A STUDY ON IMPACT OF CYBER ATMOSPHERICS ON BUYERS OF DIFFERENT E-RETAILING SITES

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Abstract:

The boom in internet usage connected with improvement of necessary substructure and use of different internet devices have brought a sea change in the world of retail. Today's internet grasp tailored is both technologically and psychologically ready to tanke full advantage of these alterations. Different accumulation, right from dresses to gifts, clothing and even groceries, is now getting sold online. To provide a great purchasing education to the customers, e-retailers have taken the way of life of creating brilliant online atmospherics so as to retain the loyalty of customers. Now the time has come for people both in the e-retail industry and in academics to measure the impact of cyber atmospherics on consumers and how it impacts consumer contentment, consumer reliance and consumer adhesion. With the main subjective of studying the complex relationship between elements of cyber atmospherics, consumer behavior and response in terms of happiness, reliance and adhesion, this study will propose a collective Cyber Atmospherics – Contentment – Reliance - Adhesion model by swinging emphasis on an extensive review of the literature. The paper has dug big into the literature to get all of the concepts of the model and formalize them.

Keywords: Cyber, Atmospherics, E-Commerce, E- Retailing, Adhesion

Introduction:

For most entrepreneur's internet is getting the highest amount of priority. The Internet has become important not only for business but also for giving birth to excellent customer satisfaction. Due to the disruptive power of e-commerce, several successful business models have sprung up. Booming telecom and internet connections have given birth to e-commerce worldwide, especially in India.

It is also to be pointed out here, that online consumer behaviour is driven more by innovations on the internet than by product innovations. Internet

The techniques of atmospherics have been employed for a long in offline retailing. Now in the world of electronic retailing, atmospherics has been applied in

A good number of industries, namely airlines, retailing, banking & financial services, and tourism, are utilizing the benefits of e-commerce to a great extent. These industries are using e-commerce as an alternative channel of connectivity with customers, leading to more sales. Many traditional social activities have shifted towards the internet, such as distance learning and trading.

innovations drive the consumers to try and purchase more and more products *(Goldsmith & Flynn,2004)*

a broader manner leading to repeat purchases by consumers. In the present scenario, when the space of differentiation in terms of offers, brands and products is

getting narrower electronic retailers have

Research Objectives:

The present research focuses on the impact of different variables of cyber atmospherics on consumer buying attitudes based on the suggested model. The vital objectives of the study are:

1. To study the possible relationship between each variable of cyber atmospherics and overall cyber atmospherics.
2. To examine the possible relationships between cyber atmospherics and consumers' behavioural attitudes and intentions (i.e., consumer contentment,

resorted to atmospherics.

consumer reliance, and consumer adhesion) in online retailing.

3. To understand the interrelationships between different constructs of consumer buying attitudes and intentions (i.e., consumer contentment, consumer reliance, and consumer adhesion) in online retailing.
4. To identify the possible relationships between demographic features, cyber atmospheric variables and purchase behaviour of consumers.

Literature Review:

Today's e-retailers are applying all of the tricks of the book to content the consumer and build reliance and adhesion in them for that; they are ready to face losses with the hope that these acquired consumers will remain loyal. So, it has become

essential to introspect deeply into the different aspects of consumer behaviours and understand how cyber atmospherics can be utilized for positive consumer behaviours towards the electronic retailer.

Discussion:

1. Cyber Atmospherics:

A significant amount of time is spent by retailers focusing on attracting consumers, building relationships and making consumers purchase products and services *(Babin& Dardin,1996)*. Today's consumers are very informative and also expect the best services. As a result, any act from the retailer's side is bound to have an impact on the relationship with the consumers. The store's ambiance constitutes lighting, fragrance, and sound play as crucial factors to create a great word of mouth impact on the consumers. Especially department stores, spend a lot

More evolution has taken place in online retail stores about consumer contentment in the last few years. The in-

of time, energy, and money to provide consumers with an excellent, conducive environment. *Kozinets et al. (2002)* also found the great importance of the store environment to the consumers. The stream of study that assesses the store environment's significance and its impact on sales is called atmospherics. According to Philip *Kotler(2010)*, the different permutations and combinations of space management carried out by retailers to influence consumers toward purchase are called atmospherics.

store environment plays a vital role in influencing consumer behaviour. Past empirical research has shown that a

