

A

Synopsis

On

“The moderating role of Fashion Innovativeness on the relationship between emotions,

Perceived risks and impulse purchase behaviour:

A study of fashion apparel retail stores”

Submitted to

Gujarat Technological University

For the Degree of Doctor of Philosophy in Management

By

Ms. Vaishali P. Joshi

Batch: 2011

Registration No.:- 8159

Enrollment No: 119997392041

Guided By

Dr. Anita Basalingappa (Supervisor)

Prof. Dr. Bruno ZAVRŠNIK (Foreign Co- supervisor)

a. Abstract

Retail sector is the most booming sector of the 21st century. In today's retail scenario, the meaning of retailing is not limited only to what product or service is offered; but also depends on how the product or service is being offered. The modern shoppers are found to be more focusing on the experience during shopping. In particular, the ambience of the retail store is very crucial for the shoppers to select, enter, and purchase from that particular store. In literature, many studies were found to highlight the positive correlation between store ambience and the shopper's decision of selecting, visiting and purchasing the store. This forms the basis of my thesis, which mainly focuses on the impact of store atmosphere on shoppers cognitive and affective states; which in turn affects their shopping behavior.

The Mehrabian-Russell model (1974) is studied in majority of the retail studies. According to Mehrabian & Russell, this model uses the paradigm of Stimulus-Organism-Response (S-O-R) to examine the impact of physical environment on emotions and behavior of the human being. This same model has been adopted in this study, in the context of fashion industry. According to this model, there are three elements i.e. i) Stimulus (S); ii) Organism (O) and iii) Response (R). In this study, I have studied the store atmosphere as the stimulus; shopper's affective and cognitive states as organism and their impulse purchase behavior as the response. Many prior studies have also highlighted the role of moderators, which affect the relationships between S-O and the relationship between O-R. Consumer factors such as their shopping involvement, motivation, knowledge, personality trait, age, gender are found to play as a moderating role in the model of Mehrabian-Russell. In this study fashion innovativeness of the shoppers was tested as the moderator between the O-R relationships. In other words, the role of fashion innovativeness as a moderating variable was examined between the relationships of shopper's affective and cognitive states and their purchase behavior.

Female shoppers were selected as respondents. Six hundred respondents were approached for the data collection through structured questionnaire. Data was collected in the shopping malls of two cities of Gujarat state of India i.e. i) Rajkot and ii) Ahmedabad. The SPSS Statistics 20.0 was utilized for analysis of data. The first and third hypothesis of this study aimed at examining the probability of impulse purchase behavior based on shopper's emotional states and perceived risks respectively. To investigate this, logistic regression analysis was conducted and hypothesis one and three was supported. The second hypothesis investigated the relation between emotional states of the shoppers and their perceived risks and hypothesis

second was supported by the outcomes of simple regression analysis. Hypotheses four and five aimed at exploring the role of fashion innovativeness as a moderating variable between shopper's emotional states and their impulse purchase behavior and shopper's perceived risks and their impulse purchase behavior respectively. Hierarchical regression analysis checked the hypothesis four and five. Outcomes of hierarchical regression analysis supported the fourth hypothesis, but hypothesis five was rejected.

Majorly this thesis makes a contribution in the field of retail management. Fashion retailers and marketers can utilize the results of this study in order to progress their sales and profit. This thesis guides the fashion retailers and marketers on how to deal with the shoppers with different level of fashion innovativeness. In particular, this thesis identifies the two categories of shoppers based on their level of fashion innovativeness and investigates their shopping behavior. This will help the fashion retailers to understand these categories of shoppers in terms of their affective and cognitive states and in turn their behavior during shopping fashion apparels.

b. Brief description on the state of the art of the research topic

During 19th century, marketers did the marketing of brands with the introduction of packaged products. During this time, retailers had to accept the products or services from the manufactures according to the terms and conditions of the manufactures. Moreover, consumers were also forced to buy the unbranded products with inconsistent quality. However, the tables turned in favor of retailers, during the latter part of 20th century. Retailers started to establish new stores nationally and internationally.

Retailers started developing new marketing strategies to gain the consumers. With the increase in the number of retailers offering similar products, a need for differentiation is required in terms of unique and pleasant shopping experience. Retail stores such as Wal-Mart, Kohl's, Prada, Zara, Shopper's Stop, Target or American Eagle offers the unique and pleasant shopping experience to consumers. These retail stores provide a distinctive and comfortable experience to shoppers during shopping. According to Kraft & Mantrala (2010), factors such as music, scent, crowding and color in the retail store contribute to the shopping experience for the consumers. Consumer often want to have overall good shopping experience rather than just getting the functional benefit of the physical store. Retailers who

create unique and attractive store atmosphere add to the overall shopping experience (Kraft & Mantrala; 2010). This process of providing matchless shopping experience to the consumer is considered as one of the best branding strategies by the modern retailers.

