A STUDY ON MULTICHANNEL SHOPPING PROCESS WITH REFERENCE TO SOUTH BANGALORE

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Abstract

A study on multichannel shopping process was undertaken to explore the consumer shopping process and drivers of purchasing products. This study was surveyed with 200 customers that use two or more channels in the shopping process, including pre- and post-purchasing activities. The main objective of the study was to study the behavior of shoppers while using multichannel and to study how different they are from the customers who use only single channel. Consumers from south Bangalore were selected for the study and they were in the age group of 18 and 65 and 210 respondents were randomly selected and qualified for the study if they had purchased any items using multichannel. The study revealed that most of customers had used multichannel and were youngsters. Among the other channels used, store based shopping was the most preferred. The results of the study will help the retail organizations to strategize and take decisions so that they can improve the sale of products using multichannel.

Keywords: shopping process, multichannel**,** customers

1 Introduction

Today modern retail in India is at an interesting juncture. It is standing at the cusp of unlocking new frontiers, auguring a potential that is riding high on technology. With the advancement of technology and its increasing usage by consumers and retailers, shopping options in present times are not restricted to physical stores anymore. With surprising ease and within a span of few years, e-tailing has become a way of life. So today's consumers are more into using multiple channels while shopping.

Retail environment has transformed along with the introduction of multi-channel operations designed to provide a variety of buying experiences for consumers (Mathwick Malhotra and Rigdon, 2001). The distribution of products across multiple sales channels - often referred to as

multi-channel retailing - has become the norm today. According to a recent survey, multi-channel retailers have increased the market share when compared to pure internet retailers or individual retail outlets. In a multichannel retailing environment, consumers can gather information about the products from the internet, catalog, and/or TV, mobile apps and purchase the products from either of these retail channels.Retailers have recognized that operating different formats of retail channels allow them to embrace a wider set of customers (Payne, 2004).

Consumer shopping behavior, for example, has changed dramatically given the ease and power of Internet access. Companies are trying to adjust their marketing mix and channel strategies to better serve the customers.Selling the right products through the right channels by tailoring each category's product assortment making it easy for customers to buy what they want, when they want and where they want are the real objectives of any company. Above all the Behaviour of consumers have changed and are continuing to change at an alarming speed. Availability of multiple channels have definitely shaken things up. Now mobile, multiple formats of store based retailers and the Internet have made the path to purchasing for the consumer much easier, and simultaneously, much more complex for the brand and retailers. Understanding the present scenario, the researcher has taken an attempt to study the shopping process.

The present study systematically analyzes the different options that enable companies to make trade-offs, such as deciding whether to invest in mobile commerce or online to aim for driving higher sales.

1.1 Significance of the study

Owing to changing market dynamics and growing popularity of online retailing, many retailers have become more adept and flexible in their business models. More and more retailers are adopting multi-channel retailing so as to provide a seamless shopping experience. Mapping the consumer's shopping process and taking appropriate action based on the insights will become one of the most critical elements to drive sales and loyalty in retail today. The more one starts understanding the consumer preference and the path, the sooner the retailer can drive behavior and sales in their favor. Understanding multichannel shoppers' behavior is crucial for multichannel retailers' success. Several researchers have conducted studies related to consumers'

online shopping behaviors in a multichannel shopping context (Kim & Park, 2005; Noh, 2008; Kim, Kim, Kumar, 2003).

2 Brief Review of Literature

A positive synergistic effect on multichannel shopping was found when customers were contacted through multiple channels such as retail stores, e-mail, direct mail, and mobile marketing (Kumar & Venkatesan, 2005; Lohse & Spiller, 1998; Ponsford, 2000; Stone, Hobbs, Khaleeli, 2002).

Stone et al. (2002) defined multichannel retailing as a distribution strategy to serve customers across various channels or media. In the multichannel environment, an integrated multichannel retail strategy helps increase store sales by moving online traffic to physical stores and helps online sales by moving offline store customers to the Web, creating a two-way synergistic effect (Lawson, 2001).

