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A Study on Customer Buying Behaviour at Phygital Stores with Special Reference to Coimbatore City

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ABSTRACT

This study focuses on the buying behaviour of customers of phygital stores in Coimbatore city. Phygital stores refer to those kinds of stores which exist on two mediums such as online store and as well as physical retail stores. The phygital stores that are taken into this study are Nykaa, FirstCry.com, Archies, Odyssey, Reliance Trends, and Lifestyle. The objective of this study is to know about the customers regarding their buying behaviour at phygital stores, along with the factors influencing them to buy from the phygital stores. This study is limited only to Coimbatore city; hence the results and conclusions cannot be generalized. The respondents may not be true in the survey process due to personal bias so the accuracy of the conclusions may differ. The results of the study can be used by phygital retailers to attract new customers and as well as to retain their existing customers.

Keywords: Customer Buying Behaviour, Factors Influencing, Phygital Stores.

I. INTRODUCTION TO THE STUDY

The Indian Market is one of the very significant global markets in the emerging economies, as it is preferred by many of the corporate to invest in various businesses. In the past decade, there are so many revolutions that have taken place in the commerce system of our country which have led to tremendous growth in both international and domestic trade of our country. One of such notable growth was the introduction of phygital stores. The term 'phygital' is a combination of two words 'physical' and 'digital'. The phygital stores are those where there exists a simultaneous operation of trade on two mediums such as, physical retail store and online store. It is a new-born strategy that is adopted by the classic retailers to make an additional online presence to expand their business globally, and also by the online traders to have a physical relationship with their customers. This radical integration of internet and the physical commerce gives a brand new experience for both consumers as well as the retailers. There are two forms of retailers making their business a phygital one. The physical retailers can expand their trade activities in a wider manner by adding their business on online medium. The online retailers can establish a physical store by which they can have personal interactions with their customers.

SOCIAL MEDIA ASSISTANCE

Social media plays an important role in making the phygital retail a successful one. It helps to identify who the target audience are and to find out the products which could have a greater impact on the customers. Instagram and Facebook are the biggest platforms that let the phygital retailers to visually brand their products to a large number of audiences. Both of these applications offer an inbuilt e-commerce system which enables the retailers to put up their products directly on sale, in addition to their physical store. It simply doubles the customer reach and it can also potentially drive the customers to have an in-store experience.

The main advantage that social media provides to the retailers is that it can easily bring in tactics to action if the business is facing any affliction. Hence the retailers should adapt to the new age of omnichannel marketing in order to make their retail business successful.

STATEMENT OF PROBLEM

Phygital retailing has gained a wider importance in the present market conditions. But along with its growth, the number of fraudulent practices has also increased. The emergence of fake retail stores in online and illegal cloning of various brands has created fear in the minds of online customers. The success of phygital retailing generally depends on the buying behaviour of the customers. This study helps in analysing the buying behaviour of the customers, along with the factors influencing the customers that determine their level of satisfaction. This study can help the retailers to formulate strategies in their business.

II. OBJECTIVES OF THE STUDY

- To study the demographic and socio-economic factors of phygital customers.
- To understand the level of awareness among respondents regarding phygital stores.
- To identify the factors those influence the customers to choose phygital stores.
- To know the customer buying behaviour towards shopping from phygital stores.
- To provide valuable suggestions to the phygital retailers to retain their customers.

III. REVIEW OF LITERATURE

Tendai and Crispin (2009), investigated the relationship between in-store shopping environment and impulsive buying. Their study found that the main determinants which influence impulse buying are coupons, vouchers, store display, advertisement, promotions, staff behaviour and price. Their study states that if the time spent by a customer in the store increases, it will lead to price comparison, promotion activities, and more into listening to storekeepers. Music, in-store fragrance, etc., can tend the customers to increase their time spent inside the store.

Ashraf et al. (2014), explained what kind of sales promotion tools can be used to increase consumers. Their study suggested that the consumer buying behaviour and sales promotion can be increased by the use of free samples, price discounts, social and physical surrounding. Their study provides the structure and new insights to understand how different consumers respond to many of the promotional tools offered by marketers and their effects on consumer buying behaviour and sales promotion, which may be vital for marketers in order to optimize the use of strategies to promote and promotional tools to promote products.

Singh, Katiyar, and Verma (2014), found the high impacting store atmospheric factors. They state that the design of the store is the leading factor of impact. Secondly the layout of the store, interior decoration, signs and marks of commodities, classification of goods, etc. Lastly, the intangible factors such as service personnel image, music system, clothing and attitude of service personnel, etc. These entire factors create impact on customers leading to intention to visit again, patronage, and recommendation to others.

