International Journal of Advance and Innovative Research
Volume 13, Issue 2: April - June 2026
ISSN 2394 - 7780

CONSUMER VALUE PERCEPTIONS AND CHANNEL CHOICE FOR ELECTRONIC PRODUCTS: AN EMPIRICAL STUDY OF ONLINE AND OFFLINE SHOPPING IN MUMBAI CITY

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ABSTRACT
The present study examines the influence of consumer value perceptions and perceived risk on consumers' choice between online and offline shopping channels for electronic products in Mumbai City. Grounded in the Theory of Consumption Values and Perceived Risk Theory, the study is based on primary data collected from 800 consumers using a structured questionnaire. Binary Logistic Regression Analysis was employed to examine the influence of the selected constructs on channel choice. The findings reveal that Functional Value, Epistemic Value, Conditional Value, Emotional Value, and Perceived Risk significantly influence consumers' shopping channel choice, whereas Social Value does not have a significant effect. Epistemic Value emerged as the strongest driver of online shopping, while Perceived Risk and Emotional Value were the key determinants of offline shopping. The study contributes to the understanding of consumer channel choice behaviour and offers useful insights for retailers in developing effective omnichannel marketing strategies.

Keywords: *Consumer Value Perceptions, Perceived Risk, Online Shopping, Offline Shopping, Electronic Products, Channel Choice, Omnichannel Retailing.*

INTRODUCTION
The rapid expansion of e-commerce has transformed consumer purchasing behaviour, particularly in the electronics sector, where customers increasingly choose between online and offline shopping channels. While online platforms offer convenience, competitive pricing, and extensive product information, offline stores provide opportunities for physical inspection, immediate possession, and personalised assistance. Consumers evaluate these alternatives based on the value they perceive from each channel, including functional, emotional, social, epistemic, and conditional benefits, while also considering perceived risks **(Sheth, Newman, & Gross, 1991)**. This study examines how consumer value perceptions influence channel choice for electronic products in Mumbai City, providing insights for retailers, marketers, and researchers in an increasingly omnichannel retail environment.

Research Objectives:
To examine the influence of consumer value perceptions (functional, emotional, social, epistemic, and conditional values) and perceived risk on consumers' choice between online and offline shopping channels for electronic products in Mumbai City.

Research Hypothesis
H_1: Consumer value perceptions (functional, emotional, social, epistemic, and conditional values) and perceived risk significantly influence consumers' choice between online and offline shopping channels for electronic products in Mumbai City.

Significance of the Study:
The present study contributes to the growing body of knowledge on consumer behaviour by examining how consumer value perceptions and perceived risk influence the choice between online and offline shopping channels for electronic products in Mumbai City. The findings provide empirical evidence on the relative importance of functional, emotional, social, epistemic, and conditional values in shaping channel preferences. The study offers useful insights for retailers, e-commerce platforms, and marketing practitioners to formulate effective omnichannel strategies and enhance customer value propositions. It also extends the applicability of the Theory of Consumption Values in the Indian retail context.

REVIEW OF LITERATURE
Consumer value has emerged as a fundamental concept in understanding consumer decision-making across different shopping channels. The Theory of Consumption Values proposed by **Sheth, Newman, and Gross (1991)** suggests that consumer choice is influenced by multiple value dimensions, namely functional, emotional, social, epistemic, and conditional values. Subsequent studies have validated the multidimensional nature of perceived value and demonstrated its significant role in shaping consumer purchase intentions and behavioural outcomes **(Sweeney & Soutar, 2001; Holbrook, 1999; Sánchez et al., 2006)**. In the context of online and offline retailing, functional value, such as product quality, price, and convenience, along with emotional and

ISSN 2394 - 7780

epistemic values, has been found to influence consumers' shopping preferences **(Childers et al., 2001; Kim, Ferrin, & Rao, 2008; Chiu et al., 2014)**.

Perceived risk is another critical determinant of consumer channel choice, particularly for high-involvement products such as electronics. Earlier studies have shown that consumers often perceive higher financial, performance, and privacy risks in online purchases, whereas offline shopping offers greater assurance through product inspection and direct interaction **(Bauer, 1960; Featherman & Pavlou, 2003; Forsythe & Shi, 2003)**. Research has further indicated that the relative importance of consumer value dimensions and perceived risk varies across product categories, markets, and demographic segments **(Grewal, Monroe, & Krishnan, 1998; Verhagen & van Dolen, 2011; Wang, Yeh, & Liao, 2013)**. However, limited empirical evidence is available on the combined influence of these constructs on consumers' online and offline channel choice for electronic products in the Indian context, particularly in Mumbai City.

