

LEVEL 7 ASSESSMENT SPECIFICATION

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Module:	Approaches to Research and Academic Communication		
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Lecturer:	Dr. Luk Chung Leung	Internal Verifier:	
Assignment Title:	In-class Presentation	Time Allowed:	15 minutes
Submission deadline:	18 July 2020	Return date of provisional marks & written feedback:	7 September 2020
Submission method:	Each students needs to present to the class a summary of the research proposal within 10 minutes. The presentation is designed to gauge the student's ability to communicate and present information related to research and academic matters. A soft copy of the PowerPoint slides used for the presentation should also be submitted via Turnitin before the presentation.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		



HKBM7000 Approaches to Research and Academic Communication

Consumer Impulse Buying Behavior influenced by Key Opinion Leader

Doctor of Business Administration | University of Wales Trinity Saint David

Outline

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I. Research Problem

- Background
- Problem statement
- Research Objectives



Background of Study

Customers has a feeling that products “Calling” them & demand to buy so. (Rook, 1987)

Impulse buying :

- i. Suggested by Rook (1987) and Stephen and Loewenstein (1991), it is people has experience the urge to buy but not the product.
- ii. Impulse buying has been described as a sudden and unexpected purchase with no pre-shopping plans either to buy the particular category of items or to fulfill a specific buying mission. (Beatty and Ferrell 1998; p.170)
- iii. 30-40% of retail purchases are impulse buying (Sadighi, 2010)
- iv. Internal & External Motivators
 - a. Internal Motivators : cravings, internal thoughts and overwhelming desires
 - b. External Motivators : Stimuli from **marketing system**, e.g. product itself, atmospheric...(Hooch and Loewenstein, 1991)



Background of Study

Commercial Environment at Hong Kong

- It is rapidly going to Social & Online. Internet Penetration (Internet World States, 2020)
Growth 1,187% over the last decade, HK's penetration is 89.3%.

- 5.8M Social media users in HK in Jan 2020.(KEMP, 2020)

- Average Daily Usage
Internet user Age 16 – 64, Jan 2020



6H 16M

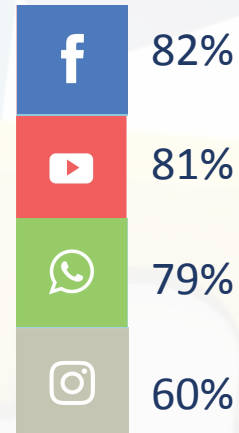


1H 57M



2H 33M

- Most use Social Media Platform
Internet user Age 16 – 64, Jan 2020



Background of Study

Commerce Activities at Hong Kong



84% Search Online
75% Visited Online Shop
70% Purchased
USD734M No.1 Food & Personal Care
Internet user Age 16 – 64, Jan 2020
USD4.94B in 2019, 8% Annual Growth

- The dominance of social media in recent years altered how information reaches to people fundamentally which Influencing the consumers behavior and the purchase. (Xin et al., 2010)
- 71% of customers are more likely to buy on the basis of a reference in social media.
- Over half of shoppers say that online videos helped them decide which brands and products to buy. (Weinstein, 2019)
- Recently, “Key Opinion Leaders (KOLs)” emerges as a new and powerful marketing tools in e-commerce market by number of means e.g. work of mouth, conveying brand messages and providing recommendation.

Background of Study



Key Opinion Leaders (KOL)

- The concept of Key Opinion Leader was borrowed from Paul Lazarsfeld's research of political views and voting behavior in 1944, while he introduced the term "opinion leader".
Today, the use of this term has been expended to other areas of daily life, including fashion, movies and marketing... (Katz and Lazarsfeld, 1955).
- Usually they have some specific focus area, e.g. fashion, cosmetics... They pass on information by their own interpreting and shaping the meaning
- They post their content online which attracts large numbers of followers or fans and with interaction.
- They are combination of three key factors: reach, contextual credibility and salesmanship. (Dada, 2017)

