



FACTORS AFFECTING TELE-SHOPPING BEHAVIOUR OF CUSTOMERS IN HIMACHAL PRADESH

Pankaj Yadav*

Abstract: *Modern method of selling represents an opportunity for companies to diversify sale promotional activities in their business and expand their markets. Among all direct methods of purchase, teleshopping has been experiencing a great development in recent years. Therefore television media has become a very vital tool for trade all over the world. The outstanding increase in broadcast of such kind of television programmes / advertisements increases the possibility of development of this method of purchase. In addition to it, this channel of commerce could generate lot of employment opportunities in India. So this paper identifies the key factors that influence customers intention regarding tele-shopping in Himachal Pradesh. Data was collected from a sample of 160 respondents through a well structured questionnaire. The data was collected by asking open ended and close ended questions in 5- point likert scale. For analysing and interpreting data in the present study, basic statistical tools and factor analysis was used with the help of SPSS 16.0 version. The findings of the study depicts four factors i.e., Convenience Factor, Reliability factor, Risk Factor and Economic factor which influence tele-shopping behaviour of customers.*

Keywords: *Tele-shopping, Convenience, reliability, Home-shopping, Risk.*

*Research scholar, Department of Commerce, Himachal Pradesh University, Shimla, Himachal Pradesh, India



INTRODUCTION

Tele-shopping means buying products over the internet or by the way of television using a telephone connection or an interactive cable. It is a form of television commercial telecasted on any regular entertainment channels or commercials telecasted 24 x 7 on complete home shopping channels. As per a report by Business standard, this means of trade has spread speedily with market presence across the range of products. It accounts for 4.5 percent of total sale of digital camera. The report further exhibits that Homeshop 18 sells 480 brands under its portfolio. TV 18 shopping Network Ltd., a branch of Network 18 has a plan to invest \$ 14 million. The value of transactions made by Homeshop 18 has been \$ 360 million (Rs. 1790 Crore). This clarifies that tele-shopping is going to generate lot of employment opportunities in India for unemployed people and expand the markets for corporate.

REVIEW OF LITERATURE

The literature available on this subject was reviewed in this part of the study. It comprises of the views of other researchers.

Teleshopping is a commercial non-store formula which has coexisted alongside traditional methods since 1980 in countries such as Italy, France and the United States (Quelch and Takeuchi, 1981).

In Spain, most of the studies concentrated on the system's main advantages and disadvantages, the target audience and levels of demand for this type of shopping. Studies in other countries (Grant, Guthrie and Ball- Rokeach, 1991; Skumanich and Kintsfather, 1993, 1998) have extended the scope of research to analyse the possible links and relations the teleshopper has with this type of advertisements and/or programmes and their influence on the purchase, and the background or precursors to these relations.

Eastlick and Lotz (1999) show that teleshopping adoptees have high levels of cable television exposure. Therefore, it is logical to expect that people who view television more, and in particular advertisements and/or teleshopping programmes, will have a favourable attitude to teleshopping.

Rogers (2003) concluded that "the adoption of a new technology may involve the adoption of other medium in a cluster composed of several technologies which are perceived as interrelated". The technological cluster concept has been used by several researchers to



explain the adoption of videotext (LaRose and Atkin, 1992), e-commerce (Eastin, 2002) and M-shopping (Yang, 2005). According to this concept, consumers are more likely to adopt technologies with the same function which they are already using. Teleshopping offers features, such as time saving, comfort and convenience, variety and range of assortment and lower prices, which are similar to those offered by other home shopping channels such as catalogues or Internet.

Prior experience with home shopping channels has a positive influence on the adoption of new home shopping channels, since the consumer becomes skilled at purchasing products and/or services with no prior physical inspection (Korgankar and Moschis, 1987; Shim and Drake, 1990; Dholakia and Uusitalo, 2002). In the context of teleshopping, it is to be expected that consumers with experience of other home shopping channels will purchase more through teleshopping than those who have no experience of home shopping.

