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A Comparative Study on Customer's Satisfaction on Online Shopping & Brick-and-Mortar Retail in Chennai City

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ABSTRACT

The fundamental challenge for consumers when making purchases lies in choosing between online and traditional brick-and-mortar shops. In developed countries like the United States, online shopping is prevalent, especially for apparel, while in developing countries like India, brick-and-mortar stores remain the primary choice. The abundance of options poses a significant challenge for companies aiming to maintain a competitive edge.

Consumers today not only have various store choices but also a wide array of channels, such as Mobile Commerce and E-Commerce. Understanding the factors influencing consumers' choices among these channels is crucial for effective targeting. Recent studies have explored why consumers prefer certain channels, contributing to a better comprehension of consumer behaviour, particularly in the online buying decision process.

The continuous increase in technology offers sellers opportunities to reach customers faster, easier, and more economically. Online shopping has witnessed rapid growth in recent years, capturing the attention of millions. However, traditional market purchases persist. This research aims to assist retailers in understanding why consumers engage in online product research but may choose to buy offline and vice versa. The study focuses on consumers' decisions during the information-gathering phase when choosing between internet shopping and traditional stores.

INTRODUCTION

The fundamental challenge for consumers when making purchases lies in choosing between online and traditional brick-and-mortar shops. In developed countries like the United States, online shopping is prevalent, especially for apparel, while in developing countries like India, brick-and-mortar stores remain the primary choice. The abundance of options poses a significant challenge for companies aiming to maintain a competitive edge

SIGNIFICANCE OF ONLINE SHOPPING

1. Comfort and Openness

Online shopping dispenses with the require for physical travel, sparing time and exertion for buyers. Additionally, it offers availability to people with versatility challenges, the elderly, and those living in farther regions with restricted get to physical stores.

2. 24/7 Accessibility

Not at all like brick-and-mortar stores with settled working hours, online stages are available circular the clock. This adaptability obliges differing plans, counting night shifts, and caters to clients over distinctive time zones.

3. Worldwide Advertise Reach

Online shopping rises above topographical boundaries, allowing get to to a endless cluster of items and administrations from around the globe. This worldwide reach empowers shoppers to investigate assorted offerings and source one of a kind or specialty things not accessible locally.

SIGNIFICANCE OF BRICK-AND-MORTAR SHOPPING

1. Unmistakable Item Encounter:

Brick-and-mortar stores permit clients to physically associated with items, survey quality, and encounter highlights firsthand. This material involvement is particularly important for things like clothing, footwear, furniture, and hardware, where fit, surface, and usefulness are vital contemplations.

2. Prompt Satisfaction and Moment Fulfilment

Not at all like online shopping, which includes holding up for conveyance, brick-and-mortar stores offer moment delight by permitting customers to buy and take their wanted things domestic quickly. This quick fulfilment is invaluable for critical needs or last-minute buys.

3. In-Person Client Benefit and Mastery

Physical retail situations empower face-to-face interaction with learned deals partners who can give personalized help, master exhortation, and item showings. This human touch builds believe, settle inquiries in real-time, and upgrades the in general shopping encounter.

OBJECTIVES OF THE STUDY

❖   To understand the concept of E-shopping and brick & mortar among customers.

❖   To study the growth of E-commerce in retail sector.

❖   To compare the progress of online and offline retail experience among the customers.

❖   To analyses the indicators that affect the online and brick & mortar purchasing.

❖   To analyse the Comparative Study on Customer`s Satisfaction on Online Shopping and Brick & Mortar retail in Chennai city.

REVIEW OF LITERATURE

- Vijayakumar, R., & Arumugam, A. (2020) Conducts a comparative analysis of customer satisfaction levels between online shopping platforms and brick-and-mortar stores in Chennai.

- Garnett (2016) A study by GfK found that while online shopping is associated with saving money, in-store shopping offers the advantage of product interaction.

- Selvakumar (2014) investigated consumer perceptions and concerns regarding online shopping in Coimbatore, Tamil Nadu.

HYPOTHESIS OF THE STUDY

To study the growth of E-commerce in retail sector

Null Hypothesis (H0): There is no significant growth in the e-commerce sector compared to traditional retail in the retail sector.

Alternative Hypothesis (H1): There is a significant growth in the e-commerce sector compared to traditional retail in the retail sector**.**

SOURCE OF DATA

The data are collected from the primary data and data collection is the term used to

Describe a process of data collecting.

