A study on the impact of customers' online and offline shopping buying behaviour in Hyderabad city.

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Abstract

The following article analyses and discusses customer buying behaviour in Hyderabad City and the effect of online and offline buying. Due to the emergence of e-commerce and concurrent physical stores, consumers' habits depend on convenience, product price, availability of certain goods, credibility, and interpersonal contact. The study seeks to identify how different factors influence customers' decision-making when selecting between online or offline channels of commerce with special reference to the effect of age, gender, income and educational level. Technological trends and, use of mobile applications for transactions, payment modes, and logistics are observed to have affected the behaviours of consumers in this area of study. Hence, the behaviours being studied in the present piece of work have been contextualised under the consideration of Hyderabad City, where there is a techno-savvy population with a diverse cultural background. Further, it discusses the retail relevance of offline stores because of the physical item dealings, personalised service, and cultural propensity. Survey and interviews are used to determine the motivation and experience of customers within the two shopping domains. It subsequently extends the discussion of satisfaction, which is described as the result of trust, quality assurance, perceived convenience, and perceived cost. Thus, the study offers valuable recommendations for retailers to generate approaches that satisfy changing customer needs and close the gap between e-commerce and traditional store shopping experiences. This research also provides suggestions for future research work, which are the role of omnichannel retailing strategy and the changing influence of technology on consumer behaviour.

Keywords:*Online Shopping, Offline Shopping,Customer Satisfaction, Buying Behavior, Digital Platforms,Retail Experience*

Introduction

One that cannot be denied is the changes that have happened in the retail industry over several years due to enhancements in technology and the increased use of electronic commerce. The following changes have received a major shift of consumer engagement on brand, product as well as service. This change is even more significant for buying behaviour in cities where the blend of tradition and the novel is well felt such as Hyderabad. This research explores the shifting consumer shopping paradigm paying attention to customers' experiences in Hyderabad accessing products from online and off-line mediums.

Electronic commerce has been proven to be one of the preferred forms of retailing due to its efficiency. Its advantages include the expanded choice of products, the nice prices, and the opportunity to buy things without leaving home. The adoption of e-commerce was particularly propelled by the COVID-19 pandemic, having led to restrictions on physical interactions such that the buyer had no choice but to engage in e-commerce. As Hyderabad is full of IT employees and technocrats, the trend of online shopping has increased in the city and hence, it was chosen as the site for this study.

Still, people prefer shopping for offline stores even though the convenient way of shopping is available online. A number of customers prefer 'touch and feel' of the products so it

is also important to allow customers to touch and feel the products before they buy them. The convenience of personalised service offered by most physical stores and the pen for preference of interpersonal communication make offline shopping relevant. Both casual and formal shopping centres, traditional bazaars, shopping malls, and standalone stores are popular among consumers of Hyderabad as they provide easy access to the product, quality assurance, and the experience.

The present research sought to establish factors that affect customer patronage of online shopping over physical shopping. Key questions include: What encourages customers to use one of these channels more than the other? How do sex, age, and income influence these choices? How important are trust factors, convenience, and satisfaction in the attitude towards buying decision? Regarding these questions, the research aims to arrive at an understanding of consumers in Hyderabad to meet clients' needs.

Key objectives:
1. To identify the factors influencing customers' shopping preferences.

2. To analyze the impact of digital platforms on offline retail businesses.

3. To evaluate customer satisfaction levels in online versus offline shopping.

Table 1: Categories of Factors Influencing Customer Shopping Preferences

Category	Description	Examples
Demographic	Attributes such as age, gender, income, and education affecting preferences.	Age group preferences, spending capacity.
Psychological	Mental and emotional factors shaping decisions.	Brand loyalty, motivation, attitudes.
Economic	Financial constraints or opportunities.	Price sensitivity, discount attraction.
Social	Influence from family, peers, or societal trends.	Social media recommendations, peer reviews.
Cultural	Values and traditions impacting shopping.	Festive shopping, regional preferences.
Technological	Comfort and familiarity with technology.	Mobile apps, online shopping ease.
Product Attributes	Qualities or characteristics of the product.	Quality, durability, brand image.
Shopping Environment	Store ambiance, customer service, and layout design.	Lighting, staff interaction, web navigation.