Although previous studies have examined consumer value perceptions and perceived risk in online shopping, limited empirical research has investigated their combined influence on consumers' choice between online and offline shopping channels for electronic products in the Indian context. Moreover, studies focusing on metropolitan cities such as Mumbai are scarce, highlighting the need for empirical evidence to better understand consumers' channel choice behaviour in an evolving omnichannel retail environment.

RESEARCH METHODOLOGY

Research Design:
The study adopted a quantitative, descriptive, and cross-sectional research design to examine the influence of consumer value perceptions and perceived risk on consumers' choice between online and offline shopping channels for electronic products in Mumbai City.

Population of the Study:
The target population comprised consumers residing in Mumbai City who had purchased electronic products such as smartphones, laptops, televisions, home appliances, and related electronic gadgets through either online or offline shopping channels during the preceding twelve months.

Data Collection:
The study was based on primary data collected through a structured questionnaire developed from the Theory of Consumption Values **(Sheth, Newman, & Gross, 1991)** and Perceived Risk Theory **(Bauer, 1960)**. Responses were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

Instrument Reliability and Validity:
The reliability and validity of the questionnaire were assessed using Cronbach's alpha coefficient, the Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy, and Bartlett's Test of Sphericity, confirming the suitability of the instrument for statistical analysis.

Sample Size:
The study comprised a sample of 800 respondents, including 400 consumers who purchased electronic products through online shopping channels and 400 consumers who purchased through offline retail stores.

Sampling Technique:
A non-probability purposive sampling technique was adopted to select respondents with recent purchasing experience of electronic products.

Statistical Tools:
The collected data were coded and analysed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics were used to summarise the demographic profile of the respondents, while Binary Logistic Regression Analysis was employed to examine the influence of consumer value perceptions and perceived risk on consumers' choice between online and offline shopping channels. Statistical significance was tested at the 5 per cent level ($p < 0.05$).

Theoretical Foundation
The present study is primarily grounded in the Theory of Consumption Values proposed by **Sheth, Newman, and Gross (1991)**, which explains that consumers' purchase decisions are influenced by multiple value dimensions, namely functional, emotional, social, epistemic, and conditional values. To complement this framework, the study also incorporates Perceived Risk Theory **(Bauer, 1960)**, recognising that consumers' perceptions of financial, performance, and psychological risk significantly influence their shopping channel choice. The measurement of the value constructs was informed by the consumer perceived value scale developed by

Sweeney and Soutar (2001), thereby providing a robust theoretical basis for examining consumers' choice between online and offline shopping channels for electronic products.

RESULTS AND DISCUSSION

The collected data were analysed using appropriate statistical techniques to examine the influence of consumer value perceptions and perceived risk on consumers' choice between online and offline shopping channels for electronic products in Mumbai City. The results are presented and discussed in the following sections with reference to the study objective and hypothesis.

Descriptive Analysis of Research Variables

Descriptive statistics were computed to examine respondents' perceptions of the research variables influencing the choice between online and offline shopping channels for electronic products in Mumbai City. The mean and standard deviation were calculated separately for online purchasers, offline purchasers, and the overall sample to provide an overview of the central tendency and dispersion of the study constructs. The results are presented in Table 1.

Table 1: Descriptive Statistics of Research Variables

Construct	Online Mean	Offline Mean	Total Mean	Online SD	Offline SD	Total SD
Functional Value	3.78	3.61	3.70	1.04	1.11	1.08
Emotional Value	3.68	3.95	3.82	1.07	0.99	1.04
Social Value	3.33	3.41	3.37	1.13	1.11	1.12
Epistemic Value	3.88	3.43	3.66	1.00	1.13	1.09
Conditional Value	3.79	3.63	3.71	1.05	1.09	1.07
Perceived Risk	3.70	3.05	3.42	1.06	1.17	1.15

Source: *Computed by the researcher using EXCEL based on primary data.*

The descriptive statistics indicate distinct differences in consumers' perceptions across online and offline shopping channels. Online purchasers reported higher mean scores for Functional Value (3.78), Epistemic Value (3.88), and Conditional Value (3.79), suggesting that information availability, functional benefits, and favourable situational factors are important drivers of online shopping. In contrast, offline purchasers recorded a higher mean score for Emotional Value (3.95), indicating that in-store experience, personal interaction, and physical product inspection contribute to greater emotional satisfaction. Social Value recorded the lowest overall mean (3.37), implying that social recognition and peer influence play a comparatively limited role in consumers' channel choice for electronic products. The standard deviation values ranged from 1.00 to 1.17, indicating moderate variability and reasonable consistency in respondents' perceptions across all six constructs. These descriptive findings provide a preliminary understanding of consumer perceptions and form the basis for the subsequent reliability assessment and hypothesis testing.

