

# COMPARATIVE STUDY OF FACTORS AFFECTING ONLINE & OFFLINE SHOPPING

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## HISTORY

Trading in goods is not a modern phenomenon. If we have a look on past few centuries there was barter system used by the people for satisfying their needs for different commodities. Trade has gone through various transitional phases. Firstly people had used gold, silver and precious stones as consideration of goods. Then with the introduction of currency we people started using money to buy the goods and services. So, accordingly the patterns of trade have also seen drastic changes as per time. Few decades back, people used to visit the retail stores for buying clothes and other commodities but nowadays there are different exclusive outlets, shopping malls and virtual stores are available for shopping apparels and other goods.

In India, malls have transformed shopping from a need driven activity to a leisure time entertainment. The quality mall space which was just one million square feet in 2002 has accomplished new milestones of 40 million square feet and 60 million square feet in 2007 and 2008 respectively. There is a paradigm shift in the mall scenario, in 2001 there were just three malls in India. The number grew to 343 by 2007. As of May 2013, India had a total of 570 operational malls. As per the data from Bangalore-based Asipac Consulting, number of malls in 2013 has doubled since 2008

On the flip side of the coin, an eye upon E commerce and virtual shopping, in 1960, EDI (Electronic Data Interchange) permits companies to carry out electronic transactions. Although the concept of e commerce did not touch the daily Internet user till the era of 1990s; yet some big players had started to use EDI as early as 1960. The railroad industry was among the first to understand the importance of EDI and start using the same. Other players in the transportation industry followed.

It was the year 1979 when Aldrich was on a stroll in a supermarket with his wife. Suddenly, he was hit by an idea which changed it all for E Commerce. Aldrich connected a domestic TV and a computer with telephone lines so as to start selling groceries online via this model. How they were able to tackle various situations is a different story altogether? But at the end of the day they did come up with a model that helped them launch the business of Virtual shopping.

## II. TRANSITIONS IN CONSUMER BUYING BEHAVIOR

Traditional consumer journeys charted decision-making inside physical stores with an emphasis on understanding how the retail experience impacted the purchase process. This view of path-to-purchase was restricted to exploring consumer interactions with in-store touch points (e.g. shelving, interactions with staff, signage, etc.) as wells as the influence of brand perceptions on product consideration. This journey was depicted

as a simple, linear process where brands controlled their image and reputation through carefully crafted messages targeting key consumers. Now, the influence of the Internet, social media, and mobile has changed how consumers connect with brands and locate products. This transition from in-store to online retail channels has redefined the touch points consumers encounter, when, interacting with brands and how social conversations influence brand perception.

In past times, consumers used to purchase from retail stores and haats because of easy and nearby availability of the product. But with the advent of technology, when the various sources of transportation and interventions of innovative shopping modes were made available, consumers started buying from shopping malls and wholesale retail outlets because of convenient mode of reaching out to the products.

However, the next phase evolved in buying behavior of consumers with the emergence of internet and online markets available, which led to buying from virtual stores. Nowadays, we can observe the impact of internet on our lives, hence, each and every person can place an order from his/her mobile phone and product is delivered at the door step. Secondly, with the emergence of marketing strategies, such as, product replacement and money refund policy etcetera contributed towards the growth of online shopping.

On the contrary, customer satisfaction is most important facet for each and every seller. Due to some limitations faced by the consumers, shift in buying behavior took place. So, the consumer is moving from retail stores to shopping malls and online buying, but some discontented consumers are moving from online shopping to physical outlets of products.

### **III. MEANING OF ONLINE SHOPPING**

**Online shopping** is **defined** as purchasing items from Internet retailers as opposed to a shop or store. Buying books at Amazon.com instead of your local book store is an example of **online shopping**.

Online contracts are classified as distance contracts, which means that the trader (service provider, seller) and the consumer (natural person who is acting for purposes which are outside his trade, business or profession), in lack of their simultaneous, actual and physical presence enter into contract not by meeting in person (e.g. in commercial premises, market, open-air market, via trade agent etc.), but only in an electronic way.

The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Since the consumer does not have to go to the premises of the trader, and is not limited by the opening hours, he/she can place an order at all times. Such items can also be purchased that are not available in the surroundings of the consumer, thus the choice of goods is significantly broader, and furthermore the delivery can be requested not only to the place of residence but to the workplace, as well. The offers on the internet can be easily compared, therefore the consumer can buy the product with the most favourable conditions (price, quality, other discounts) tailored to the individuals needs.

### **IV. FACTORS AFFECTING ONLINE SHOPPING**

Online shopping becomes relevant in the last decade. The kind of business online retailer is

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 color 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 distributers. 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.6carry a lot of points examples-trust about the same product size quantity weight and security etc.

