

Psychographics as an Effective Tool to Measure Overall Site Equity of E-tailers

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Abstract - Demographics and Psychographics are considered to be the dominant factors that determine the buying behavior of customers. The strategies formulation by the online promoters' is mainly dependent on psychographic attributes of online shoppers. Psychographics in relation with suitable demographic data helps in establishing more focused profiles of target audiences and markets. Psychographics is considered as crucial determinant in market research. Therefore, this paper focuses on examining whether psychographics plays a dominant role in formulation of market strategies by the e-tailers. Further, the study is extended to know to what extent psychographics would impact the buying Behaviour of consumers. A sample of online shoppers were reached out using survey technique which resulted in 392 valid responses. Analysis using SPSS and PLS-SEM was used to study the effectiveness of psychographics as tool to measure overall site quality of e-tailers.

Keywords — E-tailers, Psychographics, Site Equity, Shopping Orientation, Customer Innovativeness, Customer Advocacy

I. INTRODUCTION

Demographics and Psychographics are considered to be the dominant factors that determine the buying behavior of consumers. Demographics give the identity of the buyer, while psychographics explains the purpose of buying. It is possible to reach the target audience effectively only by understanding their demographics as well as psychographics. Demographics help only to identify the target audience whereas psychographics sets the path to make a customer to buy a product or experience a service. Interviewing existing customers and investigating website analytics are considered to be proven methods to understand psychographics in the current scenario. Applying psychographics data to marketing effectively is a real challenge. The market scenario has moved from discount backed sales to value and utility-based sale in most of the categories of products and services today. Impulse buying is backed by the influence of lifestyle and cultural values which are termed together as psychographics.

II. LITERATURE REVIEW

A. Consumer behaviour and Psychographics

Reference [3] explained consumer behavior as “the behavior that consumers exhibit in searching for, buying, using, evaluating, and disposing of products that they expect will satisfy their needs”. The buying process involves individuals or groups in the process of selection, purchase, use and dispose of products to satisfy needs and desires” [24]. Analyzing consumer behavior is essential to

understand the different behaviors of customers under different circumstances. Consumer behavior results out of emotional response leading the consumers to make impulse buying of a product or service [1].

There are numerous psychographic determinants that influence a customer throughout purchase higher cognitive process, which may be evaluated by the employment of demographics information. At present, the foremost wide used method is that the use of shopper attitudes, opinions and interests that were suggested by [28]. Whereas the foremost used tool for psychographics is that the VALS theme projected by [22]. Psychographics i.e. life-style is usually studied with search orientation. Reference [13] outline life-style as “how one lives, as well as the product one buys, uses, thinks and feels regarding them.”

B. Customer Innovativeness

Innovativeness is related to the disposition of a personal to implement new concepts quicker than different participants in the system and to create a procurement of latest merchandise instead of stay with old selections and consumption patterns [26]; [23]. It relates to ‘adopting newness’ by the customers and experiencing risk [2]. It's a identified undeniable fact that bound customers purchase new merchandise quicker and additional typically than different customers [19]. Bound individuals have an inclination to be attracted by new merchandise [26] and to create purchase of a brand-new product [21]. Customers with high originality level area unit related to the subsequent characteristics: Willing to make changes in

ideas and things [8], possible to make others to adopt ideas, merchandise and developments that are new and innovative [9], and useful in resolution issues and creating selections [11]. The employment of latest merchandise by customers identified to be new act is a inspiration for different customers to hunt and buy identical merchandise [14].

C. Customer Advocacy

Consumer assistance focuses to generate better client associations by achieving higher trust and commitment as well as by ensuring mutual coordination, understanding, and partnership with consumers. Consumer support needs a better level of quality than relationship ways, as a result of a corporation that lacks superior product that's honestly attempting to represent the customers' best interests cannot advocate itself. If a service provider's efforts in consumer support square measure productively, it may gain a number one position within the business that competitors might realize tough to beat. Even once different looking enjoyment firms try and gain client trust, the pioneers will maintain their superior positions by continued to pioneer their support programs. In distinction, selecting to not embrace support will gift nice risks to a corporation if competitors square measure ready to gain client trust initial.

