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“Influence of Haptic Evaluation on Purchase Decision of Millennials”

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Abstract: India is an evolving and adapting market to the concept of Online Shopping and E-Commerce. Majority of online consumers who are frequent in their purchases fall under the category of millennials. The biggest deterrent being the inability to touch the products. The continued widespread splurge of non-conventional retailing has prodded the need to assess the significance of touch in a purchase decision. Need and evaluation of such products are prone to be relied upon by the consumers upon their earlier experiences and/or encounters. The research was aimed at finding out as to how consumers’ assess in a predefined purchase environment and how it influences the cognitive and emotional reactions crosswise over haptic items. We found that visual and verbal cues positively impact consumer’s perception of perceived quality and lower risks associated with no touch as compared to only catalogue shopping. The Need for Touch directly affects the consumer behaviour about the perceived risks while shopping on the internet.

Keywords: Online Shopping, Digital Commerce, Need for Touch, Consumer Behaviour, Visual Cues, Verbal Cues, Millennials

INTRODUCTION

Web may influence the way customers search for data and their consequent choice making. The nature and utilization of the sense of touch and feel can influence these parts of internet shopping conduct. Furthermore, concentrating on touch may prompt certain bits of knowledge with respect to brand judgments and decision inclination, data pursuit, characteristic significance and additionally the appreciation and securing of cherished belonging.

Albeit numerous investigations of touch include various parts of the human body, the essential investigations of utilizing the hand as the leading medium for information in connecting to the haptic feedback. The hand has been called a man’s outer brain and the expression “haptics” actually signifies “being able to lay hold of”.

Talking about the target audience of this research, millennial consumers are the largest generational group to be widely targeted by marketers. However, they shop quite differently than older age groups, and online retailers must learn to relate to them in order to capture their loyalty. We know that millennials are social animals, and advancements in mobile technology have made it easier than ever for retailers to interact with them via the web and social media.

Millennials are attracted to the ease and convenience of shopping online, yet they are much more cautious about spending money due to the economic crisis they have lived through. The key to capturing this generation's disposable income is to stay agile when it comes to their ever-changing preferences.

The factors that influence the consumer behaviour while shopping online can be described as:

Factors of the 'Product'

Items vary in the extent to which they have exceptional material properties. The haptic structure is particularly skilled at encoding the object's material properties that contrast with surface, hardness, temperature, and weight information. Different senses might likewise be used to focus this information. Product classification in which the actual physical attributes of surface, hardness, degree of hotness or coolness, and weight data move in a demonstrative way are more slanted to invigorate touch.

Material Properties: Instrumental and Autotelic

One sort, instrumental data, is more natural for the item and more particular to the objective coordinated assessment of a product's intended execution or its buying. Conversely, autotelic types of data are identified with the tactile experience and hedonic appreciation about the item.

Perceived Product Quality

Customer psychologists have examined the elements which impact customers' impression of item quality and normally partition item evaluative prompts into two classes: inherent and outward signals.

Perceived Risk

Perceived risk is characterized as the nature and measure of instability or outcomes which purchasers experience with respect to the purchase and utilization of an item.

REVIEW OF LITERATURE

Digital Commerce market in India has registered an average growth of almost 35% since 2010. Total Digital Commerce market in India was valued at INR 53,301 Crores in December 2013 and grew at 53% through 2014 and reached INR 81,525 Crores by the end of December 2014. The industry is estimated to grow further at a rate of 33% and cross INR one lakh crores by the end of 2015.

With 278 million internet users (as of October 2014), Online travel in India, over the years has been the largest Digital Commerce segment in terms of revenue generation. However, online retail is catching up fast and is expected to match online travel in revenue by 2016.

Key drivers towards this burgeoning growth have been:

1. A steep rise in the number of smartphone users, as a result of which 5% transactions are carried out through mobiles and tablet devices.
2. Increased internet access and the ever dropping rates of internet surfing. Though a large percentage of Indian population is still deprived of internet access, we are ranked at number three in the world going by the number of internet users, with only China and US ahead of us. As more and more people get access to the internet, e-commerce sector will only get bigger.
3. A rapidly growing middle-class in the country. Not only do they love to splurge and flaunt, they are constantly pressurized by the lack of time.
4. Increased use of plastic money- both debit cards and credit cards.
5. A greater percentage of new users coming from Tier II and Tier III cities.

