

A STUDY ON BUYING BEHAVIOUR OF CONSUMERS ON PURCHASE OF SMARTPHONES ONLINE VS OFFLINE

Mr. Vishal Bhawani, Student PGDM, iFEEL
 Dr. Irfan Inamdar, Associate Professor iFEEL,
 Veteran Wing Commander Sudhir Salunkhe, Dean, iFEEL.

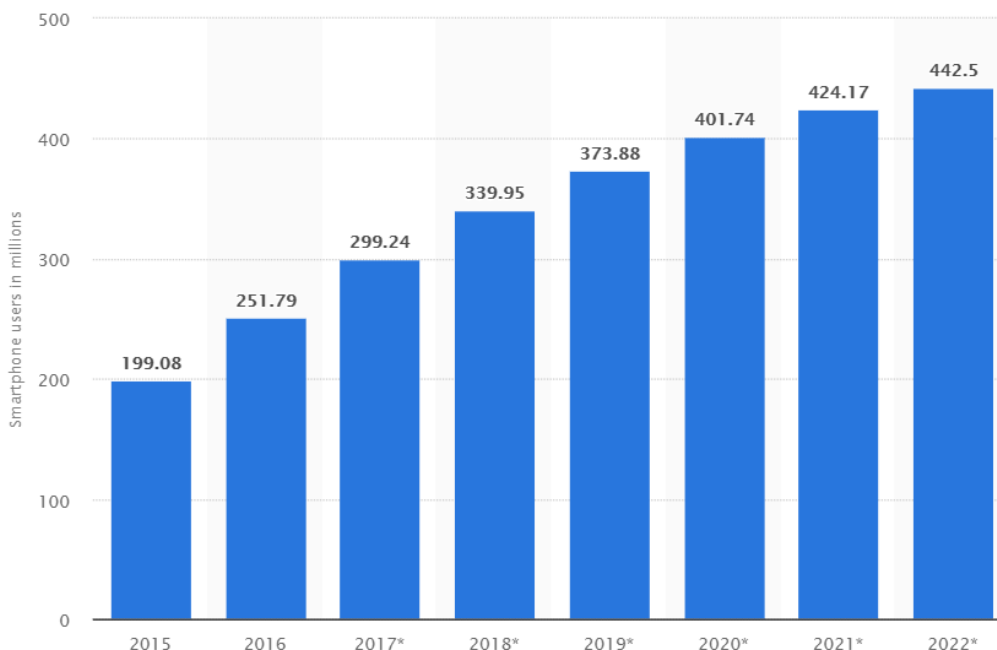
Abstract:

As smartphone has moved from 'want' to 'need' the demand for it has grown tremendously in both the market (online as well as offline). There are many reasons why a consumer prefers to purchase the smartphone from online or offline market, so this study focuses mainly on what grounds or bases a consumer makes a decision on whether to purchase a smartphone online or offline. Various literatures are available on different variables or factors that influence the consumer to choose online shopping or offline shopping mode, however this study is mainly concerned with factors involved in choosing a mode between online and offline mode for purchase of smartphones only. The result of this study will defiantly provide an insight on the factors that are most important to consumers for opting a particular mode for purchase of smartphone.

Keywords: consumer behavior, online vs offline, smartphones buying behavior, factors affecting decision making.

Introduction:

Smartphone in today's world has become a need rather than want for people. A Smartphone not only fulfil the task of calling and receiving calls but also serve various need of users like social connectivity, multimedia, selfie, health traits measurement, video calling, multi-tasking, gaming etc. Thus, number of people opting for smartphones has increased tremendously from 199.08 million to 373.88 in 2019. People in order to fulfil their needs regarding purchase of smartphones now a days have 2 options namely online and offline.



Number of smartphone users in India from 2015 to 2022 (in millions)

The number of internet users in India has registered an annual growth of 18% and it is now being estimated that there are 251 million internet users in rural India.

