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Influence of congruity in store-attribute dimensions and self-image on purchase intentions in online stores of multichannel retailers



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ABSTRACT

Online stores of multichannel retailers continue to lag pure internet retailers with reference to consumers' shopping intentions and sales. This study develops and tests a framework in which (a) trust and attitude (conceptualized as a second-order construct with hedonic and utilitarian dimensions) influence purchase intentions, (b) congruity between the multichannel retailer's land-based and online stores (conceptualized as a second-order constructs made up of seven dimensions: aesthetic appeal, navigation convenience, transaction convenience, atmosphere, service, price orientation, and security) influences trust in and attitude toward the online store, and (c) congruity between consumers' self-image and perceived image of the online store influences trust in and attitude toward the online store. The findings provide robust support for the framework and have strong implications for theory and practice.

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1. Introduction

Despite the seemingly pervasive nature of Internet retailers, industry reports emphasize that there still remains tremendous potential for the continued growth of online shopping both within the U.S. and globally (Nielsen, 2010). Global online retail sales continues to demonstrate growth and is expected to reach approximately one trillion dollars in 2013, with online sales in U.S. and Europe accounting for approximately \$260 billion and \$170 billion, respectively (Internet Retailer, 2013). However, when comparisons are made regarding consumer behavior and retailer performance across the online stores of multichannel retailers (i.e., erstwhile land-based retailers who have complemented their retail operations by creating their own online stores) and those of pure Internet players, sharp differences emerge. In 2009, online stores of pure Internet players (sales of \$42.9 B and compounded annual growth rate of 19.89%) outpaced those of multichannel retailers (sales of \$49.8 B and compounded annual growth rate of 15.74%) (Internet Retailer, 2013). A comparison of online performance of leading online retailers in 2012 shows the following discrepancy: Amazon.com generated sales of \$48.1 billion at a growth rate of 41%, whereas Walmart.com posted sales of approximately \$4.9 B at a growth rate of 8% (Businessweek, 2012; Internet Retailer, 2013). As for consumer behavior, it has been reported that

less than half of online consumers in the U.S. favor online stores of pure Internet players and only 17% favor online stores of multichannel retailers (Nielsen, 2010). Needless to say, notwithstanding increased investments in online businesses, sales in online stores represent a very small share of total revenues in large multichannel retailers such as Walmart (2%), Target (2%), Macy's (7.2%), and Sears (8.7%) (Businessweek, 2012).

These statistics frame the need for researchers to examine the phenomenon of multichannel retailing more rigorously and offer actionable implications to multichannel retailers so that their online stores can compete better against those of pure Internet players. Toward this end, the current study contributes to research on multichannel retailing by identifying three major gaps in the literature and, subsequently, developing and testing an expanded framework of purchase intentions in online stores of multichannel retailers. First, extant research on online stores of multichannel retailers has employed the theory of reasoned action (Ajzen and Fishbein, 1980) to examine the influence of trust in and attitude toward the online store on consumers' purchase intentions (e.g., Jarvenpaa and Tractinsky, 1999; McKnight et al., 2002; Shim et al., 2001). However, although online shopping includes hedonic and utilitarian dimensions (Bridges and Florsheim, 2008; Childers et al., 2001), few studies have deconstructed consumer attitudes in this context to examine the antecedents and influence of attitude toward the online store as a multi-dimensional construct. Second, researchers maintain that consumers' perceived congruity between the two stores positively influences the formation of trust in and attitude toward the multichannel retailer's online store (e.g., Badrinarayanan et al., 2012; Kwon and Lennon, 2009; Wang et al., 2009). However, a majority of these studies have

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conceptualized congruity between the two stores as a holistic construct and few studies have compared congruity on an attribute-by-attribute basis (e.g., Verhagen and van Dolen, 2009). Third, past research suggests that congruity between consumers' self-image and perceived store image plays an important role in the formation of trust in and attitude toward retailers (e.g., Kang et al., 2009; Kressmann et al., 2006). Yet, few studies have incorporated congruity between consumers' self-image and perceived image of the online store of a multichannel retailer in their theoretical frameworks.

Addressing these issues, this study develops a framework in which (a) trust and attitude (conceptualized as a second-order construct with hedonic and utilitarian dimensions) influence purchase intentions, (b) congruity between the multichannel retailer's land-based and online stores (conceptualized as a second-order constructs made up of seven dimensions: aesthetic appeal, navigation convenience, transaction convenience, atmosphere, service, price orientation, and security) influences trust in and attitude toward the online store, and (c) congruity between consumers' self-image and perceived image of the online store influences trust in and attitude toward the online store. The framework is then tested using data collected from 316 respondents. The findings indicate that the two congruity variables are critical for influencing purchase intentions in online stores of multichannel retailers, albeit through different routes. Specifically, the results indicate that congruity between the land-based and online stores of multichannel retailers is necessary for the formation of trust in the online store, whereas congruity between self-image and image of the online store is necessary for the formation of trust in and attitude toward the online store. In the following sections, the theoretical framework is developed and appropriate hypotheses are offered. Subsequently, the data collection and analysis procedures are discussed. Based on the study's results, theoretical contributions and implications for multichannel retailers are presented. Finally, limitations of the study and directions for future research are summarized.

