



Characteristics, Motivations, and Satisfaction of College Students Who Shop At Non-Store Based Retailers

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ABSTRACT

The overall purpose of this research project was to examine the non-store based shopping practices of college students. Specifically, a survey was conducted to find out whether a relationship exists between personal characteristics, motivations, and satisfaction of college students who shop at non-store based retailers.

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

Introduction

Non-store based retailers acquire customers at home, at work and at places other than a store location. These retailers use mail order catalogs, street peddling, automated merchandising systems, direct selling, interactive TV, and the Internet.

Store 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.

their market shares. One such strategy is the implementation of multiple retail formats that expand efforts to reach their target markets. For example, Nordstrom and J.C. Penney are promoting their catalog and online order businesses along with building their traditional brick and mortar business.

Retail analysts predict that non-store based retail sales will increase substantially

over the ensuing decade. The greatest growth is expected to be 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. 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 college 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. Many students are forced to utilize technology in their college matriculation 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 high schools require that students pass a computer competency test before graduating

with a high school diploma. This adds to the computer literacy of those students who enter college. The lifestyle and technology astuteness of college graduates today are much different from those of ten years hence. College students have not frequently been the subjects of research pertaining to non-store based retail formats. This is unfortunate since college students will graduate with the technology skills necessary to purchase online and the lifestyle characteristics that promote non-store based retail purchases.

Relevant Literature

Three non-store based retail formats have received the majority of research emphasis over the past few decades. They are catalog sales, TV channel sales, and Internet sales. By far the oldest of these three non-store based retail formats is catalog 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 shoppers 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 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.

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.

Television Channel Shoppers

What motivates consumers to purchase from the shopping channels and what do they purchase? Research by Lennon et al. (2003) sought to assess consumers' motivations for shopping from television shopping channels; to determine if motivations were related to consumers' personal characteristics; and to determine if consumers' motivations differed as a function of clothing purchase frequency when controlling for personal characteristics. Respondents were motivated to shop from television due to convenience, the amount of information available on the shopping channels, and the return policies. Regular apparel shoppers agreed that they were somewhat motivated by the prices offered on television.

Amy J. Harden (1996) wrote that "in today's retail environment, consumers often choose to avoid the drive to local shopping establishments and turn instead to a variety of in-home shopping alternatives (e.g. catalogs, TV, and online)" (p. 58). She used a focus group discussion approach to gain insight into women's attitudes toward television channels shopping. Some women perceived television shopping as wasted time because one has to wait over a period of time for certain items of interest to

appear. Older women identified television shopping as a form of entertainment and a way to alleviate loneliness and boredom.

When shopping the television channels shoppers cannot actively participate in information gathering, therefore, they are totally dependent on the information presented during the show or information obtained from previous like experiences. Kim & Lennon (2000) studied consumer behavior toward apparel within a television shopping context. When consumers perceived that they had adequate information, they tended to perceive less risk and increased purchase intent. Adequate information about apparel items allowed consumers to make informed purchase decisions.

In a study by Lennon et al. (2003), frequent clothing shoppers were more likely to agree that they were motivated to shop from television due to parasocial interaction with the media hosts. This parasocial interaction was also addressed in the research of Lee et al. (2000). Parasocial interaction is described as an imagined relationship that viewers form with the media hosts after viewing a shopping channel over time.

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 user-friendly computers will reduce or even eliminate 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 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, making payments available by telephone and fax, 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.

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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 college 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 college

students' purchasing practices, the following two hypotheses were developed.

- H1 College students' motivations to purchase from non-store based retailers will be related to personal characteristics – age, gender, employment, major and classification.
- H2 College students' satisfaction with non-store based retailers will be related to personal characteristics – age, gender, employment, major and classification.

Method

Sample and Data Collection

Self-administered questionnaires were completed by 761 college students from two predominately African American institutions of higher education (a private college and a public university). Subjects were recruited on different days of the week, and at different times of the day (excluding weekends) to minimize selection bias.

Professors from various disciplines were contacted prior to the meeting of their class and asked for permission to administer the questionnaire. If permission was granted, the recruiter returned on the agreed upon class meeting to administer the questionnaire. 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 administered at the beginning of the classes and took approximately ten minutes to complete. Receipt of a completed questionnaire was interpreted as obtaining informed consent. Two female undergraduate work-study students who majored in fashion merchandising and design recruited the participants. This study was approved by the Committee on Human Research Administration at the University.

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Instrument Development

The questionnaire, which underwent multiple drafts before distribution, was prepared by the researchers with input from a fashion merchandising and design class. It was pilot tested with 21 college 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, 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.

Results

Sample Characteristics

A demographic profile of the sample is presented in Figure 1. A total of 761 college students completed the self-administered questionnaire. There were more female participants than males, 559(73%) and 202(27%), respectively. Almost half of the survey participants were between 18 and 20 years old, 351(47%). More than half of the respondents were employed, 415(55%). The vast majority of the respondents were African Americans, 677(89%).

