

An Analysis of Characteristics, Motivations, and Satisfaction of University Students of Bangladesh Who Shop at Non-Store Based Retailers

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Abstract: Online purchasing is not recent trend but non store based retailing is flourishing. People are approaching this period of isolation and uncertainty is in huge overnight changes to their shopping behaviors. From bulk-buying to online shopping, people are changing what they're buying, when, and how. The overall purpose of this research project was to examine the non-store-based shopping practices of university students. Specifically, a survey was conducted to find out whether a relationship exists between personal characteristics, motivations, and satisfaction of students who shop at non-store-based retailers. A judgmental sample of 241 university students was administered a questionnaire which took approximately 15 minutes to complete. Chi Square and Regression revealed main effects for gender and satisfaction with the non-store-based shopping experience; there were no significant effects found between personal characteristics and motivations to shop at non-store-based retailers. Main effects were found for satisfaction with payment method, gender, and employment.

Keywords: non-store-based retailers, personal characteristics, attitudes and motivations

I. Introduction

Pandemic (COVID-19) has made a changed a lot, with a new normal it is teaching a different aspect of leading life. Online was already developing in Bangladesh market where non-store based retailers were acquiring customers at home, at work and at places other than a store location. These retailers use mail order catalogs, and automated merchandising systems, direct selling, and the Internet. The oldest form of non-store based retailer is the street peddler, while the newest form is the Internet.

Paul Marsden, a consumer psychologist at the University of the Arts London was quoted by CNBC as saying: "Panic buying can be understood as playing to our three fundamental psychology needs." These needs are autonomy (or the need to feel in control of your actions), relatedness (the need to feel that we are doing something to benefit our families), and competence (the need to feel like smart shoppers making the correct choice). The retail industry is the oldest but still a common form of business. Common examples include franchises, hypermarkets, supermarkets, malls, etc. Retail businesses around the world over are being affected by COVID-19 through everything from rapidly changing customer behavior to supply issues. Stores based retailers, often referred to as brick and mortar retailers, operate from a fixed store location that require customers to travel to the store to examine and select products and services. A number of well-known brick and mortar retailers are using innovative marketing strategies to increase their market shares. One such strategy is the implementation of multiple retail formats that expand efforts to reach their target markets. The advent and the evolution of the internet have also revolutionized business practices. With the changes in customer's preferences, the non-store retailing business has grown immensely during the 21st century. A lot of non-store retailing brands have established themselves as trustable sellers. Therefore, more and more people now prefer to shop without physically visiting the brick-and-mortar stores.

Moreover, non-store retailing has now taken a significant share of the retailing business. In fact, one of the world's largest retailers, Amazon, is a perfect example of non-store retailing. The company has massive warehouses but no physical store. Customers buy the products online, and Amazon delivers the products at the customer's mentioned designation anywhere in the world. New business concepts have evolved with time, and selling products without a traditional retail store is becoming a new common. Hundreds and thousands of firms are now operating without on-store retailing. They sell their products on online platforms such as their websites, social media accounts, etc. In business terms, this concept is termed as non-store retailing. Generally, non-store retailing is classified into six further types: Direct selling, Telemarketing, Online retailing, Automatic vending, Direct marketing, Electronics retailing, For example, Rokomari and Daraz are promoting their catalog in Bangladesh and online order businesses along with building their traditional brick and mortar business. Experts in merchandising and marketing are predicting that within the next few years most traditional store-based retailers will have developed multiple retail formats in an effort to expand their merchandise target market. Dunne et al. (2002) stated it best when they wrote "Retailers who understand the need for multiple retail formats to reach their target market will be the star profit performers of the next decade"

