
THE IMPACT OF PEER PRESSURE, PRICE DISCOUNTS AND ELECTRONIC WORD OF MOUTH ON ONLINE IMPULSE BUYING AMONGST COLLEGE STUDENTS IN MALAYSIA: A CONCEPTUAL PAPER

Kanesh Gopal

Tunku Abdul Rahman University of Management and Technology
Email: kanesh@tarc.edu.my

Song Bee Lian

Asia Pacific University of Technology and Innovation
Email: song.beelian@apu.edu.my

Harjinder Kaur

Asia Pacific University of Technology and Innovation
Email: harjinder@apu.edu.my

Abstract

This article gives a conceptual insight into the various dimensions of impulse buying behaviour from the perspective of young adults in Malaysia. The variables examined in this study are primarily electronic word-of-mouth (eWOM), price discounts, and peer pressure, and how these determinants will affect the impulse buying of college students via an online atmosphere. College students are consumers that often use social media, and their presence online needs to be looked into more vehemently to understand the various dynamic towards their behaviour as consumers. Malaysia is having a boom in social commerce and most college students as young adults are often making purchases online as it is seen to be more convenient to them. The relevance towards social media and peer pressure often makes these consumers an interesting group of subjects to be studied. The problem statement shows the need for a precise study into the various elements that seem to affect the buying pattern of young adults in an online environment. The variables studied, namely peer pressure, price discounts and eWOM seem to be manipulating current young buyers into purchasing products in an impulsive manner, especially through social media.

Keywords: *Impulsive Buying, Peer Pressure, Price Discounts, Electronic Word-of-Mouth, Social Media, Customer Buying Behaviour*

1.0 Introduction

Consumers are seen to be of all ages, and it is pivotal for industries to examine them regardless of their age groups. In the dawn of the internet, it is seen that consumers are getting much younger in age, thus prompting firms to take a big leap to understand their behavioural dynamics (Chakraborty et al., 2016). More companies are changing their unique selling points to cater and please consumers that are from the prime age, the younger adults, as these consumers are seen to be acting more impulsively, thus making purchases that may benefit them profitable, in the short run (Pradipto et al., 2016). College-aged consumers are often the most impulsive buyers, as they are often, or have been often exposed to the internet and social media since an early age, thus being more tech-savvy, at a younger age (Valentine & Powers, 2013). It is seen that since these consumers are made aware of online transactions at an earlier age, they often are seen to purchase products online, rather than physically (Valentine & Powers, 2013.). Impulsive behaviour is a new dilemma that seems to be needed to be understood, from the firm perspective, with more and more consumers tending to resort to impulsive buying to make their purchases. Impulsive buying is often seen to be done on the online platform, due to the presence of social media, where virtually any sort of feedback and gossip, may be made available for viewing by everyone, thus enabling consumers to make better decisions when buying online (Xu, 2007; Yaylı et al., 2012). The dynamics of the consumers, i.e., the college-aged consumers are unique in their purchasing behaviour, as they are often manipulated by forces that are external to their psyche, such as peer pressure, price discounts, and electronic word-of-mouth (eWOM) also known as online gossip, to cause them to make purchases (Fernandes & Panda, 2019; Xu & Huang, 2014). College-aged consumers make a huge amount of the market share of online platform users, thus it is important to analyse the behaviour of these buyers, and to check the predictors that cause them to buy impulsively (Valentine & Powers, 2013). It is proposed in this study, the researchers will examine three specific predictors of impulsive buying among college-aged buyers, using the online platform, namely the factor of peer pressure, eWOM, and price discounts on products.

1.1 Problem Statement

Malaysia is seen to be booming with college students in the Klang Valley. Most of these students rely on online platforms for their purchases, more so after the pandemic. Online platforms and social commerce sites such as Lazada and Shopee in Malaysia prompted college students to make more purchases online. However, there are fewer studies conducted on the impulsive behaviour of this group of young consumers in the Klang Valley. As more universities are built in the Klang Valley, it is important to study the behaviour of student consumers in these dense areas, whereby online transactions seem to be happening rapidly. There is also a need to identify the various forces that seem to react to the impulsive behaviour of college students in Klang valley, such as peer pressure, price discount and eWOM. This study is proposed to reduce the gap in understanding the factors that manipulate college students into acting impulsively when purchasing products online using media online.

2.0 Literature Review

The literature will examine the independent variables, namely peer pressure, price discount, eWOM and its effect on impulsive buying in an online platform. Amongst the various literature studies, it

is seen that these predictors seem to collude with the buying behaviour of college students using online platforms.

