Does an Established Offline Store Drive Online Purchase Intention?

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ABSTRACT

This research examines the interaction between online and offline operations. It proposes a model that examines the effect of broadening a multichannel retailer’s offline store on positive online-attitude and online-purchase intention. The empirical study collected 520 valid questionnaires. Structural equation modeling (SEM) was applied to examine the research model hypotheses. In a multichannel retailer’s online operation, it was found that basic attributes positively influence online-attitude, that perceived risk negatively influences online-attitude, and that online-attitude positively influences online-purchase intention. In a multichannel retailer’s offline operation, it was found that firm reputation positively influences offline-attitude, which in turn positively influences online-attitude. Offline-attitude positively influences offline-purchase intention, which positively influences online-purchase intention. In sum, by increasing its offline store, a multichannel retailer can improve online-attitude and online-purchase intention.

Keywords: Electronic commerce, online to offline, customer attitude, purchase intention

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1. INTRODUCTION

The development of network technology has made it more convenient to communicate information and has created a new style of business model. Not only has it led to the vigorous growth of online transactions, but also it has changed consumer shopping habits. Unlike the traditional business model, the network provides a faster shopping environment that is less affected by time/geographical restrictions (Bhatnagar et al., 2000; Wani & Malik, 2013). A purchase, bargaining, payment process can be completed through the Internet, which is a great convenience for people (Bhatnagar & Ghose, 2004). Recently, a multichannel strategy – namely, O2O – has emerged for integrating physical and Internet retailing (Vishwanath & Mulvin, 2001; Haeberle, 2003; Jin et al., 2010).

Online-to-offline is defined as the use of online information by consumers to search for and order goods and then pick up the goods at a physical store (Rampell, 2010). For example, in the case of the business model of MOS Burger, Uber, and Opentable in the USA and EZTable in Taiwan, consumers search for information and make reservations online and then receive the service or product at the physical store. Nowadays, more companies engage in reverse online-to-offline (offline-to-online), which means that consumers refer to goods offline and then place their orders online via mobile phones, as in the case of Tesco in Korean supermarkets (Wiki, 2013). Both online-to-offline and offline-to-online are defined as O2O in general. Because of the increasing bandwidth and perfection of the cash-flow mechanism, mobile shopping is becoming more popular. It is very likely that companies will adopt the O2O approach to meet consumer demands. There is a need, therefore, to explore the potential of this emerging business model.

The O2O multichannel retailers hope that online marketing activities will drive offline sales and that offline experiences will drive online revenues. O2O is suitable for customer-to-store shopping, such as eating, body-building, watching movies/shows, and hairdressing. Although more retailers have developed this emerging channel, research related to the subject is scare.
There are four dimensions with regard to online/offline research:

1. **The revenue dimension.** Pauwels et al. (2011) conclude that offline revenues increase for those customers with high web-visit frequency and suggest that offline retailers could apply specific online activities aimed at those consumers.

2. **The dimension of consumer demographic and attitudinal analysis** (Ganesh et al., 2010; Vachhani & Bhayani, 2012; Sunil 2013).

3. **The emotion dimension.** In their study, Loureiro and Roschk (2014) compare this dimension for both online and offline: “Results for the offline context reveal that graphics design foster positive emotions and loyalty, yet information design predicts loyalty. Results for the online context reveal that information design is salient over graphics design. Information design fosters positive emotions and loyalty, while graphics design does not.”

4. **The dimension of the influence of online information on offline behavior.** This aspect has been studied, for example, by Pauwel et al. (2011) and Rippe et al. (2015).

In recent years, a new channel pattern has developed; namely, the multichannel pattern, where offline stores join online retailers to increase online performance. There have been few studies of this new channel pattern, but Jin et al. (2010) examine a synergistic interchange between online and offline operations. They propose a multichannel performance model that integrates the motivation-hygiene theory by Herzberg (1966) and the halo effect by Thorndike (1920). The essence of the research is to verify that consumer e-satisfaction is influenced by online attributes and offline factors, which then increase their e-loyalty.