It is certain for us to consider that retailing has considerably affected our lifestyle. According to Cox & Brittain (2004), retailing is all about providing both touchable and non-touchable products to consumers. With the increase in the literature by researchers and academicians, the meaning of retailing has been broadening enough. Kotler (1974) made a statement that retail store atmospherics contribute to the shopping experience. Also according to Lowrey (2007), retailing is now becoming the combination of speed, convenience and experience. Moreover, the concept of retailing has now changed to experiential marketing (Pine & Gilmore; 1999).

According to Beatty and Ferrell (1998), it is very essential for store retailers to implement in-store marketing in order to boost their profit and sales. According to (Zentes, Morschett, and Schramm-Klein, 2007), the behavior of consumers is influenced by the in-store atmosphere. According to Kotler (1973-74), atmosphere can be defined as “the design of the retail chain outlet that produces specific emotional effects on the buyer that enhances his purchasing probability.” According to Beatty and Ferrell (1998), investigating the consumers’ impulse purchase behavior is the crucial foundation for retailers to increase profits.

Earlier also the subject of impulse purchase was studied by the researchers but rarely. The effects of self-identity (Dittmar, Beattie & Friese; 1995), emotions (Donovan et al; 1994) and impulsiveness trait (Rook and Fisher; 1995) on impulse purchase behavior of consumers have been investigated. Hence, we can say that emotions are considered as one of the major determinant of Impulse purchase.

Also in the previous literature, perceived risk is found as the key factor for influencing the consumer behavior. Bauer (1960) was the first to introduce the idea of perceived risk in the marketing area. Perceived risk is the perception of consumers about the level of uncertainty in executing a particular purchase decision (Cox & Rich, 1964). Perceived risk was studied in many product categories such as banking (Ho & Victor; 1994), apparel (Jasper & Ouellete; 1994) and food technology (Frewer et al; 1994). According to these studies, perceived risk plays a major role in examining the behavior of the consumer since consumers are more often

interested to escape mistakes than to maximize utility in buying. Hence, it is very important for the retailers to investigate the factor underlying the influence of perceived risk in shopping behavior. If retailers are successful in minimizing or eliminating consumers perceived risks, then they can build their market volume (Davidson et.al; 1988). In addition, previous researches have highlighted the indirect relationship between perceived risk and impulse purchase. Impulse purchase will be exhibited only when there is low perceived risk (Hari Mishra et.al; 2014).

Also past researches, highlight the connection between fashion-oriented impulse purchase and customer's involvement. Past literature have studied the relationship between impulse purchase and fashion involvement (Tirmizi et al.2009; Park et al, 2006; and Phau & Lo; 2004). According to Han et al (1991), customer's involvement in fashion is more likely to increase their impulse purchase. Also according to Park et al (2006), there is a positive relationship among fashion involvement, impulse purchase and store environment. Fashion involvement has been found as the noteworthy antecedent construct of fashion innovativeness (Jun & Rhee, 2009). Hence, we can say that there exist a correlation between fashion involvement and fashion innovativeness.

Past researchers have acknowledged numerous personal traits that are associated to an impulse purchase behavior. Personal traits such as extrovert (Verplanken & Herabadi; 2001), lack of control (Young & Faber; 2000) and innovativeness (Phau & Lo; 2004) were studied to find the relationship with impulse purchase behavior.

c. Definition of Problem

A good amount of research has been done on the subject of store atmosphere and its impact on the consumer behaviour. However, a little effort has been made to link the store atmosphere with consumer's emotional states, perceived risks and their impulse purchase behavior in Indian Fashion apparel sector. Further, consumer's individual trait such as fashion innovativeness was also examined as a moderator between emotional states and impulse purchase behavior; and perceived risks and impulse purchase behavior. This forms the basis of my research problem which states that investigating the factors such as consumers' emotions and perceived risks affects their impulse purchase behavior with the moderating effect of their fashion innovativeness.

