Retail in Transition: Exploring the Interplay of Demographics and Shopping Channel Behaviour

Singh, Surender[1], and Gupta, Rekha[2]

[1]Research Scholar, NIILM University, Kaithal, and Associate Professor of Commerce Markanda National College, Shahabad

[2]Professor and Dean, Faculty of Commerce & Management NIILM, University, Kaithal

ABSTRACT

This study examines consumer preferences for shopping channels—online, offline, and hybrid—through a frequency-based analysis of responses from 390 participants. Key factors influencing preferences, including product variety, pricing, convenience, and personalized service, are analysed to understand their role in shaping decision-making and satisfaction levels. The findings reveal that product variety and pricing are the most significant determinants, with convenience driving online shopping and tactile engagement favoring offline shopping. Hybrid models are increasingly popular, reflecting consumer demand for flexibility. Promotional offers, such as discounts, significantly influence switching behavior between channels. These insights provide actionable recommendations for retailers to enhance shopping experiences and align strategies with consumer expectations in a competitive market.

Keywords: Consumer preferences, shopping channels, frequency analysis, hybrid models, promotional offers.

INTRODUCTION

Consumer preferences in shopping have undergone a significant transformation with the rise of technology and evolving retail landscapes (Verhoef et al., 2015). The demographics of shoppers, including their age, gender, education, and income levels,

play a critical role in shaping their shopping behaviours and channel preferences (Lim et al., 2017). Younger consumers, for instance, often exhibit a strong inclination toward online platforms due to convenience and access to diverse products, while older segments may prioritize the tactile experience of offline shopping (Levin et al., 2003). Similarly, income levels influence sensitivity to pricing and promotional offers, highlighting the importance of understanding demographic variations to cater effectively to diverse consumer needs (Szymanski & Hise, 2000). This study focuses on analyzing these demographic factors to provide a comprehensive understanding of shopping preferences.

The choice of shopping channels—whether online, offline, or hybrid—is influenced by several factors, including product variety, pricing, convenience, and personalized service (Degeratu et al., 2000). These preferences are often intertwined with demographic characteristics, as younger and more digitally adept consumers may value online convenience, whereas those with higher disposable incomes might prioritize exclusive offline experiences (Chayapa, 2011). Furthermore, promotional strategies such as discounts and offers significantly impact switching behavior, often encouraging consumers across income brackets to explore multiple channels (Lim et al., 2017). A detailed examination of these demographic patterns provides insights into the complex dynamics of consumer behaviour.

This research aims to explore the factors influencing shopping channel preferences and satisfaction levels, with a focus on demographic-based differences. By examining how age, gender, education, and income impact the relative importance of product variety, pricing, and convenience, the study seeks to uncover actionable insights for retailers. These insights are derived from two primary objectives.

➤ *To analyze the factors influencing consumer preferences for shopping channels, including product variety, price, convenience, and personalized service.*

➤ *To evaluate consumer satisfaction with shopping experiences and the impact of promotional offers on switching behavior between shopping channels.*

The findings will help businesses design targeted strategies that cater to specific demographic groups, optimize shopping experiences across channels, and build long-term consumer loyalty in a competitive retail environment.

1. **THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT**

Consumer preferences for shopping channels are significantly shaped by factors such as convenience, product variety, pricing, and the tactile experience. Lim et al. (2017)

noted that online shopping appeals to consumers due to its convenience, wider product selection, and competitive pricing, while offline shopping remains favored for its physical interaction and immediate product availability. Similarly, the tactile need to touch or try products, as emphasized by Chiang and Dholskia (2003), Lynch et al. (2001), and Levin et al. (2003), is a critical determinant for offline shopping. These insights highlight the role of these factors in shaping consumer choices across shopping channels.

H₁: Factors such as product variety, price, convenience, and personalized service significantly influence consumers' choice of shopping channels.

The preferences between online and offline shopping are influenced by the inherent differences in the shopping environment and consumer experience. According to Wang et al. (2013) and Alba et al. (1997), the inability to physically inspect products is a limitation in online shopping, driving many consumers toward offline stores for certain categories. On the other hand, online channels often provide enhanced brand visibility and detailed product information, which Degeratu et al. (2000) demonstrated as more critical for specific product categories. Offline shopping benefits from immediate possession and localized interaction, while online shopping is driven by ease of comparison and convenience (Chayapa, 2011).

H₂: There is a significant difference in the factors influencing online versus offline shopping preferences.

