

UNDERSTANDING FACTORS INFLUENCING ONLINE PURCHASE OF APPARELS

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Abstract—This study aims to examine the influence of User Generated Content(UGC), Online store image, Purchase Risk, Frugality, Participation in Social Networking Websites(SNS) and Price on intention to purchase apparels online. Data required for this research is collected from people with diverse demographic background through a survey. Survey takers were requested to select different online apparel e- retailers and share their experience with them. Majority of affluent consumers worldwide buy clothes online from online retailers as they look to get better deals and variety. To find the major factors a pilot questionnaire was floated and depends on that a final questionnaire and analysis to reach final conclusions. The study has also checked the moderation and mediation effects for the variables Frugality and Perceived Risk effectively.

Keywords: online shopping behaviour; apparels; Frugality; Fashion; e- commerce; intentions to buy

I. INTRODUCTION

The growth of Indian fashion retailing industry in organized retail segment, the number of players are also increasing leading to intense competition in market. The apparel retailers can differentiate retail stores by planning the visual merchandising strategy effectively. “Internet has emerged as a useful marketing tool to serve as a platform for domestic and international transaction in the global interconnection network. The continuous sales increment indicated that e-commerce has enormous market potential. Online apparel consumption has seen a steady growth in the past few years” (Lim, Osman, Salahuddin, Romle and Abdullah, 2015; 401) The success in operations of pioneers like Amazon and eBay have set a benchmark in e- commerce business. Apparel industry is a continuously growing sector in the world. E-commerce industry plays an inevitable role in driving this growth. Recent studies cited that apparel retail segment will be in lime light and growth happens in a faster pace.

II. LITERATURE REVIEW AND HYPOTHESIS

Online store image

Online store image becomes a prominent factor in online purchase. “The inability to physically examine apparel products when shopping online increases the risk perceptions associated with online shopping as consumers cannot touch, feel or try on products before purchase. Store image is the way in which consumers perceive the store based on its functional qualities and environmental attributes” (Aghekyan-Simonian, Forsythe, Kwon and Chattaraman, 2012; 325). The store image of e- commerce website and its connection with purchase intentions have been studied many times and proved positive relations between intention to purchase and store image.

H1: E- tailer store image has a positive impact on intention to purchase apparels online.

User – Generated Content (UGC)

Online reviews matter in all modes and kinds of online purchases. Experiencing a product is inevitable for users and the same got many limitations in e- commerce industry. “The Internet innovation has created a completely new life and everything around us encountered a radical change that is essential in people’s daily lives. User – generated content (UGC) or also known as electronic word of mouth (eWOM) works exactly like common word-of-mouth except that it spreads input through an online medium” (Bahtar and Muda, 2015; 338). The customers who opt for online websites for shopping depend on the content generated by previous users called reviews to make a purchase decision every time.

H2: UGC has a positive impact on intention to purchase apparels online.

Social Networking Sites(SNS)

Consumers spend an ample amount of time in social networking websites every day. It often leads to familiarity in online products available online. Facebook, Twitter and YouTube enables online retailers to find new ways in developing healthy relationships with customers to get them engaged and accessibility would be also high. “Facebook and Instagram social shopping service enables retailers to post product photo images, prices and available quantities on Facebook and Instagram” (Kanga and Johnson, 2015; 692)

H3: SNS has a positive impact on purchase intention of apparels online.

Price

Price is obviously one major factor in deciding consumer behaviour in marketplace. Price becomes most relevant attributed with all products available in the market. Consumers who are sensitive on price generally emphasize on utilitarian benefits and more frugal. “Consumers often want to acquire full information before purchasing specific products with sensory attributes, such as colour, design, fabric, and fit. Price-sensitive consumers are generally rational and logical shoppers who emphasize utilitarian shopping benefits” (Park, Kim, Funches and Foxx, 2012; 1584). There are many studies conducted to find relationships between Price and Frugality. “The study of frugality by developing their Frugality scale (F-scale) and showing in six studies that scores correlate positively with measures of value consciousness and price consciousness. Frugal lifestyle is positively related to value and price consciousness.” (Lastovicka, Bettencourt, Hughner and Kuntze, 1999; 86)

H4: Price has a negative impact on purchase intention of apparels online.

Frugality

Every customer is becoming so frugal nowadays. “Frugality is defined as a unidimensional consumer lifestyle trait characterized by the degree to which consumers are both restrained in acquiring and resourceful in using economic goods and services to achieve longer-term goals” (Lastovicka, Bettencourt, Hughner and Kuntze, 1999; 88). “We conceptualize frugality as a trait combining values and lifestyle dimensions. Many studies indicate that frugality is positively associated with market mavenism which describes individuals highly involved in many aspects of the marketplace, thus making them knowledgeable about shopping and buying. It is likely that market mavens use their marketplace knowledge to get lower prices on what they buy. Frugality is positively associated with market mavenism, which describes individuals highly involved in many aspects of the marketplace, thus making them knowledgeable about shopping and buying” (Goldsmith, Flynn and Clark, 2014; 176).

H5: The relation between Price and purchase intention of apparels online is moderated by Frugality.

