Facebook's retail live streaming. Purposive sampling will be used to conduct this research because respondents who did not have experience with Facebook's retail live streaming will be excluded from this study. An online survey which is Google Form will be used to distribute the questionnaire. Convenience and snowballing sampling methods will be used. The questionnaires will consist of three sections: the screen questions, the demographic information, and the research constructs. Data will be analysed using Statistical Package for Social Science (SPSS) and Smart PLS version 3.3.3 (Ringle, et al., 2015).

Findings
Since the relationship between the perceived value of bundle offer and telepresence and impulse buying is rarely studied in the existing literature, this study can help understand their relationship. According to previous research, bundles are described as an easy choice that minimizes cognitive complexity, improves efficiency, time-saving and increases the attractiveness of each product in the bundle among prospective consumers (Harris and Blair, 2006). The discount bundle offer is also regarded as a hedonic stimulant in buying groceries, and it may influence impulsive buying (Chomvilailuk and Butcher, 2014). Consequently, bundling offers customers several benefits by reducing the cognitive work and time needed in making shopping decisions. According to the current literature, bundling is often utilised to offer discounts to influence consumers' impulse purchasing behaviour (Arora, 2008; Nguyen et al., 2009). In addition, the perceived value of bundle offers has been proved to have a positive relationship with the urge to buy impulsively (Zafar et al., 2021). Thus, this study expected that bundle offer has a positive relationship with an urge to buy impulsively.

Previous studies have proved that telepresence is positively contributed towards urge to buy impulsively (Ming et al., 2021). Great telepresence in live streaming commerce encourages viewers to engage in the interaction and impulsively immersing them in the live streaming. Thus, it produces an emotional sense of focus and pleasure lead them feel the urge to buy impulsively (Li and Peng, 2021). Therefore, the relationship between telepresence and urge to buy impulsively is expected to be positive and consistent with the final result.

Discussion and Conclusion
Theoretical Implications
In terms of theoretical implications, both the perceived value of bundle offer and the telepresence towards impulse buying in the live streaming context will contribute to understanding SOR theory. The proposed framework will identify which factors under the perceived value of bundle offer and the telepresence will influence impulsive buying, especially in social media live streaming.

Practical and Social Implications
For practical implications, this research could help live streamers to understand consumers' impulsive buying behavior because the perceived value of bundle offer and telepresence can influence and navigate consumers. In addition, social presence may increase consumers' sense of trust as the psychological separation can be reduced through real-time interaction.

Limitations and Suggestions for Future Research
The first limitation of this study is researcher uses only one social media platform, which is Facebook. As a result, the finding in this study may not be relevant to other types of social media platforms. Therefore, future researchers can study other social media platforms and do
a comparison study within those social media platforms. The second limitation is that all the respondents are Malaysian. Future research can be conducted the same research in other countries. Last but not least, the third limitation in this study is only using bundle offer and telepresence on investigating consumers' impulsive buying. Thus, future research can include others marketing strategies to examine the impact of consumers' impulsive buying.

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