Exploring the Combined Effect of Shopping Values and Website Atmospherics on Online Shopping Behaviour – The Moderating Role of Perceived Risk

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INTRODUCTION

The introduction of internet, a new global medium for communication has evolved which not only facilitates the creation of inter-connected, information driven world but also demonstrates significant impact on trade and commerce. A new medium for doing the business, called electronic commerce or e-commerce, has evolved rapidly. Furthermore, the trend for online shopping has emerged across all customer segments and organizations are capitalizing by using innovative tools online, for marketing their goods and services.

From the perspective of a customer, online shopping has been defined as “an activity that includes searching for product information, buying products or services, and communicating with retailers and other consumers” (Cai & Cude, 2012). Over the years, with the change in consumer lifestyle, the adoption rate of online shopping has witnessed an increase and it has now become a substantial alternative to conventional shopping (Wang et al., 2006). A report by KPMG (2017) highlights the top six reasons which drive the consumer’s attitude and motivation towards online shopping. According to most consumers, one of the most important features provided by the online portals is the facility to shop from anywhere and at any time, making it a round the clock service. This not only saves time but the user benefits from the availability of all products in a single online platform. Customers are also able to compare price and avail discounts offered by the e-tailers. In addition, there is the added advantage of the convenience of shopping from home. The time pressed customer can make a purchase from home, can avoid crowded stores and save time while not waiting in check-out queues. Shopping online further increases their ease of product selection as there is usually a wide array of goods & services available. Customers are also attracted by the free shipping offers available on online sites. Lastly, at times e-shopping becomes a necessity when the desired products are not available in the user’s country.

However, there are certain barriers which inhibit the customer from shopping online. These include the lack of tangibility of products, the delayed gratification from the product in case of larger delivery timelines and lack of an actual in-store experience. Additionally, the user associates certain risks with online shopping such as the authenticity of the product, security of information and financial value of the product, to name a few.

To study this phenomenon of consumer’s online shopping adoption, researchers have proposed many theories and models. Some of the landmark studies include the theory of diffusion of innovation (Rogers, 1962), the theory of reasoned action (Fishbein & Ajzen, 1975), the technology adoption model (Davis, Bagozzi & Warshaw, 1989; Venkatesh & Davis, 2000 & Venkatesh 2000) and the Unified Theory of Acceptance and Use of Technology (Venkatesh et al., 2003). In congruence, a substantial piece of investigations suggests four major factors which are the determinants of the consumers’ adoption of online shopping. These include consumer characteristics, consumer perceptions, e-tailer attributes, and product characteristics (Cai & Cude, 2012). Thus, online shopping is also described as a flow experience (Cai & Cude, 2012), which is directed by the consumer’s goals in conjunction with the experiential activities on the internet.
Taking it further, studies have also enhanced the factors that influence the consumer’s attitude towards online shopping. These are consumer traits, situational factors, product characteristics, previous online shopping experience, trust in online shopping, ease of use, usefulness, and enjoyment (T Perea et al., 2004). However, the process of decision making while making an online purchase is also suggested to be affected by the presence of the visual cues on the website. These cues constitute of a part of the website’s atmospherics and influence the purchase outcome of the customer (Ha et al., 2011) Along with the site cues, intrinsic and extrinsic online shopping values of hedonism and utilitarianism are associated with a shopping experience (Peng & Kim, 2014). Studies have been conducted to understand the impact of the cues and the shopping value on the online customer behaviours. But there is relatively less knowledge of the combined effect of these along with the risks associated with the purchase.

To advance our knowledge, we draw influence from the work done by Peng & Kim (2014) in the similar direction. We take their proposed model as the base of our framework and make additions & modifications to suit our research idea. Thus, even our study uses the Stimulus – Organism – Response (S-O-R) framework as the theoretical background. We propose a framework to establish the consumer’s intention to purchase by using both consumer driven factors and the shopping environmental stimuli. Apart from shopping environment, Word of Mouth (WOM) has been identified as an additional variable which impacts the consumer’s decision making process. During literature review, it also emerged that the shopping environmental stimuli affects the perceived risk of the consumer. Thus, it will be imperative to understand the role of perceived risk on the attitude of the consumer, with respect to an online shopping behaviour. Simultaneously, we intend to crystallize the environmental stimuli further and add new dimensions to it.

