CHAPTER-2

REVIEW OF LITERATURE

This chapter contains a theme based review of literature based on the variables put into the S-O-R framework. Research gaps are discussed to show the importance of why the study variables are considered for the current study.

2.1 STIMULI: ONLINE VISUAL MERCHANDISING CUES

2.1.1 Reviews related to Product Presentation

The term product presentation has added much importance due to the central concerns of the reviewed literature. The concept of product presentation is often regarded as product demonstration by various authors such as Then & Delong (1999); Park & Kim (2003); Kumar, 2014; Katrandjiev & Velinov (2014) in the online context and attributed them as online visual elements. It was Ha, Kwon and Lennon (2007) who first identified in their study the importance of product presentation on the online platform. The research findings were supported especially for the apparel websites by various other authors like Kawaf and Tagg (2012) who proposed that features of product presentation which needs attention in the fashion industry through their research work. Wu (2014) in the research highlighted that importance had not been given previously by researchers to the model presentation which, if regarded well can lead to the better original context for the consumer leading to an affirmative impact on purchase intention. Yoo and Kim (2012) found that customers relate model with positive buying. About pictures being presented authors have stated that small pictures lack in creating a proper representation as compared to large enlarged picture the authors (Percy and rossstites, 1983) in store context, (Song and Kim, 2012 ) in the online context. Zimmerman (2012) compared the floor merchandising of a physical store to product presentation on the online platform. This is contradictory to some of the authors such as, Wang (2011) who states that presentation of products cannot be compared to online. The author gives an analogy of the colour blue which can create stimulation in the store environment whereas it would not stimulate the same effect of excitement in an online platform. Even though physical stores differ from online
stores, they have one common goal which is to bring the consumers to purchase as stated by Ha et al. (2007).

Therefore, the importance of product presentation should not be taken too lightly as the feeling and touching of products play a central role in the purchase intention which is not available online. Wu (2014) has also found from his study that techniques of product presentation should be tweaked to fit the context of the online platform for better sales and it is for all purpose the need of the hour. Product presentation idea as researched by Baron and Haris (2008) adapts and incorporates the concept of merchandising products in the retail store. They suggest that floor merchandising in the physical store can incur a considerable amount, but with the help of technology on the online platform product presentation can be done through attractive visual elements and appropriate product pictures. The decision of the customers are mainly on the product presented, and this in turn affects another customer buying decision (Chen and Xie, 2008). Product presented in a better manner facilitate better customer response. Visual image is considered equally important to create a favourable response (Park, Lennon and Stoel, 2005).

Due to the development of electronic-commerce and speedy usage of the internet better product presentation has facilitated in gaming customers confidentiality (Elliot & Fowell, 2000). Demangeot and Broderick (2006) appropriate features of product not presented well can create a vague shopping experience for the customer. In an online shopping scenario, product presentation helps in providing valuable information for decision making (Wonet, 2009) as there is no option of try before you buy aiding the customer to rely on the product presentation features. Product density is an integral aspect of product presentation. Designing the website needs to consider appropriate product density like space arrangement of pictures, text on the online platform (Erogul, Machleit and Davis, 2003) unconstructive overload of product density can impact the decision of purchase.

“A compelling kinetic and static image of the website makes the product and website look more impressive (Rowley, 1996)”. According to Allen (2000) ability to present product from all angles in a better manner ensures better purchase intention while consumers browse the online platform. As studied by Kim, Fiore and Lee (2007) Demand for apparel on the online assumes risk mainly with respect to texture, design
and fabric variation. Incorrect information provided on the online platform of apparel shopping, on the colour and texture can disengage customers and create a loss for the online apparel platform. (Nitse, 2004). Customers get a fair idea if human representation of models are used for better product presentation. Increasing purchase interaction can be done when moving sizeable images, and mix and match function is enhanced for better customer visual experience (Song and Kim, 2012). The concept of product presentation is valued more on the website when customers can engage appropriately and connect in a better manner on the site leading to a satisfying experience (Yoo and Kim, 2012).

