

IMPULSE PURCHASES IN LIVE COMMERCE


COMPRAS DE IMPULSO NO COMÉRCIO AO VIVO

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Resumo. Este artigo foi escrito com o apoio da CSC (Fundação Nacional para Estudos no Exterior). O artigo investiga a evolução da compra por impulso e seu impacto nos lucros das tradings no contexto do comércio digital. O artigo examina como as mudanças no comportamento do consumidor e as inovações tecnológicas afetam as estratégias para atrair e incentivar a compra por impulso. É dada especial atenção ao papel das ofertas por tempo limitado, recompensas virtuais, feedback rápido, prova social e outros mecanismos na criação do impulso desejado nos consumidores. São listados os fatores que determinam a compra por impulso no ambiente online e explorados os aspectos psicológicos e sociais desse fenômeno. Após a análise da literatura científica, são propostos vários princípios e mecanismos para estimular a compra por impulso no Live Commerce.

Palavras-chave: Comércio Eletrônico; Negócios De Streaming; Canais De Comercialização; Compras Online; Compra Por Impulso, Comportamento Do Consumidor.

Abstract. This article is written with the support of CSC (National Foundation for Study Abroad). The article investigates the evolution of impulse buying and its impact on trading company profits in the context of digital commerce. The paper examines how changes in consumer behavior and technological innovations affect strategies for attracting and encouraging impulse buying. Special attention is paid to the role of time-limited offers, virtual rewards, quick feedback, social proof, and other mechanisms in creating the desired impulse in consumers. The factors determining impulse buying in the online environment are listed, and the psychological and social aspects of this phenomenon are explored. A number of principles and mechanisms for stimulating impulse buying in Live Commerce are proposed after the analysis of scientific literature.

Keywords: e-commerce; streaming business; marketing channels; online shopping; impulse buying, consumer behavior.

INTRODUCTION

The 1960s marked a pivotal era in the evolution of electronic commerce (eCommerce) with the introduction of Electronic Data Interchange (EDI) technology. EDI's inception allowed businesses to



employ standardized data formats for exchanging commercial information like orders and invoices. However, this innovation largely remained the domain of corporate giants, given its high financial costs and intricate integration requirements (Chen et al., 2022; Lee et al., 2021).

Fast forward to the early 1990s, and the internet became an inseparable facet of our daily lives, catalyzing the rapid ascent of eCommerce. In 1994, Netscape unveiled the first commercially successful web browser, triggering an exponential surge in internet users. Business visionaries began to recognize the boundless potential of online product and service sales, ushering in the era of online stores. A seminal example is Amazon, established by Jeff Bezos in 1994 (Miin et al., 2023; Fengliang & Jianhong, 2021).

Simultaneously, payment systems like PayPal emerged, delivering secure and convenient conduits for online financial transactions. This propelled e-Commerce's expansion by enabling consumers to swiftly execute online payments sans the necessity of divulging sensitive credit card information (Ming et al., 2021).

The simultaneity of the development of e-commerce and the globalization of the economy and the joining of different communities to this plan, as well as the increasing number of users of the global Internet network, has turned this new business into a supra-systemic business; So that today it has placed itself as an inevitable thing in the context of human life today. Being in the global village makes a person indispensable to provide the necessary infrastructure for electronic commerce and not paying attention to these new legalities will be disastrous in the not too distant future.

One of the concepts of electronic commerce is the elimination of borders, customs and intermediaries and becoming like a global village. There are no borders in e-commerce and it makes no difference whether people buy their goods from a shop near their place of residence or from shops in other continents. E-commerce has increased the speed and volume of commercial exchanges and significantly reduces the cost of the buyer and producer, saves time, attracts more, eliminates middlemen, and ultimately increases profits. In this business, the natural space has turned into a virtual space and people can do their transactions electronically with today's advanced facilities without being limited by time and space. Meanwhile, as an active and effective element in the world system, a person should be equipped with two weapons:

- 1) Dynamic and active economy
- 2) New and predetermined legality and regulations;

Because if this is not achieved, inaction will cause irreparable damage to the economy.