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positive environment leads to more willingness in the mind of the consumers to purchase more products and services. It also increases their engagement with the store *(Kim et al. 2008).* A consumer's emotional reaction is shaped by the store's

environment, as concluded by *Yoo et al. (1998).* The connection between the practical state of the consumer's mind and arousal has been empirically proved by *Sherman et al. (1997).*

2. E-Commerce and Electronic Retailing Industry in India:

After the literature review now, it's necessary to learn about the background of the industry in which the research is taking place. This research will deal with the intricacies of the Indian E-Commerce sector and the Indian E-retailing Industry. Indian E-Commerce has evolved significantly over the last 15 years, which needs a detailed study. To know an

industry as fast-paced as E-Commerce, it's necessary to understand E-Commerce and its different modes. Like all other industries, E-Commerce also has several stakeholders who help develop and evolve E-Commerce. Billions of venture capitalist money are acting as a catalyst for the sector.

3. Electronic Commerce:

Electronic Commerce is acting as a very strong disruptor in the world economy. In one sentence, electronic commerce means the transactions carried out over the internet and the related payments through plastic cards, net banking, or payment gateways. Electronic Data Interchange (EDI) plays a vital role in this regard. The significance of Electronic Commerce can be seen across industries. Several activities

occur in Electronic Commerce, such as business process management, customer relationship management, procurement, order processing, direct and reverse logistics, loyalty management, etc. With the entry of several MNCs like Amazon, Flipkart, Meesho, Ebay, Snapdeal, etc. the emerging Indian electronic commerce space is witnessing a massive change.

Different modes of E-Commerce:

All of the e-commerce transactions can be divided into three basic modes *(Sharma & Rawat, 2014).* The modes are:

services. It's to be pondered upon the fact that all of the unicorn companies, i.e., e-commerce companies having billion of valuations are B2C companies.

1. Business 2 Customer (B2C):

Business 2 Customer or B2C stands for the mode of the transaction directly between the e-commerce service provider and customer, i.e., the end user. This is the most prevalent mode of e-commerce. Businesses that use this mode of e-commerce are online traveling, online retailing, online classifieds, and financial

2. Business 2 Business(B2B):

Business to Business or B2B is the mode through which most institutional marketing activities occur. Vendor management takes place through B2B mode. Also, different service providers take this mode for online classified advertisements.

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3. Customer 2 Customer (C2C):

Through this mode, consumers can be in touch with each other. Due to increasing competition, brands are attaching with importance to C2C. Customer to Customer leads to feedback sharing and positive Word of Mouth (WOM). Social media and different chatting mediums are used extensively in the C2C mode of E-Commerce.

Supplier:

The supplier consists of different commercial systems like airlines, railways, bus operators, placement consultants, different product manufacturers. All of these suppliers provide their products and services.

E-Commerce player:

E-Commerce player acts as an interface between suppliers and buyers.

Consumers or Buyers:

Consumers or buyers are the source of revenue of e-commerce players and suppliers. That's why all of them try to trap the consumers through different offers, discounts and fast delivery promises.

Evolution of E-Commerce in India

According to *Sharma &Rawat (2014)*, the evolution of e-commerce has taken the below
route in India.

1995: Beginning of internet in India through dialup system in 6 cities.

1996: Launch of online B2B portals.

1997: Launch of online job portals.

2000 – 2005: Muted activities in industry due to dotcom bust in 2000-2001.

2006: Launch of online travel agents.

2007: Entry of a number of e-tailing players.

2010: Launch of first group buying website in India. Use of social networking as an effective marketing tool.

2013: Change of business model by several e-retailing players from inventory led model to marketplace model.

2015: Launch of mobile only apps by several e-retailing players after shutting down of website.

Cyber Atmospherics best sharing practices in the industry:

E-retailing companies are resorting to many innovations to create great atmospherics for the consumers. Some of these innovations can be enumerated below:

a. Electronic retailing companies are investing millions of dollars to let the consumers smell fragrances through the online mode.

b. Companies are creating in-house teams and investing money to have more social media-based engagement with consumers.

c. E-retailers are using mobile apps to provide customized solutions to consumers.

d. E-retailers are researching the impact of colour and contrast effects to study their effects on consumers.