2.1.2 Reviews related to Atmospherics

Although many authors have used the term atmospherics in different usages for store environment (Kotler, 1973) the credit for defining the term “atmospheric” goes to (Baker, 1986) who classifies the store environment in a traditional format and states three ideas. The first-factor is design, indicating functional and aesthetic characters. Second factor is ambient (temperature, scent, music, and lighting) and third is social factors which relate to people present in the store both customers and employees. Bitner, (1990, 1992) also has vastly contributed to her two articles published towards the concept of store atmospherics and its importance. Highlighting in their research work (Eroglu, Machleit, and Davis, 2003) stated that online cues play also play a vital role in shaping the consumer response and indeed makes a huge difference if presented in the right manner.

The concept of bringing the term online atmospherics into the retailing framework of Stimulus, Organism and Response model was attempted by (Eroglu, Machleit, and Davis, 2001, 2003). They classified environmental cues of online into two categories, first one as high task-relevant cues which are directly related to the internet shopping context like descriptions of the merchandise, terms of sale, return policies, price, delivery, navigation aids and pictures of the merchandise. The second one is low task-relevant cues which are website cues which is not directly relevant towards the shopping goals like colour, font, animation, music, sound, and entertainment. Results indiated that low task-relevant cues played an essential role in acting as a purchase trigger. Further investigation by (Wu and Yuan, 2003) proved that reading ability and visual preference is affected by the colour of the text display and highlighting of the text. Manganari, (2008) widely investigated the importance of
Growing usage of buying products online and gave a vast scope for researchers to study online attributes. Manganari, Siomkos, and Vrechopoulos, (2009) also developed an online store environment framework (OSEF) through their comprehensive desk research of papers from 1999 to 2008, and this framework consists of four components relating to virtual layout and design, atmospherics, theatrics, and social presence.

Further extending their work, Charfi and Lombardot, (2015) in their study categorised three elements of e-atmospherics as virtual agents, use of 3D techniques and control command in a stimulating setting where these were considered as a success only when implemented appropriately. The results state that allowing the internet users to customise atmospherics can lead to better behavioural purchase intention. However, this customisation option comes with a cost, especially where the Indian customer’s willingness is a questionability factor which needs attention. After the incorporation of 3D elements, there was the usage of social virtual worlds (SVWs), such as second life to sell real as well as virtual products on a traditional web store and this is done to enhance the customer experience of shopping. In an attempt made in the paper by Hassounenh, and Brengman (2015) they aimed at understanding such virtual store design principles and found that implementation of such store design can prove fatal and only add to the cost. The above terms are getting extended in various literature in the form of the term ‘virtual store Atmospherics’ by (Vercopoulos, 2000). ‘Web Atmospherics' is also called as ‘webmosphere’ by (Childers, Carr, Peck, Carson, 2002) in their study. In recent years this term has been gaining much importance as an online visual merchandising cue. For the current study, the researcher has considered atmospherics as the aesthetic appeal on the online platform and not considering the technological developments presented as a gap.

2.1.3 Reviews related to Perceived interactivity

The concept of interactivity is often debated whether to be attributed to the hands of technology or is it a mere perception (Steuer, 1992). Previous literature has either provided a technology acceptance model (TAM) or many environments based psychology papers relate interactivity to communication. Newhagen, Cordes, and levy (1995) in their seminal paper operationalized the term ‘interactivity’ as a perception of an individual and termed the concept of ‘perceived interactivity.’ Additionally to support from literature authors like (Wu, 2014) measured perceived
interactivity by getting responses from customers who visited the website and grouped them on their responsiveness and ease of use to navigate. Steuer (1992) was criticized for his work on perceived interactivity since no empirical analysis was carried out. Steuer had just advocated firmly on the concept of operationalizing interactivity by range, speed, mapping abilities and based on the medium of interaction. Later studies revealed that easy navigation which is part of the perceived interactivity had become a critical success factor for an online platform (Kanerva, Keeker, Risden, Schuh, & Czerwinski, 1997). Supported by Wu, (2014) who classified perceived interactivity into two constructs consisting of responsiveness and navigation. Eroglu, Machleit, and Davis, (2001, 2003) also proved in their papers that easy navigational structure categorised under high task-relevant cues which affect online platform has a positive effect on the consumer response.