The perceived purchase risk has a significant influence on the choice of shopping channel and can be an obstacle to home shopping. Perceived risk depends on other factors such as, on the individual, product category, the shopping channel and consumer culture. This risk is highly observed in case of home shopping (Akaah, and Korgankar, 1988; Cox and Rich, 1964; Ko, Jung, Kim and Shim, 2004; Spence, Engel and Blackwell, 1970).

A number of studies has been conducted on tele-shopping throughout the world but there is a need of conducting research study related to factors affecting consumer behaviour regarding tele-shopping in developing countries like India. Dewan and Kraemer (2000) highlighted that the results conducted in developed nations couldnot be applied to developing countries.

Although tele-shopping has been increasing slowly and steadily in the last few years, but less number of research has been conducted worldwide and even lesser number of studies have been conducted on this subject in India. This paper attempts to determine the factors influencing buyer behaviour regarding tele-shopping method of buying products. This study will help managers employed in tele-shopping companies to develop appropriate marketing strategies for increasing sales of product through this medium.

OBJECTIVES OF THE STUDY

With the rapid increase in the number of companies offering products over television, the buying preference of Indian customers is changing. Tele-shopping method of trade has



become very popular in Indian market. This research study is conducted in Himachal Pradesh and emphasises on exploring the factors which influence the intention of customers about tele-shopping of products in Himachal Pradesh.

HYPOTHESIS FORMULATION

H₀- the factors that influence purchase of products through tele-shopping are non-specific and uncorrelated.

H_a- the factors that influence purchase of products through tele-shopping are specific and correlated.

RESEACRH METHODOLOGY

In this study, an exploratory research design and a quantitative research approach was adopted. Initially data was collected at pilot level to check the designed questionnaire's ability to attain the objectives of the study. Later some changes were made in questionnaire so that objective of the study is achieved. The questionnaire has two sections. First section consist of questions related to characteristics of respondents whereas second section consist of questions exploring the attitude of consumers towards home shopping of products in Himachal Pradesh. A number of open ended as well as close ended questions in 5 point likert scale was incorporated in questionnaire. Survey was conducted in three divisions of Himachal Pradesh. Both primary and secondary data has been used in the present study. At macro level, the geographical area of this study has been limited to Himachal Pradesh. This area at micro level has been divided into twelve districts. Data has been collected from six districts of Himachal Pradesh. At the first stage, this area is divided into three administrative divisions. First administrative division is Shimla in which districts Shimla, Solan, Sirmour and Kinnaur are included. In the second division is Mandi, districts Mandi, Bilaspur, Kullu and Lahaul –Spiti are included. Third and last division is Dharamshala includes districts Una, Hamirpur, Kangra and Chamba. At the second stage, a sample of two districts from each division has been selected, where population is maximum. Data has been collected from district headquarter of each selected district of Himachal Pradesh. In order to collect the information, the respondents were selected by applying purposive sampling method. Data was collected from Shimla, Solan, Mandi, kullu, Una and Dharamshala (Headquarter of District Kangra).



ANALYSIS AND INTERPRETATION

Table 1 presents the demographic characteristics of 160 respondents. 76.2 percent of respondents of the respondents are males and remaining 23.8 percent respondents are females. Out of the total sample size, 17.5 percent respondents live in Shimla, 18.1 percent in Solan, 15.0 percent each in Mandi, 16.9 percent in Kullu and 18.1 percent live in Una. Lastly 14.4 percent respondents live in Dharamshala. The table shows that almost all respondents are adult with 68.8 percent of all respondents in the age group of 26-45 years, 17.5 percent between 21-25 years, 9.4 percent between 46-50 years and only 4.4 percent respondents are above 60 years of age. Here 34.4 percent respondents are professionals followed by 25.6 percent respondents qualified upto 10+2 standard and 25 percent graduates. Majority of respondents i.e., 79.4 percent respondents earn income above Rs. 3,00,000. In addition to it, 56.2 percent respondents buy products from tele-shopping vendors while 43.8 percent respondents do not buy products through this medium.

