STUDY ON RETAIL FORMAT CHOICE AND CONSUMER BUYING BEHAVIOUR

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Abstract: Retail, being one of the most important aspects of marketing, has immensely gained its importance over last couple of years. In today's world, because of the cut throat competition retail has evolved beyond the traditional brick and mortar retailing. Retailers are making their presence in both brick and mortar stores as well as through online shopping websites through many new innovations like click- and- mortar retailing. The purpose of this paper was to throw some light on the impact of online shopping attributes with major focus to website attributes (such as- personalization, ease of use and sociality) on online buying behavior with respect to online experience. The paper further focuses on the impact of offline shopping attributes (such as- ambience and positive sociality) on offline buying behavior with respect to offline shopping experience. The data analysis for the study was carried on by the help of statistical tools like Chi-Square Tests and regression analysis with the help of SPSS. The findings of the study reveals that "personalization" and "ease of use" has a significant impact on online shopping experience whereas, "ambiance" has a significant impact on offline shopping experience

Keywords: Online shopping behavior, offline shopping behavior, online - offline shopping, website attributes, offline attributes, customer experience

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1.   INTRODUCTION

Online shopping refers to purchasing through internet. Today's consumer can shop online at just a click. As time is considered to be one of the most important factors for modern day buyers they prefer to buy as per their convenience. Thus online shopping gives them the luxury where they can shop 24*7 unlike brick and mortars. Gone are the days where people used to visit physical stores for their daily essential needs. With more internet penetration and with advancement of technology there has been immense growth in online shopping since last few years.

There has been a drastic change in the way people are doing online shopping recently whereby they are able to choose from a variety of products make comparisons online and then finally make a purchase. The factors that motivate consumers to opt for online shopping are convenience, information, available products and services, cost and time efficiency.Online shopping has many advantages such as convenience, better product quality, product comparison. On the other hand it has certain drawbacks like safety and security concerns, waiting time, exchange returns.

2.   REVIEW OF LITERATURE

Online shopping behaviour as a topic of research is quite interesting and many researchers have tried to explore as it can be observed from existing literature. Katawetawaraks & Wang, (2011) focused on online purchase decision process by comparing online and offline decision making and predicting the factors that motivates a consumer to choose from an online or brick and mortar channel. The study found out various factors that motivate consumers to opt for online shopping which is convenience, information, available products and services, cost and time efficiency. However the study also demonstrated some factors which act as a disadvantage for people choosing online shopping like security concerns, intangibility of online product, no social contact and dissatisfaction among online customers. Bhatt, (2012) made a study on the amount of customer contentment among the online purchaser in Ahmedabad. The study was conducted and consumer perceptions were analyzed using the factor analysis and ANNOVA test. The study came with some major findings like ease of website, service quality of website and website security were considered some of the major factors that influences consumer online buying experience. Another key finding was regular buyers were mostly influenced by service quality of websites where as occasional or non-frequent buyers found out website security as one of the most important factor in influencing overall buying experience. Hult et al., (2019) tries to find out if there exists any difference in customer satisfaction and subsequently customer loyalty in case of a consumer purchasing online and visiting physical stores. The study uses the American Customer gratification Index to manifest the dissimilarity in purchase medium if at all it exists in case of customer gratification and its consequences on customer fidelity. The findings of the study is when retail customer purchase automated goods online they find purchase usefulness as a remarkable characteristic in grading satisfaction and they are more prone to make repurchase decision as compared to offline purchases. In case of offline purchases the overall attribute of purchase happening and customer assumption are considered to be important drivers of customer satisfaction. The study further examines if such differences varies across customer demographics and variety in product category. Hofacker, (2009) evaluated how a belief in brand offline mediates the association with consumers prevailing outlook concerning internet and his imagination about attribute of retailers website. It was also examined if there was any association between deemed website caliber and desire of consumers to purchase from the website. There were 200 women respondents who were part of the research and had previous shopping encounters. The respondents were advised to graze through the website. The findings of the research were consumer's faith on brick and mortar stores of a brand sparked a remarkable consequence in the association between effective component of outlook towards internet and practicality and instructional quality component of the website. Moreover the belief on offline brand had a mediating result on association between reciprocal component of website quality and desire to shop online. Gupta & Sethi, (2016) evaluated the factors influencing online and offline shopping of customers. The research tried to find out the major factors that influence a customer to choose for an online or offline channel. The study came to a conclusion by elaborating that females were part of online shopping to a much greater extent whereas people above 35 years of age opt less for online shopping. R. Singh & Kaur, (2017) focused on various factors that influenced online and offline buying. It was observed that various factors influenced online shopping like price, quality, discounts and product variety. Most respondents thought in case of online shopping the variety of products was quite high and they were willing to pay for the same. Online offers and discount were also considered a significant factor in influencing online shopping. However in case of offline shopping consumer were highly satisfied with the price factor and product quality. Convenience in case of online shopping made customer satisfied whereas in case of offline shopping consumers were satisfied because they could try a product before purchasing it. The study further narrated that younger people were purchasing more online because of revolution in the technology. Flipkart was considered to be most preferred website. People purchase less electronic goods online and shopped more for apparels. Singh & Srivastava, (2018) determined the elements that have an impact on the online shopping behaviour of continuing online customers and also what motivated them to continuously use it. Among the product category the study undertook fashion and electronic

