

The Role of Brand Equity in mitigating Need for touch (NFT) in online purchasing

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A significant facet hindering the explosive growth of e-commerce is the absence of tactile information about the products. The absence of tactile information may lead to uncertainty in consumer purchase decisions, particularly in online settings. It has been observed that while buying products, online consumers may feel a lack of physical contact with the product that may result reducing motivation to buy the product. This study aims at addressing the influence of Need for touch (NFT) in online purchasing. The study argues that the NFT in online buying can be mitigated by the brand equity. The brands having greater brand equity may help reducing the NFT. Since buyers may stress different features of the product differently; therefore, NFT may vary across the product categories. This study proposed quantitative methods to investigate the NFT mitigation in online environment. A valid sample of 210 was used for data analysis. SPSS and AMOS were used for SEM technique. Based on results, it was concluded that Brand Awareness and NFT has a negative relation, Brand Association and NFT has a negative relation, while both perceived quality and uniqueness has a positive relation with NFT which is unexpected as well. Lastly, it is found that NFT has a negative relation with online purchase intention.

Keywords: Need for Touch, Online Buying, Perceived risk, CBBE

INTRODUCTION

Evaluation of alternatives is crucial factor in making purchase decision. Intensity of evaluation is dependent upon different factors such as perceived risk, product type, word of mouth and purchase context (González-Benito, Martos-Partal et al. 2015). In the past, products were purchased through the single retail channel. Physical store retailing and online buying were strong competitors during 1990's (Van Kerrebroeck, et al. 2017).

Retailers are practicing multi-channel retailing with different distribution channels i.e. brick and mortar, TV, catalogue and online (Cho and Workman 2011). There are three types of purchasers. First traditional buyers, they only purchase through brick and mortar stores. Second type is on-off switch. They collect information from internet but purchases through brick and mortar stores. Final are online buyers, they collect information from internet and purchases through internet (Keng Kau, et al. 2003). People prefer to purchase through brick and mortar stores rather online. The chief reason behind this is inability to touch the product. This inability leads customers towards frustration specially those people who have high need for touch (Lee, et al. 2017).

Need for touch is purchaser's wish to interact with the product directly so that they can use sense of touch and feel for assessing the purchase substitutes (Jin and Phua 2015). There are two types of NFT. They are auto telic and instrumental. Auto telic dimension is related with touch as mean to pleasure and fun. Instrumental factor is associated with touch to gather objective information for rational decision making (Rodrigues, et al. 2017). Touching product helps customers in making purchase decision. They experience product's material, texture, and weight by touching the product (Liu, et al. 2017). Some product types are more suitable for online purchasing. Standardized products like computers, food products, flowers, tickets, and

software are purchased online. As online shopping is suitable for products which requires search and comparison due to communication of key attributes and brand equity reduces the risk (Pereay Monswé, et al. 2004, Levin, Levin et al. 2005). Some products require more physical interaction such as clothing, beauty products, sports goods etc. These products require higher need for touch, therefore less purchased online (Grewal, et al. 2004).

Perception of risk is related with customer's perception about possibility of unfavourable outcome. There are different types of risks in purchasing. These risks are temporal, financial, functional, psychological, physical, social. Functional risk is undesirable performance result. Financial risk is associated with monetary loss. Temporal risk is associated with wasting of time. Physical risk is risk of physical injury. Psychological risk is related with emotions. Social risk is social acceptance (Lovelock and Wirtz, 2007). Attitude has direct impact on online purchasing behaviour (Chai and Pavlou 2004, George 2004).

Research Objectives

1. To what extent NFT influences the purchase intention of clothing in online environment.
2. To study online purchase behavior in relationship with brand equity and Need for touch.

LITERATURE REVIEW

The concept of risk was very popular during 1920, in the field of economics. It was largely used for decision making. In marketing literature, perceived risk was introduced by Bauer (1960). Risk was mostly defining in terms of uncertainty and negative outcomes of a product (Dowling and Staelin 1994). Culture is important factor for which impacts buyer's attitudes, motives and purchase intention. Culture is most influential factor for internet in international marketing. Hofstede (1984) identifies four dimensions for culture. They are

individualism/collectivism, power distance, uncertainty avoidance and masculinity/feminists Uncertainty avoidance is basically risk. Pakistan falls in high power distance and (Hofstede 1984, Bhatnagar, Misra et al. 2000). So, while making purchase decision, consumer evaluate different alternatives such as perceived risk.

