



A COMPARATIVE STUDY OF ONLINE SHOPPING AND OFFLINE SHOPPING

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Abstract :

Online shopping has become a popular shopping method ever since the internet has declared a takeover. The increase in technology provides good opportunities to the seller to reach the customer in much faster, easier and in economic way. Online shopping is emerging very fast in recent years. Many studies have focused that the high touch products that the consumer feels when they need to touch, smell or try the product. It requires the offline shopping at the purchasing stage because it cannot be done in the online shopping. This paper focused to analyse the significant difference between the online and offline consumer groups (With a special reference to Amravati city in Maharashtra) in terms of demographic, technology use, availability and attitude of the consumer. The objective of this study is to provide an impression of online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate customers to decide whether to do online shopping or go for the offline shopping.

Keywords : products, technology, consumer, online shopping, offline shopping, internet, purchasing behaviour.

Introduction :

The increase in technology provides good opportunities for the seller to reach the customer much faster, easier, and in an economic way. Online shopping is emerging very fast in recent years. Now a day the internet holds the attention of the retail market. Millions and millions of people shop online. On the other hand, the purchasing of the products from the traditional market is continuing for years. Many customers go for purchasing offline so as to examine the products and hold possession of the product just after the payment for the product. In this contemporary world, customer loyalty depends upon the consistent ability to deliver quality, value, and satisfaction. Some go for offline shopping, some for online and many go for both kinds of shopping.

However online shopping is easier for people and less price than offline shopping. When any purchase decision, consumers should know the medium to purchase whether online shopping or offline shopping. Consumer should decide the channel that best suit their need and wants and which can satisfy them. In this competitive world how, the consumer can decide the particular medium for their purchase of goods is very

important to understand from a managerial point of view. The research is very limited in this area or field. Online or e-shopping is a kind of electronic shopping that allows consumer to purchase goods over the internet directly from the seller using a web browser. There are some alternative names for online shopping are as follows e-web store, e-shop, e-store, internet shop, web-shop, web-store, online store, online storefront, and virtual store. Mobile commerce or m-commerce is described as purchasing from the online retailer by the mobile-optimized online sites or applications.

In general, the population with high levels of income and high level of learning are more favourable to doing online shopping. The populations who are more knowledgeable and more explored the internet are more into online shopping. The increase in technology increases the online shopping by the consumer. The increase in technology creates a favourable attitude towards the consumer for online shopping.

2. Methodology of the study :

2.1 Research locale

Offline and online selling have been established anywhere. We decided to choose population of Amravati city as we knew this area has lot of business. We have chosen these areas due to its accessibility and certain availability of data because business, either in-store or online business, are founding this place. Given that these businesses are in this area, customers can be found also in this surrounding area, which are the target informants of the study. As Offline and Online selling are also established in this area particularly in the different age group, different sex and in different group of people including student, employee, unemployed and housewives, etc.

2.2 Sampling techniques

The study aims to measure the factors influencing the customers who buy goods from online and offline or in-store. The two-mode shopping compared to know which of the two is more satisfying for the customers considering their demographics and preferences. We used purposive or judgmental sampling which choose the participants who are likely experienced for the subject of the study, which in this case, were able to buy things from offline and online shop. The target group is of different age, different age group people are considered because to know whether which group of people are involved more in the online shopping and which group of people is not confined to shop online. There are five division of age group in the questionnaire to examine which group is going for more online shopping and which group is going for more offline shopping.

2.3 Sample size

Determining the size of sample that is needed for a particular piece of research, for this research 300 sample size is taken from the citizen of Amravati by using the google form. From this sample size, the calculation of simple percentages for each variable is done.

2.4 Variables used

This study consists of a set of variables. Independent variables refer to those that are not affected by a change happening, among other variables. On the contrary, dependent variables get affected by change in the independent variable. Based on that knowledge, the researcher has defined several variables.

2.4.1 Independent variables

In this research independent variables are variables such as gender, age, qualification, monthly family Income, marital status, occupation, etc.

2.4.2 Dependent variables

In this research defined, Dependent variables are variables such as shopping mode preferred by the respondents i.e., online, offline and both.

2.5 Research Tool :

We used survey questionnaires (google form) to gather data from the customers. The questionnaire was sent over different online channels, including e-mail, social media, and messenger services.

2.6 Research ethics :

First of all, the participants voluntarily answered the questionnaire. Moreover, it is our highest priority to keep the participants' identities anonymous. The Questionnaire was constructed in a way that only basic questions were asked to Ensure that no personal information including name or email can ever be revealed. We only used the collected primary data and will not be shared with any Other third party. Additionally, we provided information regarding the purpose of the study at the beginning of the questionnaire. Furthermore, the participants got a notice that; they are at any time able to stop the questionnaire.