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e. Companies like Flipkart, Amazon, Lens kart are setting up offline stores for consumers to touch and feel the products in reality.

f. E-retailers have developed shopping robots or avatars to provide more information led suggestions related to the product, price, design, size, colour etc.

g. E-retailers are working on more sophisticated algorithms to have a better product search experience for consumers.

h. Companies are using 360-degree communication systems to be in touch with consumers.

i. E-retailers like Amazon are testing the use of drones for end-to-end delivery to consumers at a breakneck pace.

j. Fashion e-retailers are providing multiple product trial systems for consumers.

Challenges faced by Indian electronic retailing industry:

According to *Bhattacharya & Mishra (2015)* the challenges are as per below:

Internet penetration:

Penetration of the internet properly is a big challenge for e-retailing players. The current figure of 15% shows the vast potential for the electronic commerce industry. Also, a large part of India till now has not got access to electricity. The use of feature phones also blocks access to the internet.

Infrastructural bottlenecks:

The most significant hurdle India needs to cross to become a superpower is infrastructure. India still now needs to build roads, ports, and airports for proper connectivity. Unless connectivity problems are not solved, the super success of e-retailing players will remain a distant dream.

Behavioural issues of Indian consumers:

Typical behavioural issues of Indian consumers act as a problem for the players. For example, several players have experienced cases where the consumer has put a false address in case of cash on delivery. Also, the Indian habit of asking for more discounts from the courier guy and lower reliance on internet shopping put significant challenges before the players.

Cash on Delivery (COD):

Cash on Delivery is a significant initiative taken by e-retailing players to generate trust among Indian consumers. As there have been several frauds with regard to online purchases, players have introduced the cash-on-delivery system of payment which consumers have found to be very convenient. But for the players, it increases costs manifold. Also, as many consumers are found to be fictitious, that also leads to tremendous pressure on the supply chain management.

Postal address:

India is still to develop defined postal addresses based on pin codes. Many times, the pin codes cover large areas. Again, house numbering takes place arbitrarily. This poses a problem for the courier guys.

Payment gateway related problems:

Due to the extensive use of feature phones and 4G technology, the payment gateways often can't come up with all of the features. This affects transactions.

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The problem of merchandise return:
Due to novelty factors, many Indian consumers log on to electronic retailing sites to purchase the products. Then they return those products. This affects the margin of the players. Thus, the different facts of the booming Indian electronic retailing industry have been discussed.

Conclusion:

E-commerce involves carrying out transactions over the internet and paying through plastic cards or payment gateways. E-commerce takes place based on three modes. i.e., B2B, B2C and C2C. They are suppliers, e-commerce players, consumers, enablers and governments. The evolution of the Indian E-Commerce industry has been going on for the last 20 years. The big boom is leading to the emergence of several successful vertical players across categories likegroceries, furniture, infant and baby care, lifestyle, jewellery, ethnic segment, and social shopping. Seeing the emergence of successful upright players in the Indian e-tailing industry, several horizontal players are acquiring vertical players to bring in more options for consumers. The e-tailers are using cyber atmospherics and different techniques to differentiate themselves from others. Several factors like internet penetration, card usage, extra services, disposable income growth and device usage are acting favourably for the Indian e-tailing industry. Lastly, infrastructural bottlenecks, typical Indian behaviour, postal address, and payment gateways are significant challenges for the Indian e-retailing industry.

The study has significant implications for academic researchers in terms of its emphasis on online retail, atmospherics, essential categories, young consumers, social media, holistic view of consumer behaviour. It also has substantial managerial implications in the application of cyber atmospheric strategies for differentiation, entry of global retailers, targeting and segmentation strategies, profitability, emotional connection with e-retailers and consumer preference of cyber atmospheric variables. The study's limitations are coverage of cities, demographic variables, factors other than cyber atmospherics that affect consumer behaviour; the impact of brands, promotions, discounts, and freebies on consumer behaviour; selection of categories for the study. Further, research can be carried out in areas of India specific factors, demographic, behavioural and psychographic variables, the business model of e-retailers, the impact of technology, device usage, retailer Omni presence and inclusion of more categories.

Below are some quotes of some of the doyens in electronic retailing taken from the site http://www.appseconnect.com.

- **"If you do build a great experience, consumers tell each other about that. Word of mouth is very powerful."**-Jeff Bezos, Founder of Amazon.com.

- **"The reason it seems that price is all your consumers care about is that you haven't given them anything else to care about."**-Seth Godin, American author, entrepreneur, marketer, and public speaker.

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- *"**You can't just open a website and expect people to flood in. If you really want to succeed you** have to create traffic."*-Joel Anderson, Walmart CEO

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