d. Objective & Scope of work

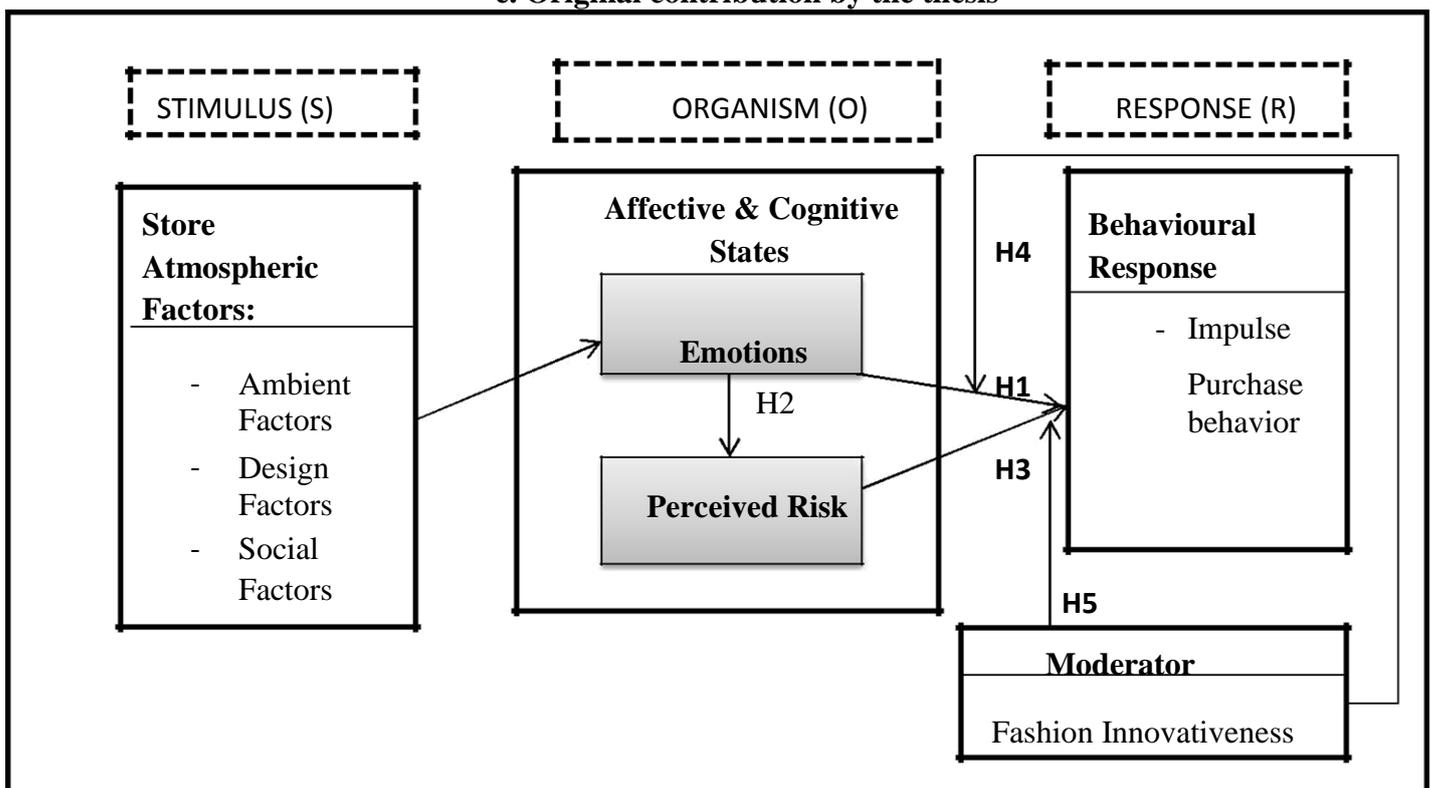
The following are the research objectives:

- i. To study the relationship between shopping emotions and impulse purchase behavior
- ii. To study the relationship between shopping emotions and perceived risks
- iii. To study the relationship between perceived risks and impulse purchase behavior
- iv. To study the moderating role of fashion innovativeness on the relationship between shopping emotions and impulse purchase behavior
- v. To study the moderating role of fashion innovativeness on the relationship between perceived risks and impulse purchase behavior

Scope of work

This study investigates the relationship between female shopper's emotions, perceived risks and impulse purchase behavior with the moderating role of fashion innovativeness. Two cities of Gujarat were selected: Ahmedabad and Rajkot. 600 female shoppers at the malls of Ahmedabad and Rajkot were selected as the respondents. This research study would guide the fashion retailers and marketers to understand the behavior of female shoppers based on their fashion innovativeness and how these female shoppers react emotionally and perceived risk in the store atmosphere of the fashion apparel store which may or may not lead to impulse purchase.

e. Original contribution by the thesis



Mehrabian and Russell (1975) developed the Stimuli-Organism-Response (SOR) model which states that “environmental stimuli (S) induce emotional reaction (O) and influence consumers’ behavioural response (R)”. In particular, the Mehrabian-Russell model (1974) has been used largely in examining the relationship between external environments, intervening variables, and behaviours of the consumers in the retail settings using a Stimulus-Organism-Response Paradigm.

