Factors Influencing Customers' Choice of Shopping Mode in Lagos Metropolis

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ABSTRACT

The study examined the factors that influence customers' choice of mode of shopping with a view to knowing the significance of e-stores toward creating better customer shopping conditions to improve satisfaction and enhancing a sustainable shopping mall investment. Furthermore, the study purposively selected 57 e-store customers and 123 shopping mall customers totalling 180 respondents' which forms the sample size for the study. The findings through factor analysis revealed that six factors influenced the choice of e-store patronage while shopping mall patronage is influenced by seven factors. 24-hour shopping, delivery of the product to destination, and convenience of product search are the top-rated factors influencing the e-store shopping experience, while the physical evaluation of products, "trialability" of products, and variety of products at the same place are the most significant factors that influence customers' shopping mall experiences. The paper suggests that managers should improve on the factors that influence the choice of shopping malls to attract more patronage which is pertinent to understand the key factors that could guide commercial real estate investors to create customer value and enhance sustainable real estate investment.

Keywords: Choice, Commercial Real Estate Investment, E-Stores, Factors Influencing, Shopping Malls

1.0. Introduction

An investment could be viewed as an asset or item acquired with the goal of generating income or appreciation. This is in consonance with Odebode and Olatoye's (2013) opinion that investment is giving up of capital for future benefits. Real estate (RE) investment is one of the available investments open to investors. RE has different investment segments such as residential, commercial, industrial, and recreational among others. Shopping mall is one of the available investment media in the commercial RE sector. It offers shoppers the opportunity to see different goods on display which may influence their shopping experience positively.

However, sometimes, participants may face a lot of challenges such as timely accessibility to the shopping mall, tight schedule of work, stress of physical shopping and possibly cash payment that characterized shopping mall transactions. Consequently, a lot of technological innovations have emerged that could ease the stress of physical shopping at the shopping mall. One of such technological innovations that are of interest to this study is e-store. E-store is a virtual means of buying and selling goods and services over the internet with the goods delivered to the customer at his address or he goes to pick up the goods at a designated warehouse by the e-store manager. Hence, it enables shoppers to embark on online shopping. It is becoming a mainstream mode of shopping as more retailers set up transactional websites and internet users become accustomed to using the internet as an alternative retail location (May, 2000; Vulkan, 2003; U.S. Census Bureau, 2009).

E-stores in general is a medium that serve consumers at their convenience (Kim, Park and Pookuangara, 2005). The consumers who are time conscious are always looking for approaches to utilize their time in the most efficient way (Kleinen et al., 2007). Be that as it may, e-store has the advantage of home delivery and electronic payment that makes the whole transaction stress free. Hence, e-stores are gaining more awareness and acceptability in the market (Rhodes, 2014; Bell, Gallino and Moreno, 2014; and Olasanmi, 2019). The growth of e-stores could pose a threat to shopping mall retailers and investors, due to the increase of various e-stores and the current trend in consumer's preference to online shopping. It is on this basis and the possible

impact of e-store on shopping mall investment that this study seeks to examine the factors influencing the customers' choice of e-stores shopping in Lagos metropolis.

In the last decade both in developed and developing countries, there has been massive growth of e-stores in major cities. This is due to the fact that it is a convenient and economical approach to shopping compared to the traditional physical shopping. Online shopping has become preferred mode of shopping and various websites are being created by e-stores to meet the needs of the populace for convenience and comfort in Lagos metropolis. Globally, online shopping market has shown good potentials. This is evident through findings of several studies such as Chiang and Dholakia, (2003); Forsyche and Shi (2003); Olasanmi (2019) and Tyagi et al. (2020). This connotes that online shopping has experienced growth possibly due to its advantages such as shopping round the clock decreased dependence on traditional store visits, decreased traveling costs, reduced overhead expenses and availability of wide varieties of products to both consumers and retailers.

Studies such as Chiang and Dholakia (2003) and Forsyche and Shi (2003) shed light on reasons behind consumers' preference for shopping in the mall to e-stores or vice versa. One of the advantages of purchasing on e-store which is an avenue for online shopping is that customers will have to wait for their goods to be delivered in addition to saving travel cost. More retail customers are turning to online shopping via e-storefor their needs because it saves time and energy. In addition, product information are readily available online which enables consumers to inform themselves about the vendor and make an informed decision (Trenz, 2015).