(p.239).Pandemic has increased non store based retail sales substantially over the ensuing decade. The greatest growths are with those retailers who utilize the Internet. Growth potential is also projected for direct sellers, catalog sales and TV sales. “Kurt and Salmon Associates expect that by the year 2005, non-store retailing will account for 55 percent of the total general merchandise, apparel, and furniture sales, up from 15 percent a decade earlier” (Dunne et al., 2002, p.124). Given the intense nature of the retail environment, especially as it relates to apparel, businesses need to identify the motives shaping the purpose and direction of consumer purchase decisions (Eastlick & Feinberg, 1999; Brandon & Forney, 2002). Retailers should have an interest in how satisfied consumers are with the merchandise that they ultimately purchase. As technology is sudden and new, consumer as facing tremendous problem and facing difficulties handling those. At the same time quality has pointed out to be as one of the main factors. Not surprised, some vendors are trying to take advantage using unethical practices of high price, poor quality, inefficiency in delivering and others. Consumer satisfaction has to do with how well a need or want is met. If a purchase does not meet expectations, the consumer may express dissatisfaction through complaints, or seek restitution by returning the merchandise. If satisfaction is achieved, a complainer may still become a customer. Additionally, complainers provide feedback pertaining to products and business practices which contribute to improving products and customer service (Oren, 1999). When consumers understand their purchase motives, it helps them achieve the satisfaction they seek and results in reduced consumer complaints or the need to seek restitution from retail businesses (Brandon & Forney, 2002).

Since use of the Internet provides substantial sales growth potential for retailers, attracting and being responsive to the needs of Internet savvy university students would seem to be a smart strategy. One goal of most colleges is to graduate students who are competent as it relates to electronic technology. Pandemic has forced to utilize technology on a somewhat regular basis. Students who have progressed passed the first semester of the freshman year register for classes online, and check their grades and transcripts online. Additionally, many schools require that students pass a computer competency test. This adds to the computer literacy of those students who enter college and university. The lifestyle and technology astuteness of graduates today are much different from those of ten years hence. Students have not frequently been the subjects of research pertaining to non-store based retail formats. This is unfortunate since University students will graduate with the technology skills necessary to purchase online and the lifestyle characteristics that promote non-store based retail purchases.

II. Literature review

Three non-store based retail formats have received the majority of research emphasis over the past few decades. They are catalog sales and Internet sales. The review of literature will pertain to these three non-store based retail formats.

Catalog Shoppers

Catalog shoppers have been the source of much research dating back to the early fifties. Researchers have examined catalog shopper’s demographic characteristics, lifestyles, and shopping orientation (Kim & Lee, 2003). Early researchers identified benefits that consumers seek from catalog purchases as convenience, wide product assortments, high level of product quality, and low price. Convenience has repeatedly been identified as the principle reason for purchasing through catalogs rather than in a retail department store (Eastlick & Feinberg, 1994).

Kim & Lee (2003) used a nationwide sample of 493 professionals who used retail catalogs to investigate segmentation based on benefits sought. The Convenience Seekers segment considered acceptance of mobile banking (bKash, Nagad, Rocket, etc.) and credit card usage to be the primary reason for catalog shopping. These shoppers used clothing catalogs primarily due to convenience-related benefits such as time saving and efforts saving. They were less concerned about product-related benefits, such as lower prices, better quality of merchandise, greater variety of merchandise assortment, ease of returning merchandise, or satisfaction with previous purchases.

Product information is an important aspect in the consumer purchase decision-making process. Focus group data collected by Gaal & Burns (2001) indicated that catalog information was lacking for informed consumer purchases. There was a need for more information pertaining to garment size, fit, color, style, detail, laundering instructions, and information about the retailer. Evaluation of apparel with these components is made through written text appearing within the catalog. Retailers must provide catalog text that supply catalog shoppers with adequate information, a general sizing chart and detailed garment-specific measurements with individual garment descriptions.

While people in general are concerned about the growing pandemic, the youngest generations are particularly altering their purchasing behaviors. One survey of U.S. and U.K. consumers found that 96% of Millennials and Gen Zs are concerned about the pandemic and its effects on the economy. This concern is leading them to change their behavior more dramatically than other generations, which includes cutting back on spending, stocking up on items, and spending less on experiences.

Miller et al. (1998) found that shopping behavior for apparel and home furnishings was significantly influenced by consumer satisfaction with the products offered by local store based retailers. Women in this study indicated very high satisfaction with the purchases they made and were likely to display or show their purchases to others.