The research of Jin et al. (2010) is a good beginning to discover that the performance of e-retailers is increased by extending offline stores. The study investigates the relationship between satisfaction/e-satisfaction and loyalty/e-
loyalty with participants experiencing both online and offline shopping. If we can understand consumers’ attitudes and the antecedents of a new channel, it would help us explore how consumers with or without experience in online or offline shopping buy more online based on offline experience.

The current study integrates the theories of planned behavior of Ajzen (1985) and the technology acceptance model of Davis (1986). Both models effectively predict individual attitude and behavior. This paper aims, therefore, to explore the antecedents of online-attitude/offline-attitude toward O2O, the influences of online-attitude/offline-attitude on online-purchase intention/offline-purchase intention, and the effect of offline-attitude/offline-purchase intention on online-attitude/online-purchase intention. Specifically, this study proposes a model of consumer behavior to understand how consumers react to online retailers who set up physical stores.

2. LITERATURE REVIEW

This section presents a review of the literature on multichannel management, store attributes, the halo effect, intangibility and perceived risk, and attitude and purchase intention.

2.1 Multichannel Management

Multichannel service delivery has received a great deal of attention from both practitioners and academic circles over the last decade. Service providers adopt multichannel strategies with the aim of saving transaction costs and increasing market coverage (Wallace et al., 2004). In discussing the impact of multichannel service delivery on a firm’s performance, previous research has revealed that multichannel customers have higher expenditure levels and profitability than do single-channel customers (Neslin et al., 2006; Wallace et al., 2004; Venkatesan et al., 2007; Kumar & Venkatesan, 2005; Kumar et al., 2006). This finding implies a synergistic effect at the firm level. Madlberger (2004) asserts that synergies that can be obtained by an integration of online and offline distribution channels require
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A deeper analysis. The use of multiple channels is greatest among those who entered as Internet customers, reflecting their lower risk-aversion and lower learning costs (Dholakial et al., 2005). All four groups of customers—those who entered the database as catalog buyers, as store buyers, as Internet buyers, and as non-buyers—used multiple channels (Dholakial et al., 2005). The high profit of multichannel retailing is generated by leveraging existing assets, brands, and customer bases and by using online and offline operations (Vishwanath & Mulvin, 2001). The performance of multichannel retailers is best evaluated by taking into account both online and offline operations (Jin et al., 2010).

2.2 Store Attributes

With the steady growth of online retailing, e-merchants are experimenting with attributes that are particular to the new media (Dholakia & Zhao, 2010). Mishra and Mathew (2013) find that website attributes preferred by online users change with Internet use and their previous online buying experience.

For merchants who rely totally on purely website-based businesses, designing their website is an important issue. Some of the elements identified as website attributes are third-party approvals and endorsements, the site's usability and interaction, the credibility of the online vendor, the aesthetic aspects of the online presentation, and the marketing mix (Loebbecke, 2003; Chen & Chang, 2003; Demangeot & Broderick, 2007). Zhang et al. (2001) have found that consumers evaluate design attributes of web-stores via the type of product or service offered by those sites. Lohse and Spiller (1998) propose that e-retailers may serve customers by way of interactive email, the insertion of customer service links, and the presence of a help button on their website.

Belanger et al. (2002) investigate the relative importance of three types of web attributes; namely, security, privacy, and pleasure features (convenience, ease of use, cosmetics). Ranganathan and Ganapathy (2002) offer guidelines to assist online merchants in developing an effective site based on four dimensions:
information content, design, security, and privacy. Szymanski and Hise (2000) show that plentiful product assortment results in positive perceptions of customer satisfaction. Based on the findings of Madlberger (2004) and e-retailing literature, Jin et al. (2010) suggest six online store attributes: website design, order fulfillment, security/privacy, communication, merchandising, and promotion. Rezaei et al. (2014) argue that online shoppers evaluate e-retailers depending on perceived usefulness, perceived ease of use, perceived value, trust, perceived risk, privacy concern, Internet literacy and satisfaction.