One of the most important legal topics of e-commerce is the conclusion of binding contracts. Information technology has made it possible for many business exchanges, trades and services to be done through the Internet. The expansion of this type of transactional and commercial relations between individuals has been accompanied by raising some legal issues in the field of rules governing the contractual relations of individuals.

The recognition of new communication technologies in the formation of contracts, their formation and validity, the ability to attribute electronic documents, issues related to electronic signatures, etc. have been among the important issues raised in this field. The aforementioned issues arise from the special feature of the electronic contract environment, which in many cases does not even require the establishment of new rules, but by analyzing and reviewing the existing rules, it is possible to find the appropriate answer to the challenges posed by contract rights in cyber space. Even as much as possible, he avoided making new laws in this field. Of course, this does not mean that the new environment of the platform of electronic exchanges does not require new rules and regulations. It should be accepted that

the Internet, as a place for conducting legal relations of people, has features that did not exist in the technologies before the advent of the Internet. For this reason, the developments and changes in the legal and transactional relationships of individuals have been noticed by legal systems and most of them have enacted new laws and regulations or amended existing laws to create a legal framework and legal foundation.

METHOD

Many economists, specialists and futurists are of the opinion that in recent years, a revolution similar to the industrial revolution has taken place, which has brought the world into the information age and has profoundly transformed many economic, social and cultural aspects of human life.

One of the issues of transformation is the profound changes that have occurred in the economic relations between individuals, companies and governments. Commercial exchanges between individuals, companies, and governments are rapidly moving away from their traditional status, which is mainly based on paper documents, and are moving towards conducting exchanges using electronic information systems. Due to its speed, efficiency, cost reduction and taking advantage of fleeting opportunities, electronic commerce has opened up a new arena in the competition to the extent that it is said that lagging behind this evolution will have no result other than being isolated in the world economy.

With the dawn and not using of Web 2.0 technology in the early 2000s and widespread internet accessibility, eCommerce transcended sporadic ventures and became an integral pillar of the global economy. In the present day, eCommerce encompasses a diverse array of activities, spanning from online trade of goods and services to banking operations, charitable endeavors, and a myriad of online business processes. Prominent market participants encompass:

1. Online retailers (e.g., dns-shop.ru, mvideo.ru, apteka.ru, lamoda.ru, hoff.ru, among others).
2. Online marketplace platforms (e.g., Wildberries, Ozon, Yandex Market, Aliexpress, Amazon, and more).
3. Online software sales services (such as App Store, Google Play, Galaxystore, LG Content Store, App Meizu, etc.).
4. B2B and B2C service providers (encompassing Tilda, Canva, 1C, Yandex Cloud, ConsultantPlus, and others).
5. Online banking services (including PayPal, YuMoney, Qiwi, Sber Online, WebMoney, and more).
6. Logistic and courier services, along with transportation companies (e.g., CDEK, Yandex.Go, Delivio, Uber, etc.).

According to Statista's projections, the global eCommerce market is poised to surpass a staggering 6.3 trillion US dollars by 2024. Nevertheless, within the realm of eCommerce, entrepreneurs and independent sellers often furnish consumers with product information via standardized, template-based advertisements, encompassing images, text, animations, and other media (Zhang et al., 2022; Huang & Suo, 2021). This mode of interaction remains unidirectional, with consumers receiving static product information devoid of the ability to seek clarifications, consequently fostering uncertainty and purchasing risks while diminishing sales figures. To overcome the limitations of Web 2.0, independent online broadcast platforms have gradually emerged. Presenters can now provide dynamic and accurate product information in real time, interact with the audience and answer questions, which increases sales conversion and actualizes interest in live sales.

