Study of Consumer Buying Behavior towards Shopping of ‘Apparels’ Online in Comparison with that Offline

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Abstract—The big debate that is going on these days is whether to shop online or offline and which mode of shopping gives one a better experience. As technology has changed our lives, there is no running away from it. We can use the technology i.e. online shopping experience for a better, comparative experience. The Retail Sector of Indian Economy is going through the phase of tremendous transformation. Online shopping is catching up in India due to several reasons. Online shopping or E-shopping is a form of electronic commerce which allows consumers to buy goods or services directly from a seller over the internet using web browser. The evolution of online shopping has opened the door of opportunity to exploit and provide a competitive advantage over firms. The impact of the alterations in the format of the retail sector changed the lifestyle of the Indian consumers drastically. Nowadays the Indian consumers are well versed with the concepts about quality of products and services. These demands are the visible impacts of the apparel Sector of Indian Economy. In general it cannot be concluded that consumers either do or do not choose identical garments online and offline as this was found to be highly dependent on the person and the product. Consumers use product attributes across online and offline channels and try to find whether the product attributes they applied in one channel correspond to those found in the other channel. Consumers that shopped online first and then offline however were found to choose slightly more identical garments, as they had been able to better visualize the garments within the offline environment after seeing it being displayed on a human model within the online environment.

Now it is the time to find the right alternative for the retail industry to bring down the expenses and to move up in the market. With the lacks of online searches, happening daily for the different products, online market is now creating enormous opportunities in retail business. To reach the online shoppers, online Retailing is the best alternative solution for the retail industry, through which online branding can be achieved. Online branding and online marketing are the ongoing retail business trends.

Keywords:- On-line, off-line ,branding, E shopping technology etc.

I. INTRODUCTION

Problem on Hand : The major concern behind the boom of the online retail is that they might incur huge losses in the future if they keep on following the same format of discounts & Every Day Low Pricing strategy. The other main reason to carry out this research is to find out the reasons behind the transition from offline to online shopping in case of apparels by the customers. The major question is that, in the present scenario, are the brick and mortar stores going to stick around to their own structure or go to an upper level of going online, while also operating offline. The motive of the study is to find e-shopping Trends, awareness level of E-shopping sites among the people, to examine the factors influencing online Shopping and the barriers for e-shopping in Metropolitan Cities of India. Based on the customers’ perceptions of this generation, this research is hopefully going to disclose some useful findings that could of some help to e-railers whether to continue being online & to the brick and mortar stores to continue being offline.

Importance of the Problem: This paper is a study on the factors affecting choice for shopping by people online versus offline and various factors affecting the variations in their choices. This would answer the prevailing questions in our minds with regards to choice of online websites versus offline brick & mortar stores for purchasing apparels. It would consider all the factors responsible in the decision making of the customers like place, price, promotion of the product, here being ‘apparel’.

Aim of the research: Today’s world is based on the Internet. It’s tough for the consumers to envisage their life without the Internet because E-Marketing has revolutionized the market and the minds of the consumers, as they can browse through the Internet to source information for whatever they want, whenever they want. Various researchers have developed theories and models to explain the Consumer Decision Making Process, but now we need to explore Consumer
Behavior very clearly in terms of the digital domain. Cause and Effect Relationship of Variables in Study: The mode of shopping, online or offline depends on various factors. In this study, I have considered the most important of them i.e. ‘time’, ‘discounts and offers’ and ‘look and feel’. Other factors analyzed here are the dependency of shopping mode based on the risk involved, service & after-sales service provided and reverse logistics. These are the causes for the shopping to occur i.e. online or offline.

Choice of the Industry

I have chosen apparels section of the retail industry as people of this generation are craving more for fashion and turning shopaholics at a fast pace. It is the most attractive industry in the present scenario and the inclinations of different generations towards online and offline shopping varies from each other.

