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A Study on Consumer Behavior for Online and Offline Shopping

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ABSTRACT :

One way in which technology has changed purchasing is by making internet shopping the preferred method of most customers. Over the past decade, this trend has come to the fore because of the extensive employment of these two tactics by a number of retail giants. The main purpose of this study is to compare and contrast the ways in which people think and behave when buying in physical stores vs online. This article delves into the trend of men increasingly preferring to shop online rather than at brick-and-mortar establishments. More individuals prefer to shop at malls when they need to make a real purchase since their payments are safe there. Even though more and more people are buying things online, most people still prefer to purchase at physical places where they can examine the goods up close. Based on our research, FlipKart and Amazon are the top two online merchants. We also found out that more and more people are favouring online buying, so it's clearly here to stay.

Keywords: consumer behavior, online shopping, offline shopping, retail, e-commerce, decision-making, satisfaction, shopping motivations.

INTRODUCTION :

“The study of consumer behaviour encompasses the selection, acquisition, and disposal of products, services, experiences, and ideas by individuals and organisations to fulfil their needs. Additionally, it delves into how these decisions impact consumers and society as a whole. (“Eisenhower, 2012”) Customers have more options than ever before when it comes to buying, all because of technology improvements. The proliferation of internet retailers is one such example. This tendency has been prominent over the past decade, and several retail giants have combined the two approaches to increase their profits. The major objective of this research is to compare and contrast purchasing online with shopping in a traditional store. Critical examination of internet buyers' routines

Similar to the actual world, succeeding requires comprehending and then addressing the factors that impact the purchasing decision. Anxieties about not being able to touch and feel the products before buying them is a real factor for internet shoppers. As it rapidly expands into a global phenomenon, the Internet is changing the way consumers shop and buy things. Internet marketing has allowed many companies to cut costs and, in turn, drop prices, helping them stay competitive in today's market. This study will certainly add to our understanding of customer behaviour, whether it's online or offline.

LITERATURE REVIEW

Determining what drives customers' inclination to shop online has been the primary focus of much of the existing research on consumer online purchasing decisions. Researchers in the area of consumer behaviour have developed general models of purchasing behaviour to show the processes that buyers go through before making a final decision. Marketers rely on these models heavily because of their ability to explain and predict consumers' purchasing behaviour. The conventional wisdom on how consumers make purchases suggests a spectrum that begins with routine problem-solving behaviours, moves on to more limited ones, and culminates in comprehensive ones (Schiffman et al., 2001). The buyer decision-making process has long been analysed using a five-step model. Consumers, according to the paradigm, need to feel deprived, or problem conscious, before they can learn about possible solutions. In order to evaluate possibilities, the gathered data is needed. Criteria for assessing purchases are created and compared, which ultimately leads to

Buying an item. From a marketing perspective, the post-purchase experience is crucial as it dictates the customer's level of satisfaction with the service or product. The essence of consumer behaviour may be captured by this simple five-stage model in the majority of cases. Every step of the way in the virtual world has its own unique set of challenges for E-marketers. Peterson et al. [1997] pointed out that the Internet is still in its early phases when it comes to establishing a sufficiently customised model of consumer purchase behaviour. Decision sequences are influenced by factors including product features, relevant market structures, and the consumer's starting position.

Zhou et al. (2007), Liwei Dai, and Dongsong Zhang published an article in the Journal of Electronic Research (Volume 8, No. 1) in 2007 titled "Online Shopping Acceptance Model—a Critical Survey of Consumer Factors In Online Shopping" that introduced an OSAM (Online Shopping Acceptance

Model) to explain customer acceptance of online shopping. According to the authors, if time and money are not an issue, validating OSAM could be done using an online survey in conjunction with other qualitative (like an interview) or quantitative (like a phone survey) methods, provided that certain methodological issues are adequately addressed, including survey design, subject privacy and confidentiality, sampling and subject solicitation, distribution methods, and pilot survey. The impact of consumer traits on online shoppers' intents and behaviours has been the subject of a great deal of research. Online retailers should take note of the study's results, which shed light on shifting customer priorities, innovative purchasing methods, and other management challenges.

Consumers' purchasing habits have changed significantly during the past decade. Consumers may see new technologies popping up all over the place, and these innovations might change the way they purchase and socialise. Customers no longer have to physically visit businesses thanks to web-based shopping, often known as e-commerce. Collecting data, doing transactions, *shipping and purchasing are the three factors which might have the highest impact on consumer decision between shopping in-store and online. Going to a brick-and-mortar store is typically preferable than shopping online when making major purchases like vehicles, homes, life insurance, etc. Online shopping, however, reigns supreme when it concerns digital items such as music, software, etc.