2.1 Peer Pressure

The meaning of peer pressure is the act of being guided or manipulated by companions to act in a way that would normally be unnatural and unintended to be done (Vinayak et al., 2018). Young adults are often seen to be manipulated by their peers in most aspects of their life, and this is also seen in their behaviour as consumers (Steijn, 2014; Fernandes & Panda, 2019). This is crucial as young shoppers are seen to have more impulsive and aggressive behaviour to buy products when in the vicinity of their friends (Luo, 2005). Past studies have indicated that peer pressure can be an important predictor of consumer choices when concerning young adults (Vinayak et al., 2018; Mangleburg et al., 2004). Peer pressure has been seen to have a more aggressive and manipulative stand on impulse buying, with an ability to cause young adults to make sudden impulsive choices with the support of peers (Beatty & Ferrell, 1998; Thürmer et al., 2020). Young consumers are seen to utilise the support of their peers to buy items and may seem to act illogically in making their buying decisions, with the support of peers, causing them to buy a product impulsively (Mowen & Minor, 1995; Wu-Chung & Tzung-Cheng, 2010). Peers cause consumers that are younger to act impulsively, purchasing a product that may be irrelevant to them (Wu-Chung & Tzung-Cheng, 2010).

H1: Peer pressure has a positive relationship with online impulse buying among college students in Kuala Lumpur.

2.2 Price Discounts

Pricing discounts are customary ways of using the price of a product to sell a good or service while giving price adjustments (Huang & Suo, 2021). The discounts given to consumers are ways in which are used to entice consumers to purchase the products being sold (Edward & Luran, 2022). Price discounts are seen to be associated with consumers making impulsive decisions to buy a favoured product (Huang & Suo, 2021). Using discounts on the price of a product is seen as a strategic element utilised by firms to create a competitive edge and to increase brand positioning effectively towards consumers (Noor, 2020; Ranto et al., 2021). It is also seen that consumers may buy products on impulse, purchasing a product voluntarily when they are aware of price discounts (Ranto et al., 2021). Price discount is further seen to prompt sudden buying behaviour among consumers, and is seen to be a promotional tactic that is lucrative to a company, increasing the profit made by an organisation (Gumilang & Nurcahya, 2016; Larasati & Yasa, 2021). It is more lucrative and beneficial for a consumer to purchase a discounted product as it will be seen to be buying more products by spending a smaller amount of money (Gumilang & Nurcahya, 2016; Antariksa et al., 2021). A common behaviour of a consumer is that they will look at the price of a product initially before they decide to purchase a product, as the price is seen as a precedent of purchase decision (Larasati & Yasa, 2021; Song et al., 2016).

H2: Price discounts has a positive relationship with online impulse buying among college students in Kuala Lumpur.

2.3 Electronic Word of Mouth (eWOM)

eWOM helps with the dissemination of consumer feedback effectively and in a fast manner to the stakeholders of a company (Song et al., 2021). This causes the company to understand the consumers in a much more intimate manner, thus elevating consumer loyalty towards the company, and impacting the profit (Yap & Depari, 2022). eWOM could affect the purchase behaviour of consumers while being beneficial for companies, as it is a low-cost method to promote the brand image as well as bring a positive image for a company (Suhud, 2021). eWOM is the act of utilising the word of mouth of a consumer, via the online platform to disseminate news and reviews about a product being sold, and is void of any physical interaction or face-to-face interactions (Suhud, 2021). eWOM is seen to be a platform for consumers to give either good or bad statements and reviews about products or establishments that sell them using the online platform (Jalilvand & Samiei, 2012; Suhud, 2021). It is stated that the usage of online platforms can be a vessel for consumers to state their unhappiness with a product, thus being a force that is often detrimental to a brand image (Prahiawan et al., 2021).

H3: eWOM has a positive relationship with online impulse buying among college students in Kuala Lumpur.

2.4 Online Impulse Buying

Impulse buying is said to be an impulsive act of purchasing an item, whereby a consumer decides to act spontaneously and buy a product without much deliberation (Hausman, 2000; Hussain et al., 2021). Impulse buying is seen to be a purchase that requires less thought, and is often done aggressively, in haste, to please the consumer (Sari et al., 2021). Many factors bridge the act of impulse buying, where consumers impulsively purchase a product due to the influence of many forces, such as family, peers, advertisements and many others (Widawati, 2011; Sari et al., 2021). Impulsive buying is also seen to be a huge dimension during the Covid-19 pandemic, with many consumers making impulsive buying due to the uncertainty of the future, and by using the best deals laid out to them (Harahap et al., 2021).