Streaming commerce, also known as Livestream Shopping, embodies an online commerce format

that allows real-time video streaming over the internet. During the streaming process, hosts showcase their reactions to products and engage with their audience, which consists of potential buyers. Despite the geographical distance between the host and viewers, they can engage in instant messaging exchanges (Mohamed et al., 2022; Shariati et al., 2013). Table 1 presents a comparative analysis of streaming commerce with other forms of online sales and traditional offline businesses, unveiling the potential advantages of this approach.

Table 1. Comparison of Live-Commerce with other forms of commerce

| Sales Format | Offline Business | E-commerce | Social Commerce | Live Commerce |
|----------------------|--|---|---|---|
| Spatial-Temporal | Geographically close | Spatial and temporal separation | Spatial and temporal separation | Spatial separation, temporal unity |
| Communication Method | Real-time verbal and non-verbal communication | Written, phone, or virtual communication | Dominance of text-based communication | Host interacts with viewer comments |
| Identification | Identities of sellers and buyers can be identified | Information about seller and buyer identities may be limited or unavailable | Identities of sellers and buyers can be identified | Seller identity can be established, buyer information limited |
| Product Evaluation | Diverse product evaluation | Product evaluation can be challenging | Product evaluation based on mutual information exchange in social circles is simple | Real-time video simplifies product evaluation |
| Interactivity | Seller interacts with one or several customers simultaneously (limited number) | Seller interacts with customers via chat window | No apparent contact between sellers and consumers, primarily user-generated content | Sellers interact with many customers simultaneously |
| Search Method | Geographic | Content-based | Content-based | Organic |

Live Commerce leverages the power of live streaming to create immersive and engaging shopping environments where consumers can interact directly with sellers, ask questions, seek product demonstrations, and receive instant feedback - all within the virtual realm. It transcends the limitations of traditional eCommerce, providing a personalized and interactive platform that closely mimics the in-store shopping experience.

This paradigm shift in eCommerce has unlocked exciting opportunities for businesses to connect with their audiences on a deeper level and for consumers to make more informed purchase decisions. As a result, Live Commerce has gained momentum as a promising avenue for boosting sales, enhancing brand engagement, and fostering trust between buyers and sellers in the digital age.

RESULTS

Impulse Purchases in the Context of Streaming Commerce

Impulse purchases, often referred to as "spur-of-the-moment" buying, occur when consumers make unplanned and often emotionally-driven purchases. These purchases are typically made without much prior consideration or research, and they are often driven by factors like product presentation, promotional offers, and immediate emotional triggers.

In traditional retail settings, items strategically placed near the checkout counter or displayed prominently with enticing visuals are common triggers for impulse purchases. Online shopping, too, has its mechanisms to encourage impulsive buying, such as limited-time offers, one-click purchasing, and personalized product recommendations.

Impulse purchases in the realm of streaming commerce are subject to a multitude of external and internal factors that shape consumer behavior and influence the decision to make spontaneous purchases (Huang & Suo, 2021; Agustina et al., 2022; Halim et al., 2022).

External Factors

Platform Influence and Website Convenience: The significance of impulse purchases in online shopping is closely tied to the influence of the platform and the ease of website usage. Effective interfaces, personalized recommendations, and tailored offers can sway the decision towards an impulse purchase.

Personalized Recommendations and Visual Appeal: In mobile shopping, systems offering personalized recommendations, visual allure, and user-friendliness can stimulate consumers toward instant purchases, creating feelings of satisfaction and delight. The evolution of streaming platforms can further impact impulse purchases positively.

Internal Factors

Emotional State and Stress Levels: Internal aspects such as emotional state and stress levels play a significant role. One's emotional state, stress levels, cultural norms, societal expectations, and the influence of the social environment (friends, family, colleagues) can determine the propensity for impulse buying (Kim et al., 2021; Cheng, 2020; Murni et al., 2022).

Individual Traits and Personal Preferences: Individual traits and personal preferences, including psychological characteristics, age, education, materialism level, and the inclination toward impulse buying, can also play a pivotal role in shaping impulsive behavior.

