

Factors Affecting Consumer Preference for Brands over Generic Brands in Online Versus Offline Shopping for Apparel Segment: An Empirical Study

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Abstract—Since E-commerce has become an integral part of people's life today, everything starting from buying a needle to buying apparel is easily available online. And speaking about apparel, then buying apparel online has caught customer's attraction due to various factors. This study aims to examine the factors determining the choice of customers for brands over generic brands in online shopping, specifically in apparel segment. A survey was administered to assess various factors which affect the customer's choice to buy brands over generic brands. People were asked to rate their preferences on different parameters like ease of availability, attractive discounts, Availability of different sizes and colors etc. The outcome of this study revealed that the factors i.e. Ease of availability, reliability for brand, Moving with the trend, Quality factor, Available in all sizes, Availability of different color, Availability of attractive discounts, examined in the study positively affect the choice of customers for preferring brands over generic brands in online shopping, specifically in apparel segment. To support our study we have performed various tests like reliability test, correlation analysis, regression analysis to name a few, using IBM's SPSS analysis and we have also substantiated the results by embedding the results obtained on SPSS.

Keywords: E-commerce, Internet, Consumer Behavior [WR*1]

1. INTRODUCTION

1.1 E-Commerce

Electronic Commerce or commonly known as E-Commerce refers to wide range of online activities for goods and services. It is also defined as trading of goods and services using a computer network such as an internet or phone. When people talk about e-commerce over internet it means a particular website which sells the product or services directly to consumer and allows the facility of different payment modes like cash on delivery, credit card or debit card. We are now in an era where we can purchase anything online starting from cake to car with a click of a mouse.

- 1.2 World has been witnessing a marvelous growth in E-Commerce. In India, online shopping is showing huge potential in India also, was indicted by the huge number of registered users (30,44,983) in just one e-commerce website, viz. tradeindia.com. The share of online travel portals is touching sky, they are almost occupying half the total share of online market. Makemytrip provides the online facilities for hotel bookings, airlines bookings and railways bookings; it has its reach to 13000 hotels and guesthouses in India and more than 184000 around the globe.
- 1.3 There are good number of websites which provide goods and services, and we can avail these facilities merely sitting at home. There are single products E-commerce websites as well as multi product website. The single product E-commerce is restricted only to a single product whereas the multiproduct E-commerce website has varied sections like apparel, accessories, Household appliances, Gift articles.
- 1.4 E Commerce can be sub-divided into 3 categories namely [Fig. 1]:
 - 1) Business to Business (example: Cisco)
 - 2) Business to Consumer (example: Amazon)
 - 3) Consumer to consumer (example: OLX)

1.4.1 Business to Business (B2B): Business to business (B2B) [WR2] transactions occur between business which could be either between a manufacturer and a retailer or between a wholesaler and a retailer. The volume of transactions is highest in B2B than in B2C or C2C. E-Commerce includes inventory management, procurement management etc. Some of the B2B exchanges in India are tradeindia.com, alibaba.com etc.

1.4.2 Business to Consumer (B2C): Business to Consumer (B2C) [WR3] transactions happen directly between the company and the consumer. The product is directly sold

to the customer or the services are directly rendered to the customer. B2C includes hotel booking, matrimonial sites, bill payment etc. Some B2C businesses in India are flipkart.com, goibibo.com, jeevansathi.com

1.4.3 Consumer to Consumer(C2C): Consumers to consumer (C2C) [WR4] transactions are those where consumers directly interact with the consumers. C2C involves transactions between a consumer and a third party. Online auction is the most common example for C2C.

