



## CONSUMER PREFERENCE TOWARDS MULTICHANNEL RETAILING

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### **Abstract**

Today many retailers provide numerous ways for customers to purchase goods and services. Multichannel is one such strategy used by marketers which tries to sell its product through multiple channels such as catalogs, brick-and-mortar stores, online, and TV shopping. It is observed that Multichannel preferences differ with respect to different age groups and with product types. Hence this study aims to know the customer preference towards multichannel shopping in Bangalore District with sample respondents of 200 customers and focused on collecting data by means of survey method. Convenience sampling was used and data was analyzed using simple percentage, Chi-square and t-test. This research also aims to find out the key factors that influence multichannel shopping behavior of consumers and to identify the determinants of purchase intention among customers. This study will help the retailers to enhance their shopping platforms to better consider the particular needs of different age group of multi-channel shoppers.

**Key Words: Retailers, Preferences, Shoppers, Multichannel.**

### **Introduction**

In India multichannel system is not new, it has become attractive with the development of new technologies and the growing importance of electronic commerce. Multichannel retailing is defined as a distribution strategy used by the retailers to reach customers using more than one channel or medium which includes the internet, televisions, mobile apps and retail outlets. 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 allows them to embrace wider set of customers (Payne, 2004).

Consumers navigate multiple channels so that it can provide seamless experience across physical store, web, catalogue, call center and kiosks. However this behavior differs across different demographic segments as well as with the type of product which consumer intends to buy. In this study the buying behavior of consumers towards different products is taken. A well-integrated multichannel retailing strategy based on understanding multichannel shoppers' preference provides a number of chances to increase the sales and profits of multichannel retailers. Therefore, understanding multichannel shopper's preference is crucial for multichannel retailers' success. Preference can be influenced by factors such as demographics, personality, or past experiences. Preference can be very different from customer to customer and is directly related to an individual's perceived level of effort to contact.

### **Statement of the problem**

Consumption pattern indicates shifts in consumer channel preferences so it is essential to understand how consumers shopping preference in a multichannel environment change. The results from the present study will be crucial in designing strategy and will help firms to enhance the customer value proposition to be adopted for a particular channel. The present paper is an attempt to analyze the preferences of shoppers over different age groups of consumers while selecting a channel i.e., brick and motor, online and TV shopping with special reference to South Bangalore.

### **Scope of the Study**

Understanding the type of consumers and why they choose to use multi-channel, is a critical matter for retailers and other marketers associated with it. The scope of the study is confined to South Bangalore region with special reference to the customers who purchased products through multichannel.



### Objectives of the Study

1. To study the preference of multichannel shoppers.
2. To analyze the various motivational factors influencing the customer to prefer multichannel.
3. To identify the type of product customers like to purchase and the perception of customers towards Multichannel.
4. To suggest the improvement measures to increase customer's preferences towards Multichannel retailing based on the findings

### Research Methodology

**Research Design:** The research is descriptive cum analytical in nature

**Population and Sample Size:** South Bangalore and the number of respondent is 200 consumers who are Multichannel users. Respondents were selected and qualified if they had purchased any items within the last three months of the study (January, February and March 2019)

**Data Collection:** Questionnaire was designed and survey method was adopted to collect the response from the consumers using various scales.

**Tools for Data Collection:** Primary data and secondary data have been used. Primary data were collected through the structured questionnaire and the secondary data were collected from various Books, Journals, Articles, Newspapers, Magazines and Websites

**Sampling Technique:** Convenience sampling was used to collect the data

**Statistical Analysis:** To analyze the data statistical tools like simple percentage, mean and standard deviation is used.

### Limitations of the Study

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

### Analysis and Major Findings

**Respondent Profile (Age)** -The questionnaire was set for a sample size of 250 respondents. The total number of people who actually responded was 200 (from a range of different age groups comprising both men and women). This was deemed to be sufficient to achieve the objectives and draw results.

