Predictors of Online Shopping Cart Abandonment

Krithika M.* and G. Rajini**

ABSTRACT

Background/Objectives: The authors of this study are tending to investigate the motivational attributes behind online shopping cart abandonment. This study exhibits the relationship between Hedonic and Utilitarian motivation, Information search, Current payment intentions and cart abandonment frequency. Methods/Statistical analysis: The conceptual framework was verified by using Structural equation modeling .Confirmatory factor Analysis used to check the factor structure of the set of observed variables. Findings: Utilitarian motivation and Current purchase intention of the online consumer's negatively influencing cart abandonment frequency. Hedonic motivation and Information search oriented online consumers are positively influencing online shopping cart abandonment frequency. Improvements/Applications: Empirical findings reveal that the authors propose managerial suggestions for online retailers to convert online browsers to shoppers.

Keywords: Online shopping Cart abandonment, Hedonic motivation, Utilitarian Motivation, Information Search, Current Purchase Intention, SEM.

1. INTRODUCTION

Amid vital facet of E-commerce marketing strategy and customer relations there is emerging need for developing new concepts, models and theories on online shopping buying behavior. Online shopping Cart abandonment is one of the nascent consumer behaviors that retailers and academicians have started to explore as a managerial and multi – channel concern[1]. Thus far, explaining why consumers abandon their online shopping carts, it is crucial to be aware of motivations to use an online behavior in which a consumer places item(s) of interest in an online shopping cart. According to[2], was one of the most primitive researchers, who acknowledged that shopping is an enjoyable activity. This hedonic aspect of consumer behavior "relate to the multi-sensory, fantasy and emotive aspects of one's experience with products"[3].

The hedonic spending could help out consumers to get away from hectic environment[4]. Hedonic consumption which gives pleasure by enjoying the atmosphere, browsing and social experiences outside the home.[5] Whereas, utilitarian shopping is inspired for the achievement of utility value of purchase and assessment of product's value and functional constraints.[6]

The utilitarian shopping in online shopping are associated with information, ease of use and convenience[7]. Traditionally, Utilitarian motivations considered to be the prior determinants of online buying behavior.

Information search is another major factor plays a vital role in online consumer buying behavior[8]. Whereas, online consumers use their online cart to organize items, they might also use their cart for the purpose of information gathering about the products or services and as a shopping research tool. Increase in product information search, the higher will be the frequency of cart usage[9].

* Doctorate Research Scholar, Department of Management Studies, Vels Institute of Science, Technology and Advanced Studies, Vels University, Chennai, 600117, India, *Email: krithidhan30@gmail.com*

** Associate Professor& Head MBA (Integrated) Department of Management Studies, Vels Institute of Science, Technology and Advanced Studies, Vels University, Chennai, 600117, India, *Email: rajini.sms@velsuniv.org*

According to[14], Time risk and Financial risk plays crucial role in online buying behavior.

According to[1], higher the consumers add products to a cart, higher the possibility of purchasing and payment intention, conversely, payment intention may be arises after adding the products on the shopping cart. Hence, Product organization and information search is considered as antecedents of the current payment intention.

2. MATERIALS AND METHODS

The online questionnaire were sent through mail and also posted in various social media groups for two months. We got 185 responses in the period of two months. All respondents who have online shopping cart abandonment experience for the past six months. Based on the previous studies, Hedonic motivation scale comprises of 10 items, Utilitarian motivation scale consists of 4 items, Information search scale includes of 6 items , Current purchase intention consists of 6 items and Cart abandonment frequency scale consists of 3 items were measured on 5 point Likert – scale with stating 1 as strongly disagree and 5 stating as strongly agree.

The collected data were analyzed with SPSS.21 & AMOS 20. Descriptive analysis, Reliability Test, Structural Equation Modeling and Confirmatory factor analysis.

