

A Study On Customer Attitude Toward Online Shopping In India And Its Impact On Offline Shopping

Ms Neetu Kumari

Assistant Professor

Sri Balaji University, Tathawade, Pune, Maharashtra

Abstract:

As the number of internet users are growing day by day in India which provides the bright future for online retailers. Online shopping is a form of e commerce which allow customer to buy the product or service from the seller over the internet site. The basic issues arises when customer wanted to buy any product are which mode of shopping he/she should prefer? Both online and offline mode of shopping available with them for satisfying their needs. That become the biggest challenge for the companies which way they should plan to target the customer by taking the competitive advantages. And it's a biggest problem for customer to Customer have an option of choosing of product from various online retailers. There are various factors which affect the buying behaviour of customers during the online shopping, this study can help them in understanding those factors and will help for identifying of potential customers. This study them online retailers for framing the strategies for increasing the number of customer for online shopping .It also help them for identification of factors affecting the buying decision of the customers.. And the mobile companies also contributed toward it by providing the special offers on data pack for mobile users.

Now days, if we see everything available online either it is daily usage product or clothes, furniture, vegetables etc. N number of online shopping websites available for customer like flip kart, amazon, myntra, pepperfry, big basket etc. If we see service wise they offer an all types of services that earlier offered by offline shopees like the return policy, flexibility in payment options etc. Apart from buying option there are some websites which offer both buying and selling option like olx, car dekho, true value etc.

Keywords: Online shopping, off –line shopping, online retailers,

Introduction

Retail is one of the fastest growing industry in India and if we talk about its contribution in economy is about 10% of total GDP and 8% of total employment. Indian customers are very particular about their product and their shopping preference. E -web store, e-shop, and e-store. Internetshop, webshop. Web store .online store, online store front and vidual store all the alternative names of the online shopping. In simple terms online shopping is the buying and selling process over the internet using the web browser. Online shopping is the fastest

developing industry in India. The technological development & telecommunication industry development provides a good opportunities to the retail industries to reach the customer in much easier, faster and economic way one time. Nowadays, Internet holds the attention of retail industries. Amazon, flipkart, myntra, snap deal, home shop 18, jabong are the India's top websites for online shopping. At present million and millions of customers prefer the online shopping. But still customer prefer the offline shopping from the traditional market. As customer prefer for offline shopping so that they can examine the product and will hold possession after making the payment. In this competitive world, customer loyalty depend on the consistent delivering of service, quality, value and satisfaction. (Aldrich Archive, 1982) online shopping was invented by an English entrepreneur Michael Aldrich in 1979. In simple terms we define online shopping as a purchase of goods or services over internet by using web browser.

Before making any purchase decision, customer has to decide on the channel of shopping either online shopping or offline shopping. Online shopping is easier for the customers as well as beneficial too as it provides different categories & varieties of product under one roof. The online retailers assemble the different brands of product that too in low cost as they need not to pay any rent, maintenance charges as well as other expenses too. In this contemporary world customer's loyalty depends upon the consistent ability to deliver quality, value and satisfaction. Some customers go for offline shopping, some for online and many go for both kind of shopping. The focus of the study is on the consumer's choice to shop on internet and at the traditional stores at the information gaining period. As like the normal customer buying behaviour, online shopping also follow the five stages of customer buying behaviour. When customer want to buy any product they search through the internet and collect the information about the product in different online retailers. They compare the information and select the best one that can fullfill their need all. Then finally they purchase the product and transaction takes place. Post sales services provided by the online retailers and apart from that online retailers also offers some special offers and discount to the existing customer so that they can retain the customers.

As we all know online shopping has been designed after the origin of internet. Earlier internet was used by the companies for the advertisement and promotion of product so that they can easily convey their message to the mass population. Online shopping was come in picture due to the development of web pages and secure transaction modes. As revenue from online shopping increases day by day that encourages the online retailers for growth. Compare to offline shopping, online shopping are more convenience for the customer that motivates the customers towards the online shopping. According to today's lifestyle especially in metro cities customer prefer the online shopping as its saves their time, energy and more convenience for them.

Factors affecting the online shopping:

Risk: When customer choice the online shopping channel to buy a product they can't touch or feel the product that risk is linked with it. But in case of offline shopping customer having opportunity of that. One more risk attached with the online shopping is the delivery time after making the purchase decision online shopping customers have to wait till the product delivered to their address but in offline shopping customer hold the possession on the product

after the final payment. For the online shopping product colour & size also become a big problem that changes in real view if we compare with the online look.