Tactile input in product evaluation: Hornik (1992), introduced the concept of haptic research in marketing. He focused on interpersonal relations such as warmth, closeness, being cared for and contact in shopping situations. People use information to

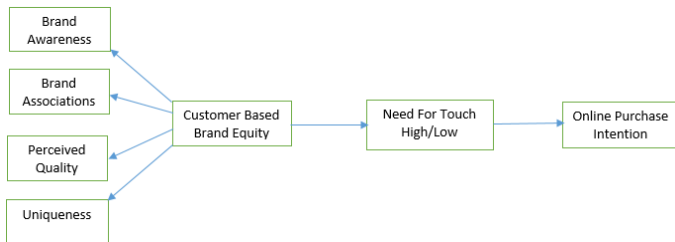


Figure 1: *The Hypothesised Research Framework*

send to brain for evaluation and storage through five senses. These are smell, sight, hear, taste and touch gathered from environment (Neisser 2014). Touch can be defined as sensation increased through encouragement of receptors in the skin such as cold and hot (Stevens and Green 1996). Intrinsic and extrinsic cues give inferences about product quality and performance. Intrinsic cues such as texture, looks and taste etc and extrinsic cues such as brand name, reputation and price of product (Folkes 1988). Product quality is important factor for buyer’s purchase decision and product evaluation. Past researches show that intrinsic cues of product are more important for product quality as compared to extrinsic factors. Information about intrinsic factors can be obtained through tactile input (Jacoby, et al. 1971, Citrin, et al. 2003). Therefore, there is need to study how we can minimize the need for touch, while shopping online.

CBBE can be defined as different response based on knowledge on the marketing of brand (Keller, et al. 2011). Brand knowledge is a key to create brand equity. It is categorized into two parts, brand awareness and brand image (Christodoulides and De Chernatony 2010). Brand awareness is related with strength of brand node. It is linked to consumer’s ability to identify brand under different circumstances. Brand awareness further classified into two components, brand recognition and brand recall. Brand recognition is consumer’s ability to correctly differentiate brand, which they seen or heard about them in past. Brand recall is consumer’s ability to retrieve the brand from remembrance (Keller, 1993). Second category of brand knowledge is brand image. Brand image is perception about brand indicated by brand association. It has three dimensions strength, favourability and uniqueness. These dimensions have crucial role in determining differential response (Keller, 2001). Previous researches confirmed that brand equity have independent existence in consumer’s brand choice intention (Lu, et al. 2015). Attitude in relation with online purchasing can be defined as, negative and positive feelings of consumers during purchase decision. Customer’s attitude is mostly related with

emotions. Purchase intention is affected by consumer’s attitude. The linkage of intention and behaviour is dependent upon the assumption that consumers make rational decisions are supported by information available to them. So, person’s behaviour is determined by one’s intention to perform or not to perform a behaviour (Ariff, et al. 2014). There is need to study how components of brand equity impacts purchase intention of a product in online environment.

Considering the explanations above, it is proposed that:

- H1:** Brand Awareness has a negative relation with NFT.
- H2:** Brand Associations has a negative relation with NFT.
- H3:** Perceived Quality has a negative relation with NFT.
- H4:** Uniqueness has a negative relation with NFT.
- H5:** NFT has a negative relation with Online Purchase Intention.

METHODOLOGY

The study uses a quantitative methodology to explain the influence of NFT on the purchase intentions. Survey technique was used to collect data. A 36-items questionnaire was developed to measure the impact of NFT in online buying. To measure CBBE online purchase propensity and NFT, participants indicated the degree to which they agreed or disagreed with each of the 18-items on the CBBE scale developed by Wang and Finn (2014), 3-items on the online purchase propensity by Kwon and 15-items on NFT scale developed by Peck and Childers (2003) on a 7-point Likert scale, scored from 1 (completely disagree) to 7 (completely agree) respectively. Significance of measuring CBBE has increased in recent years. The unrevealed reason for this interest is the influence that CBBE creates on the consumer’s brand commitment, brand choice (Cobb-Walgren, et al., 1995), and brand extension (Kim and Brandon, 2010). Because of different conceptualizations of CBBE, no consensus has been made on how to measure brand’s equity (Maio Mackay, 2001). The most commonly utilized CBBE models were presented by Aaker (1996) and Keller (1993).

The study uses non-probabilistic sampling to collect data. For this study we have used convenient sampling which is further a type of probability sampling. In this type of sampling we select a sample according to our convenience (sample that can be approached easily). Total 260 questionnaires were distributed among the university students. After data cleaning 210 usable questionnaires were included for further data analysis. Which is still a very enough as said by Hair (2008). In addition, the data were checked for missing value patterns, but none of the cases had missing values. Table 1 exhibits the sample profile, in this table frequencies, percentage and valid percentage of various demographic characteristics of the sample are describes. The table exhibits that female respondents represent 48.4% of the sample, while men were 51.6%. The sample shows that there were more men in the sample. In so far as age is concerned, the sample was divided adequately in two age groups. Age of the respondents’ ranges between 18 to 26 years.

