What Drives Online Compulsive Buying: The Role of Consumer Skill, Knowledge, and Facilitating Conditions

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ABSTRACT

An increase in e-commerce activity has both positive and negative consequences for consumers. The ease with which experienced online shoppers can access a broad assortment of goods and services are likely to contribute to compulsive buying behavior is an example of this. Although researchers have examined factors related to offline compulsive buying, little is known about online compulsive buying behavior. This study examines the influence of perceived skill and knowledge, facilitating conditions, attitude toward online shopping, and actual online purchasing behavior on the tendency to engage in compulsive buying online. The moderating effect of self-esteem is examined as well. As expected, active online shopping coupled with low esteem may potentially lead to a tendency to engage in compulsive online shopping.

Keywords: E-Commerce Activity, Facilitating Condition, Online Compulsive Buying, Online Experience, Self-Esteem

INTRODUCTION

Consumer online spending has been increasing. The U.S. Census Bureau estimated U.S. retail e-commerce sales for the fourth quarter of 2011 was $51.4 billion. It increased 5.8% from the fourth quarter of 2010 while total retail sales increased just 1.8% in the same period (U.S. Census Bureau, 2012). The increase in e-commerce sales has negative aspects as well as positive aspects for consumers. For example, it has been identified that the characteristics of e-commerce encourage compulsive buying (Eastin, 2002; Gay, 1999). Consequently, consumers who use e-commerce extensively may be more likely to display compulsive buying tendencies.

Some research found that compulsive buying has some positive aspects like repairing mood (Elliot et al., 1996). In extreme cases, however, compulsive buying causes both economic and psychological problems. First of all, com-
Compulsive buyers can spend more money than they have and this excessive spending can destroy their own and their families’ lives (D’Astous, 1990; Faber & O’Guinn, 1992). Second of all, consumers experience significantly negative feelings in the long run although they have short-term positive feelings after compulsive buying (Faber & O’Guinn, 1989; O’Guinn & Faber, 1989). However, the studies on compulsive buying have a relatively short history compared with other compulsive behaviors such as alcoholism, compulsive gambling, drug addiction, and excessive work (Faber & O’Guinn, 1988). Even though there is some research about offline compulsive buying, online compulsive buying still needs to be studied.

The increase of online buying and the lack of studies on e-compulsive buying raise some questions. For example, does e-commerce really encourage online compulsive buying? If exposure to e-commerce increases online compulsive buying tendencies, are there any constant factors across offline and online shopping affecting compulsive buying tendencies? Therefore, the purpose of this study is to examine the influence of the extent of online purchase activity on online compulsive buying and to ascertain the moderating effect of self-esteem on online compulsive buying. To examine online compulsive buying, this study develops scales of online compulsive buying. This research is based on the frame of attitude-behavior consistency in online buying. Accordingly, this study also attempts to contribute to the basis of knowledge by examining the influence of two external variables (i.e., online skill and facilitating conditions) on the framework of attitude toward online buying and actual online buying.

LITERATURE REVIEW

Compulsive Buying

As Nataraajan and Goff (1992) pointed out, the term, compulsive buying, can be split up into two parts. The first part (compulsive) is a common qualification while the second part (buying) is a specific behavior. In both parts, some terms have been used synonymously.

Impulsive, addictive, and compulsive buying have been identified as unregulated consumer behavior (LaRose & Eastin, 2002). Although the concepts of impulsive, addictive and compulsive buying have been used interchangeably in previous studies, there are differences between these concepts. Rook (1987) defined impulsive buying as a sudden, often strong and persistent urge to buy something immediately while both addictive buying and compulsive buying represent a craving to buy (Baker, 2000). Moreover, impulsive buying is stimulated by an external factor like the product on the shelf. In contrast, compulsive buying is motivated by an internal factor like anxiety to buy something as an escape (Desarbo & Edwards, 1996). In addition, there is also a difference between addiction and compulsion. Addictive behavior is an irresistible urge with some elements of control; more of a pathological habit (Riddy, 2000; Scherhorn, 1990). On the other hand, the American Psychiatric Association (1985) defined compulsion as ‘repetitive and seemingly purposeful behaviors that are performed according to certain rules or in a stereotyped fashion’. While Faber et al. (1987) referred to compulsive buying as “excessive or out-of-control buying,” O’Guinn and Faber (1989) described it as “chronic, repetitive purchasing that becomes a primary response to negative events or feelings.” Moreover, addictive buying is a result of out-of-control behavior by an initially welcome but overpowering desire while compulsive buying is controlled by an unwelcome pressure (Scherhorn, 1990).

Furthermore, compulsive consumption, compulsive buying, compulsive spending, and compulsive shopping also have been used interchangeably in previous studies. However, consumption, buying, spending, and shopping have different meanings. Consumption includes the cycle of acquisition, usage, and disposition of products (Holbrook, 1995). By this perspective, buying, shopping and spending are under the concept of consumption. According to Nataraajan and Goff (1992), buying is a process.
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