3. SAMPLE CHARACTERISTICS

Demographic characteristics of respondents are as follows. Table 1 depicts gender, males and females were 58% and 42%, respectively. In age distribution, those in their 21 to 34 took up 74.1%, the major proportion, followed by those in their 35-49 (25.4%), those in their 50-64 (0.5%). In educational qualification, under graduates took up the largest part of respondents, 47%, followed by post graduates 34.6%. Their income levels varied from less than 20,000 won 36.2%, 20,001- 40,000 won 27%, 40,001–60,000 won 18.9%, 60,001- 80,000 won 4.9% ,80,001-100000 is 8.6% and above 100000 is 4.3%.

4. STATISTICAL ANALYSIS

4.1. Reliability

Reliability test was conducted to check the internal consistency of the constructs. Table – 2 shows all the cronbach alpha value is above 0.7 and it points out the acceptable internal consistency of the constructs[10]. Table – 2 Co-efficient Value of the Constructs

5. RESULTS AND DISCUSSIONS

5.1. Structural Model Fit Indices

To examine the conceptual model, the authors use Structural Equation Modeling .Table – 3 shows the overall model seems to be fit and the Goodness –of-fit indices 0.990; p = 0.266; CFI = 0.956 and RMSEA = 0.035 all the measures meet the suggested values [11].Hence, it is fulfilled that the proposed measurement model fits the data. Figure – 1 & Table -3

5.2. Testing Structural Relationships

The hypothesized measurement model shows good fit with observed data. The entire hypothesized paths are given in Table – 4

Information search influenced by hedonic motivation and utilitarian motivation ($\beta = 0.336$, $\beta = 0.139$).Current purchase intention prejudiced information search ($\beta = 0.224$) ,hedonic motivations ($\beta = 0.159$) and utilitarian motivation ($\beta = 0.129$). Cart abandonment frequency negatively influenced by current purchase intention ($\beta = -0.006$) and utilitarian motivation ($\beta = -0.047$).
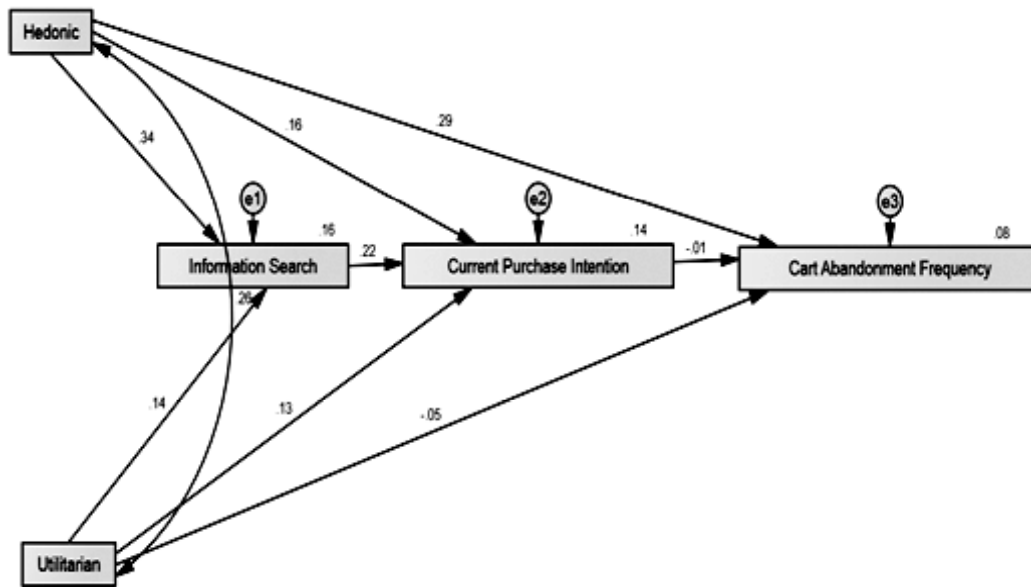
Figure 1: Source: Authors Own Model.