Reasons such as convenience, availability of better product information, availability of a variety of product to choose from and better prices than others and ability to compare products prices are suggested for preference given to online shopping (Andrews et al., 2007; Angel,2016; Olasanmi, 2019).E-store customers search for information about different products on the internet (Tyagi et al, 2020). These product information are readily available and they form an important tool for making purchases. The study further presented the major features that differentiate the retail experience gotten from shopping malls from other shopping media as the unique environment, heterogeneous mix of retail tenants, accessibility within the mall, leisure and safety.

However, the above-mentioned studies are foreign and as a result there is dearth of similar studies in Nigeria. Therefore, this study examined the customers' choice of mode of shopping in Lagos Metropolis, Nigeria with a view to guide investor's decisions and policymakers in shopping mall investment.

2.0. Methodology

2.1. The Study Area
This study was carried out in Lagos State. The per capita income in Lagos State's urban sector according to Odebode et al. (2017) is almost 6.7 times larger than the per capita in rural areas, which indicates that the inhabitants of Lagos are likely to have high purchasing power. Consequently, the state has the potential to participate actively in shopping either on-line or offline, hence the choice of the Lagos Metropolis for the study.

2.2. Sampling Procedure and Sample Size
Primary data was obtained and used for this study. 19 shopping malls and 19 e-stores were selected for the survey. Out of the 19 shopping malls, 130 customers were selected randomly by approaching them during the shopping hours of operation while 3 customers were purposively selected from each e-store log books given randomly by the e-store managers. The respondents were selected because of their active involvement in the buying and selling processes during the shopping mode of operations and their willingness to participate in the survey. Close-ended questionnaires were designed to elicit information on the e-store and shopping mall customers. Detailed information obtained includes characteristics of shopping malls, sales channels adopted by e-stores, and the factors influencing the choice of e-store, and shopping mall investment. A total of 57 e-store customers and 123 shopping mall customers' questionnaires were found suitable for analysis, totalling 180 respondents which formed the sample size for the study. The data obtained was analyzed using frequency distribution, mean score and factor analysis (Principal Component Analysis). The mean score formula is represented as shown in equation 1.

$$\bar{x} = \frac{\sum x i}{N}$$

(1)

Where $\bar{x}$ = mean, $\sum xi$ = sum of all item scores, and N= number of item scores.

The analysis is suitable because it enables the influencing factors to be ranked in order of their significance. The factor analysis used in the study includes the Kaiser-Mayer Olkin (KMO) and Bartlett test to determine the statistical measure of the proportion of the variance among the variables. The result reports a KMO of 0.601, this implies that the data are adequate and appropriate. Also, Bartlett's test of Sphericity reports a chi-square value of 390.714, a degree of freedom (df) of 210, and a significant value (sig) of 0.000, $P < 0.05$, therefore factor analysis is appropriate for this study. This is in consonance with Shrestha (2021) that the data is adequate when the KMO value is greater than 0.5

3.0. Results and Discussion

3.1. Factors influencing choice of e-stores by customers
The result of the factors influencing the decision to purchase on e-store is presented in Table 2 with an average mean of 1.91. This shows the significance of the factors ranging from the most significant factors to the least significant factor with their mean score value and rank.

Table 2: Factors Influencing Choice of E-Store by Customers

Factors influencing choice of e-store	Mean score	Rank
24-hour shopping	2.52	1st
Delivery of product to destination	2.43	2nd
Convenience of product search	2.17	3rd
Availability of price information	2.13	4th
Payment on delivery	2.09	5th
Access to people review about product	2.00	6th
Elimination of travelling to store	1.98	7th
Discount activities	1.97	8th
Availability of product information	1.94	9th
Return of product policy	1.93	10th
Variety of product at same place	1.91	11th
Convenience of shopping anywhere	1.90	12th
Multiple payment mode	1.87	13th
Product availability	1.86	14th
Sellers image/brand	1.83	15th
Price comparison	1.72	16th
Product comparison	1.63	17th
Less time spent to locate products	1.57	18th
Delivery time	1.54	19th
Overall shopping process	1.52	20th
Sellers interaction	1.50	21st
Average mean	**1.91**	

The most significant factors are above the average mean of 1.91 as presented in Table 2. The factors include 24 hours shopping (2.52), followed by delivery of product to destination (2.43), while seller interaction recorded the least influence on the choice of e-stores customers. This implies that e-store customers are more concerned with convenience and comfort. This is in consonance with the findings of Kim et al., (2005) and (Kleinen et al., 2007) that is of the view that consumers are usually eager to maximise the efficient use of their time. The least significant factor is sellers interaction (1.50), followed by overall shopping process (1.52), and delivery time (1.54). This is similar to the study conducted by Daroch et al., (2021) that customers purchase products from trusted online stores after comparing prices, hence, there is a limit to seller interactions. It appears that the e-store customers have not been aware of the significance of the seller interactions towards improving their shopping experiences in the study area.