This table categorises the diverse factors that influence customer shopping preferences. By understanding these categories, businesses can pinpoint what drives customer decisions. For instance, demographics like income influence affordability, while psychological factors such as brand loyalty motivate repeat purchases. Technological convenience appeals to younger, tech-savvy shoppers, whereas product attributes like quality are universal concerns.

Table 2: Survey Data on Customer Shopping Preferences

Factors	Percentage of Respondents Considering Factor Important	Ranking by Priority
Price	85%	1
Product Quality	80%	2

Convenience	75%	3
Brand Reputation	65%	4
Social Media Reviews	60%	5
Customer Service	50%	6
Shopping Environment	45%	7
Technological Features	40%	8

Shown below is a summary of data collected from 1000 individuals who were interviewed about shopping behaviour based on certain considerations. The immediate two factors are price and product quality, which indicate that the customer has relativity of prices and durability of the product. Third is convenience, which again underscores the significance of accessibility — whether it is through the web or physical store. Recommendations from a brand and experiences shared on social networking platforms are critical factors given to consumers, especially those in their young employment age.

Even though characteristics such as customer service and shopping environment, and technological factors are less significant, they are salient to certain segments. For instance, these goal would include convenient apps for online shoppers while a good atmosphere for in-store clients.

Customers' buying behavior is influenced by their demographic, psychological, social and economic characteristics and product quality and total shopping experience. Table 1 broadly categorises these factors, giving a clear picture of the factors affecting the decisions made. For instance, technological factors like life cycle and blockbuster impact product cost, and the latter affects repeat purchasing. Also, other cultural factors, such as festive consumption behaviour, can influence the customers' behaviour during festive seasons or other occasions.

Functional characteristics like a smooth and direct website interface and safe payment methods respond to contemporary customer preferences. P quality and durability have always remained significant, which proves that customers always pay a premium for a quality product. Also, the store atmosphere, or a virtual atmosphere during online shopping, has an influence on customer satisfaction and loyalty.

Table 2, with actual customers' responses from 1000 customers, reveals how these factors are prioritised in reality. Thus, scatter price becomes the most valuable criterion, with 85 per cent of participants focusing on its significance. This fact proves that the price factor determines purchase behaviour among all population groups. The second most important is product quality, which is essential to 80% of respondents. These two point to the fact that even though customers demand cheap products or services, they dislike unreliable products or services.

Convenience comes third – this factor reflects the fact that the contemporary customer wants to shop without stress. This preference is observed from increasing patronage of online stores that provide fast and no hassle returns option. Surprisingly, S MRPs occupy the fifth position, proving the growing influence of online opinions and word of mouth on purchasing decisions. This is well evident, especially among the young generation, most of whom tend to depend on the reviews before they buy a certain product.

Customer service and the shopping environment are given smaller importance, yet they are crucial for customers. Even the 'price-sensitive' consumer can be driven away by an unenthusiastic or disinterested clerk or a messy store. Technology aspects that are not as significant in enhancing chance per se occupy eighth place yet remain very influential in capturing groups of tech-savvy consumers aimed at finding apps with simple and safe payment processing.

Thus, the analysis of categorised factors and survey findings presented in the paper reveals a broad picture of customer shopping preferences. These outcomes can be used by various businesses to be able to spot where they should be focusing their attention as well as what they should offer to their client base in order to capture their attention. For example, differentiation of goals such as setting low price strategy and, at the same time, offering high-quality products may attract a broad number of clients. Of course, in competitive markets, investing in convenience, brand image and establishing strong brand identity on social networks can set the company apart from the competition.

This way, businesses can focus on these priorities, and by knowing each customer's motivation, it will be easier to increase loyalty, satisfaction and sales. Cutting costs, improving the utility of features, creating a customer-friendly interface, and being with the customer are the mantras to sustain in the current competitive retail environment.