goods to find out product specific purchase behaviour of online consumers. The paper took 344 respondents into account who had previous online purchase encounter. The research revealed that perceived risk and perceived usefulness were the two most important factors in determining the online purchase intention of Indian consumers. Rajayogan & Muthumani, (2018) identified the factors of online buyers and their shopping intention. In this study assurance, cost and benefit were taken as experimental variable and customer inclination to buy was taken as explained variable. The survey was undertaken among 310 customers who are doing online buying in India. The findings of the study was out of all the independent variable assurance to buy a product online is considered as the most remarkable element in influencing purchasing intention. Richa & Vadera, (2019) investigated the features of online customer behaviour in case of India. The researcher used exploratory factor analysis to find out the determinants of consumer buying behaviour. The six major factors that were found out in the study were utilitarian attributes, post purchase issues, convenience, freedom, intrusion and hedonic motives. In case of global scenario all this factors were found to be relevant whereas freedom was the only factor which was considered important only in India. Gahlawat, (2021) explored the factors that could impact online buying behaviour as it is really important for any successful venture to identify the consumer behaviour. The study came out with some positive feedback about online shopping like user friendly, variety of products and services, discounts and rewards. However once a consumer visits an offline store one can determine the value a merchant has placed on any particular product. It is not possible in case of online store where one can assess prices from various vendors. The study also threw some light on the shelf area occupied in case of an offline store which is too much as compared to online store. In case of online shopping buyers can go through the reviews before purchasing any product. Online retailers must focus on the security aspect to increase the overall shopping experience.

3.   RESEARCH GAP

Many researchers have made an effort to study the online shopping behaviour of consumers in recent years. Nevertheless, it is not very easy to find out many studies which have been carried out with relevance to Indian context. Further there have been very few studies in understanding offline buying behaviour. Earlier studies have only focussed on one attribute of online shopping instead of exploring other attributes as well. Moreover most of the existing literature has focussed on online shopping behaviour among college/university students whereas other people such as private, public employees, house makers, businessmen have not been explored in detail. This study tries to address the gaps by exploring online as well as offline buying behaviour with respect to Indian context and focus on website and offline attributes. The study is not limited to only college students as it also focuses on working class people such as private and public sector employees along with people who are self employed.

4.   RESEARCH OBJECTIVES

- To study if demographics (age, gender etc.) influence preferred shopping mode.

- To find out which factors influences the most for buying conversions in case of online and offline shopping

- To entitle retailers in addition to researchers to recognize the key concern areas and accordingly plan to improve the overall shopping experience in online as well as offline shopping

5.   METHODOLOGY

The data collected for the study was by survey method whereby convenience sampling was used. A structured questionnaire was formulated consisting of various questions which were derived from scales used in existing literature. Online website attributes included personalization, ease of use and sociality whereas offline attributes consisted of ambiance and positive sociality. The survey was conducted among a mix of graduates and post-graduates students, businessmen, private service

employees and government service employees and also homemakers. The survey was conducted at Bhubaneswar and Khurda area from August 2021 to June 2022.A total of 401 valid responses was obtained which was considered further for data analysis. The data analysis was carried on by the help of various statistical tools such as Chi-Square tests and regression analysis. Regression analysis has been used to find out the impact of all the variables (i.e. website attributes and offline attributes) on the consumer buying behaviour.