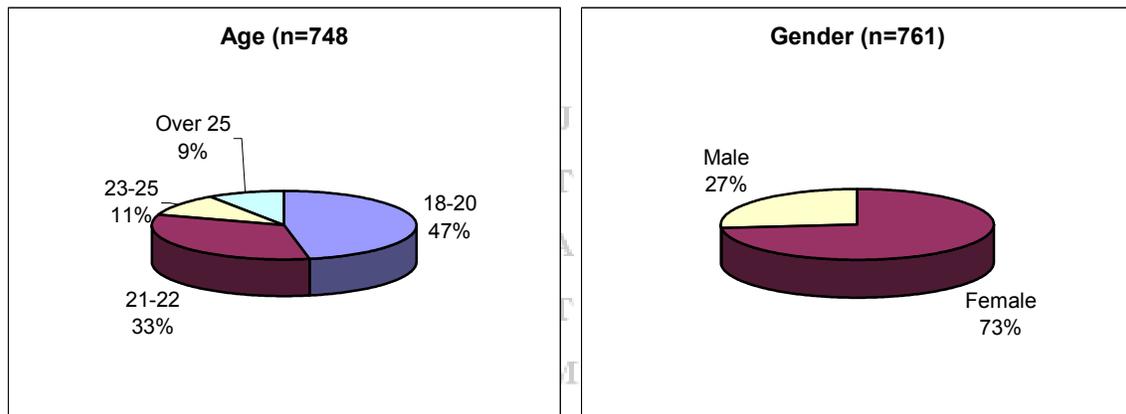




Figure 1. All respondents did not provide demographic information

There were 182(24%) family and consumer sciences majors. An additional one-third of the respondents indicated a major in science, technology, or nursing, 250(34%). More than half of the participants were juniors and seniors, 182(24%) and 242(32%)

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respectively. Figure 2. lists the non-store based retailers that respondents shopped most frequently. They are street peddler, mail order/catalog, Internet, direct selling/home parties, and interactive TV/infomercial.

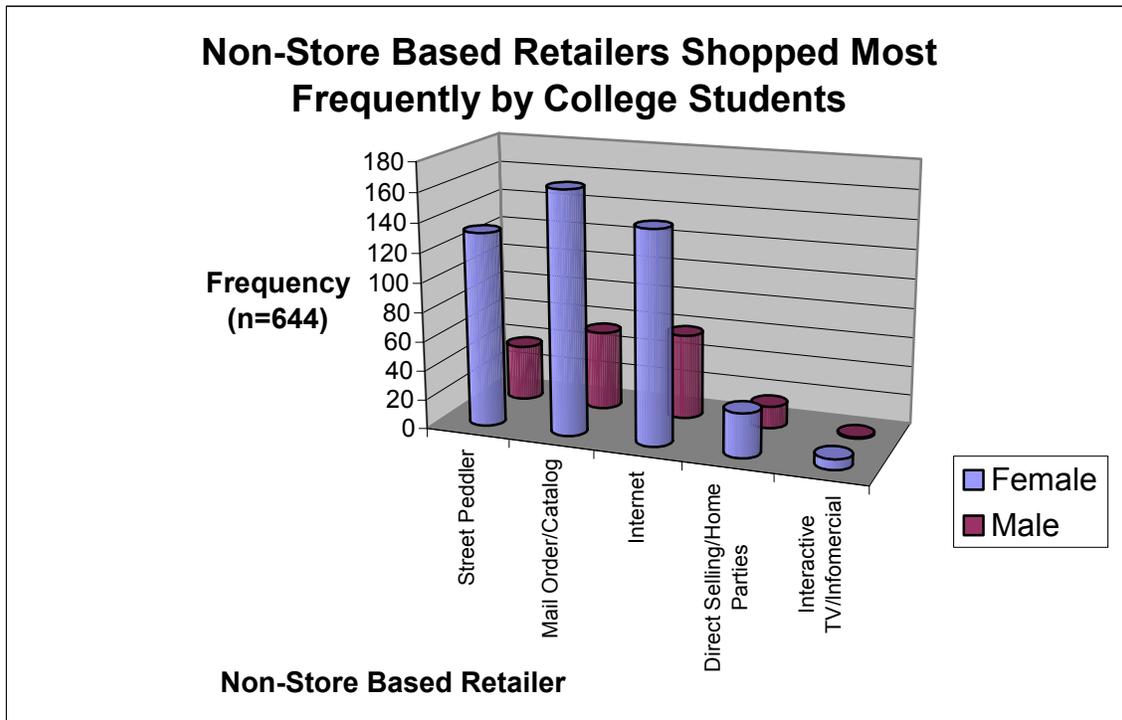


Figure 2. All respondents did not provide this information

Motivation

The independent variables were the personal characteristics: age, gender, classification, employment, and major of the respondents. The dependent 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 405(64%), convenience 114(18%), variety 28(4%), availability/not found in stores 85(13%), and other 12(1%), see Figure 3. There were no significant associations found between the independent variables and the dependent variables.

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Figure 3. All respondents did not receive this information

Satisfaction

Respondents were asked to rate their non-store based shopping experiences using a 5-point likert scale (1 = unsatisfactory to 5 = exceptional). 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.

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 ($p = 0.0009$).

Discussion

Hypothesis 1, college students' motivation to purchase from non-store based retailers will be related to personal characteristics (age, gender, employment, major, and classification), 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 college students who ranged in age from 18 to 25 years; 80 percent of the sample was 18-22 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 405(63%) as their motive for shopping non-stored based retailers more often.

Hypothesis 2, college 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 (93%) responded "satisfactory", "superior" or "exceptional"; only 7% checked "unsatisfactory" or "needs improvement".

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. The college students sampled reported purchasing high-risk apparel 322(50%) and low risk videos, CDs and tapes 99(15%).

College graduates will be looking for shopping formats that are compatible with their fast-paced life styles. Consumers who have not graduated from college 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.

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.

Future Research

Future researchers may wish to investigate to what extent college students use shopping venues as vehicles for gathering information on various merchandise. Research that compares college 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 college students' family characteristics, household composition and income. All these factors may influence their purchasing behavior in a variety of ways.

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