Convenience: In online shopping customer can do the shopping form anywhere at any time but in offline shopping shops are open during the day time only that timeworking group can't do the shopping. In offline shopping if customer want to buy a product according to their own preference they have to visit more number of shopees to get that. But in online shopping they have various option and customer can order the product from anywhere at their convenience time.

Pricing strategy: Online retailers get advantages as they don't have to pay charges like rent, electricity bill, maintenance charges etc. They take this as an advantage and offers a good discount and sales plan to their online users. Even for some brands online retailer's charges shipping cost from the customers. Then also there are a huge price difference between the online shopping and offline shopping. As price is the very important factor that affect the purchasing power of the customer.

Variety: In online shopping people can get more varieties as online retailers have collection of all brand products. In offline shopping customer won't get that big collection as they have to visit different shops to get their preferred product. We already aware with demand elasticity concept which talks about in lower price demand will be high and vice versa. If higher the varieties of product higher the changes of selling and vice versa as people generally prefer that shops where more varieties will be available.

Income & trust: These two are also the important facts that affect the shopping behaviour of the customers. As people with higher income group prefer the online shopping more frequently as compare to the customers with less income. People are with different nature and thinking as some customer have trust on some specific sites and their product where as some customer have faith on some other sites.

Information: Customer prefer to buy the product from those online retailers who have the detailed information. If we see the example of flipkart, amazon, myntra they provide the entire details about the products as well as for the ordered product about their delivery entire details available with the customer. Some online retailers they won't give the details about the product that affect their sales. Availability of appropriate information also have positive impact on the purchasing power of online customers.

Offers: Sales offers also have important impact on the buying behaviour of online customer. As compare to offline shopping online retailers offer very attractive discount and offers from customer view point that affect the buying decision of the customer. Especially in festive season they offers special discount and exchange schemes that affect their buying behaviour. In case of offline shopping, retailers give discount only on stock clearance time or on festive season. Online retailers to attract and retain the customer they give some discount and free offers in every purchase.

Future of online shopping in India

According to e-tailing India, India's e-commerce market is ready to hit \$76 billion by 2021 from \$13.6 billion in 2014. Business Models are changing frequently which creates more innovation in promotion, delivery process, pricing and sales. As per the ASSOCHAM PricewaterhouseCoopers study, online shopping industry is expected to clock the compound annual growth rate of 35% & expected to cross the \$100 billion mark by 2020. There's a vacancy rate of 25% in shopping malls across India and rental charges has been dropped by 30% in just 1 year and that condition is more worse in US and UK like countries. If we compare the online shopping with offline shopping, customer who buy product online generally browse almost every product before buying and get the entire information. But in traditional shopping, retailers have the limited stock that because of the investment power or outlet or warehousing size. For example if I want to buy a handloom saree that not available in the normal traditional shop then retailers can ask some time but it may take longer time to arrange that. But in online shopping, I have various option I can order handloom saree either from craft villa, Myntra, snap deal and many more options with me. Globally as well as in India online shopping is very popular as many existing e-retailers are targeting Indian market like amazon, eBay etc. Even the Indian retailers are also giving tough competition to these retailers by providing attractive discount and offers. Like shop clues offer everything on whole sale starting 'from ding to dong' & acquiring the royal customers. This types of online retailers are setting a new trend in the market and building a favourable market.

According to google, India has more than 100 million internet users and around half of them opted for online purchase as well as this number is growing every year. With this huge potential market, companies like retail shops to consumer goods are entering into the online mode to acquire large customers. Even traditional retailers are now planning to enter in the online shopping space for growth like Pantaloons, shopper shoppes etc. The growth of the online shopping in India is getting stronger day by day. According to a recent statistical data shown that Indians more than ever now purchasing all sorts of product online. These days even second hand product are also available online. We can order even foods online by using app like, zomato, swiggy, uber apart from that normal restaurants also offer the online order & home delivery services. If we compare with US, UK, China like countries than in India growth rate for online shopping is much lesser but it is growing at a faster rate as expected.

