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CONSUMER PURCHASE BEHAVIOUR DURING RETAIL OUT-OF – STOCK SITUATIONS IN AN EMERGING MARKET

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Abstract

Retailers and manufacturers quite often suffer a huge loss owing to stock-outs. The impact is more significant for retailers as they may mislay their credibility among the consumers. Over the years, balancing the inventory avoiding out of stock situations has been hard to achieve for retailers. Hence an understanding of consumer behaviour during out of stock situations is pertinent to prevent adverse reactions. Nevertheless, there is a widespread belief that brand loyalty can, in a way, help stores retain their consumers. This paper attempts to study whether attitude towards alternatives mediates the relationship between brand loyalty and consumer behaviour during out - of - stock situations (OOS). A conceptual model has been developed and tested for goodness of fit. A survey was conducted among 300 consumers to collect data and test the hypotheses. The study proves that the attitude towards the alternatives partially mediates the relationship between brand loyalty and store switching. Meanwhile, there is a direct effect of brand loyalty on consumer behaviour during OOS, brand switching, store switching, postponement of purchase, and cancellation of purchase. This result implies that retailers have to be cautious in evading stock – out situations.

Keywords: Consumer Behaviour, Out – of – stock situations, brand loyalty, mediating effect

Introduction

Product unavailability is a persistent strategic concern for retailers. Stock-outs have become a non – negligible phenomenon. Even now, with technological advancement, consumers often feel embarrassed about the absence of their desired brand on the shelf. Shreds of evidence from the industry show that investments made in Efficient Consumer Response (ECR), category management, and supply chain management initiatives (albeit have reduced) are futile in delivering results (CorstenandGruen, 2003). The speedy growth of online retailers, coupled with prompt logistics services like next-day delivery, has made on-shelf availability vital for brick-and-mortar retailers to persist (EhrentalandStölzle, 2013). Past researches dating back since the 1960s has shown Out of Stock as an incessant problem for retailers (2002), especially in the FMCG industry. The out - of - stock situation has been tough to manage due to increased product proliferation, scrambled merchandising, and shorter product life cycles (SampaioandSampaio, 2016). Moreover, product availability is critical, as consumers can easily spot the assortment levels via personal experiences and word-of-mouth and can accordingly adjust impending store choices (Mutlu, andBish, 2019).

Besides, the consequence of Out – of – Stock (OOS) may lead to a substantial loss for the retailers and producers (Campo et al., 2004). A high incidence of stock-outs for FMCG usually entails significant money as well as image loss for both producers and retail stores. This can generate an enduring adverse impact on the business. To counter this, major players in the industry have launched a variety of brand extensions. But consumers now find very few variations between brands even though brand extensions provide for more variety in the product lines (Verbeke et al., 1998).

In addition to short – term impact, the out – of – stock occurrences have got significant long – term impact also (Narayanan, 2003). The short – term impact is the loss incurred due to consumers delaying/postponing the purchase or consumer switching store in search of the item (Kim and Lennon, 2011). The long – term impact may be a constant fall in market share, patronage, and, most importantly, undesirable word-of-mouth (Zinn and Liu, 2001). As mentioned earlier, the stock out condition has both short term and long term impact. The short term leads to switching stores while the roots of the long - term effects usually are from buying behavior of consumers like loyal buyers, habitual buyers, or unloyal buyers. (Schary and Becker, 1978).

A brand loyal consumer usually search the other stores or go for a different size (Schary and Becker, 1978). The likelihood of postponing or canceling the purchase is also. Hence, the non-availability of the desired item in the stock may prompt the customer to decide on an alternative. He does have the option to substitute

brands in various price ranges, substitute another size of his first choice brand, delay his purchase until the store receives a new shipment, or search for other sources of supply (Walter and Grabner, 1975). The acceptability of alternatives/ substitutes (in other terms, attitude towards alternatives) has a significant impact on consumer behaviour during out – of – Stock (OOS) situations (Campo et al., 2000). If the attitude is favorable, people may switch to another Stock Keeping Unit (SKU). However, this study ignores the role of brand loyalty under the condition of OOS.

An understanding of consumer behavior during stock-outs can decide the amount of loss to the retailer or the manufacturer. If a consumer picks another brand in the same store, it is detrimental to the manufacturer, whereas the consumer choosing another store is a disadvantage to the retailer (Campo et al., 2004). Given the growing prominence of organized retailing in the emerging markets, it is always desirable to investigate consumer behavior during out – of – situations in these markets to contribute to the literature. As huge investments are made by companies to develop brand extensions, it is also relevant to examine the impact of these alternatives on consumer behavior. Hence for the marketer perspective, it is very relevant to study the OOS situation and its impact on consumer purchasing/ selecting the alternative brand considering he or she is also brand loyal.