Table 1: Classification of respondents on the basis of demographic Factors

Demographic Variables	Catagories	No. of Respondents
Gender	Male	122 (76.2)
	Female	38 (23.8)
Place of Residence	Shimla	28 (17.5)
	Solan	29 (18.1)
	Mandi	24 (15.0)
	Kullu	27 (16.9)
	Una	29 (18.1)
	Dharamshala	23 (14.4)
Age (in years)	21- 25	28 (17.5)
	26-45	110 (68.8)
	46-60	15 (9.4)
	Above 60	07 (4.4)
Qualification	Upto 10+2	41 (25.6)
	Graduation	40 (25.0)
	Post Graduation	24 (15.0)
	Professional	55 (34.4)
Annual Income (in Rupees)	Below 1 lakhs	06 (3.8)
	1 -2 lakhs	06 (3.8)
	2 -3 lakhs	21 (13.1)
	Above 3 lakhs	127 (79.4)
Whether respondent buy product through tele-shopping?	No	70 (43.8)
	Yes	90 (56.2)

Source: Field Survey, 2015



In order to determine the factors influencing the tele-shopping of products in Himachal Pradesh, factors analysis was performed with the help of SPSS version 16.0 and the following interpretation were concluded. According to the KMO and Bartlett's test shown in table 2, the Kaiser-Meyer-Oklin measure of sampling adequacy value of 0.817 which is greater than 0.50. This indicates that the sample was adequate to consider the data as normally distributed and the KMO test is highly significant. The Bartlett's test of Sphericity was tested through Chi-square which is found to have 819.374 at 78 degrees of freedom, which is significant at 0.000 percent level of significance, i.e., $p < 0.001$. Therefore there are low chances of obtaining required results if null hypothesis is proved true. Hence null hypothesis (H_0) is rejected and alternative hypothesis (H_a) is accepted. So it may be concluded that the factors which influence teleshopping of products are specific and correlated (value is significant at 0.00 percent, $p < 0.001$).

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.817
Bartlett's Test of Sphericity	Approx. Chi-Square	819.374
	Df	78
	Sig.	.000

According to the Total variance Explained Table exhibited in table 3, component 1 explains 37.675 percent of the total variance among all the variables in the data set, component 2 explains 13.140 percent, component 3 explains 8.889 percent and component 4 explains 8.083 of the total variance among all the variable in the data set. Thus four factors or component are reported based on the eigen values, they consist of all the variables. Those factors whose eigen values are more than 1 were considered. First 4 component explain 67.787 percent of the total variance.

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.898	37.675	37.675	4.898	37.675	37.675	2.366	18.203	18.203
2	1.708	13.140	50.815	1.708	13.140	50.815	2.315	17.805	36.008
3	1.156	8.889	59.704	1.156	8.889	59.704	2.206	16.969	52.977



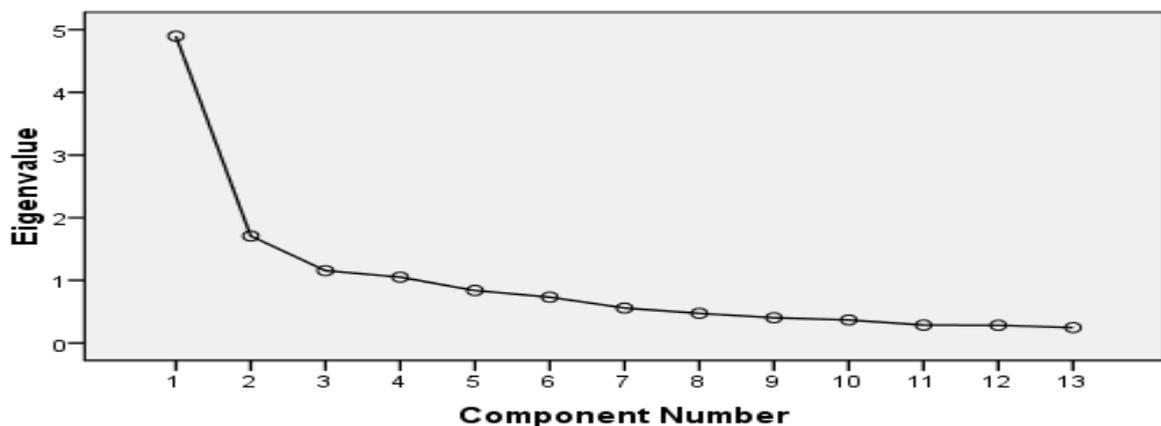
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
4	1.051	8.083	67.787	1.051	8.083	67.787	1.925	14.810	67.787
5	.838	6.446	74.233						
6	.732	5.630	79.862						
7	.559	4.296	84.158						
8	.474	3.643	87.801						
9	.403	3.102	90.903						
10	.368	2.830	93.734						
11	.286	2.200	95.933						
12	.282	2.173	98.106						
13	.246	1.894	100.000						

