A Study on factors influencing offline buying behaviour

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Abstract

Purpose: With the increasing prominence of e-commerce, understanding the dynamics that help in making consumers' decisions in physical stores is crucial for both retailers and marketers. The research paper aims to explore and analyse the key factors influencing the offline buying behaviour of consumers with reference to electronic goods specifically laptops, smartphones and smartwatches. The data was collected using structured questionnaire consists of twenty eight statements related to offline buying behaviour identified from extensive literature reviews. Principal Component Analysis (PCA) of EFA was used to extract factors and CFA was used to confirm these factors. Five prominent were extracted which reveals that assurance of product quality, a sense of belongingness because of personalised assistance, a reliable support system and factor of trust in offline shopping influence the consumer to buy through offline mode.

Keywords: Offline shopping, buying behaviour, electronic goods

Introduction

Understanding how people buy things is crucial in today's marketing world. Business depends on customers and everything is done to satisfy customers. The study of how people decide to spend their time, money and efforts on things they want is called consumer behaviour. The field of consumer behaviour is very vast. Every researcher seems consumer from different prospective because every consumer has different individual behaviour. Offline shopping also known as traditional shopping provides a diverse product and services offering customers a variety of choices and the ability to physically compare prices enables consumers to make well informed decisions. Conventional shopping experience provides opportunity to individuals interacts directly with products before making the purchase.

Internet has grown a lot in the last two decades and it's changing how people buying things. Online ads and detailed information on the web are making it easier for people to shop online but even with this many people still prefer traditional view of buying things. While online shopping has become more popular even about 75% of people still like going to physical stores. This means the traditional method like going to store are still indeed for most people.

Offline shopping remains a significant part of consumer experience especially for the products like laptops smartphones and smartwatches. So, studying how people make choices and buying things is crucial. Understanding offline shopping behaviours and factors that influence it is essential for business to develop their strategies to meet the diverse needs of consumers in physical retail environments.

Literature Review

Arekar et.al (2018) conducted a study that how social media platforms influence various aspects of consumer purchasing behaviour within the electronic appliances sector. The study explained the relationship of various independent variable namely composite buying behaviour, variety-seeking buying behaviour, impetuous buying behaviour, usual buying behaviour and disagreement buying behaviour with dependent variable namely consumer buying behaviour. The study gathered data from a sample of 1272 participants focusing specifically on young working women who use electronic products across Maharashtra, India.The findings highlighted a positive relationship between social media and different types of purchasing behaviour.

Khawaja (2018) conducted a study to investigate the factors affecting consumer impulse buying behaviour specifically within hypermarkets. Data was collected through face-to-face interviews using structured questionnaires with closed-ended questions involving 300 respondents. Statistical tools like simple and multiple regressions as well as factor analysis were employed for data analysis. The findings suggest that demographic factors have a positive impact on impulse buying behaviour. Additionally, the study revealed that various appeals such as musical, fear, and humour influence consumers' impulse buying decisions.

Qazzafi (2020) studied the factors influencing consumer buying behaviour aiming to understand how these factors impact purchasing decisions regarding goods and services. The study was limited to theoretical consideration and based on secondary data collection. The findings reveal four primary factors influencing consumer buying behaviour personal, psychological, social and economic factors. Additionally, the study highlighted the impact of factors such as age, life cycle stages, motivation and perceptions on consumer behaviour. It emphasized the significant role of the consumer's surroundings in shaping purchasing decisions.

Rana & Jha (2019) examined the various factors that influence consumer buying behaviour towards consumer durable (white) products. Through questionnaires, researchers analysed consumer behaviour towards sustainable white goods, utilizing statistical tools such as descriptive analysis and t-tests. The findings revealed that female respondents predominantly initiated purchases of refrigerators, washing machines and microwave ovens while male respondents initiated purchases of air conditioners and LCD/LED TVs. A majority of purchase decisions were influenced by family members followed by the respondents themselves and their spouses

Objectives of study

- To study the factors influencing offline buying behaviour with reference to electronic goods.
- To give suggestion based on the findings of the research considering the factors.

Research methodology

A descriptive as well as exploratory research design was used in this study. The data was collected using structured questionnaire consists of twenty eight statements related to offline buying behaviour identified from extensive literature reviews. Respondents were selected using purposive sampling method from the district Rohtak. Total 115 questionnaires were distributed among offline users of electronic goods but 09 questionnaires were excluded from the final analysis due to incomplete responses. Ultimately, a sample size of 106 individuals from Rohtak participated in the study. Descriptive statistics namely frequency distribution, percentage and factor analysis (Exploratory Factor Analysis and Confirmatory Factor Analysis) were used in the study.