As stated above, past literature highlights brand loyalty and consumer stock out behaviour but place less emphasis or under-investigated how alternative brands can influence consumer behaviour under stock out situations (Aastrup, J., and Kotzab, H., 2010). Previous literature also focuses less on the theoretical explanation of the influence of alternatives on brand loyalty and consumer stock out behaviour. This study intends to address a gap in the literature as the influence of alternatives on brand loyalty and consumer stock out behaviour. Moreover, this study precisely focuses on studying the mediating effect of attitude towards alternatives between brand loyalty and consumer stock behaviour. The literature available also places less emphasis on the managerial implications of the mediating role of alternatives on brand loyalty and consumer stock out behaviour (Aastrup, J., and Kotzab, H., 2010). Hence, this study also intends to address this gap.

Conceptual Framework

To estimate the mediating effect of the attitude of alternatives on stock out behaviour, a theoretical model has been developed based on the Theory of Reasoned Action (TRA). Attitude, intention, and behavior are three major constructs in the theory of reasoned action (TRA) proposed by Fishbein and Ajzen (1975). This model elucidates the psychological process that mediates the perceived relationships between attitudes and behavior by connecting individual beliefs,

attitudes, intentions, and behavior (Tsang et.al., 2004). According to Solomon, Bamossy et al. (2006), behaviour tends to be almost equal to behavioural intention, which is usually derived from a combination of the consumer's attitude toward purchasing the product and the subjective norms about the behavior. Several other researchers also pointed out the direct relationship between consumer attitude and consumer behavior (Montano and Kasprzyk, D., 2015; Hale, Householder, and Greene, 2002). By reviewing the literature of past research work a proposed conceptual model for the research is developed which is shown in Fig.1.

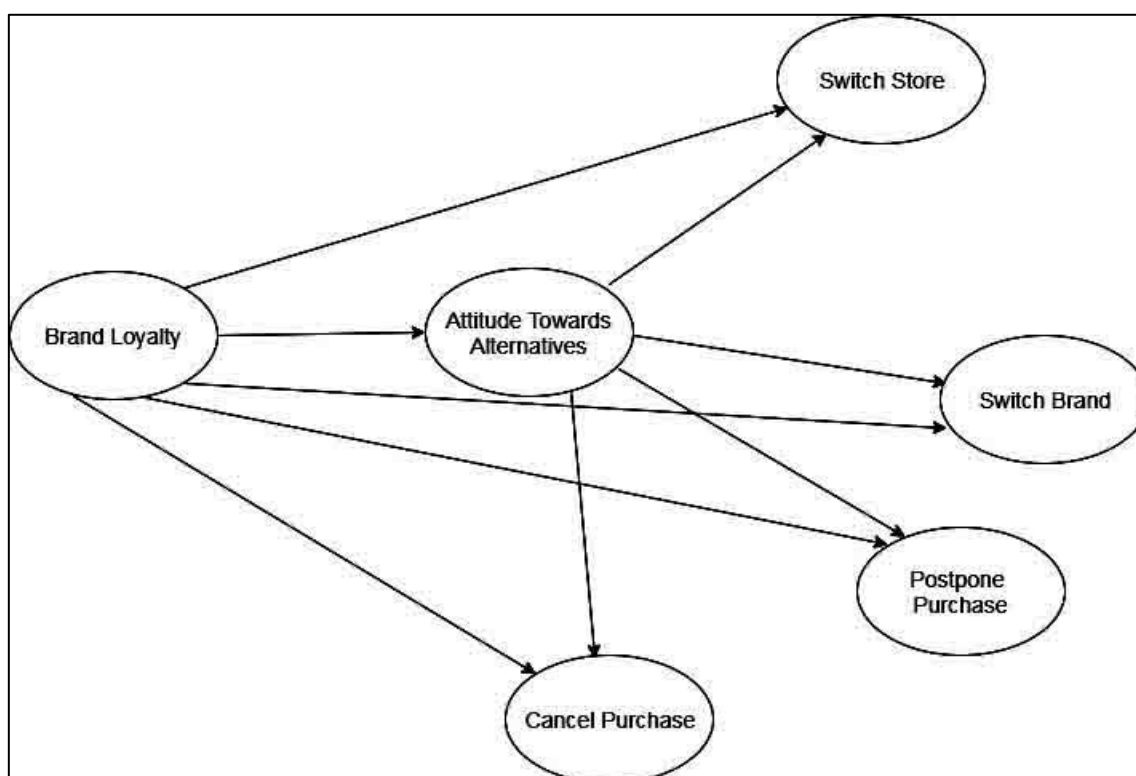


Figure I. Proposed consumer behaviour model

Literature Review

Consumer Behaviour during Stock Out Situations

The consumer's response to "out-of-stock" situations has several repercussions in merchandise assortment, allocation of shelf space, fixation of price, and planning of logistics (Verbeke et al., 1998). Progressive grocer (1968) a trade magazine pioneered in the research on OOS behaviour have reported three intended behaviour viz. substitute the OOS item, delay the purchase or leave the store to go to a competitor. Consumer behaviour during stock-out situation can also take forms such as a switch to another product, buy the missing