Few factors which flourished the online shopping in India are:

Broadband Internet: After 2010 rapid growth in internet services increasing the number of internet users in India. After the success of 3G services, 4G services launched by the Airtel in India on 10 April 2012 through dongles and modems using TD-LTE technology in Kolkata becoming the first company in India. Drastic change was arising in September 2016 when jio commercially launched its 4G services in India. There have been a rapid growth in the people using internet and at present 525.3 million users. People's standard of living also inclined towards the online shopping. Due to busy life style people prefer for online shopping as customer don't want to waste their time and energy both in traditional shopping mode. A wide range of product varieties are available in online shopping compare to offline retail shops. Competition among the online retailers have attracted more customers for the online shopping. Festival sales offers, discount coupon, exchange offers attracted the customers for

the repurchase with the same site. In online shops customers get the same quality product with the cheaper rate as compared with the traditional retailers. With improved and safer online banking services people are now not afraid of doing online transaction that is also the positive factor for online shopping. Cash on delivery and home delivery services including post purchase services had played a very significant role for customer towards their inclination on online shopping. Apart from social media like Facebook, twitter, YouTube also helped the customers to be a better online shoppers.

Festival season special offers like the “Great Online Shopping Festival” who was organised by the Google India in 12 Dec 2012 has been a massive success with unprecedented numbers of customers came online for best deals. The main focus for organising such offers are to attract the first time online shoppers. Now days especially in festival season such activities are offered by the online retailers like myntra (Great India Sales, Diwali special, discount and exchange offers), Flipkart (The big Billion Days, Freedom Sale) etc. Through this type of offers these retailers increased the traffic in their sites by 75 % and sales have been increased by 70 to 75%

Highlights of Great Online Shopping Festival

The first industry wide 24 hour's online shopping festival “Great Online Shopping Festival” organized by Google India on 12-12-12, has been a huge success with unprecedented number of users coming online to find best deals. The festival saw participations from over 50 leading ecommerce companies in India and was aimed to encourage shoppers to adopt online shopping with the focus to reach out first time online shoppers. The following are the insights of this event:

1. Myntra.com witnessed many first time shoppers engaged in high value transactions. Shoppers have seen great value in the special discounts offered by Myntra.com specifically for that 24 hour period. Through this offer, they have seen increased in traffic of 75% and over 120% increase in sales with an upward trend on that particular day.
2. Homeshop18.com has recorded 300% increase in sales and most of their electronics and lifestyle offers were sold-out by 3:00pm on that day.
3. India Times shopping has seen 40% hike in unique visitor's traffic and 70% of transactions using online transaction have been made by new customers who have never shopped on India Times Shopping earlier.
4. Snap deal has seen a jump of more than 50% in their daily traffic.
5. Pepperfry.com has recorded 40% growth in traffic and new visitors to the site. There had been a 25 plus % increase in sales in terms of item sold and transaction vibrancy.

About online shopping everyone may have a different experience. For first type users it can be lot of nervousness about the product quality. But once customers get into it than it becomes a more convenience and stress-free for them. From my point of view that if you stick to the basics than online shopping becomes more enjoyable and easier than real world shopping. Easy access of online shopping has influenced & transformed our society as a whole. As well as use of new technology has provides a new direction and opportunities both for customers and retailers that enable them for a more convenient lifestyle in today's world. Three basic features that are product varieties, quick services and lesser price are the significant approach which influenced the customers for online shopping not only in India but

also in entire world. On the other hand we can say that this concept are led to fraud and access of personal information. But thanks to today's latest features of technology, already specific measures has been added in order to stop hackers and criminals from accessing personal data. Web sites designers are creating privacy policies and security terms in such a way to end these unethical practices in future. Due to these reasons society continue to access the online shopping which will allow it to continue in a coming future with success.

In the early day we define food, shelter and cloth as a primay need but in today's time we can add internet as our one of important need for survival. Due to unbelievable changes in telecommunication sector, internet has changed the way of consumers shopping methods. Both domestic and MNC's are using internet as a tool for reducing the marketing cost so that they can reduce the final price of the product to lead the market competition. Companies are using internet as a device to communicate and publicise the information about the product and offers, for collecting the feedback and also for conducting a survey of customer about the company products. On the other hand, customers are using internet not only for buying the goods and services but also for comparing the product price & features, for collecting the information about the latest offers and sales, for views the reviews of the product, to see post purchase feedback. That helps the customers for taking purchase decesions. Apart from that internet helps the companies in identification of efficient and potential customers as well as in search of market opportunities, competitors' products and offers. The most popular online retailing companies in India are Myntra, Flipkard, Snap deal, Amazon-bay etc. If we see the statistical data of 2015, most of the online users were male in India and same was applicable for online shoppers. Around two third of the online shoppers were male audiences. Alone with this imbalance in online shopping and internet users, around 42% of all Indian e-retail spending count will be for female in 2020.