In the study carried out by (Mathwick, 2002) it was emphasized that online marketers need to understand that the websites must be interactive in order to cater to proper atmospherics. This interactiveness, in turn, will automatically lead to better customer satisfaction and create a repeated purchase. Fiore and Jin, (2003) have similarly emphasised that image interactivity of the websites to purchase apparel. Further extending to similar studies Wu (2014) analysed that perceived interactivity and layout of the website are essential online merchandising cues for consumer purchase intention. Product design and visual experience ensure that browser visits the site again and again for repeated purchase. This experience is via website interactivity (Mathwick, 2002). Interactivity on the website has created a demand for better buying experience for the customers online (Li, Kuo, and Russell, 1999).

The term ‘interactivity’ was used before the word perceived interactivity. The aspect of interpersonal communication was given importance concerning the word interactivity (Morris and Gan, 1996). Later, interactivity has gained relevance and have been distinguished from the traditional media due to advancing technology. The categorisation of interactivity has evolved through various stages. It is said to be an interaction with the sender, receiver, machine and man (Wu, 2005). The emphasis of interactivity has been categorised into two (Sundar and Kim, 2005) contingency interactivity mainly done through a dialogic loop to exchange messages which are technical. Functional interactivity carried out through the interface between the website and the user. There are devices to differentiate interactivity on the web.
platform. Perceived interactivity has many definitions but does not have a defined scope. Mcmillian & Hwang (2002) and Sundar & Kim, (2005) through their study have given importance to perceived interactivity as an interaction of the system and the user. The importance of perceived interactivity was mainly through customisation and is often regarded as a concept of interaction between the user and the system through visual aspirations (Kalyanaraman, 2003, Sundar and Kim, 2005). Viewing the website from the perspective of interactivity was further investigated by (Kelleher, 2009). The contingency interactivity and functional interactivity of (Sundar and Kim, 2005) were countered on the online platform as modality and message interactivity. The characteristics of interactivity are suggested to be different at different levels by (McMillian and Hwan, 2002) and proposed to be a portion of broadcasting experience. Bucy (2004) suggested that perceived interactivity through features on the website leads to better purchase intention for the customer. For the study perceived interactivity is considered to have facilities with regards to understanding, searching for information on the online platform usability (Yoo and Kim, 2012).

2.1.4 Reviews related to Advertisements

Advertising is an integral part of the promotion mix and becomes a critical component of a marketing mix advertisements considered as one of the strategies as a promotional tool to create awareness in the mind of the prospective consumers. In the earlier stage of the internet era, it was difficult for the customers to connect with the organisations where firms failed to understand the needs of the customers and their expectation in the online environment. Thus there was a lot of research made to help this interruption with the emergence of advanced technology (Constantinides, 2004).

Internet users are flourishing which is a good sign for the marketers who make use of the opportunities to advertise their products on an online platform (Mooradian, 2008). Online advertisement involves two ends, one is the software, and the other is the user himself, and their interaction leads to effective communication (Gurau, 2008). The interactivity in the online advertising grants the customers to have a hold on the interests to capture the links on the web page and actively participate in giving the feedback on the particular aspect relating to the model shown. Customers receive the essence of online advertising through greater interactivity in the field of advertisements, and this interaction happens in a visual sense. Online marketing
climate, technology plays an active role in making available the environment with the element of communications that are essential for purchase and experience (Luo, 2011). The technological development has increased the involvement of modern purchasing system replacing the traditional marketing channels of advertisements. The emergence of new media, with advanced technology for, has contributed effectively to the profitability of the firm (Clark, Fahy & Jobber, 2012). Ideal advertisement strategy should provide information about the product which needs to be disclosed to online customers (Buda & Zhang, 2000). Online advertising has recognised elements of fame and attraction that can be convincing to consumers in a short span, thus increasing the intention of the customer's purchase (Chi, 2009).