**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 wills 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. May be with the provided 7information and details customers are not very satisfied. Sometimes it happens that even many customers use to buy the product after their full knowledge of details as they prefers the

detail are accurate and good in sense. Information related to product may vary in its real sense when it arrives or delivered to relevant customer.

**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 girlish material is 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 great factors which attract customer to purchase online. Offer carry a great influence in shopping.

## **V. MEANING OF OFFLINE SHOPPING**

On the flip side of the coin, there is also an another way available for buying apparels, to epitomize, shopping in plaza or mart, because physical buying evokes advantage of touch and feel of the products and several other factors are there which are responsible for buying products from retail outlets like interactive buying and convenience of availability of products nearby. Now it depends upon various factors that how a consumer will feel satisfied by these shopping options available. Because people spend their time on internet as well as in shopping malls or retail stores.

- Retail store is a place where the exchange of goods takes place with the customer and any business enterprise whose sales volume comes primarily from retailing. (Kotler,1998)
- Retailing is also defined as all the activities involved in selling goods or services directly to final consumers for their personal non-business use. (Kotler,1998)

## **VI. 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.
- **Taste and preference:** The taste and preferences of the customer change from time to time. While buying any product from a store we have the flexibility and the choice to try out 9 outfits. But while buying any product from a website we don't have this facility. Therefore, buying offline caters more to the changing taste and preferences of the customers.
- **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.

## VII. REVIEW OF RELATED LITERATURE:

**Margo Poole and Aron O'Cass (2003)** illustrated in the paper titled '*A Comparative Study Between Mall and Online Shoppers*' has defined Personal values was used in this study to examine consumers' shopping environment (mall and online) preferences. The results indicate that both *external* and *interpersonal* values of consumers are significant determinants of shopping environment preference. Further analysis also indicates that mall shoppers hold *external* and *interpersonal* values significantly higher than those who prefer to shop online. However, it would appear that *internal* values do not influence shopping environment preference. The study indicates that personal values may influence consumers' approach-avoidance behavior.

**Andrews, R.L. and Currim, I.S. (2004)** has explained in paper named '*Behavioral differences between Consumers attracted to Shopping Online versus Traditional Supermarkets: implications for enterprise design and marketing strategy*' that despite the dot.com shakeout, online revenues continue to increase and are projected to impose greater pressure on traditional distribution channels. However, there is a striking absence of published empirical work on how consumers attracted to shopping online behave relative to consumers shopping in a traditional store. Such behavioral differences, if they exist, could guide online enterprise design

and marketing strategy. This study uses data from both traditional supermarket scanners and an online supermarket to test expected differences in choice behavior of such consumers.

**Sinha and Uniyal(2005)** has defined In his paper, '*Segmenting shoppers on behavior*', the Shopping environment means the type of environment and the way people shop; it has evolved with time from the primitive to the modern day retail shop to the online or virtual stores. It was observed that consumer's behavior changes with the type of shopping environment.

**Malin gustavsson, Ann-marie Johansson(2006)** has explained in his dissertation the various ways to get a better understanding of customer trust in e-commerce. Researcher wanted to find various important factors that help to establish consumer trust in e-commerce. Writer found that there are many factors that help to establish trust which are relevant while purchasing online. Security and privacy are factors that are of great importance for the consumer to feel trust, to purchase virtually.

**Piyush Kumar and Sanjay Kumar(2007)** has explained in the paper titled '*An Insight Into The Growth Of New Retail Formats In India*' that the Indian retail sector is going through a transformation and this emerging market is witnessing a significant change in its growth and investment pattern. Both existing and new players are experimenting with new retail formats. Currently two popular formats -hypermarkets and supermarkets are growing very fast. Apart from the brick -mortar formats, brick -click and click-click formats are also increasingly visible on the Indian retail landscape. Consumer dynamics in India is changing and the retailers need to take note of this and formulate their strategies and tactics to deliver value to the consumer.

**Manouchehr Tabatabaei (2009)** has illustrated in the paper named *Online Shopping Perceptions Of Offline Shoppers* was to examine the online shopping perception of consumers who shop from traditional stores. A survey was conducted in shopping malls in the southeastern region of the United States. The results show a positive perception of offline consumers toward online shopping. In addition, the results coincide with national trends for online shopping which show many traditional shoppers gather information on products and services online, but still make the purchase onsite in a traditional setting by visiting a store.