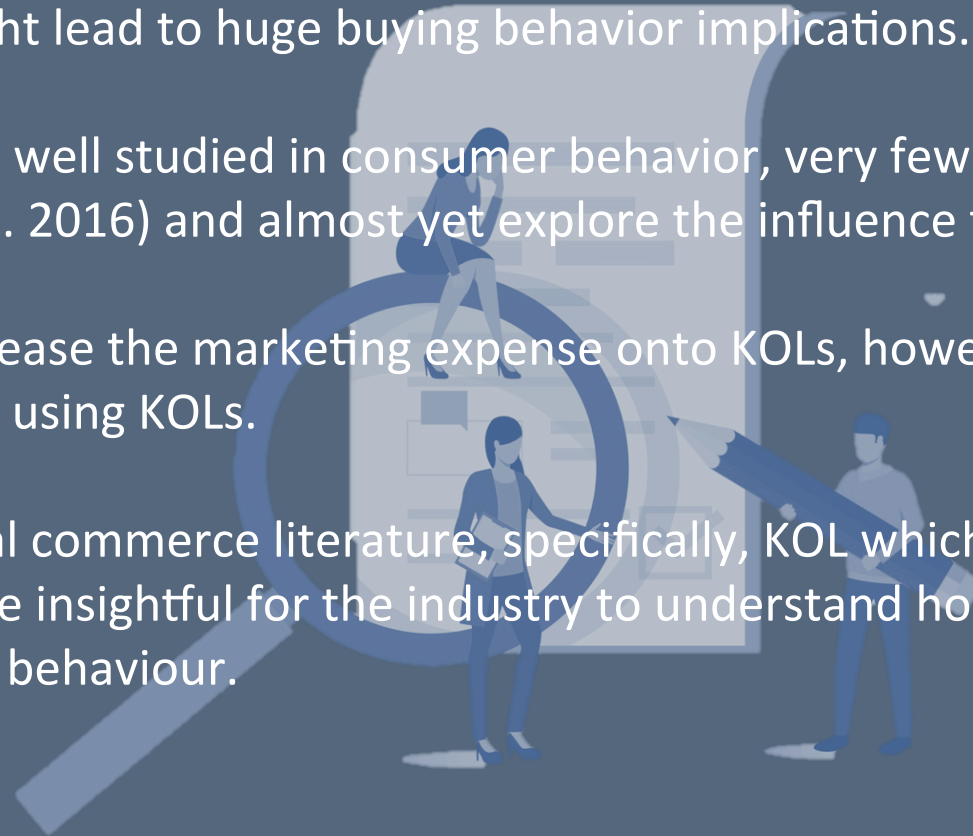
Background of Study

Key Opinion Leaders

- **WHY KOL becomes a popular marketing strategy ?**
 - 1. **Social Media** – high accessibility platforms to various markets, number of users are rapidly increasing.
 - 2. **Tools** – Media-making equipment availability increasing, they are user-friendly & convenient. Allowed people to make high quality and impactful content. Since mostly created by influencers themselves, which allow them to create own uniqueness style and authentic opinions. *(Wild, 2019)*
- **HOW popular ?**
 - In current market, 86% of the most-viewed beauty videos on YouTube are created by individuals, compared with 14% of beauty brands themselves. *(Sanjay Nazerali, 2018)*
 - About 25% of consumers did search product review in internet before shopping (Zhu & Zhang, 2010). 83% Hong Kongers will refer YouTube ratings, feedback or product details, they claim it helped them decide what to buy. *(Google think, 2018)*

Problem Statement

- Nowadays customers have been consistently exposed to KOLs via social media platform. For the consumers this might lead to huge buying behavior implications.
- Impulse buying was well studied in consumer behavior, very few in the context of social media content (Chen et al. 2016) and almost yet explore the influence from KOLs.
- Companies has increase the marketing expense onto KOLs, however, it is lack of study regarding the effectiveness of using KOLs.
- Fill the gaps in social commerce literature, specifically, KOL which is the new form of advertising, it will be insightful for the industry to understand how KOLs influence the sales via this impulse buying behaviour.