D. Shopping Enjoyment

The World Health Organization indicate that purchasing typically don't have an advance purchase plan and generally won't commit them to a specific store [6]. Enjoyment during shopping takes the form of "recreational shopping" and could be a fun and enjoyable time off activity that ends up in feelings of rejoice [16]. They are doing not think about purchasing as activity consumption duties, just like the utilitarian shoppers. Reference [15] claims shopping enjoyment to be a self-indulgent outlook whereby shopping enjoyment is perceived as buying with a goal and not as buying as a goal. Literatures show that positive pictures produce higher levels of enjoyable feelings among consumers. This can be conjointly mirrored within the customer enjoyment of paying time in purchasing activities [7].

E. Shopping Orientation

Consumers' window shop for numerous reasons like desperate to purchase a specific product, aggregation info for potential purchase call, or obtaining an outline of the newest market trends [17]. Shoppers conjointly dissent in alternative searching experiences like however they choose product, shop, or service [27]. Once shoppers obtain pleasure by searching, this is often associated with experiential searching orientation [4]. Once searching is finished as a task to be completed, the goal is usually to end it as with efficient performance [17]. Normally, a buyer's buying orientation is based on varied perspectives, interest, and view based statements that relates to the phenomenon

of shopping. Reference [20] states shopping activity as behaviour that's showcased throughout purchasing that reflects interests, shopper activities and opinions regarding buying behaviors. Reference [10] states shopping behaviour as a general disposition toward the ultimate act of search. Shopping orientation indicates variations in buyers searching patterns for product [25]. It relates to activities, interests and opinion statements relevant to searching [18]. Generally, the shopping orientation is generally known to moderate the effect of the outlet ambience on customers' behaviours and experience [5].

III. RESEARCH METHODOLOGY

In requirement of the study, explanatory research was carried out by employing both qualitative and quantitative data. Simple random sampling was used to reach out to the respondents.

By carrying out literature review the following hypotheses were developed for testing:

H1: There is significant effect of customer innovativeness on site equity.

H2: There is significant effect of customer advocacy on site equity.

H3: There is significant effect of shopping enjoyment on site equity.

H4: There is significant effect of shopping orientation on site equity.

H5: There is significant effect of online purchase intention on site equity

This study was carried out using structured questionnaire. The questionnaire was administered to 392 randomly selected respondents who are online customers in Bangalore City. The items considered for this study were assessed by employing five-point likert scale. The analysis was carried out using SPSS and PLS-SEM.

IV. FINDINGS

A. Descriptive Statistics

Table 1 shows the descriptive statistics of the respondents. The respondents are from Bangalore City, which consists of female (n=196) and male (n=196). The major part of respondents are between the age group of 21 to 30 years old (n=221). Most of the respondents buy online i.e., 2-3 times per month (n=209) with average expenditure of Rs.1000 to Rs. 5000 (n=197).

Table 1: Sample characteristics (n = 392)

Variable	Description	N
Gender	Male	196
	Female	196
	Total	392
Age	20 and below	54
	21 - 30	221
	31 - 40	89
	40 and above	28
Total	392	
Shopping Frequency / Month	1 and below	75
	2 - 3	209
	4 - 5	62
	6 and above	46
Total	392	
Average Spending per month	Rs. 1000 and below	68
	Rs. 1000 – Rs. 5000	197
	Rs. 5000 – Rs. 10000	94
	Rs. 10000 and above	33
Total	392	

B. Frequency Analysis

1	I recommend others to buy online	3.6
2	I prefer to shop in multiple online shopping platforms	3.6
3	I prefer online shopping due to convenience	3.7
4	I want to experience online retail store in the future	3.7
5	My willingness to buy from online retail store is more likely	3.8
Online Purchase Intention		3.7
1.	Online e-tailers site is convenient to use	3.5
2.	The site ensures me of security	3.6
3.	The site has quick process	3.8
4.	It is easy to search for information on the site	3.7
5.	The transaction process is quick on the site	3.5
Site Equity		3.6
		8

Table 2 describes the frequency analysis of the questions involved in each variable. It can be seen that all of the variables are deemed important by the respondents based on the mean of the variable. The most important variable was the shopping orientation which has the highest mean ($\mu=3.88$).