2.3. The Halo Effect

The halo effect initially was named by psychologist Thorndike (1920) in reference to a person’s being perceived as having a halo. The halo effect is a specific type of confirmation bias, wherein positive feelings in one area cause an equivocal or impartial attribute to be viewed positively. Thorndike (1920) originally invented the term to refer only to people; however, its use has been greatly expanded, especially in the area of brand marketing (Long-Crowell, 2015).

According to the halo effect, global evaluation influences one’s response to other attributes, or the impression of one attribute shapes the impression of another independent attribute (Nisbett & Wilson, 1977). As a result, consumers’ global impression and the information they gain from offline exposures can serve as a halo effect, affecting their attitude toward the online store (Jin et al., 2010). De Angeli et al. (2006) find that the interaction style in the interface affects evaluation of information quality, similar to the halo effect in the perception of a person. In marketing discipline, firm reputation and store/brand name are found to have a halo effect by affecting evaluation of other attributes (Caruana, 1997).

2.4 Intangibility and Perceived Risk

Online shopping has two impacts on intangibility. First, it increases the intangibility of physically tangible products. Many consumers are resistant to e-commerce because of its inability to provide physical cues (Featherman & Pavlou,
Second, although the Internet can make the intangible tangible (Berthon et al., 1999) by providing information (Thakor et al., 2004), the online setting is perceived as more intangible than traditional channels (Lee & Tan, 2003; Lin et al., 2009). This perception is due to the fact that the website cannot be touched, felt, or smelled, but only seen. In general, the more a product is seen as intangible, the more it is perceived as risky (Brasil et al., 2008; Laroche et al., 2001; Mitchell & Greatorex, 1993).

Because consumers are unable to physically examine an object when buying online, they might be more concerned that the item would not perform as expected (Simonian et al., 2012). Nevertheless, studies of perceived risk report inconsistent findings. Several studies report a negative relationship between perceived risks and online shopping intentions (e.g., Jarvenpaa and Tractinsky, 1999; Kimery and McCord, 2002) and between perceived risks and attitude toward online shopping (e.g., Celik, 2008; Chiou and Shen, 2012; Kesharwani and Tripathy, 2012; Lee, 2009; Wani and Malik, 2013). However, Bashir and Madhavaiah (2015) declare that perceived risk has a non-significant negative direct effect on consumer attitudes. Herhausen et al. (2015) also reveal that perceived risk has non-significant negative effects on Internet search intention and purchase intention. Examination of the simultaneous impact of various specific dimensions of perceived risk on purchase intentions may shed greater insight on the actual role of perceived risk in the consumer decision process (Aghekyan-Simonian et al., 2012).

### 2.5 Attitude and Purchase Intention

Attitude was initially defined as the level of individual affection toward a specific object (Thurstone, 1931) or willingness to respond to certain stimuli (Allport, 1935). Consumer attitude is regarded as an evaluation of the degree to which one likes or favors performing the behavior (Finlay et al., 2002). Consumer behavior literature affirms that customers' evaluation or attitude toward a product and their ultimate adopting decision depends on their perceptions of the product's
value (Baker et al., 2002; Bolton & Drew, 1991; Zeithaml, 1988). Verhoef et al. (2007) find that consumers’ selection of channels is influenced by the belief that people similar to them use that channel. This study maintains that performance of multichannel retailers is best evaluated when both online and offline operations are taken into account.

Purchase intention is a consumer’s subjective intention toward a product (Fishbein & Ajzen, 1975). Spears and Singh (2004) define purchase intention as a consumer’s conscious plan or intention to make an effort to purchase a product. In addition, online purchase intention focuses on whether consumers are willing and intending to buy a certain product via online transaction platforms (Pavlou, 2003). The intention to purchase a particular brand, product, or service requires assessment of all brands, products, or services offered by competitors (Teng et al., 2007). An increase in purchase intention means an increase in the possibility of purchasing (Dodds et al., 1991; Schiffman & Kanuk, 2007).