Research Objectives

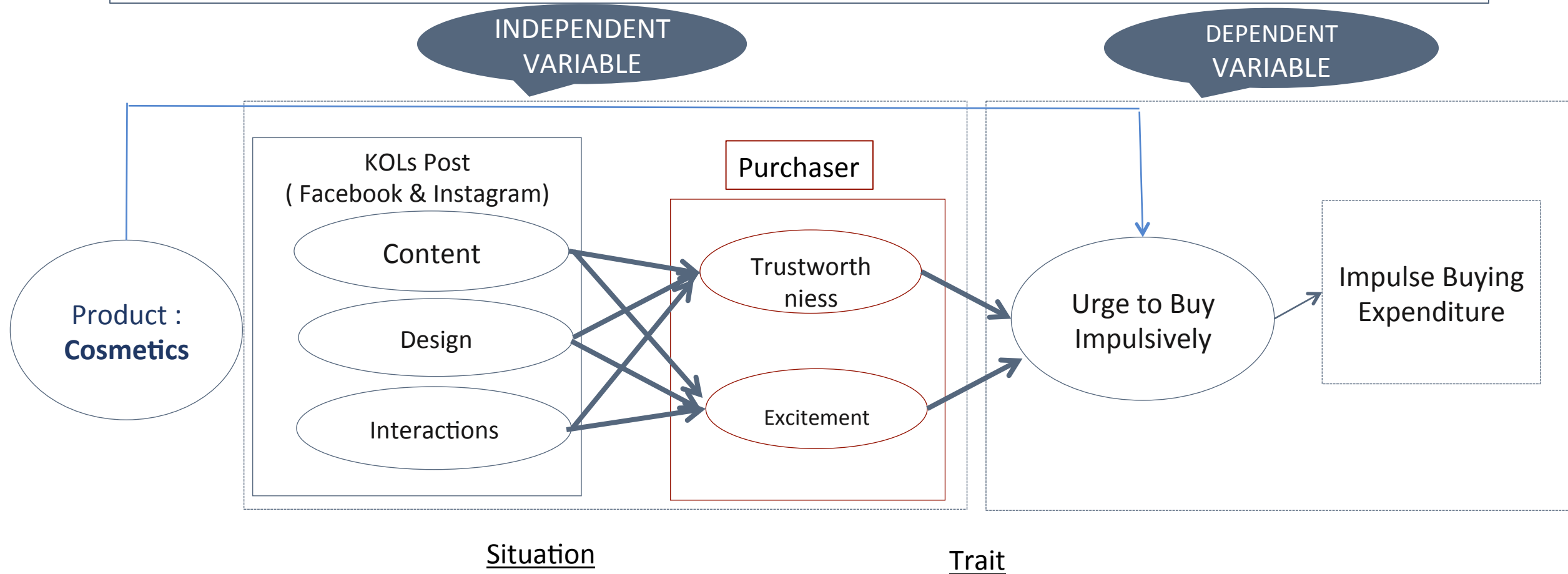
- How does the post / video made by KOLs affect the impulse buying of their followers.
- Compare the demographic of KOLs (Gender, Age, Product types...) from different social media platform (Facebook & Instagram) that may bring different impact to consumers.
- To identified whether demographic factors like Income, Education and Gender that impulse buyers influenced by KOLs
- Compare the KOL's influencing magnitude via different social media platform (Facebook & Instagram)

II. Research Design

- Framework of Relations
- Definition of Variables
- Research Methodology
- Sampling & Measures



Proposed Research Model



Latent State-Trait (LST) theory developed by Steyer et al. (1999)
Human activities are affected and interacted by
environment & individual factors.

Definition of Variables

The association was conducted for hypotheses testing to find out the relationship between impulse buying behavior (dependent variable) and factors affecting the impulse buying behavior (independent variable).

Urge to Buy Impulsively

Impulse buying is an unplanned purchase or without intentions (Beatty and Ferrell 1998). While the actual impulse buying activity is difficult to measure; previous research primarily considered the Urge to Buy Impulsively (UBI) as the metric for measuring impulse buying behavior (Liu et al. 2013)

H0 : The product nature has no impact onto consumer's urge to buy impulsively.

H1: There is association of the post content and trustworthiness

H2: There is association of the post design and trustworthiness

H3: There is association of the interaction between KOLs & followers and trustworthiness

H4: There is association of the post content and the excitement

H5: There is association of the post design and the excitement

H6: There is association of the interaction between KOLs & followers and the excitement

H7 : The more trustworthiness of that post, the more products purchase impulsively

H8 : The more excitement after reading the post, the more products purchase impulsively

H9: The more consumer purchase impulsively, the greater their expenditure will be.