product in another store, defer the purchase or cancel (Corstjens and Corstjens, 1995). Furthermore, some researches later revealed that, out of all the behaviours shown, item switching/ brand switching is more predominant, whereas store switching and cancelling/deferring the purchase are less noticed (Campo et al., 2004). However, in the case of utilitarian products consumers prefer to substitute than postponement while they prefer to postpone the purchase of perishables (Koos, S. E., and Shaikh, N. I., 2019)

A considerable proportion of consumers reported to have switched brands in response to an OOS situation (Emmelhainz et al., 1991). However, Campo et al. (2004) posit that strong brand loyalty will decrease the chance of switching the product by the consumer. This behaviour is due to the disutility of consuming something other than the preferred item. Moreover, the brand-loyal buyers will switch size rather than switching item or canceling the purchase. Conversely, when the consumers have more store loyalty, and consumer acceptability for alternatives exists, the consumers switching the product is more likely than switching store. However, concerning most preferred brands, consumers are not willing to switch brands. Further, consumer response differs for different brands (Verbeke et al., 1998).

Fitzsimons (2000), contrary to other studies, concentrated on the satisfaction of a consumer with his decision process and the possibility that a consumer will switch stores in future purchases. The study concluded that store switching depends on the degree of a consumer's commitment to an alternative to the OOS item. Likewise, brand loyalty and perception of store prices had a strong correlation with consumer behaviour but are not significant when the consumer leaves the store.

The response of consumers to stock-outs of hedonic products is different from the stock-outs of utilitarian products (Kim and Lennon, 2011). Primarily for hedonic products, consumer's engagement in consumption is through multi-sensory product evaluation, fantasy, and emotions (Hirschman and Holbrook, 1982). Various other researchers such as Campo et al. (2000); Emmelhainz et al. (1991) also pointed out that type of product is crucial in consumer behaviour during OOS situations. The above literature expounds on different perspectives about consumer response towards OOS.

Studies to date have concentrated on various consumer responses to stock – out situations. Product-specific out of stock consumer behaviour researches is very few (Aastrup, J., and Kotzab, H., 2010). Moreover, a comprehensive study on the mediating effect of attitude towards alternatives between brand loyalty and consumer behaviour is hardly available. Hence the objective is to study the mediating effect of attitude towards alternatives between brand loyalty and

consumer behaviour. This paper intends to focus on this particular extent while considering a specific hedonic product, Deodorant.

Consumer behaviour in India has transformed radically over the years. The shift in consumer behaviour and spending patterns can be attributed to rising affluence, massive urbanization, and fundamental shifts in family structures (Singhi et al., 2017). Consequently, the organized retailing in the country is also growing fast, even though not matching the pace required. According to a report by Retailers Association of India and Knight Frank (2017), the cumulative stake of modern retail in the top metropolitan cities Delhi, Mumbai, Chennai, Bengaluru, Pune, and Hyderabad is approximately 19%. The overall country share is low as the presence of modern retail in smaller cities, and rural areas are almost negligible.

However, the future of modern retail is very positive due to the continuing urbanization in India. According to Singhi et al. (2017), 40% of Indians will be residing in urban parts by 2025, and they counted for more than 60% of consumption. Subsequently, there will be a surge in the aware and ambitious consumer who always have a shortage of time, traveling extensively and manage between work and home (Knight Frank, 2017). Hence the chance of buying an alternative brand is high.

As already stated, consumer responses during stock-out situations, in general, is well researched, and researchers explain various possible behaviour. The responses of brand loyal consumers are also dealt with in various studies such as by Campo et al., (2004). The major limitation of the previous studies is that the relationships between brand loyalty, attitude towards alternatives, and stock out behaviour are not considered. This study is to fill the gap of this under-investigated area, the mediating effect of attitude towards alternatives between brand loyalty and consumer stock out behaviour. Moreover, the study adds to the previous studies through a comprehensive study from an emerging market - India.

The structure of the paper is as follows. The existing literature on consumer behaviour during out – of - stock situations are presented. The conceptual framework and research hypotheses follow this. Then, the methodology employed in this study is explained, followed by analysis, results, and discussion of the results. Finally, the conclusions of this study highlight the managerial implications.