6. ANALYSIS AND FINDINGS

Hypothesis to be tested:

H01 Age has no relation/association with preferred mode of online shopping

Table 1: Age Group and preferred mode of online shopping cross tabulation

Count					
		Preferred mode of online shopping			Total
		Only Through mobile phones	Only Through laptops/ desktop/tablet	Through both the modes(mobile and laptop)	
Age Group	Below 20 years	19	1	5	25
	21-30 years	147	7	100	254
	31-50 years	59	2	49	110
	Above 50 years	5	3	4	12
Total		230	13	158	401

Table 2: Chi Square Test (Age group with preferred mode of online shopping)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.987[a]	6	.001
Likelihood Ratio	14.063	6	.029
Linear-by-Linear Association	3.236	1	.072
N of Valid Cases	401		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .39.

As per the findings from our data, we have found that there seems to be significant relationship between different age groups and preferred mode of shopping online (Pearson's Chi Square: 0.001)

Thus, the Chi Square null hypothesis is rejected. It can be further interpreted that 'preferred mode of shopping online' is influenced by the demographic variable 'age'

Hypothesis to be tested:

H02 Gender has no relation/association with preferred mode of online shopping

Table 3: Gender and preferred mode of online shopping cross tabulation

Count				
		Preferred mode of online shopping		Total
	Only Through mobile phones	Only Through laptops/desktop/tablet	Through both the modes(mobile and laptop)	

Gender	Male	123	6	110	239
	Female	107	7	48	162
Total		**230**	**13**	**158**	**401**

Table 4: Chi Square Test (Gender with preferred mode of online shopping)

Chi-Square Tests			
	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	11.144[a]	2	.004
Likelihood Ratio	11.309	2	.004
Linear-by-Linear Association	9.883	1	.002
N of Valid Cases	401		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.25.

As per the findings from our data, we have found that there seems to be significant relationship between gender and preferred mode of online shopping (Pearson's Chi Square: 0.004)

Thus, the Chi Square null hypothesis is rejected. It can be further said that 'preferred mode of online shopping' is dependent on demographic factor 'gender'

7. REGRESSION ANALYSIS

Table 5: Model Summary

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.602[a]	.362	.357	.63625

a. **Predictors**: (Constant), Personalization, Ease of Use, Sociality
b. **Dependent Variable**: Online Satisfaction

Regression analysis was applied to observe the significance and association between dependent and independent variables. We can find out from the model summary given above that R value and adjusted R Square are .362 and .357 respectively. In this case the value of Adjusted R Square is .357 which means 35.7% of the dependent variable (i.e. online satisfaction)is explained by independent variable (i.e. website attributes such as ease of use, personalization and sociality). The following table lays down the regression analysis in detail

Table 6: ANNOVA[a]

ANNOVA[a]						
	Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	91.132	3	30.377	75.039	.000[b]
	Residual	160.713	397	.405		
	Total	251.845	400			

a. **Dependent Variable**: Online Satisfaction

b. **Predictors**: (Constant), Personalization, Ease of Use, Sociality

The above table depicts the ANNOVA of all the variables in the regression analysis. The significance level is 0.000 (p < 0.05), which is highly significant. This indicates that regression analysis can be used for analysis using all these variables.

Table 7: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.560	.170		9.180	.000
	Ease of Use	.229	.046	.260	5.025	.000
	Sociality	.226	.047	.251	4.833	.000
	Personalization	.210	.055	.202	3.812	.000

a. **Dependent Variable**: Online Satisfaction

The above table depicts the regression coefficients of all the independent variables (i.e. online website attributes) that have an impact on online satisfaction. This regression has a positive slope of 1.560 which suggests that, in the absence of all the variables, the value of online satisfaction is positive. If we observe all the coefficients, "ease of use" has the highest impact on online satisfaction with a value of 0.260 which is followed by "sociality" with a value of 0.251, "personalization" with a value of 0.202. These independent variables have a significant contribution on the dependent variable "online satisfaction".

