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# COMPARATIVE STUDY ON IN-STORE VS ONLINE SHOPPING, EXPERIENCE AND ASSESSMENT RESEARCH 

VISHWANATH KUMBAR<br>PGCSCM (IIM TRICHY), MBA, MCOM, PGDRM, MPHIL, NET (UGC), (PHD).<br>Associate Professor Sindhi Institute of Management Bangalore-560024, Karnataka, India<br>\section*{SHASHANK M HIREMATH}<br>DISM, MBA, MCOM, NET (UGC), PHD.<br>Associate Professor, CMS Business School, Jain Deemed-to-be University, Bengaluru, Karnataka, India

TOJO THOMAS
DMM, MBA, PHD.
Management Consultant

KEERTHI K
MBA
Management Consultant

VANAJA V<br>MBA (PHD)<br>Assistant professor


#### Abstract

:

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10\% of the country's gross domestic product (GDP) and around eight $\%$ of the employment. India is the world's fifth-largest global destination in the retail space. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth-largest global destination in the retail space and ranked 63 in World Bank's Doing Business 2020.


The sizeable middle class and nearly unexplored retail market in India are the main enticing factors for international retail behemoths seeking to move into newer markets, which will help the Indian retail business grow more quickly. The urban Indian consumer's purchasing power is increasing, and branded goods in categories like apparel, cosmetics, footwear, watches, beverages, food, and even jewellery are gradually evolving into business and leisure that are well-liked by the urban Indian consumer. The retail sector in India is expected to reach a whopping US\$ 2 trillion in value by 2032, according to a recent analysis by the Boston Consulting Group (BCG).

There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. In store shopping environment is very important because these days' customers not only look for availability of product but also factors which influence or attract consumers to shop at their outlets such as clean and organized environment, availability of wide range of products, employee helping nature, merchandise management, employee attitude etc. Despite the rise of e-Commerce, brick-and-mortar stores are as relevant as ever. In fact, $85 \%$ of consumers say they prefer to shop in physical stores, according to Time Trade research. And, if given the opportunity, $71 \%$ of consumers said they would even prefer to shop at an Amazon store over Amazon.com. An attempt is made to report to know the consumer behavior towards in store shopping in the organized and unorganized retail outlets in the Karnataka state. An attempt is also made to understand the dynamics in the retailing. The research paper is a descriptive research involving survey data analyzed using the quantitative and statistical tools. The research paper brings insights on the factors motivating the consumers towards opting the in store shopping.

## Key words: Retailing, In Store Shopping, Consumer Decision Making.

## INTRODUCTION:

The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organised retailing. A T Kearney, a US Based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets. According to the tenth report of GRID of AT Kearney, India is having a very favorable retail environment. According to report, organized retail accounts for $7 \%$ of India's roughly $\$ 435$ billion retail, market and is expected to reach $20 \%$ by 2020 . Food accounts for $70 \%$ of Indian retail, but it remains under penetrated by organized retail. Organized retail has a $31 \%$ share in clothing and apparel and continues to see growth in this sector.

An increasing number of people in India are turning to the services offered by the in store shopping over online shopping. The organised sector's growth potential is expected to increase due to globalisation, high economic growth, and improved lifestyle. In the past few years, Indian Retail sector has seen tremendous growth in the organised segment. Major domestic players have stepped into the retail arena with long term, ambitious plans to expand their business across verticals, cities and formats. Companies like Tata, Reliance, Adani Enterprise and Bharti have been investing considerably in the booming Indian Retail market.

Along with these giant retailers, a number of transnational brands have also entered into the market to set up retail chains in close association with bigger Indian companies. High consumer spending over the years by the young population and sharp rise in disposable income are driving the Indian organised retail sector's growth. Even Tier I \& Tier II cities and towns are witnessinga major shift in consumer preferences and lifestyles, the result of which, they have emerged as attractive markets for retailers to expand their presence. A handful of retailers have tried and succeeded in achieving a smooth transition from online to in-store shopping by offering customers a seamless, Omni-channel experience.