Online retailers are said to be successful by providing the sales information and also making customers aware of their new product. An advertisement that has positive effects will motivate customers to capture the interest to spend extra time and seek useful information that leads to the consumer's purchase intention (Gardner & Rook, 1988). Consumers are said to be attracted towards online mode as new price offers, special promotions and incentives on the online website, which grab their attention towards the purchase (Park, 2012). Online advertisement leads to the emergence of different advertising environments like online ads that have a role in display ads, text ads, link ads, pop-up ads, video ads (Niedermeier & Pierson, 2010). The advertising message which is transferred through online sources is said to be very essential to increase purchase intention of the customers (Liu, 2012). This ideology refers to the fact many advertisers and marketers have established from decades which is the primary objective of advertisement which is expressed through the AIDA model which is the attention, interest desire and action to buy.

2.2 ORGANISM: PERSONALITY ATTRIBUTES
Organism is a vital linkage of connecting all parts in a system. Organism is the intervening factor which is considered as personality attributes for the current research. The important aspect which differentiate one individual from the other due to their generational perspective.
2.2.1 Reviews related to Attitude

Attitude is considered to be a behavioural phenomenon and is defined by Fishbein and Ajzen (1974) as a “mediating evaluative response” to an object and is usually, neutral, positive or negative. Attitude is an inevitable factor of human nature. It is a behaviour that person adapts towards his surroundings. It determines one’s perspective and establishes one’s personality (Elliott and Speck, 2005). Attitude plays an essential role in decision making. Hence, attitude majorly influences the behaviour of a person towards shopping. Attitude is said to vary age wise (Willian and Page, 2010). The younger generation may not feel threatened by shopping online as they are tech-friendly and realise the implications. However, the older generation may avoid online shopping fearing fraud, misappropriation of information and product or service related concerns (Law and Ng, 2016).

Over the years the trend of online shopping has increased due to acceptance and a progressive attitude of customers across the globe. The design and appearance of the website and the quality of the website itself play an essential role in forming a positive review (Osman, Yin-Fah & Hooi-Choo, 2010). As reported by Delafrooz, Paim and Khatibi (2011) benefits of online visual cues have a significant and positive effect on consumers’ attitude towards online shopping. The importance of creating a good consumer base was realised in the market ever since the competition in the economy increased. This has led to a customer-oriented approach. Over a period, the retailers have recognised that an essential factor of consumer behaviour, their likes and dislikes is their attitude. Ever since this realisation, E-tailors have studied on consumer attitude and made great use of the information.

2.2.2 Reviews related to Trust

Apparel sector is facing the problem of return because of the intangibility issue of feel and touch of the product. This is also mainly connected with trust issues. Flavin and Guinaliu (2006) have stated that trust factor of the customer purchase intention determines their switching tendency from one site to the other. Trust need not be familiar to all which is based on perception and vivid experience of people. For example, a marketplace can be trustworthy, but this trust needs to be felt by other market participants also (Chang and Chen, 2008). The meaning of trust, however, differs with each discipline. Trust in general is very subjective. Trust as a concept is important because over the years researchers have used this variable in
different ways and have been defined in many respects. Trust categorised mainly by uncertainty, vulnerability or dependence (Jarvenpaa, Tractinsky, & Saarinen, 1999). Website design attracts the attention of consumers as well as affect trust (Grabner-Kraeuter, 2002). Online store platform which has good quality and perceived ease of use are more likely to build a high intensity of trust for consumers. Perceived quality of the online platform also plays an essential role in building trust for online shopping (Kim, Ferrin and Rao, 2009). Although there is an impressive improvement in online platform online shopping remains difficult due to the trust factor (Holzwarth, Janiszewski, & Neumann, 2016). Gefen (2000)Trust is an imperative element in business to the consumer in electronic commerce platform. Hence, Trust on the traditional platform having a salesman is replaced on the online platform by the interaction of human and computers. Trust forms the backbone of the online business both in B2C (Business to consumer) and B2B (Business to Business).