According to Yalch & Spangenberg (1990), store atmosphere influence customer’s emotional and perceptual response, which ultimately affects their shopping behavior. According to Dawson et al. (1990), consumers’ moods or emotions are considered as situational variables, which affect their purchase behavior. Using SOR model, the effects of individual and situational factors on impulsive buying behavior of the consumers (Abdolvand et al.; 2011). In addition; Young and Faber suggest that consumer’s personal characteristics are directed related to impulsive buying behavior.

The theoretical framework in this study, proposes that store atmospheric factors such as ambient, design and social factors affect shoppers’ emotions and cognitions, which subsequently affects shopping behaviours. The emotions measured in this study are arousal and pleasure; cognition is the perceived risks and the behavior is the impulse purchase behavior. Fashion innovativeness of the shopper’s is proposed as the moderator between the relationship of emotions and impulse behavior and perceived risks and impulse purchase behavior. In particular, I have studied four variables in this research study; they are i) emotions ii) perceived risk iii) impulse buying behavior and iv) Fashion innovativeness of the shoppers.

f. Methodology of Research, Results & Comparison

Research Methodology

Research Design: Descriptive Research

Sample Unit:

400 female shoppers visiting malls of Ahmedabad city	Alpha One, Iscon Mega Mall, C G Square Mall and Central Mall
200 female shoppers visiting malls of Rajkot city	Crystal Mall and Iscon Mall

Sampling Technique: Non Probability Sampling method- Convenience Sampling

Sample Size: 600 Respondents

Scaling Technique: Semantic differential scale with 7-point bipolar adjective was used to determine the emotional states (pleasure and arousal). Likert scale ranging from 1-7 range was used to determine the perceived risks. Moreover, to measure the fashion innovativeness of the shoppers, Likert scale was used with 1-7 points range.

Pilot Study: It was conducted amongst 30 respondents, in order to test the quality of the questionnaire. The female shoppers at the fashion apparel store of Rajkot named “Julianna” were distributed the questionnaire. These respondents were not included in the main study.

Reliability Test for Pilot Survey: All the value was greater than 0.6 as shown in the table below:

Sr. No.	Variables	Cronbach's alpha
1.	Pleasure (Shopping emotion)	0.945
2.	Arousal (Shopping emotion)	0.924
3.	Perceived risk	0.752
4.	Fashion Innovativeness	0.841

Statistical Tools Used: Different tools used for the different objectives as below:

No.	Research Objectives	Statistical Tools used
1.	To study the relationship between shopping emotions and impulse purchase behavior	Logistic Regression
2.	To study the relationship between shopping	Pearson Correlation

	emotions and perceived risk	Scatterplot Simple Linear Regression
3.	To study the relationship between perceived risk and impulse purchase behavior	Logistic Regression
4.	To study the moderating role of fashion innovativeness on the relationship between shopping emotions and impulse purchase behavior	Moderated Regression Analysis Scatterplot
5.	To study the moderating role of fashion innovativeness on the relationship between perceived risks and impulse purchase behavior	Moderated Regression Analysis

Results:

Sr. No.	Null Hypothesis	Test	Result
1.	Female shoppers' emotions positively affect impulse purchase behavior during fashion apparel shopping in retail stores	<ul style="list-style-type: none"> The result of Logistic regression analysis suggests that the one predictor model gives a statistically significant improvement compared to the constant-only model, $\chi^2 (1, N = 522) = 408.940, p < .001$. The Nagelkerke pseudo R^2 suggested that the model accounted for 72.6% of the total variance. Overall prediction success rate is 90.8%, which is relatively high to predict the model. The regression coefficient (B) = 2.412 Wald statistics = 144.030; df= 1; significance level = .000 Exp (B) = 11.160 ; (CI) = 95% 	Null Hypothesis accepted