Hypothesis Development

Brand Loyalty

Brand loyalty may be defined as a penchant to stay with a favorite brand rather than seek variation (Campo et al., 2000). In other words, brand loyalty means the commitment of customers towards a

particular brand, by repurchasing the same brand of goods, rather than opting for substitutes. According to McAlister and Pessemier (1982), even when alternatives are available, the aversion to change stops people from switching brands. Moreover, consumers generally are not willing to switch brands and so they either switch stores or postpone their purchase (Verbeke et al., 1998). In contrary, Van Woensel et al. (2007) posited that consumer typically switches brands, particularly for perishable products.

Furthermore, a sizeable percentage of consumers switch brands in response to an OOS situation (Emmelheinz et al., 1991). However, if brand loyalty is high, the probability of switching brands is low (Helm and Stölzle, 2007). The level of brand loyalty is positively related to the cancellation of purchase (Sloot et al., 2005). Likewise, there are consumers who decide “not-to-buy” the product/brand in the future i.e. to cancel the purchase. However, the decision depends on brand loyalty (Kucuk, S. U. (2008).

H1: There is a positive relationship between brand loyalty and switching store

H2: There is a negative relationship between brand loyalty and brand switching

H3: There is a positive relationship between brand loyalty and postponement of purchase

H4: There is a positive relationship between brand loyalty and the cancellation of purchase

Attitude towards Alternatives

Attitude towards substitutes refers to the knowledge of different goods within the category and the extent of readiness to switch to the substitutes. According to Campo et al. (2000), attitude towards alternatives is the perceived differentiation among category items, as well as the perceived risk of switching to another item. The study proved that consumers most likely switch to another brand if the alternatives are found to be acceptable to them. Conversely, Verbeke et al. (1998) opined that consumer invests more to get their preferred brand even if alternatives are available.

Further, Sloot et al. (2005) pointed out that the availability of substitute brands has a negative but significant effect on brand switching behaviour. Moreover, consumers generally tend to buy an alternative brand if they feel that they are sold at a discount (Miranda and Jegasothy, 2006). Fitzsimons (2000) research opined that stock – out consumer behaviour is strongly influenced by the decision maker's commitment to the out-of-stock alternative. Diels and Wiebach (2011) found that customers show a higher probability to substitute for a non-advertised item, and unlikely to switch the brand or rather postpone the purchase for an advertised item. Based on the above literature, the following hypothesis is framed:

H5: There is a negative relationship between brand loyalty and attitude towards substitutes.

Store Switching

Store Switching refers to buying the goods from another store, leaving the current in case of stock-outs. According to Campo et al. (2000), store switching means purchasing the product in another store to avoid consumption loss. Consumers are more likely to switch a store if good alternative stores are available in the same area (Verbeke et al., 1998). On the contrary, Schary and Christopher (1979) proved that the power of brand preference restricts consumers from switching stores. However, consumers who show a positive store attitude can, to some extent, neutralize the negative outcome of out-of-stock (Rani, L., and Velayudhan, 2008). Puligadda et al. (2012) proposed that the level of loyalty towards a particular store does not influence consumer behavior in stock out of a preferred brand. Considering these views, the hypothesis framed as follows.

H6: There is a negative relationship between attitude towards substitutes and store switching.

Brand Switching

Brand Switching refers to the willingness of the consumers to switch to the substitute products if their product is not available. By purchasing another brand, consumption can be kept at the usual or planned level without incurring an opportunity loss (Campo et al., 2000). Hence, if stock-outs break the bond between the consumer and the brand, the consumer is forced to try other brands, resulting in loyalties to other brands (Schary, and Becker, 1978). Walter and Grabner (1975) posited that during stock-out situations, consumers switch to another brand in the same price range. Furthermore, Puligadda et al. (2012) found that brand loyalty has a strong influence on the attitude of the consumer during stock-out situations. In place of these observations following hypothesis is framed

H7: There is a positive relationship between attitude towards substitutes and brand switching.

Postponement of Purchase

The postponement means planning to buy the desired goods at a later date than it was initially planned. Sloot et al. (2005) defined postponement as postponing the intended buy until the next regular trip to the supermarket. This study also opined that the availability of acceptable alternatives has an insignificant negative influence on the postponement of purchase. However, Zinn and Liu (2001) posited that a small percentage of people intend to postpone their purchase

and visit the store later. Likewise, Campo et al. (2000) purported an insignificant negative relationship between attitude towards substitutes and deferring the purchase. With these observations, the hypothesis framed is as follows:

H8: There is a negative relationship between attitude towards substitutes and postponement of purchase.