Customer satisfaction is a critical metric for evaluating shopping experiences, and it varies between online and offline settings. Szymanski and Hise (2000) highlighted that while online shopping excels in convenience and price comparison; offline shopping often provides superior customer service, leading to higher satisfaction and loyalty. Additionally, Levin et al. (2003) observed that offline shoppers derive satisfaction from physically interacting with products before purchasing. The study by Chayapa (2011) further supports the notion that while decision-making processes may align, the satisfaction derived from the shopping environment differs significantly between channels.

H₃: Consumers' satisfaction levels differ significantly between online, offline, and hybrid shopping experiences.

Promotions and discounts play a pivotal role in influencing consumer behavior, often prompting shoppers to switch between online and offline channels. Lim et al. (2017) and Verhoef et al. (2015) emphasized that technology-driven marketing strategies have

amplified the effectiveness of online promotions, while offline stores often rely on personalized discounts and immediate value offers. Chayapa (2011) noted that marketing communication differs significantly across channels, which can directly impact consumer decision-making and channel loyalty.

H4: Promotions and discounts significantly impact consumers' intentions to switch between online and offline shopping channels.

2. RESEARCH METHODOLOGY

3.1 Sample and Demographics

Data for the study were collected through a structured questionnaire administered to 390 consumers in Haryana. The demographic details of the respondents are summarized in the table below:

Demographic Attribute	Category	Percentage (%)
Gender	Female	66.20
	Male	33.80
Age	18-24 years	71.50
	25-34 years	12.10
	35-44 years	9.70
	45+ years	6.70
Education	Up to 10+2	33.10
	Bachelor's degree	36.90
	Master's degree	20.00
	Doctorate	10.00
Income (INR)	Less than ₹1,00,000	55.60
	₹1,00,000-₹3,00,000	26.40
	₹3,00,000-₹6,00,000	6.70
	More than ₹6,00,000	11.30

3.2 Data Collection

Data collection was conducted using a structured questionnaire. The survey was conducted among consumers in Haryana using a convenience sampling method to

ensure broad representation across various demographic groups. The structured design enabled the capture of relevant data aligned with the study's objectives.

3.3 Measures

The questionnaire was divided into three sections, focusing on the following areas:

Shopping Channel Preferences: Respondents were asked to indicate their preference for shopping channels, choosing among online, offline, or both.

Factors Influencing Channel Choice: This section assessed key factors that influenced the respondents' choice of shopping channels, including: Convenience; Cost-effectiveness; Product availability; Technological access.

Demographic Information: This section gathered data on gender, age, education, and income to provide a comprehensive understanding of the respondent profile.

4. DATA ANALYSIS AND DISCUSSION

The analysis focuses on understanding the factors that influence consumer preferences for shopping channels, specifically online, offline, or a hybrid of both. It examines key determinants such as product variety, price, convenience, and personalized service, as well as their role in shaping shopping experiences and decision-making. Additionally, the analysis explores consumers' preferences regarding switching behavior between channels based on promotional offers, providing insights into the dynamics of retail strategies. By identifying patterns and trends, the analysis aims to provide actionable recommendations for retailers to optimize their offerings and align with evolving consumer expectations.

4.1. Factors Influencing Mode of Shopping

Table 1: Preference of Factors Influencing Mode of Shopping

| Factors	Frequency	Percentage (%)
Convenience	68	17.4
Personalized Service	27	6.9
Price	99	25.4
Product Variety	196	50.3
Total	390	100.0