Eastlick & Feinberg (1994) and Lennon et al. (2003) found that motive scores were often higher among women than among men. Using Chi-Square analysis Eastlick & Feinberg (1999) compared demographic and social characteristics of respondents with those of a national population of catalog shoppers. Findings revealed a negative relationship between education and shopping motivations. Additionally, the researchers found that motive scores were often higher among women than among men shoppers. A nationwide sample of professional men and women by Kim & Lee (2003) indicated that non-store based retail formats such as phone or mail-order catalogs are likely to be more prominent among consumers with higher levels of education, professionals and those with managerial jobs. Demographic characteristics of those professionals who shopped catalogs for convenience and specific products tended to be married; no differences in segments were found with regard to age and household income.

Gender differences are frequently examined in empirical studies that pertain to shopping patterns. Findings may or may not support previous researchers' findings. This proved to be the case in research by Simpson & Douglas (1998). Their findings did not strongly support previous findings that males were more strongly influenced by parents in purchase decisions as it relates to catalog shopping.

Online Shoppers

Unlike other types of non-store based shopping formats, Internet shopping is often viewed as highly complex. One must have the necessary sophisticated technical equipment and possess adequate educational skills as it relates to the use of such equipment. This complexity perception often has a negative impact on Internet purchases, which often reduces the desire to use this purchasing method. The development of smartphones and user-friendly computers has eliminated shoppers' perceived technical phobia resulting in the willingness of consumers to shop online (Johnson et al., 2003).

Respondents in two studies (Johnson et al., 2003; Sui & Cheng, 2001) gave Internet shopping higher relative advantages in terms of economic gains, availability, and accessibility. Purchasers in the Johnson study indicated that Internet shopping was relatively more advantageous than store based or mall shopping in terms of safety and providing more products, more brands, more sizes of clothing, and more discount prices. A study by Then & DeLong (1999) revealed that participants preferred loose fitting clothing because they were unable to try on clothing featured on a web site and in catalogs. Survey participants who indicated ordering merchandise online did so because it was convenient. The majority of participants identified the return policy as one of the top five motivating factors in purchasing apparel over the Internet.

Perceived risks influence consumers' product purchases and their choice of retailers, especially when consumers are using non-store based retailers such as the Internet, television channels, and catalogs (Kwon & Lee, 2003; Eastlick & Feinberg, 1995; Then & DeLong, 1999). The purpose of the study by Kwon & Lee (2003) was to examine the influence of consumers' concerns about online payment security for Internet purchases. Findings indicated that those who were concerned about the safety of mobile banking and online credit card use purchased fewer products online. The issue of online purchase payment was a factor that determined whether one shopped online or not. Alternative off-line payment methods appear to have a positive role in reducing the security concerns of this sample. To counter the security problem, retailers are currently devising services to eliminate or at least reduce these concerns. Included in these services are establishing off-line accounts, e-cash, and providing information on how these transactions are secured by encryption technology (Kuykendall, 2003; Peterson et al., 1997). Future growth of e-tailing will depend, to a large extent, on how consumer security concerns are addressed.

Researchers have determined that a relationship exists between certain demographic characteristics such as gender, age, educational levels, and behavioral intentions when purchasing from non-store based retailers. Watchravesringkan & Shim (2003) found that ethnicity had the most significant relationship with five attitudinal dimensions - secure transaction, social shopping, speedy process, easy choice,

and saving money. Education had a significant relationship with four attitudinal dimensions - secure transaction, social shopping, speedy process, and easy choice. Research by Then & DeLong (1999) looked at apparel shopping on the web by college students. The sample consisted of 63 college students familiar with the Internet. They reported the average Internet user to be 35 years old; women were the dominant users of apparel web sites, however, both men and women had a significant presence online. Women, being the fastest growing segment of the population, are most interested in obtaining information as quickly and efficiently as possible (Greer & Kenner, 1999).