With the growing use of internet and its ease of access now a days online shopping is also gaining much more importance. The number of digital buyers in Asia Pacific is projected to pass the 1 billion mark for the first time in 2018, while India, a fast growing emerging Asian market has shown optimistic projections for the e-commerce industry, thus India's retail e-commerce CAGR (compound annual growth rate) is projected to reach 23% from 2016 to 2021.

The demand for purchase of smartphones is growing day by day in both the forms of market i.e. online as well as offline, the shipment of smartphones in India is grew by 7.1% year-on-year in the January-march quarter of 2019 and 9.9% in the April-June quarter of 2019 and giving an overall total of approx. 69 million units.

It is difficult to predict the demand of anything for any business operating in this dynamic environment (changing every day) irrespective of whether it is operating in online or offline market. with changing test and preference of customer it has now become important to understand on what grounds or factors they make decision regarding buying of anything. with the increase In demand of smartphones in India there has been a cut throat competition between the online and offline market related to smartphones.

This paper focuses on the factors that influence the buying behaviour of consumer over purchase of smartphones in both real (offline) and virtual (online) world. To answer the question that on what basis or grounds a customer prefers to purchase the smartphones in both the forms of market i.e. online and offline.

Literature review:

With the growth in the online market segment there where several researches conducted on comparison of online and offline segment. **Katarzyna Dziwanowska, (august 2015)** the aim of this study was to compare the importance of dimensions of shopping experiences in online and offline shopping context and investigate their perception in customers' eyes.

The result of this research presents an empirically verified model of customer experience in shopping situations. The analysis of the model reflects to the conclusion that despite the obvious differences between online and offline stores, it is possible to create positive and multidimensional experiences for customers. The results of the study imply that positive total shopping experience results in customer satisfaction, willingness to recommend and loyalty.

Aron M. Levin, Irwin P. Levin, Joshua A. Weller (2005). The purpose of this study was to develop the optimal mix of online and offline services for a particular product, marketers must determine which key attributes are perceived by their target market to be delivered better online or offline.

The result of this study shows that Preferences for shopping online or offline were shown to vary across products, consumers, and stages of the shopping experience. However, many of these differences were product specific. To a great extent, these differences could be accounted for by differential importance placed on product attributes that are perceived to be better delivered online or offline. When attributes such as large selection and shopping quickly are predominant, online shopping is preferred. When attributes such as personal service and ability to see-touch-handle the product are predominant, offline shopping is preferred.

Bhanwar singh (July 2018). The aim of this study was to identify the factors which play a vital role in selection and buying of smartphone in highly competitive market. The study was conducted in the Rohtak district of Haryana. The study reveals that factors like physical attributes & guarantee were considered the most important factors while purchasing a smart phone while special offers, recommendations of family and salesmen also play a vital role in buying decision of smart phones. The study also reveals that many buyers also prefer attractive colours of smart phones.

“Adeola A. Ayodele, Chioma Ifeanyichukwu (September, 2016). The purpose of this study was to determine the determinants of smartphone purchase behaviour among young adults in Anambra State, Nigeria. The empirical evidences of this study about the factors that played a significant role in the consumers’ choice of smartphones shows that aesthetic value remains the most significant predictors of smartphone purchase behaviour than product features and price in that order.

Kuan-Pin Chiang and Ruby Roy Dholakia (2003) The aim of this study was to examine the consumers’ intention to shop online during the information acquisition stage. The findings of this research suggest that their two major factors or forces that drive the consumer to shop online one of them is convenience and the other is product type. When consumers perceive offline shopping as inconvenient, their intention to shop online is greater. Also, online shopping intention is higher when consumers perceive the product to be search goods rather than experience goods.

Research methodology:

This study is conducted to find out the factors that influence the consumer buying decision in purchasing of smartphones via online as well as offline market. This study helps in answering the questions like which factor a consumer perceives to be the most important while making a decision on whether to purchase smartphone online or offline. In this research we have used both primary as well as secondary data. A group of 127 respondents (from across different cities in India) were identified who were willing to participate in this study. A questionnaire was designed to gather the primary data from the respondents. Various attributes were selected after doing a pilot survey Data was collected and tabulated. The weighted average method was used to get the most important factor which influence the buying decision of consumer on purchase of smartphone from online or offline market.