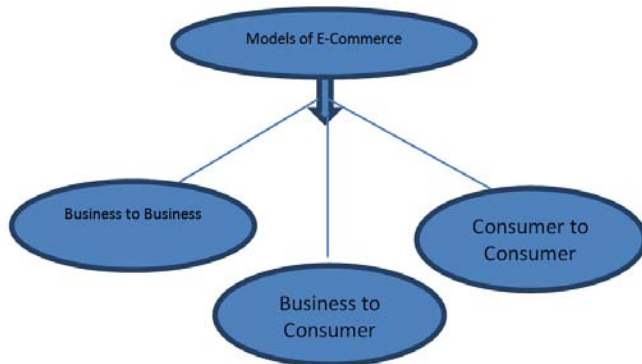


Fig. 1: Models of E-Commerce

2.1 Evolution of E- Commerce:The year 1991 marked a new chapter in the history of online world. Prior to 1991 nobody would have ever gave a thought that buying and selling of goods online. India first came into interaction with E- Commerce with IRCTC[WR5] -a Ministry of Railways website started booking of train tickets through Online Passenger Reservation System, from anywhere at any time. This was a big milestone in the history of India in the field of E-Commerce.

2.2 Inspired by the huge success of IRCTCin online ticketing system, various airlines, viz.Air Deccan, Indian Airlines, Spice Jet etc., also started online booking of Air Tickets **primarily to save the commission paid to agents.** After the successful implementation of E-commerce by Railways and airlines as well the booking system is not just limited to the transportation rather *hotel bookings, bus booking* etc.

3.0 The Deep Discounted model of Flipkart: The lapping up of E commerce in India by Indian consumers also influenced other business players as well to try this technique in order to make huge profits. Though online shopping has been in existence since the 2000 but it has gained popularity only with deep discount model of Flipkart [WR6]. In a way it re-launched online shopping in India. Soon other portals like Amazon, Jabong, etc. started hunting India for their businesses.

4.0 Benefits of E-commerce to Business: There are endless opportunities offered by e-commerce in developing markets like India. Ease of Internet access and navigation are the critical factors that will result in rapid

adoption of Net commerce. Safe and secure payment modes are crucial too along with the need to invent and popularize innovations such as Mobile Commerce. Research Studies have shown that there are several factors which are responsible for boom of E-commerce in India

- 1) Rapidly increased use of internet.
- 2) Technological advancement such as VOIP (Voice over-IP) have bridged gap between buyers and sellers.
- 3) Improved security system for safer transactions.

The reasons behind the adoption of E-commerce are:

- 1) Attractive online websites
- 2) User friendly interface
- 3) Bulky online stores with new fashion
- 4) Easy payment methods (secure pay online via gateways like PayPal or cash-on-delivery)
- 5) No restriction on quantity & quality, one can choose the items based on size, color, price, etc.

2. REVIEW OF LITERATURE

Several studies have been made in understanding the consumer behavior with respect to online shopping. Brand names become more important online in some categories but not in others depending on the extent of information available to consumers. The present study tries to find the factors affecting choice of customer to buy brands over generic brands in online shopping specifically in apparel segment.

Brand names are more valuable when information on fewer attributes is available online. The study throws light on value of brand in online and supermarket (AlexandruArwindRangaswamy, 2000).

How brand trust is affected by the following Web purchase-related factors: brand name, security, privacy, good online experience, and information quality (Hong-Youl Ha, 2004).

The study also argues not all e-trust building programs guarantee success in building trust on brands.

Product categories depends on consumer's preference for online and offline shopping features and their multichannel retail alliances (Aron M. Levin Northern Kentucky, Irwin P. Levin and C. Edward, 2003).

Study on Interpreting Dimension of consumer trust in e-commerce (Sandy C. Chen and Gurpreet S. Dhillon, 2003)

Online and offline shopping perception can be understood in terms of channel for purchasing. The study throws light on how consumers evaluate channels for their purchasing. (Broekhuizen, Thijs L.J., Jager, Wander Groningen University, 2004)

The online medium of shopping provides great opportunities to consumer as well as businesses. The paper lays importance on the shopping perception of those consumers who shop from traditional stores. (Manouchehr Tabatabaei, Georgia Southern University, 2009).

Online shopping has become a trend in market. Market and businesses are facing strong competition between online and offline shopping. This paper lays emphasis on competition between online shopping and offline shopping. (Ethan Lieber, University of Chicago, Chad Syverson University of Chicago Booth School of Business and NBER, 2011).