Kim et al. (2003) wrote that online retailers of clothing products would do well to incorporate strategies that emphasize product benefits (i.e. reasonable price), convenience benefits (i.e. saving time) and service benefits (i.e. transactions without

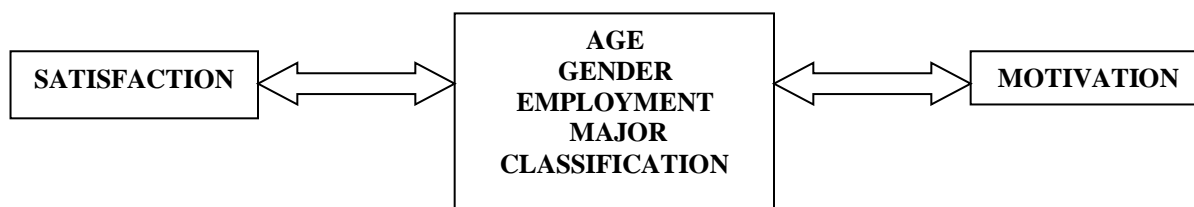
risks). Retailers who use web sites as either a primary or secondary sales format would do well to emphasize brand name products at lower prices and provide information with detailed product descriptions and no-cost return policy.

Hypotheses

This research project investigated University students’ personal characteristics (i.e. age, gender, employment, major and classification) to determine their relationship to motivations for shopping from non-store based retailers and their satisfaction with these retailers. A decision was made to accept hypotheses for which the test statistic p-value was 0.05 or less. Due to the inconsistency of the literature reviewed, and the lack of research pertaining to students’ purchasing practices, the following two hypotheses were developed.

H1: Students’ motivations to purchase from non-store based retailers will be related to personal characteristics – age, gender, employment, major and classification.

H2: Students’ satisfaction with non-store based retailers will be related to personal characteristics – age, gender, employment, major and classification.



III. Method

Sample and Data Collection

Self-administered questionnaires were completed by 241 University students over email and telephone because of current pandemic situation. Respondents were communicated on different days of the week, and at different times of the day on August 2020.

The purpose of the research project and the voluntary nature of participation were explained to the potential subjects. No financial incentives or academic credit was offered for participation in the project. Questionnaires were sent by mail or asked over the mobile phone and took approximately 15 minutes to complete. Receipt of a completed questionnaire was interpreted as obtaining informed consent.

Research Instrument Development

The questionnaire, which underwent multiple drafts before distribution, was prepared by the researchers. It was pilot tested with 12 students to determine the clarity of wording and appropriateness of the items format. The definition for non-store based retailer was presented in the questionnaire at the beginning of section two.

Data Analysis

The association between dependent variables measured by discrete scales (price, convenience, and variety, availability/not found in stores and other) and independent variables (age, gender, employment, major and classification) was analyzed by Chi-Square and judged significant at the .05 level of significance. The effect of demographic characteristics (age, gender, employment, major, and classification) on dependent variables were assessed using numerical/ordinal scales (unsatisfactory, needs improvement, satisfactory, superior, and exceptional); ordinal scale data were analyzed using logistic regression with forward selection option. Independent variables were deemed significant and retained in the model if their coefficient was significant at the .05 significance level.

IV. Findings

Sample Characteristics

A demographic profile of the sample is presented in Table 1 (Appendix-1). A total of 241 University students completed the self-administered questionnaire. There were more male participants than females, 130(54%) and 111(46%), respectively. Almost half of the survey participants were between 18 and 21 years old, 123(51%). More than half of the respondents were employed in part time or full time jobs. Sales executive, tuitions, etc. also considered as employment which are 127(52%) (Appendix-1).

Lists the non-store based retailers that respondents shopped most frequently. They are Online retailers (Rokomari, Daraz, Pickaboo, etc.), Social Media (Facebook Live), Direct Selling and Telephone,(Agora, Swapno). It was found that among 241 respondents, 107 purchased from Online retailers, which is 44%, 73 respondents purchased from Social Media(31%), whereas 31 respondents confirmed purchased through Direct selling, consisting 13%. Lastly it has been observed that 30 respondents purchased by Telephone which represents 12%. (Appendix-2).

Motivation

The independent variables were the personal characteristics: age, gender, employment, and major of the respondents. The dependents variables were the responses to the question “what motivated you to shop with non-store based retailers?” The possible responses were price, convenience, variety, availability/not found in stores, and other. The respondents indicated that they were motivated to shop non-store based retailers due to the price 62(26%), safety 78(32%), convenience 47(19%) and others (like urgency, curiosity, etc.) 54 (23%), see (Appendix-3). There were no significant associations found between the independent variables and the dependent variables.