In the following sections, we will discuss the literatures reviewed and later on will propose the framework based on it.

**LITERATURE REVIEW**

**The Stimulus – Organism – Response (S-O-R) Model**

The S-O-R framework explains the impact of stimuli (S) either external or environmental on the organism (O) or the consumer which results in response (R) behaviour (Mehrabian and Russell, 1974). The model is based on the assumption that the presence of stimuli in the external environment impacts the organism resulting in an approach or avoidance response. Due to its versatility, the model can be applied to the in-store retail environment and also to the environment created for online shopping. In other words, the environment created by a retail store or an online website will affect the customer’s response and result in either approach or avoidance behaviour towards the store or the website.

The environmental aspect suggests that retailers can create and manipulate the nature and amount of stimuli in order to generate a reaction from customers. Often the customer has an emotional reaction to the stimuli which results in a desired behaviour (Donovan & Rossiter, 1982; Mehrabian & Russell, 1974). According to Mehrabian and Russell (1974), the
emotional reaction can be generalized into three specific categories of Pleasure – Arousal – Dominance. Moreover, Donovan and Rossiter (1982) explain that store induced pleasure is indeed an impactful determinant of the customer’s approach – avoidance behaviour, especially in the case of spending behaviour. The study further suggests that the arousal can potentially increase the amount of time a customer is willing to spend at the store and interact with the sales personnel. Furthermore, stimuli induce feelings of alertness and excitement and can usually be detected by the lighting arrangements and the upbeat music played during the shopping hours. The third variable of dominance has been rejected by studies as it in its suggested form of persuasiveness corresponds to a cognitive response rather than an affective response (Russell & Pratt, 1980; Donovan & Rossiter, 1982).

It is further suggested that the level of arousal and pleasure experienced by the consumer will affect his approach-avoidance behaviour. This includes four important aspects of the desire to stay or leave the environment, the desire to explore the environment, the desire to interact with others present in the same environment and the satisfaction level with the environment (Donovan & Rossiter, 1982). Thus it can be inferred that, if a customer experiences a higher level of pleasure and arousal, he or she may be influenced to physically stay in the store, explore, communicate with the store personnel and be satisfied with the end results.

In practice, many researchers have used the S-O-R framework to study the consumer response in physical stores and online websites. It has been used to determine the atmospheric qualities of online retailing (Eroglu et al., 2001) and the influence of atmospheric cues on shopping outcomes (Eroglu et al., 2003). McKinney (2004) investigated the consumer motivations for shopping online and the influence of hedonic and utilitarian motivations in online shopping experience were explored by O’Brien (2010). To check the broad based applicability of the framework, even a Meta-analytic review is done by Vieira (2012).

**External factors, consumer attitudes and online shopping values:**

**Consumer attitude:**

Attitude can be defined as a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object (Fishbein and Ajzen 1975). Attitude influences thoughts, feelings and consumer decision making process (Bagozzi and Warshaw 1990; Das 2014). There are three important features of attitude. Attitudes are learned, they are relatively stable and they influence behaviour (Funk and James 2004). According to Tripartite model, attitude involves three main components: Affect, cognition and conation (Bagozzi et al., 1979; Lutz, 1977). In affective process, attitude is formed by repeated activation of attitude object paired with a stimulus that prompts a response. It involves the emotions that a consumer attaches to an object and the stimulus received. Cognitive attitude is formed on the basis of information gathered from different sources. These sources can be direct such as previous experience of the customer or indirect like advertisements and feedback from family and friends. It can be said that the cognitive component is based on information learnt or acquired from various sources such as peer group, brand communication or usage experience of an individual (Childers and Rao 1992). It is the
thoughts or belief part of attitude. The conative aspect refers to the behavioural aspect of attitude. It is derived from past behaviour and perceived as consistent with behavioural intent. It is the action or behavioural part of attitude (Eagly & Chaiken, 1995, Funk and James 2004; Fong 2013).