Impulsive buying is seen in buyers who often are preoccupied with purchasing a product, albeit obsessively, and this is caused by social and psychological factors (Ata & Sezer, 2021). Consumers that impulsively buy products often use credit cards excessively and regret their actions after buying a product (Ata & Seger, 2021). Consumers often choose to buy impulsively because it is easier and more convenient to be done while being manipulated by price discounts (Karbasivar & Yarahmadi, 2011; Sari et al., 2021). Empirical data have shown that impulse buying is done more aggressively when on an online platform, thus showing the importance of the internet to guide the behaviour among consumers (Sari et al., 2021).

2.5 Research Objectives

It is proposed that this research aims to understand the following objectives on impulsive buying:

- 1 To determine the impact of peer pressure towards online impulse buying among college students in Kuala Lumpur.

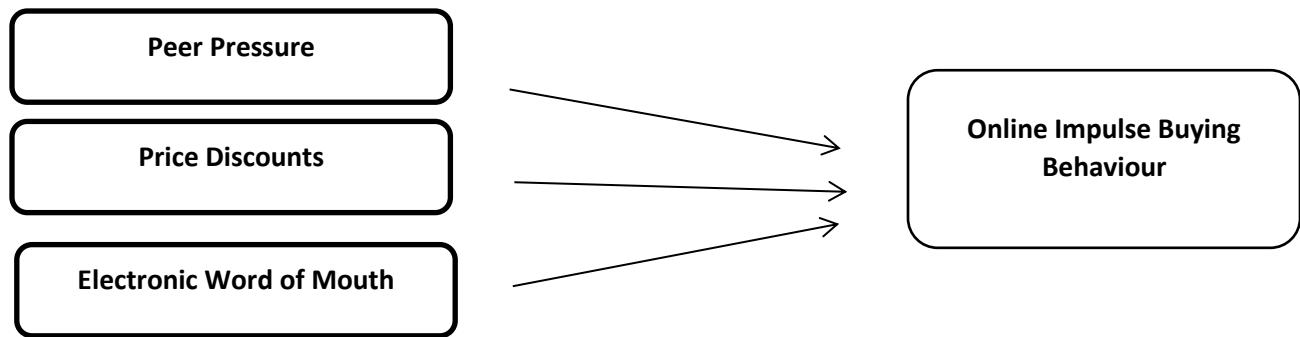
- 2 To determine the impact of price discount towards online impulse buying among college students in Kuala Lumpur.
- 3 To determine the impact of eWOM towards online impulse buying among college students in Kuala Lumpur.

2.6 Research Questions

The variables in this study are the interplay of the independent variables, mainly peer pressure, price discount and eWOM, towards the impulsive buying behaviour of consumers. Thus, the research brings about the following questions:

- 1 Does peer pressure impact online impulse buying among college students in Kuala Lumpur?
- 2 Does price discounts impact online impulse buying among college students in Kuala Lumpur?
- 3 Does eWOM impact online impulse buying among college students in Kuala Lumpur?

Figure 1: Research Framework



2.7 Significance of this Research

This study is necessary because there is currently a huge online presence of college students using the social commerce platform to make impulsive buying decisions (Kang & Johnson, 2013). There has been less research in this area of study and it would be beneficial to look into these relationships as it will allow companies to understand the various factors that guide the purchase behaviour of young adults in Kuala Lumpur, Malaysia. The growing number of restrictions due to the pandemic and the pandemic being still uncertain has created a reason to look into this dimension more importantly. With more and more banking systems being cashless, and industries shifting their presence online, managers need to learn more about the impulsive behaviour of consumers (Ishak, 2020).

3.0 Methodology

This study is planned to be done using a convenience sampling method. The convenience sampling method is preferred because it is the most economical method yet logical method due to the fact that college students' data is to be collected in the vicinity of their colleges (Acharya et al., 2013). It is proposed that the data is retrieved by visiting the college ground, as it will be more convenient to collect the data in a large mass. The respondents of this study are proposed to be college students, within the vicinity of Kuala Lumpur. This is because Kuala Lumpur houses many colleges in Malaysia.

A Likert-based scale is suggested to be used. A questionnaire that will be distributed online is the best instrument for this research. A questionnaire is used online because many students are prominently on social media, with a huge presence of young adults accessing social media daily, making it easier for the study to be carried out (Wright, 2005). It is proposed that the usage of quantitative tools, such as the AMOS SPSS tool should be used, using a structural equation modelling method to analyse and further study the relationship amongst variables. Common methods such as reliability tests and pretests may be utilised for strengthening the results that may be achieved.

