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Comparative Study on Online and Offline Shopping

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Abstract: *This study tries to analyze how the customers will choose the channel of the shopping either online or offline. The main objective of the study is to compare online shopping and offline shopping. This study will explain the factors which affect the customers to buy online or offline. There are many people who are still not using online because of various reasons like internet illiteracy, fear of online payments, and duplicate quality of products. This study examines the customer perception towards online and offline shopping and factors influencing choice of shopping channel based on the products they want to buy. The data used in this study is primary data and the data is collected through structured questionnaire with a sample size of 100.*

I. INTRODUCTION

In recent days the technology is becoming advanced and the technology is providing good opportunities to the sellers to reach the customers in an easier way. In modern days the usage of internet has increased. In the last 5 years online shopping has increased 53% growth in retail market. Online shopping is defined as buying the goods and services through online. Buying the goods through e-commerce websites, through mailing, through telephone are comes under online shopping. Offline shopping is the tradition way of shopping where the customer will buy the products offline. Customers prefer online shopping because the customers can examine the products directly. Many of the customers will use both the modes of shopping based on the situations. They will choose the shopping based on the needs and wants of the customers. Various factors influence the choice of consumer online and offline purchase

A. Factors Affecting Online Shopping

- 1) **Financial Risk:** Furthermore, the potential to have your personal financial information disclosed from a transaction online is a very real concern.
- 2) **Product Risk:** When an ecommerce business gives accurate descriptions of products and the ability to zoom in on the product pictures to give the client an accurate expectation of the product.
- 3) **Convenience Risk:** Instead of having to go out and take extra time shopping for a product individuals are able to save their time and spend it doing things they actually want to be doing.
- 4) **Non-Delivery:** Potential losses of a delivery are where goods are lost or damaged and create a fear in customers that they would not receive their goods on the agreed time frame that the business stated.
- 5) **Return Policy:** The return policy is the most important thing that gives customers the ability to return an unwanted item or purchase that doesn't measure up to their expectations or needs.
- 6) **Cultural Differences:** Individual shopping behaviors are hard to predict, but providing the rudimentary needs of a customer and communicating properly all of the products information can minimize the behavior of not purchasing products.

B. Factors Affecting Offline Shopping

- 1) **Less Number of Choices:** There are limited numbers of choices when it comes to offline shopping. Sometimes, the stocks are old and are up for discount and sale.
- 2) **Time Consuming:** It takes a lot of time to go shopping to a store. Distance from home or workplace to the store is time consuming
- 3) **Information:** What generally happens is that the information provided by a shopkeeper isn't correct. Also this information doesn't always suit our needs.
- 4) **Authenticity:** While buying the product we can feel the texture of it and know what it's like. We exactly know what we are buying while buying anything offline.
- 5) **Taste and Preference:** While buying any product from a store we have the flexibility and the choice to try out outfits. Therefore, buying offline caters more to the changing taste and preferences of the customers.
- 6) **Bargaining:** In offline store a customer can do physical bargaining to the seller unlike shopping online. Some of the customer purchased products depending upon bargaining.

C. Problem Statement

Based on the factors we would like to do a study on differences between online and offline shopping.

D. Objectives Of The Study

- 1) To investigate the factors which affect Online and offline shopping
- 2) To examine the factors influencing the consumer to switch from the offline shopping to online shopping and online to offline shopping.
- 3) To know if there is a significant relationship between gender and factors influencing the choice of preferred shopping channel

II. RESEARCH METHODOLOGY

Sources of data for this study both primary as well as secondary data was used.

The primary data for the study has been collected with the help of customers by using well-structured questionnaire and secondary data was collected from books, journals and various websites.

Sampling Size For this study, 100 customers have been taken as the sample. The sample has been collected from respondents of Hyderabad

A. Demographics

Age group	No of respondents
18-28	39
29-38	33
39-48	18
49-60	4
Above 60	6
Occupation	No of respondents
Student	30
Self employee	13
Business	19
House wife	6
Private employee	31
Government employee	1
Income	No of respondents
<10k	39
10k-25k	33
25k-40k	18
40k-55k	4
Above 55k	6

To investigate the factors which affect Online and offline shopping.