Table 8: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485[a]	.236	.232	.80111

a. Predictors: (Constant), Positive Sociality offline, Ambience_Offline

b. Dependent Variable: Offline Satisfaction

In this case the value of Adjusted R Square is .232 which means 23.2% of the dependent variable (i.e. offline satisfaction) is explained by independent variable (i.e. offline attributes such as ambience and positive sociality). The following table lays down the regression analysis in detail

Table 9: ANNOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.733	2	39.366	61.339	.000[b]
	Residual	255.428	398	.642		
	Total	334.161	400			

a. Dependent Variable: Offline Satisfaction

b. Predictors: (Constant), Positive Sociality offline, Ambience_Offline

The above table depicts the ANNOVA of all the variables in the regression analysis. The significance level is 0.000 (p < 0.05), which is highly significant. This indicates that regression analysis can be used for analysis using all these variables.

Table 10: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.224	.208		5.874	.000
	Ambience_Offline	.454	.072	.372	6.295	.000
	Positive Sociality offline	.163	.064	.150	2.547	.011

a. Dependent Variable: Offline Satisfaction

The above table shows the regression coefficients of all the independent variables (i.e. offline attributes) that have an impact on offline satisfaction. This regression has a positive slope of 1.224 which suggests that, in the absence of all the variables, the value of offline satisfaction is positive. If we observe all the coefficients, "ambiance" has the highest impact on online satisfaction with a value of 0.372 which is followed by "positive sociality" with a value of 0.150.These independent variables have a significant contribution on the dependent variable "offline satisfaction".

8.   CONCLUSIONS

As online retailing has achieved significant growth in India and because of the cut throat competition retailers must be aware of consumers changing taste and preferences so as to stay ahead of their competitors. In case of online retailing website attributes play a vital role in enhancing overall online satisfaction whereas in case of offline retailing store attributes is considered to a major factor in affecting offline satisfaction. As per the findings from our study, so far as website attributes is concerned, "ease of use" has been observed as the most influencing factor while shopping from a website. Hence online retailers should focus on this aspect so that customer will have a enjoyable experience while shopping. Further it was also found that "sociality" and "personalization" also significantly influence online satisfaction. Hence shouldn't leave behind this aspect too. In case of offline shopping it was found that "ambiance" was found out to be having maximum impact on offline satisfaction. Hence offline retailers should focus on improving their store look and feel so that customers will be at their ease and have a memorable experience.

Apart from this the study also reveals that demographic variable age had a significant association with preferred mode of online shopping whereas gender didn't have any significant relationship with preferred mode of online shopping.

9.   MANAGERIAL IMPLICATIONS

The findings of this study have implications for many contributors. The study is contemplated to benefit online and offline retailers along with academicians and researchers. The results obtained from the study attach more value to existing work done in the field of online and offline buying behavior.

An implication of this study for online retailers is that it will empower them to design their shopping websites in a better way by understanding various impact of website attributes on online satisfaction. Similarly brick and mortar retailers can focus on improving the ambience of the physical stores so as to enhance offline satisfaction.

One more implication of this research is the study further explores online and offline buying behavior in Indian context and unfold directions to future research in this area. Overall the study highlights the impact of website attributes in case of online shopping so that retailers can create a website as per needs and preference of customer to maximize online satisfaction. Similarly physical stores can focus on enhancing ambience of their store so that consumers will have a delightful experience during purchase process.

10.   LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

Online retailing has gained immense popularity during recent times and it will keep on growing in upcoming times .Hence there is an extensive scope for continuous research with respect to online shopping behavior.

There are certain limitations of the study. The study has focused only on the respondents within state of Odisha, India. Hence there is a scope of extending the research in other parts of India as well as other countries. The study is focused upon three aspects of website attributes that is ease of use, personalization and sociality. Similarly in case of offline attributes taken into account are ambience and positive sociality. Some more attributes of online as well as offline shopping can be considered to gain a thorough understanding of consumer buying behavior.

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