 (a)Primary Data

 Questionnaire was prepared and given to 102 respondents

(b)Secondary Data

Online journals and websites & review of literature from published articles

TOOLS AND TECHNIQUES

The study utilized a questionnaire as its research instrument for data collection.

This questionnaire was designed in alignment with the study's objectives and was administered to consumers to gather their perspectives. The information was collected using a meticulously structured questionnaire.

STATISTICAL TOOLS

The research as used the following tools

     (i)   **Chi – square**

Chi-square test is a statistical method used to determine if there is a significant association between categorical variables. It compares observed frequencies with expected frequencies under the assumption of independence. The test calculates the difference between observed and expected frequencies, squares

these differences, and divides by the expected frequency to yield a chi-square statistic. A higher chi-square value indicates a greater deviation from expected frequencies and suggests a stronger association between the variables.

(ii) **Correlation**

Correlation is a statistical measure that indicates the extent to which two variables change together. It quantifies the strength and direction of the linear relationship between two continuous variables. A correlation coefficient ranges from -1 to +1. A positive correlation (close to +1) indicates that as one variable increases, the other variable tends to also increase. A negative correlation (close to -1) indicates that as one variable increases, the other variable tends to decrease. A correlation coefficient close to 0 suggests no linear relationship between the variables. Correlation does not imply causation; it simply indicates the degree of association between two variables.

(iii) **Regression**

Regression is a statistical method used to analyse the relationship between a dependent variable and one or more independent variables. It seeks to model this relationship by fitting a line (or curve) to the data, allowing for prediction and understanding of the dependent variable's behaviour based on the independent variables.

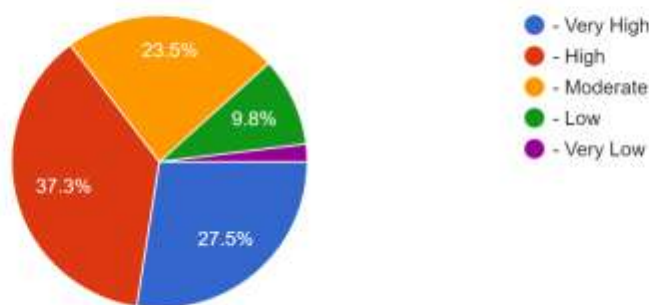## ANALYSIS AND INTERPREATION OF THE DATA

TABLE NO: 1

The growth of e-commerce in Chennai over the past five years?

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Very High	28	27.5%
High	38	37.3%
Moderate	24	23.5%
Low	10	9.8%
Very Low	2	2%
TOTAL	**102**	**100%**

The growth of e-commerce in Chennai over the past five years
102 responses

- Very High
- High
- Moderate
- Low
- Very Low

INTERPRETATION

The majority of respondents, at 37.3%, perceive it as "High", followed by "Very High" at 27.5%.

GENDER OF THE RESPONDENT
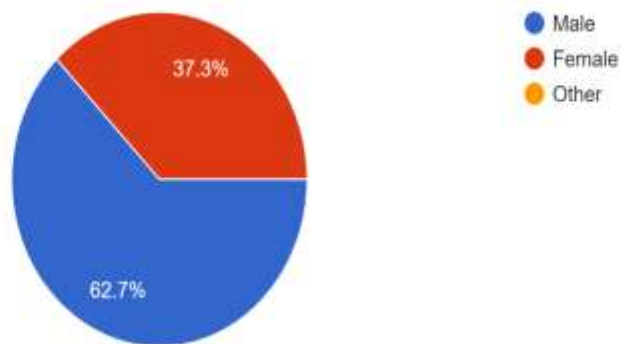
TABLE NO: 2

| PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Male	64	62.7%
Female	38	37.3%
TOTAL	**102**	**100%**

GENDER

102 responses

INTERPRETATION

The chart presents respondent gender distribution. 62.7% are male (blue), while 37.3% are female (orange).