Cancellation of Purchase

Cancellation can be explained as the act of abandoning the decision to purchase the product. Hence, when the planned item is not purchased at all, it is referred to as the cancellation of purchase (Campo et al., 2000). Van Woensel et al. (2007) opined that consumers hardly cancel their purchase if acceptable alternatives are available. Campo et al. (2000) also proved that cancellation of purchase hardly happens in a retail set up as the consumer may turn to available substitutes or switch stores. A hypothesis was framed to study this aspect of consumer behavior in the current context.

H9: There is a positive relationship between attitude towards substitutes and cancellation of purchase.

Methodology

The objective of this research is to know whether attitude towards alternatives mediates brand loyalty and consumer behaviour during out – of – stock situations. The research plan was first to identify a busy retail outlet in Kochi, India. "More" one of the busy retail Retail stores in Kochi, India was selected which sells almost all types of personal care products for men and women. Data was collected using convenience and mall intercept sampling method, from the customers who have shopping bags in their hands. This research is confined to consumer behavior during stock-out situations of personal hygiene products.

According to AC Nielsen report, 87 percent consumer feels that personal hygiene will enhance their confidence and 78 percent believe that right fragrance products enhance their social presence (ETBrandEquity, 2017). Furthermore, this report also highlighted that nearly 75 percent of respondents (men and women) considered fragrance is a crucial element in determining the buying of deodorant (ETBrandEquity, 2017). It is projected that India's perfumes and deodorants market will touch the \$ 2 billion mark by 2025 from the \$ 970 million in 2019 (CONSUMER GOODS AND RETAIL, 2019).

Based on these reports, "Deodorants" was considered for creating a hypothetical situation because most of the consumer purchase the fragrance of Deodorants. A most important fact that the age group

below 35 years is regular record purchaser of a deodorant, across the gender (Pandey, 2011)

The data collection was from consumers aged above sixteen years who visited the store. Firstly, the consumers are requested to share the purchasing list or asked what they intend to buy in the current shopping trip. If the consumer intends to purchase deodorant, he/she was asked to mention the preferred brand. Then these consumers are requested to fill the survey form and return it while they finish the shopping. More than 500 survey forms were distributed, out of which only 300 consumers returned the survey form. Once they returned the survey form, a check was done to know whether they have purchased the same brand as mentioned earlier, or they switched the brand, or they postponed/ cancelled the purchase.

After removing the unfilled forms, 225 were fit for the study. For capturing the purchasing behaviour during the stock out experience, a hypothetical situation was mentioned in the questionnaire. The survey conducted over 3 months considered the last 15 days of each month for the survey. All the responses in the survey form were on a five-point Likert set from 1 (strongly disagree) to 5 (strongly agree) unless otherwise stated. The questions for the survey were adopted from the study by Campo et al. (2000).

Analysis and Results

PLS-SEM based method was used for analyzing the proposed model. In the marketing field of research, PLS-SEM is the most widely used tool for analysis. It is best suited for "small samples", "non-normal data", "formative measures" or "complex model" (Ringle, 2012). A large number of studies in consumer research dealing in a cause-effect relationship use PLS based SEM (Albers, 2009; Völckner, 2010). As mention above, PLS is widely used in consumer behavior areas of research, and our study also based on consumer behavior and complex model. It appears that PLS-SEM is a good analytical tool for analyzing the proposed model.

Reliability

In PLS, individual factor reliability was assessed by examining the loadings of individual factors on their respective latent constructs (Hulland, 1999). The higher loadings imply that there is a more shared variance between the construct and its measures than error variance. In this study, the criteria of 0.50 recommended by Hulland (1999) was adopted for the retention of factors. However, Malhotra, N. K., and Peterson, M. (2006) have recommended a Cronbach's alpha value of 0.6 as the criteria for retention of factors. Considering both cases, the factors are acceptable. The factor loadings from the final PLS measurements are reported in Table Ia.

Table Ia. Factor loadings, Cronbach's alpha, composite reliability and AVE

	Factor loadings	Cronbach's alpha	Composite Reliability	AVE
Attitude		0.6299	0.8411	0.513
Alternatives_dontknow_choice	0.8661			
Alternatives_littleloss_poorchoice	0.8376			
Brand Loyalty		0.8538	0.9310	0.61
BrandLoyalty_loyal_customer_to_brand	0.9167			
BrandLoyalty_stay_with_brand	0.9494			

(Source: Survey data)

In addition to Cronbach's (1951) alpha, the reliability of each variable was assessed through Fornell and Larcker's (1981) measure of composite reliability. This measure is preferred over Cronbach's alpha because it offers a better estimate of variance shared by the respective indicators and because it uses the item loadings obtained within the nomological network (Hair et al., 2006). In this study, the composite factor reliability coefficients of the construct ranging from 0.8411 to 0.9310, which met the standard of 0.70, as suggested by Fornell and Larcker (1981). (See Table Ia). Discriminant validity is confirmed by comparing the square root of the AVE of each construct with its correlations vis-à-vis other latent constructs. (See Table Ib).