Figure 1: Proportion of Factors Influencing Mode of Shopping
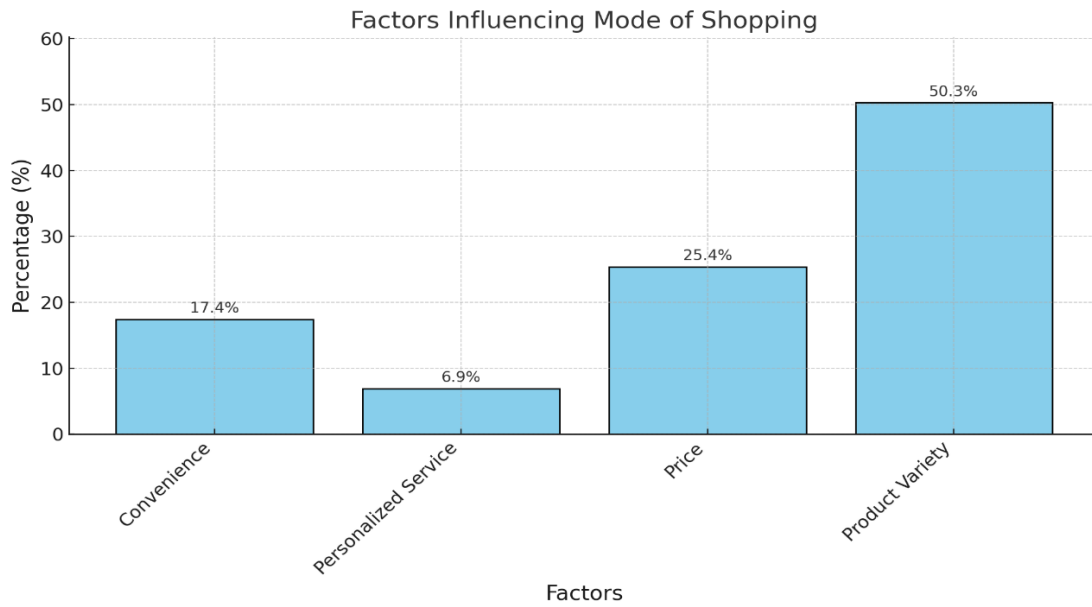
Analysis:

The analysis reveals that *product variety* is the most significant factor influencing shopping channel choice, preferred by 50.3% of respondents. *Price* is the second-most preferred factor (25.4%), followed by *convenience* (17.4%) and *personalized service* (6.9%). A chi-square test showed a statistically significant association between these factors and shopping preferences ($x^2(3) = 156.89$, $p < .001$), suggesting businesses should focus on expanding product options and competitive pricing to attract more consumers.

4.2 Factors Influencing the Decision Between Online and Offline Shopping

Table 2: Preference of Factors Influencing Online vs. Offline Shopping

Factors	Frequency	Percentage (%)
Ability to Inspect Products	67	17.2
Convenience	80	20.5
Personalized Service	41	10.5
Price	83	21.3
Product Variety	119	30.5
Total	390	100.0

Figure 2: Proportion of Factors Influencing Online vs. Offline Shopping
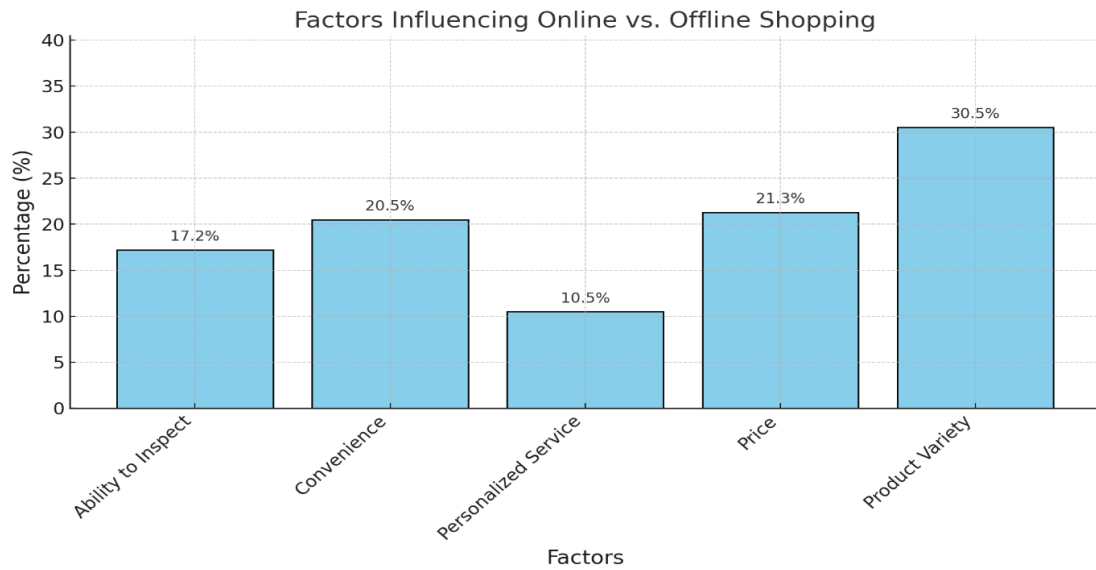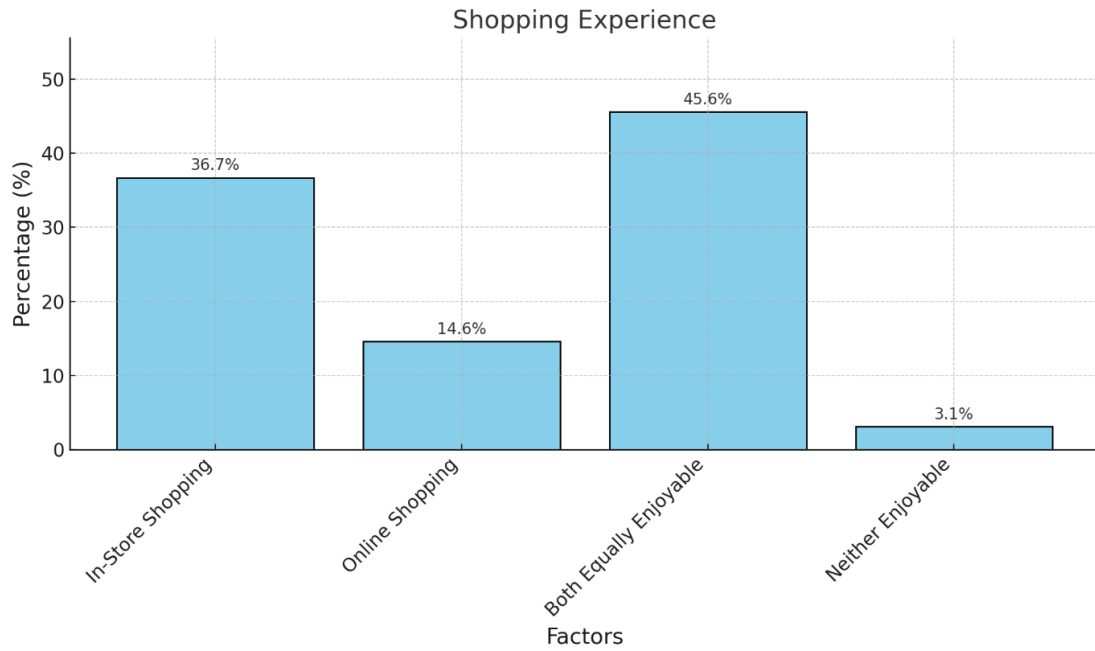

