



“Applicability of S-O-R concept on consumer’s behavioural psychology during online shopping by relating internal and external environmental factors on consumers purchase”

Ms. Aishwarya Sarathe^{1*}, Dr. Deepak Tiwari²,

Dr. Vivek Sharma³

^{1*}PhD Scholar, Barkatullah University, Bhopal ²Director, Duke

College of Management, Bhopal

³Director, CRIM, Barkatullah University, Bhopal

Abstract

Abstract: Online consumer behavior is the process of how consumers make decisions to purchase products in ecommerce. This study attempts to gain insight into the consumer's buying behavior of e-Buyers in major cities of Madhya Pradesh. Thus, this research is descriptive in nature as it aims to ascertain the degree to which relationships exist between a set of variables that influence impulsive buying. The main advantage of such a correlational design is the ability to delineate the important factors that are associated with consumer's buying behavior. We took 1000 respondents sample size for this study. All the 1000 respondents were taken for the survey. All the collected data was subjected to appropriate analytical tools for a comprehensive, descriptive and inferential statistical analysis on various parameters using SPSS software.

Keywords: Consumer Behaviour, e-Buyers, Regression, SOR

1. Introduction

The internet offers companies a great opportunity to enlarge their customer base by marketing their products and services online, in what is known as “e-commerce.” In this regard many companies which had focussed their efforts on traditional physical channels are now also adding online channels in a multichannel strategy. But what is interesting is that such companies do not abandon their physical channel but rather adopt an “omnichannel” strategy as a strength vis-à-vis purely online firms (“pure-players”), which paradoxically are also starting to setup physical environments or “experience” stores (Blazquez et al., 2019). Being present in multiple channels offers greater exposure and market reach, but if the customer is the same, companies must start to consider the congruence of customer experience when switching from one channel to another and whether they are maintaining branding uniformity and consistency across specific marketing attributes in each channel so as to enhance value in the consumer’s shopping process (Juaneda-Ayensa et al., 2016). The growing importance acquired by the environment in which the consumer’s patronage occurs means that this analysis is a chance to explore the evolution and adaptation of the various shopping behavior models based on the stimuli received by consumers from the setting in which their general shopping experience takes place. This is especially so given that we have known for some time that “an arousing store environment or atmosphere combined with a pleasant shopping experience have a positive effect on consumers’ willingness to buy” (Bitner, 1992). Some authors describe a type of hedonic buying referred to as “adventure shopping” (Arnold and Reynolds, 2003) in which the need the consumer seeks to satisfy is prompted precisely by the securities that shoppers receive from their environment during the purchase process – cues that may involve one or more sensory organs and which make the mere act of “exploring” or walking about a store a pleasant experience, well beyond the mere utilitarian outcome to be procured by the purchase of a particular product or service. Studying the effect of the environment on human behaviour has its roots in Psychology. Stimulus-response theory was the first to suggest a link between the environment and behaviour.

2. Literature review

Online consumer behaviour is relatively a new topic with “an apparent paucity of articles” (Laroche, 2009b). Also, studies on fashion (Jackson & Shaw, 2009; Jacobs & de Klerk, 2010) and emotion (Wadhwa 2007; \) are scant in Consumer Research. In marketing research, Kotler (1973) initially referred to the importance of environmental atmospherics as a marketing tool. Then, the concept of the surrounding retail environment was further developed as Bitner coined the term ‘servicescape’, defined as “All of the objective physical factors that can be controlled by the firm to enhance (or constrain) employee and customer actions” (Bitner, 1992, p. 65); suggesting that human beings within the service interaction are affected by the surrounding physical environment. Later definitions of servicescape included non-physical components called social factors; concluding that servicescape is comprised of ambient factors, design factors and social factors (Ezeh & Harris, 2007).