Study carried by Kumar and Venkatesan (2005) and Thomas and Sullivan (2005) also found that multichannel shopping experiences lead to higher profits. The increasingly multichannel nature of consumer shopping and purchase behavior calls for a better understanding of their decision processes and new approaches to monitoring and measuring their experience, satisfaction, and loyalty with a retailer (Rangaswamy and van Bruggen, 2005).

A positive synergistic effect on multichannel shopping was found when customers were contacted through multiple channels such as retail stores, e-mail, direct mail, and mobile marketing (Kumar & Venkatesan, 2005). It was also found that customer contacts across multiple channels were an effective strategy for reducing the risk customers perceived in new channels and for educating customers about various purchase channels to help them to migrate to other channels.

Several researches have proved this and it is evident that more than 50% of the technology and lifestyle products are researched online but purchased offline. This growing phenomenon is the major growth driver for multi-channel and Omni channel retailing practices in India. Multi-channel retailing represents significant new revenue opportunities. Since virtual channels like

Internet & Mobile have influential impact in terms of engagement and cost-effectiveness, they have emerged as powerful channels for the retailing community. The initiative is all about delivering cross channel experience to convert clicks & pre-shoppers to walk-ins and online sales. Researchers are particularly interested in dual marketing channels, which combine traditional and electronic channels (Wilson 2008; Berman and Evans 2012).

3 Objectives of the study

1. To study the behavior of shoppers while using multichannel
2. To study how different they are from the customers who use only single channel

4 Methodology

Survey was conducted with a sample size of 210 customers. All shoppers surveyed had to meet the criteria of making purchase with at least two or three channels. The data was collected from South Bangalore Region.
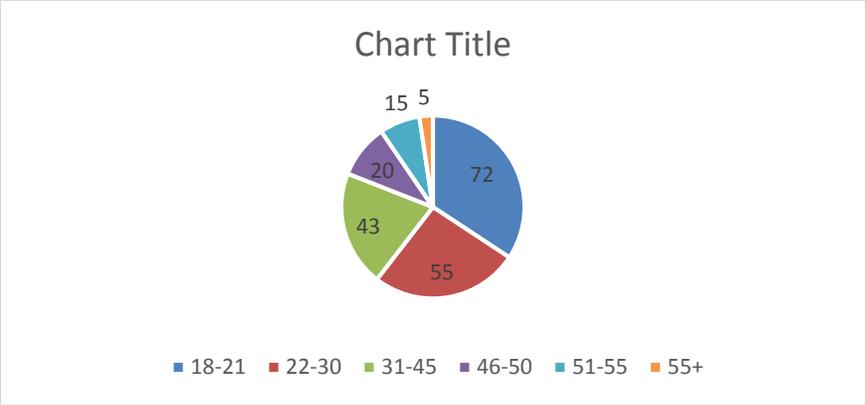
5 Limitations of the Study

The study is confined to South Bangalore city and hence no generalization can be made. The accuracy depends upon the respondents' information.

6 Major Analysis and Findings

1. Age group of Respondents

Age group	No of respondents	Percentage
18-21	72	34
22-30	55	26
31-45	43	20
46-50	20	10
51-55	15	7
55+	5	2

Chart Title
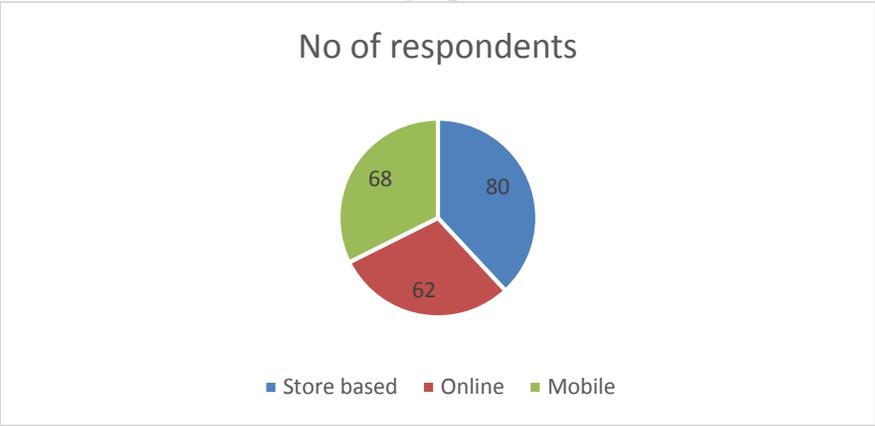
18-21 · 22-30 · 31-45 · 46-50 · 51-55 · 55+