Factors affecting Online Shopping: Kotlar P, Keller et al., (2009) advocate that consumer shop online because it is convenient. Gordan A and Bhowan K, (2005) examined factors that encourage online shopping. They are:

* Convenience (no traffic, 24 hr. access)

* Better Product Selection

* Useful Delivery Mode

Hirss Alan and Omar Ogenyi, (2007) stated that convenience, usefulness, ease of use and efficiency are positive characteristics of online shopping. Jush and Ling, (2012) suggested that e-commerce experience, product perception and customer service have important relationship with attitude towards e-commerce purchases through online shopping. According to them consumers who purchase online are more likely to buy clothes, book and make travel booking. Delafrooz Narges et al, (2009) found that utilitarian orientations, convenience, price and wider selection are a significant determinant of consumer’s attitude toward online shopping. Consumers are looking for more convenience (time and money saving), cheaper prices and wider selection when they shop online. Consumers who value the convenience, prices and wider selection of internet shopping tend to purchase more online and more often. Michal Pilik, (2012) stated that Logistics, Security and privacy of information, Timeliness, Availability, Convenience, Customer service

Unrestricted were criteria used by customers while online shopping. Zhou et al, (2007) identified nine types of consumer factors, including demographics, Internet experience, normative beliefs, shopping orientation, shopping motivation, personal traits, online experience, psychological perception, and online shopping experience in effecting consumer online. Smith and William, (2003) examined the factors influencing consumers towards online shopping are marketing efforts, socio-cultural influences, psychological factors, personal questions, post-decision behavior and experience. Other Factors affecting Online Purchase:

Customer online purchase intention

According to the theory of reasoned action, consumer behavior could be predicted from its corresponding intentions (Ajzen and Fishbein, 1980). Intentional measures are more effective than behavioral measures in drawing new customers as customers tend to skip real preferences. Unrestricted because of their constraints (Day, 1969). Customer online purchase intention is defined as the construct that gives the strength of a customer’s intention to purchase online (Salisbury et al., 2001). Pavlou (2003) observed online purchase intention to be a more appropriate measure of intention to use a website when assessing online consumer behavior. Since online transaction involves information sharing and purchase action, purchase intention will depend on many factors (Pavlou, 2003). In order to trigger online purchase intention among consumers, web retailers often need to focus on these factors to enhance the chance of purchase by customers.

While developing a reference model for summarizing the antecedents of customer purchase intention from 45 research studies on online shopping, Chang et al. (2005) categorized the antecedents into three categories namely, perceived characteristics of the web as a sales channel, web site and product characteristics and consumer characteristics, thus identifying more than 80 variables as antecedents. Knowing that it is not possible to explore them all, the study confines itself in studying the effect of shopping orientations, prior online purchase experience, online trust and demographics on online purchase intention as these have not been studied together in the Indian context.

Online trust and customer online purchase intention

Online trust is a necessity when it comes to online shopping (McCole and Palmer, 2001). Due to the risky nature of online shopping, trust and risk play significant roles in effecting online transactions (Pavlou, 2003). Trust contributes positively towards the success of online transactions (Jarvenpaa and Tractinsky, 1999). Online trust needs to be there when personal
financial information and personal data is shared while making a purchase online (Egger, 2006). Online trust is based on the perception of the risks or benefits of the online transaction (Teo and Liu, 2007). In the Indian context, the influence of the online trust as mediating effect has been studied on customer online purchase intention (Ganguly et al., 2009). Numerous studies have concluded that the higher consumer online trust will result in higher customer online purchase intention (Verhagen et al., 2006; McKnight et al., 2002; Lim et al., 2006; Ling et al., 2010).

Prior online purchase experience and customer online purchase intention

Unrestricted Future behavior is determined by prior experiences. Online purchases are still considered to be risky compared to offline retail purchases (Laroche et al., 2005). In an online shopping environment, prior online purchase experience leads to the reduction of uncertainties and eventually leads to an increase in the customer purchase intention (Shim and Drake, 1990).

Online shoppers who have bought products online are more open and inclined to shop online than others (Lee and Tan, 2003). Shim et al. (2001a, b) found that past satisfactory online purchase will lead to future online purchase while past negative experience will decrease online purchase intention.