The respondents were divided in two groups regarding their employment status. A large portion of sample which is 88.5% was un-employed while only 11.5% of respondents were employed. Similarly, large number of respondents in this study

were single/un-married while only 2.5% of respondents were married. As far as education of the respondents is concerned, majority of the samples had earned their undergraduate degree and are at master’s Level now. They represent 95.08% of sample while a small proportion is at Bachelors’ Level now i.e. 4.92%.

Table 1: Sample Profile

		Frequency	Percent	Valid Percent
Gender	Male	109	51.6	51.6
	Female	101	48.4	48.4
Age	18- 22	29	13.94	13.94
	22- 26	181	86.06	86.06
Employment Status	Employed	25	11.5	11.5
	Un-employed	185	88.5	88.5
Education	Undergraduate or/bachelor’s degree	19	4.92	4.92
	Postgraduate/master’s degree	201	95.08	95.08
Marital Status	Married	16	2.5	2.5
	Un-married	204	97.5	97.5

Reliability and validity analysis

Reliability and validity are the two important criteria that test the quality of the measures used in the model (Bryman and Bell, 2015). The table 2 exhibits that, all constructs have alpha 0.7 or more than 0.7. The scales are reliable if the composite reliability of the Chronbach’s alpha score for a construct is 0.7 or more than 0.7 (Nunnally and Bernstein, 1994).

The table 2 also exhibits the “corrected item-to- total correlation” that indicates the degree to which each item correlates with the total score. If the item-total correlation is less than 0.3, it indicates that the item measures something other than the latent construct (Pallant, 2005). It is evident in the table that item-to-total correlation of the items is above 0.3, except 6 items (1, 2, 13, 24, 28 & 36) that indicate that every other item is measuring the corresponding construct. The study uses, a structural model to test the hypothesis that explain impact of varying degree of NFT on online purchase intention and then the influence of CBBE on NFT while making purchase decision. The structural model can be seen in the figure 1.

Table 4.6 presents the standardized and unstandardized parameter estimates, standard error and the significance for the hypothesized paths of the model. It also explains the model fitness of the default model and final models. While evaluating first-order measurement model, the fitness indices were evaluated. (NFI = 0.91, IFI = 0.94, GFI = 0.92, RMSEA = 0.61). NFI and RMSEA of the model full-filled the Goodness of fit criteria, as suggested by Hu and Bentler (1999).

Table 2: Estimates and significance for Hypotheses testing

	Unstandardized Coefficients		Standardized Coefficients	
	Beta	Std. Error	Beta	Sig.
1 NFT <--- Brand Awareness	-1.14	0.353	-0.34	.001
2 NFT <--- Brand Associations	-0.36	0.146	-0.18	.014
3 NFT <--- Perceived Quality	0.527	0.088	0.484	***
4 NFT <--- Uniqueness	0.993	0.305	0.340	.001
5 Online Purchase Intention <--- NFT	-0.75	0.104	-0.62	***

NOTE: Model Fitness Indices: NFI = 0.91, IFI = 0.94, GFI = 0.92, RMSEA = 0.61

The table 3 shows the relation between dimensions of CBBE (brand awareness, brand associations, perceived quality, and uniqueness), NFT and online purchase intention. According to the table brand awareness and brand associations has a negative relation with NFT while perceived quality and uniqueness has a positive relation. Table 4 also shows a negative relation between NFT and online purchase intention and all these relations are

highly significant. So, on basis of these value we can say that hypothesis **H1, H2, H5** are supported while **H3** and **H4** are not supported.

Table 3: Summary of hypotheses testing

Hypothesis	Results
H1: Brand Awareness has a negative relation with NFT.	Supported
H2: Brand Associations has a negative relation with NFT.	Supported
H3: Perceived Quality has a negative relation with NFT.	Not supported
H4: Uniqueness has a negative relation with NFT.	Not supported
H5: NFT has a negative relation with Online Purchase Intention.	Supported