3.1.1. Suitability of Data for Factor Analysis
The adequacy of data was tested using Kaiser-Mayer-Olkin (KMO) and Bartlett's test of Sphericity for this study. The result of Kaiser-Mayer-Olkin (KMO) and Bartlett's test of Sphericity is shown in Table 3.

Table 3: KMO and Bartlett's Test

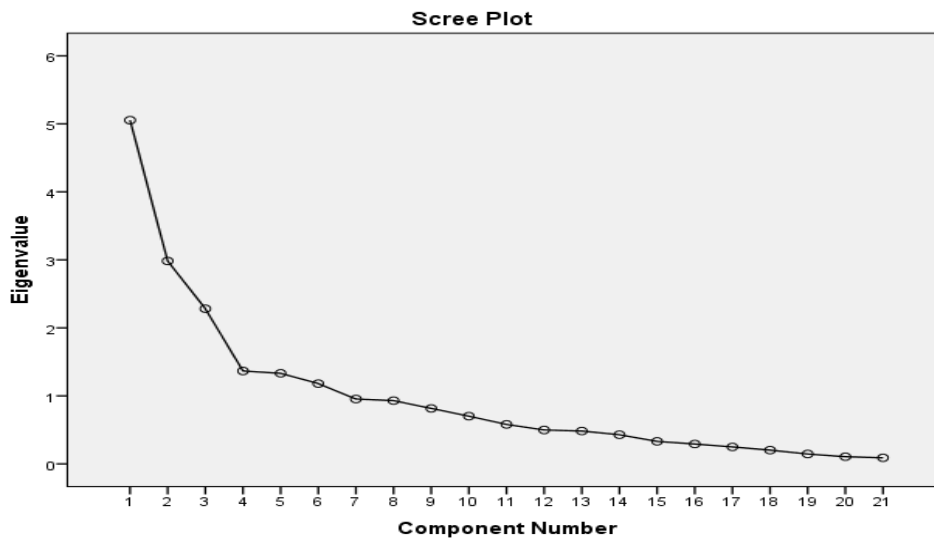| Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.601
Bartlett's Test of Sphericity	Approx. Chi-Square	390.714
	Df	210
	Sig.	0.000

Figure 1: Total Variance Explained on the Factors Influencing Choice of E-stores in the Study Area.

Eigenvalues are presented alongside the y-axis while the factors are shown on the x-axis. Table 4 Presents result summary of Kaiser Normalization rotation carried out. The rotated component matrix presented in Table 4 shows the highly loaded six-factors.

Table 4: Varimax Rotation Matrix
Rotated Component Matrix

Number of Variable Loaded	4	5	5	4	2	1
Delivery of product to destination	.840					
Convenience of shopping anywhere	.794					
Elimination of travelling to store	.705					
24 hours shopping	.684					
Convenience and Time Factor (1)						
Seller image		.778				
Sellers interaction		.632				
Multiple payment mode	.610					
Less time spent to locate products		.556				
Overall shopping process		.674				
Brand and Payment factor (2)						
Convenience of product search		.837				
Product information			.660			
Product comparison			.632			
Variety of product at same place		.703				
Product availability			.502			
Product information and Availability Factor (3)						
Price information				.656		
Price comparison				.878		
Delivery time				.534		
Return of product policy				.809		
Price information and return policy Factor (4)						
People review about product					.687	
Payment on delivery					.710	
Buyer's review Factor (5)						

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Discount activities	.867
Promotion Factor (6)	

Extraction Method: Principal Component Analysis. Source: Field survey 2021
Rotation Method: Varimax with Kaiser Normalization.

Factor 1 accounted for 24.06%, factor 2 accounted for 12.21%, factor 3 accounted 10.86%, factor 4 accounted 6.50%, factor 5 accounted for 6.34% and factor 6 accounted 5.62%.

Accordingly, the first component had four (4) variables loaded highly on it. The variables are delivery of product to destination (0.840), convenience of shopping anywhere (0.794), elimination of travelling to store (0.705) and 24 hours shopping (0.684). This component factor is named as convenience and time factor.The findings is in consonance with that of Kim, Park and Pookuangara, (2005); (Kleinen, Ruyter and Wetzels, (2007) and Trenz, (2015).