- Shopping orientations and customer online purchase orientation
- Shopping orientations are defined as a general disposition toward the acts of shopping (Brown et al., 2001). Swaminathan et al. (1999) asserted that shopping orientation is one of the prime indicators of making online purchases. The concept of shopping orientation refers to a specific segment of lifestyle that is operationalized by various activities, interests and opinion statements relevant to shopping (Li et al., 1999). Being regarded as a multi-dimensional construct, shopping orientation comprises of many constructs referring to different attitudes and opinions. Vijayasarathy and Jones (2000) segmented the shoppers into seven distinct varieties namely: in home shoppers, economic shoppers, mall shoppers, personalized shoppers, ethical shoppers and convenience shoppers. They found in home shoppers more inclined to online purchase and having higher purchase intention than the rest of the classes. Seven shopping orientation types identified by Gehrt et al. (2007) are recreation, novelty, impulse purchase, quality, brand, price and convenience.

Three orientations were chosen for this study.

a. Impulse purchase orientation

Impulse purchase behavior happens when a customer feels the urge to purchase something at the very instant without any more evaluation (Rook, 1987). According to Piron (1991), Impulse purchase behavior is an action done without any prior plan as a result of a stimulus. With the Unrestricted rampant growth of online shopping, the studies made by Donut and Garcia (1999) have found that impulse purchase orientation is a default characteristic of an online shopper.

b. Brand orientation

In internet transactions, customers use trusted corporate and brand names in place of product information while purchasing online (Ward and Lee, 2000). Jayawardhena et al. (2007) have established from their study that there is a significant effect of brand orientation on customer online purchase intention.

c. Quality orientation

Bellenger and Korgaonkar (1980) found that one of the things that recreational shoppers tend to take into consideration is quality when choosing stores for shopping. In an online shopping context, Gehrt et al. (2007) found that customers who shop for recreation online are significantly associated with quality.

Many traditional businesses are reacting by going online to remain competitive (Schoenbachler and Gordon 2002). Advancements in technology enable apparel stores, for instance, to improve their online services by using personalized virtual models allowing consumers to visualize the product on the model to determine correct sizing and fit (Kim and Kim 2004).

Demographic factors

Though demographic variables are not extensively studied, males were found to shop online more than females (Li et al., 1999). Access to credit card and computer experience has a significant effect on purchase intention (Slyke, 2002). Sin and Tse (2002) have studied various demographic variables like education level, gender, age and level of internet usage on online
purchase intention. They found that the profile of online shoppers tends to be male, well educated, between 21 and 30 and have a high internet usage. Venkatesh (2000) online shopping “Computer playfulness” is the degree of cognitive spontaneity in computer interactions. Playful individuals may tend to underestimate the difficulty of the means or process of online shopping, because they quite simply enjoy the process and do not perceive it as being effortful compared to those who are less playful “Computer anxiety” is Unrestricted defined as an individual’s apprehension or even fear when she/he is faced with the possibility of using computers. This influences consumers’ perceptions regarding the “ease of use” of the Internet as a shopping medium in a negative way, since using a computer is one of the necessary requirements for online shopping.

II. Merits of Online Shopping:

Jush and Ling, (2012) added that customers can enjoy online shopping for 24 hour per day. Consumers can buy any goods and services anytime at everywhere. Online shopping is more user friendly compare to in store shopping because consumers can just accomplish his desires just with a click of mouse without leaving their home. Forouhandeh Behnam et al., (2011)

IV. demonstrated Warrant, Assurance, Website maneuverability and Enjoyment as factors that perceived as the online shopping benefits. Alba et.al, (1997), Brengman et al., (2005), Eastlick and Feinberg, (1999), Foucault and Scheufel, (2002), Karayanni,(2003) stated that online shopping has various advantages as compared to shopping at a physical shop like:

V. 24/7 shopping
VI. Save time
VII. *Comparison shop
VIII. Price comparison
IX. Consistency between advertised price and site price
X. Cash on Delivery Option
XI. *Ease in merchandise cancellation or return
XII. Tracking of shipping available