3. METHODOLOGY

This section presents the proposed research model, discusses hypotheses development, describes survey instrument development, and explains the data collection effort.

3.1 Proposed Research Model

Relying on the theories of TPB, TAM, and halo effect, the current study develops a research model of online-attitudes/offline-attitudes toward online-purchase intention/offline-purchase intention, as shown in Figure 1.

3.2 Hypotheses Development

According to Madlberger (2004), Jin et al. (2010) incorporate six online store attributes in their research: website design, security/privacy, fulfillment, merchandising, communication, and promotion. Cheung and Lee (2005) and Zhang et al. (1999) view website design, order fulfillment, and security aspects of online retailing as basic attributes because they are necessities for online
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transaction. Castaneda et al. (2007) also point out that attitudes toward a website are a strong predictor of intentions to revisit that website.

The perceived benefit of using privacy controls is defined as the overall predicted favorable consequence to a user for using privacy controls; also, users will take advantage of the mechanisms only if they feel there is a real benefit from using them (Taneja et al., 2014).

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A complementary stream of operations management e-commerce research focuses on the impact of perceptions of order fulfillment service on repurchase intention (Davis-Sramek et al., 2008). Moody and Galletta (2015) investigate the relationships among information sent, time constraints, stress, performance, and attitudes toward the website. Their finding demonstrates that website designers need to determine which tasks users need to accomplish and to make sure that the links on each page point clearly to the appropriate destination to meet those goals. In other words, website design is one of basic attributes, and excellent website design enhances consumer online-attitudes toward the website. These results lead to the first hypothesis:

**H1a**: Basic attributes positively influence online-attitude level.

Quality communication can create a more positive attitude toward the blog, which affects consumer willingness to purchase products (Chen et al., 2008; Fiore et al., 2005). Effective merchandise display helps guide and coordinate merchandise selection for shoppers (Pegler, 2001). According to Khakimdjanova and Park (2005), attitude toward visual product presentation influences browsing and purchasing behavior in the store. Greater positive attitudes toward bonus promotions are expected to lead to stronger subscription intentions and recommendation intentions (Ajzen, 1985). Garretson et al. (2002) find that value consciousness and smart shopper self-perception affect both store brand attitudes and attitudes toward promotions. Bezies (2015) also finds that website advice, offering, and promotions positively affect attitude toward the website. Thus, the second hypothesis is developed:

**H1b**: Marketing-related attributes positively influence online-attitude level.

Regardless of retailers’ performance, well-known stores are evaluated more positively than relatively unknown stores (Dodds et al., 1991, Grewal et al., 1998, Estelami et al., 2003). Yoon et al. (1993) provide a summary of the roles of company reputation in product/service markets and in channel relations, and find
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Evidence to support the view that a buyer’s response to a service is consistent with his or her attitude toward the vendor’s reputation. Bezies (2015) divides website and store attributes into intrinsic attributes and extrinsic attributes, and reputation is one of the intrinsic attributes. His study indicates that reputation positively affects attitude toward website. These results lead to the following hypotheses:

**H2:** Firm reputation positively influences offline-attitude.

**H3:** Firm reputation positively influences online-attitude.

Perceived risk has an influence on consumers’ decision-making processes such as shaping attitudes toward adopting technologies or purchasing behavior (Im et al., 2008). When the level of perceived risk is high – described by fear, skepticism, cynicism, wariness and watchfulness, and vigilance – even though consumers may have positive attitudes toward e-customized products, they are unlikely to maintain the purchase intention long enough to purchase the products (McKnight et al., 2004). Herhausen et al. (2015) find that decreasing the perceived risk of the Internet store positively affects overall retailer-related customer reactions. The fourth and fifth hypotheses are as follows.