The study can be broadly classified in two factors:

- Monetary point of view - shoppers want to get the most out of their money and time.
- Psychological point of view - It considers the buyer's mentality from a psychological perspective.
- Function in Economics and the Mind

Ultimately, skipping the shop has far more benefits than waiting for books purchased online to come. Prior studies had shown that in online shopping the time saved on transportation might be more than offset by the time spent waiting for delivery, therefore our finding contradicts that. (Andrews and Currim , 2004) "Implications for enterprise design and marketing strategy based on behavioural differences between consumers attracted to shopping online versus traditional supermarkets" is a subject that interests him. Even though for online shopping dot-com crash was a setback, traditional distribution systems will continue to face pressure from growing online sales. The contrast between online and in-store shopping behaviour has not been adequately investigated in published empirical studies. Using information from both traditional supermarket scanners and an online supermarket, this study evaluates the anticipated shifts in these consumers' buying habits. Online shoppers differ from in-store shoppers in many ways, according to two product category analyses. Online shoppers are less price sensitive, lean towards larger sizes . Loyal to specific sizes, rather than sizes, they screen more often based on brand names, and choice sets have a greater impact on them Xia and Monroe (2009)

Consumers will take advantage of sales to save costs, Online buyers are more likely to use visual cues, such price, to determine the product's quality than in-store buyers because they can't physically inspect the items. According to the research, marketing slogans such as "save more" and "free gift" work better to entice consumers who aren't yet ready to buy, while "pay less" and "discount" work better to entice consumers who are already planning to buy. Customers may begin to doubt the seller's intentions or think the product is of worse quality when prices are reduced. Price is a major consideration for many individuals when they shop online. In other words, the more memorable pricing signals are associated with the consumers' behavioural goals.

The concept of online shopping has soared in popularity due to the benefits that customers attach to it. One of these characteristics is the ease with which one may do research and make purchases regardless of their location or time of day. Online shoppers typically perceive a steep price drop compared to in-store shoppers, Forsythe and Liu (2006). The cost benefit is an extra advantage that arises from this view. In online shopping both the reduced overhead and the costs of maintaining the storefronts contribute to the expense. If you buy anything online, you can end up paying less than if you bought it at a physical store, even after factoring in delivery costs. Thirdly, it's really convenient since consumers can shop whenever they want. With the rise of always-on internet-enabled devices and a plethora of shopping apps for smartphones, online shopping has grown in popularity. Online shopping has numerous benefits, but it has also certain drawbacks that have limited its expansion. The biggest and most urgent problem is internet security, especially with respect to identity theft and credit card fraud. Since these information are required for the online transactions, many customers are hesitant to provide them while shopping online. A research was carried out by Forsythe & Liu (2006) for online and in-store purchases from 2006 to 2010. Online shopping is more popular among city people, according to the innovation-diffusion hypothesis, because it is a fresh channel. Perhaps more city dwellers purchase online because they are more open to new ideas and technology than rural dwellers. The purpose of this study is to employ a range of analytical tools to reveal how Internet users interact while buying things online and in stores.

OBJECTIVES OF THE STUDY

This research has tried to discover what mode of purchases people like. Moreover, we want to find out how customers decide on a payment option. This tendency has been prominent over the past decade, and several retail giants have combined the two approaches to increase their profits. This study sets out to find out how internet buying stacks up against in-store purchases.

Main Objectives:

- To access the reason behind why people choose to shop online rather than at a real store.
- The evaluate out how individuals feel about purchasing goods online as opposed to at a physical store.

HYPOTHESIS

This hypothesis of this study is mentioned below :

The choice of payment method is unaffected by demographics . H1 delivery times have no effect on how customers behave while making different types of online purchases.

RESEARCH METHODOLOGY

This essay primarily aims to contrast and compare shopping online with shopping in real stores. Its framework for this purpose consists of the following parts:

Structure of the Research:

Because it was a thorough and definitive inquiry, this study employed a descriptive research strategy to determine the characteristics of the problem.

Convenience Sampling was the most suitable technique for gathering data from our online survey because of the different populations it represented. The study is descriptive in nature and uses primary sources to draw conclusions.

For this investigation, researchers utilised a random sample of one hundred people.

DATA COLLECTION

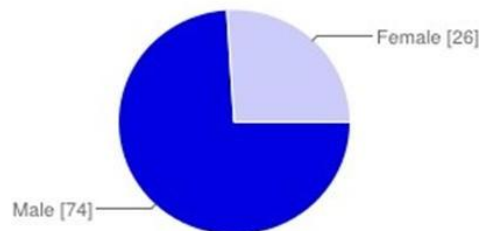
Original data gathered from one hundred people at random is the basis of the study. Since we have spoken with actual individuals to get their stories, we can call this a primary data collection technique.