Despite numerous advantages of online and catalogue shopping, customers see an abnormal state of danger in online and inventory shopping. In both online and catalogue shopping, shoppers can't touch, smell, or feel the items (Vijayasathy & Jones, 2000). An overview reported that the greatest deterrent of online apparel shopping is:

- (1) Powerlessness to straightforwardly experience clothing items (48%),
- (2) Security stresses (20%),
- (3) Restricted determination (12%),
- (4) Absence of PC or Internet get to (11%),
- (5) Shipping charges (10%),
- (6) Disservice (9%),
- (7) Uneasiness with Internet exchanges (8%) (Transword Business, 2001)

In non-store shopping settings, blends of pictorial and verbal data may have an effect on buyers' interior states absolutely or contrarily by means of symbolism (Peck & Childers, 2003a; 2003b). The compensatory impact of pictorial data and verbal data for haptic data has been talked about. Pictorial data may be more prone to make up for haptic data than verbal data.

Sites and catalogues are very data loaded media. Contrasted with conventional retail shopping situations, online and catalogue shopping advance the data environment by giving broad product and service data. Customers take part in quest for products and services through the web and catalogues so as to acquire data about them and to analyse and assess them, and have a tendency to be pulled in by accessibility of definite item data (Ward & Lee, 2000).

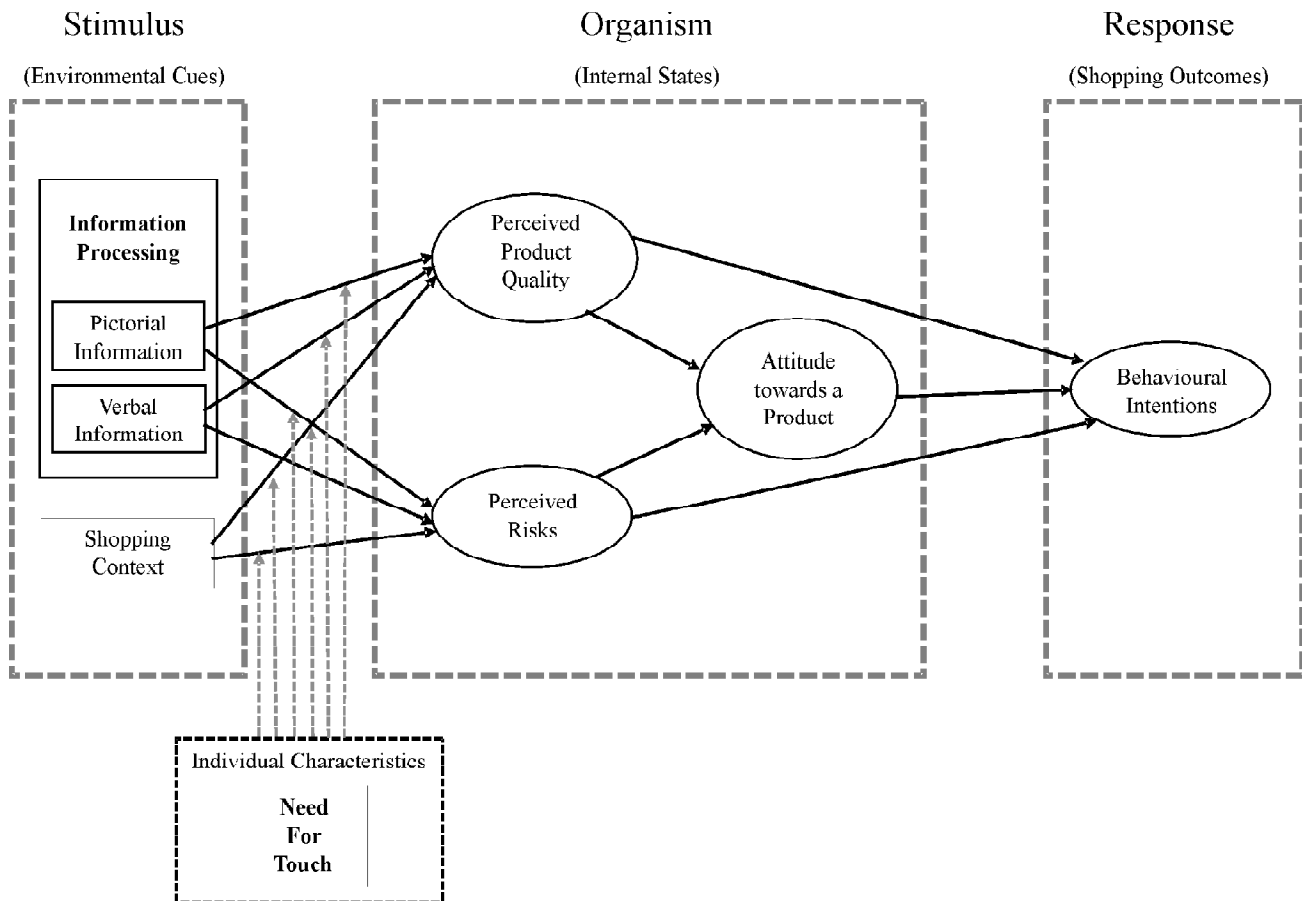
Key constraints to the growth of e-commerce can be summed as follows:

- Low internet penetration is one of the biggest challenges for E-Commerce players. India accounts for just 20% of Internet penetration. This is quite disappointing as the US and China both have more than 50% internet penetration.

- Low usage of debit and credit cards which sees a majority of transactions being carried out on Cash on Delivery mode. In 2013, out of 800 million transactions that were made online, 53% were made using Debit/Credit card.
- Multiple languages
- The mind-set of the people. An average Indian is not willing to buy a product online without getting to touch and feel it physically.
- High return rates
- Low average order value

Keeping in mind the diverse nature of Indian consumers and also the non-availability of a research in the Indian context, the above literature can be used as a base to build upon a research that could be aimed at finding out as to how Indian consumers assess haptic items in a predefined purchase environment and how it influences the cognitive and emotional reactions crosswise over haptic items. Likewise to figure out if the knowledge of the consumer about haptic items influence the connections between purchase environment and purchaser reactions.

RESEARCH METHODOLOGY



Research Model: The effects of information on customer internal states and shopping outcomes in non-store apparel shopping contexts.

Based on the S-O-R paradigm and the dual coding theory, this study developed a new model to examine how verbal and pictorial information presentation influence consumer internal states and responses in the contexts of catalogue and Internet apparel shopping. The overall sequence of effects in the model of the study is that pictorial and verbal information (environmental cues) influence consumers' perceived product quality and perceived risk (consumers' internal states). The dual coding theory explains the effects of diverse pictorial and verbal information formats on consumers' internal states. Consumers' individual characteristics (i.e., NFT) moderate the relationships between information presentations (pictorial and verbal information) and consumers' internal states. Then, consumers' internal states influence behavioural intentions (shopping outcomes).

The questionnaire designed used a seven-level Likert Scale which catches both of a positive or a negative reaction to a given explanation. The sampling for the respondents was done based on the concept of convenient sampling in light of the way the respondents which are immediately available and accommodating. It is used when we have time or cost prerequisites.

Data Collection can be done through different structures, including surveys, direct observation, focus group interviews and telephone interviews amongst others. For this research, we developed a web site that depicted an online shopping portal which was incorporated with the questionnaire as and when required for evaluation of visual and verbal cues along with recording various perceptions of the respondents regarding various attributes of online shopping.

DATA ANALYSIS

The respondents were enquired about the brand of apparel that they like/ use/ follow the most in their lives and were asked to recollect as to what were the sources of information for that brand in context of latest collection, sales, discounts, etc. Also, we asked that how the respondents as to what were the most influential drivers for them that led to purchase/ re-purchase their favourite brand of apparel. In the analysis, it was observed that Social Media was the biggest source of information, followed by inputs from family and friends. The share was 19% and 18.2% respectively. Also, online advertisements (banners, pop ups, etc.) were the third highest with a share of 14.8%. Case in point, quality was the highest purchase driver (21.3%), followed by the designs (18.2%) and fabric material (15.2%). In contrast to this, advertisements, promotions and celebrity endorsements were the lowest influencers with 3.3% and 1.3% respectively.

The respondents were then given the option of a Company Owned Store, a Factory Outlet, Multi Brand Outlet and Online Shopping and they were then required to list down the choices in order as their preference in context of shopping of the clothing brand. It was observed that Multi- Brand Retail Outlets have the highest preference with the mean ranking of 1.98. Followed by Company Owned Stores and Online Shopping Portals with a mean ranking of 2.16 and 2.8 respectively. Least preference is given to Factory Outlets which might be a possibility due to low density network across the regions.

The Need for Touch was calculated based on the NFT scale and the median was calculated as 0.583. The respondents whose score was less than 0.583, i.e., -3 to 0.583, they were determined to be having a low

Need for Touch. The respondents whose mean was above 0.583, i.e., 0.583 to +3, they were determined to be having a high Need for Touch.