Analyzing the Impact of Digital Platforms on Offline Retail Businesses

The development of online selling platforms has significantly impacted almost all types of offline retailing operations and consumer relations. One of them that has been easily observed has been the reduction in the flow of traffic in the facilities' feet. Due to the availability of goods online, these consumers have no reason to move to stores to buy these below-par goods physically. For instance, in cities like Hyderabad, consumer like the younger tech-savvy population shift to buying on apps like Amazon and Flipkart hence lowering the chances of making sales in a physical store for an offline player. This trend is especially a problem for SME stores, especially those whose business is based predominantly on purchasing goods directly from customers.

Another major issue arising from the use of digital platforms is high pressure on prices. In e-tailing, for instance, economies of scale are seen in voucher deals and squeeze pricing whereby firms deploy the optimum pricing tools to wit low cost and best deals. These strategies target low-price customers, putting pressure on offline businesses to match. Thirdly, showrooming, in which customers examine products in a store but buy those items cheaper on the internet, aggravates this problem. This has left physical anchor stores to factor how best to balance price competition against store operating costs.

There has also been a change on the consumer's side because the readily available digital tools are personalised and expect convenience and speed. Services like ordering via a single click, best same day delivery or products recommended based on the customer needs have become the new benchmarks to achieve. It will not be easy for brick-and-mortar retailers who thrive on physical touch and face-to-face communication to even compete with the well-oiled melting pot of an online shopping experience. Retailers, therefore, have seen their customers change from mainly seeking to touch and to interact with store associates to preferring convenience.

Another way in which the so-called 'digital platforms' have affected off-line commercial organizations is by the destructive effect on brand loyalty. Consumers get to have a wider variety of brands and choices due to the internet so they can easily consider other products rather than relying solely on on vendor chain constraints. It has made lightweight consumer loyalty programs that offline retailers rely on diluted, especially among the millennials and Generation Y. New and existing brick-and-mortar stores are forced to adapt to maintaining and creating customer loyalty with the ease and conception of convenience and accessibility at the forefront of consumers' minds.

However, the coming of the internet, particularly with the importance of word of mouth in the internet scenario, has added an extra flavour for offline retailers. People also rely on e-word of mouth, e-rating, and social media feedback while shopping. In some cases, physical

storefronts are even compared to online ones; otherwise, there can be no reviews, or a company can be removed from social media, which can scare off potential customers. This has compelled traditional businesses to work hard on the image they portray in cyberspace and ensure it is positive and easily noticed.

As a result of these challenges, offline retailers in Hyderabad have adopted the following strategies to survive. Most have immersed themselves in omnichannel strategies by attaching their brick-and-mortar establishments to online facilities. This comprehends the opening of online shops for food products, home delivery services or transporting of delivery online and the use of social media marketing and communications. Further, certain conventional enterprises complement the shop's appeal to customers, the innovation of customised services, engaging product demonstrations, and occasion of community events which cannot be done online. The major idea with these strategies is to ensure the retailers provide a unique shopping experience to ensure sustained demand.

Retailers have also directly competed effectively by drawing from culturally and regionally grounded policies. Cultural preferences that may be apparent to the locals but not easily understandable to digital platforms have been successfully harnessed by stores in Hyderabad that sell products most relevant to that part of the country or interact directly with the local people. Bridging associations with e-commerce sites has also gone further to assist offline store retailers in diversifying. Some of these firms sell their products through virtual platforms such as Flipkart, which earns them higher revenues without having to invest in the development of the necessary marketing platforms online.

Customer Satisfaction Levels in Online and Offline Shopping

Factors	Online Shopping Satisfaction Levels	Offline Shopping Satisfaction Levels
Convenience	85% Very Satisfied, 10% Satisfied, 5% Dissatisfied	60% Very Satisfied, 30% Satisfied, 10% Dissatisfied
Variety	90% Very Satisfied, 7% Satisfied, 3% Dissatisfied	50% Very Satisfied, 35% Satisfied, 15% Dissatisfied
Pricing	80% Very Satisfied, 15% Satisfied, 5% Dissatisfied	55% Very Satisfied, 30% Satisfied, 15% Dissatisfied
Delivery Speed	70% Very Satisfied, 20% Satisfied, 10% Dissatisfied	Not Applicable (Immediate Access) 85% Very Satisfied, 10% Satisfied, 5% Dissatisfied
Return Policy	75% Very Satisfied, 15% Satisfied, 10% Dissatisfied	Not Relevant (In-Store Returns Rarely an Issue)
Tactile Experience	Not Available (0% Very Satisfied)	60% Very Satisfied, 30% Satisfied, 10% Dissatisfied
Customer Service	50% Very Satisfied, 30% Satisfied, 20% Dissatisfied	75% Very Satisfied, 20% Satisfied, 5% Dissatisfied
Trust	70% Very Satisfied, 20% Satisfied, 10% Dissatisfied	80% Very Satisfied, 15% Satisfied, 5% Dissatisfied
Store Ambiance	Not Applicable	70% Very Satisfied, 25% Satisfied, 5% Dissatisfied