**H4:** Perceived risk negatively influences offline-attitude.

**H5:** Perceived risk negatively influences online-attitude.

A considerable number of studies find a positive link between attitude and purchase intention across different products and services (e.g., Pavlou & Fygenson, 2006). Researchers find that consumer attitudes toward retailers affect purchase intention from those retailers (Jarvenpaa & Todd, 1996). The conceptualization of consumer attitudes toward online stores is served as a second-order construct made up of hedonic and utilitarian dimensions, which provide a better understanding of the complexities of the attitude formation process, as well as the influence of each dimension on purchase intentions (Voss et al., 2003).
Although it is straightforward that attitude relates positively to purchase intentions (Hwang et al., 2011), Wani and Malik (2013) and Wu et al. (2014) find that attitude toward the website has a significant and positive impact on consumer purchase intention. Farida and Ardyan (2015) find that a positive attitude toward a green brand has a positive and significant effect on repeat purchase intention. These results lead to the following hypotheses:

**H6**: Offline-attitude positively influences offline-purchase intention.

**H7**: Online-attitude positively influences online-purchase intention.

The summative model of attitude (Ajzen & Fishbein, 1980) has provided theoretical support for many studies that examine the relationship between consumers’ beliefs and attitudes about offline retail stores (James et al., 1976; Morschett et al., 2005). Likewise, in the multichannel retailing context, consumers’ online and offline attitudes toward a retailer may be influenced by their beliefs about the retailer from all channels, not only from the respective channel (Kwon & Lennon, 2009).

In their study of online grocery purchases, Rohm and Swaminathan (2004) find that, of the four types of online shoppers, only the physical shopper is interested in gathering information from offline sources such as physical grocery stores. Jeong et al. (2003) find that offline satisfaction positively influences e-satisfaction. White et al. (2012) explore the interactive effects of service quality and e-service quality on perception of retailer brand equity and find that service quality and e-service quality interact. See-To et al. (2014) find that user perceptions of offline purchases with a payment technology have significant and positive effects on the corresponding online use perceptions. The current study, therefore, refers to halo effects for thinking that offline-attitude and offline-purchase intention separately positively influence online-attitude and online-purchase intention. The following hypotheses are presented:

**H8**: Offline-attitude positively influences online-attitude.
**H9**: Offline-purchase intention positively influences online-purchase intention.

### 3.3 Survey Instrument Development

Data collected from a questionnaire survey was used to empirically test the research model. The questionnaire was designed according to related literature. It contains 52 items, including basic attributes of online channel, marketing attributes of online channel, firm reputation, perceived risk, online-attitude, offline-attitude, online-purchase intention, and offline-purchase intention. Specifically, it includes:

- 26 measurement items for each basic attributes of online channel (i.e., website design, security/privacy, and order fulfilment) and marketing attributes of online channel (i.e., merchandising, communication, and promotion) obtained from Jin et al. (2010), Loureiro and Roschk (2014), and Kim et al. (2008).
- 5 items of firm reputation, according to Jin et al. (2010) and Kim et al. (2008)
- 3 items of perceived risk that are used in the research of Kim et al. (2008)
- 4 items of online-attitude similar to those used by Lu et al. (2014)
- 4 items of offline-attitude similar to those used by Lu et al. (2014)
- 5 items of online-purchase intention similar to those used by Lu et al. (2014)
- 5 items of offline-purchase intention similar to those used by Lu et al. (2014)

A pre-test was conducted to confirm that participants understand the items that are presented. All items were measured by a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree). Before they started the questionnaire, respondents were asked whether they shopped at online sites.
3.4 Data Collection

One purpose of this research is to examine the synergistic effects of online/offline operations and to explore whether physical retailers increase online-attitude and online-purchase intention. The other purpose is to explore the antecedents of influencing consumers to visit multiple channels.