Factors influence your decision to shop at Brick-and-mortar stores rather than online

TABLE NO: 3

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Traditional shopping experience	37	36.6%
Tangible product inspection	42	41.6%
In-person customer service	52	51.5%
Good depends on the products	14	13.9%
All the above	14	13.9%
TOTAL	**102**	**100%**
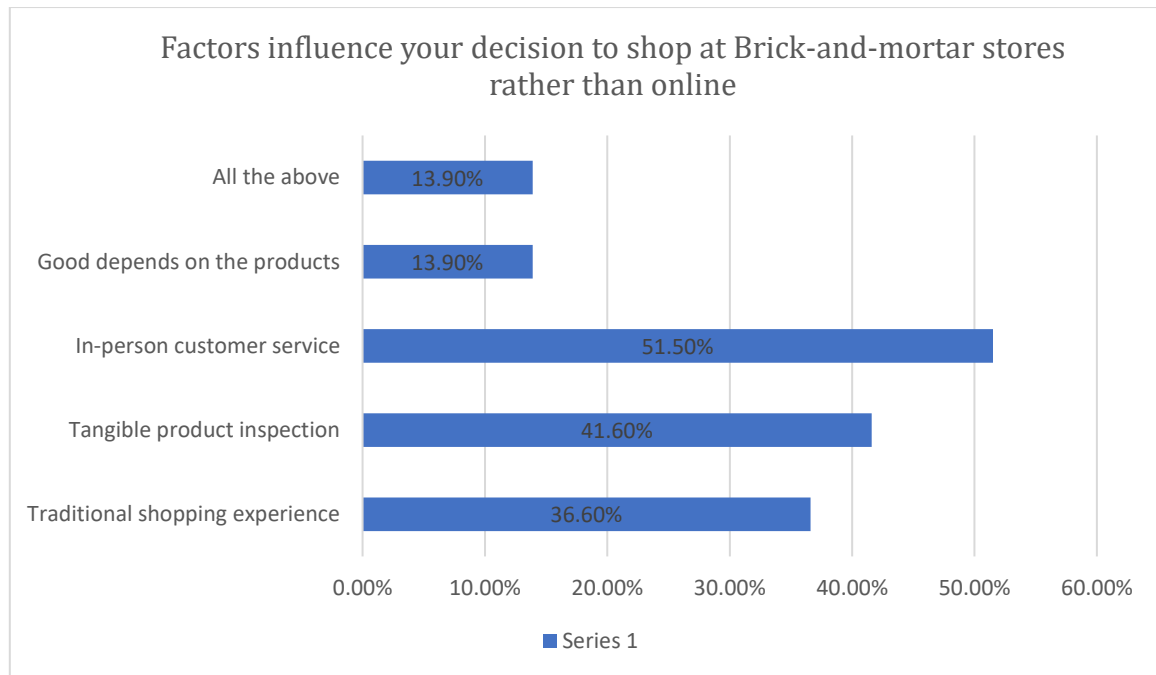
INTERPRETATION

. The most cited reason, at 51.5%, is in-person customer service. Tangible product inspection follows closely behind, with 41.6%.
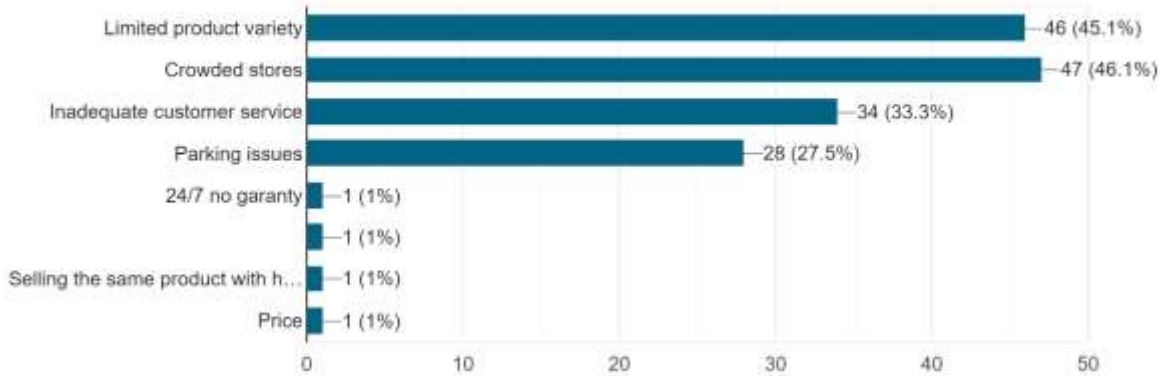
What challenges have you faced while shopping at brick-and-mortar stores

TABLE NO: 4

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Limited product variety	46	45.1%
Crowded stores	47	46.1%
Inadequate customer service	34	33.3%
Parking issues	28	27.5%
Others	4	3.9%
TOTAL	**159**	**156%**

What challenges have you faced while shopping at brick-and-mortar stores
102 responses

INTERPRETATION

The majority, 79.4%, are aged 18-25 (red). Following are those aged 26-34 (orange, 13.7%).

