

Online retailer tactics and impulse buying: Consumers welcome tools to avoid it

April 25 2019, by Laurel Thomas



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"Only 2 left this price!" "Popular item!" "80 people are looking at this right now!"

Those of us who shop online undoubtedly have seen these tactics retailers use to entice people to buy more and do it quickly.



A new study by the University of Michigan School of Information analyzes these tricks of the trade that may be contributing to impulse buying. Researchers studied 200 of the top major online retailers and asked <u>consumers</u> what tools would be helpful to curb impulse buying.

The U-M researchers found that <u>retail websites</u> contained an average of 19 features that can encourage impulse buying, including discounts and sales, product ratings, and <u>interactive displays</u> that allow users to, for example, zoom or spin product photography.

Five websites topped the chart—Macys.com, OpticsPlanet.com, Amazon.com, Newegg.com and Target.com—and the team identified more than 30 features on each of the sites that could contribute to impulse buying.

"Many consumers are familiar with marketing tactics that might push them to buy in a store but what's interesting online is that e-retailers have so much data about their consumers that they can display real-time information, like the number of people who have already purchased something, the exact number of products left in stock, or the number of customers who also have that product in their shopping cart right now," said Carol Moser, the study's lead author and a doctoral student at the U-M School of Information.

"Some of this information can be helpful for consumers but it can also encourage impulsive purchasing of products that in the end might not be worth it to the consumer or in some cases, might even be regretted."

The researchers selected which sites to study from an industry report of the top internet retailers in the United States by online revenue. Of these 200 retail websites, 192 contained what the researchers call "social influence" features, which recommended products based on what "other people" bought.



Other strategies included increasing the buyer's sense of urgency (69% of the websites) using features like limited-time discounts with countdown clocks. Some websites (67%) also made the product seem scarce with low stock warnings or "exclusive" product offerings.

"One of the challenges consumers face when they go online is that they don't know what is true or not," said co-author Sarita Schoenebeck, associate professor at the U-M School of Information. "If a website says there is one room left for the chosen dates or that a pair of shoes is a popular item and 12 other people are looking at it, people have no way of knowing if it is true.

"People do not want to miss out on good deals and may be encouraged to buy items that they aren't sure if they want out of fear that the item will not be available later."

In the second part of the study, the researchers surveyed consumers about their impulse-buying behaviors. Researchers recruited online shoppers who frequently made unplanned purchases. The survey asked about items they had purchased impulsively in the past, and about successful and unsuccessful strategies they used to try to resist making impulsive purchases.

The team found that the most common items people purchased impulsively were clothing, household items, children's items, beauty products, electronics and shoes.

Participants suggested a variety of ways to do less impulsive purchasing. For example, they proposed that if shown what the amount they were spending was equivalent to, such as "8 Chipotle burritos" or "3 hours of work," that might help them to curb their impulse buying.

Participants also wanted tools that encouraged them to reflect on the



items they were purchasing by prompting questions like "Do I really need this?" and "What would I use this for?"

The most unpopular approaches, however, suggested that they did not want to be embarrassed, shamed or controlled about their purchasing. Most participants did not want tools that required approval from someone else or that made them post their purchase to social media.

The team highlights concerns about website designs that prioritize business goals over the welfare of people. These practices might trick people into doing things that are not in their best interest, a practice known as "dark patterns."

The researchers point out that interventions to support consumers are hard to do without the cooperation of the retailers, and suggest that greater transparency, ethical practices and even regulation might be needed.

The study will be presented May 8 at the ACM CHI Conference on Human Factors in Computing Systems in Glasgow, Scotland.

More information: Study: Impulse Buying: Design Practices and Consumer Needs - www.carolmoser.com/wp-content/ ... <a href="lese-Buying-child.chil

Provided by University of Michigan

Citation: Online retailer tactics and impulse buying: Consumers welcome tools to avoid it (2019, April 25) retrieved 26 April 2024 from https://phys.org/news/2019-04-online-retailer-tactics-impulse-consumers.html



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