Experience

Respondents were asked to rate their non-store based shopping experiences using a 5-point likert scale (1 = unsatisfactory to 5 = excellent). The logistic regression analysis showed a strong main effects for gender ($p = 0.009$) on shopping experience but no effects were found for the other independent variables. Females were more likely to rate their non-store based shopping experiences positively than males were.

Satisfaction

Respondents were asked to indicate to what extent they were satisfied with their non-store based purchases. Results revealed that only gender significantly affected consumer satisfaction ($p = 0.02$). Females were more likely to be satisfied with non-store based purchases than males were. Respondents were asked to what extent they were satisfied with the payment method. Regression results showed that major ($p = 0.02$), gender ($p = 0.005$), and employment ($p = 0.002$) strongly affected the degree of consumer satisfaction with respect to the payment method as judged by their highly significant regression coefficients. Additionally, there were interactions between gender and employment ($p = 0.0009$).

V. Discussion

Hypothesis 1, university students’ motivation to purchase from non-store based retailers will be related to personal characteristics (age, gender, level of studies and employment), was not supported because there were no significant relationships found between any of the personal characteristics and the motivations to purchase. This finding is not consistent with research by Lennon et al. (2003) who found that when significant relationships were found, agreement with motivations for shopping from the shopping channels increased as shoppers increased in age.

This sample consisted of university students who ranged in age from 18 to 21 years; 51 percent of the sample was 18-21 years old. The average age of Internet users is 35 years (Hoffman, et al. 1996) and catalog shoppers average age was found to be 48 years (Stanforth & Lennon, 1996).

Research by Eastlick & Feinberg (1994) and Lennon et al. (2003) revealed that women agreed more with shopping motives than did men. The findings of this study are consistent with those of Lennon et al. (2003) as it relates to price. They too found no differences between men and women in terms of agreement with motivation and price. This sample listed price 62(25%) as their motive for shopping non-stored based retailers more often.

Hypothesis 2, university students’ satisfaction with non-store based retailers will be related to personal characteristics (age, gender, employment, major, and classification) was supported as it relates to gender, employment, and major. The literature suggests that consumer satisfaction is related to shopping behavior. The sample in this study was satisfied with their non-store based shopping experiences and it may expect that they will continue to use these shopping formats. According to Rogers (1995) there are five stages that consumers experience when deciding whether to adopt or reject a shopping innovation. In stage five consumers’ satisfaction or dissatisfaction with the total shopping experiences will determine if they will adopt or reject an innovation.

Internet shoppers are concerned about security as it relates to payment method, convenience, and return policy (Kwon & Lee, 2003). When the sample was asked how satisfied they were with the payment method, they indicated satisfaction. The majority of the respondents (54%) responded “satisfactory”, “needs improvement” (12%), “very satisfied” (15%) and only 6% checked “unsatisfactory”.(Appendix-4)

VI. Conclusion

As consumers, college students have experience using a number of non-store based shopping formats. They know how to use the Internet and are not reluctant to go online. Consequently, they can easily make the transitions that Johnson et al. (2003) speaks of regarding perceived risk. College students have made many low risk purchases (books, CDs, etc.) while in college. Upon graduation, they potentially have the experience and finances to purchase high-risk items (groceries, home furnishing products, and apparel) from non-store based retailers, especially the online format.

University graduates will be looking for shopping formats that are compatible with their fast-paced life styles with this new normal. Consumers who have not graduated from university may view Internet shopping as too complex, thus limiting their desire to try this method for purchasing products. Retailers should continually stress the availability of diverse retail shopping formats. They should create websites that are easy to navigate with secure payment methods.

VII. Research Limitations

This was a pilot study with limited research on this topic. Students (as the sample) were used to test the established methodology, including instrument. Further research should expand to a diverse sample.

VIII. Future Research

Future researchers may wish to investigate to what extent university students use shopping venues as vehicles for gathering information on various merchandise. Research that compares university students' behavioral intentions and their actual behavior could conceivably aid retailers as they develop strategies to expand market shares and increase the bottom line. Additionally, of interest would be research that allows non-store based retailers to more accurately focus on the right merchandise for each segment of their market. Future studies might also examine university students' family characteristics, household composition and income. All these factors may influence their purchasing behavior in a variety of ways.

