

ESSAYS ON ONLINE SHOPPING BEHAVIOR

Extended Abstract

The boom in E-commerce has made it vital to understand how consumers behave in a virtual shopping environment so that companies can improve their channel strategies. Online retailing has captured the interest of practitioners and academics, as it has become the dominant alternative to traditional retailing (Mallapragada, Chandukala, & Liu, 2016). While the opportunities presented by online retailing cannot be disputed, managing the online consumer experience has become critical, and there is a call for understanding online shopping related outcomes, and factors which influence these outcomes. This dissertation titled ‘Essays in Consumer Online Shopping Behavior’ explores different phenomena related to the consumer’s online shopping experience. The consistent theme across the essays is the important role played by the online store environment and its impact on consumer behavior at different stages of the consumer journey. The first section of the thesis (Essay 1 and Essay 2) looks at the impact of online store environment in pre-purchase and purchase situations and the second section (Essay 3), at post-purchase behavior. Specifically, Essay 3 looks at non-return behavior following an e-commerce design induced service failure.

The first essay in this dissertation addresses the research question, ‘how does the online store environment affect behavior.’ Papers in the area of online store environment from various disciplines are analyzed to propose an integrated model of online store environment. The importance of the store environment has become increasingly prominent in environmental psychology (Mehrabian & Russell, 1974) and marketing (Baker, Grewal, & Levy, 1992). A significant number of studies indicate that store atmosphere affects shopping outcomes and

shoppers' emotional responses (Baker et al., 1992; Bellizzi, Crowley, & Hasty, 1983; Milliman, 1982). However, the main context of this literature is physical stores. With the rise in E-commerce, the online store environment has also been studied, but gaps still exist in the online store environment-consumer response relationship, deserving attention. The literature on online store environment is fragmented since research in this topic has proceeded parallel in academic fields, such as marketing, information systems, etc. The lack of integration across these research domains limits the scope of application of the marketing literature on other fields and vice versa. This essay aims to address this gap by theoretically integrating literature to build an integrated model of the online store environment. The integrated model would help managers and academicians understand the impact of the store environment and explain how various combinations of atmospheric elements, mechanisms, and conditions affect behavior.

The second essay in this dissertation studies how space, a less explored online store environmental variable can affect store approach outcomes such as online engagement and purchase intentions. The essay extends the work of Sevilla & Townsend (2016) by going beyond physical spaces to understand how variations in virtual space (Micro and Macro space) in an E-commerce website will affect the consumer preference for the product, holding all else constant. The results from three studies show that micro and macro space interact with each other to affect the visual processing fluency and the feeling of relaxation. The combination of high macro space and low micro space is found to lead to the best store evaluation, most engagement with the site and highest purchase intentions, and held true for utilitarian and hedonic product categories. This effect is mediated by visual processing fluency and the feeling of relaxation.

The third essay in this dissertation looks at E-commerce service failure and product non-returns. Though a stream of literature has addressed product returns (Anderson, Hansen, & Simester, 2009; Hess & Mayhew, 1997; Petersen & Kumar, 2009), there is a non-trivial segment of consumers who do not return products purchased online, even when they are dissatisfied. This essay uses two studies to explore the unique phenomenon of consumers not returning products purchased online, despite dissatisfaction and having the option to return. In study 1, a qualitative interpretative approach is used to develop a conceptual framework which explains the phenomenon. In study 2, a cross-cultural critical incident technique (CIT) capturing non-return incidents in India and U.S validates the model from study 1. It further provides qualitative and empirical insights on the various dimensions of non-return such as reasons, coping mechanisms, attributions, emotions, and future behavior. Findings indicate that non-return is a serious issue as it affects future shopping behavior and firms might end up losing consumers without realizing why. Cross-cultural insights and implications of product non-return for managers are discussed.

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