2. Framework development and hypotheses

Fig. 1 represents the framework developed in this study. The development of the framework and relevant hypotheses are discussed in four phases. First, the relationships between trust in, attitude toward, and purchase intentions in online stores of multichannel retailers are discussed. Second, the role of congruity between the land-based and online stores of multi-channel retailer is examined. Third, the role of congruity between consumers' self-image and perceived image of the online store is examined. Fourth, the control variables are discussed.

2.1. Trust, attitudes, and purchase intentions

The theory of reasoned action (TRA) posits that a person's beliefs about the nature of anticipated outcomes influence the formation of attitudes toward behavior, which in turn, influence behavioral intentions (Ajzen and Fishbein, 1980). Several studies have employed TRA in the online shopping context and have examined the interrelationships between three focal constructs: trust, attitude, and purchase intentions (e.g., Badrinarayanan et al., 2012; Ha and Stoel, 2009). Trust, the belief or expectation that a store will meet its commitments (e.g., Eastlick et al., 2006), is often considered as a determining factor in influencing consumers' online perceptions and behavior (e.g., McCole et al., 2009). When consumers trust an online store to be reliable and credible, they are likely to develop favorable attitudes toward that store and,

ultimately, intentions to make purchases in that store (e.g., Ha and Stoel, 2009).

Although past researchers have consistently demonstrated that attitude toward the online store, i.e., an individual's favorable or unfavorable evaluations of the store, is positively related to purchase intentions, very few studies have incorporated the premise that attitude in the context of online shopping includes both utilitarian and hedonic dimensions (e.g., Bridges and Florsheim, 2008; Childers et al., 2001). The utilitarian dimension is based on evaluation of various functions provided by the online store, whereas the hedonic dimension is based on sensations derived from the online shopping experience (Voss et al., 2003). Research on online shopping behavior supports that the functionalities of online stores do not adequately explain predispositions to shop online and that, with contemporary online shoppers being accustomed to the online shopping process, the consideration of experiential elements is also warranted to fully understand attitude development (Bridges and Florsheim, 2008). In the context of online stores of multichannel retailers, utilitarian attitude may result from evaluations of functions such as information, selection, availability, accessibility, and ease of use, among others (Bridges and Florsheim, 2008; Childers et al., 2001). In contrast, hedonic attitude may result from experiences of fun, playfulness, arousal, and positive affect (Bridges and Florsheim, 2008; Childers et al., 2001). The conceptualization of consumer attitudes toward the online store as a second-order construct made up of hedonic and utilitarian dimensions, therefore, could enable a better understanding of the complexities of the attitude formation process as well as the influence of each unique dimension on purchase intentions (Voss et al., 2003). Extending prior empirical research on the relationships between trust in, attitude toward, and purchase intentions in online stores of multichannel retailers (e.g., Badrinarayanan et al., 2012; Ha and Stoel, 2009) by conceptualizing attitude as a second-order construct made up of hedonic and utilitarian dimensions, the following hypotheses are offered:

H1: Consumers' trust in the online store of a multichannel retailer is positively related to their attitude toward that online store (second-order construct composed of hedonic and utilitarian dimensions)

H2: Consumers' trust in the online store of a multichannel retailer is positively related to their purchase intentions in that online store

H3: Consumers' attitude toward the online store (second-order construct composed of hedonic and utilitarian dimensions) of a multichannel retailer is positively related to their purchase intentions in that online store

2.2. Congruity with land-based store

Research on online stores of multichannel retailers indicates that consumers' beliefs and attitudes are (a) formed as a result of exposure to the retailer's online store and (b) carried forward from prior experiences with the retailer's land-based store (Kwon and Lennon, 2009; Wang et al., 2009). That is, in addition to evaluating a multichannel retailer's online store based on its idiosyncratic characteristics, consumers are likely to compare the online store to their existing image of the retailer's land-based store (e.g., Badrinarayanan et al., 2012; Kwon and Lennon, 2009; Wang et al., 2009). When characteristics of the online store match consumers' expectations about the retailer, congruity, i.e., the perceived similarity or mismatch in salient store related attributes, exists. Cognitive consistency theories, such as categorization theory (Sujan, 1985), support that perceived congruity between a known object or category (the multichannel retailer's land-based store in this case) and a new stimulus (the retailer's online store)

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