

A Study on the Impact of online Flash sales on Indian Consumers

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Abstract

The fifth largest economy in the world with high level of disposal income in the hands of young generation with further convenience of goods and services at a click have accelerated the spending rate to manifold in the materialistic things. This has further boosted by the credit availability provided by the banks and financial institutions for the purchase of goods and services. The consumers not only from the metro but also from non-metro cities are using these e-commerce sites for their general to specific needs. To further expedite their business these online shopping portals are coming with flash sales especially during the festival seasons. This paper is an attempt to further establish a research interstice by stating different research work taken by researchers on Impact of online Flash sales on Consumers all over the globe. This paper focuses on understanding the consumer behavior during flash sales by an extensive study of appropriate literature.

Keywords: *Consumer Buying Behavior, Online Marketing, Flash sale*

Introduction

The Indian e-commerce business is increasing leap and bound which is expected to grow to \$ 200 billion by the year 2026 which means growing at an annual rate of 51 per cent, the highest in the world. The major force behind this transformation from brick & mortar to online is the Indian customer's rapid adoption to the changed technology. This technology has brought total transformation in the shopping habits of the people. Even the online companies played a major role in shaping the buying behavior of the Indian residents. These companies are always on the lookout for the new strategies for luring the customers and festivals are the new spikes and the flash sales are their biggest boon for reversing the dull customer sentiments into shopping spirit.

Literature Survey

In the present paper the literature reviews are mainly primary research articles which prepare the base for the study of the topic i.e. the Impact of online Flash sales on Indian Consumers. Fink (2005) was of the opinion that literature review plays the role of anchor for the all other articles. The study of literature review helps in exploring and understanding the appropriate studies already done in the stated field and the need of additional research to fill in the gap. It helped in placing our own research within the context of existing literature making a case for why further study is needed. The online shopping especially in context of flash sales in India is relatively new so the articles from 2011 to 2019 have been taken in the present study.

- ❖ Christou (2011) in his paper focuses on a proposed model which has taken number of factors related to level of utilization of online sales promotion by customers' and also their beliefs, customs, buying behavior. The model was tested and it was found that price factor has a great influence on the quantity of the purchase.
- ❖ In the words of Lee and Lee (2012) Flash sales was a limited period heavy discounted sale for purchasing goods and services in advance through electronic channels.
- ❖ Giraud and Gonzalez (2013) analyzed the customers purchasing patterns on the basis of myopic, self-regulated, hyperopic, and dispassionate. Their research design was based upon qualitative research methods, which also focused on consumers' resistance to temptations. It also isolates the mechanism that consumers use to resist temptations.
- ❖ Kim and Martinez (2013) in their study made a division of customers into four categories of fashion followers, fashion opinion leaders, fashion innovators and innovative communicators and they all must be a member of at least one

e-commerce site. The study came to the finding that innovative communicators are having the highest purchasing on e-commerce sites.

- ❖ Pandey, Pandey and Henry (2013) were of the opinion through their study that sales promotion act as provoking factor for impulsive buying among the all age group of the customers. The study has also undertaken the different kind of sales promotion tools and their effects on customers buying behavior with special focus on offer, premium and contest.
- ❖ Aydinli, Bertini, and Lambrecht (2014) described that sales promotions are the major factor which influences the purchasing decisions of the customers. The price promotions bring out the habitual changes in the purchasing pattern of the consumers which can create obstruction for new entries in the market.
- ❖ Khanna and Sampat (2014) had focused on Indian market as it was going through major E- reforms which resulted in massive growth and opportunities in online trading. The study was exploratory in nature as its aim was to find the impact of festival discount on the purchasing pattern of the customers. The results of the research in this paper and the way of implementation of recommendations on the basis of shopping history, customer behavior can further improve the selection process and stickiness with the online retailer
- ❖ Aday and Phelan (2015) investigated the relationship between flash sales and hospitality and service sector on flash-sale sites such as Groupon and LivingSocial.
- ❖ Miller Berezina and Semrad (2015) focused on the hospitality industry and flash sales and it was found that flash sales resulted in increasing occupancy rate, better customer exposure, increased clientele. The hospitality sector was very much positive about the flash sales and they were of the opinion that it can serve a better sales and marketing channel.

- ❖ Kannan; Hu; Narasimhan (2015) described the scale on which the sales have been increased in the first week of the flash sale of the designer website. It has also taken into consideration the sale promotion activities on social media and its positive impact on the sales revenue which have resulted in increased duration and frequency of flash sales on the designer's website.
- ❖ Agarwal; Sareen, 2015 have analyzed the impact of flash sales on all the parameters of sales, revenues, website traffic and logistics. It was an eye opener study as it gave a detailed data of the Indian e-commerce industry during flash sales. After this e-commerce giants have started frequent flash sales to overcome the losses and increase the customer base in India. It was one of the few studies done on Indian e-commerce industry and flash sales effect on it.
- ❖ Miller (2016) stated that flash sales are taken by the e-commerce companies to takeout their huge inventories through a proper channel. It is also having a hidden agenda to increase the customer base and later on making them loyal towards their portal and increased their revenue by making the customers buy the merchandise at full rate after a small time sale.
- ❖ Joshi and Domb (2017) has given due importance to the relationship between the changing socio and economic behavior of Indian people and online shopping. They have also studied the three major e-commerce shopping portal in India and how they are increasing sales traffic, logistics by using flash sales as a promotion tools.
- ❖ Shailashri, Aithal and Shenoy (2018) pointed that Indians celebrates their festivals with lot of pomp and shows and during that time they are ready to

spend with whole hearted so all the e- commerce companies comes out with huge sales/ flash sales , promotion of their products with heavy discounts.

- ❖ Veer Raju (2019) in his study stated that Convenience is the most deciding factor that motivates the customers towards online shopping. Moreover the online shopping is not limited to a particular category of the product but all kind of goods are purchased through it. It is equally popular among all the ages and income group of Indian customers as it is convenient and time saving.

Conclusion

The study of the research areas already taken care by the researchers helps in critical summary and assessment of existing materials dealing with knowledge and understanding of an area and to create awareness about previous work, and to find the gap which provides a framework for further research. The large number of papers stated that sales promotion tools are playing an important role to stimulate customers towards buying any promoted products on e-commerce. Flash sales and discounts are an important aspect of sustaining and expanding business for ecommerce players. These deals and sales help in acquiring new customers and retain the existing ones. Indian customers love deals and discounts. This paper also takes into consideration the areas of study which are not taken on the regular basis in the context of flash online sales in India. In India studies are conducted to know the customer satisfaction towards online shopping. However, few studies were conducted on Flash sales and customer behavior. Flash sales is an area if study which requires more attention especially from Indian customers view point. This study of previous work done by the researchers integrates all the factors of flash sales which impact the consumer buying behavior.

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