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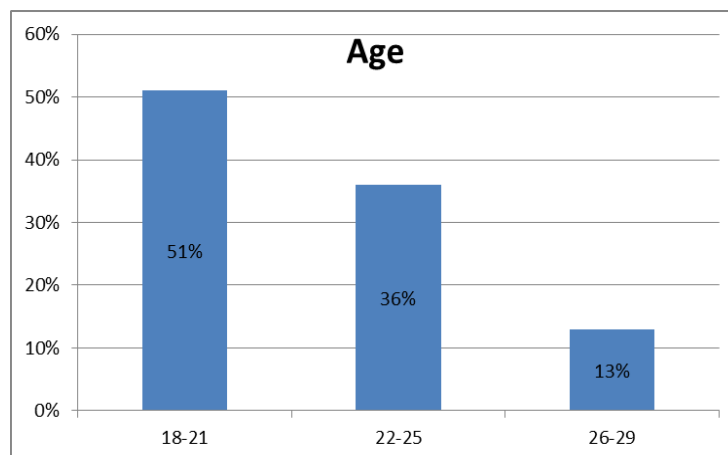
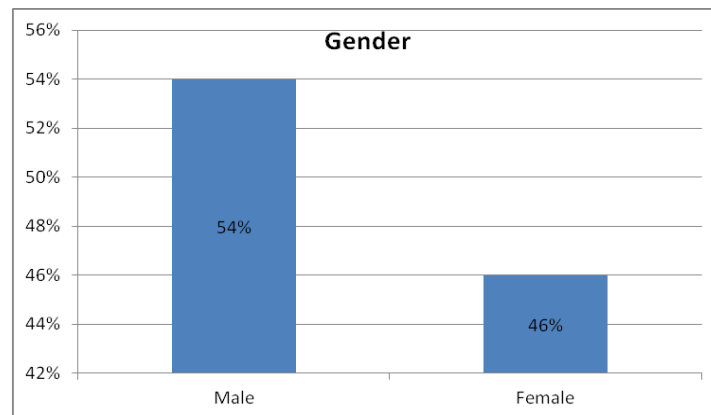
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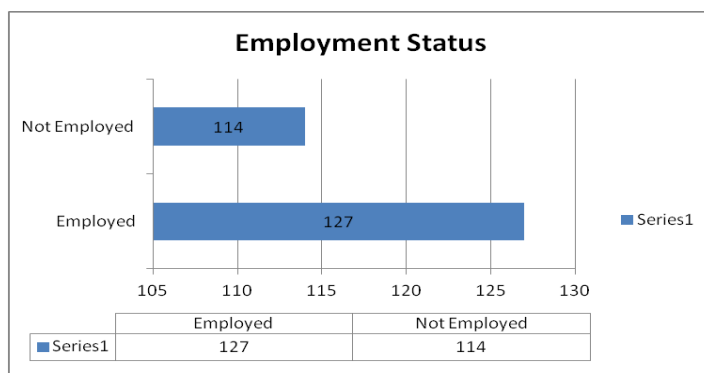
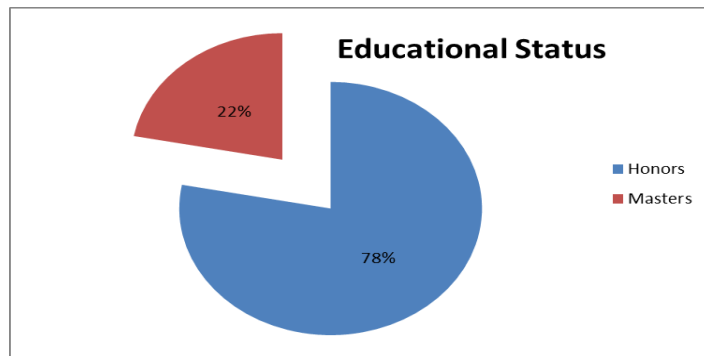
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Appendix