Data analysis and Interpretation

Table 1: Demographic Profile of the Respondents

Demographic variables	Freq.	Percentage	Demographic variables	Freq.	Percentage
Age			**Occupation**		
Less than 20	20	18.87	Students	39	36.79
20-30	23	21.70	Business	26	24.53
31-40	32	30.19	Salaried Employee	32	30.19
41-50	14	13.21	Others	9	8.49
Above 50	17	16.04			
Total	106	100.00	**Total**	106	100.00
Gender			**Marital Status**		
Male	67	63.21	Married	60	56.60
Female	39	36.79	Unmarried	46	43.40
Total	106	100.00	**Total**	106	100.00
Educational Qualification			**Annual Income**		
Doctorate	4	3.77	Less than 5	48	45.28
Post Graduate	52	49.06	5 to 10	34	32.08
Graduate	36	33.96	10 to 15	16	15.09
Upto 12th	14	13.21	More than 15	8	7.55
Total	106	100.00	**Total**	106	100.00

Source: Primary data

The table provided data of the demographic characteristics of respondents who utilize offline platforms for shopping. The data shows that a significant proportion of these respondents fall within the age group of '31-40' accounting for 28 percent of the total respondents followed by age groups of '20-30' and 'Less than 20' with 21 percent and 20 percent respectively. The majority of respondents (57 percent) are married while 43 percent are unmarried. Table also showed that the highest level of education attained by these respondents is 'postgraduate' with 49 percent while 33 percent of respondents are graduates. The data also shows that the majority of the respondents (28 percent) have an annual income of 'less than 5 lakhs' while 32 percent of respondents fall within the annual household income range of '5-10lakhs'. Furthermore, the majority of respondents (36 percent) are students who engage in shopping in offline mode. Among the remaining respondents, 30 percent are salaried employed while 25 percent respondents are businessmen and 9 percent are belonging to others.

Factor analysis

The Cronbach's Alpha value measuring the reliability of various factors affecting offline shopping behaviour for electronic goods on a Likert scale was found to be 0.864 indicating high consistency in the questionnaire responses. Additionally, the Kaiser-Meyer-Olkin (KMO) measure for sampling adequacy yielded a value of 0.827 showing suitability for factor analysis. Bartlett's test of Sphericity further supported the dataset's suitability for analysis, with a significant Chi-square value of 1639.915 at 253 degrees of freedom and a significance level of 0.000 suggesting multivariate normality and independence among variables. This confirms that the dataset meets the necessary assumptions for conducting factor analysis.

In exploring factors influencing offline purchasing behaviour Principal Component Analysis (PCA) was employed on a set of 28 statements related to the buying of electronic goods offline. Following the analysis, five statements were removed from consideration due to their lower communalities. These excluded statements are namely 'Cost of shipping in online shopping brings me towards offline shopping (OFL8)', 'Offline sellers provide significant discount and gift coupons on products (OFL9)', 'Offline shopping provides assurance of product quality and authenticity through physical inspections and verification (OFL12)', 'Direct interaction with store employees makes me feel more confident about my purchase (OFL26)' and 'In online shopping contacting with authentic service centers is necessary for repair or service whereas offline merchant assist by connecting us with authorized service centers (OFL27). Subsequently, a refined dataset comprising 23 statements was utilized for further examination.

Factor analysis revealed the five significant factors each with Eigenvalues more than 1 and factor loadings exceeding 0.50. Together, these factors accounted for 75.680 percent of the variance in the data greater than the recommended threshold of 60 percent for meaningful analysis (Hair et al., 2010). The Eigenvalues for these factors ranged from 1.655 to 5.860, indicating their substantial importance in the factor analysis process.
After identifying the factors, a varimax rotation was applied to simplify their interpretation. Varimax rotation aims to maximize the variance of each factor, thereby making the underlying factor structure easier to understand.

Table 2: Rotated Components Matrix

| Statements	Components				
	1	**2**	**3**	**4**	**5**
(OFL2) I have confidence in the authenticity of products when I shop from offline stores.	.871				
(OFL20) The risk of making wrong purchases is minimized when I shop offline.	.868				
(OFL7) Offline shopping provides reassurance regarding product quality through physical inspection.	.855				
(OFL16) I appreciate the convenience of being able to take purchased items home immediately from physical stores.	.852				
(OFL10) Offline sellers offer a diverse range of products to meet various consumer needs.	.832				
(OFL23) Shopping in physical stores allows me to personally evaluate product performance and features.	.825				
(OFL11) I find pleasure in browsing through items in physical stores even if I don't end up buying anything.		.891			
(OFL13) I prefer face-to-face interactions while shopping leads my preference for physical stores.		.872			
(OFL3) Personalized assistance and product demonstrations in stores aid in making informed purchase decisions.		.867			
(OFL4) Incentive programs for loyal customers motivate me to choose offline shopping.		.844			
(OFL19) A welcoming and enjoyable shopping atmosphere in physical stores enhances my overall experience.		.815			
(OFL25) Queries or concerns are promptly addressed during offline shopping.			.912		
(OFL5) Transparent pricing and terms are ensured in offline shopping experiences.			.903		
(OFL22) Offline stores offer reliable post-purchase services such as repairs and warranties.			.854		
(OFL17) Returning faulty products is a straightforward process in offline shopping.			.845		