2.7 Statistical tools:

Moreover, we used Microsoft Excel and Statistical Package for Social Sciences (SPSS) and R package software for the treatment of the gathered data.

The statistical tool that was used is the **Z- Test**. It is used in the analysis to determine if the proportions of categories in a single qualitative variable significantly differ from an expected or known population proportion.

The formula for Z-test is -

$$Z = \frac{(p - \text{prop})}{\sqrt{\text{prop} * (1 - \text{prop}) / n}}$$

Where -

Z = Test statistics

n = Sample

size

prop = Null hypothesized value

p=Observed proportion

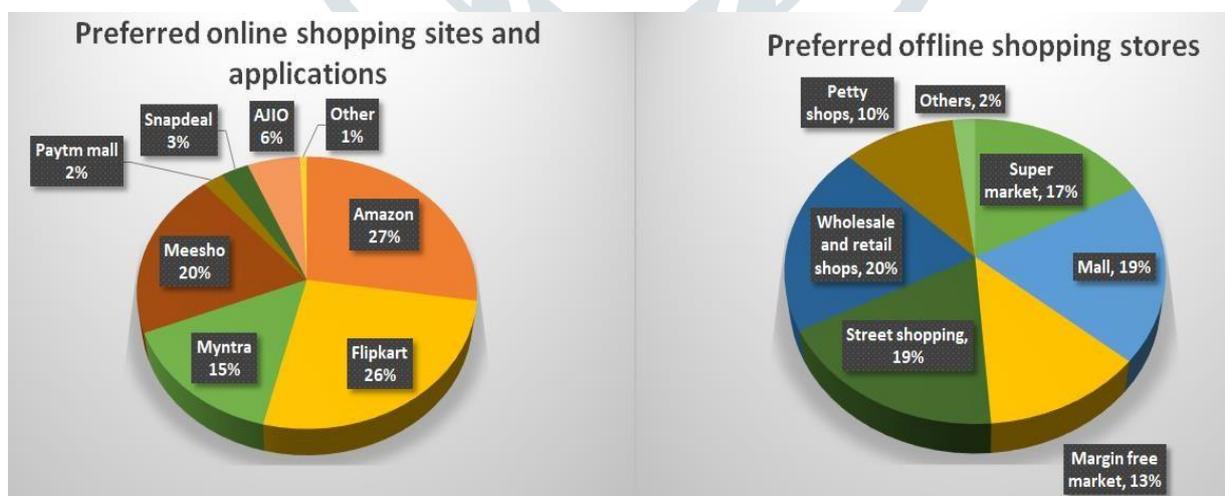
3.Data Analysis and Interpretation:

3.1: Preferred online shopping websites and offline shopping stores

Table 3.1 : Preferred websites for online shopping and stores for offline shopping

Online			Offline		
Online Shopping Applications and Website	Frequency	Rank	Offline Shopping Preferred Store/Places	Frequency	Rank
Amazon	190	I	Super market	148	IV
Flipkart	182	II	Mall	164	II
Myntra	104	IV	Margin free market	108	V
Meesho	138	III	Street shopping	159	III
Paytm mall	15	VII	Wholesale and retail shops	174	I
Snapdeal	20	VI	Petty shops	90	VI
AJIO	38	V	Others	18	VII
Other	5	VIII			

Graphical representation:



1. Interpretation:

The above table 3.1 shows preferred online shopping and offline shopping stores. Among online websites Amazon obtained first rank, Flipkart obtained second rank, Meesho obtained third rank, while the last second rank obtained by Paytm mall followed by other sites containing websites like shopcy, Urbanic, Nykaa, etc.

Among the offline shoppers, wholesale and retail shops obtained first rank, mall obtained second rank, Street shopping obtained third rank, followed by supermarket, margin free market, petty shops and lastly others (D-mart, IKEA) specified by the respondents.

3.2 Reasons for doing online and offline shopping

Table 3.2:

Online			Offline		
Reasons for doing online shopping	Frequency	Rank	Reasons for doing offline shopping	Frequency	Rank
Time saving	167	I	Choose by experience	176	III
Door to Door service	138	II	Safety	185	II
No issue of going to shop	116	V	Size and fitting	199	I
24x7 service / access	120	IV	Purchase products immediately	150	IV
Deals / Special price offer	136	III	Personalized recommendation from staff	80	V
Easy return and cancellation of the product / items	120	IV	Pay by cash or other methods	72	VI
No pressure to buy	101	VI	Other	1	VI
Multiple payment options	92	VII			
Other	1	VIII			

Graphical representation:



Interpretation:

It is clear from table 3.2 that, online shoppers gave their opinion the main reason for choosing the online shopping is time saving (167), second rank obtained by door-to-door access (138), third rank obtained by deal/special price offer (136), and last rank obtained by multiple payment options (92) and other.