Research Methodology

Sampling procedure and Sample characteristics

- An invitation to participate in the survey about the impulse buying would be distributed online.
- The questionnaire will be about their last 6 months buying experience. Only customer who had purchased and at least one [Cosmetic item](#) impulsively will be included in this study.
- It will applied comparison result between different platform based on same product category.

Sampling & Measures

Sampling method:

- Non-probability sampling method: Convenience Sampling

Sample Size :

N=384 individuals who have impulse buying in past 6 months.

Population : 5.8M Social Media User

Confidence Level : 95%

Confidence Interval : 5

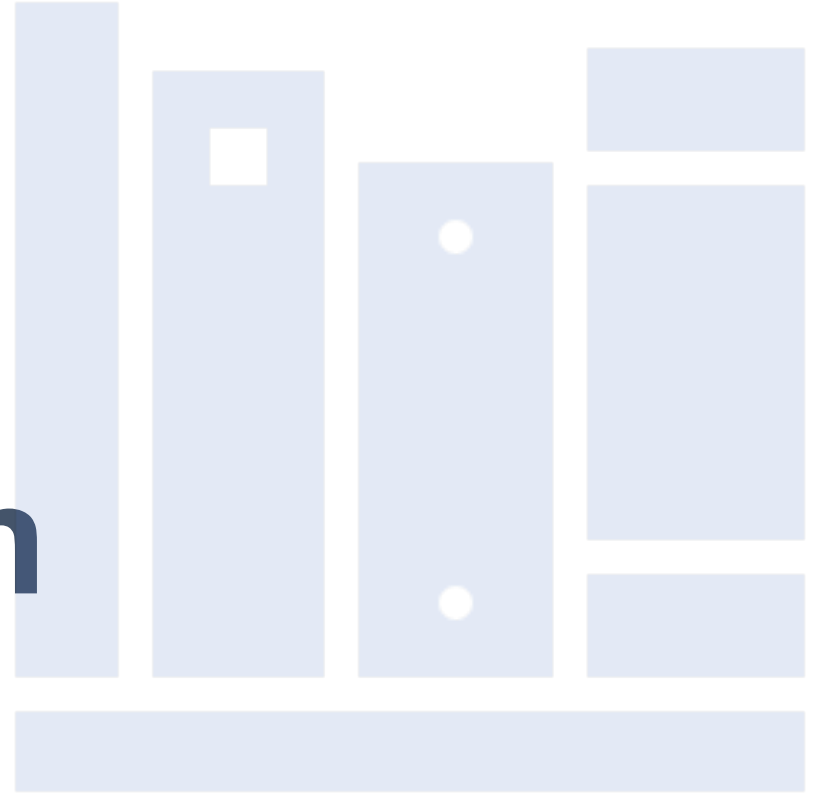
Sampling & Measures

Measurement instruments & Scale properties

- Measures level with statements about the latent variables on a five-point Likert scale.
- For the constructs for KOLs' post **content, design, interactions** at which influence the impulse buying intention.
E.g. Content - the post provided detailed information, Design - visually pleasing...
- It also applied onto purchasers' trait, in order to understand the level of the **trustworthiness** and the **excitement** that was influenced by KOLs' post.
- Except for the variable "impulse-buying expenditure"

III. Data Collection

- Data Collection & Processing
- Data Analyses
- Expected Findings
- Limitations



Data Collection & Processing

The research was conducted via a questionnaire

- Primary Data – Questionnaire Method

Qualitative & Quantitative

➔ huge data, short time and lower investment.

- Secondary Data – Existing reports from Social Media Agency / Journals / Websites