We derived the data used to build the framework from reviews that were posted online.

DATA INTERPRETATION AND ANALYSIS

In this section, interpretation of data which has been collected has been discussed.

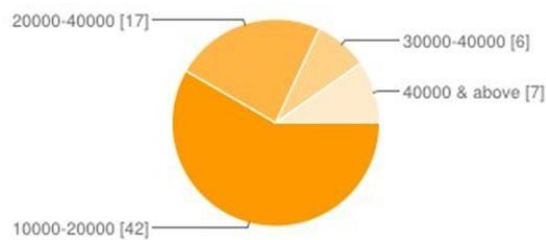
i. Gender



| | |
|--------|-----|
| Male | 74% |
| Female | 26% |

Online shopping is preferred more by the male population.

ii. Income

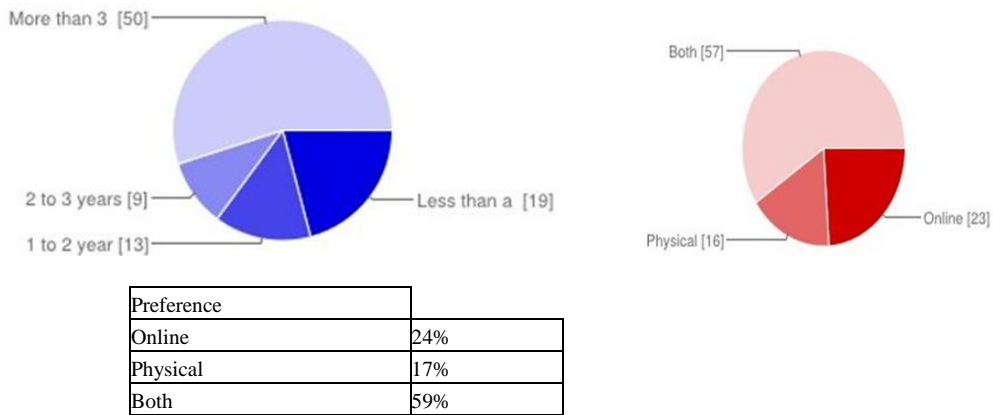


| | |
|-------------|-----|
| Salary | |
| 10000-20000 | 58% |

| | |
|---------------|-----|
| 20000-40000 | 24% |
| 30000-40000 | 8% |
| 40000 & above | 10% |

People with the salary range of 10000-20000 prefer to do more online shopping followed by 20000- 30000.

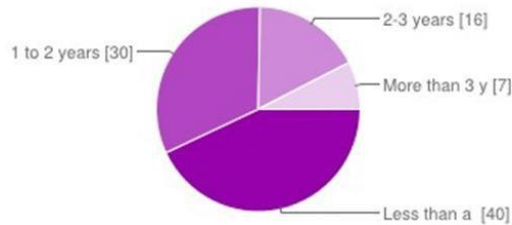
iii. Preference



59% of the people prefer to do online as well as physical shopping followed by online shopping indicating that online shopping is more preferred than physical store.

iv. Time Duration (Online shopping)

| | |
|-----|-----|
| Yes | 84% |
| No | 16% |



| | |
|-------------------|-----|
| Less than a year | 43% |
| 1 to 2 years | 32% |
| 2-3 years | 17% |
| More than 3 years | 8% |

43% of people are shopping online for less than a year followed by 32% who are shopping for 12 years.

v. Recommendation

84% of people would like to recommend online shopping to others.

vi. Time Duration (Physical Shopping)

| | |
|------------------|-----|
| Time(Physical) | |
| Less than a year | 21% |

| | |
|--------------|-----|
| 1 to 2 years | 14% |
| 2 to 3 years | 10% |

55% of people have been doing physical store shopping for more than 3 years.

FINDINGS & RESULTS

According to our statistics, males are more inclined to shop online rather than in a physical store.

The convenience and safety of shopping at a mall makes it the preferred location for many people to make in-person purchases.

Flipkart offers the best online buying experience. When it comes to sales and bargains, they're the greatest. Even though more and more people are buying things online, most people still prefer to purchase at physical places where they can examine the goods up close. It is difficult to generalise about which one people prefer due to the fact that individuals' purchasing tastes differ widely. Online shopping has recently grown in popularity, perhaps due to the fact that people have only been using this method for a year or less.

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