

A COMPARATIVE STUDY ON CONSUMER BEHAVIOUR TOWARDS ONLINE AND OFFLINE SHOPPING

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ABSTRACT

The study tries to recognize that, how consumer measure channels for their purchasing. Specifically, it progresses a conceptual model that addresses consumer value perception for using the internet shopping versus the traditional shopping. Earlier study showed that perceptions of price, product quality, service quality and threat strongly impact perceived value and purchase intents in the offline and online network. Observations of online and offline buyers can be evaluated to see how value is constructed in both channels. It is hitherto to recognize what factors influence online and offline shopping choice progression. The objective of this study is to provide an impression of online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate customers to decide whether to do online shopping or go for the offline shopping. Consumer's shop when and where they want, where they are comfortable with the products and the choice of shopping. The study finds that female are more into online shopping than male. Since last two years as population are more aware of the technology the online shopping increased immensely. The people from the age group 35 and above are less likely to do online shopping because they are less aware of the technology. However the respondent said that they will love to purchase from online shopping if only the price of the product is less than the market. They revealed that it is fairly important to go for e-shopping.

Keywords: Consumer, technology, online shopping, offline shopping, internet, purchasing behaviour of consumer.

1.1 INTRODUCTION

In the present day context, learning and analysing consumer behaviour is extremely vital for the success of a business, is it online or offline. Consumers drive the market. All the business activities are carried out keeping in mind the interests of consumers. Online shopping, which is a recent phenomenon in the Indian context has gathered steam in the last few years backed by increasing penetration of internet has resulted in consumers spoiled for choice. Internet is helping the promotion of products through online advertisements. The healthy competition between the online stores and the offline brick and mortar counterparts have ushered in a new era where consumers can pick and choose the medium of shopping to fulfill their shopping interests. Some of the key differences between the two medium of shopping are the means of gathering

product information's, perceived risk and the ability of consumers to access similar kinds of products according to their preferences.

In the developed countries like the United States, it has become almost a norm to make purchases on the online platform specially for apparel products. However, in a developing country like India, majority of people still depend on the brick and mortar stores to make purchases in different categories. Although in the last few years, online shopping has become quite a craze among the masses specially among the teenagers and youngsters, in absolute numbers, offline shopping is still way ahead of its online counterpart.

1.2. Factors Affecting Online Shopping

Online shopping becomes relevant in the last decade. The kind of business online retailer are doing is proof enough that they are providing some benefits to customer which offline shopping does not give to the customer. These are the factors affecting online shopping:

Risk: When customer buy products from online shopping they do not touch or feel the product in a physical sense. Hence we understand that lot of risk is involve while buying an online product whether it will reach us on proper time or not is also a concern and also there may arise a risk of product size and colour as it may differ in real view or sense. Sometimes the product ordered is kind of damaged.

Convenience: Online shopping is much more convenient than offline shopping. Instead of taking out your vehicle and visit shop to shop you can just sit at your home and do the shopping. It is convenient to sit at one place and shop the product of our choice without moving from place to place. Once you have decided on what you want to buy the payment process is seamless and the order is delivered to your place. Online shopping makes things more convenient. We can have a lot of choice over there in any kind of material we want to deal with that too without any fear of dealing with any dealer or distributors. Online shopping is convenient in its real sense as it do not carry any dealing with issues of asking for wanted items or issues of asking for desired kind of items which helps in avoiding the part of waiting, asking, questioning about the product.

Previous online experience: How has been a person's experience in past as far as online shopping is concerned is a major story of concern. Previous experience is what matters actually as its hamper or sometime it keep good view or mood of people. There are two experiences one is about good and another is about bad. Both has its own and different affect in the mind of buyers. So these factors also influence online shopping or e shopping.

Pricing Policy: Online retailers gets an inherent advantage in pricing as they don't have to bear expenses like store rent, bills etc. They can pass their price directly to customer and generally offer a lower price to customer than offline market. Even when shipping charges are included than also it is better than the offline shopping. Hence, determines the level of online shopping. Lower the price- higher the mood to demand, higher the price –lower the demand. Price of any commodity also influences the purchasing power of any specific buyer. Consumer generally prefer mild or normal price with good quality and do not want to spend

or expense lot for any kind of stuff. So buying and selling both are simultaneously affected by the price of product.

Quality: The quality of product at online sites and offline stores vary a lot and then this determines the frequency of online shopping. Quality also carries good affecting nature over any kind of shopping. As consumer or buyer want to have a good quality of product as they spent their huge sum of money. In general, quality is a primary need over any kind of purchasing as it somewhat secure or give a good sense of buying or kind of guarantee about the product preferred.

Online trust: It depends on customer perception whether they trust a particular site and its product and services. Hence the frequency of online shopping also depends upon whether they trust a particular site or not. People are different in their nature and thoughts, some kind of people trust online dealing some kind of people are in fear of online dealing.

