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A Comparative Study on Customer's Preference to Select Online vs. Offline Purchase with Reference to COVID-19

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ABSTRACT:

The COVID-19 pandemic has caused psychological reaction from public due to the restriction on freedom, workplace closure, ban on social interaction and closing of shopping stores. The purpose of this study is to cover the importance of online shopping in today's competitive market. The question is how the offline retailers will survive and provide great service to customers. There is a coexistence of online and offline shopping and often support each other, there is low acceptance for blend of both the formats. There is, however, a trend towards online shopping especially for products like news, clothes, tickets, toys etc. This study tries to figure out the effect on offline retail stores using a quantitative design. Also, an analysis of theoretical frameworks and models related to online shopping and offline shopping and their effects are scrutinized. Providing quality and aiming for customer satisfaction, both in online and offline retail stores is vital for survival and even for maintaining competitive advantage.

Keyword: COVID, Consumer behaviour, Retail stores, Online shopping

1.Introduction

Today, companies operating in a developing country like India face a number of problems, especially in terms of turbulence, complex and variable climates. Companies have to adapt due to environmental, technological, political, social and legal challenges. They must learn to adapt and deal with the changing environment in the market. This can be achieved by forecasting the purchasing behaviour of customers and creating marketing strategies based on data. (Akkaya and Tabak, 2017; Akkayaand Tabak, 2020).

This study examines the role of choice hesitation with respect to the COVID-19 pandemic and customer's hesitance following the study by Cho et al., 2006 and Huang et al., 2018. Also, Andrews (2016) suggested that confidence about a choice is associated with emotions. He also suggested that emotions such as happiness and sadness affect consumer's choice confidence. This study hence tries to examine the effect of perceived choice confidence on consumer's reactance in the COVID-10 pandemic situation.

2.Literature Review

Perceived hesitation is the postponing of purchase decision because of some situation including perceived risk, uncertainty and additional information. (Cho et al., 2006). The feelings that consumers have towards shopping choice lead to hesitation about purchase in the future and can also cause demotivation which further leads to deferring choice (Huang et al., 2018). An unexpected situation can also obstruct consumer's attitudinal response and cause hesitation about purchase choice. (Wong & Yeh, 2009). These studies suggest that the pandemic will restrict consumer's choice freedom as well as develop hesitation in shopping, especially in the offline retail.

More recently, studies suggest that consumer's choice hesitation evolves from restrictions that arise because of consumer's psychological reaction (Peng and Chen, 2019) and in order to avoid psychological pain, tend to avoid making an immediate decision (Akhtar et al. 2019).

3. Research Methodology

This study was conducted in Ahmedabad, Gujarat. The sample size for conducting the survey was 300 respondents. Random sampling technique was used to collect the data and a structured questionnaire was developed anduploaded in Google form for the same. The target respondents were selected randomly the data from the survey will be analyzed with the help of quantitative techniques.

The research question of this study are- What do customer prefer online shopping or in-store shopping, and why? Accordingly, the following objectives have been proposed for this study:

- 1) In the first part of this study, focus will to be weigh the factors which influence the consumers to purchase offline and online. These factors will be weighed on how much they influence the mode of shopping post the onset of Covid-19 in India (or post March 2020).
- 2) To analyse how online shopping affects offline retailers or in-store shopping.

3) Does Omni-channel should be adopted by the industry?

4. Analysis

The data was analyzed using Microsoft Excel. A brief description and inferences from the data have been presented below:

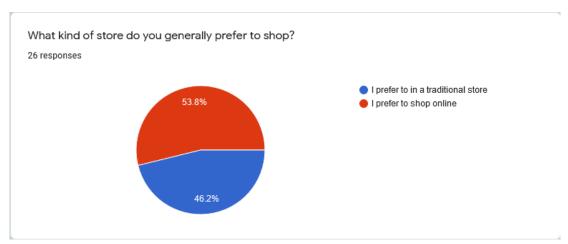


Fig. 1. Type of store

From fig. 1, we can see that many people have switched their purchasing behaviour from traditional method to online platform.



Fig. 2. Preferred tool for online shopping

From Fig.2. it can be seen that smartphones are the most preferred tool for online shopping.

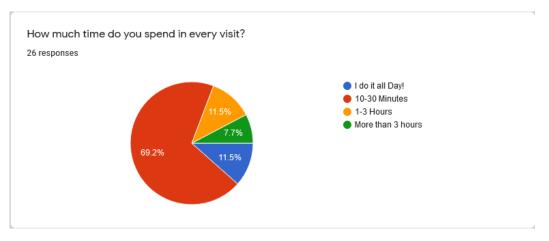


Fig. 3. Time spent in every visit

From fig. 3, we can see that most of the respondents have spent around 10 to 30 minutes in every visit.

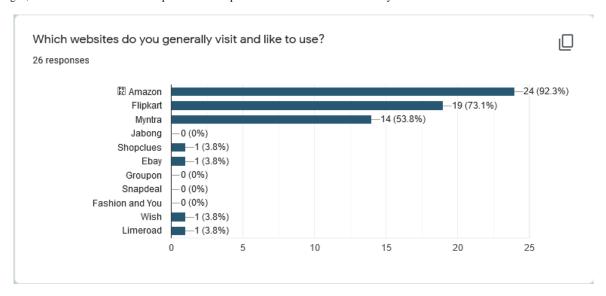


Fig. 4. Frequently visited websites

From fig. 4, we can see that Amazon is the most preferred website followed by Flipkart.