XIV. Demerits of Online Shopping:

Saprikis Vaggelis et al., (2010) classified the online shopping problems were in two categories; general problems and after sales problems. Online shopping problems are great barriers to the online purchase intention of customers. General problems includes possibility of having credit card data intercepted, the difficulty to confirm the reliability of the provided products and the possibility to buy a product that it would not value as much as customer pay for it. After-sales problems, involved difficulty to change defective product with a new one and products guarantee are not assured. Choi and Lee (2003), Cyr et al., (2005), Know and Lee(2003), Laroche et.al (2005), McKnight et.al(2002), Verhagen et al., (2006) stated that online shopping has various disadvantages as compared to shopping at a physical shop like:

XVI.
* Lack of touch and feel of merchandise
* Delivery time - Customers don’t have the immediate satisfaction of receiving the product when they buy it since they have to wait for it to be delivered.
* Shipping charges- customers usually have to pay shipping charges, which may increase the overall cost of what they are purchasing.
* Shipped returns-Returns can be more of a hassle in online shopping because consumers have to pack up the product, ship it back, and wait for the seller to receive and process the return before consumers can get their product exchanged or refunded.
* Lack of close quality examination i.e. look and feel of the products
* Security concerns - It can be difficult to tell whether the website is secure or not and if the site is not secure or is fraudulent.
* Privacy concerns- If a site doesn’t have a comprehensive privacy policy, it is impossible for consumers to know who has access to their information, and whether their information is protected or shared with third parties. Information sharing could lead to spam, or even identity theft.
* Lack of personal attention from a salesman
* Unable to try the merchandise on (valid in our case of clothing)
*More chances to encounter fraud (disappearance of shopping site)

*More chances for mistakes in ordering the wrong item, slightly higher exposure of credit card security

*Verification of credit card owner less rigorous (physically one can ask for other identifications)

**Objectives**

Given the growing importance of the online retail industry in India, it remains imperative for web retailers and internet marketers to understand the determinants of online customers’ purchase intention to decipher what is important to the Indian online customer. This paper attempts to identify the determinants of online purchase intention among youth in the Indian context. The question that pops up in my mind every time I come across such deals is - Do these sites actually sell authentic apparels? And why would someone sell any item at a lower price? Moreover, the lesser known brands with measly prices keep luring buyers with products, the quality of which can rarely be judged.

**The objectives of this study are:**

* To find the gap between e-tailing & retailing in this era

*To determine the reasons for choosing online or offline platform for shopping apparels in India

*To determine the interdependencies between age, gender, occupation and the mode of shopping preferred by the customers

*To analyze the effects of the factors like location, price, promotion & advertising, atmospherics, look & feel on selection of shopping mode for apparels

*To find out if people associate risk factor with online shopping

Finally, to find out if majority of customers prefer ‘Research Online, Purchase Offline’ or ‘Research Offline, Purchase Online’ mode & which mode gives better service & satisfaction level to them.

*To come to conclusion on all the findings and analysis of various factors of this sector and study the future prospects, challenges and possible improvement of this project.

**Research methodology**

Method of Data Collection:

Both, the primary and the secondary data collection methods were considered. The primary data was collected through a questionnaire designed exclusively for this study. Secondary data was collected through journals, research papers, e-magazines & websites.

**Sample Size:**

Samples were collected from the customers i.e. through e-mails & general public in the malls. The total sample size of the respondents is 150.

**Data Analysis Techniques:**

The tool used to perform the analysis is SPSS i.e. Statistical Package for the Social Sciences. I have considered 14 factors like purchase frequency in a month, budget allotted for shopping in a month, importance of time, importance of discounts and offers, importance of look and feel, service, risk, reverse logistics, mode of shopping - online or offline apart from the basic details like age, gender and occupation in this study. Accordingly, I have used nominal, ordinal & interval scale to the above mentioned.