Back to the stimulus-response theory, this behaviouristic psychology was criticized by Lazarus (1998, p. xvii) arguing that “a person in this interchange is a passive creature, reacting to an environment that stimulates him or her, and that person’s influence on the environment is ignored”. Consumers under the stimulus-response paradigm are viewed as machines which react automatically to stimuli; a lamp and a power-switch is probably the best metaphor of this perspective. While a direct influence of the environment on human beings cannot be denied, scholars suggested that one missing link in this relation is that human beings differ from machines in developing ‘organismic’ reactions (Mehrabian & Russell, 1974). Hence, the S-O-R suggests that when a person is exposed to external stimuli, ‘inner organism changes’ precede behavioural responses.

The S-O-R has dominated consumer behaviour literature and has been widely employed in marketing studies (Arora, 1982; Buckley, 1991; Donovan & Rossiter, 1994; Wakefield & Blodgett, 1996). Specifically, in traditional store environment, research has investigated the influence of the buying environment or the servicescape on customers' expectations, cognition and emotion. As the internet is becoming a major or complementary sales channel for many retailers, research on the online buying environment or what is referred to as e-atmosphere or e-servicescape has emerged. Several endeavours were made to customize the S-O-R model to fit the online shopping context. (Eroglu, et al., 2001) suggested that there is a need to systematically develop a comprehensive taxonomy of online atmospheric cues and to identify their major dimensions similarly to what has been done within the traditional retail store environment. Later studies started to deepen main understanding of online atmospherics and consumer responses and behaviour in the online environment. In short, among online environment literature two main themes have emerged, one is studying the effect of the online buying environment on trust (Chang & Chen, 2008; Harris & Goode, 2010) and another studying its effect on cognition and emotion (Kim & Lennon, 2010; Lee, et al., 2010;). Based on literature review and research gap, conceptual framework has been developed as shown in Fig. 1.

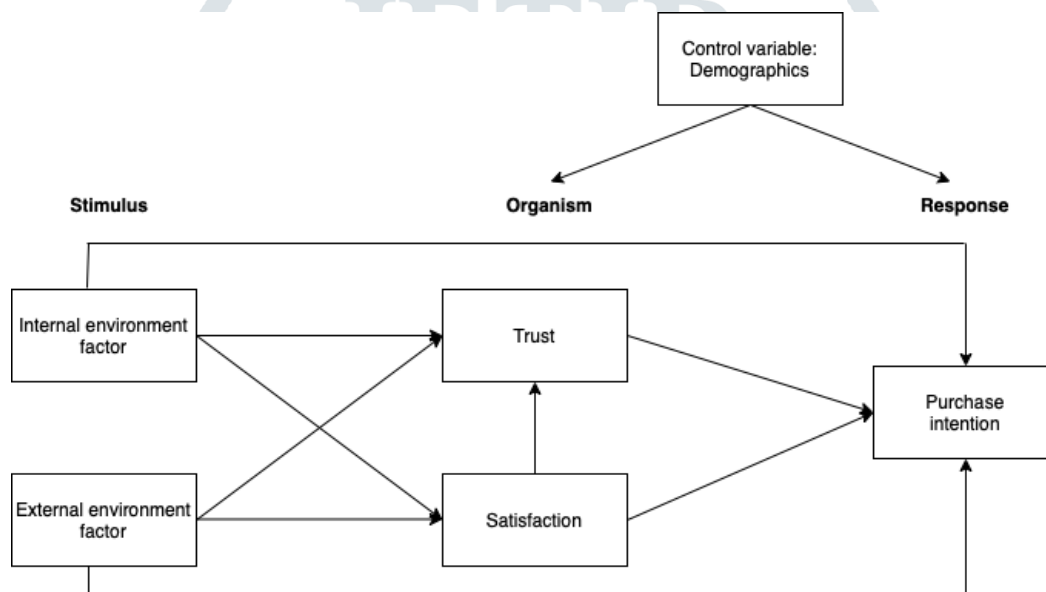


Fig. 1: Conceptual framework

3. Research methods

1. Purpose of the study: Customers' choices, demands, requirements as well as anticipations are the core elements of the idea of business attitude in marketing arena. These aspects especially the requirements and expectations must be fulfilled for an organization to be successful in trade and merchandising world. The main purpose of this study is to analyse the consumer's buying behavior of e-Buyers in major cities of Madhya Pradesh.