In this study, the convenience sampling method was used in which data is collected by means of both a paper-and-pencil and a web-based survey. For the paper-and-pencil survey, the questionnaires were delivered to respondents who were at work or to students with at least a high school education level and some online shopping experience. For the web-based survey, the Google and Facebook questionnaires could be found on the Internet. Of the 583 responses received, 63 were invalid, thus yielding an effective response rate of 89%.

4. ANALYTICAL RESULTS

Analyses of the demographic variables show that:

- 52.7% of the respondents are female.
- 35.8% are high school students.
- 42.9% are college students.
- 48.7% are between the ages of 19 and 30.
- Clothing is the most purchased product.
- 47.5% of respondents buy twice a month, or less often.
- 35.5% have a monthly income of NT$20,000.

4.1 Reliability and Validity Analysis

The Cronbach $\alpha$ of all constructs ranged from 0.908 to 0.962, which shows great consistency or stability of the measurement. The average variance extracted (AVE) and composite reliability (CR) values were greater than 0.5 (Bagozzi & Yi, 1988), which guarantee convergent validity. In addition, to assess discriminant validity, this study conducted chi-square difference tests for each pair of constructs in a series of two-factor confirmatory models. For all pairs, this study compared
the constrained model, which constrained the phi coefficient to equal 1, with a free model without this constraint. In all cases, the chi-square difference was significant, indicating discriminant validity (Bagozzi & Yi, 1988).

4.2 Model Fit Measurement and Hypotheses Testing

The structural equation modeling approach was adapted to verify the relationship among variables and to assess the model fit. The results show that:

\[ \chi^2/d.f. = 2.194 \]

GFI = 0.831 (reasonability fit)

AGFI = 0.812 (reasonability fit)

SRMR = 0.069

RMSEA = 0.048

NFI = 0.902

IFI = 0.944

NNFI (TLI) = 0.940

CFI = 0.944

PGFI = 0.749

PNFI = 0.845

These results indicate that the model for the current study fits reasonably well.

Standardized path coefficients of the model are presented in Table 1. As indicated, most of the structural paths are highly significant (\( p < 0.05 \) or \( p < 0.001 \)), and H1a, H2, H5, H6, H7, H8, and H9 are supported. Some of the paths in the model are not significant (\( p > 0.1 \)); hence, H1b, H3, and H4 are not supported. Figure 2 shows that the R² value for online-attitude is 0.753; for offline-attitude, 0.753; for online-purchase intention, 0.671; and for offline-purchase intention, 0.522.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypothesis</th>
<th>Standard coefficient</th>
<th>p-value</th>
<th>t-value</th>
<th>R²</th>
<th>Result</th>
</tr>
</thead>
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<tr>
<td>e-Customer attitude</td>
<td>Basic attribute</td>
<td>0.442</td>
<td>0.012***</td>
<td>2.517</td>
<td>0.753</td>
<td>Supported</td>
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<tr>
<td></td>
<td>Marketing attribute</td>
<td>0.252</td>
<td>0.107</td>
<td>1.613</td>
<td></td>
<td>Unsupported</td>
</tr>
<tr>
<td></td>
<td>Firm reputation</td>
<td>-0.033</td>
<td>0.736</td>
<td>-0.337</td>
<td></td>
<td>Unsupported</td>
</tr>
<tr>
<td></td>
<td>Perceived risk</td>
<td>-0.047</td>
<td>0.005**</td>
<td>-2.789</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Offline customer attitude</td>
<td>0.211</td>
<td>0.000***</td>
<td>4.696</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td>Customer attitude</td>
<td>Firm reputation</td>
<td>0.894</td>
<td>0.000***</td>
<td>17.855</td>
<td>0.673</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Perceived risk</td>
<td>-0.027</td>
<td>0.261</td>
<td>-1.125</td>
<td></td>
<td>Unsupported</td>
</tr>
<tr>
<td>e-Purchase Intention</td>
<td>Online customer attitude</td>
<td>0.739</td>
<td>0.000***</td>
<td>13.047</td>
<td>0.671</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Offline purchase intention</td>
<td>0.378</td>
<td>0.000***</td>
<td>9.246</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>Offline customer attitude</td>
<td>0.764</td>
<td>0.000***</td>
<td>16.948</td>
<td>0.552</td>
<td>Supported</td>
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</tbody>
</table>
5. CONCLUSION AND DISCUSSION

This section contains a discussion of findings, academic implications, managerial implications, and limitations and suggestions for future research.