Analysis:

The findings indicate that *product variety* is the most influential factor when deciding between online and offline shopping (30.5%). This is followed by *price* (21.3%), *convenience* (20.5%), and *ability to inspect products before purchase* (17.2%). *Personalized service* was the least influential factor (10.5%). These insights suggest that businesses, regardless of channel, should prioritize product variety and competitive pricing strategies to attract more consumers.

4.3 Shopping Experience: Online vs. Offline

Table 3: Frequency Distribution of Shopping Experience

Shopping Experience	Frequency	Percentage (%)
In-Store Shopping	143	36.7
Online Shopping	57	14.6
Both Equally Enjoyable	178	45.6
Neither Enjoyable	12	3.1
Total	390	100.0

**Figure 3: Proportion of Shopping Experiences**

Analysis:

The results show that 45.6% of respondents find both online and offline shopping equally enjoyable. A significant proportion (36.7%) prefers in-store shopping, while only 14.6% enjoy online shopping more. Notably, 3.1% of respondents find neither mode enjoyable, highlighting an area of concern for retailers. These findings underscore the importance of enhancing both online and offline experiences to meet diverse consumer expectations.

4.4 Intention to Switch Between Online and Offline Shopping

Table 4: Frequency Distribution of Intention to Switch Shopping Channels

Factors	Frequency	Percentage (%)
Very Likely	91	23.3
Likely	127	32.6
Neutral	144	36.9
Unlikely	28	7.2
Total	390	100.0