2. Type of Research Design: This study attempts to gain insight into the consumer's buying behavior of e-Buyers in major cities of Madhya Pradesh. Thus, this research is descriptive in nature as it aims to ascertain the degree to which relationships exists between a set of variables that influence buying behaviour. The main advantage of such a correlational design is the ability to delineate the important factors that are associated with consumer's buying behavior.

3. The Study Setting: As this research is a correlational study, it was conducted in non-contrived settings whereas rigorous causal studies are done in contrived lab settings.

4. Time Horizon of the Study: This research is basically a single cross-sectional study as only one sample of respondents is drawn from the target population, and information is obtained from this sample only once (Malhotra and Birks, 2006). Also, the data was collected just once over a period of months in order to achieve the research objectives.

6. Data Collection: It helps to define the marketing research problem and develop an approach. It refers to the process of collecting data associated with the variables that are considered in the study. This study is based on primary sources of data / information. In the present study, a structured close-ended questionnaire was designed specifically for conducting the survey and acquiring primary data. Self-administered questionnaire method chosen for obtaining responses.

4. Results and discussion

Impact of internal factors on trust and satisfaction

To check the hypothesis, Regression is applied.

Table 1. Impact of internal factors on trust and satisfaction

Model		Model 1			Model 2		
		Standardized Coefficients	t	Sig.	Standardized Coefficients	t	Sig.
		Beta			Beta		
1	(Constant)		9.110	0.000		8.711	0.000
	Internal factors	0.432	10.161	0.000	0.312	13.671	0.000

From the above it is observed that internal factors significantly impact trust and satisfaction as beta =0.432 and 0.312 and p-value is less than 0.05.

Impact of external factors on trust and satisfaction

To check the hypothesis, Regression is applied.

Table 2. Impact of external factors on trust and satisfaction

Model		Model 1			Model 2		
		Standardized Coefficients	t	Sig.	Standardized Coefficients	t	Sig.
		Beta			Beta		
1	(Constant)		8.367	0.000		9.132	0.000
	External factors	0.277	11.457	0.000	0.301	12.118	0.000

From the above it is observed that external factors significantly impact trust and satisfaction as beta =0.277 and 0.301 and p-value is less than 0.05.

Impact of trust on purchase intention

To check the hypothesis, Regression is applied.

Table 3. Impact of trust on purchase intention

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.817	0.217		9.181	0.000
	Trust	0.467	0.059	0.432	10.367	0.000

From the above it is observed that trust significantly impact on purchase intention as beta =0.432 and p-value is less than 0.05.

Impact of satisfaction on trust and purchase intention

Table 4. Impact of satisfaction on trust and purchase intention

		Model 1			Model 2		
Model		Standardized Coefficients	t	Sig.	Standardized Coefficients	t	Sig.
		Beta			Beta		
1	(Constant)		8.669	0.000		9.679	0.000
	Satisfaction	0.181	13.698	0.000	0.249	12.498	0.000

From the above it is observed that satisfaction significantly impact trust and satisfaction as beta =0.181 and 0.249 and p-value is less than 0.05.

5. Conclusion

It's easy to rationalize buying things like food, water, and other items needed to meet basic physiological human needs. But what about buying something for the sake of simply wanting it? That's where things get a bit more complicated. For retail store owners, understanding the root of why people make certain decisions around buying—known as consumer psychology—can unlock insights that will help boost sales, build customer loyalty, and so much more. Based on the SOR theory, this study further enriches the research on customer behavioral intention and explores customer behavioral intention and influencing internal and external factors.

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