The second component had five (5) variables loaded highly on it. These variables are sellers' image (0.778), sellers' interaction (0.632), and the least loading factor is the less time to locate products (0.556). The third component also had five (5) variables highly loaded on it. These variables are convenience of product search (0.837), product information (0.660), while product availability (0.502) is weighted down as the least significant factor. This is in consonance with the findings of Andrews *et al*., 2007 that opined that consumers can compare the various purchase channels and buy items and products at the lowest offer.

The fourth component had four (4) variables highly loaded on it. The significant variables are price comparison (0.878) and return of product policy (0.809). It is similar to the findings of Andrews *et al*., 2007 that online shopping enables the opportunity to compare prices at different purchase channels.

The fifth component named as buyer's review factor had two (2) highly loaded variables highly loaded. These variables are people reviews about product (0.687) and payment on delivery (0.710). The sixth component is the discount activity (0.867) that represents the promotional factor. This suggests that all these factors significantly influenced the choice of e-store customers and shopping mall managers should pay close attention to all these factors to enhance customer experiences

3.2. *Factors influencing choice of shopping malls by customers*

The result of the factors influencing the decision to purchase in shopping mall is presented in Table 5 with mean of 2.13. This shows the significance of the factors ranging from the most significant factors to the least significant factor with their mean score and ranking.

Table 5: Factors Influence Choice of Shopping Mall Customers

Factors	Mean Score	Rank
Physical evaluation of products	3.00	1st
Trialable of Product	2.75	2nd
Variety of Product Services at same place	2.74	3rd
Presence of Anchor Tenant	2.57	4th
Overall Shopping Process	2.55	5th
Pre and Post purchase order activities, such as recreational, eateries etc.	2.28	6th
Sellers Image/Brand	2.17	7th
Post Purchase Services	2.15	8th
Product Comparison	2.12	9th
Price Information	2.11	10th
Helpfulness of Sales People	2.07	11th
Price Comparison	1.95	12th
Availability of physical facilities	1.90	13th
Convenience of Product search	1.88	14th
Availability of Product	1.84	15th
Physical payment Mode	1.80	16th
Return of Product	1.79	17th

Discount/promotion sales	1.77	18th
Peoples Comment About Product	1.76	19th
Sellers Interaction	1.72	20th
Restricted Shopping Mall Operational Hours	1.71	21st
One roof solution	1.70	22nd
Average mean	**2.13**	

Source: Field survey, 2021

The most significant factors as presented in Table 4 which are above the mean of 2.13 are physical evaluation of products (3.00), followed by trialability of product (2.75), variety of products and services at same location (2.74), presence of anchor tenant (2.57), overall shopping process (2.55), pre and post other activities such as recreational, eateries etc. This is in consonance with Zhang, Chnag and Neslin (2021) that physical engagement is a major factor that enables customers to make an informed decision in purchasing high-value products. The least significant factors are restricted mall operation hours (1.71), followed by seller interactions (1.72), and comments from people about a product (1.76). Shareef, Dwivedi, and Wright et al. (2021) explained that the restrictions implemented because of the pandemic situation have a great effect on the physical shopping experience which led to a strong increase in the use of e-stores among the customers.
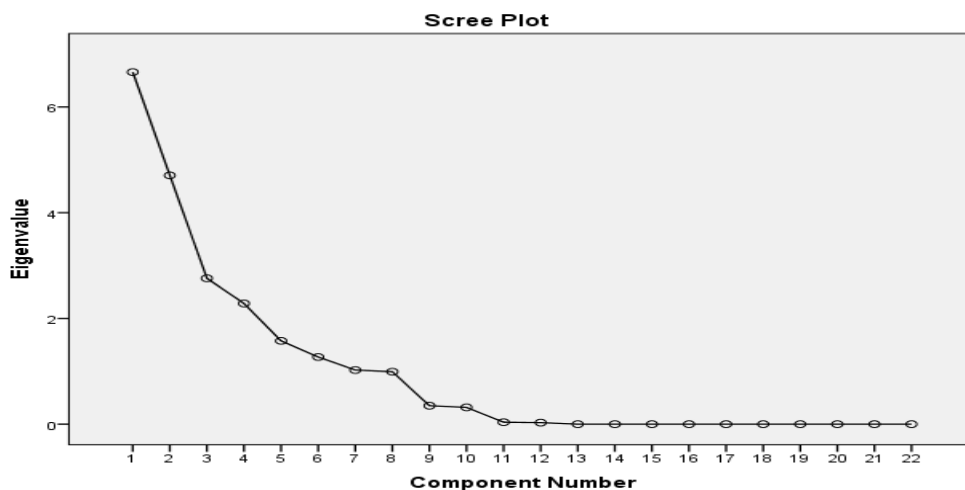

Figure 2: Total Variance Explained on the Factors Influencing Choice of Shopping Mall in the Study Area.