Tangibility of the product: At the store the customer gets to touch and feel the product they purchase before buying which help the customer to take the decision to buy the product or not whether the product will suit the customer need or not. Whether, we can and see feel a product is also a reason which determines whether a person's wants to go for shopping or not. Tangibility of any product also determines the online shopping. Without touching the preferred or desired substance nobody can get its security about the worthiness or quality or sense of any preferred product.

Delivery time: The product ordered by the customer in online shopping takes a minimum of six to seven days to deliver the product to the customer. But in offline shopping the possession of the goods is immediately transferred to the buyer. So this is a major factor which affects the online shopping. People want a good delivery time; they prefer to get a product in a desired time or in short time of duration. Duration is the second major factor affecting the demand of product.

Income: The person whose income is more, do more online shopping as compared to the person whose income is less. Income plays a major role to purchase online products. Higher income people prefers to purchase online more than offline as it gives them reliability and convenient. Higher the income higher will be the purchasing of online product and vice-versa.

Taste and preference: The taste and preference of the customer vary from customer to customer and time to time, taste and preference also a factor which influences online shopping. Taste and preference of age group also matters in online shopping. Old people buy or purchase product for their kind of use. Young generation or teenagers use to purchase their taste of product. Taste and preference move in tend of ages and choices. Every customer or buyer choices are different in nature as per their ages.

Information: The information given in the site may not be correct or may not be appropriate information. The full information about the quality of the product may not reach to the customer. Hence it will affect the online buying of the customer. Information provided by the preferred sites may be not the same about the detail of the product.

Variety: The kind of variety that a customer gets online is hard to match any product purchased offline. The online retailer's stock products from the entire major brand and a customer can find any product in their listing no matter how hard to find it is in the offline store. Online and offline both shopping provide variety of range from various brands. Variety in it itself is the foremost dealing factor which influence the market. Larger the variety of product in shop higher the selling and vice-versa. People generally prefer to move where they get more variety of products.

Discreet shopping: While buying some products like lingerie customers don't feel comfortable to purchase it in offline store. Shopping online is discreet and some online portals also provide discreet shopping. Purchase of girly material are very convenient in offline shopping as it is not dealt with any kind of uncomfortable situation. There is no person to who is to ask for any kind of intimate product, customer can easily cope with offline as they can go and purchase their usable items without any kind of hesitations.

Offers: Apart from offering products at lower price most online shopping regularly come up with discount offers in association with bank, brand etc. Which entail customer to get additional saving while buying products online? Offline stores only give offer or discount during stock clearance or when the manufactures gives the discount on the products. Online shopping always provides offers at all the time and day. In every purchase we get some offers even if there is no festival or carnivals. Offers are a great factor which attract customer to purchase online. Offer carries a great influence in shopping.

Instant gratification: Customer buying offline gets their products as soon as they pay for it but in online shopping customer have to wait for their product to get their product. Under normal circumstances waiting a day or two does not matter much but when a customer want to get the product instantly than offline shopping become necessary.

1.3. Factors Affecting Offline Shopping

Offline shopping has existence since the existence of mankind. Offline shopping gives different types of benefits to the customer. There are some factors which affect the shopping offline those are as follow:

Less number of choices: There are limited numbers of choices when it comes to offline shopping. The numbers of varieties are limited. The ranges of products available in the shops are limited. Sometimes, the stocks are old and are up for discount and sale. Basically in offline or any shop we get less numbers of choices as it consists of manual work. We have to choice in that less number of materials due to manual factor.

Time consuming: It takes a lot of time to go shopping to a store. Distance from home or workplace to the store is time consuming. It is also time consuming while trying out the outfits in a store or even going through other products. In off-line shopping customer move one place to another and one shop to another in search of their desired product.

Information: What generally happens is that the information provided by a shopkeeper isn't correct. Also this information doesn't always suit our needs. And we buy products according to what they say when we

ourselves don't have adequate knowledge about the products. Such purchases are based on goodwill when we happen to know the shopkeepers.

Authenticity: Offline shopping is more authentic than online shopping. While buying the product we can feel the texture of it and know what it's like. We exactly know what we are buying while buying anything offline. But in online shopping, we don't always know what exactly we are buying. This is because what we see on the websites is not always what we buy when the product reaches us.

Bargaining: In offline store a customer can do physical bargaining to the seller unlike shopping online. In online shopping a customer cannot do bargaining as the price of the product is fixed. Some of the customer purchased products depending upon bargaining so they do not go for online shopping as they feel shopping online is more costly than the market.