4.0 Conclusion

This research will be beneficial for companies that wish to understand the purchasing dynamics of young adults, especially in the college setting. As college students are often the most internet savvy of their age group, it is crucial that as establishments, they look into the preference of this consumer group into what triggers the impulsiveness in their purchasing patterns. Limitations include the various student availability issues, such as term holidays, that may hinder the progress of the research. Thus, it is proposed that proper planning be done, to ensure the respondents are available to give the response, without having any term holidays and various difficulties.

5.0 References

- Acharya, A. S., Prakash, A., Saxena, P. & Nigam, A. (2013). Sampling: Why and how of it. *Indian Journal of Medical Specialties*, 4(2), 330-333.
- Antariksa, K. T. & Respati, N. N. R. (2021). The effect of hedonic motivation, in store display, and price discount on impulse buying decisions. *International Journal of Business Management and Economic Review*, 4(4), 166-177.
- Ata, S. & Sezer, A. (2021). Evaluating the effects of life satisfaction on impulse buying behavior in terms of online buying. *Marketing and Management of Innovations*, 1, 38-55.
- Beatty, S. E. & Ferrell, M. E. (1998). Impulse buying: Modeling its precursors. *Journal of Retailing*, 74(2), 169-191.
- Chakraborty, R., Lee, J., Bagchi-Sen, S., Upadhyaya, S. & Rao, H. R. (2016). Online shopping intention in the context of data breach in online retail stores: An examination of older and younger adults. *Decision Support Systems*, 83, 47-56.

- Edward, F. & Luran, M. F. (2022). The Effect of Price Discount, Bonus Pack, and In-Store Display on Impulse Buying Decisions. *Jurnal Manajemen dan Kewirausahaan*, 2(1), 104-109.
- Fernandes, S. & Panda, R. (2019). Influence of social reference groups on consumer buying behavior: A review. *Journal of Management Research*, 19(2), 131-142.
- Gumilang, W. A. & Nurcahya, I. K. (2016). Pengaruh Price Discount Dan Store Atmosphere Terhadap Emotional Shopping Dan Impulse Buying. *E-jurnal manajemen Unud*, 15(3), 1859-1888.
- Harahap, D. A., Ferine, K. F., Irawati, N., Nurlaila, N. & Amanah, D. (2021). Emerging advances in E-commerce: Panic and impulse buying during the COVID-19 pandemic. *Systematic Reviews in Pharmacy*, 12(3), 224-230.
- Hausman, A. (2000). A multi-method investigation of consumer motivations in impulse buying behavior. *Journal of Consumer Marketing*, 17(5), 403-426.
- Huang, Y. & Suo, L. (2021). Factors affecting Chinese consumers' impulse buying decision of live streaming E-commerce. *Asian Social Science*, 17(5), 16-32.
- Hussain, A., Ali, Z., Ullah, M. & Rasool, F. (2021). A structured literature review on impulse buying: online jitters and offline jeeppers. *Humanities & Social Sciences Reviews*, 9(3), 37-49.
- Ishak, N. (2020). Overview of cashless payment in Malaysia. *International Journal of Accounting, Finance and Business*, 5(27), 11-18.
- Jalilvand, M. R. & Samiei, N. (2012). The impact of electronic word of mouth on a tourism destination choice: Testing the theory of planned behavior (TPB). *Internet Research*, 22(5), 591-612.
- Kang, J. Y. M., & Johnson, K. K. (2013). How does social commerce work for apparel shopping? Apparel social e-shopping with social network storefronts. *Journal of Customer Behaviour*, 12(1), 53-72.
- Karbasivar, A. & Yarahmadi, H. (2011). Evaluating effective factors on consumer impulse buying behavior. *Asian Journal of Business Management Studies*, 2(4), 174-181.
- Larasati, K. L. D. & Yasa, N. N. K. (2021). The role of positive emotion in mediating the effect of price discount on impulse buying Indomaret customers in Denpasar city, Indonesia. *European Journal of Management and Marketing Studies*, 6(2), 81-94.
- Luo, X. (2005). How does shopping with others influence impulsive purchasing?. *Journal of Consumer Psychology*, 15(4), 288-294.

