

# FACTORS INFLUENCING CUSTOMERS BUYING DECISION TOWARDS SHOPPING ONLINE AND OFFLINE WITH REFERENCE TO COIMBATORE CITY

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## ABSTRACT

*In recent years the technology plays a vital role towards making the consumers purchase the products. The online portals and offline shopping varieties play a key role in deciding the buying behaviour of a customer. The main objective of the study is to analyse the factor influencing customers buying decision towards shopping online and offline. For this purpose a sample of 150 was collected from the respondents were percentage analysis, descriptive statistics, multiple regression and one way anova were used as tools to analyse the data. The conclusion is that the consumers are often purchasing from online and offline sources because of the revolution in the technology and most of them are purchasing to their need towards a particular product. More effort can be initiated towards influencing the buying behaviour of customers by promoting a product both in online as well as offline so that the companies can satisfy the consumers based on convenience, Personalisation and making the consumers purchase through reviews and feedback.*

**Keywords:** Online Shopping, Offline Shopping, Buying Behaviour, Purchase, Anova and Customers.

## INTRODUCTION

The increase in technology provides good opportunities to the seller to reach the customer in much faster, easier and in economic way. Online shopping is emerging very fast in recent years. Now a day the internet holds the attention of retail market. Millions and millions of people shop online. On the other hand the purchasing of product from traditional market is continuing since years (Lu et al., 2011). Many customers go for purchasing offline so as to examine the product and hold the possession of the product just after the payment for the product. In this contemporary world customer's loyalty depends upon the consistent ability to deliver quality, value and satisfaction. Some go for offline shopping, some for online and many go for both kind of shopping. The focus of the study is on the consumer's choice to shop on internet and at the traditional stores at the information gaining period. However online shopping is easier for the people and less price than the offline shopping (Chu et al., 2010; Mehta et al., 2013). While making any purchase decision consumer should know the medium to purchase whether online shopping or the offline shopping. Consumer should decide the channel for them which can best suit to their need and wants and which can satisfy them. In this competitive world how consumer can decide the particular medium for their purchase of goods is very important to understand in a managerial point of view (Sivanesan et al., 2017).

## STATEMENT OF PROBLEM

This research may fill the gap between the choice of online shopping and offline shopping. This study reflect the problems and factors of online and offline shopping (Levin et al., 2005). There are certain problems, why people do not do online shopping and go for market to shop things? What are the major reasons behind the online and offline shopping? This study helps the consumer to get an idea about the online shopping (Iyer & Jacqueline, 2014; Koo & Lee, 2011). In Coimbatore, there is less number of people who do shopping online as compared to the other districts. The study makes the consumer clear about which option should be taken by the consumer to get more benefit out of it and that has been taken as problem towards the study (Sinha et al., 2002).

## OBJECTIVES OF THE STUDY

1. To study about the demographic variables of the respondents.
2. To evaluate the perception of customers towards online and offline shopping based on their buying decision.
3. To find out the impact of buying decision towards online and offline shopping.

## Scope 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. Pauwels et al. (2013) 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 (Kar, 2010). The main scope of the study is to it will be useful for the companies to know about the perception and their shopping behaviour towards online and offline.

## RESEARCH METHODOLOGY

**Type of research:** Descriptive research has been used analyzing the customers buying decision towards shopping online and offline.

**Type of methodology used:** As the population is undefined stratified random sampling has been used towards the study.

## Data Collection

**Primary data:** The primary data is been using questionnaire method.

**Secondary data:** The secondary data has been collected from Journals, websites and Articles.

**Sample size:** The sample size for the study was 150 and the data was collected from the respondents who are residing in Coimbatore city.

**Tools used for the study:** Percentage analysis, Descriptive statistics, Multiple regression and Oneway Anova.

## LIMITATIONS OF THE STUDY

1. The sample size is limited to 150 respondents.
2. The study area is limited to Coimbatore city.
3. There may be a bias towards the primary data collected from the respondents.

## Analysis and Interpretation

<b>Demographic variables</b>	<b>Particulars</b>	<b>Frequency</b>	<b>Percent</b>
Gender	Male	84	56
	Female	66	44
	Total	150	100
Age	15 - 35	138	92
	36 - 55	12	8
	Total	150	100
Educational qualification	School Level	6	4
	UG /PG	108	72
	MPhil / PhD	6	4
	Others	30	20
	Total	150	100
Occupation	Student	6	4
	Self Employed	36	24
	Pvt. Employee	108	72
	Total	150	100
Monthly Income in INR	< 20000	96	64
	20001-40000	36	24
	40000 - 60000	6	4
	60000 - 80000	12	8
	Total	150	100
Marital Status	Single	102	68
	Married	48	32
	Total	150	100
Preference towards shopping	Offline (Market)	90	60
	Online	60	40
	Total	150	100

In the Table 1 out of 150 respondents taken for the study 56% are male and 44% are female. 92% are from the age group between 15-35, 8% are from the age group between 36-55. 6% have completed their school level, 72% have completed their UG and PG, 4% have completed their M.phil and PhD and 20% have completed other courses. 4% are students, 24% are self-employed and 72% are private employee. 64% are earning monthly income less than Rs. 20,000, 24% are earning between Rs.20,001-40,000, 4% are earning between Rs.40,000 – 60,000 and 8% are earning between Rs. 60000 – 80000. 68% of the consumers taken for the study are single and 32% are married. 60% are preferring offline shopping and 40% are preferring online shopping.

	<b>Online</b>		<b>Offline</b>	
	Frequency	Percent	Frequency	Percent
Frequently	42	28	66	44
Occasionally	42	28	42	28
Festivals	12	8	18	12
Celebrations	18	12	6	4
Need Based	36	24	18	12
Total	150	100	150	100

In the Table 2 out of 150 respondents taken for the study 28% are frequently and occasionally shopping with online, 8% re shopping at festival time, 12% are shopping during for celebrations and 24% are shopping online based on their need. With offline shopping 44% are shopping frequently, 28% are shopping occasionally, 12% are shopping during festival time, 4% are shopping during for celebrations and 12% are shopping offline based on their need.

	Frequency	Percent
A- Online 0% & Offline 100%	12	8
B- Online 100% & Offline 0%	12	8
C Online 50% & Offline 50%	36	24
D Online 70% and Offline 30%	48	32
E Online 30% and Offline 70%	42	28
Total	150	100

In the Table 3 out of 150 respondents taken for the study 8% said that they are shopping only with offline rather than preferring online, 8% said that they are preferring online rather than preferring offline, 24% said that they are preferring 50% online and 50% offline, 32% said that they are preferring 70% online and 30% offline and 28% said that they are preferring 30% online and 28% offline.

	N	Mean	Std. Deviation
CE1	150	1.4	0.635
CE2	150	1.72	0.778
CE3	150	1.4	0.695
CE4	150	1.56	0.807
CE5	150	1.56	0.755

It depicts that the respondents agree towards convenience in seeing and feeling the product when purchasing offline (1.40), convenience in seeing and accessing to variety of products and brands on online screen (1.72), instant delivery of their choice making them feel happy with offline than planning for online shopping previously and waiting for the product (1.40), shopping online for good brands and for good price increasing the respect to their volume of purchase with their budget which makes them happy (1.56) and returning of goods having a very minimum chances as they check and buy through offline than online (1.56) in Table 4.

<b>Table 5 RECOGNITION</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
RN1	150	1.44	0.64
RN2	150	1.24	0.514
RN3	150	1.64	0.744
RN4	150	1.8	0.751
RN5	150	1.48	0.642
	150	1.52	0.31602

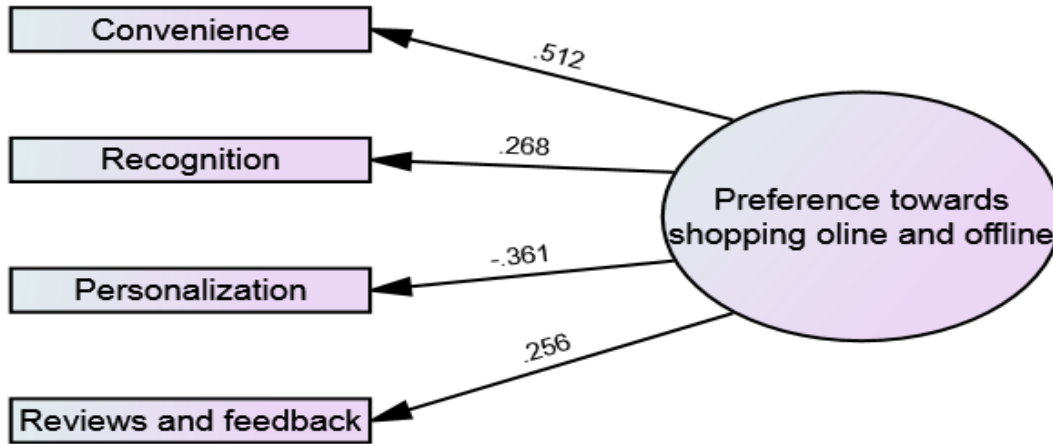
The respondents agree towards accessing any brands with online and offline store (1.44), Preferring familiar brands (1.24), preferring known sellers for trust ability (1.64), recognizing the new brands on advertisement and trying it (1.80) and recommending their friends and relatives about the new brand used (1.48) in Table 5.

<b>Table 6 PERSONLISATION</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
PR1	150	1.64	0.744
PR2	150	1.28	0.532
PR3	150	1.6	0.751
PR4	150	1.72	0.828
PR5	150	1.64	0.744

The respondents agree towards Instant purchasing of any brand at their budget (1.64), instant purchasing of any brand to their need (1.28), purchasing what impress them than the brands and price (1.60), purchasing only preferred and selective brands (1.72), looking more choices over their preference (1.64) in Table 6.

<b>Table 7 REVIEWS AND FEEDBACK</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
RF1	150	1.6	0.695
RF2	150	1.52	0.642
RF3	150	1.6	0.695
RF4	150	1.56	0.64
RF5	150	1.64	0.627

The respondents agree towards reviews influencing and ensuring their confidence in brands (1.60), reviews influencing and ensuring the confidence in shops (1.52), preferring with good review and feedback easing their decision (1.60), review and suggestions recommending new brands and new shops (1.56) and Review & feed backs saving time in process of decision making (1.64) in Table 7.



R= 0.419  
 R square change = 0.175

**FIGURE 1**  
**COMPARISON BETWEEN PREFERENCE TOWARDS SHOPPING BY THE RESPONDENTS AND DIMENSIONS RELATED TO SHOPPING ONLINE AND OFFLINE**

The R square change describes that there is a low relationship between the compared variables as the value is less than 0.3 at 0.175. It also depicts that there is relationship between preference towards shopping online and offline and convenience towards shopping (0.512), recognition (0.268) and shopping based on reviews and feedback (0.256) in Figure 1.

*H1: There is a significant difference between age and dimensions related to shopping online and offline.*

Table 8 ONE WAY ANOVA COMPARISON BETWEEN AGE AND DIMENSIONS RELATED TO SHOPPING ONLINE AND OFFLINE						
		N	Mean	Std. Deviation	F	Sig
Convenience	15 - 35	138	1.5391	0.32114	2.239	0.137
	36 - 55	12	1.4	0		
	Total	150	1.528	0.31025		
Recognition	15 - 35	138	1.513	0.32864	0.835	0.362
	36 - 55	12	1.6	0		
	Total	150	1.52	0.31602		
Personalization	15 - 35	138	1.5478	0.31443	13.857	0
	36 - 55	12	1.9	0.31334		
	Total	150	1.576	0.32763		
Reviews and feedback	15 - 35	138	1.5478	0.3088	25.571	0
	36 - 55	12	2	0		
	Total	150	1.584	0.32067		

There is no significant difference between age and personalization of shopping online and offline (0.000) and shopping based on reviews and feedback (0.000). There is a significant difference between age and convenience towards shopping (0.137) and recognition towards shopping online and offline (0.362) in Table 8.

### **Personalization**

The respondents who are from the age group between 15-35 (1.54), 36-55 (1.90) agree towards personalization on online and offline shopping.

### **Reviews and Feedback**

The respondents who are from the age group between 15-35 (1.54) agree and the respondents from the age group between 36-55 (2.0) are neutral towards purchasing online and offline based on reviews and feedback.

### **Findings**

1. Maximum of the respondents are male.
2. Maximum of the respondents are between 15-35 years of age.
3. Maximum of the respondents have completed their under graduation and post-graduation
4. Majority of the respondents are working as private employees.
5. Majority of the respondents are earning less than Rs.20,000.
6. Maximum of the respondents are preferring offline shopping than online shopping.
7. Maximum of the respondents are frequently making purchase with both online and offline shopping.
8. Maximum of the respondents are preferring 70% online and 30% offline shopping.
9. There is relationship between preference towards shopping online and offline and convenience towards shopping, recognition and shopping based on reviews and feedback.
10. The respondents who are from the age group between 15-35, between 36-55 agree towards personalization on online and offline shopping. Whereas, the respondents who are from the age group between 15-35 agree and the respondents from the age group between 36-55 are neutral towards purchasing online and offline based on reviews and feedback.

### **Suggestions**

It is suggested for marketers that the major benefit of online and offline retailing is the ability to attain consumers over many geographical locations, in a very short amount of time. So marketers should take advantage of this by using various promotional methods to increase sales all over the world. They can also market themselves by positive word-of-mouth through creating loyal customers. Different source of advertisement can be used to create customer loyalty by providing consistent promotions through not only their website, but also social media sites. Lastly, marketers should maintain a system to provide sufficient and easily attainable product information to guide online and offline transactions.

## **CONCLUSION**

The conclusion is that the consumers are often purchasing from online and offline sources because of the revolution in the technology and most of them are purchasing to their need towards a particular product. More effort can be initiated towards influencing the buying behavior of customers by promoting a product both in online as well as offline so that the

companies can satisfy the consumers based on convenience, Personalization and making the consumers purchase through reviews and feedback.

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