Table Ib: Discriminant Validity

	Attitude	Brand Loyalty
Attitude	0.716	
Brand Loyalty	0.412	0.781

Bold Numbers on the diagonals represent the square root of the AVE of each construct

Hypothesis Testing

To test the hypothesis Partial Least Square Method is used. There are two parts in a PLS path model: 1) a measurement model relating the observable variables to their own latent variables and 2) a structural model relating some endogenous latent variables to other latent variables. The measurement model is also called the outer model and the structural model of the inner model (Tenenhaus et al. 2005). Fig. II illustrates the model values and the P-Value is shown in Table II.

Figure II: Model Values

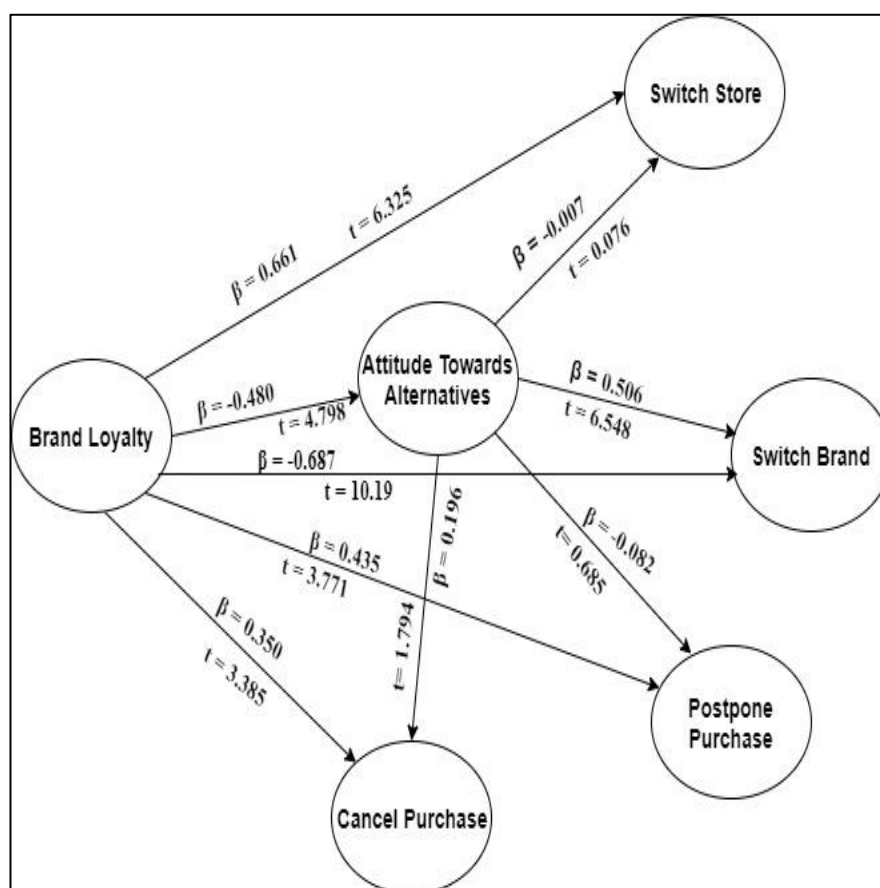


Table II. Path coefficients along with their bootstrap values, 'T' values (Inner Model)

	Hypotheses	β	T value	P-Value	Result
H ₁	Brand Loyalty -> OOS Switch stores	0.611	6.325	0.000	Significant
H ₂	Brand Loyalty -> OOS Switch Brand	-0.687	10.19	0.000	Significant
H ₃	Brand Loyalty -> OOS Postpone Purchase	0.435	3.771	0.000	Significant
H ₄	Brand Loyalty -> OOS Cancel Purchase	0.350	3.385	0.000	Significant
H ₅	Brand Loyalty->Attitude towards Alternatives	-0.480	4.798	0.000	Significant
H ₆	Attitude towards Alternatives -> OOS Switch stores	-0.007	0.076	0.104	Insufficient
H ₇	Attitude towards Alternatives -> OOS Switch Brand	0.506	6.548	0.000	Significant
H ₈	Attitude towards Alternatives -> OOS Postpone Purchase	-0.082	0.685	0.423	Insufficient
	Attitude towards Alternatives -> OOS Cancel Purchase	0.196	1.794	0.231	Insufficient

H₉ Purchase

(Source: Survey data)

Goodness of Fit

On analysis of the Goodness-of-Fit. Goodness-of-Fit (GoF) as shown in Table III the GoF value obtained is 0.51111(51%).