5.1 Discussion of Findings

Following is a discussion of the four findings of this study, which are summarized and presented in Table 1.
First, regardless of online or offline retailers, the authors find that offline-attitude/e-attitude positively influences offline-purchase/online-purchase intention. Establishing consumers’ good attitude toward retailers, therefore, is very important.

Second, the authors find that offline-attitude positively influences online-attitude and that offline-purchase intention positively influences online-purchase intention. Previous researchers have confirmed this result as well. The finding shows that e-retailers who extend offline channels may drive online revenues. The strategy is effective especially for experience products.

Third, the authors find that the basic attributes of online channel are very important for the online retailer. This finding is in accordance with the those of Davis-Sramek et al. (2008), Moody and Galletta (2015), McKnight et al. (2004), Grewal et al. (1998), and Estelami et al. (2003).

Fourth, the authors find that marketing attributes of online channel and firm reputation all insignificantly influence online-attitude. In recent years, there is a tendency to think that it is difficult for consumers to find differences in the marketing attributes of online channel, especially in the electronics business. For example, the product/service information on a website delivers complete and similar contents in every online store. The marketing attributes are so similar and common that they do not significantly impact consumers’ attitudes toward online stores.

Many online firms emerge because of the development and application of computer technology. Firm reputation toward online-attitude is insignificant perhaps because consumers find it difficult to identify goods of better quality or to distinguish between genuine goods and counterfeit ones. For this reason, consumers feel riskier toward online shops than offline ones. Although some consumers know the company name of an online store, they may be skeptical until they visit the physical store. For example, in the current study, the best-selling product is clothing. Some online clothing stores state that their quality is exceptional, a claim on which the company reputation relies. Still, some consumers
doubt that the product is really as good as it is described. They will not be sure of the claim until they go to the offline store to experience it. This reality also explains why perceived risk negatively influences online-attitude. Online-attitude will increase only when consumer perceived risks decrease.

The research model shows that firm reputation has a significantly positive influence on offline-attitude. Yet, perceived risk does not have a significant effect on offline-attitude. This difference may be due to the fact that consumers have the opportunity to see, touch, and try products in physical stores, which they cannot do at online stores. In a nutshell, the perceived risks are smaller for offline retailers than online ones. Offline retailers might increase their consumer online-attitude and online-purchase intention by extending their online channels, thus driving offline revenues.

5.2 Academic Implications

Previous studies place great emphasis on the evaluation of multiple channels but less emphasis on their synergistic relationships. One important contribution of the current empirical study is to reveal that offline-attitude is significantly transferred to online-attitude and that offline-purchase intention is significantly conveyed to online-purchase intention.

Madlberger (2004) develops and empirically evaluates a research framework to analyze e-retailing business models on behalf of retail functions. The author identifies two main approaches: (1) there are retailers who focus on the purely shopping function of their online shops; and (2) there are retailers who enrich their online shops with additional functions such as information, communities, and service. The author states that the additional functions are important for e-retailers, but does not explore the interaction between the different channels for multichannel retailers.

Jin et al. (2010) examine the synergistic interchange between online and offline operations and propose a multichannel performance model. The authors
find that, in the operation of multichannel, consumer offline-satisfaction increased online-satisfaction. They find, however, that consumer offline-loyalty does not transfer to online-loyalty. The most important contribution is that the authors integrate the motivation-hygiene theory of Herzberg (1966) and the halo effect of Thorndik (1920). They choose six online store attributes: website design, security, order fulfillment (as basic attributes of online channel), merchandising, communication, and promotion (as marketing attributes of online channel). The authors of the current study think that these six attributes are very appropriate for the online store and therefore subsume in the research model for this study.

