

‘Factors influencing on consumers to shop online rather than to visit the traditional shops’- A study on North Karnataka region

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Abstract— The objective of the study was to identify the Factors influencing on consumers to shop online rather than to visit the traditional shops during their buying decisions. The study was conducted based on two factors which influence the consumer to prefer online shopping over traditional method. They are time and promotional offers offered by ecommerce joints in Karnataka state. There are many factors which will influence the consumer to shop online but in this study above mentioned two factors are given more preference to study their influence in paradigm shift of consumer from traditional shops to online stores.

A study was conducted during the month of January 2018 among varied level of online shopping consumers in Belgaum city of North Karnataka. A pre designated questionnaires was administered during the study with a total sample size of 76. A five level likert scale was used for the responses collected through pre administered questioners. In the questioner eight different variables which represent the two factors that is ‘time factor’ and ‘promotional offers’ are asked to the respondents. The collected data was analyzed using ms-excel and SPSS tool. With a p value < 0.05 considered significant, a one sample T-test was applied for data analysis with a mean value of 2.5.

After the analysis of data the findings revealed that there is a significant influence of time factor and promotional offers on consumers to prefer online stores. Among many factors which influence the consumer to buy from online stores over traditional shops these two factors also contribute to the greater extent. This finding implies that online sales promotions can be used intelligently to boost sales of online stores. The study concluded that the relationship between online sales promotion and the time factor will also affect consumer’s attitude and purchase intentions to shift from traditional stores to online stores. In the online medium, promotional offers are the key aspect that should be carefully managed. This will encourage the consumer to shop online more offensively.

Index Terms— Online stores, traditional shops, e-commerce, Sales promotion, Promotional techniques, online shopping.

INTRODUCTION

Internet has changed the way consumers buy goods throughout the world in recent days. When it comes to Indian retail market, it is more traditional in nature, consumer would actually visit a conventional retail store, the consumer will look for required product and compare within the available store. However this scenario has changed drastically with the advancement and emergence of online stores throughout India in recent days by utilizing ecommerce and m-commerce strengths.

To sell products through online, no significant marketing and advertisement cost is needed. This will cut down the product cost automatically by breaking the traditional barrier such as dealer’s network, commission agents and middle man effects. This will be great add-on for the online market to sell the product. It allows the online store to stay ahead of traditional stores in the highly aggressive market.

The popularity of online shopping all over the world has increased due to its convenience and often due to the lower prices. Consumers will get many options in similar products range with different brands in comparison with traditional shops with lesser cost. Company sales promotions are a key success programs for online stores. The online stores will provide more comfort and connivance for consumers in concern with time. Consumer can purchase the product round the clock in online stores. This facility may not be available in the traditional stores due to its own constraints.

OBJECTIVES

With this background this study aims to explore the factors influencing online shopping over traditional stores. Therefore, following objective is kept in mind during the study.

1. To study the influence of time factor on online shopping.
2. To study the promotional offers influence on online shopping over traditional store.

HYPOTHESIS OF THE STUDY

H1: Time factor has no significant influence on online shopping.

H2: Promotional offers have no significant influence on online shopping.

METHODOLOGY AND DATA COLLECTION

Keeping the above objectives in mind a study was conducted in the month of January 2018 in Belgaum city of North Karnataka. A convenient sampling method was adopted to choose 76 respondents from Belgaum city of North Karnataka.

Questionnaire: A questioner consisting of 8 questions explaining the ‘time factor’ and ‘promotional offers’ was self administered and filled during the interaction with the respondents. The data collected includes both demographic information of the respondents and also assessments of pre designated questions.

Description of the tool:

Part I- Personal details of the respondents.

Part II- Time factor influence on online shopping.

Part III-Promotional offer influence on online shopping.

Statistical Analysis: The collected information from the questionnaire is then compiled into tables by using Ms-Excel and SPSS tool. A simple descriptive statistical analysis tools including percentages, one sample T-test etc has been used in this study.

Analysis and Findings:

Table 1: Demographic profile of the respondents

	No of respondents	% of respondents
Age		
20-30 years	58	76.31
30-40 years	11	14.47
More than 40 years	7	9.21
Sex		
Male	48	62.66
Female	28	36.84
Marital status		
Unmarried	39	51.31
Married	37	48.68
Income		
Less than 1 lakh	17	30.35
1 to 5 lakh	38	50
5 to 10 lakh	13	17.1
More than 10 lakh	8	10.5

Source: Authors own compilation.

ANALYSIS OF DATA*Tabulation of the Responses***H1: Time factor has no significant influence on online shopping.**

Table 1.1: Frequency distribution of the response for the statement "I can shop whenever I want" (V1).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	0	0	0
Disagree	2	2.63	2.36
Neutral	3	3.94	6.3
Agree	61	80.26	90.51
Strongly Agree	10	13.15	100

Source: Authors own compilation

Table 1.2: Frequency distribution of the response for the statement "Quicker than visiting shops"(V2).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	2	2.63	2.63
Disagree	5	6.57	9.2
Neutral	13	17.10	26.3
Agree	38	50	76.3
Strongly Agree	18	23.68	100

Table 1.3: Frequency distribution of the response for the statement "I don't really have time to go for shopping "(V3).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	16	21.05	21.05
Disagree	8	10.52	31.57
Neutral	16	21.05	52.62
Agree	23	30.26	82.88
Strongly Agree	13	17.10	100

Table 1.4: Frequency distribution of the response for the statement "I live far from the city "(V4).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	13	17.10	17.10
Disagree	33	43.42	60.54
Neutral	21	27.63	88.17

Agree	2	2.63	90.8
Strongly Agree	7	9.20	100

H2: Promotional offers have no significant influence on online shopping.