Table III – GoF indices

	R Square	Communality	Redundancy
Attitude	0.3257	0.4855	0.0918
Brand Loyalty	0	0.7383	0
Brand Switching	0.6129	1	0.1461
Cancellation	0.2146	1	0.0305
Postponement	0.2281	1	-0.0151
Store Switching	0.419	1	0.0032
	1.8003	5.2238	
Average	0.30005	0.870633333	
GoF = $\sqrt{\text{Average } R^2 \text{ average communality}} = \sqrt{0.261233532} = 0.5111$			

(Source: Survey data)

Results

As we hypothesized that the relationship between brand loyalty and attitude towards substitutes is negatively associated with each other with β coefficient = -0.480 and $t=4.798$ (Table 2), indicating that brand loyalty has a direct negative significant influence on attitude towards substitutes. Hence, we accept our hypothesis H5. The relationship between attitude towards alternatives and store switching is significant with β coefficient = -0.007 and $t=0.076$ is statistically insignificant. Hence H6 is rejected. (See Table II)

Moving on to the next hypothesis, H1, the relationship between brand loyalty and store switching is significant with β coefficient = -0.611 and $t=6.325$ (Table II), indicating that brand loyalty has a direct negative significant influence on store switching. Therefore, H1 is accepted. The relationship between attitude towards alternatives and brand switching (H7) is found significant (β coefficient = 0.506 and $t = 6.548$). Hence, H7 indicates that attitude has a direct positive influence on brand switching. (See Table II)

The relationship between brand loyalty and brand switching is negatively associated with each other. With β coefficient = -0.687 and $t = 10.191$, it indicates that brand loyalty has a direct negative influence on brand switching. Therefore, H2 is accepted. (See Table II) The relationship between attitude towards substitutes and

postponement of purchase is negatively associated with each other. With β coefficient = -0.082 and $t=0.685$ (Table II) indicating statistically insignificant. Therefore H8 is rejected.

The relationship between brand loyalty and postponement of purchase is significant with β coefficient = 0.435 and $t=3.771$, indicating that brand loyalty has a significant positive influence on the postponement of purchase. Therefore H3 is accepted. However, the relationship between attitude towards substitutes and purchase cancellation (H9) is found insignificant (β coefficient =0.196 and $t=1.794$). The relationship between brand loyalty and purchase cancellation is significant with β coefficient =0.350 and $t=3.385$, indicating that the attitude has a direct positive significant influence on cancellation of purchase. Hence, H4 is accepted. (See Table II)

Out of the nine proposed paths used to connect the measures in the structural model, three are not supporting the hypothesis. On checking the mediation effects, as per the systematic mediator analysis process in PLS-SEM by Hair et al. (2017), the study found that the relationship between brand loyalty and switching store there exists only a direct relationship as the path from the attitude towards alternatives and switch stores is insignificant. So there exists no mediation effect by the attitude towards alternatives.

On further analysis of the relationship between brand loyalty and switch brand, it is to be inferred that there exists a partial mediation by the attitude towards alternatives since all the paths are not positively significant. Further, there exists only a direct effect between brand loyalty and postponement of purchase. It implies that attitude towards alternatives cannot influence the relationship between brand loyalty and postponement of purchase. On checking the mediation effect on the relationship between brand loyalty and cancellation of purchase, it is found that there exists only a direct relationship between these variables. As stated by Lee et al., (2011) and Hair et al. (2012) GOF value for good model must be greater than 0.36. As shown in Table III the goodness of fit with the GoF value 0.51111(51%) indicates that the model has a good fit.

Discussions

This research was carried out to investigate the influence of OOS on consumer purchasing behaviour. The study found that brand loyalty has a direct negative significant influence on attitude towards alternatives. It implies that a consumer who is loyal to a brand shows a negative attitude towards alternative brands. We, therefore, conclude that brand loyal consumers' normal tendency is an aversion to change and so they never switch brands even if alternative brands are available in the market. This result is in confirmation with the previous study by Helmand Stölzle (2007).

We also hypothesized that attitude towards alternatives has a direct negative influence on store switching behaviour. However, we fail to accept the hypothesis. This implies that customers switching the store are not based on their attitude towards available alternatives. On the other hand, there exists a direct relationship between brand loyalty and store switching. From the results, it is thus evident that brand loyal customers are less likely to change their preferred brand if they have other stores nearby during the OOS. So it is risky for the retail store that they may lose a customer. This is in line with Verbeke et al. (1998), who stated that brand loyal consumers are less likely to switch brands if a store of a similar assortment is present nearby. It is also apparent that attitude towards alternatives never impacts a consumer's decision on switching brands.