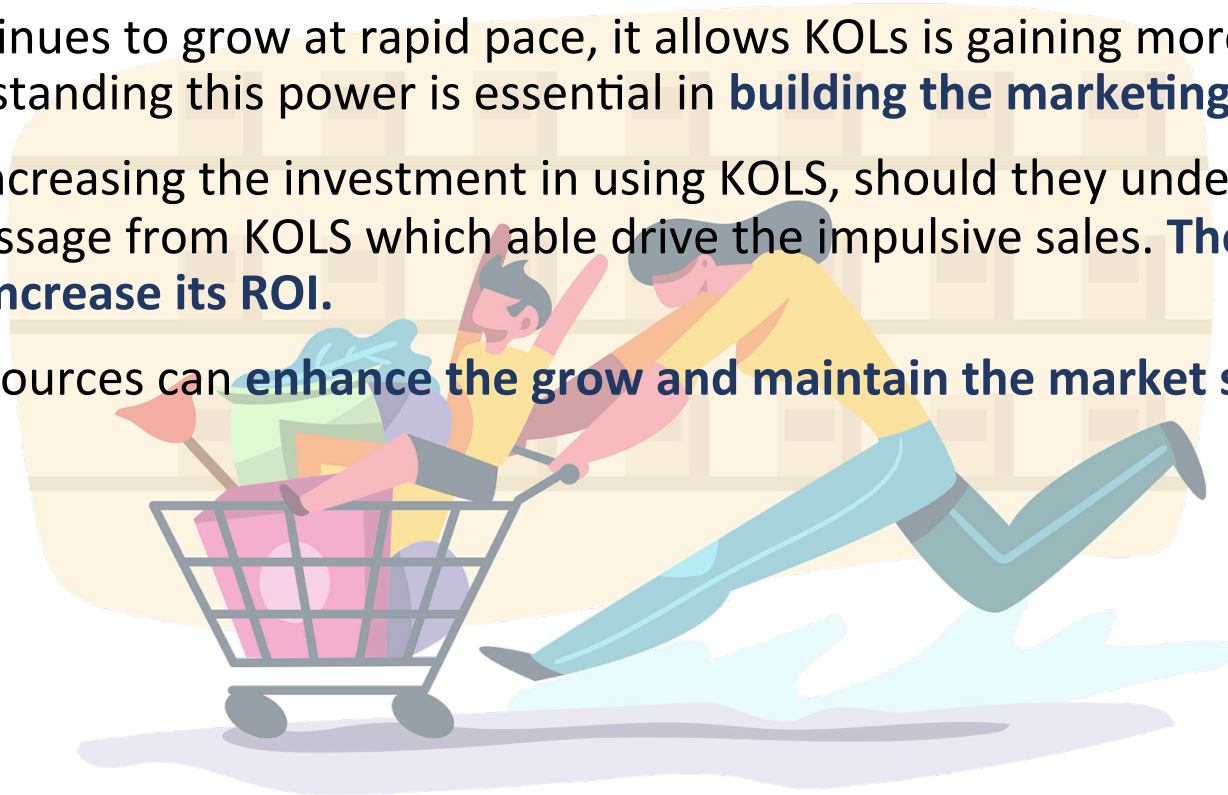
➔ helpful in elaborating on the related topics

Data Analyses

- Statistical Packages for Social Science's (SPSS) generated descriptive statistical and frequency tables for the **data inspection, demographic analysis & percentage analysis**
- Hypotheses testing was performed to find out the relationship between **impulse buying behavior (dependent variable)** and factors influencing the **purchasing behaviour (independent variable)**.
- Chi-Square test of association between two variables
- Tabulation method / Central tendencies / Dispersion indicators ...

Expected Findings

- Though the findings of this study to under that key factors that KOLs could bring up the sales from impulsive buying. **It helps further understanding the consumers' drive.**
- Social media continues to grow at rapid pace, it allows KOLs is gaining more power their audiences, understanding this power is essential in **building the marketing strategy.**
- Companies also increasing the investment in using KOLs, should they understand how consumer perceived the message from KOLs which able drive the impulsive sales. **They can cooperate with KOLs in order in increase its ROI.**
- Utilizing these resources can **enhance the grow and maintain the market share** of products.



Limitations

- **Social Media Platforms**

This study only covers facebook and Instagram while there are lots of other social media platforms, e.g. Wechat, Youtube and Twitter. May be it has different type of followers that have different personal traits or behaviour on impulse purchase. It is believed the there could be some discrepancies in result.

- **Product Category :**

Also there are different types of KOLs that may influences their followers on different consumption of product. For examples, Foodie KOLs' follower may wants to get the same clothes of he or she. This research could be extend to different product category and get the whole pictures of how different types of KOLs influence the impulsive buying.

- **Sales Expenditure :**

To increase the power of the measurement of impulsive behaviour explanation, it is suggested to have a modified design survey with sales-orders figure support.

- **Context :**

This research based on local data from Hong Kong. Encourage to further studies these influence factors across different countries to compare. As the culture factors may varies these findings.



Q & A

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