Data analysis:

The various factors affecting the decision of consumer for choosing offline market for purchase of smartphones are analysed under various headings the details of which are mentioned below:

Table 1: factors influencing consumer buying decision for purchase of smartphone via offline mode:

s no.	Factors	Scale	Level of agreement					Total Weight	Weight Average	Rank
			Ratings	5	4	3	2			
1	Personel touch (display model)	Frequency	45	45	21	9	7	127	0.776	3
		weights	225	180	63	18	7	493		
2	Shopping experience (salesman, ambiance of the shop, bargaining,)	Frequency	30	50	26	13	8	127	0.727	7
		weights	150	200	78	26	8	462		
3	Personel relation with the shopkeeper	Frequency	26	23	37	26	15	127	0.629	12
		weights	130	92	111	52	15	400		
4	Nearness to market (distance to shop)	Frequency	23	41	24	15	24	127	0.637	11
		weights	115	164	72	30	24	405		
5	Mode of payment availability (cash, card, credit, EMI,)	Frequency	49	37	16	11	14	127	0.751	6
		weights	245	148	48	22	14	477		
6	Security (transaction)	Frequency	75	26	9	10	7	127	0.839	1
		weights	375	104	27	20	7	533		
7	Exchange offer	Frequency	38	36	27	15	11	127	0.718	9
		weights	190	144	81	30	11	456		
8	Discount (lump-sum	Frequency	40	49	21	11	6	127	0.766	4

	payment, scratch card, festival, lucky draw, etc..)	weights	200	196	63	22	6	487		
9	Additional accessories (screen guard, selfie-stick, portable pen drive, etc..)	Frequency	33	44	23	21	6	127	0.721	8
		weights	165	176	69	42	6	458		
10	Urgent need (immediate requirement)	Frequency	44	41	26	9	7	127	0.766	4
		weights	220	164	78	18	7	487		
11	After-sale service (customer support, return and replacement policy,)	Frequency	55	44	10	9	9	127	0.800	2
		weights	275	176	30	18	9	508		
12	Advice (friends, family, relatives, colleagues)	Frequency	28	38	31	17	13	127	0.680	10
		weights	140	152	93	34	13	432		
13	Unauthenticate purchase (without bill, low rates, resale, etc..)	Frequency	15	22	21	21	48	127	0.497	13
		weights	75	88	63	42	48	316		

As per the table no. 1 (mentioned above) the security of transaction, after sale services (customer support, return and replacement policy) and personal touch (display model) were considered as the most important factors by the respondents while choosing to purchase a smartphone from offline market. While Discount (lump-sum payment, scratch card, festival, lucky draw, etc..) and urgent need carried the same level of importance to the respondents rated just below the security and after sale service factors. While unauthorized purchase (without bill, low rates, resale, etc..) and advice (friends, family, relative, colleagues) were considered to be the least important by the respondents while purchasing a smartphone from offline market. The various factors affecting the decision of consumer for choosing online market for purchase of smartphones are analysed under various headings the details of which are mentioned below:

Table 2: factors influencing consumer buying decision for purchase of smartphone via online mode:

S no.	Factors	Scale	Level of agreement					Total Weight	Weight Average	Ranking
			Ratings	5	4	3	2			
1	24/7 Availability	Frequency	47	37	26	8	9	127	0.765	10
		weights	235	148	78	16	9	486		
2	Availability of variety (Brands, color, and variant)	Frequency	56	42	14	10	5	127	0.811	5
		weights	280	168	42	20	5	515		
3	Ease of comparison	Frequency	55	37	20	12	3	127	0.803	6
		weights	275	148	60	24	3	510		
4	Reviews and Ratings (customers)	Frequency	52	31	19	17	8	127	0.760	13
		weights	260	124	57	34	8	483		
5	Reviews and Ratings	Frequency	34	40	26	16	11	127	0.710	14