Table 1
Demographic Profile

Sample Charecteristics	Category	Frequency	Percent
Age	21- 34	137	74.1
	35 - 49	47	25.4
	50 - 64	1	.5
Gender	MALE	107	57.8
	FEMALE	78	42.2
Qualification	HSC	2	1.1
	DIPLOMA	2	1.1
	UG	87	47.0
	PG	64	34.6
	PROFESSIONALS	30	16.2
Monthly Income	LESS THAN 20,000	67	36.2
	20,001 - 40,000	50	27.0
	40,001 - 60,000	35	18.9
	60,001 - 80,000	9	4.9
	80,001 - 1,00,000	16	8.6
	ABOVE 1,00,000	8	4.3

Table 2
Reliability

Variables	No. Of Constructs	Cronbach Alpha value
Hedonic Motivation	10	0.859
Utilitarian Motivation	4	0.746
Information search	6	0.858
Current Purchase Intention	6	0.842
Cart abandonment Frequency	3	0.735

Table 3
SEM Model Fit Indices

Fit Statistics	Values
X^2	1.238
df	1
Goodness of Fit Index	0.997
Adjusted Goodness of Fit Index	0.961
Normed Fit Index	0.986
Relative Fit Index	0.863
Root Mean Square Error of Approximation (RMSEA)	0.035
Root Mean Square Residual (RMR)	0.06

Table 4
Testing Structural Relationships

S. No	Hypotheses	Standardized Estimates	Supported/ Not Supported
H[1]	Information search positively influences Hedonic Motivation	.336	Supported
H[2]	Information Search positively influences Utilitarian motivation	.139	Supported
H[3]	Current Purchase Intention positively influences Information Search	.224	Supported
H[4]	Current Purchase Intention positively influences hedonic Motivations	.159	Supported
H[5]	Current Purchase Intention positively influences Utilitarian motivation	.129	Supported
H[6]	Cart Abandonment Frequency positively influences Current purchase Intention	-.006	Not Supported
H[7]	Cart Abandonment Frequency positively Influences Hedonic Motivation	.287	Supported
H[8]	Cart Abandonment Frequency positively influences utilitarian Motivation	-.047	Not Supported

6. MANAGERIAL IMPLICATIONS

This study has suggestions for e-tailers. The findings recognized that consumer use online shopping cart for information search purpose. Exclusively, the findings exposes that utilitarian motivation negatively influences the cart abandonment frequency. i.e., the consumers who intended to make purchase during a given online session, not intended to abandon their cart. But consumers use their shopping cart for entertainment purpose leave the online cart frequently and moreover they don't want to pay. Hedonic consumers often intended to place the items in online shopping cart but not intended to pay for that.

Second, the findings indicate that hedonic motivated customers have more often placing products in online carts compared to utilitarian motivated customers. Also, online retailers can use the search behavior of the items that placed in the cart and make the browsers to shoppers. In addition, once the consumer adds items in the online shopping cart, the registration process should be small and simple.

7. CONCLUSION

Despite the fact that the most of the proposed hypotheses, Hedonic use of online shopping cart increase the frequency of cart abandonment. Lack of significant relationship between utilitarian use of cart and online shopping cart abandonment. Surprisingly, correlation between current purchase intention and cart abandonment frequency via structural equation modeling shows that this relationship is negative and not significant ($p = 0.940$, $p < 0.05$). The relationship between utilitarian motivation and cart abandonment found to be non significant and negative ($p = 0.519$, $p < 0.05$).

Evidently, online consumers who shop for fun and entertainment purpose more vulnerable to abandon the cart. The results show that the online consumers search behavior and intended to pay for the item is positively significant. Hence, online retailers design their portal to be loaded with more information about products. The present study of online cart abandonment reveals that consumers place the items in the cart in order to gather more information about the product. Therefore, it is decisive that online retailers give relevant details about the products which lead to place an item in their online shopping cart.

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