A STUDY ON CUSTOMERS INTENTION AND PURCHASE DECISION BEHAVIOUR ON OMNI-CHANNEL E-TAILING

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ABSTRACT

The use of Internet and New technologies over the last decade has bought lot of changes in the retailing Industry in India. The purpose of this Study is to understand the Customers Intention and Purchase Decision Behaviour of Customers on Omni-Channel e-tailing in Coimbatore. Questionnaire method and Convenient sampling were used to collect data from people in Coimbatore. SEM is used to analyse the customers intention on Omnichannel E-Tailing. The Introduction of E-Commerce sites Like Flipkart and Amazon has bought a drastic change on Customers Intention and Purchase Behaviour. This paper Provides the statistical view point on Customers Intention and Purchase Decision on Omni-Channel E-Tailing.

Keyword: *Omni-channel, E-tailing, Internet of Things.*

1.INTRODUCTION

Omni-Channel Supply chain in e-tailing is an approach that provides the customers the ease of shopping both online and offline in a unified and seamlessly across the platform, provides the flexibility in shopping experience.

The traditional e-tailing business model becomes commoditized and digital players are experimenting with new innovative ideas, in which they integrated both online and offline in one (i.e., Omni-channel). Customers have the freedom evaluate the products online and buy offline, or trail it offline and shop online, or can shift between both based on their intention and aspects. To perform this study Questionnaires were formed and a survey is conducted in Tamilnadu. The research provides the information about the customers intention by their satisfaction and the convenience they get in the Omni-Channel e-tailing, during the covid the customer were satisfied by door step delivery and technology like contact less payment.

The growing use internet and smart connected features have changed the traditional way of doing to a different unimaginable way. The growth in technology has bought a huge difference in e-commerce supply chain.

1.1 PURPOSE OF STUDY

Omni-Channel e-tailing is ensuring that a business provides a seamless usage of both online and the offline platform across channel it provides a multichannel experience under one roof for the customers, it enables the customers to choose between online and offline based on their convenience. The Omni-channel Supply-chain provides the information about the availability and price of the product. This approach provides a wide spread of product line and different option for the customers. This study say that the brand loyalty and trust are the key factor that drive people to shop at their trusted omni-channel E-tailers. Omni-Channel E-tailers can offer customized offers to their loyal customers, only possible with information about the consumers but such information is difficult to come by as people are concerned of their privacy. Online Shipping and one day delivery to the customers are the most important steps in ensuring customer end to end experience. These channels have applied four main process to enhance customer experience through personal customization, easy payment method, customer-based promotion and improving the quality of the service provided to the customers.

1.3 STATEMENT OF PROBLEM

The integrated shopping experience of both online and offline is to be integrated seamlessly to provide an unmatchable shopping experience across all the platform. The change in traditional brick and mortar retail shopping store to omni-channel e-tailing, consumers are expecting more in the quality and the service provided by the organisation. This has led to many research to provide and fulfil the customers expectancy level, by which new technology in retail markets as well as in online markets are emerging. The increased use of internet has made a huge difference in the retail sector, the concept like buy anything anywhere at any time made consumers life sophisticated.

Omni-Channel E-tailing is the most growing and adopted techniques in the retail industry, In India the concept is adopted by major players like Reliance, Croma and many more, from the outlook the customer's attitude and satisfaction on Omni-Channel e-tailing is positive. The adoption of technology that ease the shopping experience of the consumer's has led a huge growth, hence a clear understanding of customer's shopping and buying decision is important for retailor to adopt Omni-Channel e-tailing. There are many studies conducted on Omni-Channel E-tailing in countries like USA, Korea, China, UK, Europe and many more. But still there is a gap between the customers and the E-tailers. Therefore, the current study aims in analysing the Customer's Intention on buying in Omni-Channel e-tailing.

2. OBJECTIVE OF STUDY

2.1 PRIMARY OBJECTIVE:

The primary objective of the research paper is to find the customer's intention towards the Omni-Channel E-tailing.