Extraction Method: Principal Component Analysis.

The distance between the nodes shown in the diagram below (figure 1) is based on eigen values and is exhibited clearly that the distance between node 1 and node 2 is greatest. So component 1 explains maximum variance among all the variables in the data set. In the same way the distance between node 2 and node 3 is relatively shorter than the distance between node 1 and node 2. This clarifies that component 1 explains higher degree of variance in the data set, than component 2. Further, the distance between node 3 and node 4 has been longer than distance between node 4 and node 5 as shown in scree plot. Therefore it clarifies that the degree of explaining the total variance among all variables reduces in the data set as we proceed to successive nodes.

Figure 1

Scree Plot





IDENTIFICATION OF FACTORS

The factors which have been explored by using Principal Component Matrix explain the attitude of customers towards tele-shopping and accordingly grouped under these factors.

Customers have agreed that tele-shopping is time saving and customers require minimum efforts for buying products through this medium. It is easy method of buying as only telephone call or order through internet is made and product is received at the door step. In addition to it, a large variety of products are offered by tele-shopping vendors. The response of customers regarding these features of tele-shopping is closely related and can be grouped under component 1 and named 'Convenience factor'.

Customers have an opinion that commercials shown on television are real and factual. Mostly, branded products are offered by tele-shopping vendors and products are delivered to the customers in due time. These features of the tele-shopping can be clubbed under Component 2 and named 'Reliability Factor'.

Customers have a view point that there is a risk of selecting wrong item code number while placing order of product (errors made by customers). There is a risk of delivery of wrong products (errors made by tele-shopping vendors). There is risk of delivery of less quantity and or low quality products. These variables of tele-shopping can be clubbed under component 3 and named 'Risk Factor'.

Customers think that lot of sale offers and discount offers are provided to the customers on tele-shopping. Prices of the product offered by tele-shopping vendors is comparatively less than the same products available in the traditional retail store. In addition to it, the cost of placing order is less than cost of finding and buying products from the market. These features of tele-shopping can be clubbed together in component 4 and named 'Economic Factor'.

Table 4: Rotated Component Matrix^a

	Component			
	Convenience Factor	Reliability Factor	Risk factor	Economic factor
Tele-shopping is time-saving	.789			
It requires less efforts for shopping	.747			
Easy method of buying (only telephone call is made)	.739			



	Component			
	Convenience Factor	Reliability Factor	Risk factor	Economic factor
Variety of goods offered	.514			
Products demonstrated on TV provides real and factual information		.852		
Branded products are offered		.835		
Products ordered by customers, are delivered in promised time		.824		
There is risk of selecting wrong item code numbers by customers			.836	
There is a risk of receiving a different product which has not been ordered			.731	
There is a risk of receiving inferior quality or less quantity of product			.635	
Lot of sale offers and discounts are offered to customers				.689
Prices of product offered on TV is lesser than available in the market				.670
Cost of furnishing order is less (Call on toll free phone numbers)				.649

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

FINDINGS

Slowly but steadily tele-shopping is gaining popularity in India. This study helps to identify those factors which influence the consumers intention regarding buying of products through tele-shopping in Himachal Pradesh. The convenience factor is the first and the most important factor that influence consumers intention. Lot of time is saved when customers buy products through tele-shopping. Very less effort is required to buy products through this medium. It is one of the easiest method of buying products as customers are required to made a telephone call to buy products and the products are delivered at home. In addition to it, a large variety of products are offered for sale by tele-shopping companies.