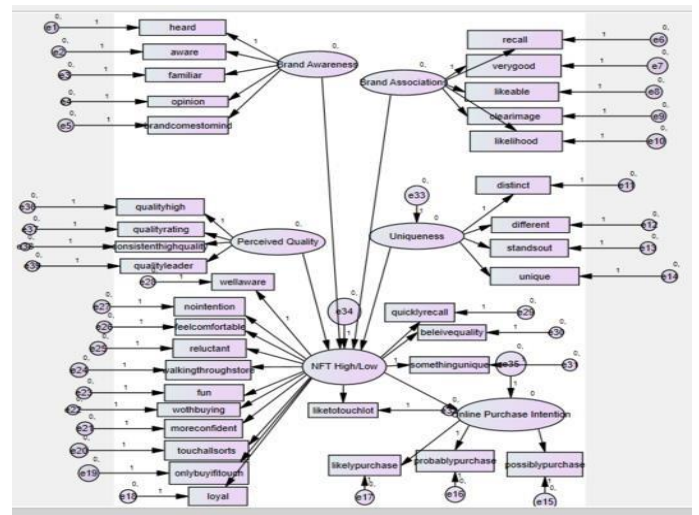


Figure 2: Structural Model Discussion

According to hypothesis test 3 out of 5 hypotheses were supported (H1, H2 and H5) and two hypotheses were not supported (H3 and H4). All these relations were found to be significant too. Hypothesis 1 was supported indicating negative relation between Brand Awareness and NFT as was expected. It is evident from study that when brand awareness increases it will decrease the customer’s NFT while making online purchase decision. Brand awareness is defined as consumer’s brand recognition or brand recall (Aaker, 1996). So according to the result in order to decrease the need for touch a brand must have strong logo, symbol and brand name which can easily be recalled by customers at any time. Another thing which can be done to decrease need for touch is to increase customer’s knowledge about the brand.

Hypothesis 2 was also supported showing indirect relation between Brand Associations and NFT. This indicates whenever customer will have high brand associations the need for touch will get minimum. Brand associations is the brand’s knowledge stored in the consumer’s mind. A vital element of CBBE is the web of brand associations in consumers’ mind (Christodoulides and Chernatony, 2010). Functional qualities, Purchase & consumption situations and benefits are included in these associations (Keller, 2003). Brand associations can support the tendency of a consumer to consider and purchase the brand under an associative model of structure of memory and recovery (Anderson and Bower, 1974), associations enhances the chances of a brand to be thought of in a particular situation of choice

through giving the brand connections to likely recovery signs (Romaniuk, 2003). Hence, a brand must have strong, powerful and suitable associations to be one step ahead of competitors and to decrease customer's need for touch.

However, some unexpected results were also found. That there is positive relation between Uniqueness and NFT. Uniqueness and innovativeness points towards the tendency to accept new ideas, new thoughts and behavior (Hauser, 2006). This indicates that whenever customer feels that the brand has some distinct features which their competitors don't have their need for touch increases. They want to touch the brand to feel comfortable in buying that product. Without ability to touch such product customers feel reluctant in buying.

Another unexpected result found was positive relation between Perceived Quality and NFT. Perceived quality enhances value of a brand in many ways: supreme quality provides consumers with a solid reason to purchase the brand and permits the brand to demand a premium price (Aaker, 1996). So, when the brand will have a high perceived quality in the mind of customers, it will be considered as a premium brand and brand will charge a very high price leading to high need for touch. It can be concluded that when price will rise financial risk as well as functional risk of customers will also increase. People having high uncertainty avoidance are also highly risk-avoiders and usually have high NFT (Lee et al., 2017).

Although, H5 was supported indicating negative relation between NFT and Online Purchase Intention which shows that whenever NFT will decrease customer will feel more confident in making an online purchase decision. Individuals having high degree of NFT feel more confident while judging products through touching the products, on the other hand people having low NFT don't necessarily require touching the product physically before purchasing them (Yazdanparast and Spears, 2012). Consumers having high NFT might choose traditional stores for shopping while consumers having low degree of NFT can use Internet for shopping because in online shopping consumers cannot physically touch and feel products (Lee et al., 2017). So, in order to increase online sales marketers, need to decrease or minimize the customers' NFT.

As discussed in the previous section, the data has revealed a general support for the hypothesized model. The brand associations and brand awareness were identified to be negatively associated with NFT. In addition, it was also found that the NFT has a negative relation with online purchase intention. Nevertheless, it was found that relationship between the uniqueness and NFT was found to be positive as well as the relation between perceived quality and NFT was also found positive unexpectedly.

Limitations of the research

Firstly, starting from CBBE. Four dimensions of CBBE (brand awareness, brand associations perceived quality and uniqueness) are used. These dimensions are proposed by David Aaker (1991) and are used because most of the authors have quoted Aaker in their research. These dimensions are most widely accepted around the world. These dimensions can be used as well, and

research can be done using these new dimensions which can further enhance the measurement of CBBE in the study.

Secondly, an issue regarding research design. Here, quantitative method is used using questionnaires but in order really understand the factors which can reduce customers' NFT in-depth interviews can be conducted, and qualitative method can be used. But here due to shortage of time and convenience only quantitative method is used.

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