

COMPARATIVE STUDY OF ONLINE AND OFFLINE SHOPPING-A STUDY

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Abstract

Over the last five years, India's online retail business has seen a wide range of recurring changes, from items to a significant shift in the retail medium. Numerous policy changes have been implemented by the Indian government that have significantly increased the market for internet purchasing. India's position in the globe has changed as a result of advancements made to the regulations governing foreign direct investment. The "Make in India" policy allowed 100% FDI to enter through the automated approach for contract manufacturing to attract international corporations and exports from other nations, rather than establishing India as a global manufacturing hub (Financial Express, 2018). Following the launch of the "Digital India" initiative by the Prime Minister of India in 2015, there was a significant rise in internet-based purchasing. Additionally, this made it very easy for single-brand stores to enter the retail industry. Many ecommerce rules were introduced along with digitalization to monitor e-commerce businesses more closely, ensure equal opportunities for local and foreign firms, and assist the government's "Make in India" and "Atmanirbhar Bharat" initiatives. Customers' privacy, trust, and loyalty are safeguarded and their power is increased when privacy and data protection are at the core of a written e-commerce strategy.

KeyWords: Retail Business, Digital India, FDI, Make In India, And Policy Changes.

Introduction

The purchasing habits of individuals residing in Hyderabad, an economically and culturally dynamic centre in India, provide an intriguing insight into the dynamic relationship between conventional marketplaces and contemporary electronic commerce. This research compares the methods by which residents of Hyderabad navigate the wide array of online and offline purchasing options, providing insight into the determinants that impact their decision-making in this swiftly developing urban environment. Due to the ease of accessing a wide variety of products from the solace of one own residence, online purchasing has established a solid foothold in Hyderabad. Prominent electronic commerce platforms, including Amazon and Flipkart, as well as regional darlings like Big Basket, excite the technologically adept residents of the city. This study identifies the Convenience of home delivery, the extensive selection of products, and the capability to readily compare prices across multiple platforms as the principal benefits of online purchasing. Nevertheless, apprehensions regarding potential delivery setbacks, the possibility of procuring faulty merchandise, and cyber security vulnerabilities associated with e-commerce transactions are acknowledged obstacles that dampen consumer elation. The advent of e-commerce platforms has significantly expanded the range of products and services available to consumers in Hyderabad, granting them increased convenience. Online purchasing in the city is

experiencing significant growth due to two primary factors: the ease of perusing products from the solace of one own residence and the wide array of payment methods that are accessible. Additionally, the introduction of mobile purchasing applications has significantly enhanced the smooth incorporation of e-commerce into the routines of the inhabitants of Hyderabad. In spite of the increasing prevalence of e-commerce, physical retail establishments persist in flourishing within the city of Hyderabad. The urban centre has a longstanding reputation for hosting lively marketplaces and commercial thoroughfares, which accommodate the varied desires and requirements of visitors. Some of the factors that contribute to the enduring allure of offline purchasing in Hyderabad include the opportunity for social interaction, the tactile experience of physically scrutinising products, and personalised customer service. In Hyderabad, both digital and traditional purchasing channels encounter obstacles, including logistics complexities, security apprehensions regarding online transactions, and the task of preserving consumer loyalty in the face of fierce competition. In addition, emerging trends such as channel retailing, which involves the seamless integration of online and offline channels, are influencing the trajectory of the retail industry in Hyderabad. The comparative analysis underscores the simultaneous presence of offline and online retail channels in Hyderabad, wherein each presents distinct benefits and obstacles. Retailers must possess a comprehensive understanding of consumer preferences and evolving trends in order to successfully navigate the ever-changing retail environment of the metropolis. The integration of online and offline purchasing experiences can result in increased consumer satisfaction and sustainable expansion in the retail industry, as technology continues to advance.

Review Of Literature:

Dzyabura, D., Jagabathula, S., & Muller, E. (2019) indicated that “Despite the growth of online retail, the majority of products are still sold offline, and the “touch-and-feel” aspect of physically examining a product before purchase remains important to many consumers. In this paper, researchers demonstrated that large discrepancies can exist between how consumers evaluate products when examining them ‘live’ versus based on online descriptions, even for a relatively familiar product (messenger bags) and for utilitarian features. Therefore, the use of online evaluations in market research may result in inaccurate predictions and potentially suboptimal decisions by the firm.”

Heejin Lim and Alan F. Dubinsky (2018) analyzed “an expectancy value approach to study consumers’ perception of e-shopping characteristics with reference to e-store factors viz., merchandise; convenience, interactivity; reliability; promotions, and navigation. The findings obtained demonstrated that consumers’ attitude toward online shopping was positively related to their perceptions of Website merchandise and reliability attributes.”

