

COMPARATIVE STUDY BETWEEN OFFLINE AND ONLINE SHOPPING FROM THE LENS OF CUSTOMER INVOLVEMENT: A CASE STUDY IN DIBRUGARH UNIVERSITY

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The Present paper is an attempt to study consumer behaviour towards online shopping. The objective of the study is: To study whether there is any relationship between parental income and different expenditure mode of the students in Dibrugarh University and to see whether students prefer offline purchase or online purchase. The main focus of this paper is to see the online taste of the students in Dibrugarh University. Primary data was collected from 60 respondents by means of a self-constructed questionnaire having 10 questions. The collected data was analysed using Excel. The major findings found is that Online Shopping is more compared to offline shopping and the students prefer more online shopping. Cash on Delivery is the most popular method but it is not available in remote areas. Customer Involvement is an important element in purchase decision be it online or offline shopping.

INTRODUCTION

The increase in widespread technology provides good opportunities to the sellers to reach customers in a much far, economic way. Online Shopping is the process whereby consumers directly buy goods and services from a seller in a real time without any delay over the internet. It is a form of electronic commerce which allows consumers to directly buy goods and services from a seller over the internet using a web browser. Online shopping or E shopping or online retailing allows consumer to directly buy goods and services without any intermediary service. It was invented by English inventor and entrepreneur Michael Aldrich in 1979. Due to revolution in telecommunication sector internet has changed the way the consumers shop and buy goods and services. Like Other Countries India is also experiencing an increasing trend in online shopping-commerce has also grown widely in India providing a greater platform to the people. Due to this reason the E-commerce has become the new mediator between the companies or manufacturers and their consumers. The growth rate of India's e-commerce industry has been fascinating. The beginning of Internet Era in India can be cited back to 1986 with the introduction of ERNET project start-up email exchange program between national centre for software technology, Bombay and IIT Bombay. Since then, India saw several levels of upgradation. The EDI (Electronic data interchange) replaced traditional mailing and faxing of documents. These transactions occur either business to business, consumer to consumer, consumer to business and business to consumer.

In 1987 Merchant account was launched that helped the software developers to sell their software easily. SWREG was the name of the first and oldest software that is available till now. Future shop is a book for how new technology will change the way of shopping and was published in 1992. Then in 1994 yahoo was launched. In 1995 ,12000 domains names were registered in internet. And in 1998 google entered the world of e commerce.

In a report by IAMAI (2011) more than 75% of the internet use credit goes to youngster that include young school and college going students. According to that India has already crossed 100 million internet users and no doubt out of which youngsters of India are the majority users. Shopping online through smart phones is proving to be a better game changer and industry leaders believe that m-commerce could contribute up to 70% of their total revenues.

GROWTH OF INTERNET SHOPPING IN INDIA

The 'India Online report 2011' puts the active number of participants to 65 million as compared to 51 million in 2010. India has an internet users base of about 450 million as of July 2017. India is being recorded as the second largest userbase followed by China. But in spite of this, the penetration of e-commerce is low compared o markets like the United States, but it is also growing at an unprecedented rate adding around 6 million new entrants every month. In India, cash on Delivery is the most preferred payment method, accumulating 75% of the retail activities. In India the largest e-commerce companies in India were Flipkart, Snapdeal, Amazon India and Paytm. Another notable feature about the e-commerce market is that about 70% of India's e-commerce is travel related.

According to a study conducted by Internet and Mobile Association of India, the e-commerce sector is estimated to reach Rs.211,005crore by December 2016. Overall e-commerce sector has reached Rs1,07,800 crores by the year 2015 with both online and e-tailing contributing equally. One big segment is recharge of DTH through online. Also, one new sector in e-commerce is emerging which is the online medicine. Although there is no dedicated online pharmacy laws in India yet it is permissible to sell prescription medicine online with a legitimate license.