**Mohammed , Nitin , Morad and Mazhar (2010)** has simplified in the paper, *Evidence Of Online Shopping: A Consumer Perspective* has defined that electronic commerce (e-retailing) has received considerable research attentions these years, little research has examined the effect of e-commerce's Web presentation on retail customer shopping experiences for Jordanian online retail shoppers. Five factors were employed to define their effect on the purchase decision through internet. Questionnaire used to collect data, and distributed to a stratified sample of 215 respondents. Researchers found that Lack of high quality E-promotion will restrict consumer's decision to purchase though internet and will not motivate a consumer to follow the purchase decision process from top to bottom and E-pricing has not reached to the perceived value of consumer and creates hurdles in the consumer purchase decision through internet.

**Dr. E. B. Khedkar (2015)** elucidated in this research entitled *Analysis of Customer Satisfaction during Online Purchase* attempted to find out the factors that are affecting customers' satisfaction to shop online. To shop on Internet becomes an alternative for consumers since it is more comfortable than conventional shopping which usually attributed with anxious, crowded, traffic jam, limited time, parking space and etc. With the development of Internet, online shopping is developing rapidly in our country as a new way for shopping and with this many

global retailers are creating better platforms for customers to shop. To increase the understanding in this area, the research is conducted so that insights can be developed on customer satisfaction and what all affect customer satisfaction during online shopping. This research adopted survey by questionnaire approach. Questionnaires are distributed randomly to general public (working professionals as well as students) to gauge their intention while online shopping. Findings of this research will provide a benchmark to understand retailers that key factors that drive customer satisfaction. The study revealed that website design, payment security, Ease of shopping, accurate product information; price and delivery services have positive impact on customer satisfaction.

### **VIII. OBJECTIVES OF THE STUDY**

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

- To study the various factors effecting while shopping mode Online & Offline.
- To Compare Online & Offline shopping Mode.

### **IX. RESEARCH METHODOLOGY**

- **Research** is a systematic method of finding solutions to problems. It is essentially an investigation, a recording and an analysis of evidence for the purpose of gaining knowledge. According to Clifford woody, "research comprises of defining and redefining problem, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, reaching conclusions, testing conclusions to determine whether they fit the formulated hypothesis".
- **Sampling Design:** A sample design is a finite plan for obtaining a sample from a given population. Simple random sampling is used for this study.
- **Sample Size:** Number of the sampling units selected from the population is called the size of the sample. Sample of 100 respondents were obtained from the population.
- **Sampling Procedure:** The procedure adopted in the present study is random sampling, which is also known as chance sampling. Under this sampling design, every item of the frame has an equal chance of inclusion in the sample.
- **Methods of Data Collection:**

The data's were collected through Primary and secondary sources.

- **Primary Sources**

Primary data are in the form of "raw material" to which statistical methods are applied for the purpose of analysis and interpretations. The primary sources are discussion with employees, data's collected through questionnaire.

- **Secondary Sources**

Secondary data's are in the form of finished products as they have already been treated statistically in some form or other. The secondary data mainly consists of data and information collected from records, company websites and also discussion with the management of the organization. Secondary data was also collected from journals, magazines and books.

- **Nature of Research**

Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when and how. Although the data description is factual, accurate and systematic, the research cannot describe what caused a situation. Thus, descriptive research cannot be used to create a causal relationship, where one variable affects another. In other words, descriptive research can be said to have a low requirement for internal validity.

- **Questionnaire**

A well defined questionnaire that is used effectively can gather information on both overall performance of the test system as well as information on specific components of the system. A defeated questionnaire was carefully prepared and specially numbered. The questions were arranged in proper order, in accordance with the relevance.

- **Nature of Questions Asked**

The questionnaire consists of open ended, rating and ranking questions.

- **Variables of the Study**

The direct variable of the study is the employee motivation indirect variables are the incentives, interpersonal relations, career development opportunities and performance appraisal system.

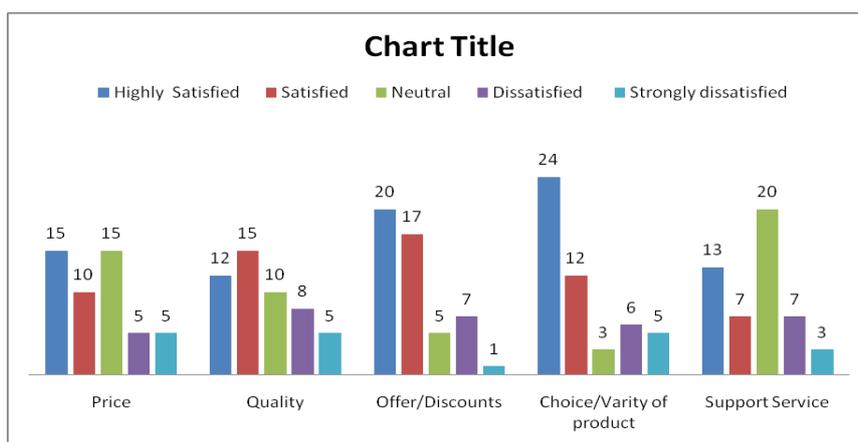
- **Presentation of Data**

The data are presented through charts and tables.