There are various issues faced by the customers post purchases be it an online purchases or offline purchases. This paper lays emphasis at investigating the effects of post purchase evaluation factor on propensity to complain in online versus offline shopping environment. (Yooncheong Cho, Rutgers University, 2002).

Product attributes evaluation drive differences in online /offline shopping. (Aron M. Levin, Irwin P. Levin, Joshua A. Weller, 2005).

Online and offline shopping depends mostly on consumer behavior. This paper aims at studying different factors affecting consumer behavior like accessibility, time saving, shopping hours etc. (Dr. Dharmendra Mehta, Er. Sunayana Soni, Dr. Naveen K. Mehta)

This paper aims at studying the shopping behavior of consumers in online and offline shopping in grocery products. (Junhong Chu, Marta Arce Urriza, 2010)

Since E-Commerce is changing over past few years, therefore this paper aims to understand that considering the retail segment is it possible to only have online store. (Ferreira P, Faria S, 2013).

This paper focuses on how consumer switches its choice from traditional channel to electronic channel. (Alok Gupta, Bo-Chiuan Su, Zhiping Walter, 2004).

3. OBJECTIVE

Since E-commerce has gained popularity among the people, the reason behind such popularity could be availability of attractive discounts, convenience as people can shop anything sitting at any part of the world. Our study aims to determine such factors which influence people to buy brands over generic brands in online shopping specifically in apparel segment. Therefore our objective for this study is:-

1. To know the factors affecting the sales of generic brands.
2. To know the reason(s) consumer prefer brands over generic brands in apparel segments.

4. HYPOTHESIS

H_0 (Null Hypothesis) = the factors (Ease of availability, reliability for brand, Moving with the trend, Quality factor, Available in all sizes, Availability of different color,

Availability of attractive discounts) do not affect the choice of customers for brands over generic brands.

H_1 (Alternate Hypothesis) = these factors (Ease of availability, reliability for brand, Moving with the trend, Quality factor, Available in all sizes, Availability of different color, Availability of attractive discounts) affect the choice of customers for brands over generic brands.

5. RESEARCH METHODOLOGY

Data Collection

We have collected the primary data through a **self-designed structured questionnaire**. For this study, we collected samples of 283 respondents, and it is a **judgmental sampling**.

Data Analysis Tool

We have performed the entire data analysis process on IBM's SPSS, where we have performed various tests like Correlation Analysis, Regression Analysis tests to know the relationship among the variables.

Our study is based on descriptive research using a sample of 283 respondents; questionnaire is the tool used we developed using Google docs to collect data. We conducted a random survey where questionnaire was circulated among friends, family and faculty members etc. The questionnaire consisted of 15 questions. Five point likert scale was taken (1= **Strongly Disagree**, 2= **Disagree**, 3 = **neither agree nor disagree**, 4= **strongly agree**, 5 = **Agree**). The questionnaire was intended to know the preference of people for brands over generic brands in online shopping, specifically in apparel segment. The questionnaire was designed based on various parameters such as:

- 1) Ease of Availability
- 2) Reliability for brand
- 3) Moving with the trend
- 4) Quality Factor
- 5) Available in all sizes
- 6) Availability of different colors
- 7) Availability of attractive discounts

Out of the target of 400 respondents, to whom the questionnaire was circulated 283 (i.e. 70.75%) responded to the questionnaire which was further used in entire data analysis process.

Out of the 283 responses **54.06% were females and 45.94% of respondents were male** belonging to different backgrounds like service class, businessmen while the remaining was the student community. The respondent's income level varied between ranges of Rs. 0 to 8, 00,000.