Regression Analysis & Anova have been used to analyze the data to deduce the relationships & interdependencies between different variables e.g. gender & shopping mode preference i.e. online or offline.

Regression analysis may be used when the analyst is trying to determine the extent to which independent variable X affects dependent variable Y.

Anova (Analysis of variance) is a collection of statistical models used in order to analyze the differences between group means and their associated procedures.

After analyzing the relationships between certain variables, I have used pie charts, histograms & plots to explain the same visually. Tests Performed using SPSS:
ONE WAY ANOVA TEST: Purchase frequency versus Monthly Budget

As per the above analysis, we can induce that there is significant difference between monthly budget and purchase frequency as significance value, \( p = .000 < 0.05 \) (alpha value). Also, The graph clearly shows the same.

REGRESSION ANALYSIS: Shopping Mode Preference (Online or Offline)

Risk (Online or Offline) versus Occupation, Gender, Age & Shopping Preference

The above regression analysis test shows that significance value, \( p = 0.000 \) for both importance of time and discounts, where as it is 0.145 for importance of look & feel.

All of them are less than the alpha value i.e. 0.05 but the dependence of time & discount factors are very high on the mode of shopping i.e. online or offline.

Also, the value of R-Square being 90.8 % shows goodness of fit and this model is relevant.

REGRESSION ANALYSIS:

Better Quality (Online or Offline) versus Occupation, Gender & Age

REGRESSION ANALYSIS:
As we can see, people with income range 20k to 50k mainly prefer private brands while people with income range less than 20k to 30k mainly prefer national brands.

REGRESSION ANALYSIS:

Unrestricted ‘Time’ versus Occupation, Gender, Age

Limitations, Recommendations and Conclusions

Limitations:

*Though the findings offer some new insights in an Indian context, the research has its own limitations.

*The convenience sample of 150 customers may not be representative. Hence the findings may not be 100% appropriate.

*There was no uniform representation across categories in the demographic variables considered for the study.

*The responses with prior online purchase experience are analyzed while leaving those who have no online purchase experience.

Recommendations:

*A bigger and more representative sample which includes respondents from all walks of life would have been more appropriate.

*In the future studies, at least on a broader level, sample should be chosen so that there is uniform representation across categories in the demographic variables.

Findings & Conclusions:

* 70% of the customers prefer online shopping while only 30% of them prefer shopping at outlets.

‘Time’ factor is more important for the online customers when compared to those who shop at apparel outlets.

*Similarly, discounts & offers are more to do with the online customers.

Offline shoppers prefer better quality apparels and prefer experiencing look and feel of the apparels.
* According to the chosen customers, online shopping gives better service when compared to offline shopping.

* Risk is more during online shopping comparatively.

* Online shoppers mostly go for national and international brands where as offline shoppers prefer private brands.

* 40% research online and then purchase offline where as the other 60% research offline and purchase online.

* According to their past experiences, 60% customers were much more satisfied with online shopping and 40% enjoyed the offline mode.

* The reason why some Indians who have access to credit card and net banking facility shy away from online retail shopping also needs investigation.

* The reason why quality and brand orientation is insignificant in India needs to be studied by introducing new constructs like value price, convenience orientation, etc.

* Targeting the impulse purchase orientation nature of Indian consumers, the online retailers could concentrate on drawing the online shoppers with attractive deals for a limited time.

* The study has implications to web retailers, marketing managers, internet marketers, online vendors and web shoppers in India. Web retailers and internet marketers specifically will be able to develop effective and efficient web shopping strategies to attract new and potential web shopping customers if they know the determinants of purchase intention.

* Online retailers could also encourage the one time customers to purchase again by offering special discounts or offers as a reward for loyalty in using the web site for purchase.

* As cited by prior researchers, web retailers in India too should focus on increasing the online trust. This can be done by various online trust building measures like giving 30 day money back Unrestricted guarantee on products bought online, on time delivery, cash on delivery payment option and effective 24×7 customer care call center to address complaints.

* The online retailers should also display truthful and authentic information about products sold through their site all the time.
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