Comparing the satisfaction levels of two types of purchases, online and offline, shows the differences in factors affecting their clients' choices. This results show that online shopping leads to the convenience factor and has a variety of offers, indicating 85% customer satisfaction because they can shop anytime and anywhere. Still, the customers' satisfaction with the product range, which is 90%, proves that people prefer online shopping to other methods. These factors are quite lucrative among young people who consider effectiveness and option.

However, as it is already well known, the conventional means of purchasing using the internet is not without some inconveniences. Whereas 70 percent of customers are comfortable with the delivery speed, delays and any other issue with the delivery companies contribute to 10 percent of dissatisfaction. Likewise, while 75% of customers are satisfied with the return policies, 25% of the customers are faced with issues like time-consuming processes that affect trust. Nevertheless, even though the results demonstrate that users already trust online shopping as much as 70% compared to offline shopping, which 80% of people trust, they are still sceptical about product authenticity and data security.

On the other hand, offline shopping performs better than online platforms do. The interactivity of products ensures that customers get a feel for the products, something that 60 % find quite satisfying. Being involved in the purchase enhances confidence in the purchase decisions, especially for gadgets like clothes and electronic products. As for customer service, offline stores are distinctive, too: 75% of people are satisfied with personal treatment and quick decision-making on complaints and issues.

Below it improves the store ambience to support the satisfaction of customers which goes upto 70 per cent. The chance to get into a pleasant and comfortable retail environment builds an emotional relation, which Internet media cannot provide. Also, trust levels concerning offline shopping are still strong: only 20% of customers do not trust offline retail in terms of their purchases in stores because they deem the offline transactions transparent and reliable.

The convenience of not waiting on delivery is another big plus for offline shops, as 85% of the respondents said this was important to them. This is the opposite of delivery wait times with online shopping, where despite a decreasing, 10% of customers are still unsatisfied. Nevertheless, many challenges have beset mostly the offline shopping. For example, product choice and differentiation is limited to half the number with an excessive satisfaction rating as with online purchases. Pricing is another issue because operational costs contribute to high prices for products sold in offline stores. Slightly less satisfied with this method (55 per cent) compared to online purchasing (80 per cent).

When analysing customers 'behaviour from a broader perspective, it is clear that each shopping mode offers opportunities and threats. Online shopping is something that is liked by those individuals who pride themselves on being able to get the same products at a lower price without having to get out of their houses. Offline shopping fulfils clients who want trust, touch, and tailored services, among other aspects.

Conclusion

In studying customer shopping preferences, it is seen that various factors influence buying behaviour. Demographic factors, including age, income and much more, play a key role in explaining consumers' behaviours; similarly, psychographic factors include brand loyalty, perceived attitude and many more. According to the survey, the most important factors included price, quality, and convenience, which necessitate the importance of offering a cheap but quality service or product.

Second, factors such as brand image, social media recommendations, word of mouth, and customer service are important for reconverting and interactively targeting specific customers. Furthermore, technological features and the shopping environment, while comparatively lower in importance, are not unimportant since they influence the shopping experience enjoyment in terms of appealing to digitally savvy customers.

The results allow businesses to determine how strategies could be developed to fit consumers' choice patterns. The key issues, where price sensitivity and product quality remain significant factors, successfully engage many customers, and differentiation can be achieved through better branding and social presence and smooth and efficient online shopping.

In conclusion, analyzing all these factors provides a method for enhancing customer satisfaction and long-term loyalty, which benefits the business in today's rapidly evolving market.

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