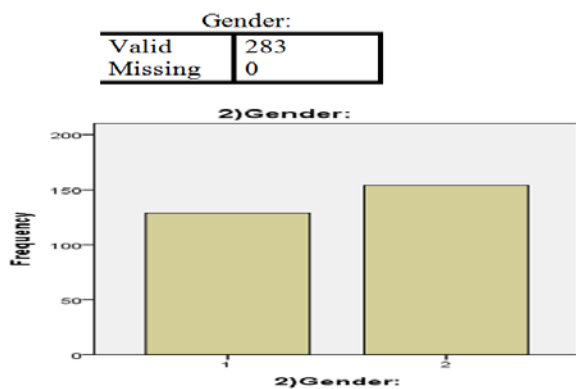


Fig. 2: Gender Representation

In the bar chart [fig2], its states that:

X axis shows the Gender where,

1 → Male and

2 → Female

Y axis shows the frequency

Hence we can come to a conclusion that from the bar chart is that out of the total sample size of 283 respondents **45.94%** are male and **54.06%** are female, and it is also observed that there are more of females who prefer online shopping than the males.

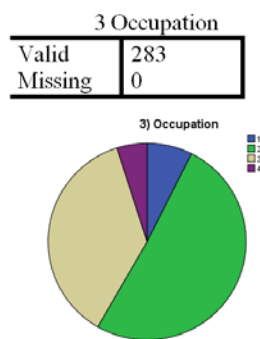


Fig. 3: Occupation Representation

Frequencies

In the pie chart[fig3] the different segments of pie chart reflects the different working classes of people, where

1 → Businessmen

2 → Service

3 → Students

4 → Others

Therefore according to the representation of the pie chart we get an insight that people belonging to service class i.e. 2 are

inclined more toward the online shopping than the other segments. Following the service class is the student community i.e. 3 that does online shopping more than the business class i.e. 1 or others i.e. people belonging to segment labeled as 4.



Fig. 4: Income

Frequencies

In the histogram mentioned in [fig4] income level of different respondents is shown where

X axis → Income

Y axis → Frequency

Where,

1 → 1, 00,000 - 5, 00,000

2 → 5, 00,000 – 8, 00,000

3 → 8, 00,000 & above

4 → None

Where 'X' is our independent variable and it comprised of following variables

1. While purchasing online do you think the choice of brands over generic brands is due the easy availability of brands?
2. In your opinion are the brands more reliable to be purchased rather than generic brands when shopping online?
3. Do you think brands at online stores are aligned with prevailing fashion trends?
4. In your opinion do brands in online stores offer more attractive discounts over the generic brands?
5. Do you feel quality is an important parameter to purchase brands rather than generic brands when shopping online?
6. Do you think availability of different size of apparels is easily available in brands than in generic brands when shopping online?
7. Do you feel wide ranges of colors are available in brands than in generic brands when shopping online?

Based on the data obtained from above stated variables (1-7) we have taken simple average for each record under the name of “REASONS FOR PREFERRED BRANDS OVER GENERIC BRANDS”.

And

Where ‘Y’ is our dependent variable as below:

“Do you think factors discussed in questions 8 – 14 (in the questionnaire) helped you to prefer brands over generic brands when shopping?”

6. ANALYSIS & INTERPRETATION

Reliability Analysis

Reliability: To assess the reliability of the collected data, using questionnaire (based on likert scale), from the survey, we have performed reliability test using SPSS. Cronbach Alpha is the most common measure to test the reliability of a data. The test statistics are as mentioned in [Table 1]

Table 1: Cronbach Alpha Reliability Measure

Reliability Statistics

Cronbach's Alpha	N of Items
.685	8

From the table 1, we can conclude that the data is reliable as the “Alpha” value i.e. 0.685 falls in the acceptable range.

Table 2: Correlation Analysis

		REASONS FOR PREFERRED BRANDS OVER GENERIC BRANDS	15. Do you think factors discussed in questions 8 - 14 helped you to prefer brands over generic brands when shopping online?
REASONS FOR PREFERRED BRANDS OVER GENERIC BRANDS	Pearson Correlation	1	.222**
	Sig. (2-tailed)		.000
	N	283	283
15. Do you think factors discussed in questions 8 - 14 helped you to prefer brands over generic brands when shopping online?	Pearson Correlation	.222**	1
	Sig. (2-tailed)	.000	
	N	283	283

Correlation analysis is performed to know the association between the variables. It gives an insight as to how closely be the variables associated. The range of correlation lies between -1 to +1 where +1 signifies that the variables are positively related and -1 indicated that the variables are not related at all. Here [Table 2] through correlation analysis we find that dependent variable and independent variable are correlated and therefore we may go for regression analysis.