2.2 RESEARCH METHODOLOGY:

- Type of Study – Descriptive study
- Time Frame of the Study – Cross sectional
- Type of Data – Primary Data (Quantitative Data collected using google forms)
- Sampling Design
    - Population – General Public
    - Sample Size – 183
    - Sample Units – people in Tamilnadu
    - Sample Method – Convenient Sampling
- Structural Equation Modelling Using WarpPLS 7.0

2.3 SAMPLING METHOD:

The sample method used is convenient sampling where Questionnaire forms are circulated to the target population chosen with primary motive to collect data based on their shopping experience in Omni-Channel E-tailers.

3. ANALYSIS AND INTERPRETATION

3.1 STRUCTURAL EQUATION MODELING (SEM):

The main deciding factors like Product offers, operation quality, Convenience, Customer's Satisfaction and Customers intention toward the use of Omni-channel e-tailers are analysed using Structural Equation Modelling. The validity and reliability are examined using confirmatory factor analysis.

Figure 1: Conceptual Model

3.2 OFFER AND OPERATION QUALITY:

Offer and operation quality factor enhances the customers intention of buying the product and the operation quality which ensures the easiness in the shopping experience

H1: Offer and Operation Quality has a positive impact on Omni-channel E-tailing

3.3 CUSTOMER'S CONVINIENCE:

Customer's Convenience factor include ease in payment option and one day delivery and door step delivery this factor ensures the convenience in customers shopping.

H2: Customer's convenience has a positive impact on Omni-channel E-tailing

3.4 CUSTOMER'S SATISFACTION:

Customer's satisfaction of the service and hospitality and features provided in the store ensures the customer's satisfaction on the Omni-channel E-tailing.

H3: Customer's satisfaction has positive impact on the omni-channel E-tailing.

3.5 CUSTOMER'S INTENTION:

Customers intention toward the omni-channel E-tailing based on the Service, Quality of the product, convenience, and the satisfaction of customers which decides the intention on buying on omni-channel E-tailing.

H4: This has positive intention on customers to use Omni-channel E-tailing.

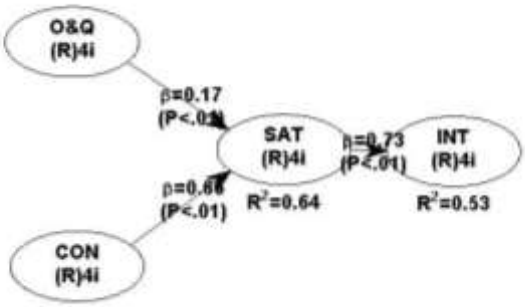

FIGURE:2 SEM MODEL

The result of the Hypothesis framed table and the hypothesized coefficient and the critical path ratio of each of the constrains implies to use the omni-channel e-tailing. The average path coefficient and R squared value are 0.45 and 0.65 with P<0.01

The reliability of constructs is examined using the Cronbach alpha and the composite reliability and the results are furnished in the table

Tabel:1 Confirmatory Factor Analysis

	O&Q	CON	SAT	INT
Composite Reliability	0.757	0.781	0.803	0.701
Cronbach Alpha	0.612	0.627	0.671	0.61
AVE	0.441	0.496	0.505	0.417

From the table1.1, it can be observed that the Cronbach alpha value for all the constructs is greater than the threshold value of 0.6 offer and quality is 0.612, Convenience is 0.627, Satisfaction is 0.671 and Intention is 0.61. Therefore, from this it can be inferred that the items that has been taken for each construct fully describes the constructs taken for the study

Composite Reliability measures the overall reliability of the set of items loaded on each construct. The threshold value of the CR should be greater than 0.7 across the constructs. The CR value of offer and Quality is 0.757, Convenience is 0.781, Satisfaction is 0.803 and Intention is 0.701. The Cronbach value and the composite reliability values were found to be satisfying the threshold values and so the reliability was established for the model.