Table 2 Frequency Analysis

No	QUESTION	Mean
1	I am very cautious in trying new/different products online	3.63
2	I am more interested in buying new than known products online	3.51
3	I like to buy new and different products online, new products excite Me	3.63

4	I am usually among the first to try new products online	3.42
5	I am the kind of person who tries every new product at least Once online	3.45
Customer Innovativeness		3.53
1	I prefer referring new branded products sold online to my friends	3.6
2	I like assisting others by facilitating them with information about products sold online	3.6
3	People enquire with me about brands and platforms of online sales	3.5
4	When asked about where to get the best buy on products, I recommend the website or app to shop on	3.6
5	My friends consider me as a reliable source of information during purchase of products online	3.5
Customer Advocacy		3.5
1	I prefer to spend my leisure time shopping online.	3.6
2	I feel entertained by shopping online.	3.5
3	I enjoy shopping online the most	3.7
4	Online shopping gives me relaxation	3.7
5	Online shopping refreshes me on a boredom day.	3.6
Shopping Enjoyment		3.6
1	I prefer to access to advertisements related to online advertisements	3.5
2	I consider online shopping is important to me	3.7
3	I feel online shopping is better as it is fast and easy to reach	4.0
4	I prefer online shopping as it is feasible to make product choice among variants	4.0
5	I prefer online shopping as it facilitates me with price comparison	4.0
Shopping Orientation		3.8
		8

C. Reliability Test

The internal consistency of scales was determined by computing Cronbach’s Alpha technique. As depicted in Table 3 the Cronbach’s α value arrived for each individual construct was higher than 0.8 (the recommended threshold value is 0.7) [12]. The reliability analysis of the chosen constructs has resulted in high reliability as the values obtained are greater than 0.7, which is a positive indicator for the research model. Table 3 depicts the reliability and validity statistics.

Table 3: Reliability and Validity Statistics

Variables	AVE	Composite Reliability	R Square	Cronbach's Alpha
Customer Innovativeness	0.7824	0.9224	0.461	0.8871
Customer Advocacy	0.7972	0.9421	0.453	0.915
Shopping Enjoyment	0.7863	0.9363	0.498	0.9092
Shopping Orientation	0.7984	0.9432	0.499	0.9182
Online Purchase Intention	0.7721	0.9126	0.472	0.8921
Site Equity	0.7788	0.9337	0.5997	0.9052

CI 5	0.732	0.8932	0.6329	0.6441	0.6782	0.6354
CA 1	0.689	0.6542	0.9245	0.6115	0.6589	0.6548
CA 2	0.659	0.6234	0.9154	0.6231	0.6925	0.6593
CA 3	0.687	0.6581	0.8732	0.6124	0.6875	0.6428
CA 4	0.677	0.6321	0.8932	0.6514	0.6912	0.6544
CA 5	0.674	0.6456	0.9025	0.6612	0.6892	0.6582
SEJ 1	0.624	0.6235	0.6982	0.9351	0.6259	0.6223
SEJ 2	0.654	0.6534	0.6547	0.8668	0.5981	0.6428
SEJ 3	0.612	0.6123	0.6356	0.9117	0.6127	0.6231
SEJ 4	0.672	0.6529	0.6788	0.8549	0.6524	0.6318
SEJ 5	0.635	0.6332	0.6551	0.8928	0.6319	0.6461
SO 1	0.623	0.6311	0.6727	0.6322	0.9258	0.6238
SO 2	0.652	0.6432	0.6351	0.6458	0.9121	0.6531
SO 3	0.613	0.6123	0.6546	0.6234	0.8968	0.6126
SO 4	0.653	0.6521	0.6591	0.6531	0.8932	0.6527
SO 5	0.633	0.6127	0.6426	0.6126	0.9117	0.6334
OPI 1	0.674	0.6762	0.7527	0.6258	0.6238	0.9214
OPI 2	0.624	0.6563	0.7421	0.5927	0.6537	0.8931
OPI 3	0.623	0.6734	0.7328	0.6415	0.6122	0.9024
OPI 4	0.598	0.6358	0.6892	0.6124	0.6525	0.9127
OPI 5	0.632	0.6535	0.6594	0.5866	0.6324	0.8956

D. Validity Analysis

Convergent validity and discriminant validity have been employed to assess the validity of the model.