2.	Female shoppers' emotions are negatively associated with their perceived risks during fashion apparel shopping in retail stores.	<ul style="list-style-type: none"> • Pearson Correlation $r(522) = -0.672$ ($p = 0.000$) • Adjusted R Square = 0.450 • F statistic = 427.574 ($p = .000$) • t statistic = -20.678 ($p = .000$) 	Null Hypothesis accepted
3.	Female shopper's perceived risks negatively affect impulse purchase behavior during fashion apparel shopping in retail stores.	<ul style="list-style-type: none"> • The result of Logistic regression analysis suggests that the one predictor model gives a statistically significant improvement compared to the constant-only model, $\chi^2(1, N = 522) = 616.892, p < .001$. • The Nagelkerke pseudo R^2 suggested that the model accounted for 93% of the total variance. Overall prediction success rate is 96.2%, which is relatively high to predict the model. • The regression coefficient (B) = - 4.055 • Wald statistics = 70.382; • $df = 1$; significance level = .000 • Exp (B) = 0.17 ; (CI) = 95% 	Null hypothesis accepted
4.	Fashion innovativeness would act as a significant moderator of relationship between female shoppers' emotions and	<ul style="list-style-type: none"> • The value of $R = .963$ • The change in R^2 is 0.012 ($p = .000$) • Correlation between EMOTIONS and Impulse purchase behavior for low fashion innovators = 0.3178 • Correlation between EMOTIONS and Impulse for high fashion innovators = 0.742 	Null Hypothesis accepted

	their impulse buying behavior in the fashion apparel retail stores		
5.	Fashion Innovativeness would act as a significant moderator on the relationship between perceived risks and impulse purchase behavior in fashion apparel retail stores	<ul style="list-style-type: none"> • The value of $R = .955$ • The change in R^2 is 0.000 ($p = .245$) 	Null Hypothesis rejected

g. Achievements with respect to the objectives

- In the first objective, the results showed that emotional states (pleasure & arousal) correlated strongly and positively with Impulse purchase behavior. In particular, we can say that the store atmosphere affected the emotional states of the female shoppers, which in turn made them to impulse purchase.
- In the second objective, the relationship between emotional states and perceived risks of the female shoppers were investigated. It is found that those female shoppers who were found to possess the feeling of pleasure and arousal, they were having less perceived risks of purchasing the fashion apparel. This means that if the shoppers are induced with the positive and attractive in-store environment, then it will result in positive emotional states, which in turn lead to less perceived risks.

- In the third objective, the results showed that perceived risks correlated strongly and negatively with Impulse purchase behavior. In particular, it was found that the female shoppers did not do impulse purchase if they possessed high level perceived risks
- In the fourth objective, the variable of fashion innovativeness was found to be significantly moderating the relationship between emotional states and the impulse purchase behaviour of the female shoppers. In particular, it was found that high fashion innovators were found to do impulse purchase based on their emotional states compared to low fashion innovators.
- In the fifth objective, the variable of fashion innovativeness was not found to be significantly moderating the relationship between perceived risks and the impulse purchase behaviour of the female shoppers.

h. Conclusion

The Stimulus- Organism- Response (SOR) model was applied to study the store atmosphere factors and their impacts on consumer behavior were studied by different researchers since years. In this model, the store atmosphere factors were considered as stimulus, consumer's affective and cognitive states were considered as organism and their behavior in terms of approach and avoidance were considered as response. Various studies examined the moderating role in the relationship between Organism and Response (O-R). However, none of the studies investigated the role of fashion innovativeness variable was the moderator between Organism and Response relationship. This study presents the results of moderating role of fashion innovativeness between the relationship of emotional states (O) and impulse purchase (R); and between the relationship of perceived risks (O) and impulse purchase (R).

For the purpose of research, different malls of Ahmedabad and Rajkot city were selected for data collection. The result proved that the emotional states of the female shoppers in these different malls positively lead to impulse purchase and negatively related to their perceived risks. In addition, the relationship between perceived risks and impulse purchase was found to be negative. Moreover, the variable of fashion innovativeness was found to be moderating the relationship between emotional states and impulse purchase; but does not found to be moderating the relationship between the perceived risks and impulse purchase. In particular, it was proved that the level of

fashion innovativeness does affect the behavior of female shoppers based on their emotional states and perceived risks. Hence, we can conclude that the individual characteristic such as fashion innovativeness of the female's shoppers does play as important role for affecting their behavior during shopping. High fashion innovators were found to exhibit impulse purchase behavior compared to low fashion innovators, based on their emotional states and perceived risks during shopping in the fashion apparel retail store.

i. References

Abdolvand, M. A., Hanzae, K. H., Rahnama, A., & Khoshpanjeh, M. (2011). The effects of situational and individual factors on impulse buying. *word applied science journal*, 13(9), 2108-2017.

