

RESEARCH ONLINE PURCHASE OFFLINE -

NEW AGE TREND AMONG INDIAN RATIONAL CUSTOMERS

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ABSTRACT

Online business has become revolutionary aspect in the past decade. Companies in most industries distribute products and services via different channels – a multi-channel strategy. Alongside physical, stationary (offline-) distribution partners such as retailers, department stores, travel agencies, etc., there are also online stores, e-commerce-portals and comparison sites etc. Consumers increasingly switch between the two channels during the buying process. People also have been getting habituated to purchase online as it is very much convenient to them with two clicks, one for ordering and another one for paying. As the time passed by, with the demerits and loopholes in the online purchases, the customers have realized that purchasing online is many times causes risks and uncertainty. In this regard, many rational customers in India have turned to search for the information online, and are heading to purchase online. So, this paper looks into the significant reasons that lead the customers to choose ROPO and also explains the significance of it in detail.

I. INTRODUCTION

Research online, purchase offline (ROPO), also research online, buy offline (ROBO) or Online-to-Store (O2S-Factor), is a new trend in buying behaviour where customers research relevant product information to qualify their buying decision, before they actually decide to buy their favourite product in the local store. ROBO is a consumer behavior where they utilize consumer generated content like reviews, blog posts, and videos to assist in their purchase decision. Once decided, they do not purchase online – they visit a retail outlet and make the purchase.

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II. OBJECTIVES

- a) To understand the merits and demerits of online shopping and the significant reasons that lead the customers to choose ROPO
- b) To analyse importance and relevance of ROPO from customers' point of view.

III. ADVANTAGES OF ONLINE PURCHASES

Merits and advantages of the online shopping have been explained in the table below which was a revolutionary and explosive thought, ruled the shopping of fancy items in the markets like urban India.

Table showing Advantages of online Shopping

Convenience	Price comparisons
Better prices	No crowds.
More variety.	Less compulsive shopping
Sending gifts more easily to the loved ones	Buying old or unused items at lower prices
Fewer expenses	Discreet purchases are easier
Able to compare various models / brands	Saves time and efforts

IV. DISADVANTAGES

When people in the urban areas have been wild to purchase online, demerits have also come into the picture as the experiences grow by. The disadvantages of online purchasing are explained the table below.

Table showing Disadvantages of online Shopping

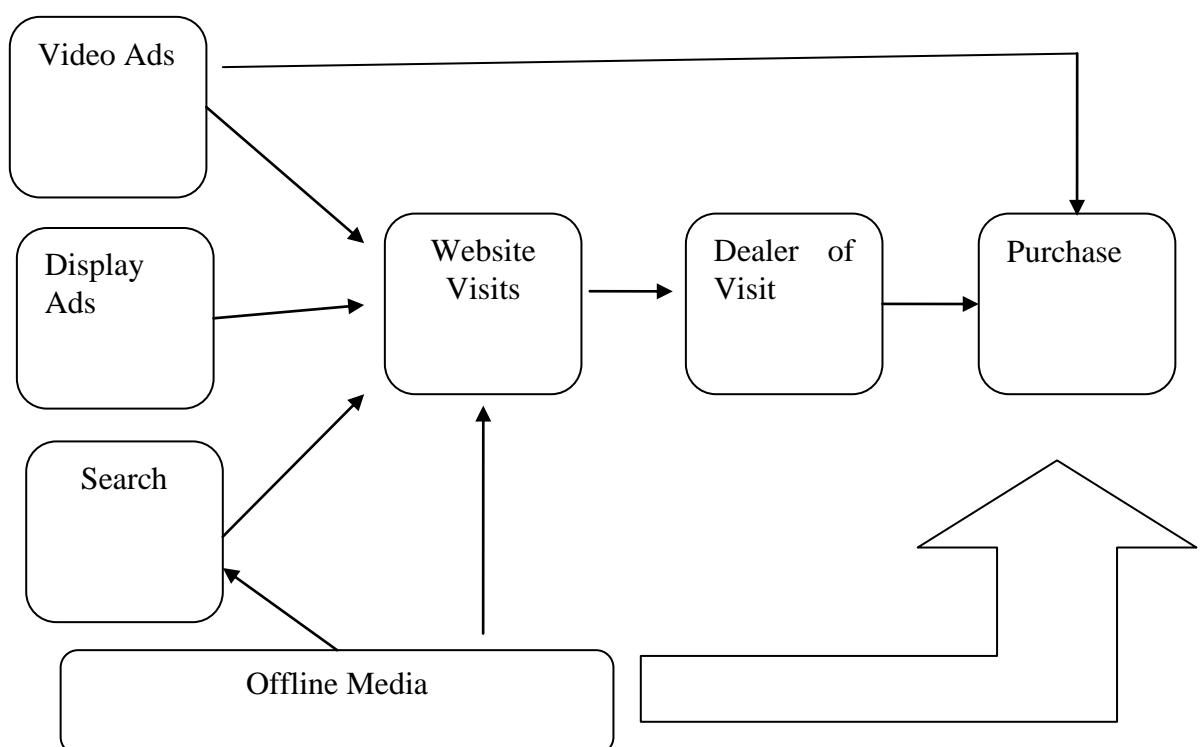
Delay in delivery	Lack of close examination
Lack of touch and feel of merchandise	Frauds in online shopping
Lack of interactivity in online shopping	Lack of significant discounts in online shops
Lack of shopping experience	Mischiefs in delivering the right products