Appendix-1: Demographic Table

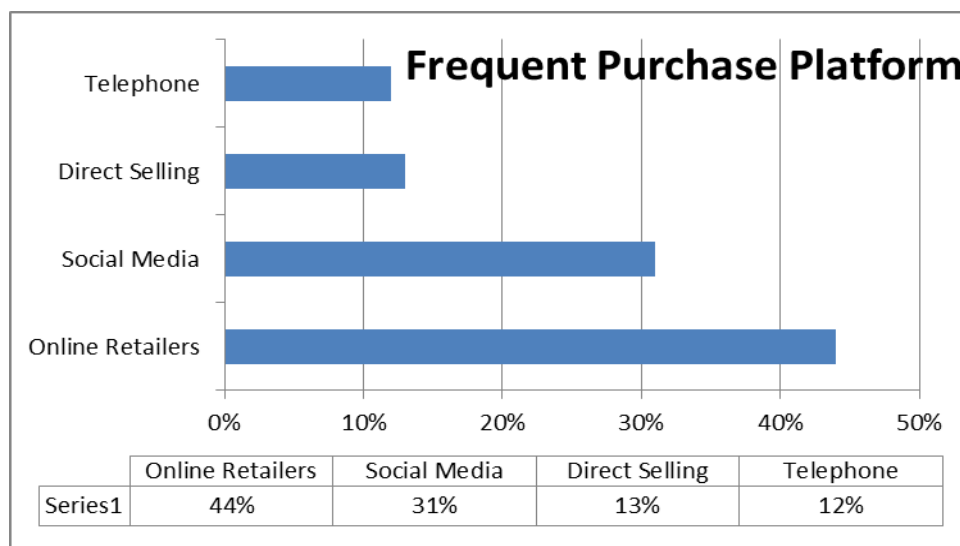
| Gender | | | Age | | |
|--------------------|-------|------------|--------------|-------|------------|
| | Total | Percentage | | Total | Percentage |
| Male | 130 | 54% | 18-21 | 123 | 51% |
| Female | 111 | 46% | 22-25 | 87 | 36% |
| | | | 26-29 | 31 | 13% |
| Educational Status | | | Employment | | |
| | Total | Percentage | | Total | Percentage |
| Honors | 189 | 78% | Employed | 127 | 52% |
| Masters | 52 | 22% | Not Employed | 114 | 48% |





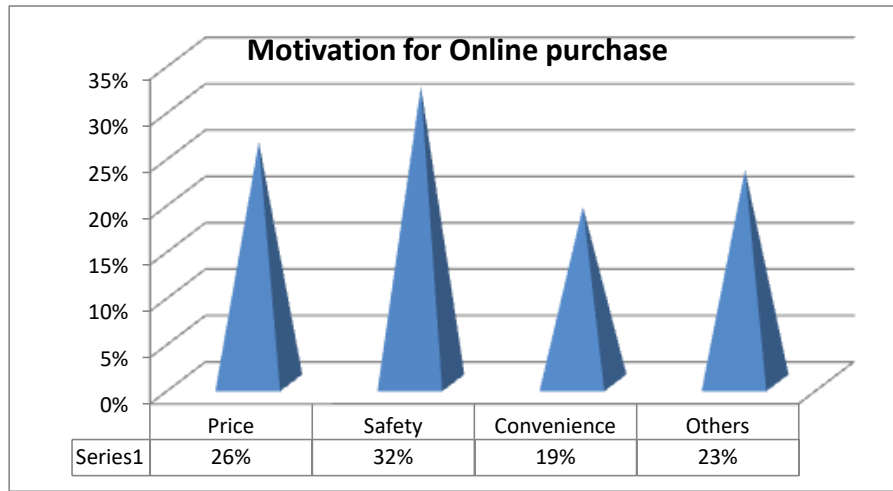
Appendix-2: Online Purchase Platform

| Online Purchase Platform | |
|--------------------------|-----|
| Online retailers | 107 |
| Social Media | 73 |
| Direct Selling | 31 |
| Telephone | 30 |



Appendix-3: Motivation

| Variable | Male | Female | Total |
|--------------|------------|------------|------------|
| Price | 39 | 23 | 62 |
| Safety | 41 | 37 | 78 |
| Convenience | 17 | 30 | 47 |
| Others | 33 | 21 | 54 |
| Total | 130 | 111 | 241 |



Appendix-4