It is important, however, to understand consumer attitudes because attitudes can generally predict consumer purchasing intentions and behavior (Oliver, 1980; Jarvenpaa & Todd, 1996; Shih, 2004; Pavlou & Fygenson, 2006; Thota & Biswas, 2009; Achadinha et al., 2014). This finding is also verified by TRA (Fishbein & Ajzen, 1975), TPB (Ajzen, 1985), and TAM (Davis, 1986). The authors of the current study, therefore, explore the relationships between consumer attitudes and consumer purchasing intentions in the multichannel operation.

Pauwel et al. (2011) explore whether online information drives offline revenues. Their findings support the fact that the introduction of an informational website increases, in the short run, the number of customers who visit the store, but only partially support the idea that website introduction, in the long run, increases price per product and decreases shopping trips. The conclusions are meaningful, but Pauwel, et al. (2011) do not explore the reverse relationship, which is emphasized in the current study. In this study, the impact of offline-attitude/offline-purchase intention on online-attitude/online-purchase intention is investigated, and a significant relationship is found. Online retailers, therefore, can increase customers’ purchase intention by providing opportunities for customers to experience products at physical stores.
Since more and more online distributors are extending their physical stores, it is very important to understand whether offline-attitude and offline-purchase intention drive online-consumer attitude and online-purchase intention.

In a word, in the research model for the current study, offline-purchase intention does significantly transfer to online-purchase intention and offline-attitude does significantly transfer to online-attitude. The finding shows that the synergistic development of online and offline channels in multichannel retailing has the ability to achieve. This is reflected in the fact that successful multiple retailers are bringing about more performances through O2O.

Another important theoretical contribution of this study is the relative importance of online-purchase intention determinants from both online and offline operations, especially in the offline sector. In regard to offline operation, physical stores are prone to provide product experience and to decrease product damage. The literature review reveals four antecedents to impact online-attitude and offline-attitude. An important finding in the current is that firm reputation does not significantly impact online-attitude, but that its impact on online-attitude is via offline-attitude, which plays the role of complete mediator.

5.3 Managerial Implications

The practical implication of this study is that, although the relationship between marketing attributes and online consumer attitude is insignificant, marketing attributes are essential in order to avoid creating negative attitudes among online consumers as their components contain website design, security/privacy, and order fulfillment.

Another practical implication is the role of firm reputation and perceived risk. Firm reputation exerts more influence on offline-attitude than online-attitude. Instead, perceived risk exerts more influence on online consumer attitude than offline consumer attitude. Therefore, besides basic attributes, multichannel
retailers must pay more attention to firm reputation and customers’ perceived risk in order to increase online-attitude and offline-attitude.

A final practical implication is that physical retailers and multichannel retailers should integrate without difficulty. An existing physical store is essential to increasing online-purchase intention. Because it could decrease online perceived risk at the same time, offline-attitude and offline-purchase intention could substantially increase online-attitude and online-purchase intention. The authors of this paper ascribe to three insignificant paths: marketing attribute toward online-attitude, firm reputation toward online-attitude, and perceived risk toward offline-attitude. If the multiple channels are completely integrated, the three paths would be significant and would produce greatest benefits from multiple channels; therefore, multichannel retailers should closely consider these strategies.

5.4 Limitations and Future Research

The results of this study show that marketing-related attributes do not have a positively significant influence on online-attitude level, that firm reputation does not have a positively significant influence on online-attitude, and that perceived risk does not have a negatively significant influence on offline-attitude. The results might be different if demographic variables were used as moderators in future research, thus providing further understanding of the impact factors on O2O. Another limitation is that no type of product is indicated in this study. The authors suggest that future studies include popular products in the model, as a moderating variable.

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