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CUSTOMER'S INVOLVEMENT IN PURCHASE DECISION

A costumer's involvement in purchase differs according to the product he or she is interested in consuming. The involvement is usually high for those products that the buyers feel important for them or that have probable risk if wrong or those that are very personal to them or having high price. The time taken to take decisions are usually longer with possible comparison of alternatives. Low involvement purchase are products where the consumer spends less time to think and compare alternatives while purchasing. The consumers often make routine purchase decisions when they are making a low involvement purchase. Sometimes they purchase products even without planning which are known as impulse purchase. The post purchase behaviour of the consumer might be different for lower involvement to high involvement purchase. The expectations formed might also be different in both the cases. In this paper we will try to find out if credence claims have any effect on the expectations for a product depending on the involvement of consumer. This leads to the fourth objective:

LITERATURE REVIEW

(Mahalaxmi and Nagamanikandan,2016) studied that In,2014(internet has given rise to great potential for businesses through connecting globally. In case, online purchasing stills more problems arising specially for apparel. Every consumer has faced number of difficulties. Based on finding it is concluded that online shopping is getting popular in the younger generation. The main barrier in the process of online shopping is the safety issue and low level of trust on online stores therefore, sellers have to make proper strategies to increase the consumer's level of trust on them.

(Bhatt,2014) found in his study that Online Shopping is gaining popularity among people especially younger generation but in today scenario to become equally popular among all age groups e-marketing will have to cover a longer distance. The result of his study shows that mode of payment is dependent among income of the consumers. If their income is higher than1,00,000 they prefer cash on delivery and if their income is higher than 3,00,000, they prefer Internet banking payments.

According to Kapoor,2012 online decision making and online shopping phenomena are governed by a number of consumer acceptance and behaviour characteristics and grounded in theoretical aspects of consumer decision making. There are a number of factors that affect what we buy, when we buy, and why we buy. In reference to buying online, the factors that influence consumers are marketing efforts, socio cultural influences, psychological factors, personal questions, post decision behaviour and experience.

Upasana Kanchan, Naveen Kumar, and Abhisek Gupta (2015) in their article 'A study of Online purchase behaviour of customers in India' stated that online shopping is gaining popularity among people of young generation. Higher income groups and educated people are purchasing more via e-retailing websites. People have hesitations in doing online shopping due to security reasons. Those Companies involved in online shopping should focus on building trustworthy relationship among producers and consumers.

Besides, the study attempts to find if credence claims work differently for a different level of Consumer Involvement while making a purchase decision. Previous studies have suggested that the customer takes different buying decision in low involvement and high involvement purchase decision. Based on the repetition of how frequently a customer buy and the cycle of purchase is short or long; the buyer takes a decision. (Howard and Sheth, 1969). The study tries to find out if the customer's purchase decision is affected after receiving a credence claim based on higher involvement and low involvement of the customer.

Iventosch et al. (2001) in their research in the US on “A segmentation of online and offline shoppers” have found that the rationale of online and offline shoppers differed depending on product categories. The driver for online shopping was income where both found a strong correlation.

FACTORS AFFECTING ONLINE SHOPPING

- 1) Convenience: Online shopping is much more convenient than offline shopping. Instead of moving out of the house it is convenient to sit in one place and shop our product without moving from place to place. Everything can be in our doorstep just with a single click.
- 2) Anxiety: Sometimes people's anxiety over exploring and experimenting the new may also add a boost to online shopping. Sometimes people who are not aware of online sites like Flipkart, Myntra may be keen enough to explore and shop online.
- 3) Pricing Policy: Online retailers gets an inherent advantage in pricing as they don't have to bear expenses like store rent, bills etc. They can pass them directly to consumer and generally offer a lower price to customer than offline market. Even when shipping charges are included than also it is better than offline shopping.
- 4) Quality: The quality of product at online sites and offline stores varies a lot and then this determines the frequency of online shopping.
- 5) Online trust: Online shopping also depends on customer perception whether they trust a particular site and its product and services it offers. The frequency of online shopping depends whether people trust or not. They may order or purchase more from the one they trust.
- 6) Income: Online shopping is at its outmost determined by income in hands of the consumer. It is obvious that a person with high income can have more luxuries than compared to low income one. Moreover, online shopping acts as a status symbol for the high-income owners.
- 7) Offers: Another attractive feature available with online purchase is the heavy discounts that they provide in association with banks, brands etc. Offers may be available in online shopping even without festivals.