	(seller)	weights	170	160	78	32	11	451		
6	Offers (cashback, debit card, credit card, movie vouchers, shopping vouchers, etc..)	Frequency	53	45	18	8	3	127	0.815	4
		weights	265	180	54	16	3	518		
7	Discount (festival, additional off, seasonal sale)	Frequency	49	49	13	11	5	127	0.798	7
		weights	245	196	39	22	5	507		
8	Exchange offer	Frequency	35	33	32	18	9	127	0.705	15
		weights	175	132	96	36	9	448		
9	Availability of delivery (fast, free, odd time and remote areas)	Frequency	47	40	16	17	7	127	0.762	12
		weights	235	160	48	34	7	484		
10	Track on order	Frequency	50	34	19	18	6	127	0.763	11
		weights	250	136	57	36	6	485		
11	mode of payments (cash on delivery, debit/credit card, EMI, mobile wallets)	Frequency	54	41	14	12	6	127	0.796	8
		weights	270	164	42	24	6	506		
12	security (payment gateway)	Frequency	73	30	12	6	6	127	0.848	1
		weights	365	120	36	12	6	539		
13	After-sales services (customer care response)	Frequency	67	37	8	5	10	127	0.829	2
		weights	335	148	24	10	10	527		
14	Refund & Replacement policy	Frequency	65	37	8	12	5	127	0.828	3
		weights	325	148	24	24	5	526		
15	Warranty & guarantee	Frequency	64	27	13	13	10	127	0.792	9
		weights	320	108	39	26	10	503		

As per the table no. 2 (mentioned above) security (payment gateway) and after sale services (customer care response) were considered to be the most important factors by the respondents while choosing to purchase a smartphone from the online market while exchange offer and reviews and ratings (seller) were considered to be the least important factor while purchasing a smartphone from the online market.

Table 3: factors influencing consumer buying decision for purchase of smartphone in respect to the age group they belong (online):

AGE GROUP						
	35 and above		25-35		15-25	
Factors	Weight Average	Ranking	Weight Average	Ranking	Weight Average	Ranking
24/7 Availability	0.717647059	11	0.822727273	6	0.739393939	13
Availability of variety	0.77647058	6	0.86818181	1	0.78181818	9

(Brands, color, and variant)	8		8		2	
Ease of comparison	0.78823529 4	5	0.81818181 8	8	0.79696969 7	6
Reviews and Ratings (customers)	0.74117647 1	9	0.75909090 9	12	0.76666666 7	11
Reviews and Ratings (seller)	0.69411764 7	14	0.72727272 7	14	0.70303030 3	14
Offers (cashback, debit card, credit card, movie vouchers, shopping vouchers, etc..)	0.8	3	0.83636363 6	4	0.80606060 6	5
Discount (festival, additional off, seasonal sale)	0.75294117 6	8	0.79090909 1	10	0.81515151 5	4
Exchange offer	0.71764705 9	11	0.71818181 8	15	0.69393939 4	15
Availability of delivery (fast, free, odd time and remote areas)	0.70588235 3	13	0.78181818 2	11	0.76363636 4	12
Track on order	0.69411764 7	14	0.75909090 9	12	0.78484848 5	8
mode of payments (cash on delivery, debit/credit card, EMI, mobile wallets)	0.77647058 8	6	0.84090909 1	3	0.77272727 3	10
security (payment gateway)	0.82352941 2	2	0.86363636 4	2	0.84545454 5	1
After-sales services (customer care response)	0.83529411 8	1	0.82727272 7	5	0.83030303	3
Refund & Replacement policy	0.8	3	0.82272727 3	6	0.83939393 9	2
Warranty & guarantee	0.74117647 1	9	0.80909090 9	9	0.79393939 4	7

As per the table no. 3 (mentioned above) people belonging to age group 35 and above consider after-sales services (customer care response) as the most important factor and track on order and reviews and ratings (seller) as the least important factor while purchasing a smartphone from the online market. While people belonging to age group 25-35 consider availability of variety (brand, colour, and variant) as the most important factor and exchange offer as the least important factor while purchasing a smartphone from the online market. and people belonging to age group 15-25 consider security (payment gateway) as the most

important factor and exchange offer as the least important factor while purchasing a smartphone from the online market.