Bauer, R.A. (1960) Consumer Behavior as Risk Taking. In: Hancock, R.S., Ed., *Dynamic Marketing for a Changing World*, Proceedings of the 43rd. Conference of the American Marketing Association, 389-398.

Beatty, S., & Ferrell, M. (1998). Impulse buying: modeling its precursors. *Journal of Retailing*, 74(2), 169-191.

Cox, D. F. & Rich, S. U. (1964) Perceived risk and consumer decision-making – the case of telephone shopping, *Journal of Marketing Research*, November, 32-39.

Cox, R., & Brittain, P. (2004). *Retailing: An introduction* (5th ed.). Harlow: Financial Times/ Prentice Hall.

Davidson, W.R., Sweeney, D.J. and Stampfl, R.W. (1988), *Retail Management*, Wiley, New York, NY

Dawson, Scott, Bloch, Peter H., and Ridgway, Nancy M. (1990): Shopping Motives, Emotional States, and Retail Outcomes. *Journal of Retailing*, 60; 408–427.

Dittmar, H., J. Beattie, and S. Friese (1995), "Gender Identity and Material Symbols: Objects and Decision Considerations in Impulse Purchase," *Journal of Economic Psychology*, 16(3), 491-511.

Donovan, Robert J. and John R. Rossiter (1982). "Store Atmosphere: An Environmental Psychology Approach," *Journal of Retailing*, 58 (Spring): 34-57

Frewer, L.J., Shepherd, R., Sparks, P., 1994. The interrelationship between perceived knowledge, control and risk associated with a range of food related hazards targeted at the self, other people and society. *J. Food Safety* 14, 19–40.

Han, H., & Ryu, K. (2009). The roles of the physical environment, price perception, and customer satisfaction in determining customer loyalty in the restaurant industry. *Journal of Hospitality & Tourism Research*, 33(4), 487-510.

Jasper, C. R., & Ouellette, S. J. (1994). Consumers' perception of risk and the purchase of clothing from catalogs. *Journal of Direct Marketing*, 8(2), 23-36.

Jun, D.G. & Rhee, E.Y. (2009). The effects of fashion innovativeness and styleinnovation attributes on fashion adoption. *Journal of the Korean Society of Clothing and Textiles*, 33, 1564–1574

Kotler, P. (1974). Atmosphericics as a marketing tool. *Journal of Retailing*, 49(4), 48-64.

Lowrey, T. (Ed.). (2007). *Brick and mortar shopping in the 21st century*. United States: Psychology Press.

Mehrabian, A. & Russell, J.A. 1974. *An approach to environmental psychology*.USA: The Colonial Press.

Mishra HG, Koul S, Sinha PK (2014) Customer Perceptions for Store Attributes: A Study of Unorganized Retail Stores in India. *Bus Eco Journal*.

Park, E. J., Kim, E. Y., & Forney, J. C. (2006). A structural model of fashion-oriented impulse buying behavior. *Journal of Fashion Marketing and Management*, 10(A): 433-446.

Phau, I. and Lo, C.C., 2004. Profiling fashion innovators: A study of self-concept, impulse buying and Internet purchase intent. *Journal of Fashion Marketing and Management*, 8 (4), 399-411

Pine, II, B. J. and J. Gilmore (1999), *The Experience Economy: Work is Theatre and Every Business a Stage*. Cambridge, MA: Harvard Business School Press.

Rook, D. W., & Fisher, R. J. (1995). Normative influence on impulse buying behaviour. *Journal of Consumer Research*, 22, 305-313.

Tirmizi, M. A., rehman, K. U., & seif, I. S. (2009). An Empirical Study of Consumer Impulse Buying Behavior in Local Markets. *European Journal of Scientific Research*, 28(4), 522-532.

Verplanken, Bas and Astrid Herabadi, 2001. Individual differences in impulse buying tendency: feeling and no thinking. *European Journal of Personality*, 15, S71-1.

Young, S., and Faber, R., (2000), "Impulse buying: Its relation to personality traits and cues", *Advances in Consumer Research*, 27, 1, pp179-185.

Zentes, J., Morschett, D., & Schramm-Klein, H. (2007). *Strategic retail management text and international cases*. Wiesbaden: Gabler.