E. Convergent Validity

Based on the results obtained as presented in Table 4, we can observe that the convergent validity of the constructs is meeting the criterion standard requirements i.e, the values are greater than 0.544. Further, all AVE results arrived at are greater than 0.5 i.e., Site Equity (SE) is 0.7788, Customer Innovativeness (CI) is 0.7824, Customer Advocacy (CA) is 0.792, Shopping Enjoyment (SEJ) is 0.7863, Shopping Orientation (SO) is 0.7984, and Online Purchase Intention (OPI) is 0.7721, by which the convergent validity is said to be confirmed.

Table 4: Factor Loading Statistics

Items	SE	CI	CA	SEJ	SO	OPI
SE 1	0.857	0.6987	0.6753	0.6253	0.7259	0.6253
SE 2	0.922	0.6542	0.6254	0.5984	0.6952	0.5921
SE 3	0.883	0.6354	0.6232	0.6125	0.7124	0.6411
SE 4	0.864	0.6789	0.5984	0.6521	0.7625	0.6121
SE 5	0.825	0.6554	0.6324	0.6314	0.7521	0.5863
CI 1	0.725	0.8584	0.6231	0.6215	0.6985	0.6245
CI 2	0.763	0.9148	0.6537	0.6421	0.6784	0.6542
CI 3	0.752	0.9072	0.6124	0.5958	0.6325	0.6124
CI 4	0.742	0.8652	0.6521	0.6312	0.6647	0.6721

F. Discriminant Validity

The obtained results indicate that each construct is different and distinct from each other in the model, thus confirming the criterion established. Further as depicted in Table 4, discriminant validity is confirmed as all the factor loadings of the constructs are greater than corresponding cross loadings.

G. Hypotheses Testing

The result of the hypotheses testing is depicted in Table 5. Based on the analysis carried out and the results obtained, all of the hypotheses were confirmed to be supported.

Table 5: Result of Hypotheses Testing

No	Hypotheses	Result
H1	There is significant effect of customer innovativeness on site equity	SUPPORTED
H2	There is significant effect of customer advocacy on site equity.	SUPPORTED
H3	There is significant effect of shopping enjoyment on site equity.	SUPPORTED
H4	There is significant effect of shopping orientation on site equity.	SUPPORTED
H5	There is significant effect of online purchase intention on site equity	SUPPORTED

V. DISCUSSION AND CONCLUSION

The present study gives an insight to how psychographics plays as a measurement tool for measuring site quality of e-tailers in a retail context. The significance of psychographics in measuring site equity was considered to be a dynamic area of study due to drastic change in market orientation in context to e-commerce platforms and hence, this study was carried out. Results of this study recommend that it must be the combined impact of the psychographic variables considered in this study that is important in measuring out the potential of site equity. First, the findings clearly represent the strong relationship existing between the variables in context to e-tailers. Shopping Orientation is considered to be the major determinant of site quality of e-tailers. Therefore, it is very much essential that the e-tailers to cater to the evolving needs and preferences of online customers through attractive and convenient touch points. The next contribution of the study discloses the examination of customer advocacy as a determining factor of site equity. However, the results of this study indicate the significant effect of customer advocacy on site equity. Therefore, a strong recommendation can be made to the e-tailers to lay more emphasis on creating larger number of customer advocates by employing measures that would enhance loyalty and thus resulting in advocacy. Enhancing loyalty is possible if the e-retailers provide discerned, convenient and valuable online site experience to the customers. Attaining a strong position in the market by maintaining high site equity should be the focus of e-tailers. In the present study, the outcomes clearly present the significant impact of psychographic factors such as Customer Innovativeness, Customer Advocacy, Shopping Enjoyment, Shopping Orientation, and Online Purchase Intention on Site Equity.

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