Figure 4: Proportion of Intention to Switch Shopping Channels

Intention to Switch Shopping Channels
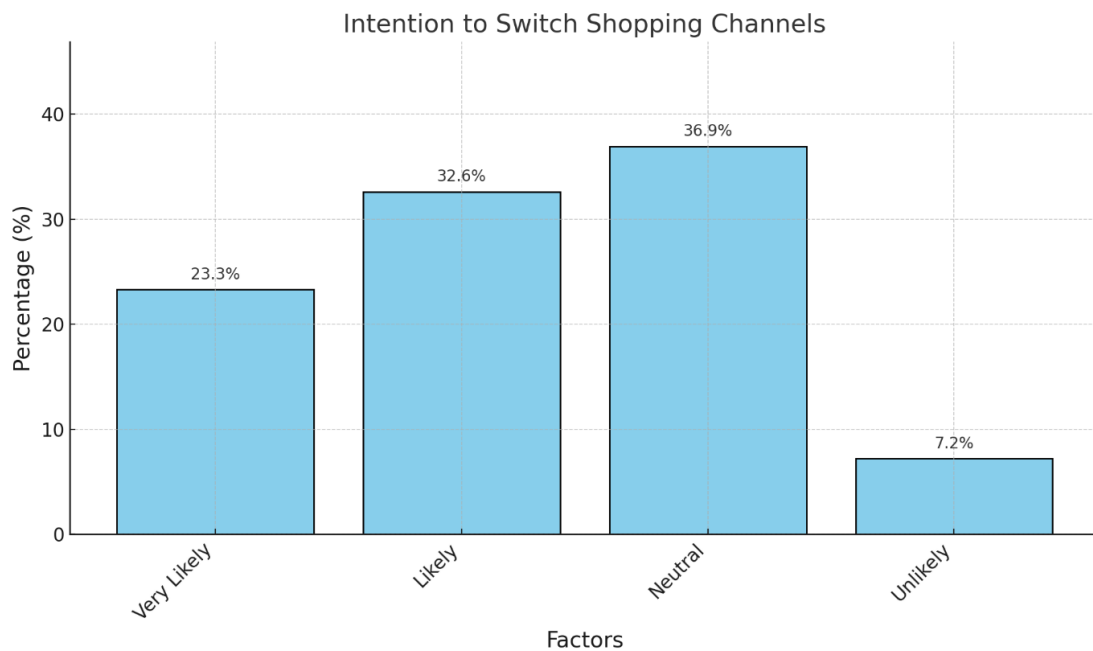
Analysis:

The analysis reveals that 55.9% of respondents (combining "likely" and "very likely") are inclined to switch shopping channels based on the availability of discounts or promotions. The majority (36.9%) remains neutral, while 7.2% are unlikely to switch. These results indicate that discounts and promotions significantly influence shopping behavior, providing an opportunity for businesses to attract and retain customers through targeted promotional campaigns.

4.5 Discussion

The findings of this study provide valuable insights into consumer preferences and behavior, highlighting the dynamics of shopping channel choices and the factors influencing these decisions. The predominance of product variety as a key determinant underscores the evolving consumer demand for access to diverse options, whether shopping online or offline. This aligns with the broader trend of personalization and choice in modern retail markets, suggesting that businesses must prioritize inventory diversity and availability to remain competitive. Price sensitivity continues to be a significant factor, reflecting the importance of affordability in consumer decision-making. The emphasis on convenience, particularly in the context of online shopping, highlights the growing need for seamless and time-efficient shopping experiences. However, the relatively low impact of personalized service suggests a shift in consumer expectations, where efficiency and accessibility may outweigh traditional customer

service elements in much cases. The enjoyment of both online and offline shopping experiences by a substantial portion of respondents signals the importance of integrating both channels into a cohesive strategy. This hybrid preference reflects the dual needs for the tactile and social aspects of offline shopping, alongside the convenience and variety offered by online platforms. Businesses that successfully bridge the gap between these modes through omnichannel strategies are likely to gain a competitive advantage. The willingness of consumers to switch between shopping channels based on promotions and discounts further emphasizes the role of targeted marketing. Retailers can leverage these insights to design campaigns that not only attract price-conscious consumers but also foster long-term loyalty. The segment of consumers who remain neutral about switching behavior presents an opportunity for businesses to influence and convert these individuals through tailored promotions and improved shopping experiences. Overall, the discussion highlights the importance of aligning retail strategies with consumer preferences. Retailers must focus on delivering value through product variety, competitive pricing, and a hybrid shopping experience, while addressing the needs of underserved segments. The findings offer actionable insights for businesses to enhance customer engagement and adapt to the dynamic retail environment.

5. CONCLUSION

This study highlights the complex interplay of factors influencing consumer shopping preferences across online, offline, and hybrid channels. The findings indicate that product variety and pricing are paramount in shaping shopping behavior, while convenience and the ability to inspect products also significantly impact decision-making. Interestingly, personalized service emerged as a less critical factor, pointing to a shift in consumer priorities toward efficiency and access. The analysis also underscores the growing importance of a hybrid shopping approach, as many consumers enjoy both online and offline experiences equally. However, the dissatisfaction of a small segment with either mode emphasizes the need for businesses to improve the overall shopping experience. Furthermore, discounts and promotions have proven to be strong motivators for channel switching, offering a valuable strategy for retailers to influence consumer behavior and drive sales. These insights reaffirm the necessity for businesses to adopt a consumer-centric approach that prioritizes diverse product offerings, competitive pricing, and seamless integration of online and offline

channels. Such strategies will not only enhance customer satisfaction but also foster loyalty in an increasingly competitive retail landscape**.**

6. POLICY RECOMMENDATIONS

- *Encourage Hybrid Retail Strategies:* Retailers should integrate online and offline shopping experiences through omnichannel solutions. Options like online ordering with in-store pickup or returns and synchronized inventory systems can cater to the growing preference for hybrid shopping models.