One of the main reasons for consumers not purchasing from internet vendors is the lack of trust. Therefore, there is a need to promote trust and confidence over the internet by online marketers through better visual cues. Trust is an essential element of any business whether an online or offline business (Tangmanee and Rawsena, 2016). The level of trust needed to make transactions over the internet is different for every individual. Modern generation tends to trust online marketers more than their previous generations as they are more technologically savvy and also do not require personal contact while purchasing. In e-commerce, the internet vendor and also his website are trusted blinding sources. One of the significant factors of trust over the internet is the website design of the online marketer and his reputation. This design of the website can influence the trust of the people while using the internet of (Zimmerman, 2012). The risk in online marketing is higher because of the ambiguity, distance and lack of personal connections. People do not feel safe while sharing their personal and sensitive information over the internet because of the misuse and frauds concerned (Wang, 2006). Therefore, both the marketplaces as well as the marketers have to establish trust among the consumers to increase their activities and also to increase their business, and without trust, they cannot achieve success.
2.2.3 Reviews related to Emotion

Studies which are related to environmental psychology and marketing have often used the concept of emotion interchangeably in the sense of feelings, attitudes, and mood (Kawaf, 2012). The Pleasure, Arousal and Dominance model (PAD) by Mehrabian and Russel (1974) is the most widely studied concept, concerning the context of consumer research based on emotion. Most studies have dropped the dominance concept as they do not find a fit for the emotion concept in the current scenario (Park, Lennon, & Stoel, 2005). Emotions are considered to be more intensive and for a short period as stated by Jones, (2008) and therefore cannot be the part of dominance as suggested by various authors. Researchers like Chang and Chin, (2008) have found in their study that PAD model does not take into account the effect of emotion on atmospherics supported from the seminal paper of Ergoul (2003). Recent studies by Wu (2014 and Choudhary (2016) have also used pleasure and arousal as mediating variable stimulated by online merchandising cues (online product presentation website visual design and web advertisement). Most of the authors term pleasure and arousal as emotions. Emotion has two sides being positive and negative, and this concept has started gaining importance in most of the consumer studies which are related to online shopping having website features (Hsu & Tsou, 2011).

2.3 RESPONSE: PURCHASE INTENTION

The concept of purchase intention has received varied approaches by numerous authors in the marketing domain. Purchase intention is regarded as the final decision the customers make after they have perceived the stimulus. Purchase intention in business research is regarded as the most critical variable in forecasting the future behaviour of consumers (Im & Ha, 2011). Purchase intention which is undoubtedly a variable is covered extensively by various studies in various contexts. However, this has been scarcely investigated from generations aspect of purchase intention. In work carried out by Park, Lennon, and Stoel (2005) and in the related references (Eroglu, Machleit, and Davis, 2001, 2003; Sweeney and Wyber, 2002) it was observed that emotion positively supports purchase intention when subjected to online merchandising cues.
The knowledge of the customers about the products helps in better purchase intention (Satish & Peter, 2004). The design and packing of the product play a vital role in this purchase intention and create goodwill and repute for the selling organisation (Dillep, 2006). In the same context, online visual merchandising also creates the same effect (Hawkins and Mothersbaugh, 2010). The response as studied by various literature leads to purchase intention and this intention online can be classified as intention to visit the online store again or make a repeated purchase (Zimmerman, 2012). For the study, purchase intention acts as the response factor which is the customer willingness to buy a product after encountering the online visual merchandising cues.