The frequency distribution of respondents on terms of Low NFT and High NFT is as follows:

<i>NFTScale</i>					
		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Low NFT	94	50.5	50.5	50.5
	High NFT	92	49.5	49.5	100.0
	Total	186	100.0	100.0	

The respondents showed attributes of Low NFT which implies their need to touch and feel the product while shopping is low as compared to the other set of 92 people who have a high NFT. High NFT implies that they have a high relative need of touching and feeling the product before they buy the same.

If we see it from the perspective of Age and Gender distribution, it is observed that in the age group of 18 to 24, 71 people experience High NFT as compared to 60 having Low NFT. In contrast, in the age group of 25 to 34, 21 people experience High NFT as compared to 34 with Low NFT.

Case in point of gender distribution, 46 of Females and Males experience High NFT while only 40 and 54, respectively experienced Low Need for Touch.

*Age * NFTScale, Gender * NFT Scale Crosstabulation*

<i>Count</i>		<i>NFTScale</i>		
		<i>Low NFT</i>	<i>High NFT</i>	<i>Total</i>
Age	18 to 24	60	71	131
	25 to 34	34	21	55
	Total	94	92	186
Gender	Female	40	46	86
	Male	54	46	100
	Total	94	92	186

A one-way analysis of variance was conducted to evaluate the null hypothesis that there is no significant difference between attitudes while shopping on the basis of different age groups. The analysis was not significant except for two cases, where it was observed that alternative seeking of a product and the need to touch the product was significantly different among the two age groups in focus.

It was felt that there was a need of seeking alternatives to the products more in case of respondents falling under category of “25 to 34 years”. Similarly, there was a need of higher tendency to touch the products while exploring a store in the category of respondents under “18 to 25 years”.

A one-way analysis of variance was conducted to evaluate the null hypothesis that there is no significant difference between attitudes while shopping on the basis of different age groups. The analysis was not significant except for the following cases:

1. A symbolic dissimilarity between the levels of attention to detail of products given by the respondents who have a Low NFT as compared to the respondents with a High NFT.
2. A symbolic dissimilarity between the considerations given to all the alternatives for an available product by the respondents who have a Low NFT as compared to the respondents with a High NFT. It was higher in the case of the latter.
3. A symbolic dissimilarity between the need to examine a product by the respondents who have a Low NFT as compared to the respondents with a High NFT.
4. A symbolic dissimilarity between the information seeking characteristics of the respondents who have a Low NFT as compared to the respondents with a High NFT.
5. A symbolic dissimilarity between the attention giving abilities to the details of a product among the respondents who have a Low NFT as compared to the respondents with a High NFT.
6. A symbolic dissimilarity between the requirement to touch and feel the products among the respondents who have a Low NFT as compared to the respondents with a High NFT. It was higher in the case of latter.

The respondents with a Low NFT did not show any tendency towards attributes that adhered to touch and feel of a product.

MANAGERIAL IMPLICATIONS

Non-store retailers have emphasized that it is important to find ways to overcome the inability to directly touch and experience products. Using haptic imagery-evoking information might be a way to present product information effectively in non-store shopping environments. This study suggests that haptic imagery-evoking information strategies can be used to compensate for haptic information and to lead to consumers' positive cognitive evaluations of product quality, attitudes toward a product, and purchase intentions. The use of fabric hand descriptions and a fabric swatch can be effective haptic imagery-evoking strategies.

The content analysis examined the availability of information about fabric hand descriptions: texture (e.g., textured, smooth, silky), weight (e.g., lightweight), temperature (e.g., cool), pressure (e.g., soft, flexible). However, detailed fabric hand information was not generally available on websites and catalogues.

In order to present information effectively, websites can provide more dynamic and active images by using advanced interactive features. For example, diverse picture sizes and different sides of a product can be presented by using zoom function, rotation function and alternative views. The advanced features have a potential to stimulate haptic imagery. Adding sensory stimulation to catalogue pages may also encourage haptic imagery.

It is possible that complex online shopping environments due to too many interactive features might negatively influence consumers' shopping processes and consumer responses. Thus study suggests that online retailers need to explore and test the optimized level of interactivity.

Compared to online shopping environments, cataloguers have limitations in creating interactive shopping environments. In catalogue shopping contexts, visual appeal might be critical. Cataloguers need to consider aesthetic elements, such as colour, graphic layout and photographic quality, to create pleasant and effective shopping environments. Using unique aesthetic elements and incorporating fabric hand descriptions and high quality graphics may facilitate active information seeking and the haptic imagery process.

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