- *Focus on Product Variety and Availability:* Prioritizing a diverse and consistently available range of products is essential. Efficient supply chain management and inventory forecasting can help maintain high-demand stock levels and meet consumer expectations.

- *Implement Competitive Pricing and Promotions:* Dynamic pricing models and tailored promotions can attract price-sensitive consumers and foster loyalty. Frequent discounts and targeted campaigns can also encourage channel switching and repeat purchases.

- *Enhance the Offline Shopping Experience*: Experiential elements like immersive displays, product demonstrations, and engaging customer activities can enrich in-store shopping, addressing the tactile and social needs of consumers.

- *Improve Online Convenience Features:* Online platforms should offer intuitive interfaces, faster delivery options, and features like augmented reality (AR) for virtual trials. Enhancing the online user experience can drive engagement and satisfaction.

- *Address Dissatisfied Segments*: Special attention should be given to dissatisfied consumers through targeted surveys to identify pain points. Implementing corrective measures can improve overall satisfaction and loyalty across channels.

REFERENCES

1.   Alba, J., Lynch, J., Weitz, B., Janiszewski, C., Lutz, R., Sawyer, A., & Wood, S. (1997). Interactive home shopping: Consumer, retailer, and manufacturer incentives to participate in electronic marketplaces. Journal of Marketing, 61(3), 38–53. https://doi.org/10.1177/002224299706100303

2.   Chayapa, K. (2011). Whether a consumer is shopping online or offline: The decision-making process is fairly similar. In Marketing Communications and Shopping Behavior, (245–258).

3.   *Chiang, W. K., & Dholakia, R. R. (2003). Factors driving consumer intention to shop online: An empirical investigation. Internet Research, 13(2), 177–183.*

4.   *Degeratu, A. M., Rangaswamy, A., & Wu, J. (2000). Consumer choice behavior in online and traditional supermarkets: The effects of brand name, price, and other search attributes. International Journal of Research in Marketing, 17(1), 55–78.* *https://doi.org/10.1016/S0167-8116(00)00005-7*

5.   *Levin, A. M., Levin, I. P., & Heath, C. E. (2003). Product attributes categorization and judgment: The importance of online shopping context. Journal of Consumer Research, 30(2), 154–165.*

6.   *Lim, H., Widdows, R., & Park, J. (2017). Online versus offline shopping: A comparison of consumer behavior in different environments. International Journal of Retail and Distribution Management, 45(3), 260–280.*

7.   *Lynch, J. G., Kent, C., & Ariely, D. (2001). Wine online: Search costs affect competition on price, quality, and distribution. Marketing Science, 20(1), 83–103.*

8.   *Szymanski, D. M., & Hise, R. T. (2000). E-satisfaction: An initial examination. Journal of Retailing, 76(3), 309–322.* *https://doi.org/10.1016/S0022-4359(00)00035-X*

9.   *Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omni-channel retailingIntroductionspecialissuemulti-channelretailing. Journal of Retailing, 91(2), 174–181.* *https://doi.org/10.1016/j.jretai.2015.02.005*

10.   *Wang, Y., Ma, J., & Wu, L. (2019). Environmental implications of online versus offline shopping: A comparative study. Journal of Cleaner Production, 207, 826–845.*

11.   *Dahiya, J., & Himanshi, H. (2024). CONSUMER PERSUASION IN DISGUISE: THE ROLE OF CELEBRITY INFLUENCE IN SURROGATE ADVERTISING. Shodh Sari-An International Multidisciplinary Journal, 03(02), 50–63. https://doi.org/10.59231/sari7687*

12.   *Dalal, R., & Abhishek, A. (2024). CONSUMER PURCHASE BEHAVIOR TOWARDS AYURVEDIC COSMETIC PRODUCTS IN BAHADURGARH. Shodh Sari-An International Multidisciplinary Journal, 03(01), 430–439. https://doi.org/10.59231/sari7681*