

RESEARCH ONLINE PURCHASE OFFLINE (ROPO) BEHAVIOUR OF CONSUMERS – SOUTH INDIA PERSPECTIVE

P. BALATHANDAYUTHAM
Assistant professor
Department of Business Administration
Annamalai University

DR. R. SRITHARAN
Assistant Professor
Department of Business Administration
Annamalai University

Abstract

In the past, individual had to rely on traditional media that were non-interactive to learn about products and services. Companies could communicate and market their goods and services to consumer through media vehicles such as television, newspapers, and magazines. Moreover consumers could not communicate with the vendors through the same means nor did they have control over what they heard or read. Now a new and interactive medium has been developed with eliminated some of the disadvantages of traditional forms of media. This revolutionary non-traditional form of media is known as World Wide Web. ROPO behavior is one of the recent topic in consumer behaviour, that is to be studied to develop a strong strategies in buyer behaviour field of study. This study made an attempt to identify the important strategies to measure the ROPO behaviour.

KEYWORDS: ROPO Behaviour, Perceived Risk, Perceived Ease of Use.

INTRODUCTION

In the face of the huge popularity enjoyed by the internet in general and the World Wide Web in particular, many companies today find it almost obligatory to maintain a website. Consumers are inundated by information, advertising, media-including new media channels and new technology, while time and work pressures on them have never been greater. There is more choice and wider availability than ever for

consumers, whatever their interest. The internet has been heralded as the solution for busy people's lives (Bellman et al, 1999).

Marketing is the performance of business activities that direct the flow of goods and services from the producer to the customers. Marketing is not only about providing products or services but also about providing changing benefits to the changing needs and demands of the customers. Marketing is thus the sum total of all activities and processes including creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.

Consumer behaviour is defined as “all psychological, social and physical behavior of potential customers as they become aware of evaluate, purchase, consumer and tell others about products and services”. In other words, buying behavior includes the act of individuals directly involved in obtaining and using economic goods (Kotler, 2011).

Online shopping claims to provide new opportunities and freedom for those who work shift, don't like to shop at during the weekdays/festival or seasonal times when the shop are busy or wish to shop without children or alone. This is also a growing community of consumers who either do not enjoy shopping, or are increasingly stressed with time pressures and other commitments and find shopping on additional burden. Such consumers are probably already committed online consumers, enjoying the benefits of ordering their weekly shop on the internet and having it delivered or buying books, CDs and other gifts from the comfort of their own home, or more than likely in the lunch-hour at work with the benefit of a faster (Matthias Seitz, 2014).

Many claim that advent of broadband, high-speed internet connections will change the online shopping experience, addressing these issues of slow download graphics and pages reloading. It will even enable users to view a page with many products quickly and easily, as well as manipulate the graphic images to view different angles of course; consumers do vary in their behaviours and expectations.

ROPO BEHAVIOUR

Research online purchase offline (ROPO), also research online, buy offline (ROBO) or online to stores(O2S Factors), is a new trend in buying behaviour where customers research relevant product

information to qualify their buying decision, before they actually decide to buy their favourite product in the local stores. ROPO is consumer behaviour where they utilize consumer generated content like reviews, blogs posts, and videos to assist in their purchase decision. Once decided, they do not purchase online –they visit retail out and make the purchase (Menon, S. and Kahn, B. 2002).

These days companies in most industries distribute products and services via different channels- a multi-channel strategy. Alongside physical, stationary (offline) distribution partners such as retailers, department stores, travel agencies, etc. There are also online stores, e-commerce-portals, and comparison sites etc. consumers increasingly switch between the two channels during the buying process.

THE ROPO BEHAVIOUR AND ITS SIGNIFICANCE

The phenomenon of Research Online - Purchase Offline behaviour is an increasingly serious discussion point for management of various sectors. The significance of ROPO-purchase processes is assessed as high and still growing. Reliable figures for individuals\companies or products groups are quite rare in the UK and Central Europe. However, recent consumer studies point out that at time over 50% of the target group scan, research and compare information online before they finally purchase something at local stores (Todd et al, 1997).

THE ESSENCE AND FORM OF ROPO EFFECT

The ROPO effect (Research Online, Purchase Offline), is a process of searching for information about products / manufacturers on the internet, but the purchase itself is realized in a traditional form. This phenomenon is one of the major problems for e-commerce enterprises, because the failure to complete the transaction does not bring the expected profits. The development of the e-commerce sector has contributed to the creation of more advanced apps and online services that support individual elements of purchasing process. The problem of ROPO effect is global and it covers the majority of industries and countries.