While the goal is to offer customers a seamless shopping experience across multiple channels, the trick has been finding the best way to combine e-commerce with in-store shopping to create a connected retail experience. Pioneering retailers have already started to answer this need by introducing digital technologies, such as virtual fitting tools and virtual product aisles, in their stores.

As bricks-and-mortar retailers are trying to enhance them in-store experiences, new options are emerging to help close the gap between online and in-store experiences. However, many retailersare still struggling to find the best way of combining e-commerce with in-store shopping to create a consistent retail experience.
By making the shopping process as simple as walking into a store, scanning an item, and paying for it with a series of taps on your smart phone-or better yet buying products online, picking them up in-store and checking yourself out-more stores are successfully blending the best of in-store with the best of online shopping.
The study suggests that Omni channel retailers have a significant competitive advantage as more consumers demand an integrated shopping experience. "Winning Omni channel retailers embrace both clicks and bricks, leveraging the relationship and logistical benefits of their physical store network while using technology to simplify and enhance the shopping experience," said ICSC president and CEO Tom McGee. "As we prepare for one of the season's key spending weekends, we expect to see more retailers looking for ways to engage consumers in-store and online to make the most out of their Omni channel strategy."

The analysts believe that the sector is likely to show significant growth of over $9 \%$ over the next ten years and also see rapid development in organized retail format with proportion likely to reach more respectable $25 \%$ by 2018. In terms of sheer space, the organised retail supply in 2013 was about 4.7 million square feet (sq. ft.). This showed a 78 per cent increase over the total mall supply of just 2.5 million sq. ft. in 2012.

Most consumers (85\%) say they prefer to shop in stores because they like to touch and feel products before they make a purchase decision. More than one third ( $36 \%$ ) of respondents also said they don't like waiting for items to ship, and $30 \%$ like to receive advice on what products they should purchase. consumers also value face-to-face interactions with store associates. In fact, $90 \%$ of consumers say they are somewhat or extremely likely to make a purchase when theyreceive assistance from a knowledgeable store associate. Looking at specific age groups, $64 \%$ of Baby Boomers expect in-store associates to know the best products for their specific needs and budget, which is $17 \%$ more than the other participating respondents.

## (The 2015 Time Trade State of Retail Report)

## LITERATURE REVIEW:

Online Shopping Behavior - Identifying pre-purchase intentions of consumers is the key to understand why they ultimately do or do not shop from the Web market. One stream of research under online consumer behavior consists of studies that handle the variables influencing these intentions. A compilation of some of the determinants researchers have examined are: transaction security, vendor quality, price considerations, information and service quality, systemquality, privacy and security risks, trust, shopping enjoyment, valence of online shopping experience, and perceived product quality. (Liao and Cheung, 2001; Saeed et al., 2003; Miyazaki and Fernandez, 2001; Chen and Dubinsky, 2003).

The Online Purchasing Process - Many studies frequently mention that there is a vast amount of window shopping taking place online but the number or the rate of surfers who turn into purchasers or regular buyers are very low (Mayer, 2002; Betts, 2001; Oliver, 1999). This might
happen because of the lack of consumer intention to purchase an offering from the online environment at the outset. It might also happen 15 because of various problems that arise during online shopping driving the consumer to abandon the task in the middle. Therefore, while one stream of research should identify the reasons behind the purchase reluctance of consumers, another area of concentration should be why people abandon their shopping carts and stop the purchasing process in the middle. Such attempts can help to understand how to turn surfers into interactors, purchasers, and finally, repeat purchases by making them enter into continuous interaction with this environment (Berthon, 1996).

## Advantages and Disadvantages of Going Online

The list of the advantages and disadvantages of becoming an online business is quite long. For many companies, Internet based plans are not yet a priority because of costs, system incapability and the fact that their external partners cannot participate in the e business environment yet (Roth, 2000). In other words, e-commerce is the sweet spot but transforming into a real electronic business is the critical and difficult part of all this excitement (Higgins, 1999).