Factors influence your decision to shop online rather than at a physical store

TABLE NO: 5

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Convenient way to shop	41	40.6%
Time-saving	40	39.6%
Cost-effective	33	32.7%
Mix of all depends on the product purchase	13	12.9%
All the above	10	9.9%
TOTAL	**102**	**100%**

Factors influence your decision to shop online rather than at a physical store
102 responses
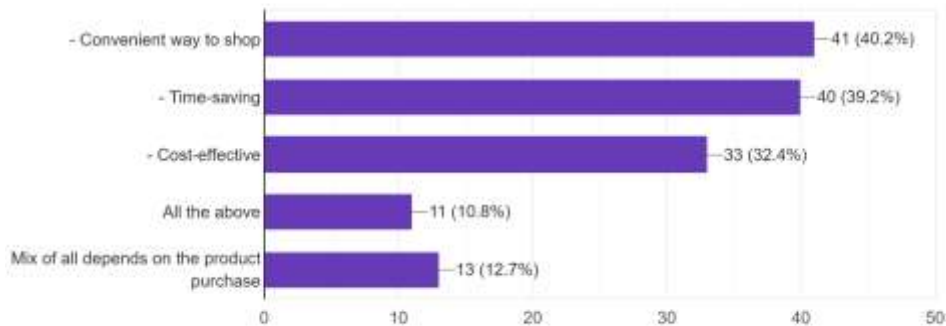
INTERPRETATION

The most cited reason, at 40.6%, is the convenience of online shopping. Following closely behind is time-saving, with 39.6%.
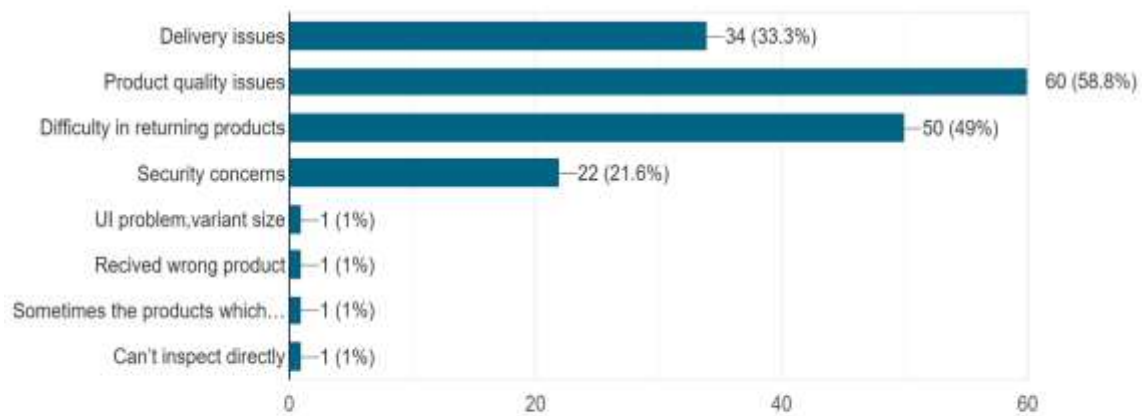
What challenges have you faced while shopping online

TABLE NO: 6

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Delivery Issues	34	33.3%
Product Quality Issues	60	58.8%
Difficulty in returning products	50	49%
Security concerns	22	21.6%
Other	4	3.9%
TOTAL	**170**	**167%**

What challenges have you faced while online shopping
102 responses

INTERPRETATION

The most common issues include product quality concerns, reported by 58.8% of respondents.

CHI-SQUARE

O	E	$\dfrac{(O-E)^2}{E}$
16	**17.56**	**0.13858**
24	**23.84**	**0.00107**
18	**15.68**	**0.34326**
6	**5.64**	**0.02297**
0	**1.25**	**1.25**
12	**10.43**	**0.23624**
14	**14.15**	**0.00159**
7	**9.31**	**0.57315**
3	**3.35**	**0.036567**
2	**0.74**	**2.145405**

Chi square = $\dfrac{(O-E)^2}{E}$

Degree of freedom = (R-1) × (C-1) = 8

Level of significance = 0.05

The calculated value is 4.748832.