Objective of the study:

- 1) To find the effect of online shopping on traditional shopping.
- 2) To evaluate the scope and challenges of online shopping in India.
- 3) To study the future of online shopping in India.
- 4) To study the preference on Indian customer towards the shopping mode either online or traditional mode.

Hypothesis:

H0 : There is no relationship between changes in shopping modes of customer and revenue of traditional retailers.

H1 : There is a strong relationship between the changes in shopping trends of customers and revenue of traditional retailers.

Scope of the Study:

This study includes only the Indian customers. This study has been conducted to explore the changing trends of customer toward the buying mode. The inclination of customer towards the online shopping and its effect on the trational retailers.

Research methodology:

I used both the primary and secondary data in the study. For the primary data, structured questionnaire has been asked to the target customers and as secondary data collected from the published books, research paper, newspapers and websites.

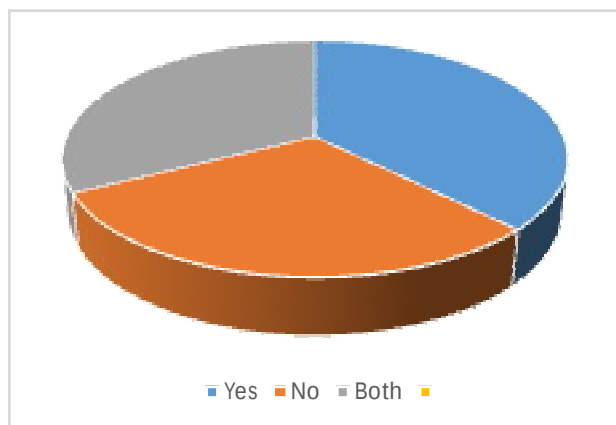
Sampling procedure:

For this study I used the simple random sampling & it is one of the type of probability sampling. For my study sample size is 80 that including both professional as well as home makers in between the age group 20 to 55.

Question that has been asked to the respondents are:

1. Do you prefer online shopping?

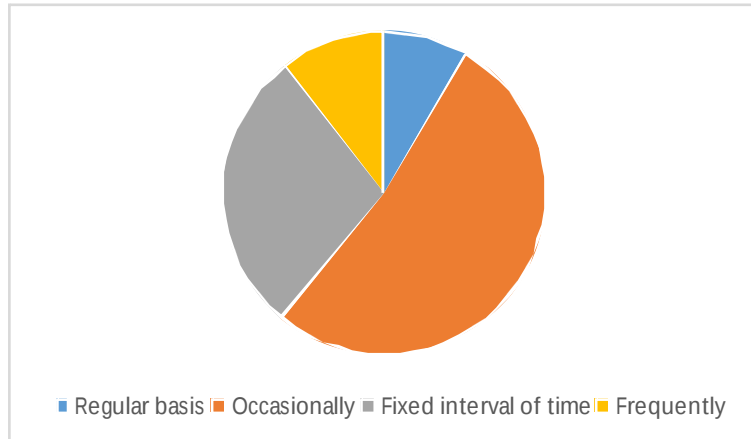
options	Respondents
Yes	30
No	26
Both	24



Inference: Out of 80 respondents, 30 respondents prefer the online shopping and still 26 respondents like to do traditional shopping. And the remaining 24 respondents prefer the both mode of shopping.

2. How often do you prefer online shopping?

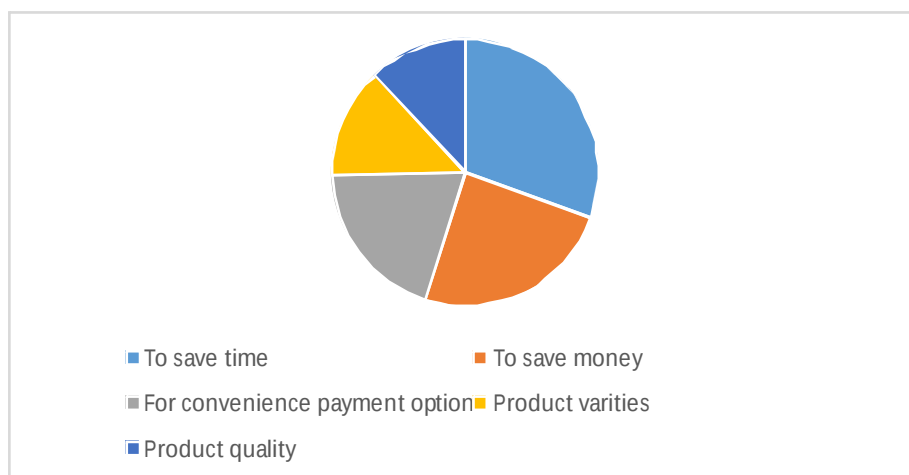
Options	Respondents
Regular basis	8.5%
Occasionally	52.5%
Fixed interval of time	28.5%
Frequently	10.5%