Table 4: factors influencing consumer buying decision for purchase of smartphone in respect to the age group they belong (offline):

AGE GROUP						
	35 and above		25-35		15-25	
FACTORS	Weight Average	Ranking	Weight Average	Ranking	Weight Average	Ranking
Personel touch (display model)	0.776470588	3	0.795454545	3	0.763636364	4
Shopping experience (salesman, ambiance of the shop, bargaining,)	0.741176471	6	0.777272727	4	0.690909091	9
Personel relation with the shopkeeper	0.647058824	11	0.690909091	11	0.584848485	12
Nearness to market (distance to shop)	0.564705882	12	0.672727273	12	0.633333333	11
Mode of payment availability (cash, card, credit, EMI,)	0.764705882	4	0.768181818	7	0.736363636	6
Security (transaction)	0.788235294	1	0.863636364	1	0.836363636	1
Exchange offer	0.670588235	10	0.754545455	8	0.706060606	8
Discount (lump-sum payment, scratch card, festival, lucky draw,etc..)	0.741176471	6	0.772727273	5	0.76969697	3
Additional accessories (screen guard, selfie-stick, portable pen drive,etc..)	0.717647059	9	0.736363636	9	0.712121212	7
Urgent need (immediate requirement)	0.788235294	1	0.772727273	5	0.757575758	5
After-sale service (customer support, return and replacement policy,)	0.764705882	4	0.818181818	2	0.796969697	2
Advice (friends, family, relatives, colleagues)	0.729411765	8	0.704545455	10	0.651515152	10
Unauthenticate purchase (without bill, low rates, resale, etc..)	0.541176471	13	0.504545455	13	0.481818182	13

As per the table no. 4 (mentioned above) people belonging to age group 35 and above consider security (transaction) and urgent need (immediate requirement) as the most important factor and unauthenticated purchase (without bill, low rates, resale, etc.) as the least important factor while purchasing a smartphone from offline market. on the other hand, a similarity can be seen between the age group of 15-25 and 25-35 regarding the factors they consider the most important and the least important while purchasing a smartphone

from the offline market. the most important factors according to these group are security (transaction) and after sale services (customer support, return and replacement policy) and the least important factor was unauthenticated purchase (without bill, low rates, resale, etc.)

Conclusion:

Just like food, clothes and shelter, people have now started considering smartphones as one of the basic needs for them. People can get their needs fulfilled either by purchasing the smartphone from online or offline market. according to our research people while choosing a platform to purchase the smartphones consider various factors for making a decision.

People consider security of transaction and after sale service as the most important factor irrespective of the type of market they prefer (online or offline). While they differ in factors which they consider as the least important for offline stores they consider unauthorized purchase and personal relation with shopkeeper as the least important and for online they consider exchange offer and reviews and rating of seller as the least important while preferring to purchase a smartphone.

If we consider the results on the basis of age group we found out that for offline market people belonging to age group of 35 and above consider urgent need or immediate requirement of smartphone as the most important other than security of transaction and people belonging to age group of 15 to 35 years consider after sale service as the most important. While in terms of online market people belonging to age group 35 and above consider after sale services such response from customer care as the most important on the other hand people belonging to age group 25-35 consider availability of variety in terms of brand, colour, and model variants as the most important and people belonging to age group 15-25 consider security in terms of payment gateway as the most important for them while considering to purchase a smartphone from online market.

Suggestions:

Online market thus should focus less on providing exchange offer in terms of smartphones as people consider it to be the least important and should focus on strengthening there after sale services and security in terms of payment gateway as people consider it to be the most important for purchasing a smartphone from online market.

And on the other hand offline market should focus less on providing the smartphone at a cheaper rate by use of unauthenticated ways such as without bill purchase and resale and should rather focus on strengthening customer support system after they sale the smartphone.

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