## **X. DATA ANALYSIS & INTERPRETATION**

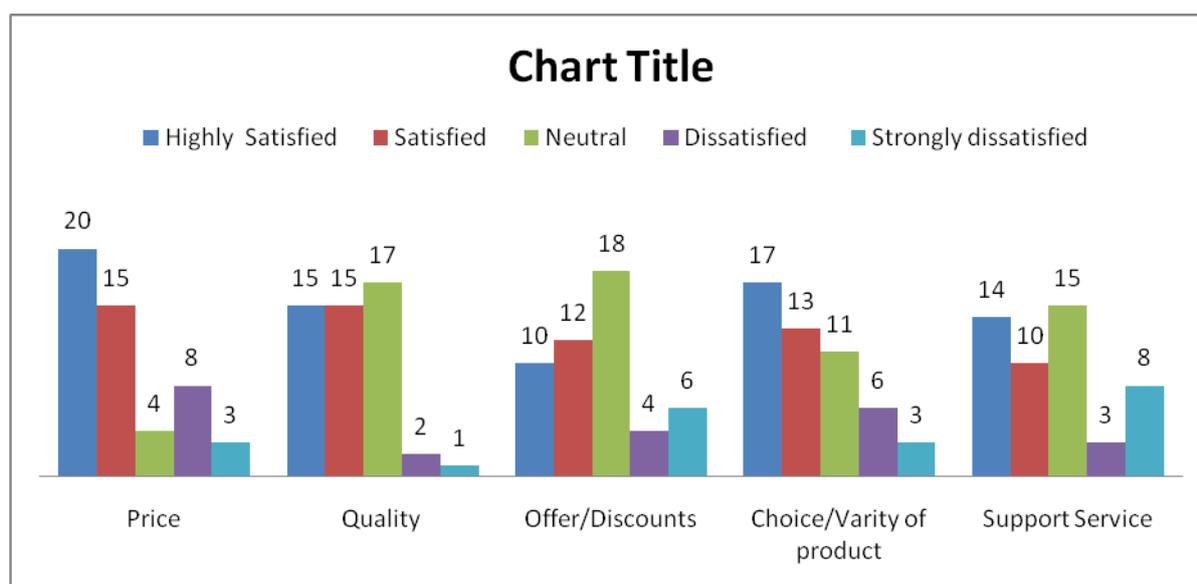
### **Online Shopping Mode**

	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Strongly dissatisfied
Price	15	10	15	5	5
Quality	12	15	10	8	5
Offer/Discounts	20	17	5	7	1
Choice/Variety of product	24	12	3	6	5
Support Service	13	7	20	7	3



**Offline Shopping Mode**

	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Strongly dissatisfied
Price	20	15	4	8	3
Quality	15	15	17	2	1
Offer/Discounts	10	12	18	4	6
Choice/Variety of product	17	13	11	6	3
Support Service	14	10	15	3	8



## **XI. FINDINGS**

It has been observed that various factors affecting customers while **online shopping** are price, quality, offers and choice or variety of product and maximum of respondents are highly satisfied with their choice or variety of product during online shopping mode because customers are willing to pay because of huge variety. Also many respondents are attracted towards offers and discounts provided by online sites as they are highly satisfied with this factor and some respondents are attracted towards quality of the apparels. Whereas while doing **offline shopping** factors are the same and maximum no. of respondents are highly satisfied with the price factor as well as some are highly satisfied and satisfied with Quality because its up to customer what they want and how they are fulfilling their needs.

It has been found that as per **online shopping mode** maximum number of respondents are highly satisfied with this mode satisfied as they could reach easily to their shopping mode and also they can save their time and also getting more variety that's why they are using online shopping mode whereas in case of **offline shopping mode** maximum number of respondents as compare to online shopping mode are highly satisfied with this mode because some want to check Products they wanted to give a trial before purchase.

## **XII. CONCLUSION**

The study reveals that the young generation is more often purchasing from online sites because of the revolution in the technology among the youth population and they are able to use this technology for their well-being more than other age group category. Flipkart is the shopping site which is more preferable by the youngster. There are increasing demand of online shopping because the variety of options for the consumers to choose and that to at a reasonable price and sometime even less price than the market. Electronic items were less demanded from the e-shopping but clothes are much more demanded by the consumers.

There are several products which are not delivered by the shopping sites in the preferable area, it is seen that with the advancement of the technology the preference of the online shopping increases. Earlier people more used to shop through traditional shopping mode.

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