Scree Plot is used to decide on the number of factors to be retained. Factors to the left of the elbow of the graph, where the eigenvalues seem to level off, are retained for interpretation. They are the factors that account for most of the variances within the data set. Therefore, in this analysis, the 7 components to the left of the elbow point on the screen plot were retained. Table 6 presents the result summary of the Kaiser Normalization rotation carried out. The rotated component matrix presented in Table 6 showed the types of variables loaded highly on each factor.

Table 6: VarimaxRotation Matrix

Rotated Component Matrix[a]	1	2	3	4	5	6	7
Number of Variable Loaded	**4**	**3**	**5**	**3**	**3**	**2**	**2**
Availability of physical facilities	.792						
Pre and post purchase activities	.761						
Post purchase services	.608						
Presence of anchor tenant	.837						
Facilities and Anchor tenant Factor							
Sellers image/brand		.783					
Helpfulness of sales people		.895					
Sellers interaction		.531					
Sellers Image Factor (2)							

Product comparison	.877					
Comment of people about product	.654					
Price information	.522					
Price comparison	.564					
Product availability	.716					
Product and Price review (3)						
Return of product policy		.689				
Physical payment mode		.713				
Overall shopping process		.628				
Physical Payment factor (4)						
Physical evaluation of products			.693			
Discount/promotion sales			.631			
Trialable of product			.641			
Product Evaluation Factor (5)						
Convenience of product search				.671		
Restricted mall operation hours				.766		
Mall Convenience Factor (6)						
One roof solution			.501			
Variety of products and services at same place			.721			
Varieties of Stores Factor (7)						

Factor one (1) accounted for 30.27% of the loading factors. Accordingly, the first component named as facilities and anchor tenant had four (4) variables. The variables are presence of anchor tenant (0.837), availability of physical facilities (0.792), and pre and post purchase activities (0.761).The second component named as seller's image had three (3) variables that accounted for about 21.39%. These variables are seller's image/brand (0.783), helpfulness of sales rep (0.895), and seller's interaction (0.531) while the third component accounted for 12.54% and these variables are named product and price review. These are product comparison (0.877), product availability (0.716), and comment of people about product (0.654).

The loaded variables accounted for 10.38% with the fourth component that include price return of product policy (0.68), physical payment mode (0.713), and overall shopping process (0.628). This component factor is named as physical payment. The product evaluation as the fifth component had three (3) variables highly loaded that accounted for 7.16%. These variables are physical evaluation of products (0.693), discount/promotion sales (0.631) and trialability of products (0.641). In addition, the sixth component accounted for 5.77% with two (2) variables that include convenience of product search (0.671) and restricted mall operation hours (0.766) while the varieties of stores accounted for 4.65% as the seventh component with two (2) variables loaded. These variables are one roof solution (0.501) and variety of products and services at same place (0.721). This suggests that all these factors significantly influenced the choice of shopping malls. Therefore, the paper recommended that commercial real estate investors and shopping mall managers should pay close attention to the least significant variables to serve as a guide to improve customer shopping experiences and values towards creating a multichannel shopping environment.

4.0 Conclusion

The study examined the factors that influence shopping at either e-stores or shopping mall investment in Lagos Metropolis, Nigeria. The study revealed that the most significant factors influencing respondents' decision to patronize e-stores are factors related to convenience and time, brand and payment, product information and availability, price information and return policy, buyer's review and promotion activities. Conversely, factors influencing decision of customers to purchase at the mall are factors related to facilities and anchor tenant, sellers' image, product and price review, physical payment, product evaluation, mall convenience and varieties of stores. In conclusion, the result of the findings revealed that all these factors significantly influenced the choice

of e-store and shopping mall patronage respectively. The paper suggests that managers should pay close attention to all the factors that influenced e-store patronage and see how these factors can be improved in enhancing shopping mall investment toward creating better customers shopping experience.

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