Attitude towards alternatives shows a significant positive influence on brand switching. It implies that if a customer feels good about an alternative product, they are ready to switch to another brand during OOS. However, brand loyalty will be low in this case. Instead, if a customer carries an unfavourable attitude towards substitute products, they tend to be loyal to their brand. The study also establishes a direct, negatively significant relationship between brand loyalty and brand switching, thus confirming a partial mediation. Hence, when a consumer shows some favourable attitude towards alternatives, there exists a high chance to switch brand due to this mediating effect. This is in confirmation with the previous studies by Schary, and Becker (1978), Walter, and Grabner. (1975) and by Puligadda et al. (2012).

The relationship between attitude towards alternatives and the other two behaviour dimensions has been insignificant in this study. However, brand loyalty has a direct relationship with the postponement of purchase and cancellation of purchase. The results of the study indicate that a customer visiting a supermarket is likely to postpone their purchase or cancel it, whatever be their attitude towards substitutes. This may be because a product like deodorants is selected very cautiously by the consumer. However, a customer visits a supermarket for a multi-product purchase, and so they hardly postpone or cancel their entire purchase. This has been proved by Campo et al. (2000), Sloot et al. (2005), and Van Woensel et al. (2007).

Theoretical Implications

This research was to understand the relationship between brand loyalty, attitude towards alternatives, and consumer stock out behaviour. There exists a direct effect of brand loyalty on consumer behaviour during OOS, brand switching, store switching, postponement of purchase, and cancellation of purchase. However, the relationship between brand loyalty and store switching is partially

mediated by the attitude towards the alternatives. Thus the gap, in theory, is addressed.

Practical Implications for Asian Business

In a highly competitive environment, the challenge for retailers and manufacturers is to retain customers with their stores and brands. The problem customer frequently encounters OOS situations. Even though several studies have been done on this, no approach has got full acceptance concerning managing stock out situations. It is evident from the study that during out – of – stock situation customers tend to switch stores or switch brands. If a customer switches store, it affects the retailer, and if a customer switches brand, it affects the manufacturer.

For Retailers

Since retailers themselves are responsible for most of the stock-outs, as pointed out in various studies, this research gives some meaningful insights to the retailers. The retailer, despite stocking multiple brands, could not hamper consumer behaviour, particularly in the case of products like deodorants. Various studies also show that consumers have a particular loyalty to their favourite cosmetics as well as personal care products, which justifies our argument.

It is evident in the study that customers who have a positive attitude towards substitutes never tend to switch stores. So it becomes imperative for the retailer to stock matching alternatives for the OOS item. Our study also points out that customers are not so interested in postponing or canceling the purchase. When a customer leaves the store empty-handed, it is a loss to the retailer, and so store managers must be careful in planning the assortments for the store. However, efforts can be put by the retailers to increase store loyalty, which in turn negates the impact of OOS situations.

For Manufacturers

OOS situation is also disadvantageous for the manufacturer as it brings in revenue loss. One way of solving this issue is to increase product availability. As a manufacturer, it is imperative to provide excellent distribution support to the retailer. The study also proves that brand loyal customer normally develop a negative attitude towards alternatives. Therefore, effort must come from the manufacturer in creating and developing brand loyalty among the customers to avoid brand switching. However, utmost care should be taken by manufacturers in alliance with the retailers in managing product assortment in the retail store.

Conclusions, Limitations and Future Research Directions

The objective of this paper was to study the mediating effect of attitude towards alternatives between brand loyalty and consumer behaviour. Nine hypotheses were developed to study the model. It was observed that brand loyalty enjoys a significant negative relationship with the attitude towards substitutes. Thus a brand loyal consumer will have an unfavourable attitude towards substitutes. If a person is less brand loyal, he may show a favourable attitude towards substitutes.

The relationship between attitude towards substitutes and consumer behaviour gave mixed results. While brand switching has a significant positive relationship with the attitude towards alternatives, all the other behaviour dimensions such as brand switching, purchase cancellation, postponement of purchase had insignificant relationships. There exists a partial mediation between brand loyalty and brand switching. Attitude towards alternatives mediates the relationship between brand loyalty and brand switching partially.

The actual behavior is gauged only for 6 weeks, and so a study on long – term behavior may yield a different result. The data collected was based on a hypothetical stock – out situation, and so behavior may vary in the actual situations. The study was done currently in South India and the results may be different in other parts of the country. So it is suggested to extend the study to other parts such as North, East, and West of India. This study has selected only one product, and so results may differ for other products. Hence, further study is recommended on other products or comparisons of other products for analyzing consumer behaviour.

Declaration

The authors hereby declare that the current study titled ”**Consumer Purchase Behaviour during Retail Out –of – Stock Situations in an Emerging Market**” is their original work and there exists no conflict of interest. All data described in the manuscript are real and authentic and the text adheres to the ethical, stylistic and bibliographic requirements of the journal.

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