STAGES OF DECISION-MAKING PROCESS

The following stages are highlighted in the decision-making process (concerning the purchase):

1. Awareness of need,
2. Searching for information,

3. Assessment of alternatives,
4. Making a purchase,
5. Behavior after purchase.

The ROPO effect is most visible in the phase of the search for information and assessment of alternatives. In the phase of searching information about the products by potential customers, promotion is also visible, but action is aimed at informing the recipients about the existence of a particular shop or product. Verification of existing offers is more and more often supported by online tools and services, and even by social media. The obtained information is more reliable is comparison with advertising messages or information presented in expert services. Moreover, the information has substantive value, and the opinions of other customers are a valuable source of opinion.

The most important form the point of view of e-commerce sector of making a purchase decision is connected with the verification of offers. This phase covers the estimation of the collected alternatives, and promotional activities concern the indication of advantages of a company's offer in relation to competition. The majority of internet users, when deciding on a particular shop, take into account such factors as the lowest price, brand, possibility of personal collection and total transaction costs (Weber, K. and Roehl, W.S. 1999).

Searching for online platforms offering the desired product at the lowest price is often associated with the use of additional supporting tools like price comparators or auction platforms. At the decision-making stage, actions that reduce the ROPO effect should be correlated with greater security and avoidance of unexpected disincentives. In the e-commerce sector, there are a number of people, who have resigned from the online purchase during the process of finalizing the transaction.

The ROPO effect is not only connected with goods, but it was also identified among services. According to the researches, the ROPO effect is present among polish consumers in the service purchase process (the strongest in the case of culture, tourism, and transport services). Definitely the most important factor of the ROPO effect for clients is the desire to have direct contact with the product before purchase. This is essential for the purchase of clothing, cosmetics and footwear. On the other hand, less impact is

probably visible in the case of goods from furniture industry, book industry or food industry. It is also worth pointing out that the same factor is very important with the reverse effect of ROPO (reserve ROPO, r-ROPO).

Reverse ROPO is characterized by searching for product and information about it in traditional shop, while the purchase is made through online trading platforms. The key catalyst is the lower price of products in the e-commerce sector, while the opinion about a certain seller and the physical contact of the clients with the product. The literature (Yang, 1996) of the subject also includes the acronym of ROTOPO (Research Online, Test Offline, Purchase Online), i.e. a more expanded model. ROTOPO takes into account the most important advantages of both purchasing forms, extensive access to information in the network, the ability to see a certain product before purchase and lower prices in e-commerce.

MEASURING VARIABLES OF ROPO BEHAVIOUR

Perceived Usefulness

According to Davis et al (1989, 1993) perceived usefulness was defined as the degree to which an individual believes that using a particular technology would enhance his job performance in one organizational context. In Technology Acceptance Model (TAM), perceived usefulness becomes one of two keys to measure attitude influence to the new technology. This perception influence consumer attitude to shop online and their intention to shop using internet.

Perceived Ease of Use

According to Davis (1989) perceived ease of use as the degree to which an individual believes that by using a particular technology would be free of efforts. Perceived ease of use has strong influence on intention to technology acceptance. In short, perceived ease of use is how effective shopping on the internet is in helping consumers accomplish their tasks and perceived ease of use is how easy the internet is to use as a shopping medium.

Perceived Risk

Perceived risk can be defined as consumer prediction about uncertainty potential negative result from online transaction. Risk on online shopping as certain wish subjectively from purchase disadvantages that is considered in some online purchasing. In trying to understand the way consumer involved in consumer attitude through internet, it seems that risk is one of primary concern considered by consumer.

Trust

One of the most frequently cited reasons for consumers not shopping on the internet is the lack of trust and a level of risk. Researchers found that people rely on their general disposition to trust when in a novel situation. The most silent source of trust in a retail setting is the salesperson with the consumer trust being dependent on the salesperson's expertise, likeability, and similarity to the customer. However, in the online environment, the role of physical salesperson is replaced by help buttons and search features, thus removing the basics of consumer trust in the online shopping experience.

Conclusion

The study entitled, "Research Online Purchase Offline behaviour of consumers – south India Perspective" has been under with the objectives to analyze the impact of all the dimensions on purchasing behaviour of customers towards Offline. In this study the ROPO effect is one of the significant problems of the e-commerce sector. At the same time ROPO behaviour is one of the recent phenomenon in purchasing field. Corporate have to consider this factor when they develop the marketing strategies. Further researches should be aimed at the qualitative form, identifying the reasons for seeking information on the internet about products.

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