Fram, Eugene H. and Grady, Dale B. (2015) assessed “consumer reactions which revealed that 378 online shoppers revealed that 80 per cent of them were males. They purchased relatively few product categories viz., computer hardware/software, books, music, magazines, and nearly all of them were either satisfied, or highly satisfied, with their online shopping. Their major concerns were related to credit card security to improve the online shopping environment. They wanted more visuals and graphics to locate products, and services easily and also to have better and faster software. Women online shoppers appeared to had little interest in online shopping”

Grant Robertson, Jamie Murphy and Sharon Purchase (2015): examined “propinquity across two grocery shopping situations viz., physical store and online store. Convergent interviews with 15 respondents identified those consumer reasons expectations of convenience, trust and satisfaction for choosing online over physical store shopping fell into three categories of propinquity viz., physical, temporal and relational. The main reason consumers chose online shopping was convenience; savings of time; to maximization of trust, and satisfaction. Consumers seldom changed brand in online grocery shopping situations.”

STATEMENT OF THE PROBLEM

The entire retail scenario has changed drastically and the way people buy products and avail services has also changed. There has also been a paradigm shift from inspecting and purchasing products physically at retail stores to customers buying products online from the comfort of their homes. There are many factors that are responsible for understanding the growth of online purchases and the evolution of purchase Consumption model. Various companies click using brick models Make sure you can cover local and world consumers. It has also contributed significantly to reducing the operating costs and investments of retailers. Companies now use the Internet and communication technologies to create awareness, attract consumers, sell products and receive regular feedback from consumers.

OBJECTIVES OF THE STUDY:

- 1.To Study and understand the behavioral drivers behind online and offline product purchases.
- 2.To study the various marketing factors that motivate customers to make online purchases.

HYPOTHESIS OF THE STUDY:

H01- Psychographic factors impact differently in online & offline shopping patterns of the respondents.

H02- Behavioural factors impact differently in online & offline shopping patterns of the respondents.

SIGNIFICANCE OF THE STUDY

This study will provide valuable insights to both organized and unorganized retailers based on which they can develop various strategies to influence their customers. Customer shopping habits like frequency of purchase, payment mode, timing of purchases, preferred shopping locations etc. will help in understanding consumers in a deeper way. Additionally, the study also sheds light on reference groups such as social influencers, driving customer purchases the amount spent on offline and online purchases helps Retailers understand whether consumers are ready to buy expensive items online. Based on the results, the retailers can come up with strategies to build the trust and confidence of the consumers.

SCOPE OF THE STUDY

The study aims to study the online and offline shopping habits of consumers in the city of Mumbai and covers products like clothing, household appliances, footwear, nutritional and health supplements, jewellery, fashion accessories and beauty products, toys and video games, cooking, electronics, office supplies, online subscriptions, books etc. which people purchase most frequently. Additionally, the study also includes a detailed survey of retailers in Mumbai to understand the shopping habits of consumers from a consumer perspective.

This helps retailers design and retain customers. The study also analyzes the evolution of consumer buying habits in the post-war COVID-19 pandemic. Due to lockdown restrictions many consumers preferred staying at the comfort of their homes. The study explores the shift from offline to online shopping and also helps us to understand whether the consumers would continue with online shopping post relaxation of lockdown restrictions.

DATA ANALYSIS AND INTERPRETATIONS:

Table defining reliability analysis for understanding customer satisfaction with online shopping

In this study, the reliability of the variables measuring customer satisfaction with online shopping was tested. Cronbach's alpha (α) was developed as a reliability analysis model and is considered as a measure of internal consistency. The closer α is to 1, the higher the internal consistency of the items within the instrument being assessed.

Cronbach's Alpha (α) for 9 items or Variables for online and offline purchases

Item description	Cronbach's Alpha (α) for online purchases
Reliability of information	0.812
Availability of brands	0.828
Security in Payment	0.876
Affordability of Products	0.837
Variety of products	0.872
Brand	0.765
Easy to operate	0.821
Durability of Product	0.795
Customer Support	0.861

Above Table(s) determining the Reliability Analysis for understanding the Factors influencing Offline purchase decisions in the present study, reliability has been tested for the variables determining the Factors influencing Offline purchase decisions. Cronbach Alpha(α) is designed as a model for reliability analysis and it can be considered as a measure of internal consistency. The closer α is to 1, the higher the internal consistency of the items for the product being rated.