(OFL18) I trust the information provided by physical retailers.				**.846**	
(OFL1) The reputation of physical stores in the market influences my shopping decisions.				**.843**	
(OFL6) Offline sellers have a evident history of meeting customer expectations.				**.798**	
(OFL15) Recommendations from peers or family members encourage me to shop offline.				**.783**	
(OFL28) Offline shopping is preferred in case of time bound purchase.					**.866**
(OFL24) Concerns about delivery issues lead me to prefer shopping in physical stores over online alternatives.					**.848**
(OFL14My lack of internet proficiency drives my preference for offline shopping.					**.827**
(OFL21) Online shopping platforms may have limited delivery coverage in certain regions.					**.769**
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a] a. Rotation converged in 5 iterations.					

Source: SPSS Output

Five constructs were extracted from rotated component matrix namely 'Product Related Factors', 'Customer Relationship Factors', 'After Sales Service Factors', 'Online Shopping Related Factors' and 'Trustworthy Factors'. All the constructs have the value of more than 0.5 within the acceptable range.

Confirmatory Factor Analysis (CFA) was applied to validate the constructs derived from the Exploratory Factor Analysis (EFA) and to construct a definitive measurement model for variables impacting consumers' purchasing behaviour in offline shopping.
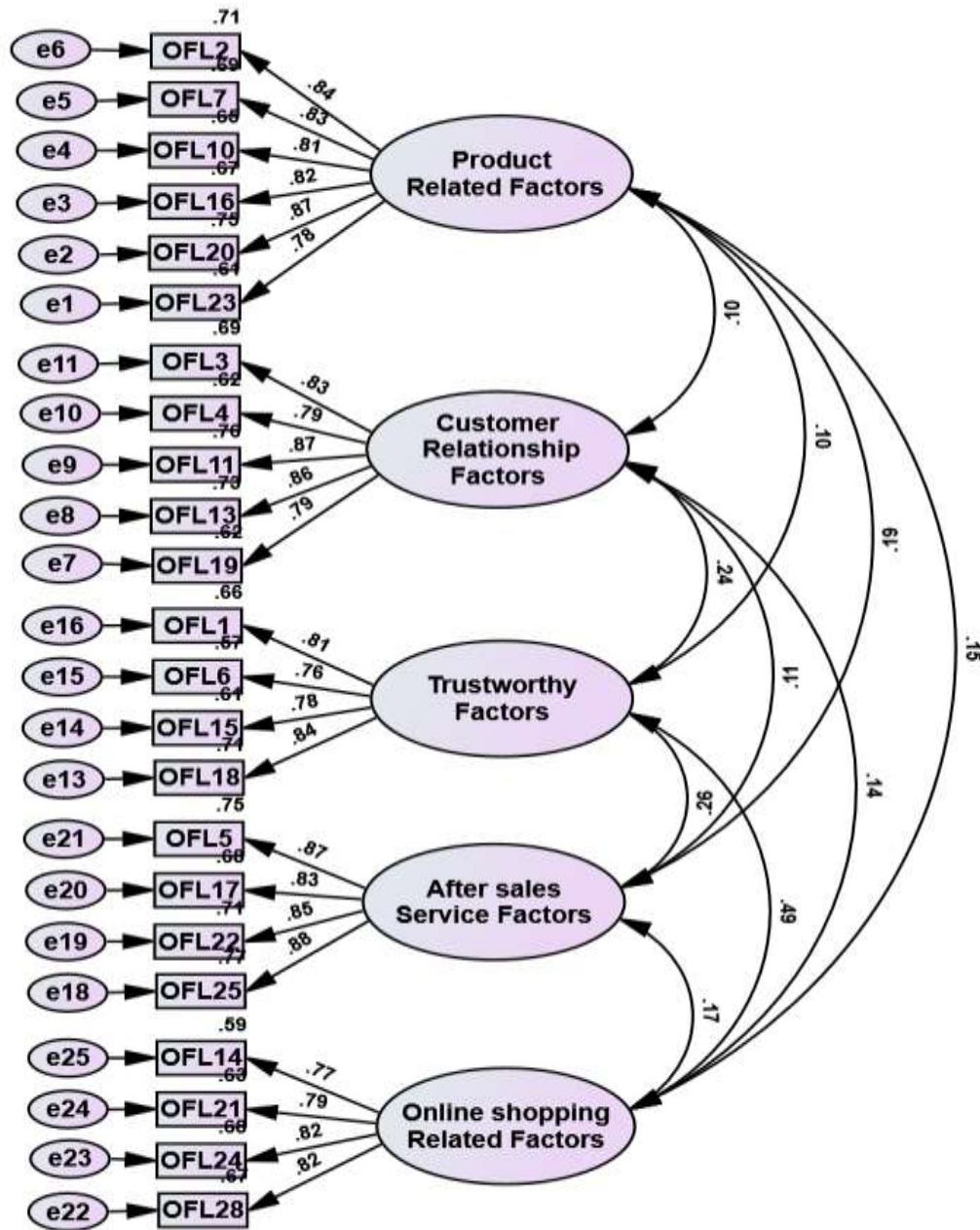
Figure1: Overall Model - Factors Influencing Offline Buying Behaviour