Reliability and Validity of the Measurement Instrument

The reliability and validity of the measurement instrument were assessed prior to hypothesis testing to ensure the consistency and adequacy of the research constructs. Reliability was evaluated using Cronbach's alpha coefficient, while construct validity was assessed using the Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. The results are presented in Table 2.

Table 2: Reliability and Validity Statistics

Construct	No. of Items	Cronbach’s Alpha	Interpretation
Functional Value	4	0.842	Good Reliability
Emotional Value	4	0.871	Good Reliability
Social Value	4	0.786	Acceptable Reliability
Epistemic Value	4	0.889	Good Reliability
Conditional Value	4	0.823	Good Reliability
Perceived Risk	4	0.858	Good Reliability

Source: *Computed by the researcher using IBM SPSS Statistics based on primary data collected through a field survey.*

Overall Validity Statistics

Measure	Value
Kaiser–Meyer–Olkin (KMO)	0.912

International Journal of Advance and Innovative Research
Volume 13, Issue 2: April - June 2026
ISSN 2394 - 7780

Bartlett's Test of Sphericity (χ^2)	6845.327
Degrees of Freedom	276
Significance (p-value)	0.000

Source: *Computed from primary data using IBM SPSS Statistics.*

The reliability analysis demonstrates satisfactory internal consistency across all six research constructs, with Cronbach's alpha coefficients ranging from 0.786 to 0.889, exceeding the recommended threshold of 0.70. The KMO value of 0.912 indicates excellent sampling adequacy, while Bartlett's Test of Sphericity was statistically significant ($\chi^2 = 6845.327$, $p < 0.001$), confirming that the data were suitable for factor analysis. These results establish the reliability and construct validity of the measurement instrument and indicate that the data were appropriate for subsequent hypothesis testing.

Hypothesis Testing

Binary Logistic Regression Analysis was employed to examine the influence of consumer value perceptions and perceived risk on consumers' choice between online and offline shopping channels for electronic products. Since the dependent variable (shopping channel choice) comprised two mutually exclusive categories, Binary Logistic Regression was considered the most appropriate statistical technique. The regression coefficients, significance values, and decisions regarding the research hypothesis are presented in Table 3.

Table 3: Summary of Binary Logistic Regression Results

Hypothesis	Independent Variable	Regression Coefficient (B)	Significance (p-value)	Result	Decision on Null Hypothesis
H_{01}	Functional Value	0.684	0.000	Significant Positive Influence	Rejected
H_{02}	Emotional Value	–0.752	0.000	Significant Negative Influence	Rejected
H_{03}	Social Value	–0.118	0.219	No Significant Influence	Not Rejected
H_{04}	Epistemic Value	1.126	0.000	Significant Positive Influence	Rejected
H_{05}	Conditional Value	0.436	0.000	Significant Positive Influence	Rejected
H_{06}	Perceived Risk	–0.918	0.000	Significant Negative Influence	Rejected

Source: *Compiled from the results of Binary Logistic Regression Analysis.*

The results indicate that five of the six research constructs significantly influence consumers' choice between online and offline shopping channels for electronic products. Functional Value, Epistemic Value, and Conditional Value exhibit significant positive effects on consumers' preference for the online shopping channel, whereas Emotional Value and Perceived Risk demonstrate significant negative effects, indicating a stronger preference for offline shopping. Among the six constructs, Epistemic Value emerged as the strongest positive predictor ($B = 1.126$, $p < 0.001$), while Perceived Risk was the strongest negative predictor ($B = –0.918$, $p < 0.001$). In contrast, Social Value did not exert a statistically significant influence on consumers' channel choice ($B = –0.118$, $p = 0.219$). These findings provide substantial support for the proposed research hypothesis, indicating that consumer value perceptions and perceived risk are significant determinants of consumers' channel choice for electronic products in Mumbai City.