Trends in Online and offline shopping Policies: Mobile commerce, or m-commerce, has had a greater impact on e-commerce than any other development. By 2025, retail m-commerce sales in which consumers conduct purchases using mobile apps on smart phones and tablets are expected to reach \$710 billion. In order to capitalise on the amazing increase, the sellers must be prepared. For customers to quickly locate what they're looking for, the mobile website must be simple to use. Cart abandonment occurs when a payment form is hard to use or needs too many clicks. Apple Pay and Android Pay are two mobile payment methods that enable consumers to make purchases with a single click. Amazon's "Buy Now" buttons get around its lengthy process.

Omnichannel Shopping: Before going to a store, the majority of today's consumers investigate a brand online. There are several touch points during the client experience across multiple devices. Businesses that provide a simple purchasing experience must integrate all of their platforms. The process of smoothly integrating digital and physical channels inside

a company to boost sales and expand operations is known as omnichannel shopping. Omnichannel marketing can increase sales if done properly. Google's research indicates that 80% of in-store traffic may be generated through omnichannel. For vendors, this strategy will increase revenue and strengthen client loyalty. Omnichannel enables customers to purchase products whenever and however they choose. Consumers effortlessly utilise both online and offline sales platforms. This frequently occurs throughout the same purchasing process, making it difficult to distinguish between online and physical retail locations. One great way to do this is via Buy-Online-Pick-Up-In-Store (BOPIS), a service that lets clients effortlessly mix online and offline purchases. According to Business2Community, 50% of consumers anticipate curb side or BOPIS shipping possibilities. Similarly, 93% of respondents claimed that increasing online revenue was a result of being able to ship from stores. In a cutthroat ecommerce market, the omnichannel shopping strategy offered by bespoke ecommerce website development services can be a huge advantage. Before going to a store, the majority of today's consumers investigate a brand online. There are several touch points during the client experience across multiple devices. Businesses that provide a simple purchasing experience must integrate all of their platforms. The practice of smoothly integrating digital and physical channels is known as omnichannel shopping.

API-Driven Ecommerce: A software architecture known as component commerce (API-driven ecommerce) blends third-party and native features that interact via a variety of APIs. Ecommerce ecosystems can swiftly adopt new technologies without requiring development or installation thanks to modularisation, which also makes them more flexible and efficient. API-powered ecommerce is distinguished by its efficiency and operational flexibility. From marketing and customer service to billing, this enables tailored customer experiences. Retailers may find it quite advantageous in the future to have an ecommerce solution driven by an API.

Voice Commerce: The use of voice technologies is growing. Seventy-one percent of respondents said they would rather use voice search than type their inquiry by hand. Voice assistants can assist customers in finding and contrasting new items from different manufacturers. Voice apps aren't limited to product searches. As voice searches become more prevalent, voice purchasing has rapidly grown in popularity. In one poll, 50% of participants said they had used their voice assistant to make at least one transaction, and another 25% said they planned to do so in the next six months.

Checkout Process Optimization: Online shoppers place a high emphasis on convenience and speed. They anticipate finding what they're looking for fast, placing an order with the fewest clicks possible, and having it delivered the next day. By effectively satisfying customer demands and removing obstacles at every stage, whether on desktop, tablet, or mobile devices, Amazon has established dominance. This service will cost money; at the moment, more than 150 million Amazon Prime subscribers spend more than \$1000 a year. But it's easier said than done to reduce friction. Checkout is one location where this issue frequently arises and becomes especially expensive. Since sales happen at checkout, checkouts are the focal point of consumer journeys. Sadly, though, merchants usually don't invest any time or energy in making this stage as efficient as possible.

CONCLUSION:

E-commerce sector is constantly changing. Staying ahead of trends is essential to the success of these industries. Because of the increased personalisation, accessibility, and data-drivenness of today's buying experience, business professionals have the chance to influence how online retailing develops in the future. We may anticipate further developments in social commerce, personalisation, AR/VR technology, subscription services, and ethical and sustainable purchasing methods as future trends. Retailers will have a better chance of long-term success if they continue to lead these trends while offering top-notch customer service. Get in touch with us so we can present our staff of ecommerce specialists and reveal all the trends in eCommerce that could hasten the growth of your company. Electronic commerce is a rapid growth segment. The digital retail business is the last purchase method. I enjoy electronic business trading with many mobile devices connected to the Internet. We buy around the world. Changing consumer behaviors and the rise in the number of online sellers are the main reasons for the rise of e-commerce. Food delivery and fresh grocery sales are expected to see tremendous growth. Factors such as special applications, mobile-friendly sites, new payment methods, etc. are contributing to the ease of shopping online. Retailers are now moving to an omnichannel model, where they plan to integrate online and offline retail channels.

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