Factors influencing online shopping					
Factors	Very imp	Imp	Neutral	Not imp	Not at all imp
Home delivery	65	17	6	3	9
Offers	46	32	7	10	5
Discounts	52	24	14	5	5
Advertisements	15	24	28	18	15
No issue of going out	31	21	19	17	12
Factors influencing offline shopping					
Factors	Very imp	Imp	Neutral	Not imp	Not at all imp
Check product quality	61	26	11	2	0
Reliability in quality	44	30	17	5	0
Easy return policies	44	26	15	9	6
Different products	28	41	22	1	8
Offers	39	30	24	5	2
Discounts	42	38	11	5	4

1) Interpretation

- a) Factors that influence online shopping, 82% of respondents feel home delivery is an important factor, 78% feel offer is an important factor, 76% feel discounts is an important factor, 39% feel advertisement is an important factor, 52% feel no issue of going out is an important factor.
- b) 87% respondents feel check product quality is an important factor, 74% feel reliability in quality is an important factor, 70% respondents feel that easy return policy is an important factor, 69% feel different products is an important factor, 69% feel that offers is an important factor, 80% feel discounts is an important factor.

To examine the factors influencing the consumer to switch from the offline shopping to online shopping and online to offline shopping.

Factors	Online	Offline
Safety	51	49
Convenience	53	47
Easy to return	61	39
New arrivals	65	35
Quality check	32	68
Choice of product	60	40
Financial risks	61	39
Reliability in product	30	70

- 1) Interpretation: 51% of respondents felt that safety is in online shopping, 53% of respondents felt that convenience is in online, 61% of respondents felt that easy to return policy is best in online, 65% of respondents felt new arrivals is best in online, 68% of respondents felt that quality can be checked in offline, 60% of respondents felt choice of product is best in online, 61% of respondents felt that more financial risks are there in online, 70% of respondents felt that reliability is more in offline shopping.

To know if there is a significant relationship between gender and factors influencing the choice of preferred shopping channel

- 1) H_0 : there is no significant influence between gender and factors influencing the choice of shopping channel
- 2) H_1 : there is a significant influence between gender and factors influencing the choice of shopping channel

Sub hypothesis

- a) H_{01} : there is no significant influence between gender and safety factor influencing the choice of shopping channel
- b) H_{02} : there is no significant influence between gender and convenience factor influencing the choice of shopping channel
- c) H_{03} : there is no significant influence between gender and easy to return factor influencing the choice of shopping channel
- d) H_{04} : there is no significant influence between gender and new arrivals factor influencing the choice of shopping channel
- e) H_{05} : there is no significant influence between gender and quality check factor influencing the choice of shopping channel
- f) H_{06} : there is no significant influence between gender and choice of product factor influencing the choice of shopping channel
- g) H_{07} : there is no significant influence between gender and financial risks factor influencing the choice of shopping channel
- h) H_{08} : there is no significant influence between gender and reliability in quality factor influencing the choice of shopping channel

Factor	p-value	Result	Remarks
safety	0.99369	not significant	H_0 ACCEPTED
convenience	0.07064	not significant	H_0 ACCEPTED
easy to return	0.04786	significant	H_0 REJECTED
new arrivals	0.000478	significant	H_0 REJECTED
quality check	0.170058	not significant	H_0 ACCEPTED
choice of product	0.301054	not significant	H_0 ACCEPTED
financial risks	0.986428	not significant	H_0 ACCEPTED
reliability in product	0.871281	not significant	H_0 ACCEPTED

- i) *Interpretation:* In the above analysis the easy to return and new arrivals are significant so there is an significant relation between gender and easy to return and new arrivals.

B. Findings

- 1) Most of the respondents felt home delivery, offers, discounts and no issue of going out are very important in online shopping.
- 2) Most of the respondents felt check product quality, reliability in quality, easy return policies, different products, offers and discounts are important in offline shopping
- 3) Some of the respondents are not doing online shopping due to duplicate quality, risk in credit card and debit card payments, risk of theft, trouble with hidden cost.
- 4) Various factors like safety, convenience, easy to return, quality check etc will influence the customer behavior and also in preferring the suitable shopping channel.

C. Suggestions

- 1) 84% of respondents facing the delay in delivery problem so the problem has to resolve to improve the sales of online shopping.
- 2) 65% of respondents facing transaction problems so the online websites has to solve the issue to improve the sales of online shopping.
- 3) So online has to provide good quality products so that more customers will buy the products in online shopping.
- 4) 67% of respondents facing the problem damage of product frequently so the online retail companies has to solve the problem.
- 5) Issue in return policy is the problem faced by 30% respondents frequently so the online retail companies have to fasten the process of retuning the product.



D. Conclusion

The study was done to find out the shopping perceptions of customers and also to find out various factors influencing the customers to prefer the channel. It is observed that most of the online shopping was still facing some of the challenges that has to be overcome. The study was done to analyze the problems faced by customers and to solve the problems to improve customer satisfaction. This study is used to fulfill the needs and wants of the customers.

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