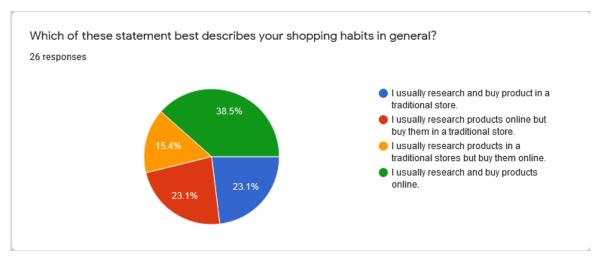


Fig. 5. Shopping habit

From fig. 5, we can see that majority of the respondents research and buy products online.



Fig. 6. Compare prices

From fig. 6, we can see that majority of the respondents look for deals or compare prices before making online purchases.

Fig. 7. Sharing of online products



From fig. 7, we can see that majority of the respondents make decisions on their own.

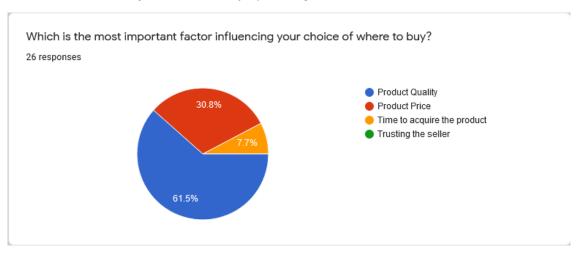


Fig. 8. Important factors

From fig. 8, we can see that most of the respondents value product quality the most while making online purchases.

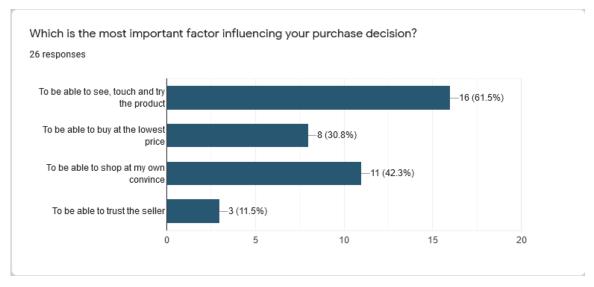


Fig. 9. Important factor influencing purchase decision

From fig. 9, we can see that the most important factor while making purchase decision is to be able to see, touch and try the product.

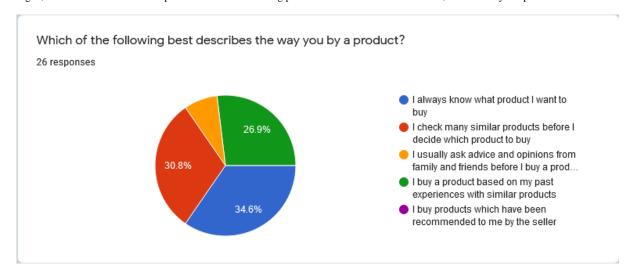


Fig. 10. Way of making a purchase

From fig. 10, we can see that most of the respondents always know what product do they want to purchase.



Fig. 11. Important statements in purchase decision

From fig. 11, we can see that the buyer should be able to compare and buy the product has been considered as very important by most of the respondents.

5. Conclusion

The following study presents a clear understanding that there are major variations between online and offlineshopping behavior embellished on certain criteria. This difference is not an issue for customers but retailers. They aim to provide the best customer service that leads to loyalty, trust, and satisfaction for shoppers. So that the retailers can survive this competition, make a profit, and spread worldwide. It does not matter whether to open an online shop

or traditional brick and mortar store. What matters is to deliver and provide what customers desire and demand, to satisfy their need to repurchase andspread positive recommendations to others and encourage them to visit the store or order online. People's lives are busy nowadays, and the more people go forward in life, it becomes more complicated and harder. The more their needs will be sophisticated and prestigious. The retailer's role is to deliver the best quality product and price andservice to meet what the customer expects from the shopping experience.

There is no better choice; both present benefits and disadvantages for customers, so everything depends on whatcustomers find easy and how he/she likes to shop and be treated. What is essential for an offline shop is creating anonline website and not necessary to sell their products. It would still help

customers check the availability of products, hit items, newest items, and items on discount instead of visiting the shop to check them. A point to mention is that people spend half of their time scrolling on social media or the Internet, so it is a good idea for offline and onlinestores to promote and advertise what they offer for customers from products or services (Clothes, Hairdressers, Jewelry.).

6. Managerial and Policy implications

As there is lot of risk involved in offline shopping, and hence customer prefer online mode. It is suggested that the companies who produce products must strictly follow the rules given by the government and world health centre. Also, it would be best if they can capitalize on the fact that customers prefer to touch and see a product before purchase.

7.Limitations of the study

Due to the pandemic, the researchers had to face the "Corona Virus" in the firstplace, which blocked movement, adding the bad financial and economic situation. This led to limitations such as access to target respondents as well as interacting with the respondents. This led to low number of respondents. There was a limitation in time duration available for responding as well due to COVID norms.

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