Perceived Risk

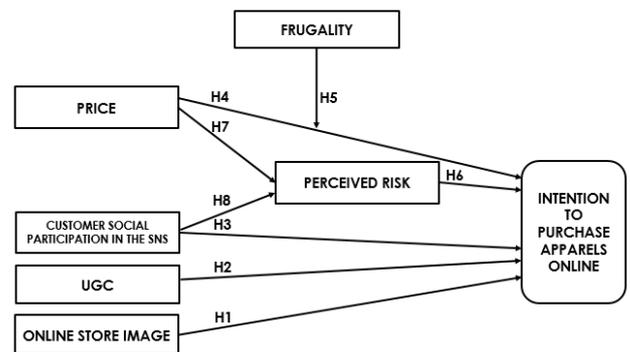
The fear of risk is a major concern for online customers of apparels since there can be mismatches in colour, size and fit of the products. “The factors that influence consumers online shopping decisions finding that risk was one of the most extensively investigated constructs. Nevertheless, studies of perceived risk report inconsistent findings. Several studies report a negative relationship between perceived risks and online shopping intentions” (Aghekyan-Simonian, Forsythe, Kwon and Chattaraman, 2012; 326)

H6: Perceived Risk has a negative impact on purchase intention of apparels online.

H7: Price of apparels has a negative impact on intention to purchase apparels online with Perceived Risk as a mediating factor.

H8: SNS has a positive impact on intention to purchase apparels online with Perceived Risk as a mediating factor.

III. CONCEPTUAL MODEL



IV. RESEARCH METHODOLOGY

This study seeks to understand the various factors affecting intention to purchase apparels online. For this purpose, an explorative study which covers various articles and magazines is done. Quantitative research is the methodology followed in this research. Secondary data is used for conducting analysis. All responses were submitted online.

For developing a comprehensive model, a pre-test has been conducted by collecting 60 responses and studied the significance of variables like Price, Brand Personality, Brand Love, UGC, Online Store Image, Perceived Risk, Customer Social Participation in SNS, Product Attributes, Website Attributes and Frugality. Variables which are found significant on a ranking basis are taken forward for main study. The data collection for main study is done by an online survey which studies the impact of UGC, Online Store Image, Price, Perceived Risk, Customer Social Participation in SNS and Frugality on intention of apparel

consumers to purchase online. The data collected from 160 respondents is used to test the conceptual model.

The dependent variable of the study is factors affecting intention to purchase apparels online and the model is analysed using linear regression. The further analysis of the correlation between different independent variables, mediating effects of Perceived Risk and moderating effects of Frugality has been also done. STATA-13 is used for the analysis.

Multiple Linear Regression had been used for analysis and below table gives the results.

TABLE I: THE ANALYSIS OF THE FACTORS INFLUENCING INTENTION TO PURCHASE APPARELS ONLINE

Independent variables	p-value	Coefficients value
Online Store image	0.000	0.071
User Generated Content(UGC)	0.0001	0.101
Customer Social Participation in Social Networking Websites(SNS)	0.505	0.011
Price	0.866	-0.002

Table I illustrates that Online Store image and User Generated Content(UGC) are significant in the study compared to other variables since p-value < 0.05. The magnitude of these variables on the intention to purchase apparels online is also mentioned in the table.

Other variables such as Customer Social Participation in Social Networking Websites(SNS) and Price have turned out to be insignificant.

TABLE II: TEST FOR MEDIATION: USING PROCESS MACRO BY HAYES AND PREACHER (2010)

Model 4						
Y = Intention to Purchase						
X = Price						
M = Risk						
	coeff	se	t	p	LLCI	ULCI
PRICE	1.3296	0.249	5.3399	0	0.8358	1.8233

The test for mediation has been done by Process macro from Hayes and Preacher (2010). According to Model 4 of Process macro from Hayes and Preacher (2010), the relation between Price and purchase intention of apparels online is mediated by Perceived Risk. Since LLCI and ULCI values do not pass through zero, the relation is significant

Data Description

A total of 60 respondents participated in the survey done for pre-test. For main study, 160 responded to online survey in which 62 were males and 98 were females. The respondents were spread across various age groups, gender, income levels and locations across India.

V. CONCLUSION

From this study we have understood that Online Store image and User Generated Content are 2 of the most important factors which the customer has on his mind when he purchases apparels online. It also shows the importance of Perceived risk as a mediating factor between Price of the apparels online and consumer's intention to purchase

Other factors such as Price, Perceived Risk and Customer Social participation in Social Networking Sites do not have a significant p-value which shows that these factors don't influence the customer as the other significant factors. The moderating effect expected by Frugal behaviour of customer between his purchase intention and price of the apparels was also not found significant. The results can help e- retailers in improving business by concentrating on UGC and Online Store Image

The research conducted shown a detailed perspective of the purchase intention and online shopping behaviour. It also provides a light for more research in future to emphasize on both pros and cons. This research has some limitations since the sample was taken mainly from working professionals and post-graduates. Therefore, it is apt to include online users from all categories and select other major variables that influence intention to purchase apparels online.

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