2.4 RESEARCH GAP

From review of the literature, we see that importance has been emphasised on online visual merchandising which are presented on the website. Research on product presentation of the online website is yet in its initial stage. Many researchers may advocate about incorporating high-end technology like Augmented reality, virtual reality, avatar and various dimension effects. However, we still need to understand the fact that how product presentation needs to be addressed on an online platform at the first primary level of grabbing the visual attention of the generational customer. In the case of atmospherics, only colour has been emphasised by many authors. Later stage the importance of virtual atmospherics came into picture which is still under-researched. Especially factors including backdrop and setting, fonts and lighting which are part of visual aesthetics in an online scenario need to be studied further. The next term perceived interactivity as the term suggests it is a mere perception of how far a customer can interact with only a few technological perspectives as highlighted in the previous research. This understanding requires rich text formatting and other media file installations which still cannot be applied in the Indian context of customers. Therefore, this research attempts to keep the variables of interactivity to a minimum level of interaction which happens at the first level of contact which is visual. Perceived interactivity can only be established when technological advancement can be reached out to customers and we see the ambiguity that not many kinds of literature aim to check this perspective as an online visual merchandising cue on the online platform. The final online visual merchandising cues selected based on the gap is advertisements on the apparel website. Commonly
Advertisements are said to be a mere exaggeration in other media context. Advertisements are also considered to be a nuisance element in the context of online shopping. Thus, online advertisement can become a factor of visual influence if channelised appropriately and therefore needs to become an integral part of online visual merchandising.

Concerning attitude, once the attitude is created towards the virtual market, it is hard to change. Attitude causes a wrong word of mouth leading to a fall in the customer base of companies and the formation of a negative attitude towards the potential buyers. To avoid the same, websites now offer their customers to customise and personalise products as per their wish. Hence, creating the right image on a site is inevitable for an e-business to sustain in the market. Once a customer base is set up, and there is a definite attitude of customers towards the business, the business can flourish when it comes to tackling consumer psychology.

Trust is not a new concept and has been studied as a critical notion in the traditional relationship marketing literature (Doney & Canon 1997). There are many studies in support as for how customers infer trust as to the presentation, navigation, privacy and security levels of a website. There has been a challenge for e-commerce sites in establishing trust in the first encounter. There has been an increased focus by researchers on the concept of initial trust of visual and its principal determinants, but it is still in its infancy stage from a generational perspective. The variable of trust is considered in the research mainly due to two main reasons. Different dimensions of trust as studied by Tan and Sutherland (2004) have classified the basis of trust into three such as intuitional, dispositional and interpersonal trust. Most of the studies fail to address the dispositional trust of consumers which consist of individuals’ agreeableness, neuroticism, conscientiousness and extroversion which have been considered as main personality traits according to the five-factor model of personality (Ganguly, Dash, Cyr & Head, 2010). When the stimulus, organism, response model is been taken in the online connect only a few kinds of literature have emphasised on trust as the organism factor.

Emotion, as a variable has been extensively studied in literature in various contexts. Both positive and negative emotions are captured after stimuli are perceived. Very few studies have highlighted the importance of creating a positive emotion. Due
to the predominance of consumer sovereignty, the negative emotion towards online visual merchandising cues is becoming immaterial. Therefore, positive emotion needs emphasis on an online platform.

The importance of generational classification is required in segmenting the Indian population of customers. Indian customers differ in their social lifestyle and shopping patterns when compared to the western counterpart. Imperative change is definitely happening with technology and globalisation stepping in but, the roots of cultural value, technological adaption and personality can be a distinguishing factor in adapting the same shopping habits. Therefore, segmentation of Indian shoppers online with respect to online visual merchandising cues needs attention by the literature as well as the marketers.

2.5 RESEARCH FRAMEWORK

The primary purpose of the study tries to empirically test the research model which will enrich the understanding of whether online visual merchandising cues influence the purchase intentions of generations mediated by the role of personality attributes

**Independent variables (S)  Mediating variables (O)  Dependent variable (R)**

![Figure 2.1: Research Framework](image-url)

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2.6 HYPOTHESES

- **H1**: There is a significant difference in the purchase intention across generation X, Y and Z.
- **H2**: Online visual merchandising cues have significant influence on personality attributes of generation X, Y and Z.
- **H3**: Personality attributes have significant impact on purchase intention of X, Y and Z generations.
- **H4**: Online visual merchandising cues have significant influence on purchase intention of X, Y and Z generations.
- **H5**: Personality attributes have mediation effect between online visual merchandising cues and purchase intention of X, Y and Z generations.