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Exploring Impulse Purchasing of Wine in the Online Environment D. Christopher TAYLOR, Nelson BARBER, D. Veena PARBOTEEAH

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Introduction and Literature Review

In today's technology-driven world, the Internet has become a necessary tool for businesses in virtually all industries. More importantly, the Internet offers convenience to the consumers, whether it is for obtaining information or making purchases. The wine industry can particularly benefit from the growing popularity of the Internet among consumers. Consumer preference for the online sales channel is driving wineries worldwide to embrace electronic commerce (e-commerce). Online wine sales (ecommerce) have grown 17% in 2013, but still only account for about 1.5% of total wine sales (Wine.com, 2014). Further, winery to consumer (DTC) online sales are up 9.3% to 3.47 million cases but only represent \$1.57 billion (ShipCompliant, 2013) of the \$36 billion in sales (Thatch, 2014). Ultimately, there is a long way to go, before saturation occurs, and the wine industry needs to look at online sales, and thus, impulse buying online, as a way to increase sales.

Theoretical Development

Impulse buying can be considered as a reactive behavior, since the customer manifests certain behaviors when exposed to a stimulus in a purchase situation (Weinberg and Gottwald, 1982). The stimulus is the catalyst that triggers the impulse buying process, thus making research from environmental psychology appropriate for the study of online impulse buying. More specifically, a framework drawn from this area of research will be used as the theoretical foundation for investigating online impulse buying in the context of wine purchases. The stimulus-organism-response (S-O-R) framework posits that when exposed to a stimulus, an individual develops certain responses that in turn determine their behavior. Three important factors in this framework are the stimulus, the organism, and the response. To study online impulse buying using the S-O-R framework's premise, these factors must be adapted to an electronic commerce context.

The Stimulus

An important characteristic of the impulse buying process is the stimulus, which is defined as something that incites or leads to an activity (Merriam-Webster On-Line, n.d.). In an impulse buying context, when exposed to the stimulus, an individual feels a strong urge to own it (Rook, 1987). Dholakia (2000) identified three factors that bring about the urge to buy impulsively and these include the marketing stimulus, the impulsivity trait, and situational factors. The presence of one or more of these factors is enough to bring about the urge to buy impulsively (Dholakia, 2000). These three factors will be used to represent the stimulus in the online impulse buying context.

The *marketing stimulus* in the context of online impulse buying is the web interface. Wineries worldwide now have websites that allow customers to either gather information about the wineries' offerings or buy products directly from the wineries. Such websites could be the only contact between the wineries and the customers, which stresses the importance of effective website design, given the availability of an increasing number of winery websites. There has been a debate in the wine marketing literature as to which website features must be included in the wineries' websites. (e.g., Ness, 2006; Winters, 1997; Yuan, Morrison, Linton, Feng, & Jeon, 2004). Taylor, Parboteeah, and Snipes (2010) conducted a study that identified key features that was necessary for the effectiveness of winery websites. These included ease of navigation, website appearance, website security, download delay, and information

availability. To extend the research conducted by Taylor and colleagues (2010), these same factors will be used in this study.

The *impulsivity trait* has been defined as an individual's propensity to respond hastily and without consideration of the implications (Doob, 1990). The characteristics of such trait include rapid reaction times, absence of foresight, and a tendency to act without a careful plan (Doob, 1990). In the context of impulse buying, impulsivity is defined as "both the tendencies (1) to experience spontaneous and sudden urges to make on-the-spot purchases and (2) to act on these felt urges with little deliberation or evaluation of consequence" (Beatty and Ferrell, 1998). Individuals differ on this scale (e.g., Rook and Fisher, 1995; Weun, Jones, and Beatty, 1997).

Finally, the *situational factors* include "environmental, as well as personal and social factors" that are present when a customer makes an impulse purchase. For instance, the availability of money has been identified as a situational factor in the context of impulse buying as the purchasing power of the individual is increased (Beatty and Ferrell, 1998). Further, product involvement, a personal factor, has been found to be of interest in the impulse buying context (Jones, Reynolds, Weun, and Beatty, 2003). It refers to a "person's perceived relevance of the object based on inherent needs, values, and interests" (Zaichkowsky, 1995, p. 362). It entails the attributes of a certain product as it relates to the customer, including its importance, meanings, and value.

The Organism

Interaction with the stimulus leads to certain reactions. Mehrabian and Russell (1974) propose that such reactions are primarily emotional in nature. However, Eroglu, Machleit, and Davis (2001) applied Mehrabian and Russell's (1974) work to the context of online shopping and proposed that the stimulus leads to cognitive and affective reactions. Cognitive reactions refer to "everything that goes in the consumers' minds concerning the acquisition, processing, retention, and retrieval of information" (Eroglu et al., 2001, p. 181). Such reactions have been conceptualized along several dimensions, such as the attitude toward the virtual store (e.g., Eroglu, Machleit, and Davis, 2003). Drawing from the field of information systems, perceived usefulness is the most studied cognitive reaction (Sun and Zhang, 2006). In an online context, it refers to the degree to which an individual thinks that using a website enhances his/her shopping productivity.