1.4. Statement of the Problem

Mumbai city due to its geographical constraints has extended in a linear manner. Due to the residential locations being pushed northwards, the city of Mumbai with its present population of over 12 million. Most of the youth are engaged in shopping from online stores like flikart, snapdeal, tata etc. Most businesses aim to provide good customer service -- but sometimes, customers encounter problems in getting the products and services they want. When they do, those problems have a significant impact on customer engagement. Analysis reveals that 50% of customers who did not encounter a problem when purchasing a product or receiving a service are fully engaged. But when customers do encounter a problem, only 15% are fully engaged.

When customers encounter a problem, they want it to be resolved to their satisfaction. But when it comes to creating or maintaining customer engagement when a problem occurs, how a company handles a customer's problem matters just as much, if not more, to that customer than a successful resolution of the problem.

Companies don't absolve themselves in their customers' eyes by simply fixing a problem; they do so by taking care of the customer's emotional needs throughout the resolution process. When customers are very satisfied with the way in which their problem was handled, Research found that more than half (54%) are fully engaged. When customers are very satisfied with the resolution to their problem, in contrast, about three in 10 (27%) are fully engaged. Some of the issues in current scenario.

- Customer problems destroy customer engagement
- Problem handling is more important than problem resolution
- Top companies use problems as opportunities to engage customers

unavailability of goods and services at right time

1.5. Significance of the Study

The consumers in today's era have not only many stores choice, but they also have a wide variety of channels to choose from. With the start of numerous channels (e.g. Mobile Commerce, E-Commerce) and a continuous increase in the competition among channels, the understanding of what incites consumers to

purchase from one channel rather than another becomes progressively important channel design and management.

The two major research streams and three distinct research phases can be identified in the online consumer behaviour. The first major research stream identified explores the possibility that product attributes such as the product's suitability for evaluation and delivery via the Internet are important drivers of online purchases.

The research stream identified explores the importance of the consumer's situation as an important driver of online retail sales. Within this second research stream the consumer's situation is taken to include access issues, demographic issue, product availability, technological familiarity, experience, trust, and brand and customer service. Clarification of the debate as to whether it is the product attributes or the consumer's situation that principally drives the online purchase decision process will contribute to a better understanding of consumer behaviour. The outcome of the research will assist retailers understand why consumers search and evaluate products online and then buy them offline and vice versa.

Rourkela is taken as area of study because no study is being done in the context of Rourkela not even in the context of Odisha. As Rourkela is a steel city in Odisha, I like to take this city as the study area. This study will give the idea about which shopping will be best for the consumer point of view? Which option would be preferred by the consumer to shop whether online or offline? This study will give the clear idea about the internet shopping.

1.6. Objectives of the Study

The present study broadly compares the online and offline shopping, specifically the objectives are:

- (a) To analyse the significant difference between the online and offline consumer groups in terms of demographic, technology use, availability and attitude of the consumer.
- (b) To examine the factors influencing the consumer to switch from the offline shopping to online shopping and online to offline shopping.
- (c) The factor influencing the consumer to shop solely online and solely offline.
- (d) To analyse whether the qualification of the consumer affect the online shopping and offline purchasing.

1.7 Review of Literature

The extensive literature review has been conducted to gain deeper understanding of research about online and offline customer and their experience. The review clarifies and simplifies the dominant dimension consumer consider when they make any online purchase decision. Following this, the major theoretical gap related to understanding what and why consumers do, and do not purchase using the Internet is explored with respect to the theories of retail change and consumer behaviour theory with particular reference to the buying decision process. More specifically, the study examined the interrelationships among quality, value, satisfaction, and loyalty when consumers choose to shop online.

1.8 RESEARCH AIM AND OBJECTIVES

1. Customer engagement is very important for any organisation. The main aim is to provide accurate data regarding customer engagement in recent years.
2. Objectives of research are to collect primary and secondary data from relevant sources.

1.9 RESEARCH HYPOTHESES STATEMENT

Online shopping would be most preferred by all the consumers by some decades. The online shopping demand would rise from teenagers aged 16-25 to mature people aged 35-45 years. Offline shopping would be decreased by 50 per cent by next decade.

1.10 LIMITATIONS OF THE STUDY

1. The main limitation of the study is the non-availability of required relevant and comprehensive time series data on the subject under study.
2. Limitations are unavoidable and the present work is based on secondary source and primary data, reduces the degree of reliability and coverage as is normally associated to such studies. However efforts will be made to secure maximum possible accurate data.
3. The present study would require comparative data on capacity utilization, fare polices, HRM practices. Comparable data may be a stumbling block.

1.11 Conclusion

The review of relevant literature has revealed that majority of the studies have been conducted on outside the country. There has been no study in the context of mumbai. Most of the studies have focused on the switching behaviour of the consumer from one channel to another channel. The literatures reveal that those who are aware of technology, knowledge, and high income level population, are specially engaged in the online shopping.

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