It's worth noting that impulse purchases encompass both internal and external factors: the impulse to buy and the actual impulsive purchase. There is an interplay between these aspects, as "window shopping" in stores can trigger the impulse to purchase, ultimately leading to spontaneous buying. However, since the impulse to purchase is a complex driver of gratification, it can elicit emotional conflicts between the sense of satisfaction and feelings of guilt (due to excessive spending), which do not always culminate in an actual purchase.

In the context of streaming commerce, these external and internal factors converge to create a dynamic environment where consumers are both motivated and influenced to make impulse purchases. The real-time engagement, visual appeal, and personalized recommendations of live commerce sessions amplify the potential for spontaneous buying decisions, resulting in a unique blend of online shopping experiences that cater to the psychology of impulsive purchases.

Key Principles for Leveraging Emotions in Live Commerce

Through the systematic review of scientific literature dedicated to analyzing the factors that determine impulse purchases in the context of Live Commerce, several key principles for working with the emotions of the target online audience have been formulated.

The Principle of Attractiveness and Aesthetics

The visual appeal of a product plays a pivotal role in forming the initial impression and capturing the attention of viewers in video content. Research indicates that attractive and aesthetically pleasing products are more likely to captivate and interest potential buyers. Stream hosts should pay attention to the product's design, color palette, and overall visual aspects to make it appealing to viewers and ignite their desire to purchase.

Application in Live Commerce: The host of a Live Commerce session should carefully consider the product's visual presentation. This includes highlighting its design elements, color schemes, and overall aesthetic qualities. By doing so, they can make the product visually appealing, increasing the chances of attracting viewers' attention and arousing their desire to make a purchase.

The Principle of Contrast and Highlighting

Creating contrast and emphasizing key product features helps draw viewers' attention and makes the product more memorable. Stream hosts should focus on accentuating external details of the product that make it unique or attractive. For instance, they can employ techniques like macro photography, selective lighting, or focus adjustments to underscore the product's quality and appearance during the live stream.

Application in Live Commerce: In a Live Commerce session, the host can use various visual techniques to create contrast and highlight essential product attributes. By doing so, they make the product stand out and leave a lasting impression on viewers, increasing the likelihood of spontaneous purchases.

The Principle of Demonstrating Functionality

Visually demonstrating the functionality of a product can stimulate impulse purchases. The stream host should actively showcase how the product works, what features it offers, and how it can be beneficial to viewers. Additionally, the host can conduct detailed demonstrations of product usage, show it in action, or provide comparative illustrations to help viewers better understand its functionality and value.

Application in Live Commerce: During a Live Commerce session, the host's role is not only to describe the product but also to demonstrate how it functions. By showcasing the product's practical utility and benefits in real-time, the host can engage viewers and prompt them to make spontaneous buying decisions.

These principles underscore the importance of appealing visuals, contrast, and functional demonstrations in the Live Commerce environment. Stream hosts who implement these strategies effectively can harness the emotional engagement of viewers and channel it toward making impulse purchases, enhancing the overall success of Live Commerce sessions.

Payment methods in electronic commerce

These methods provide the possibility of credit and cash payments in computer information networks. The payment method in e-commerce must have several important features: be reliable, have the necessary security in data transmission, have an error rate close to zero, be resizable, without reducing its efficiency,

according to the increase in the volume of users. or reduced, keep all the information and details of users confidential and secret, and it cannot be accessed except in cases of illegal transactions, be flexible, not limited to a specific method, in various ways such as credit card, check and Even if cash can be used, it has the ability to convert financial instruments into one another, it has good speed and efficiency, and the huge volume of transactions does not harm its efficiency. Payment in this type of business can be made in two ways.

It is done electronically and non-electronically. Non-electronic payment includes the traditional methods of conducting business transactions, which is the same as payment by check and cash payments, and for this reason, there is no difference between traditional and electronic business. What should be examined in the payment methods in e-commerce is the electronic payment methods that have their own conditions and require their own special regulations and legal effects.