The second important factor that was identified in the present study is Reliability factor. Advertisement and commercials shown on television offered for sale of the products offered are realistic and factual. In most of the cases, branded products are offered for sale by tele-shopping companies. In addition to it, products are delivered in due time.



Third important factor i.e., Risk factor is identified in the present study that influence consumer behaviour towards tele-shopping of products. There is a risk of selecting wrong item code numbers (errors made by customers) as well as delivery of wrong products (errors committed by tele-shopping vendors). Customers feel risky about delivery of less quantity and or low quality products by tele-shopping companies.

Economic factor is the fourth important factor which influence customers intention to buy products from tele-shopping companies, was explored. A lot of offers and discounts are offered to customers by tele-shopping vendors. In addition to it, the price of the products offered on tele-shopping programmes/channels is less than the products available in the physical store. The cost of furnishing order for purchase of products is less than finding the right store and buying the products.

SUGGESTIONS

Almost everybody watches television in the country and the probability of increase in number of users of tele-shopping in India cannot be ruled out. As this medium of shopping is gaining importance in Indian market, companies must try to build trust about this medium of buying products among customers. Convenience factor is explored as important factor in the present study, so companies must try to convey this merit of tele-shopping in order to motivate consumers to buy products through this method. Companies must put focus on advertising their products to ensure that consumers are aware about benefits of buying product through this medium. Companies must take appropriate steps to counter the perceived risk by customers related to delivery of proper quantity and quality products. Moreover, perceived risk about delivery of wrong products, product return policy of tele-shopping companies must also be taken care of. More lucrative and good quality products should be offered and delivered. Tele-shopping companies should set a transparent system to attend customers' complaint in specified time frame.

CONCLUSION

Sales through television medium are an interesting option for companies who want to expand their market and diversify their method of sales. Increase in broadcasting of advertisements and/or sales promotional television programmes has made tele-shopping more important. In addition to it, increase in number of tele-shopping channels and increase in tele-shopping programmes in entertainment channel is a strong indication of the rising



popularity of tele-shopping. This study conducted in Himachal Pradesh, helps to highlighted four major factors which influence consumers intention to buy product through tele-shopping. The convenience factor is the most important factor that influence consumers buying intention i.e., it is time saving, requires less effort to buy product, it is an easy method of buying product and a large variety of products are offered for sale on tele-shopping.

Reliability factor was extracted as second important factor that affect consumers intention to use tele-shopping for buying products. Realistic and factual information about products are provided by tele-shopping traders. Mostly, branded products are offered and ordered products are delivered in time.

Risk factor is the third important factor that affect consumer tele-buying behaviour. Customers perceive that there is a possibility of quoting wrong item code number by customers as well as delivery of wrong products by tele-shopping Companies. Therefore these companies should take special care while delivering products in accordance to the orders of customers. There is risk of receiving less quantity of products and low quality goods. So companies should take care of such practices.

Fourth and last important identified factor i.e., economic factor also affect customers decision to buy product through this method. Lot of sales offers and discount offers are offered to customers, prices of tele-shopping products are less than prices of product available in the market and cost of finding and buying products is comparatively less than cost incurred through traditional methods of buying.

So in order to be successful, companies must take into consideration all four explored factors i.e., convenience factor, reliability factor, risk factor and economic factor in mind while framing policies of the company. This will help tele-shopping companies to frame appropriate marketing strategies and provide them with competitive edge.

LIMITATIONS AND SCOPE OF FUTURE RESEARCH

Many limitations were faced while conducting this study in Himachal Pradesh. Firstly, the data was collected from the urban area in Himachal Pradesh. So the analysis of results may not represent the perception of consumers of the whole state. Secondly, money was also a constraint faced during the study. If the data was collected at a large scale, the expenses of conducting research study would have been also high. Therefore, with the limited resources



the study was conducted. Thirdly, the data was collected from sample size of only 160 respondents, which is relatively small. Hence, queries about accuracy of results, could be raised.

A scope of further research, a more comprehensive research approach should be applied to study the tele- shopping behaviour of consumers in developing nations like India. In general more comprehensive research with a large sample size should be conducted to obtain more insights and information, which would be useful for tele-shopping vendors.

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