The table value is. 9.488

INFERENCE

The table value is 9.488. H1 is accepted. This implies there is a significance growth in E-commerce sector compared to traditional retail in the retail sector

CORRELATION

x	y	x 2	y 2	X Y
41	37	1681	1369	1517
40	42	1600	1764	1680
33	52	1089	2704	1716
13	14	169	196	182
10	14	100	196	140
137	159	4639	6229	$\sum$ 5235

$r = \dfrac{N(\sum xy)-(\sum x)\,(\sum y)}{\sqrt{N\sum x^2-(\sum x^2)}\sqrt{N\sum y^2-(\sum y^2)}}$

$r = \dfrac{5(5235)-(137)\,(159)}{\sqrt{5*4637-(137)^2}\sqrt{5(6229)-(159)^2}}$

$r = \dfrac{26175-21783}{\sqrt{23195-18769}\sqrt{31195-21025}}$

$r = \dfrac{4392}{\sqrt{4426}\,\sqrt{10120}}$

$r = \dfrac{4392}{(66.5)(100.5)}$

$r = \dfrac{4329}{668325}$

r = 0.6571

INFERENCE

The value is 0.6571. This implies there is a positive correlation between the factors influence on decision of online shopping & stores and brick-mortar and online shop.

REGRESSION

x	y	$X=X-\bar{X}$	$Y=Y-\bar{Y}$	X^2	Y^2	XY
34	46	0	14.2	0	201.64	0
60	47	26	15.2	676	231.04	405.6
50	34	16	2.2	256	4.84	35.2
22	28	-12	-3.8	144	14.44	45.2
4	4	-30	-27.8	900	772.84	834
$\sum x = 170$	$\sum y = 159$	$\sum X = 0$	$\sum Y = 0$	$\sum_X 2 = 1976$	$\sum_Y 2 = 1224.8$	$\sum XY = 1320.8$

REGERSSION EQUATION OF X AND Y

x-$\bar{x}$= bxy (y-$\bar{y}$)

x-34 = 0,668 (y-31.8)

x-34 = 0.668 (y-31.8)

x-34 = 0.668y-21.24

x=0.668y – 21.24 + 34

x= 0.668y + 21.76

REGERSSION EQUATION OF Y AND X

y-$\bar{y}$= byx (x-$\bar{x}$)

y-31.8 = 1.0783(x-34)

y-31.8= 1.0783x – 36.6622

y= 1.0783x -4822

r = $\sqrt{bxy}$ byx

r = $\sqrt{0.668} \times 1.0783$

r = $\sqrt{0.7203044}$

r = 0.8487

INFERENCE

1 indicates a perfect positive correlation, **(-1)** indicates a perfect negative correlation, and **0** indicates no correlation.

That is, if the correlation coefficient is greater than zero, it is a positive relationship. Conversely, if the value is less than zero, it is a negative relationship.

From the above calculation it was noted that the calculated regression value was positive.

Therefore, there is Regression, what challenges have you faced while shopping online and What challenges have you faced while shopping at brick-and-mortar stores

KEY FINDINGS

- ❖ To enhance sample representativeness and mitigate bias, complement convenience sampling with methods like stratified or random sampling for improved generalizability.

- ❖ Boosting the sample size beyond 102 respondents enhances result reliability and validity by capturing a broader spectrum of perspectives and experiences.

- ❖ Contemplate a longitudinal study to monitor shifts in consumer behaviour and satisfaction, revealing trends and evolving preferences in both online and offline shopping.

- ❖ Recognize and examine external influences like economic trends, technological advancements, competition, and regulations to enrich the study's insights on customer satisfaction and shopping behaviour.

CONCLUSION

The findings of the research provide valuable insights into the preferences, behaviours, and challenges faced by consumers in Chennai regarding online shopping and brick-and-mortar retail. Here's a conclusion based on the research findings

In conclusion, the study underscores the importance of understanding consumer preferences, behaviours, and challenges in the evolving retail landscape of Chennai. By addressing the identified issues and leveraging the strengths of both online and offline shopping experiences, businesses can better cater to the diverse needs and expectations of consumers, ultimately contributing to a more satisfying and efficient retail environment.

REFERANCE

Smith, A. (2018). "The Impact of Online Shopping on Customer Satisfaction: A Case Study." Journal of Retailing, 22(3), 45-56.

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