Inference: For this question, 52% respondents prefer the online shopping occasionally and 28% go for the online shopping in fixed interval of time. And as we can see only 8.5% prefer the online shopping on regular interval of time.

Why people prefer online shopping?

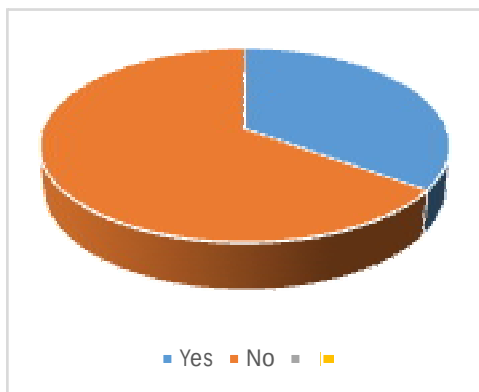
Options	Respondents
To save time	31.5
To save Money	21.9
For convenience payment option	20.6
Product varieties	13.6
Product Quality	12.4



Inference: For research point of view it's a very important question out of 80 respondents, 31.5% believe that people prefer the shopping to save time, 21.9% go for online shopping to save money, 20.6% due to convenience payment options and remaining just because they think that they will get the good product qualities and varieties in online shopping that not available in traditional retail shop.

Is there any effect of family culture on buying behaviour of customer?

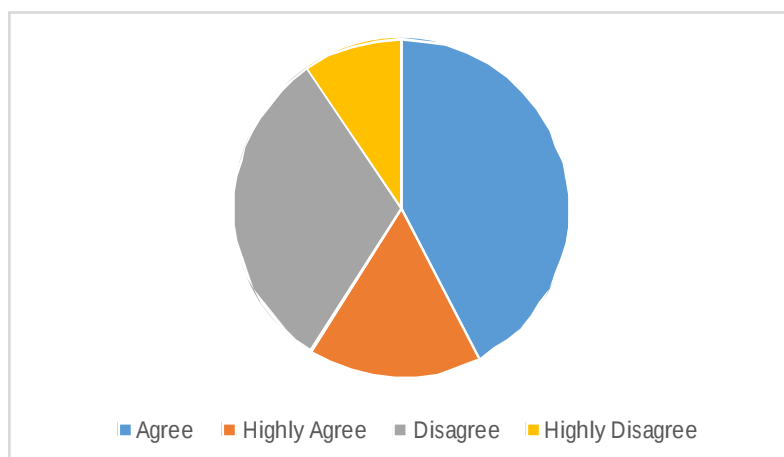
Options	Responses
Yes	35%
No	65%



Inferences:For this question, out of 80 respondents 35% said no and remaining said family culture factor has no influence on their buying behaviour.

Is online shopping is better than offline shopping?

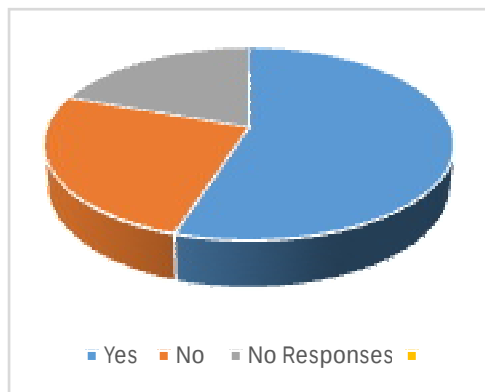
Options	Responses
Agree	36.6
Highly agree	18.4
Disagree	34.6
Highly Disagree	10.4



Inferences:36.6% believe that online shopping is better than the offline shopping, 18.4% highly agree with this, 34.6% going with disagree and remaining highly disagree with it.

Will online shopping increases in the future in India?