Comparative Influence of Consumer Value Dimensions on Channel Choice

To obtain a comprehensive understanding of consumers' shopping behaviour, the significant value dimensions were comparatively examined based on their influence on online and offline shopping channel preferences. The findings indicate that different consumption values drive consumers towards different shopping channels, depending on the benefits they seek during the purchase of electronic products.

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Table 4: Comparative Influence of Consumer Value Dimensions on Channel Choice

Shopping Channel	Significant Value Dimensions	Key Influence
Online Shopping	Epistemic Value (Strongest), Functional Value, Conditional Value	Information availability, product comparison, convenience, competitive pricing, promotional offers, and favourable purchasing conditions encourage consumers to purchase electronic products online.
Offline Shopping	Perceived Risk (Strongest), Emotional Value	Physical product inspection, personal interaction, immediate possession, emotional assurance, and lower perceived risk encourage consumers to purchase through offline retail stores.
No Significant Influence	Social Value	Social recognition, prestige, and peer influence do not significantly affect consumers' choice between online and offline shopping channels.

Source: *Compiled from the results of Binary Logistic Regression Analysis.*

The comparative analysis reveals that **Epistemic Value** is the strongest driver of online shopping behaviour, indicating that consumers purchasing electronic products rely heavily on detailed product information, technical specifications, customer reviews, and comparison of alternatives before making purchase decisions. **Functional Value** and **Conditional Value** further strengthen consumers' preference for online shopping by offering greater convenience, competitive prices, wider product assortment, and attractive promotional schemes.

Conversely, **Perceived Risk** emerged as the strongest determinant of offline shopping behaviour, followed by **Emotional Value**. Consumers prefer offline retail stores when they seek greater confidence through physical product inspection, direct interaction with sales personnel, immediate product possession, and reduced uncertainty regarding product quality, warranty, and after-sales service. These findings suggest that while online shopping is primarily driven by informational, functional, and situational benefits, offline shopping continues to be preferred for the assurance, trust, and emotional satisfaction associated with the in-store purchasing experience. The absence of a significant relationship between **Social Value** and channel choice indicates that consumers purchasing electronic products are guided more by rational evaluation and perceived risk than by social recognition or peer influence.

DISCUSSION OF FINDINGS

The findings of the study provide substantial empirical support for the Theory of Consumption Values (Sheth, Newman, & Gross, 1991) and Perceived Risk Theory (Bauer, 1960) in explaining consumers' shopping channel choice for electronic products. The results indicate that consumers do not rely on a single value dimension while selecting a shopping channel; rather, their decisions are influenced by a combination of informational, functional, situational, emotional, and risk-related considerations.

The comparative analysis reveals two distinct patterns of consumer behaviour. Online shopping is primarily driven by epistemic, functional, and conditional values, suggesting that consumers prefer online platforms to obtain detailed product information, compare alternatives, access competitive prices, and benefit from promotional offers. Conversely, offline shopping is primarily influenced by perceived risk and emotional value, indicating that consumers seek greater confidence through physical product inspection, personal interaction, and immediate product possession when purchasing electronic products.

An important finding of the study is that Social Value does not significantly influence consumers' choice between online and offline shopping channels. This suggests that electronic products are purchased primarily on the basis of rational evaluation and perceived risk rather than social recognition or peer influence. Overall, the findings highlight that consumers adopt different value-based decision criteria depending on the shopping channel selected, thereby reinforcing the need for retailers to develop integrated omnichannel strategies that simultaneously address both informational and experiential consumer needs.

CONCLUSION

The present study examined the influence of consumer value perceptions and perceived risk on consumers' choice between online and offline shopping channels for electronic products in Mumbai City. The findings demonstrate that consumers' channel choice is shaped by different value dimensions depending on the shopping environment. Online shopping is primarily driven by epistemic, functional, and conditional values, reflecting consumers' preference for information availability, convenience, competitive pricing, and favourable purchasing conditions. In contrast, offline shopping is mainly influenced by perceived risk and emotional value, highlighting the importance of physical product inspection, personal interaction, and emotional assurance in reducing purchase uncertainty.

The study also reveals that Social Value does not significantly influence consumers' channel choice, indicating that decisions relating to electronic products are largely based on rational evaluation rather than social recognition. These findings extend the applicability of the Theory of Consumption Values and Perceived Risk Theory within the Indian omnichannel retail context and contribute to a better understanding of consumer channel choice behaviour. The study further provides useful insights for retailers in designing customer-centric strategies that effectively integrate the strengths of both online and offline shopping channels.

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