V. THE ROPO BEHAVIOUR AND ITS SIGNIFICANCE:

The phenomenon of Research Online - Purchase Offline behaviour is an increasingly serious discussion point for management of various sectors. A key reason for this is that the significance of ROPO-purchase processes is assessed as high and still growing. Reliable figures for individual companies or product groups are quite rare in the UK and Central Europe. However, recent consumer studies point out that at times over 50% of the target group scan, research and compare information online before they finally purchase something at a local store.

ROPO behaviour can be categorized in two directions: Firstly, and of increasing significance, where the purchase process begins online with research and with the actual acquisition taking place through a stationary distribution channel (ROPO A). But the whole process can also be observed in the reverse direction, namely the orientation and consultation in a store and the subsequent purchase on the Internet (ROPO B).

Consumer's Path to Purchase:

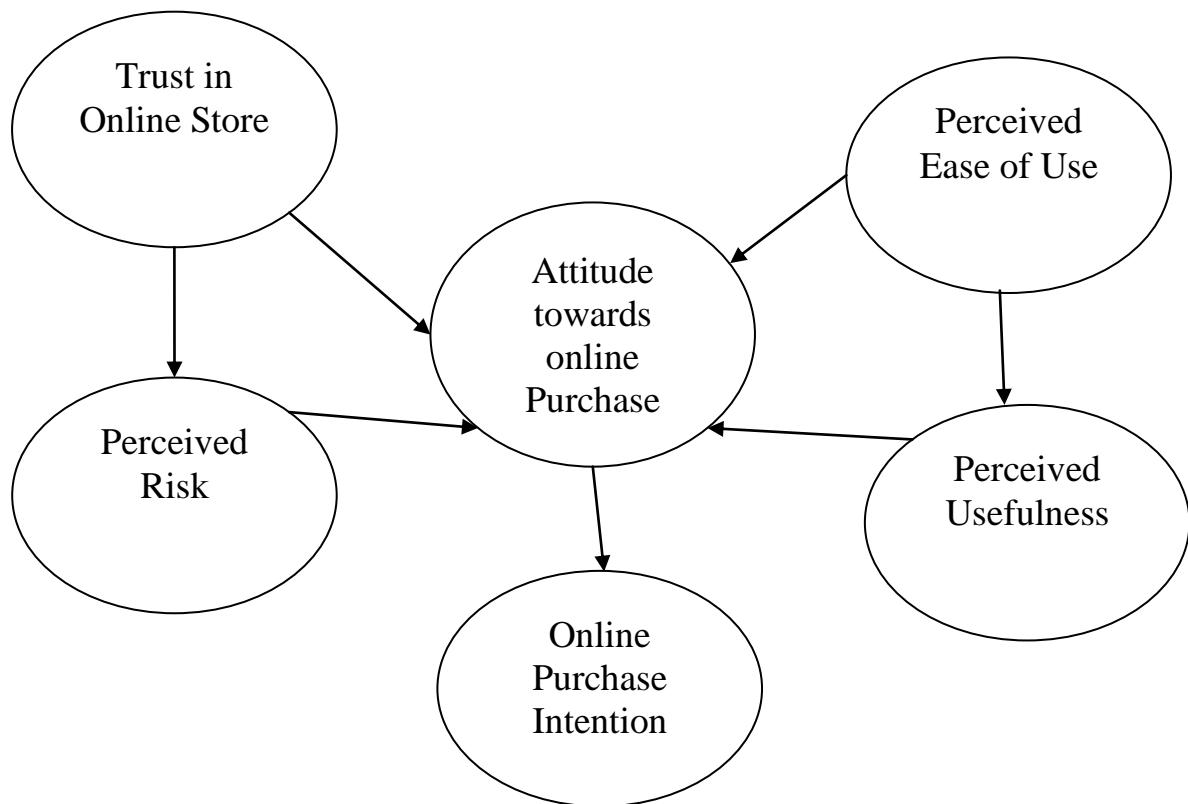


Source: *Analysis by Millward Brown*

An initial systematisation of the buying decision process can be achieved by differentiating between online and offline distribution channels in both the search process as well as the buying process.

Another reason for the significance of the issue is that the high importance of ROPO is not yet realised by many companies. There usually is a clear line of demarcation between online and offline channels: with separate organizational units, different terminology, other marketing tools, often different cultures and separate budgets. Against this background it is obvious that apparent online / offline marketing synergies cannot be efficiently realised.

The ROPO effect allows the advertiser to calculate their overall Return On Investment (ROI) more precisely, by multiplying their online sales with the O2S-factor. The result is the offline revenue which is influenced by the Online marketing investments. ROPO is often equated with Click and Collect, i.e. the process of online reservation and subsequent pick-up of the product at the store. Both are segments of Multichannel marketing. According to a Google report 80 percent of all offline buyers research online, before they buy a product in a local store. Furthermore in high item value industries ROPO already makes a significant share of total sales. This was also acknowledged by an analysis of the German retail association and PricewaterhouseCoopers.



Conceptual model (adapted from Ajzen & Fishbein, 1980; Davis, 1989; Jarvenpaa et al., 2000).

People develop trust in the webstore through a number of factors. One is the perceived size of the company, another is their reputation (Jarvenpaa et al., 2000). The larger the perceived size and the perceived reputation, the greater the trust in the company. Reputation is closely related to familiarity with the store, which researchers have also identified as an antecedent of trust. Familiarity deals with an understanding of current actions of the store, while trust deals with beliefs about the future actions of other people.

It should be noted that trust in the company does not have to be a necessary condition to purchase online. It has been argued that lack of trust in the organisation can be offset by trust in the control system. Such a control system would include the procedures and protocols that monitor and control the successful performance of a transaction, and could include the option to insure oneself against damage. We may not trust the internet company, but we may trust the control system that monitors its performance.

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In sum, the trust-oriented perspective highlights the importance of trust in determining online purchase intentions, and its antecedents include a number of trust drivers. In doing so, it emphasises constructs such as perceived risk, trust in the online store, perceived size, and perceived reputation.

VI. CONCLUSION

Now is the time to create omni-channel experiences for consumers who are actively using both digital and physical platforms to research and purchase, as consumers increasingly don't make a distinction between the two." Ecommerce's growing appeal is also apparent in the fact that twice as many consumers say they are planning to purchase a durable or entertainment-related product online in the next six months than were planning to in 2011, according to Nielsen.

It feels like every should agree with what Burbank says "Consumers everywhere want a good product at a good price, and the seemingly limitless options available in a virtual environment provide new opportunities for both merchants and consumers. The market for fast-moving consumer goods is no exception".

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