Figure 1 present the results obtained from Confirmatory Factor Analysis (CFA) of factors influencing offline model. The CMIN/DF value was found 1.092 which falls within acceptable limits indicating that model is fit. Additionally, both goodness of fit as well as badness of fit indices were also evaluated to validate the model. The value of Goodness-of- Fit Index (GFI) came 0.953 which within an acceptable range. The Comparative Fit Index (CFI) showed a value of 0.984 close to 1. Adjusted Goodness of Fit index (AGFI) reached 0.912 which was under the acceptable threshold of 0.80. The Root Mean Square Error of Approximation (RMSEA) was 0.30 indicating an acceptable range. All the indices collectively showed that model is fit.

Table 3: Model Fit Measures

Absolute Measures		Incremental Fit Measures		Parsimony Fit Measures	Badness of Fit Measures	
CMIN/DF	GFI	NFI	CFI	AGFI	SRMR	RMSEA
1.092	0.846	0.865	0.987	0.806	0.061	0.030

Source: AMOS Output

Table 4: Validity of CFA Model of Factors influencing offline buying behaviour

	CR	AVE	MSV	MaxR(H)	PRF	CRF	TF	OSRF	ASF
Product Related Factors (PRF)	0.927	0.679	0.036	0.929	**0.824**				
Customer Relationship Factors (CRF)	0.916	0.685	0.058	0.920	0.099	**0.828**			
Trustworthy Factors (TF)	0.875	0.637	0.236	0.879	0.103	0.241	**0.798**		
Online shopping Related Factors (OSRF)	0.915	0.729	0.065	0.916	0.190†	0.113	0.255	**0.854**	
After-Sales Service Factors (ASF)	0.878	0.642	0.236	0.879	0.150	0.140	0.486	0.169	**0.802**

Source: AMOS Output

Table 4 shows that all five constructs have Composite Reliability (CR) values exceeding 0.8 indicating strong reliability within the factor structure. Additionally, the Average Variance Extracted (AVE) for each factor is more than 0.50. These results ensured convergent validity. Furthermore, the AVE values more than the Maximum Shared Variance (MSV) ensuring discriminant validity of the model. McDonald's Construct Reliability (MaxR(H)) values were also utilized all of which exceeded the lower acceptable threshold of 0.70 indicating robust construct reliability.

Suggestions

- Retailers should enhance the variety of products and assure the quality of products available in offline stores to meet diverse needs. Also build a strong brand image by consistently delivering high-quality electronic products.

- Marketers should invest in personalized assistance to create a sense of belongingness among customers and facilitate face to face interaction to strengthen the bond between the customer and the brand.

- Retailers should implement effective after- sales services such as quick resolution and customer support to build customer loyalty and offer opportunities for bargaining to attract price sensitive customers.

- Marketers should emphasize to create and communicate reliable support system to build trust among potential buyers.

Conclusion

This study aimed to investigate and understand the factors influencing offline shopping, resulting in the identification of five key factors. These factors explained individuals' preference for offline shopping driven by factors such as the availability of a diverse product range, assurance of product quality, opportunities for bargaining, and immediate product delivery. Additionally, the analysis reveals a sense of belongingness fostered by personalized assistance, the opportunity for window shopping, and a dependable support system which significantly influences consumers to opt for offline shopping. Furthermore, individuals' reluctance to shop online, attributed to the inability to physically interact with products and limited delivery coverage induce them towards offline shopping. Trust emerges as a critical factor influencing consumer preference for offline shopping. The study offers suggestions based on these finding, aiming to enhance the offline shopping experience and increase its appeal to consumers.

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