Enhancing Live Commerce with Web 3.0: A New Era of Interactivity

In the realm of Live Commerce, entrepreneurs are focusing on maximizing LTV/CAC (Lifetime Value to Customer Acquisition Cost), essentially striving to ensure that the profit from each customer surpasses the cost of acquiring them. This involves reducing "Time to Decision," the time it takes for customers to make purchase decisions, and increasing the average number of viewers within a given timeframe. Achieving this involves crafting compelling announcements across various platforms that intrigue and entice, evoking impulses. Interactive elements like surveys, contests, and Q&A sessions with users further enhance the engagement.

Web 3.0 promises to make retail even more interactive, akin to the impact of AR (Augmented Reality) technologies that allow online shoppers to virtually try on accessories, shoes, or evaluate makeup. Even in physical stores, electronic mirrors enable customers to experiment with different looks. This heightened interactivity can redefine the online shopping experience.

The influence of creators and influencers who specialize in specific industries cannot be overstated. When a content creator, such as a beauty expert, conducts a Live Commerce session, their loyal audience is more likely to trust and consider purchasing the featured products. Live Commerce distinguishes itself from traditional product review videos on platforms like YouTube because it offers real-time interaction. During live broadcasts, audiences can engage with the host, ask questions, and receive immediate responses. This communication capability significantly enhances consumer trust and encourages purchases.

One of the significant challenges in online shopping is the high rate of product returns. In segments like clothing and footwear, returns are often associated with sizing issues, while in other niches, discrepancies between the product's appearance in photos and reality contribute to returns. Live Commerce helps mitigate this problem. By providing live video demonstrations, especially in unedited live streams that are difficult to retouch, brands appear more transparent and trustworthy. Shoppers can scrutinize products in real-time, assess materials, evaluate quality under different lighting conditions, and make more informed decisions. This transparency fosters consumer trust, reduces the likelihood of returns, and increases conversion rates.

Live Commerce not only showcases products but also facilitates direct interaction between the audience and the host. Viewers can ask questions, leave comments, and provide instant feedback. This engagement serves as a valuable channel for brands to communicate with customers and gather insights into their preferences. By addressing questions and concerns during live broadcasts, brands build stronger relationships with their audience and gain a better understanding of their needs, enabling them to refine

their marketing strategies.

Live Commerce is most effective in niches conducive to impulse purchases. While it's unlikely for someone to spontaneously buy car tires, products like tablets or shoes are highly suitable for impulse buying. The niches that align best with video shopping include clothing, cosmetics, accessories, home goods, and small electronics.

In summary, Live Commerce, amplified by Web 3.0 technologies, has the potential to revolutionize the way consumers shop online. It leverages the power of personal recommendations, addresses return challenges, fosters direct interaction, and thrives in niches where impulsive buying is prevalent. This dynamic approach to e-commerce offers both brands and consumers a more engaging and interactive shopping experience.

CONCLUSION

Impulse buying plays a significant role in contemporary digital commerce, influencing and managing consumer behavior. With the evolution of technology and the emergence of new platforms such as live commerce, the dynamics of impulse purchases have taken on new dimensions. From its origins as a subject of academic study in the mid-20th century to the present day, impulse buying has undergone substantial changes in its conceptualization and perception.

The transition from traditional retail to the digital environment has been accompanied by the evolution of marketing strategies. While impulse purchases were once considered a part of random and unforeseen consumer behavior, the development of strategies such as limited-time offers, virtual rewards, and social proof now allows companies to actively influence impulsive consumer decisions.

Nowadays, impulse buying in the online realm has become more structured and controllable thanks to data analysis and a scientific approach to understanding it. Research into the psychological, social, and contextual aspects of impulse buying enables the prediction and stimulation of such consumer behavior, taking into account individual interests and preferences.

In general, impulse buying remains a significant phenomenon in modern commerce, and its role continues to grow with advancements in technology and the emergence of new platforms. Understanding the dynamics and influencing factors behind impulse purchases empowers companies to develop more effective marketing strategies and provide a richer experience for consumers.

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