Affective reactions encompass the emotional response when interacting with the stimulus (Sun and Zhang, 2006). For instance, they can represent the pleasure gained from interacting with a website. Perceived enjoyment has been identified as a robust and well-established construct for measuring the affective reactions to an environment (e.g., Koufaris, 2002). In an online context, it refers to "the extent to which the activity of using a website is perceived to be enjoyable in its own right, apart from any performance consequences that may be anticipated" (Davis, Bagozzi, and Warshaw, 1992, p. 1113).

The Behavior

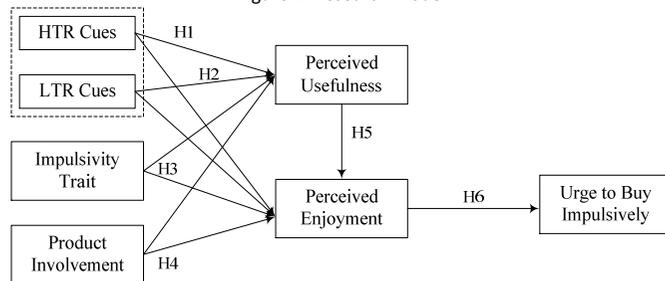
The reactions from interacting with the stimulus influence an individual's response. In the context of impulse buying, the response is twofold. First, the individual experiences a sudden, spontaneous desire to buy the object of interest (Rook, 1987). The urge to buy impulsively is defined as "the state of desire that is experienced upon encountering an object in the environment" (Beatty and Ferrell, 1998, p. 172). Next, the individual acts on this urge by buying the object of interest. Thus the urge to buy impulsively is a necessary antecedent of an impulse purchase (Rook, 1987).

In previous studies, researchers have tried to capture the actual behavior, which is the online impulse purchase through the use of surveys. For instance, participants were asked to remember their last online impulse purchase (e.g. Madhavaram and Laverie, 2004) or the discrepancy between their initial purchase intentions and their actual purchase (e.g., Koufaris, Kambil, and LaBarbera, 2001-2002). However, in such studies, no results were found regarding online impulse purchases, which can be attributed to the fact that impulse buying is seen as a "bad and frivolous" behavior (Rook, 1987, p. 26) and participants feel the need to respond in a socially desirable manner (Smith and Bolton, 1998). Thus, the urge to buy impulsively has been proposed as a reasonable proxy for impulse buying (Dutta, Jarvenpaa, and Tomak, 2003). Actually, in a traditional setting, the urge to buy impulsively has been found to be a stronger measure of impulsivity than the actual impulsive behavior (Beatty and Ferrell, 1998).

Research Model and Hypothesis Development

The figure below presents a model of online impulse buying in the context of winery websites. The proposed model adds to the body of research in environmental psychology, in that it applies the basic framework (i.e., stimulus, organism, and response) to a new context (i.e., online impulse purchases of wines). However, the proposed model is also different from previous applications of the S-O-R model in the context of online impulse purchases in four important ways. First, Parboteeah, Valacich, and Wells (2009) called for future research applying their model of online impulse buying to include different products/services. This proposed model is in answer to that call for research and applies their initial model in the context of online impulse buying of wine products, which are considered more of a hedonic product (reference). Second, instead of only website features as stimulus in the model of online impulse buying proposed by Parboteeah and colleagues (2009), we are including additional variables as proposed by Dholakia (2000) which are more appropriate in the context of online impulse buying of wine products. Third, based on prior research by Taylor and colleagues (2012), only website features that are pertinent to winery websites are included in the proposed model, as part of the marketing stimulus. Finally, in previous studies, the direct effect of impulsivity and product involvement on the impulse buying behavior was studied (e.g., Chen, 2008; Jones et al., 2008). In this study, the indirect influence of these two factors on the impulsive behavior through the cognitive and affective reactions is studied. Next, the hypotheses, as well as their justification are proposed.

Figure 1: Research Model



Effect of Marketing Stimulus on Organism

According to the model of consumer response to online shopping proposed by Eroglu and colleagues (2001), elements of the stimulus (i.e., marketing stimulus, impulsivity, and product involvement) lead to cognitive and affective reactions (i.e., perceived usefulness and perceived enjoyment respectively). The marketing stimulus is the web interface, which consists of high and low task-relevant cues (Eroglu et al., 2001). High task-relevant (HTR) cues include the features in the web interface that facilitate and enable the customer's shopping goal attainment (Eroglu et al., 2001). On the other hand, low task-relevant (LTR) cues refer to web features that are "relatively inconsequential to the completion of the shopping task" (Eroglu et al., 2001, p. 180).