The threshold value for AVE is said to be 0.4 and its greater than 0.4, The AVE value offer and quality is 0.441, Convenience is 0.496, Satisfaction is 0.505 and Intention is 0.417.

Table: 2 Discriminant Validity

	O&Q	CON	SAT	INT
O&Q	0.664	0.561	0.6	0.495
CON	0.561	0.704	0.754	0.734
SAT	0.6	0.754	0.711	0.707
INT	0.495	0.734	0.707	0.646

The discriminant validity done by comparing the squared correlations of each AVE and taking the square root of AVE of each construct is larger than any correlation among the other latent variables. It can be observed from the table that the square root of AVE for Offer and Quality (0.664), Convenience (0.704), Satisfaction (0.711), Intention (0.646), Satisfaction motivation has the highest correlation among any other latent variables. Thus, discriminant validity is established in the study table below.

TABEL-3 FACTOR LOADING

CONSRUCTS	O&Q	CON	SAT	INT
O&Q_1	0.638	0.217	0.357	0.399
O&Q_2	0.734	0.463	0.468	0.369
O&Q_3	0.545	0.662	0.529	0.441
O&Q_4	0.722	0.208	0.276	0.149
CON_1	0.585	0.771	0.548	0.578
CON_2	0.539	0.83	0.689	0.671
CON_3	0.196	0.782	0.568	0.486
CON_4	0.205	0.3	0.197	0.249
SAT_1	0.581	0.771	0.716	0.746

SAT_2	0.467	0.545	0.785	0.445
SAT_3	0.376	0.419	0.696	0.449
SAT_4	0.263	0.396	0.638	0.365
INT_1	0.514	0.571	0.542	0.757
INT_2	0.131	0.119	0.076	0.718
INT_3	0.175	0.374	0.323	0.6
INT_4	0.549	0.671	0.668	0.85

The threshold for the factor loading is said to be greater than 0.7 and the conditions are satisfied by the above table.

3.6 HYPOTHESIS TESTING:

Hypothesis	Relationship	Path Coefficient	Critical ratio (t> 1.960)
H1	**Offer and Quality to Satisfaction**	**0.175**	**2.473**
H2	**Convenience to Satisfaction**	**0.664**	**10.369**
H3	**Satisfaction to Intention**	**0.731**	**11.552**

H1: The first hypothesis of the study "Offer and Quality to Satisfaction" has a value of 2.473 which clearly implies that t>1.96 and so it is not rejected. Relationship between both the constructs was found to be significant. Therefore, it can be inferred that the Offer and Quality of the Omi-channel e-tailing impacts the Satisfaction of the Customers.

H2: The Second hypothesis of the study "Convenience to Satisfaction" has a value of 10.369 which clearly implies that t>1.96 and so it is not rejected. Relationship between both the constructs was found to be significant. Therefore, it can be inferred that the Convenience of the Omi-channel e-tailing impacts the Satisfaction of the Customers

H3: The Third hypothesis of the study "Satisfaction to the Customers Intention towards Omnichannel E-tailing" has a value of 11.552 which clearly implies that t>1.96 and so it is not rejected. Relationship between both the constructs was found to be significant. Therefore, it can be inferred that the Satisfaction of the Omi-channel e-tailing Customers impacts the intention of the Customers towards omni-Channel E-tailing.

4. CONCLUSION:

Based on the analysis of Offer and the quality, Convenience provides to the customers, customers satisfaction towards the experience and service provided by the Omni-Channel Store effect the Customer's Intention towards choosing the Omni-channel Store is high. Despite the remarkable growth in the Internet users, there is evidence that Omni-channel customers are a kind of critical customer segment for e-tailers. They should invest in technologies that provides ease and seamless integration of online and offline stores to enhance the customers experience and loyalty towards the store. In this regard smart connectivity and IOT enable many possibilities to omnichannel e-tailers to integrate the technology to achieve at most efficiency. This study States that Omni-Channel E-tailing would grow in near future. With the use of Smartphones and internet consumers can Shop anywhere, anytime and anything seamlessly with Secured Payment option.

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