Put differently, attitude determines if an individual will behave positively or negatively towards a product (Schiffman et.al, 2015). It is the “how” of consumer behaviour in which a customer responds to brand / product, its branding & packaging, advertisements, the brand communication and the placement of the advertisement within a given media frame. It is formed from the past experience, direct or indirect advertising and other information available to the individual. With a positive attitude, there are higher chances of a purchase being completed. Attitude can be formed and changed depending on the stimulus that an individual receives.

**Online shopping value:**

The term “value” has taken many meanings in consumer research and each study has contextualized the usage of the term. In his exemplary work, Zeithaml (1988) has reviewed this wide usage of the word and categorized into four distinct meaning outcomes. The first of these is the equation of value with price. Then there are two other renditions of value being a trade-off between costs and benefits. One of these is a basic exchange and the other examines the trade-off between perceived product quality and price. The fourth, equates value with an assessment of overall subjective worth measuring all the criteria’s for evaluation. The subjective assessment includes all qualitative factors and the objective assessment includes all quantitative factors, taking in the complete shopping experience and deriving value.

Research has further categorized value into two aspects. The utilitarian value (Babin et.al, 1994) is essentially an outcome of a conscious pursuit of a pre-determined goal. It occurs when a consumer is task oriented and non-emotional, at times described as routine sans the pleasures of shopping. It also may always not result in a purchase as it can be attached to situations wherein a consumer simply gathers information about a product. The hedonic value (Babin et.al, 1994), on the other hand, views shopping as an emotional and personal reward. It reflects the fun and playfulness associated with shopping. It can be characterized by an increase in arousal, high level of involvement, perceived freedom, accomplishment of a fantasy and the opportunity to escape the mundane. These values are said to have a significant impact on the consumption behaviour of the consumer. The utilitarian online shopping behaviour focuses on aspects such as product quality, price, usability, and other shopping task-related features (Sorce et al. 2005; Peng & Kim, 2014). On the other hand, the hedonic online shopping behaviour emphasizes on seeking unique experiences and consumer’s shop to derive intrinsic value and enhanced pleasure of shopping (Peng & Kim, 2014).

**Website, visual cues and influence on purchase:**
The S-O-R model illustrates that external environment affects the response of the organism. With increased inclination of the customers towards online stores, researchers have identified various factors that encourage the customers to use online platform for the purpose of shopping. Various consumer benefits like ease of information, instant price comparisons and convenience of shopping from home is changing the behaviour of shoppers. Increased level of disposable income and paucity of time due to increased number of working couples have given a rise to the convenience driven online shopping (Pandey et al. 2015). For a traditional platform like brick and mortar stores, there exist certain environmental cues like colour, music, layout, fragrance and others that affect the response of the customers (Peng and Kim 2014). A study done by Baker (1986) reveals that these environmental cues can be classified into social factors which include the people in the store, design factors that are the visual cues like colour layout etc. and other non-visual cues like smell, sound, etc. are classified as ambient factors (Eroglu et al, 2001). Once a customer lands on a particular web page, his or her attitude towards that particular website and the response (approach or avoidance) will get affected by the website’s environment. Based on previous studies in this context, the researchers have established that the website environment influence consumer’s pleasure that in turn may affect the hedonic value of shopping (Ha & Lennon, 2011).