Features that are deemed pertinent for winery websites include ease of navigation, website security, download delay, information availability, and website appearance (Taylor et al., 2010). Ease of navigation has been identified as an HTR cue (Bauer, Grether, and Leach, 2002), as well as website security (Zhang and Von Dran 2001, 2002), download delay (Palmer, 2002), and information availability (Loiacono, Watson, and Goodhue, 2007). In comparison, website appearance has been categorized as an LTR cue (Van der Heijden, Verhagen, and Creemers, 2003). Both HTR and LTR cues have been found to have a positive influence on perceived usefulness (Parboteeah et al., 2009). Similarly, HTR and LTR cues have been found to have a positive influence on perceived enjoyment (Parboteeah et al., 2009).

- Hypothesis 1a: HTR cues will positively affect perceived usefulness.
- Hypothesis 1b: LTR cues will positively affect perceived usefulness.
- Hypothesis 2a: HTR cues will positively affect perceived enjoyment.
- Hypothesis 2b: LTR cues will positively affect perceived enjoyment.

Effect of Impulsivity Trait on Organism

The impulsivity trait has been defined as "both the tendencies (1) to experience spontaneous and sudden urges to make on-the-spot purchases and (2) to act on these felt urges with little deliberation or evaluation of consequence" (Beatty and Ferrell, 1998, p. 174). Individuals have been found to differ significantly in their tendency to be impulsive, providing support for the fact that impulsivity is a distinct individual characteristic or trait (e.g., Rook and Fisher 1995; Weun et al. 1997). Impulsivity as a trait has been linked to materialism, sensation seeking, as well as recreational aspects of shopping (Rook, 1987). In fact, impulsivity leads to feelings of joy (Lin, Shih, Huang, and Huang, 2009). Thus, we propose that impulsivity will have a positive influence on perceived enjoyment. Further, given that impulsivity is hedonic in nature, there is no cognitive deliberation of consequences involved (Beatty and Ferrell, 1998). In our model, perceived usefulness is used to capture the cognitive reactions an individual experiences when interacting with a web interface (Parboteeah, 2005). Thus, we propose that impulsivity will not influence perceived usefulness.

Hypothesis 3a: Impulsivity will positively affect perceived enjoyment.

Hypothesis 3b: Impulsivity will not affect perceived usefulness.

Effect of Product Involvement on Organism

Product involvement refers to a "person's perceived relevance of the object based on inherent needs, values, and interests" (Zaichkowsky, 1985, p. 342). It is an important factor in studying the relationship between an individual and a product, as well as his or her purchasing decisions (Zaichkowsky, 1986). Involvement with a product has been found to lead to both emotional and functional consequences (McQuarrie and Munson, 1992). An individual who is involved with a particular product will derive enjoyment from interacting with such a product (Bloch and Bruce, 1984). Further, if an individual is involved with a particular product, he or she will want to learn more about it or pay more attention to it (Chen, 2008). Thus, we propose that product involvement will have a positive influence on both perceived enjoyment and perceived usefulness.

Hypothesis 4a: Product involvement will positively affect perceived enjoyment.

Hypothesis 4b: Product involvement will positively affect perceived usefulness.

Effect of Perceived Usefulness and Perceived Enjoyment

Cognition has been found to influence affect, which in turn determines behavior (Holbrook and Batra, 1987). In the context of impulse buying, when exposed to the stimulus, in addition to the immediate emotional responses, an individual will develop cognitive responses in an attempt to identify any constraints in the environment (Weinberg and Gottwald, 1982). The presence of any constraint will lead to cognitive deliberation, which may prevent the impulse behavior from happening (Hoch and Loewenstein, 1991). Thus, for an impulse purchase to occur, any constraints in the environment, which can lead to cognitive reactions and ultimately negative reactions, must be kept to a minimum (Hoch and Loewenstein, 1991). In other words, the cognitive reactions should further enhance the hedonic aspect of impulse buying. Thus, in line with the work by Parboteeah and colleagues (2009), we propose that to increase the likelihood that an online impulse purchase will occur, there should be a positive relationship between perceived usefulness and perceived enjoyment.

Hypothesis 5: Perceived usefulness will positively affect perceived enjoyment.

Effect of Perceived Enjoyment on Urge to Buy Impulsively

According to the S-O-R model, the affective reactions to the environment will determine an individual's behavior (Mehrabian and Russell, 1974). Individuals who are in a good mood are more likely to indulge in an impulse purchase (Rook and Gardner, 1993). Thus, in a traditional shopping context, affective reactions have been found to positively influence the urge to buy impulsively (Beatty and Ferrell, 1998). This relationship has also been replicated in the context of online impulse buying (Adelaar, Chang, Lancendorfer, Lee, and Morimoto, 2003). Thus, in line with the work by Parboteeah and colleagues (2009), the following hypothesis is proposed:

Hypothesis 6: Perceived enjoyment will positively affect the urge to buy impulsively.

Anticipated Outcomes

The aim of this study is to apply a Stimulus-Organism-Response Model to help better understand impulse buying of wine online. This model and study is anticipated to add to our knowledge about impulse buying of wine and is a first step at gaining a better understanding of impulse buying of wine in restaurant settings. This, in-turn will help retailers and wineries as well, to better market their products and hopefully grow sales in the online market.

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