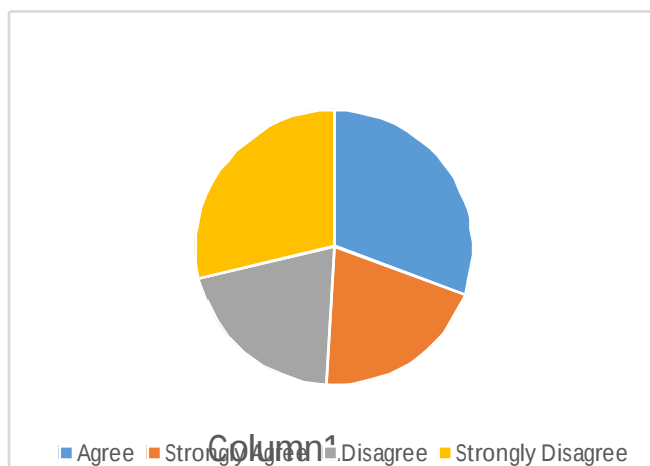
Options	Responses
Yes	55%
No	25.4%
No response	19.6%



Inference:For this question, 55% more than 50% respondents said yes and 25.4% no and remaining have no reply.

Can online shopping completely replace retail stores in India in the next 5 years?

Options	Responses
Agree	30.6%
Strongly Agree	20.4%
Disagree	20.4%
Strongly Disagree	28.6%



Inference: For this question, 30.6% agree with it, if we see highly agree option 20.4% going with that, 20.4% disagree and remaining 28.6% highly disagree with it.

Finding and suggestions:

The study shows that 65% respondents are male and 35% are female. Most of the respondents prefer the online shopping as 30% respondent prefer the online shopping and remaining 24% go for the offline shopping and 26% go for the both mode of shopping. If we see occupation wise mostly working groups prefer the online shopping because they want to save their time & energy as compare to housewife and other groups. For offline shopping they have to visit different shops to get the best product and it takes time and energy too. But in online shopping customer can buy the product anytime from anywhere as nowadays customer can order their product from the mobile too from anywhere. If we see the buying behaviour mostly customer buy /order product during festive time out of 80 respondents 52.5% customer prefer shopping occasionally only 8.5% do the shopping on regular basis. And if we see the age group wise Youngers all college going and working group people prefer the online shopping more in percentage. In India still people prefer the traditional mode of shopping in metro cities only 40% customers prefer the online shopping as remaining 60% depend on traditional modes or both. If we see gender wise earlier in online users 75% users are male only 25% are the female but at present this percent has been changed. At present, it is 45% same is applicable for the online shopping also. At present last figure has been changed, in this research paper more working females prefer for the online shopping as compare with the housewife. If we see from the future prospects number of online buyers are increasing day by day as the number of mobile users going in the same direction. 30.6% respondents believe that online shopping has potential to replace the offline shopping and 20.4% strongly agree with that. From my side still some effects need to be added from the online retailer's side to increase this percentage. 55% respondents said yes to online shopping that online shopping retailers have potential to increase their revenue in the coming future.

Conclusion

The study shows that now day's online shopping becomes in trend. Customer especially in working class don't prefer offline shopping as for them online shopping is the more convenience way for buying goods and services. It does not mean that people were not go traditional mode of shopping. People still prefer the offline shopping. But due to telecommunication sector tremendous development and technology advancement e-retailing sector is in boom period. Still in India like country the first prefer for customer is the traditional mode. Only 40% approx. people prefer for the online shopping that too in metro cities and if we see the same data in non-metro places it is only 5-10%. But these numbers are increasing day by day as the numbers of mobile users also increasing. E-retailing industry has a bright future in India but still a large population of country prefer traditional mode of shopping. At some products online retailers are affecting the traditional retailers because of their lesser price, sales offers and discounts, quick services and post purchase services. Still online retailers has to work hard for efficiently cover the entire country customers.

Reference:

[https://www.researchgate.net/publication/303792097 THE FUTURE OF ONLINE SHOPPING IN INDIA A Study of Punjab and Haryana States of India](https://www.researchgate.net/publication/303792097_THE_FUTURE_OF_ONLINE_SHOPPING_IN_INDIA_A_Study_of_Punjab_and_Haryana_States_of_India)

<http://www.allresearchjournal.com/archives/2015/vol1issue9/PartD/1-9-4.pdf>

<https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/mobile-transactions-boost-rise-in-online-furniture-sales/articleshow/65556534.cms>

<http://www.iosrjournals.org/iosr-jbm/papers/Vol19-issue6/Version-5/A1906050107.pdf>