Table 3: Regression Analysis

Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.222a	.049	.046	.694

a. Predictors: (Constant), REASONS FOR PREFERRED BRANDS OVER GENERIC BRANDS

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6.979	1	6.979	14.503	.000b
Residual	135.226	281	.481		
Total	142.205	282			

a. Dependent Variable: 15. Do you think factors discussed in questions 8 - 14 helped you to prefer brands over generic brands when shopping online?

b. Predictors: (Constant), REASONS FOR PREFERRED BRANDS OVER GENERIC BRANDS

Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
1 (Constant)	2.371	.444		5.343
REASONS FOR PREFERRED BRANDS OVER GENERIC BRANDS	.418	.110	.222	3.808

a. Dependent Variable: 15. Do you think factors discussed in questions 8 - 14 helped you to prefer brands over generic brands when shopping online?

Through regression analysis [Table 3] we find that there is a positive relationship between the variables where beta is .418.

Adjusted R² is 5%. We suggest that 5% change in dependent variables i.e. Y’ is our dependent variable as below

“Do you think factors discussed in questions 8 – 14 (in the questionnaire) helped you to prefer brands over generic brands when shopping”? Is because of independent variables i.e. **‘X’ is our independent variable and it comprised of following variables**

1. While purchasing online do you think the choice of brands over generic brands is due the easy availability of brands?
2. In your opinion are the brands more reliable to be purchased rather than generic brands when shopping online?
3. Do you think brands at online stores are aligned with prevailing fashion trends?
4. In your opinion do brands in online stores offer more attractive discounts over the generic brands?
5. Do you feel quality is an important parameter to purchase brands rather than generic brands when shopping online?
6. Do you think availability of different size of apparels is easily available in brands than in generic brands when shopping online?
7. Do you feel wide ranges of colors are available in brands than in generic brands when shopping online?

We also observe that our model is statistically significant at 5% level of significance. In the model the dependent variable i.e. Y has a positive coefficient of .418 which is statistically significant at 5% level of significance which shows that all the factors are positively affecting the choice of customer for brand over generic brands.

Based on the statistics observed after performing regression analysis on SPSS we can deduce the relationship between the dependent(Y) and independent(X) variables as below:

$$Y=2.377+.48X \quad (I)$$

Therefore, from the above analysis it can be concluded that a brand is preferred among customers due to the following factors:

- Ease of Availability
- Reliability for brand
- Moving with the trend
- Quality Factor
- Available in all sizes
- Availability of different colors
- Availability of attractive discounts

Hence, generic brands should work upon the above mentioned factors so that they can also attract customer’s preference.

7. LIMITATIONS

- 1) There was a time constraint
- 2) This study can also be extended to other segment of online shopping.
- 3) We were not able to target larger population.

8. RECOMMENDATIONS

Customer satisfaction is ultimately what every business thrives for, and same holds true for E-commerce. Today E-commerce is a huge success which is primarily because customers are satisfied. A satisfied customer would surely visit E-commerce website again. To satisfy a customer: [WR7]

- 1) E-commerce websites must develop a user friendly interface so that it enhances the customer experience.
- 2) Companies must focus on the needs of the customers.
- 3) Companies must annually or bi-annually offer its customers with discounts and sale like that of flipkart’s “The Big Billion day” [WR8].
- 4) Design a customer feedback mechanism.

9. CONCLUSION

As per the research performed Ease of availability, reliability for brand, moving with the trend, Quality factor, Available in all sizes, Availability of different color, Availability of attractive discounts are the factors which generic brands should consider so that they may also be a brand. Every business aims to satisfy its customers and customers would be satisfied once their needs are fulfilled. All the brands which are nationally or internationally recognized among people are popular because it satisfies customer’s taste, its need.

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