- Mangleburg, T. F., Doney, P. M. & Bristol, T. (2004). Shopping with friends and teens' susceptibility to peer influence. *Journal of Retailing*, 80(2), 101-116.
- Mowen, J. C., & Minor, M. (1995). *Consumer Behavior*. 4-th ed. Jersey: Prentice Hall.
- Noor, Z. Z. (2020). The Effect of Price Discount and In-Store Display On Impulse Buying. *Sosiohumaniora*, 22(2), 133-139.
- Pradipto, Y. D., Winata, C., Murti, K. & Azizah, A. (2016). Think again before you buy: The relationship between self-regulation and impulsive buying behaviors among Jakarta young adults. *Procedia-Social and Behavioral Sciences*, 222, 177-185.
- Prahiawan, W., Fahlevi, M., Juliana, J., Purba, J. T. & Tarigan, S. A. (2021). The role of e-satisfaction, e-word of mouth and e-trust on repurchase intention of online shop. *International Journal of Data and Network Science*, 5(4), 593-600.
- Ranto, D. W. P., Hariningsih, E., Prasetyanto, W. E. & Oktafiani, D. M. (2021). THE Price Discounts and Fashion Involvement to Increase Online Impulsive Buying: Study Among Teenagers at Yogyakarta. *International Journal of Business, Management and Economics*, 2(4), 239-250.
- Sari, R. K., Utama, S. P. & Zairina, A. (2021). The Effect of Online Shopping and E-Wallet on Consumer Impulse Buying. *Asia Pacific Management and Business Application*, 9(3), 231-242.
- Song B. L., Liew, C. Y., Sia, J. Y. & Kanesh, G. (2021). Electronic Word-of-Mouth in Travel Social Networking Sites and Young Consumers' Purchase Intentions: An Extended Information Adoption Model. *Young Consumers*, 22(4), 521-538.
- Song, B. L., Safari, M. & Mansori, S. (2016). The Effects of Marketing Stimuli Factors on Consumers' Perceived Value and Purchase of Organic Food in Malaysia. *Jurnal Pengurusan*, 47(2), 119-130.
- Steijn, W. M. (2014). A developmental perspective regarding the behaviour of adolescents, young adults, and adults on social network sites. *Cyberpsychology: Journal of Psychosocial Research on Cyberspace*, 8(2), 9-18.
- Suhud, U. (2021). Influence of social media marketing, electronic word of mouth and consumer engagement to brand loyalty in Indonesia Grab Company. *International Journal of Business and Social Science Research*, 2(2), 16-26.
- Thürmer, J. L., Bieleke, M., Wieber, F. & Gollwitzer, P. M. (2020). If-then plans help regulate automatic peer influence on impulse buying. *European Journal of Marketing*, 54(9), 2079-2105.
- Valentine, D. B. & Powers, T. L. (2013). Online product search and purchase behavior of Generation Y. *Atlantic Marketing Journal*, 2(1), 76-91.

- Vinayak, S. & Arora, A. K. (2018). Social anxiety and peer pressure as predictors of materialism among adolescents. *IMPACT: International Journal of Research in Humanities, Arts and Literature*, 6(6), 513-524.
- Widawati, L. (2011). Analisis perilaku “impulse buying” dan “locus of control” pada konsumen di carrefour Bandung. *MIMBAR: Jurnal Sosial dan Pembangunan*, 27(2), 125-132.
- Wright, K. B. (2005). Researching Internet-based populations: Advantages and disadvantages of online survey research, online questionnaire authoring software packages, and web survey services. *Journal of Computer-Mediated Communication*, 10(3), JCMC1034.
- Wu-Chung, W. & Tzung-Cheng, H. (2010). The effect of purchasing situation and conformity behavior on young students impulse buying. *African Journal of Business Management*, 4(16), 3530-3540.
- Xu, Y. (2007). Impact of store environment on adult generation Y consumers’ impulse buying. *Journal of Shopping Center Research*, 14(1), 39-56.
- Xu, Y. & Huang, J. S. (2014). Effects of price discounts and bonus packs on online impulse buying. *Social Behavior and Personality: An International Journal*, 42(8), 1293-1302.
- Yap, C. Y. & Depari, G. S. (2022). The Influence of Social Media Marketing, Hedonic Shopping Motivation And Electronic Word Of Mouth Towards Impulse Purchases For Shopee’s Customers In Medan. *Jurnal Ekonomi dan Bisnis Digital*, 1(1), 43-58.
- Yaylı, A. & Bayram, M. (2012). E-WOM: The effects of online consumer reviews on purchasing decisions. *International Journal of Internet Marketing and Advertising*, 7(1), 51-64.

For instructions on how to order reprints of this article, please visit our website: <https://ejbm.apu.edu.my/>
©Asia Pacific University of Technology and
Innovation