### Demographic analysis

The gender of the respondents is gathered for the purpose of the study as part of the demographic profile of the respondents. The respondents are classified based on their gender as male and female. The result is depicted below

**Table 1 Gender wise classification of respondents**

Sl.No.	Gender	No. of respondents	Percentage
1	Male	120	60
2	Female	80	40
	<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary Data

Table 1 portrayed the gender wise distribution of respondents. As per the table, 60 per cent of respondents are male and 40 per cent are female respondents. Majority of the respondents are from Male category

### Demographic profile of Multichannel shoppers

45% of the multichannel shoppers are in the age group of 18 to 25 & 40% are in the age group of 25 to 35. 40% of the respondents are graduates, 25% of the respondents have private employment and 48.3% of the respondents earn annual income ranging from 10,000 to 50000. More than 55% of the respondents spend above 2500 when they buy through multichannel. Around 30 % spend more than 1000. Only 5 % of the respondents spend 3000. Very less people wants to spend more than 5000.



**Table 2 Motivational Factors behind Multichannel Shopping**

Sl.No.	Factors	No. of respondents	Percentage
1	Saves time	20	10
2	Variety/Assortment	15	7.5
3	Convenience	15	7.5
4	Availability of the product	15	7.5
5	Price discount	10	5
6.	Home delivery	12	6
7	Reviews and product information	16	8

Source: Primary data

Around 10% of the respondents use multichannel shopping because of the time they save while shopping. Other options are also very motivating behind multichannel shopping as 7.5 % of the respondents go through the review and product information, availability of the product and convenience to shop 24 x 7 through various channel they prefer. And remaining 6 and 5% of the respondents stated that home delivery option and price discounts are the reason behind multichannel shopping.

#### Preferred channel of customers

More than 65% of respondents use store for Shopping. That means people are giving preference to store over personal Computer or mobile or TV. Mobile phone too have major preference after store. Most people stated that depending upon the type of product they would change channels. And the most preferred is still store in Bangalore city. Easy and convenient to use are the major reasons for the customers to use mobile as compared to online Personal computer.

#### Frequency of Shopping

When respondents were asked about frequency of shopping through multichannel, 30% of the respondents use multichannel shopping as routine shopping. The main reason behind this is smart phone. 40% respondents use multichannel shopping occasionally and 30% respondents use multichannel shopping at the time of requirement of any product which is not easily available in offline market.

**Table 3: Type of product/services purchased through multichannel shopping**

Products	Percentage	Products	Percentage
Mobile & Tablets	15	Audio & Video	5
Books	17	Toys & Baby Products	5
Clothing and accessories	10	Home and Kitchen	5
Computer & accessories	5	Car, Motorbike & Industrial	3
Cameras	3	Jewellery	5
Footwear	5	Watches & Eyewear	4
Beauty, Health & Gourmet	5	Handbags, wallets and luggage	5
Sports items	3	Grocery and vegetables	5

Source: Primary data

Maximum no of respondents are using multichannel for purchasing books. After the books, now a day's mobile and tables are at the second position as most favorite products to be purchased via online shopping.



**Table 4: Customer perception on buying through Multi channel**

Sl.No.	Variables	Mean	SD
1	Services/facilities	3.02	1.8041
2	Product Features	2.94	1.861
3	Price	2.81	1.783
4	Promotional Factors	3.00	1.885
	Customer perception on buying through Multi channel	2.94	1.833

Table shows the mean score analysis on the variables offered by multichannel to reiterate the above said result. The mean score value of the variable services/facilities is 3.02, product feature is 2.94, price variable is 2.81 and promotional factor is 3.00. The average mean score of the customer’s perception on buying through multichannel is 2.94. As the mean score of all the variables is above 2.94, it can be concluded that customers has good perception on buying through multichannel.

### Conclusion and further Research

This study was undertaken to understand whether Bangalore customers use multichannel and what exactly is their preference towards the various channels. Also the researcher aimed at understanding the perception and the motivational factors which influence the customers to choose multichannel. Over all the study gave a clear picture on the impact multichannel have on today’s retail scenario and also reveals that Bangalore customer prefer store as the major channel apart from the other channels , depending upon the product they would like to use multichannel mainly because of the services, convenience and facility they provide to the end customers.

This study can be done in detail specific to particular product and study the preference of customers towards each channel in the multichannel distribution strategy. Many studies are not done in India so there is a scope to study a details study on the Omni channel strategies as well.The findings are encouraging to multi-channel retailers designing search ads focusing to a particular target group to create value for the customer which can drive both online and offline sales.

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