Among the offline shoppers first rank obtained by Size and fitting (199), second rank obtained by Safety (185), third rank obtained by Choose by experience (176), fourth rank obtained by Purchase products immediately (150) while payment method obtained the last rank same as in online.

4. Testing of hypothesis

(1) To study the significance of proportion of respondent's gender involved in shopping

Hypothesis:

H₀: The proportion of respondent's gender (female and male) is equally involved in online shopping.

H₁: The proportion of respondent's gender (female, male) is not equally involved in online shopping

In order to test above hypothesis, z test for single proportion is used.

Calculation in R software

```
>n<-33
> p<-23/33
> prop<-0.5
> z_stat<-(p-prop)/sqrt(prop*(1-prop)/n)
> z_stat
[1] 2.26301
```

Here, n= total number of respondents x=number

female doing online shopping =23 p=x/n

At 5% level of significance, tabulated z for two tailed test is 1.96 Calculated z >

tabulated z

i.e. 2.26301 > 1.96

Reject H_0 .

Result: We conclude that both female and male are not equally involved in online shopping.

Table: Difference in preferred shopping mode in term of gender.

Gender	Sopping Mode		
	Online	Offline	Both
Male	10	28	81
Female	23	45	113
Total	33	73	194
Z Calculated	2.26301	1.9897	2.2974
Significance At 5% level of significance	Significant	Significant	Significant

The table shows that the result of the z-test for single proportion of the respondent's gender in buying online, offline and from both. Looking at calculated value of z, it shows 2.26301, 1.9897, 2.2974 in online, offline and both respectively which is definitely higher than z tabulated value for two tailed test at 5% level of significance which is 1.96.

From above, we conclude that there is significant between proportion of both female and male involved in shopping when they buy from online, offline and both.

(2) To study the significance of proportion of respondent's preference in shopping.

Hypothesis:

H₀: the proportion of respondent's preference is equal for both type of shopping mode.

H₁: the proportion of respondent's preference is not equal for both type of shopping mode.

In order to test above hypothesis, z test for single proportion is used.

Calculation in R software

```
>n<-300
> pi<-185/300
> prop<-0.5
> z_stat<-(pi-prop)/sqrt(prop*(1-prop)/n)
> z_stat
[1] 4.041452
```

Here, n= total number of respondents x= number of respondents who

prefers offline shopping = 185

$$p= x/n$$

At 5% level of significance, tabulated z for two tailed test is 1.96 Calculated z >

tabulated z

i.e. 4.041452 > 1.96

Reject H_0 .

Result: We conclude that, the proportion of respondent's preference is not equal for both type of shopping mode.

5. Conclusions :

The study reveals that the males are doing less online shopping than female. The females are more into online shopping because they enjoy doing shopping whether it is traditional shopping or e-shopping. The young generation are more often purchasing from online sites because of the revolution in the technology among the youth population and they are able to use this technology for their well-being more than other age group category. Amazon and Flipkart are the shopping sites which are more preferable by the youngster. There are increasing demand of online shopping because the variety of options for the consumers to choose and that to at a reasonable price and sometime even less price than the market. Hence other online websites take necessary steps to increase their customers. Electronic items were less demanded from the e-shopping but clothes are much more demanded by the consumers. There are several products which are not delivered by the shopping sites in the preferable area, it is seen that with the advancement of the technology the preference of the online shopping increases.

Earlier people more use the traditional shopping. Now also people who are not aware of the several shopping sites and not that technically advanced are less into internet for shopping. This study advanced an ideal that uses consumer value perceptions to increase our thoughtful of channel choice. Earlier work verified the key effect of perceived value has on purchase intentions, but merely concentrated on product or store value insights. This project report extends the studies while asking the questions from the consumer who are into online shopping as well as traditional shopping to rate both the channels in the terms of performance, products, time of delivery, quality and other related aspects of online and offline shopping. By accepting this approach, investigators and experts can gain valuable insights into the motivations to adopt a definite channel for shopping. A cluster of all customer communication with products, services or persons that is specific. Another concern was that the conceptual model, a theoretical context for the study of the theoretical basis of all the research on it is placed. Customer behaviour is a process of discussions with investors to buy consumer goods and consumer behaviour suggestions of the process.

To study the significance of proportion of respondent's gender involved in shopping, we conclude that both female and male are not equally involved in online shopping.

To study the significance of proportion of respondent's preference in shopping, we conclude that, the proportion of respondent's preference is not equal for both types of shopping mode.

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