Customer personal characteristics Sohn and Ahn (1999) showed that consumers' knowledge affects their adoption of ecommerce. Liang and Huang (1998) Found that customer's experiencean important factor in online purchasing. Kim and Kwon (1999) contended that a consumer whose lifestyle is more progressive and assertive in leisure activities use the internet more frequently and searches information through the internet more often. Limayem, Khalifa et al. (2003) added personal innovativeness as another personal characteristic in order to online
shopping. Yang and Cho (1999) examined the impact of consumers' 26 need for cognition, and search objectives on consumer information search through the internet.

## Main potential drivers for consumer adoption of online marketing:

Accessibility and convenience the possibility to shop anytime, from anywhere is the most obvious and most commonly cited advantage of online marketing, and was found to be the most important perceived consumer benefit of internet shopping in empirical studies by Jarvenpaa and Todd (1996-1997) and Kangis and Rankin (1996).

The real time nature of the medium The internet can provide consumers with up-to-the minuteinformation on prices; availability, etc. (cf. Franz 2000) Time savings Consumers may benefit from the shopping process being faster in the market space than in the market place as a result of the rapidity of the search process and the transactions (Wigand \& Benjamin 1995, Krause 1998).

Possibilities for comparison shopping by allowing consumers to shop in many places and conduct quick comparisons of offerings and prices (Hoffman et. Al. 1995, Hart et al. 2000), Internet market places have the ability to reduce search costs for price and product information(Bakos 1998, Strader \& Shaw 1999, Rowley 2000, Bhatt \& Emdad 2001)

Access to extensive information an important consumer benefit is the access to greater amounts of dynamic information to support queries for consumer decision-making (Hoffman et.Al. 1995 Alba et al 1997).

Privacy and anonymity The internet has the potential to offer consumers benefits with respect to a partial, or even a total privacy and anonymity/pseudonymity (Parsons 2002) throughout thepurchasing process.

Competitive prices by embracing online marketing consumers may benefit from price reductions as a result of increased competition as more suppliers are able to compete in an electronically open market place (Turban et al. 1999), as a result of reduced selling prices due toreduction in operational/transaction costs (Brynjolfsson \& Smith 2000), and manufacturers internalizing activities traditionally performed by intermediaries (Benjamin \& Wigand 1995).

Availability of personalized offers Consumers can benefit from IT enabled opportunities for personalized interactions and one-to-one relationships with companies, which allow for products, services and web content to be, customized more easily (cf. Peppers \& Rogers 1999, Brown 2000).

## METHODOLOGY:

The Research is based on the analysis of the primary and secondary data. The collected data isanalyzed using the statistical tools.

RESEARCH DESIGN: Descriptive research is used to describe characteristics of in-store shoppingphenomenon being studied. An attempt is made to analyze the phenomenon relating to how consumers prefer to shop in-store over the shopping online.

## SOURCES OF DATA:

## PRIMARY DATA SOURCES:

The primary data was collected through series of interviews held with the consumers who visited the stores for shopping. A structured questionnaire with 8 questions related to the research was used in the process of collecting primary data.

## SECONDARY DATA:

The secondary data was collected from the available sources like Retail Magazines, Newspapers; Articles already published by authors in various national and international journals and Retail Management text books.

## SAMPLE AND SAMPLE SIZE:

Customers who visited the organized retail outlets were the samples chosen for the research.A sample of 250 was selected for the data collection.

## Analysis:

## 1. AGE AND INCOME OF THE RESPONDENTS:

Age is important factor which indicates what age group of customers are frequently visiting the retail outlets be it an organized or unorganized outlets. Majority of the respondents who frequently visit the retail outlets belong to the age group between 26 to 35 years.

Income is an important factor which influences the purchasing power or ability to buy.The researcher admits that most of the consumers who visited the retail outlets had an monthly income of Rs. 40000 and above.

## 2. DISTANCE FROM RESIDENCE TO RETAIL OUTLETS:

| Distance | No. Of. Respondents | Percentage (\%) |
| :--- | :--- | :--- |
| Less Than 1KM | 180 | 72 |
| KMM-3KM | 40 | 16 |
| 3KM and Above | 30 | 12 |
| Total | 250 | 100 |

Consumers prefer to buy the product from the nearest retail outlets. Mostly the requirements in daily life is fulfilled by the convenience stores in emergency or as required, but these days' customers also prefer to travel at long distance for purchasing asorganized retail outlets providing all under one roof with wide range of selection at lowerprice discounts and offers.