OBJECTIVES OF THE STUDY

- 1) The basic objective of my study is to see whether there is any relationship between parental income and different expenditure mode of the students in Dibrugarh University.
- 2) My second objective is to see whether students prefer more offline purchase or online purchase.

RESEARCH METHODOLOGY

This defines about the process used in collecting data. For this study the data source is collected both from Primary source as well as Secondary source. The Primary data is collected by a self-prepared Questionnaire. The questionnaire prepared consists of ten questions and after preparing the questionnaire was distributed randomly among the students of the University. This was distributed and among them 30 students in the University revealed their preference and the data set collected is collected on the basis of their responses. Due to some constraints the sample size is taken as 30. The Secondary source includes published papers, journals, IMAI reports, Internet and so on.

Here to define my objectives I have calculated the Karl Pearson's correlation coefficient using EXCEL. For this I have plotted the data collected through the questionnaire on a blank Excel sheet. For plotting I have taken Parental income, Expenditure on shopping Online and expenditure on shopping offline. And have calculated correlation between parental income and online shopping separately and also correlation between parental income and offline shopping expenditure separately.

RESULTS AND INTERPRETATIONS

After calculation we got two values of r , one showing correlation between parental income and online shopping and the other showing correlation between parental income and offline shopping expenditure among students in

Dibrugarh university. The correlation coefficient between the first two is found to be 0.47 and the other one was found to be 0.26. Both the correlation coefficients are found to be positive. The first correlation coefficient depicts a moderate relationship between the two which means that as income increases the expenditure on online purchase is likely to increase or may increase be it whatever kind of purchase. And secondly the other depicts a very less or a little relationship between the two which implies that irrespective of increased income expenditure on offline shopping may decrease. This is what the data depicts.

Also, the second objective that among both offline and online expenditure which one the students prefer more is also clear. It is seen that that the students prefer online shopping more rather than offline expenditure. There can be many factors governing their preference. Among such preference one can be price fluctuations. Sometimes some offers like big billion days, End of season sale may allow the consumers get the items needed at very low price compared to that offline. So, it can be preferred more.

FINDINGS

From the survey carried out one thing can be clearly stated that is the penetration or the craze for online shopping is generally seen more among the youngsters compared relatively to the other age groups. As the study was carried out among students within the University so basically the students or research scholars fall under the age group of youngsters. So, we can say that most of the online shoppers belong to the youngsters. One more finding that can be stated is that the trend for online shopping is seen among the high-class people more. The parents of students who have a high income their children are found to shop more than compared to others. This finding is connected with one mentioned in review that high income generates more desire to spend online.

Secondly another finding that can be drawn is that most people face problems with the mode of payment. It is seen that in some remote areas cash on delivery is not available. So, it becomes difficult for people to pay by card in some cases. There are some issues regarding quality also but not much as compared to Mode of Payment.

Thirdly the penetration of online shopping is seen more in case of females than in case of males. Women are found to shop more than man.

According to source statista.com Leading Online stores in India in 2017 is Amazon.in. Again the retail e-commerce sales in India in 2017 was 20.06bn USD which is expected to increase 52.3bn USD in 2022. Again, digital buyer penetration in India was 43.6% out of which the number of digital buyers was 130.4 million and which is expected to be 329.1% in 2020.

IMPLICATIONS

Since, online shopping is gaining popularity in a tremendous way due to technological advancement and developments therefore it would be wise if we reap the benefits of these in a efficient way. As these reduces efforts, saves time and also at the same time is reliable so one can depend on online purchase. As every side as its both good and bad affects so it would be better to reap the benefits of the it in a good manner through online activities. There is no need to stand in long ques for payments in malls, there is no rush for paying bills. One simple thing that need to be maintained there is the privacy while sharing personal financial details online. Otherwise, it is best to use it in a convenient manner.

The study is beneficial in the area of e-commerce. However, it has some limitations. First that can be sited is the sample size. A population in millions needs a significant sample size to arrive at justified results. But due to constraints it was not possible to go beyond a definite sample size. For generalisations the sample size should be significant. Again, this study is based on opinions of the respondents but there can be errors and biasedness in these responses.

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