Interpretation:

The older the consumer, the more likely they use store based. Younger shoppers are far more likely to utilize three or more channels when they buy

2. Channel Preference of respondents

Channels	No of respondents	Percentage
Store based	80	38
Online	62	30
Mobile	68	32
Total	210	

No of respondents

Store based · Online · Mobile

Interpretation:

Indicate that 80% of the respondents visit a retail store most of the time when it is time to buy. The online channel is second in terms of frequency of usage: 30% of shoppers regularly use

websites to make their purchases. 32% of Mobile/smart phones are a regular purchase channel for few shoppers.

3. Average Money spend by the respondents in various channels

Money Spend	No of respondents	Percentage
1000 -3000	81	39
4000 -10000	67	32
11000 -20000	50	24
21000 -30000	7	3
31000 above	5	2
Total	210	
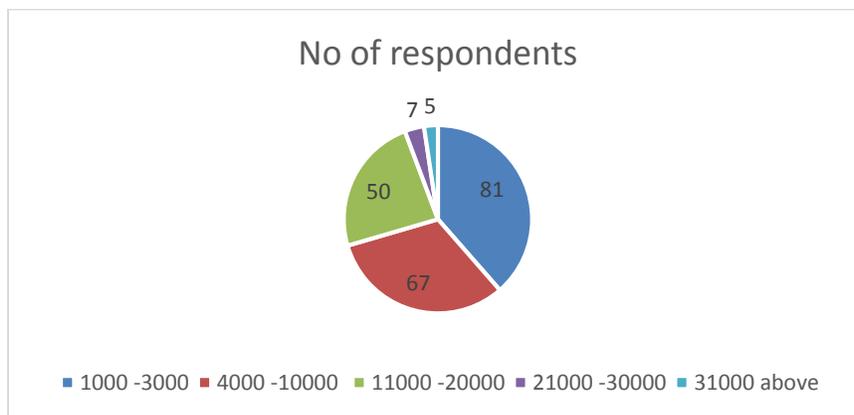
Interpretation:

4. The present research shows that the average shopper would complete the whole process in half a day, in a single shopping trip to the high street. Above 90.7% of shoppers now use two or more channels when making a fashion purchase. The result of this proliferation in choice is an increase in the time spent on making a purchase.

5. Most of the Shoppers now spend over half an hour longer browsing for products than they did ten years ago. The time spent on the research, purchasing and collection phases has actually decreased, as a larger proportion of this activity now happens on online channels which are fast and convenient

6. When it comes to making purchases, the research demonstrates that, on average, 46% of the consumers are nearly as likely to buy online as they are in-store 46.8% for non-supermarket purchases. 3.2% of niche group favour mail order over the other two channels.

7. 71.9 % of Consumers prefer to browse or research purchases on the internet, rather than going in-store but 19.2% to do so.

8. 50% of Men prefer to buy online compared to 42.3% of women. 52.1% women prefer to complete their shopping in-store as compared to 41.1% of men. Men and women both favor browsing on the internet to browsing in-store 74.7% and 69.2% respectively.

7   Conclusion and Further Research

The findings are encouraging to multi-channel retailer designers of a particular target group to create value for the customer which can drive both online and offline sales. The study can be further replicated keeping into account different demographic variables like occupation, income and marital status as well as physiographic variables like personality, lifestyle. Moreover different retail variables like store loyalty, repeat purchase behavior and store image can be taken into account to study their impact on multi-channel retailing. Other lines of investigation in further research, may be set to identify the factors that favor or discourage or to identify the features of buying of these products behavior, as well as grasping of the best practices that company in this field apply in order to create a positive purchase behavior and experience for customers.

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