## 3. AVAILABILITY OF WIDE RANGE AND QUANTITY OF PRODUCTS: IN- STORE VS ONLINE SHOPPING.

## Hypothesis:

H0: There is a significant difference between availability of wide range and quantity of products in-store and Online Shopping.

H 1 : There is no significant difference between availability of wide range and quantity of products in-store and Online Shopping.

| Mode | Number of Respondents | Total |  |
| :--- | :--- | :--- | :--- |
|  | Availability | Non- Availability |  |
| Online Store | 140 | 30 | 170 |
| Physical Store | 60 | 20 | 80 |
| Total | 200 | 50 | 250 |

Expected Frequencies $(\mathbf{A B})=[(\mathbf{A}) *(\mathbf{B})] / \mathbf{N}$

| 136 | 34 | 170 |
| :--- | :--- | :--- |
| 64 | 16 | 80 |
| 200 | 50 | 250 |

## O= Observed Frequencies E= Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O - E})^{2}$ | $\left[(\mathbf{O}-\mathbf{E})^{2}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 140 | 136 | 16 | 0.118 |
| 60 | 64 | 16 | 0.250 |
| 30 | 34 | 16 | 0.471 |
| 20 | 16 | 16 | 1.000 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=1.839$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=1.839$
Degree of freedom $=(r-1)^{*}(\mathrm{c}-1)=(2-1)^{*}(2-1)=1$
$\chi^{2}$ Table value for 1 Degree of freedom at $5 \%=3.84$
Since $\chi^{2}$ Calculated value (1.839) < $\chi^{2}$ Table value (3.84), Hypothesis is accepted.

## Conclusion.

There is a significant difference between availability of wide range and quantity of products in-store and Online Shopping. People prefer to buy from Local Nearby PhysicalRetail stores as they get required quantity of products at right time and right place compared to online shopping.

## 2. CRM INITIATIVES:

H0: Consumers are more inclined towards buying from physical store over online store based on CRM initiatives.

H1: Consumers are not inclined towards buying from physical store over online store based on CRM initiatives.

| Mode | Number of Respondents | Total |  |
| :--- | :--- | :--- | :--- |
|  | Preferred | Not- Preferred |  |
| Physical Store | 143 | 30 | 173 |
| Online Store | 38 | 39 | 77 |
| Total | 181 | 69 | 250 |

## Expected Frequencies $(\mathbf{A B})=\left[(\mathbf{A})^{*}(\mathbf{B})\right] / \mathbf{N}$

| 125.6 | 47.74 | 173 |
| :--- | :--- | :--- |
| 55.74 | 21.26 | 77 |
| 181 | 69 | 250 |

O= Observed Frequencies E= Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O - E})^{\mathbf{2}}$ | $\left[(\mathbf{O}-\mathbf{E})^{\mathbf{2}}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 143 | 125.25 | 315.06 | 2.516 |
| 38 | 55.74 | 314.71 | 5.667 |
| 30 | 47.74 | 314.71 | 6.60 |
| 39 | 21.26 | 314.71 | 14.80 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=29.48$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=29.48$
Degree of freedom $=(r-1)^{*}(\mathrm{c}-1)=(2-1)^{*}(2-1)=1$
$\chi^{2}$ Table value for 1 Degree of freedom at $5 \%=3.84$
Since $\chi^{2}$ Calculated value (29.48) > $\chi^{2}$ Table value (3.84), Hypothesis is rejected.

## Conclusion.

Consumers are not inclined towards buying from physical store over online store based on CRM initiatives. Consumers do not consider CRM initiatives as more important factors while buying from Physical stores. These days the retailers at the physical store offer the same CRM initiatives compared to the CRM initiatives at the online store.

## 3. SALES PROMOTIONAL MOTIVES BEHIND MOTIVATING CONSUMERS TO BUY.

H0: There is a significant difference in sales due to Reasonable price reductions, discounts and offers at physical stores and online stores.

H1: There is a significant difference in sales due to Reasonable price reductions, discounts and offers at physical stores and online stores.

| Mode | Number of Respondents |  |  | Total |
| :--- | :--- | :--- | :--- | :--- |
|  | Increased Sales | No Increase in Sales | No Effect |  |
| Physical Store | 75 | 15 | 35 | 125 |
| Online Store | 65 | 20 | 40 | 125 |
| Total | 140 | 35 | 75 | 250 |

## Expected Frequencies $(\mathbf{A B})=[(\mathbf{A}) *(\mathbf{B})] / \mathbf{N}$

| 70 | 17.5 | 37.5 | 125 |
| :--- | :--- | :--- | :--- |
| 70 | 17.5 | 37.5 | 125 |
| 140 | 35 | 75 | 250 |

## O= Observed Frequencies E=Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O}-\mathbf{E})^{\mathbf{2}}$ | $\left[(\mathbf{O}-\mathbf{E})^{\mathbf{2}}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 75 | 70 | 25 | 0.3571 |
| 65 | 70 | 25 | 0.3571 |
| 15 | 17.5 | 6.25 | 0.3571 |
| 20 | 17.5 | 6.25 | 0.3571 |
| 35 | 37.5 | 6.25 | 0.1667 |
| 40 | 37.5 | 6.25 | 0.1667 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=1.77$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=1.77$
Degree of freedom $=(r-1) *(\mathrm{c}-1)=(2-1)^{*}(3-1)=2$
$\chi^{2}$ Table value for 2 Degree of freedom at $5 \%=5.99$
Since $\chi^{2}$ Calculated value (1.77) $<\chi^{2}$ Table value (5.99), Hypothesis is accepted.

## Conclusion.

There is a significant difference in sales due to Reasonable price reductions, discounts and offers at physical stores and online stores. Customers have an opinion that sales in both the formats like physical stores and online stores do vary as per the price reductions, discounts and offers. Customers are of the opinion that online stores offer more price reductions, discounts and offers compared to physical store.

## 4. ASSOCIATION BETWEEN ECONOMICS CONDITIONS AND QUANTITY PURCHASED.

H0: There is no association between economic conditions and the quantitypurchased.
H 1 : There is an association between economic conditions and the quantitypurchased.

| Economic <br> Conditions | Number of Respondents |  |  | Total |
| :--- | :--- | :--- | :--- | :--- |
|  | High quantity | Medium Quantity | Less quantity |  |
| Rich | 55 | 70 | 15 | 140 |
| Poor | 15 | 30 | 65 | 110 |
| Total | 70 | 100 | 80 | 250 |

Expected Frequencies $(\mathbf{A B})=[(\mathbf{A}) *(\mathbf{B})] / \mathbf{N}$

| 39.5 | 56 | 44.5 | 140 |
| :--- | :--- | :--- | :--- |
| 30.8 | 44 | 35.2 | 110 |
| 70.3 | 100 | 79.7 | 250 |

## O= Observed Frequencies E= Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O - E})^{\mathbf{2}}$ | $\left[(\mathbf{O}-\mathbf{E})^{2}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 55 | 39.5 | 240.25 | 6.08 |
| 15 | 30.8 | 249.64 | 8.10 |
| 70 | 56 | 196 | 3.5 |
| 30 | 44 | 196 | 4.45 |
| 15 | 44.5 | 870.25 | 19.56 |
| 65 | 35.2 | 870.04 | 25.22 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=66.91$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=66.91$
Degree of freedom $=(r-1) *(c-1)=(2-1) *(3-1)=2$
$\chi^{2}$ Table value for 2 Degree of freedom at $5 \%=5.99$
Since $\chi^{2}$ Calculated value (66.91) > $\chi^{2}$ Table value (5.99), Hypothesis is rejected.

## Conclusion.

There is an association between economic conditions and the quantity purchased. Customers admit that there is an association between the economic conditions and quantity purchased. Generally, it is believed that economically
poor customers with low purchasing power buy less quantity than compared to the rich customers with more purchasing power buy more and more of luxurious goods.

## 5. ELECTRONIC PAYMENT SYSTEM AND CREDIT FACILITIES PROVIDED:

Most of the retail firms are bringing out new modes of payment and credit facilities in both the physical store and online store formats. In order to map out this campaign, retail firms want to determine whether the campaign will appeal most to particular age group orwhether it will appeal equally to all age groups.

H0: Campaign appeals equally to all age groups.
H1: Campaign doesn't appeal equally to all age groups.

|  | Age Group |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- |
|  | Under 20 | $20-40$ | $40-60$ | 60 and above | Total |
| Accept ( Like) | 73 | 39 | 24 | 14 | 150 |
| Rejected ( dislike) | 27 | 11 | 21 | 11 | 70 |
| Indifference | 10 | 5 | 5 | 10 | 30 |
| Total | 110 | 55 | 50 | 35 | 250 |

Expected Frequencies $(\mathbf{A B})=\left[(\mathbf{A})^{*}(\mathbf{B})\right] / \mathbf{N}$

| 66 | 33 | 30 | 21 | 150 |
| :--- | :--- | :--- | :--- | :--- |
| 30.8 | 15.4 | 14 | 9.8 | 70 |
| 13.2 | 6.6 | 6 | 4.2 | 30 |
| 110 | 55 | 50 | 35 | 250 |

## O= Observed Frequencies E= Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O}-\mathbf{E})^{\mathbf{2}}$ | $\left[(\mathbf{O}-\mathbf{E})^{\mathbf{2}}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 73 | 66 | 49 | 0.74 |
| 27 | 30.8 | 14.45 | 0.47 |
| 10 | 13.2 | 10.24 | 0.78 |
| 39 | 33 | 36 | 1.09 |
| 11 | 15.4 | 19.36 | 1.258 |
| 5 | 6.6 | 2.56 | 0.388 |
| 24 | 30 | 36 | 1.2 |
| 21 | 14 | 49 | 3.5 |
| 5 | 6 | 1 | 0.1667 |
| 14 | 21 | 49 | 2.333 |
| 11 | 9.8 | 1.44 | 0.147 |
| 10 | 4.2 | 33.64 | 8.01 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=21.59$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=21.59$
Degree of freedom $=(r-1) *(c-1)=(3-1)^{*}(4-1)=6$
$\chi^{2}$ Table value for 6 Degree of freedom at $5 \%=12.59$
Since $\chi^{2}$ Calculated value (21.59) > $\chi^{2}$ Table value (12.59), Hypothesis is rejected. Conclusion: Campaign doesn't appeal equally to all age groups. Customer admits that the new campaign would appeal the most to working population.

## 6. RETAILERS WISHES TO TEST WHETHER A PREFERENCE PATTERN OF CUSTOMERS FOR ITS PRIVATECOSTLY BRANDS IS DEPENDENT ON INCOME LEVELS.

H0: Preference pattern of customers for its private costly brands is not dependenton the income level.
H1: Preference pattern of customers for its private costly brands is dependent onthe income level.

| Income level | Brands | Brand B | Brand C |  |
| :--- | :--- | :--- | :--- | :--- |
|  | Brand A | 15 | 40 | 140 |
| High | 85 | 12 | 30 | 67 |
| Medium | 25 | 6 | 27 | 43 |
| Low | 10 | 33 | 97 | 250 |
| Total | 120 |  |  |  |

Expected Frequencies $(\mathbf{A B})=[(\mathbf{A}) *(\mathbf{B})] / \mathbf{N}$

| 67.2 | 18.49 | 54.31 | 140 |
| :--- | :--- | :--- | :--- |
| 32.64 | 8.98 | 26.38 | 68 |
| 20.16 | 5.53 | 16.31 | 42 |
| 120 | 33 | 97 | 250 |

## O= Observed Frequencies E=Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O}-\mathbf{E})^{\mathbf{2}}$ | $\left[(\mathbf{O}-\mathbf{E})^{\mathbf{2}}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 85 | 67.2 | 316.8 | 4.714 |
| 25 | 32.64 | 58.37 | 1.787 |
| 10 | 20.16 | 103.23 | 5.120 |
| 15 | 18.49 | 12.19 | 0.6593 |
| 12 | 8.98 | 9.12 | 1.0156 |
| 6 | 5.53 | 0.2209 | 0.0399 |
| 40 | 54.31 | 204.78 | 3.770 |
| 31 | 26.38 | 21.34 | 0.8089 |
| 27 | 16.31 | 114.27 | 7.006 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=24.92$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=24.92$
Degree of freedom $=(r-1) *(\mathrm{c}-1)=(3-1) *(3-1)=4$
$\chi^{2}$ Table value for 4 Degree of freedom at $5 \%=14.860$
Since $\chi^{2}$ Calculated value (24.92) > $\chi^{2}$ Table value (14.860), Hypothesis is rejected.

## Conclusion:

Preference pattern of customers for its private costly brands is dependent on the income level. It is found that customers with high and medium income level prefer to buy the products from the private costly brands.

## 7. ASSOCIATION BETWEEN SHIFT (TIME OF PURCHASE) AND SALES:

H0: There is no association between the shift and the volume of sales.
H 1 : There is an association between the shift and the volume of sales.

| Shift | Volume of sales | Total |  |
| :--- | :--- | :--- | :--- |
|  | Good sales | Poor sales |  |
| Day | 90 | 13 | 103 |
| Evening | 70 | 17 | 87 |
| Night | 40 | 20 | 60 |
| Total | 200 | 50 | 250 |

Expected Frequencies $(\mathbf{A B})=[(\mathbf{A}) *(\mathbf{B})] / \mathbf{N}$

| 82.4 | 20.6 | 103 |
| :--- | :--- | :--- |
| 69.6 | 17.4 | 87 |
| 48 | 12 | 60 |
| 200 | 50 | 250 |

## O= Observed Frequencies E= Expected Frequencies

| $\mathbf{O}$ | $\mathbf{E}$ | $(\mathbf{O}-\mathbf{E})^{2}$ | $\left[(\mathbf{O}-\mathbf{E})^{2}\right] / \mathbf{E}$ |
| :--- | :--- | :--- | :--- |
| 90 | 82.4 | 57.76 | 0.7009 |
| 70 | 69.6 | 0.16 | 0.0023 |
| 40 | 48 | 64 | 1.334 |
| 13 | 20.6 | 57.76 | 2.8039 |
| 17 | 17.4 | 0.16 | 0.00919 |
| 20 | 12 | 64 | 5.334 |
| Total |  |  | $\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=10.183$ |

$\chi^{2}$ Calculated value $=\sum\left[(\mathrm{O}-\mathrm{E})^{2}\right] / \mathrm{E}=10.183$ Degree of freedom $=(\mathrm{r}-1) *(\mathrm{c}-1)=(3-1) *(2-1)=2$
$\chi^{2}$ Table value for 2 Degree of freedom at $5 \%=5.991$
Since $\chi^{2}$ Calculated value (10.183) > $\chi^{2}$ Table value (5.991), Hypothesis is rejected.

## Conclusion:

There is an association between the shift and the volume of sales. Customers admit that they prefer day and evening time convenient to purchase the products. Hence there is a direct relationship between the time of purchasing and volume of sales.

## CONCLUSION:

It is concluded that there is a significant difference between availability of wide range and quantity of products instore and Online Shopping. People prefer to buy from LocalNearby Physical Retail stores as they get required quantity of products at right time and right place compared to online shopping. These days the retailers at the physical store offer the same CRM initiatives compared to the CRM initiatives at the online store.

Customers have an opinion that sales in both the formats like physical stores and online stores do vary as per the
price reductions, discounts and offers. Customers are of the opinion that online stores offer more price reductions, discounts and offers compared to physical store. Generally, it is believed that economically poor customers with low purchasing power buy less quantity than compared to the rich customers with more purchasing power buy more and more of luxurious goods. Preference pattern of customers for its private costly brands is dependent on the income level. It is found that customers with high and medium income level prefer to buy the products from the privatecostly brands. There is an association between the shift and the volume of sales.

Customers admit that they prefer day and evening time convenient to purchase the products. Hence there is a direct relationship between the time of purchasing and volumeof sales.

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