Kumar (2015), has concluded in their study that customers are not only concerned with the merchandise, physical surroundings, promotional schemes, and personal interaction but also they look for after-sale service, entertainment factors, and security arrangements. This study suggests that organized retail stores should also give importance to quality of products, availability of new products, promotional schemes, and sufficient security arrangements, so that it can lead to higher customer satisfaction.

A Study on Customer Buying Behaviour at Phygital Stores with Special Reference to Coimbatore City

Claes, Quartier, and Vanrie (2017), proposed a retail design after interviewing several designers from various retail design agencies from Belgium, Netherlands, and Germany. The so developed retail design conceptual framework can be used to train future young retail designers to create innovative and durable phygital concepts.

IV. RESEARCH METHODOLOGY

For the present study, the respondents selected were the customers who made their purchases at phygital stores Coimbatore city. The sample size was 100 respondents. Both primary data and secondary data were used in the study. The primary data was collected using a well-framed questionnaire. The statistical tools used in the study include Percentage analysis, Chi-square analysis, and Friedman Ranking analysis.

RESULTS AND DISCUSSION

Chi-square analysis is used to analyse the statistical significant difference between among the categories of variables. Here in this study, the chi-square analysis was tested between the variables spending limit of the respondents and the monthly income of the respondents. The hypothesis was framed as under:

H₀ - There is no significant relationship between the monthly income of the respondents and the spending limit of the respondents.

H₁ - There is a significant relationship between the monthly income of the respondents and the spending limit of the respondents.

Table 1
Spending Limit of respondents * Monthly Income of respondents

Spending limit of respondents	Monthly Income of respondents					Total
	Less than Rs.30000	Rs.31000 to Rs.60000	Rs.61000 to Rs.90000	Rs.91000 to Rs.150000	Rs.150000 to Rs.200000	
Less than Rs.500	5	5	0	0	0	10
Rs.500 to Rs.1000	20	10	0	0	0	30
Rs.1000 to Rs.2000	5	5	5	5	0	20
Rs.2000 to Rs.4000	5	5	5	5	0	20
Above Rs.4000	5	5	0	5	5	20
Total	40	30	10	15	5	100

Table 2

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	55.903 ^a	16	.000
Likelihood Ratio	60.055	16	.000
Linear-by-Linear Association	23.632	1	.000
N of Valid Cases	100		
a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .50.			

Since the p-value 0.000 is less than 0.05 ($p < 0.05$), there is a significant relationship between the monthly income of the respondents and their spending limit.

FINDINGS OF THE STUDY

Majority of the respondents are female and are within the age group of 21 years to 30 years. Majority of the respondents are students doing post graduation. Majority of the respondents are having nuclear family type and with the family size of 3 to 5 members. Majority of the respondents are aware of the phygital stores through the way of social media, and friends and relatives.

It is found in the study that Clothing is the most purchased product by the customers at phygital stores and Reliance Trends is the most visited phygital store in Coimbatore city. Most of the respondents visit the stores once in a month and they spend an average of Rs.500 to Rs.1000 while making purchases. Cash mode of payment is highly used for making the payments and debit card comes secondary.

The factors influencing the customers to buy at phygital stores were analysed using Friedman ranking test. It was found that ease of access to the store location ranks first. Secondly, the ambience and atmosphere inside the store have the impact on customers. The customers are also attracted by the spacious parking area provided by the stores.

SUGGESTIONS OF THE STUDY

Young and new customers are demanding for high quality of products at an affordable price range. The selection of category of goods among such young generation does not depend upon the gender. As most of the people are looking for quality goods, the stores should offer them at an affordable price. The customers prefer for a fast check-out after purchase, which is an important thing to be taken into consideration by the phygital store authorities. Even though the phygital exist in online mediums, the customers who are visiting the phygital store require the store keepers to give personal attention to the customers.

V. CONCLUSION OF THE STUDY

A Study on Customer Buying Behaviour at Phygital Stores with Special Reference to Coimbatore City

The Indian retail industry has developed as one of the most dynamic and fast-paced industry in the world. It is expected that it will be the world's fastest developing e-commerce market due to the increasingly active investments in the sector and rapid growth in the number of internet users. It also has an impact of increasing accounts in various online shopping sites which also exist physically in the form of phygital stores. The quality shown in the online is expected at the stores present in the offline and vice versa. So it is important for the phygital retailers to provide high quality goods and to enhance their services provided. It is also the important concern of the phygital retailers to make all their products available for their customers. The findings of the study can help the phygital retailers to focus on the factors which provide an understanding of the buying behaviour of their customers. The phygital retailers should also know about the factors which lead the customers to have intention to buy and satisfaction provided thereafter so that the retailers can focus on improvising their products and services offered which can pave way for a successful retailing.

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