Eroglu et al (2001) have grouped the website environmental characteristics into two groups namely high-task relevant and low-task relevant. They have defined high-task relevant cues as site descriptors like price, terms of sales, return policies, merchandise etc. (verbal content) that appear on the screen and facilitates the consumers as well as enable them to attain their shopping goals. On the other hand, low task-relevant environment include site information that are trivial to completion of the shopping task. These are the verbal cues that are unrelated to shopping goals (Eroglu et al, 2001). Although the low task-relevant cues do have any direct effect, yet they are capable of creating an environment which can make the shopping experience more pleasurable (Eroglu et al, 2001). These cues (both high and low task-relevant) affect consumer’s attitude towards the website which further influence their intention behaviour (purchase intention) (Eroglu et al, 2003; Ha & Lennon, 2011). The pleasurable shopping experience catered via website cues not only encourages the consumers to evaluate the website more favourably but also reduces the risk perception (Ha & Lennon, 2011). Studies done in this area postulate that negative relation exist between perceived risk and purchase intention (Forsythe et al, 2006; Wu et al, 2010; Ha & Lennon, 2011 Kesharwani & Bisht, 2012). There also exists a negative relation between perceived risk and attitude towards e-vendors (Wu et al, 2010). Since e-vendors act as a bridge between customers and their online shopping experience, we can assume that this attitude towards e-vendors will get reflected in the attitude towards online shopping as well. Also online cues encourage positive online behaviour by reducing the perceived risk (Koernig, 2003; Ha & Lennon, 2011). Websites that have pleasurable design attract more customers and have a positive impact on their intention to purchase (Davis et al, 2008; Eroglu et al, 2003; Ha & Lennon, 2011). The quality of the website affects the level of perceived risk and in turn consumer’s purchase intention (Chang & Chen, 2008).
Another factor that influences the attitude of the customer is Word of Mouth (WOM). With the advancement in technology, there has emerged a new form of Word of Mouth and it is termed as Electronic Word of Mouth (eWOM) (Tham et al, 2013). Meuter et al. (2013) have classified WOM into two categories interpersonal and electronic. Interpersonal WOM is the traditional form which is shared face to face between users whereas electronic WOM is associated with the electronic network or the online space (Meuter et al., 2013). They affect trust which in turn affects consumer’s attitude towards online shopping (Al-Debei et al, 2015). In the world of internet, customers get the information and feedback about the products and services not only from close friends and relatives but also from random users not known to them (in online space) (Ratchford et al, 2001; Hennig-Thurau & Walsh, 2003-4). Roselius (1971) have identified eleven methods of risk relief and one among them is Word of Mouth (both online and offline) (Roselius, 1971). In other words, WOM reduces the perceived risk for the customers. It evokes a neutral or slightly positive response (Roselius, 1971).

**PROPOSED FRAMEWORK:**

Using the stimulus – organism – response framework, this paper proposes a conceptual model to advance our understanding of customer’s attitude relative to the stimuli offered by the website, the online shopping values and WOM. As discussed above, the behaviour resulted is either approach or avoidance to the originator of the stimulus. The model further suggests that the perceived risk associated with the online purchase moderates the customer’s attitude formation. Also the perceived risk is influenced by the quality of website cues. The effect is essentially of the nature and amount of risk perceived by the consumer while making the decision regarding a particular purchase (Cox and Rich, 1964). On the basis of various studies carried out in the area of risk perceived by the consumers, six types of risk have been identified: performance risk, physical risk, financial risk, social risk, psychological risk and time risk (Broadbridge & Morgan, 2001). For the purpose of our study, we have considered the combined effect of all these risks as perceived risk. The level of these risks gets influenced by WOM (Roselius, 1971). Finally the response elicited is an influence on the intention to purchase from that particular platform. The online shopping values, both hedonic and utilitarian act as internal influencers. Hedonic shopping values are the motives of enjoyment, fun and leisure and utilitarian shopping values are the functional attributes attached to the shopping experience (Peng and Kim, 2014). The online environmental cues are classified as high and low task relevant and act as the external influence. The high task relevant cues include the product description, pricing, terms of sale, delivery & return and the navigation aids. The low task relevant cues are related to the website and customer engagement features of the website (Eroglu et al., 2003).These components together impact the customer’s attitude which is the learned predisposition to behave in a consistently favourable or unfavourable manner with respect to a given object (Fishbein and Ajzen 1975). Additionally, it influences thoughts, feelings and consumer decision making process (Bagozzi and Warshaw 1990; Das 2014). Subsequently, the customer demonstrates either a change in an existing attitude or attitude formation of the user. This model forms the base of multiple
future researches offered by the systematic study of the website atmospherics and consumer behaviour driven variables.

Fig.1 Proposed Research Model
REFERENCES:


