

AN ANALYSIS OF ONLINE AND OFFLINE SHOPPING BEHAVIOUR, WITH RESPECT TO BUYING DECISIONS OF URBAN FAMILIES TOWARDS ELECTRONIC GOODS

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ABSTRACT

Purpose: *The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. The process of shopping in India has witnessed a paradigm shift. A mix of convenience, price, quality and lack of time is changing how consumers are shopping in India. With faster growth being observed by Online retailers, a large number of retailers are emerging. However, store-based retailing is here to stay.*

Design/Methodology/approach: *Data was collected from 378 online consumers and 348 offline.*

Findings: *This study accomplished to determine consumer behaviour in Bengaluru towards online and offline shopping for electronic products. online consumer behaviour theories applied named as goal-oriented online buyer and experimental motives of online shopping and highlighted consumer characteristics, online consumer behaviour, factor predicting online shopping and consumer mindset in online shopping.*

Originality/Value: *The present study aimed to analyse the buying behaviour of urban consumers in the purchase of electronic goods through a quantitative research method approach. It also delves into what are the key components that influence online and offline buying decisions amongst urban families and brings out the contrast between the buying decision-making process because previous research lacked contemporary outcomes.*

Keywords: Online Shopping, Offline Shopping, Buying Behaviour, Buying Decisions

INTRODUCTION

The technological influence and the paradigm shift has caused tremors in the retail market. From the first point where the aspiration of owning something sets in, to researching and eventually purchasing, use of technology has become an integral part of the shopping process. Small screen viewing and showrooming have become everyday retail practices amongst consumers. Most consumers will pick up their smartphones to compare features, prices and other specifications as part of research before purchase.

The preference of one over the other is primarily based on what the consumer needs at a given point of time. Consumers in India continue to use offline stores, predominantly. Store-based retailing constituted over 97% of total value of sales in 2015. Within store-based retailing, the proportion of grocery retailing accounts for more than half. This clearly highlights the ongoing preference amongst consumers to shop via traditional channels when it comes to groceries. India was one of the fastest-growing retail e-commerce markets in 2015, growing at the rate of 129.5 percent Y-o-Y. The growing number of internet users in the country helped web merchants in steadily whittling away consumers' scepticism about

buying goods and services online.

A mix of convenience, price, quality and lack of time is changing how consumers are shopping in India. With faster growth being observed by Online retailers, a large number of retailers are jumping on the bandwagon. However, store-based retailing is here to stay. And it is no longer because of a certain population or the fact that consumers prefer the 6 touch and feel of the product; it's because, consumers have the power to pick and choose the channel, the price, the brand, and the delivery time. Any retailer not giving all those options to the empowered consumer stands to lose.

In offline or traditional shopping, Consumers simply take a ride in the car to their favourite shopping centre or store and buy what they want or need. Consumer can pay cash or use credit card. In some instances, Consumer can pay with a cheque. Consumer do get the opportunity to see the product before purchase it and they feel and perceive about the product at the shopping place before the purchase. All of this seems rather great, doesn't it? However, there are always cons to the pros when it comes to anything and everything. The physical appearance of the product can be assessed by the consumers and references and interpretations are made by family and peer group in purchase decisions.

Retail involves the sale of goods from a single point (malls, markets, department stores etc) directly to the consumer in minimal quantities for his end use. In a layman's language, retailing is nothing but transaction of goods between the seller and the end user as a single unit (piece) or in minimal quantities to satisfy the needs of the individual and for his direct consumption. The shopper electronic industry has developed each day and saw an interesting development in the course of recent years. This development can be ascribed to the expanding impact of best-in-class electronic gadgets available. The customer hardware industry is introducing the beginning of Convergence. It is the juncture and converging of until now isolated markets of computerised based sound, video and data innovation, evacuating section hindrances over the market and industry limits. This meeting of innovations has brought about a more noteworthy interest for shopper gadgets, be they versatile, in-home (cell phones, computerised camera) or in-car (DVD players), offering different functions.

Problem Statement

Karnataka is one of the most developing states in our country, Karnataka ranks 3rd best GDP in India only after Maharashtra and Tamil Nadu the economic status of the people is not as bad as compared to the other states. This exploration may fill the gap between the decision of online shopping and offline shopping. This study mirrors the issues and variables of online and offline shopping.

There are surely issues as, to why individuals don't undertake internet or offline shopping. What are the significant explanations for online and offline shopping?

This study encourages the consumer to get a thought about the quality, and service level of the goods purchased. In Bangalore, there are a greater number of individuals who do shopping online when compared with alternate states. The study makes the shopper clear about which alternative option to be taken by the consumer to receive more advantage in return.

There has been no research done before on a comparative study between online and offline retail on electronic goods in Karnataka urban areas.

Significance of the Study and Research Issues

The present study aimed to analyse the buying behaviour of urban consumers in purchase of electronic goods.

- What are the key components that influence online and offline buying decision of amongst urban families?
- Bring out the contrast between online and offline buying decision making process?
- What are the purchase barriers encountered by the urban customers in online and offline methods of buying electronic goods?
- What are the reasons of customers switching from offline shopping to online shopping method & vice versa?

The outcome of the study will be a great help to all age groups of consumers, Consumers can differentiate between which shopping patterns to choose in the electronic goods segment. This study has also helped retailers to understand the behaviour of consumers and their preferences towards online and offline shopping so that the retailers can fill hindrances faced by consumers, this will also assist in predicting the trend of consumer behaviour change in terms of buying electronic goods and services.

Objectives of the study

- To recognize the factors that influence online and offline buying patterns of electronic goods amongst urban families
- To compare the online and offline purchase decision-making process of urban families towards buying electronic goods
- To understand the challenges faced by customers in online and offline methods of buying.
- To analyse the reasons for switching from offline shopping to online shopping and online to offline shopping methods amongst urban families.

REVIEW OF LITERATURE

multi-attribute analysis of preferences for online and offline shopping as well as differences across products; consumers and online shopping stages to study its linkages with the gender and age of online and offline shoppers. the ways of reducing inventory and improving customer satisfaction at the retailers and to determine how effective supply chain management in the durable goods industry is. Agrebi & Jallais (2015) Data collected for various collections are plotted with the help of Bar and Pie Charts and Pearson Correlation coefficient is used to find the factors relating to customer satisfaction, highlights the reason for fluctuations in demand and also measures to develop effective supply chain management through low inventory and high customer satisfaction. identified the three predominant factors of customers repurchase intention namely Demographic determinates, social connectedness and prior online experience Akbar & James (2014). They used both primary and secondary data resources. The subsequent application regression analysis derived that in online purchase Demographic determinates are playing a vital role to attract the customers repurchase intention in direct marketing. explored 'in depth consumer awareness and impact of promotional tools in their study Browne et al. (2004). The objectives of the study are related to impact of promotional tools of cellular services on customer choice and preference. A sample size of 200 were collected from Coimbatore city and the statistical tools like Percentage Analysis, Chi-Square Analysis, Weighted Average Score Analysis and Average ranking Analysis were used Butler & Peppard (1998). They conclude that a majority of consumers are aware of cellular services through television advertisements' examined the opinion of 200 non- vegetarians about chicken pattern consumption and their preference for processed chicken. The objective of the study is to find out the consumer preferences for non-vegetarian items and to find out the consumer awareness towards processed chicken. Simple Random Sampling method was adopted in selecting the respondents and the structured questionnaire was administered to collect the necessary data. The findings indicate that majority of the consumers are aware of processed chicken and effective advertisements are

required to increase the sales. made an attempt to find out the awareness levels regarding the number of brands that are available in the market Chowdhury (2010). The study assumes that there is a significant association between the income level of the consumer and the two-wheeler owned by the customers. The sample size for the dealers and the consumers were 20 and 150 respectively. Chi-square test was applied and the results indicate that there is a significant association between income and type of two-wheeler owned. analysed to probe into the awareness of the consumers and their reactions regarding service providing agencies. The objectives of the study are related to understanding consumer awareness, attitudes in relation to the branded goods and to understand the views of consumers on basic services. A sample of 90 consumers living in Jalna city was selected on simple random sampling basis. The findings indicate that every consumer should be cautious while purchasing and must observe and check the goods Javadi (2012). discussed “in length the role of youth and their purchasing power in decision making. The author tried to determine the factors influencing the brand awareness level of youth and their purchasing power. A sample size of 90 respondents was selected for the survey in the age group 18-28. Chi-square test was used to analysed the data and the results indicate that age, education and income were the main influencing factors in brand awareness and decision making. identified “the level of customer satisfaction towards Xerox copiers and corporation and to examine the willingness to shift to digital technology Kalia (2017). The study is confined only to jobbers of Hyderabad and Secunderabad twin cities only and the structured questionnaire is designed specifically to meet the objectives of the study. A Likert’s five-point scale and convenient sampling is used to elicit the data. A sample of only 200 respondents is chosen for the study. The results indicates that the highest levels of satisfaction are found with regard to installation and consumables i.e., availability, timely delivery and quality. analysed the customer satisfaction by way of empirical investigation. The objective of the study is to evaluate the customer satisfaction with regards to the various services offered by the E- Seva-centres and offers the suggestion to improve the customer satisfaction. The study is based on survey method. The primary data is collected by personal interviews through structured questionnaire and the secondary data is collected from the books, magazines, journals and websites. The statistical tool like percentages and averages has been used and the findings indicated that men were found large in number and the services provided by them were highly satisfactory. measured “the customer satisfaction which aims to capture the general perception of customers towards low-cost airlines. The gross sample size of the survey is 350 and the Statistical Package for Social Sciences version 14.0 is used to analyse the data. The results indicated that 67% of the respondents are highly satisfied with low fares, 42% with cancellation and refund and customer service response and 37% with cabin staff service. examined “the influence of perceived service quality on customer satisfaction. Two banks from Tiruchirappalli District are taken for the survey and the sample size chosen is 300 respondents. The convenient sampling method is adopted and the results indicated that increase in service quality of the banks can satisfy and develop customer satisfaction which ultimately retains valued customers Kanchan et al. (2015). In their paper entitled “Consumer’ Perception towards Processed Fruit and Vegetable Products”, have stated that consumers with higher educational level were found to consume more of processed products Kandulapati & Shekhar Bellamkonda (2014). Large quantities of processed fruit and vegetable products are consumed more in the high-income group the tolerable limit of price increase identified was < 5 per cent and above this limit, would result in discontinuance of the use of processed products. Consumers preferred processed products because of convenience of ready to eat form and un-branded products because of cheaper price Parasuraman et al. (2005).

DATA METHODOLOGY AND ANALYSIS

Type of Research

The research programme has used survey and descriptive research methods.

(a) Descriptive Research

A qualitative study with in-depth interviews will be carried on. Thus, the proposed study will make use of survey, analytical, empirical and descriptive research methods.

The study adopted descriptive research through exploratory research in as much as online and offline shopping behaviour of consumers are obtained by all age group of customers Table 1.

Sampling

(a) Sampling Universe

The present study used exploratory and descriptive method of research.

- All residents of Bengaluru City
- All Consumers Purchasing Electronic goods

01	Electronic Goods	05	Judgemental Sampling
02	Online Purchasers	378/384	Judgemental Sampling
03	Offline Purchasers	348/350	Stratified Random Sampling
	Total	726/800	

(c) Basis of Sampling

- The online consumers must purchase at least any one electronic goods over an online shop.
- The consumers must be an offline purchaser of any one electronic goods in the retail shops.

DATA COLLECTION

To gain adequate in-depth knowledge on the subject online and offline shopping behaviour and to interpret the primary data and secondary data have been used.

(a) Primary Data

For the purpose of primary data, the study has resorted to well-structured questionnaires, interview schedule of customers in the select online and offline shopping.

(b) Secondary Data

The sources of secondary data for the study include books, articles, reports, newspapers, innovation agencies annual and monthly periodicals, web resources, published and unpublished theses, dissertations and alike.

Survey Instrument

The study used schedule for the collection of data from sample respondents comprising customer of both online and offline customers.

The reliability test on the questions contained in the schedule was conducted by using Cronbach's alpha reliability test for both online and offline respondents Tables 2 & 3.

		N	%
Cases	Valid	304	95.0
	Excluded	16	5.0
	Total	320	100.0

- a. Listwise deletion based on all variables in the procedure.

969	63
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Part A: Demographic analysis

Profile of Sample Respondents

In the present study, utmost care was exercised in selecting the sample respondents on the basis of certain pre-requisites, which were discussed under the bases of sampling in chapter one of the thesis. Gender, income and age are some of the demographic variables which are linked to shopping behaviour of both online and offline buyers of electronic goods in the geographical area Bengaluru.

Sl.No	Statement	Mean	SD
1	Functional	4.67	0.634
2	Defect Free	3.92	1.062
3	Maintainable	3.51	0.879
4	Operable	3.65	0.993
5	User Friendly	4.46	0.847
6	Standards	3.42	1.302
7	Design	3.95	0.918
8	Safe & Healthy	4.13	0.953
9	Efficient	4.25	1.029
10	Durable	4.34	0.789

(Source: Field Survey)

ANALYSIS

The above table 4 reveals the quality factors which motivates consumers about consumer's expectations they are functionality of the product (Mean=4.67, SD=0.634), user friendly of the product (Mean=4.46, SD=0.847), durability of the product (Mean=4.34, SD=0.789), efficient of the product (Mean=4.25, SD=1.029), safe and healthy of the consumers due to usage of the product (Mean=4.13, SD=0.953), design of the product (Mean=3.95, SD=0.918), defect freeness of the product (Mean=3.92, SD=1.062), operability of the product (Mean=3.65, SD=0.993), maintainability of the product (Mean=3.51, SD=0.879) and standard of the product (Mean=3.42, SD=1.302) Table 5.

Sl.No	Statement	Mean	SD
1	Frauds in online shopping is hampering customers	3.78	0.984
2	Delay in the delivery leads to frustration	3.95	1.021

3	Hidden costs and shipping charges incurred in online shopping	3.45	0.845
4	Lack of interaction with marketers	4.26	1.126
5	Returning the product is difficulty	4.33	0.955
6	In online shopping, one cannot bargain with the marketers	4.31	0.712
7	Cybercrime is increasing drastically	4.24	1.005
8	Overload of product details creates dilemma in the mind	4.09	0.998

(Source: Field Survey).

Analysis

It is divulged from the above table that the challenges faced by online shoppers while purchasing electronic goods. The respondents strongly agreed that Frauds in online shopping is hampering customers (Mean=3.87, SD=0.984). Secondly, Delay in the delivery leads to frustration (Mean=3.95, SD=1.021) and Hidden costs and shipping charges incurred in online shopping (Mean=3.45, SD=0.845). Also, they were opined that Lack of interaction with marketers (Mean=4.26, SD=1.126). In addition to this, they opined Returning the product is difficulty (Mean=4.33, SD=0.955) and In online shopping, one cannot bargain with the marketers (Mean=4.31, SD=0.712). Ultimately, respondents agreed for the statement Cybercrime is increasing drastically (Mean=4.24, SD=1.005) and for the last statement Overload of product details creates dilemma in the mind (Mean=4.09, SD=0.998) agreed consensually.

FINDINGS

Out of 378 online shopper respondents, 17.08 percent of respondents are males. Followed by 25.92 percent of the sample respondents are females. Under the study, out of the sample offline shopping respondents (n=348), 66.10 percent of respondents are males and 33.90 percent of them are females. 24.07 percent of respondents are in the age group of 25 - 30 years. Followed by 19.84 of them are in between 30 - 35 years. In addition, 32.01 percent of respondents are in the age group of 35 - 40 years. 17.20 percent of them in between 40 - 45 years. 6.88 percent of them are above the age of 45 years. Out of 348 offline shopper respondents, 18.39 percent of respondents are in the age group of 25 - 30 years. Followed by 9.20 of them are in between 30 - 35 years. In addition, 12.93 percent of respondents are in the age group of 35 - 40 years. 28.16 percent of them in between 40 - 45 years. Lastly, 31.32 percent of them are above the age of 45 years. Out of 378 online shopping respondents, 2.91 percent of respondents are SSLC. Followed by 6.61 percent of them are in PUC. In addition, 20.63 percent of respondents are graduates. 36.77 percent of them are Post Graduate. Lastly, 33.07 percent of them are professional degree holders. The qualification of sample offline shopping respondents (n=348), 19.83 percent of respondents are SSLC. Followed by 21.55 percent of them are PUC. In addition, 17.53 percent of respondents are under graduate. 29.02 percent of them are post graduate years. Lastly, 12.07 percent of them are professional degree holders. Bengaluru is an educational hub and every year around three lakh graduates and post-graduates are coming out from educational institutions in all streams. Hence, the respondents are educated, employed and earning good to purchase any goods or obtain any services over the internet. Also, majority of the respondents among offline shoppers were educated and still in the practice of visiting physical store to purchase electronic goods. Out of 378 respondents, 5.55 percent of respondent's income is less than 50,000. Followed by 22.76 of respondents income is between 50,001 to 1, 00,000. In addition, 27.51 percent of respondents is between 2, 00,001 to 2, 50,000. 24.35 percent of them income is between 2, 50,001 to 5, 00,000. Lastly, 19.83 percent of the respondent's income is above 5, 00,

00. Majority of the respondents are earning sufficiently to lead their luxury life. The high-income respondents are showing interest to purchase electronic devices or products over the familiar online stores such as Flipkart and Amazon. It is found that devastating amount of the respondents (49.47 per cent) was married and 38.62 percent of them were unmarried. Only 6.88 and 5.03 percent of the respondents were found to be widows and divorced respectively among online shoppers. The respondents under this group divorced or widows were enormously negligible. Likewise, among offline electronic goods shoppers a large chunk of (59.20 percent) respondents were married followed by 32.47 percent unmarried. On the other hand, among offline shoppers majority of the respondent's family consists of three to four members (55.75 percent). Followed by five to six members in the family (16.38 percent) and 13.22 percent of them consists of more than six of members in the family. 14.66 percent of respondents belong to nuclear family among offline electronic goods shoppers. The mean scores and standard deviation ranged from 3.97 to 4.04 and 0.843 to 0.786 respectively. It is found from the chi-square analysis that the online shopper's demographic factors such as gender, occupation, income and marital status were shown a statistical difference in their buying pattern. But among them only the factor age does not show the statistical difference. Likewise, among offline shoppers occupation does not prove the difference statistically. It is found that many businesses want to realize the potential of e-commerce, and increase their target market share.

CONCLUSION

The findings of this study highlight the importance of companies taking the online sector seriously. Even some shoppers who prefer retail retailers have a favourable outlook and behaviour against online shopping, according to the poll. These shoppers have time to spare in regular shops and malls, and they enjoy the offline retail experience for social purposes including catching up with friends. By collecting details digitally and only purchasing it in physical shops, these customers prove to be more experienced. The existing shopping infrastructure has undergone an E-transformation as a consequence of the rapid development of e-commerce.

Internet shopping has potential risks for the consumers, such as payment safety, and after sales service. Further research is possible by increasing sample size to include a rural population that may reflect the entire scenario of consumer behaviour of online shopping in India. Furthermore, the variables that have been identified in this study may not be sufficient rather more variables are to be considered in future research. Researchers may also look for factors that influence the online shopping behaviour, customer satisfaction, and loyalty. With a better understanding of customer online buying behaviour, it is expected that E-commerce can continue to expand and become more than just a source of income for businesses, but also a part of people's everyday lives. Since it involved people from various backgrounds from different cities in India, this is one of the most critical research projects on online shopping in the Indian sense.

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Received: 07-Feb-2023, Manuscript No. AMSJ-23-13204; **Editor assigned:** 08-Feb-2023, PreQC No. AMSJ-23-13204(PQ); **Reviewed:** 08-Mar-2022, QC No. AMSJ-23-13204; **Revised:** 20-Apr-2023, Manuscript No. AMSJ-23-13204(R); **Published:** 19-May-2023