Table 2.1: Frequency distribution of the response for the statement “Easier to compare products and offers “(V5).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	8	10.52	10.52
Disagree	3	3.94	14.46
Neutral	13	17.10	31.56
Agree	43	56.57	88.13
Strongly Agree	9	11.84	100

Table 2.2: Frequency distribution of the response for the statement” Low prices / better offer ‘(V6).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	3	3.94	3.94
Disagree	6	7.84	11.78
Neutral	4	5.26	17.04
Agree	37	48.68	65.72
Strongly Agree	26	34.21	100

Table 2.3: Frequency distribution of the response for the statement” To buy product unavailable elsewhere “(V7).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	5	6.57	6.57
Disagree	9	11.84	18.41
Neutral	19	25	43.41
Agree	23	30.26	73.67
Strongly Agree	20	26.31	100

Table 2.4: Frequency distribution of the response for the statement” Better product information “(V8).

Responses	Frequency	Percent	Cumulative percent
Strongly Disagree	9	11.84	11.84
Disagree	7	9.21	21.05
Neutral	17	22.36	43.41
Agree	24	31.57	74.98
Strongly Agree	19	25	25

Testing of hypothesis is carried out as, If probability value of one sample t-test is less than 5% level of significance then alternate hypothesis will be accepted. If probability value of one sample t-test is more than 5% level of significance than null hypothesis can be accepted, which means the sample mean is equal to population mean. The hypothesis tested in this work using one sample T- test is as follows.

H1: Time factor has no significant influence on online shopping.

Table 3.1: one sample T-test for time factor influence.

Statement (Variable)	Mean	Std Deviation	T-Statistics	P-value
I can shop whenever I want (V1).	4.04	0.528	25.435	0.000
Quicker than visiting shops (V2).	3.86	0.948	12.463	0.000
I don't really have time to go for shopping (V3).	3.12	1.395	3.865	0.000
I live far from the city (V4).	2.43	1.100	-0.522	0.603

H2: Promotional offers have no significant influence on online shopping.

Table 3.2: one sample T-test for promotional offer influence on online migration by consumers.

Statement (Variable)	Mean	Std Deviation	T-Statistics	P-value
Easier to compare products and offers (V5).	3.55	1.100	8.314	0.000
Low prices / better offer (V6).	4.01	1.039	12.694	0.000
To buy product unavailable elsewhere (V7).	3.58	1.192	7.892	0.000
Better product information (V8).	3.49	1.291	6.664	0.000

DUSCUSSION ON FINDINGS

Table 3.1 has consolidated results of hypothesis H1. The table consists of four variables. "I can shop whenever I want (V1)" has a T-value of 25.435 with a significance level less than five percent. Similarly "Quicker than visiting shops" (V2) has a T value of 12.463 with a significance level less than five per cent. "I don't really have time to go for shopping (V3)" is having T-value 3.865 with a significance level less than five per cent. But variable four that is "I live far from the city (V4)" has a T-value of -0.552 and a significance level more than five per cent. Except variable four, all other variables significance level of hypotheses H1 is less than five per cent. Hence H1 (Time factor has no significant influence on online shopping) will be rejected and alternative hypothesis will be accepted.

Table 3.2 has consolidated results of hypothesis H2. The table consists of four variables. "Easier to compare products and offers (V5)" has a T-value of 8.314 with a significance level less than five percent. Similarly "Low prices / better offers" (V6) has a T value of 12.694 with a significance level less than five per cent. "To buy product unavailable elsewhere (V7)" is having T-value 7.892 with a significance level less than five per cent. Variable four that is "better product information (V8)" has a T-value of 6.664 and a significance level less than five per cent. All variables significance level of hypotheses H2 is less than five per cent. Hence H2 (Promotional offers have no significant influence on online shopping) will be rejected and alternative hypothesis will be accepted.

FINDINGS

The study was concentrated on Factors influencing on consumers to shop online rather than to visit the traditional shops during their buying decisions. During the study two factors are considers which influence the consumer to prefer online shopping over traditional method. They are time and promotional offers offered by e-commerce joints.

1. The findings revealed that there is a significant influence of time factor on online buyers in North Karnataka region.
2. On the other hand the promotional offers of online stores will attract consumers to prefer online stores over traditional stores.
3. During the study it was observed from the respondents that "convenient delivery and easy return policy of products make them to prefer online stores over traditional shops"

FUTURE SCOPE OF RESEARCH

The study was restricted to two factors that are 'time factor' and 'promotional offers'. But there are other factors which also influence the consumer to prefer online stores over traditional shops. Such as convenience, easy return policy, EMI options, availability of innovative products, accessibility to global products which are not available in local market etc. This area can be taken for further study.

CONCLUSION:

A study was focused on influence of time factor and promotional offers on online buying by consumer over traditional shop. During the study many respondents have opined that online stores provides many convenient options for consumers such as EMI option with no interest, easy and feasible delivery options, hassle free return policy, time saving, good and attractive discounts on wide range of products and many more. Due to above all reasons many people are shifting from traditional stores to online mega stores. In this study two factors are given more importance to measure the influence on consumers over traditional shop. This finding implies that online sales promotions can be used intelligently to boost sales of online stores. In the online medium, promotional offers are the key aspect that should be carefully managed. This will encourage the consumer to shop online more frequently. The study concluded that the relationship between online sales promotion and the time factor will also affect consumer's attitude and purchase intentions to shift from traditional stores to online stores.

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