



SHOPPING BEHAVIOUR OF CONSUMERS: AN EMPIRICAL STUDY ON THE PERCEPTION OF ONLINE AND OFFLINE SHOPPERS IN EAST GODAVARI DISTRICT OF ANDHRA PRADESH

Ammi Reddy Mallidi¹ & Prof. M .Sarada Devi²

¹*Research Scholar, Dept. Commerce & Management Studies, Andhra University*

²*Research Supervisor, Au Commerce & Management Studies, Andhra University*



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Shopping is part of every day's life. In the recent, shopping pattern of the consumers is changing. Customers are searching for simple and easiest process of marketing like online shopping as the best shopping practice. Buyers today are only a click away from comparing competitor's product and attributes. Today a person can order almost anything over the internet. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Online shopping in India is also proving to be a boon for many small and medium enterprises, which are joining hands with major Indian online portals to display their products and advertise their services.

Statement of the problem

The earlier studies distinguished the non-store retail format and Internet. They investigated why consumers shop through stores, catalogs, or the Internet. The study contributes to the current marketing literature by comparing the offline and online channel side-by-side. This study also contributes hypothetically and practically to a better understanding of consumer behavior, particularly the online buying decision process.

East Godavari district is taken as an area of study because no study is being done regarding offline and online shopping. This study will give the idea about which shopping will be best for the consumer point of view? Which option would be preferred by the consumer to shop whether online or offline? This study will give a clear idea about internet shopping. This study reflects the problems and factors of online and offline shopping. There are certain problems, why people do not do shopping online and go for a market to shop things? What are the major reasons behind the online and offline shopping? This study helps the consumer to get an idea about the online shopping. The study makes the consumer clear about which option should be taken by the consumer to get more benefit out of it. The outcome of the

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research will assist retailers to understand why consumers search and evaluate products online and then buy them offline and vice versa.

The present study broadly compares the online and offline shopping that how the customers prefer both methods of shopping. Specifically, the objectives are:

1. To study the consumers' demographic and economic features which influence shopping behavior in East Godavari district.
2. To find out the consumers' perception of technology use, availability and attitude about the internet.
3. To study the present status of on-line and off-line customers in India as well as globally
4. To examine the factors influencing the consumer to switch from offline shopping to online shopping and online to offline shopping (Shift in buying behavior).
5. To study the consumers' shopping Preference and problems facing while shopping
6. To offer suggestions to improve online and off-line shopping in India

Based on the objectives of the study, the following hypotheses are formulated.

H₀₁: There is no significant difference in respondents' perception related to online and offline shopping

H₀₂: The demographic factors (Gender, Age, Education, Occupation, Income, Marital status, and Family structure) have no significant relationship between respondents in adopting shopping formats (online/offline).

H₀₃: Internet usage by respondents has no association with online shopping

H₀₄: There is no impact of promotional activities on the shopping pattern of offline and online

H₀₅: The demographic factors (Gender, age, education, occupation, income, marital status, and family structure) have no significant influence on buying behavior towards Offline/Online

H₀₆: There is no significant Influence of various factors (Promotions, Pricing, Security, Customer service, Time consciousness, and Trust) of offline/online on consumer buying behavior

H₀₇: There are no perceptual differences between the customers regarding problems/reasons for online shopping.

The present study is based on a combination of both qualitative and quantitative data. The qualitative data is collected through the sampling from the consumer. In this study qualitative research was used with the goal of getting insight into online shopping.

East Godavari is selected for the study because geographically East Godavari district is the well-irrigated area and also termed as the rice bowl of Andhra Pradesh. The district is one of the smart cities of India which has the highest population and covering with an educational institution and industrial establishments.

Research Instrument

The research uses a questionnaire survey to interpret consumers' perceptions towards consumption behavior in the recent. The questionnaire survey includes multiple choices, open-ended questions, and attitude statements. The researcher used the questionnaire which derived from concepts, theory and related research, to collect the data. This questionnaire consisted as follows:

- Questions containing in this sections attempt to measure the impact of demographic characteristic include gender, age, education, the profession of the consumers on consumption level. To collect accurate information, the questionnaire was prepared in both Telugu and English version too because some respondents might have a problem with English proficiency. The respondents were informed about the purpose of the study and confidentiality of the personal information and the answers given which is reserved for research purpose only.

Tools used to Data Analysis

- For the purpose of analysis and to facilitate interpretations of ample statistical tools like percentages, averages are used.
- The variations in quantitative performance and for testing the hypothesis are measured with help of ANOVA (Analysis of Variance). These are operated on SPSS for Windows Version 20.0. The χ^2 test was employed to examine the customers' perception of various factors.

Analysis of variance (ANOVA) is a collection of statistical models, and their associated procedures, in which the observed variances partitioned into components due to different explanatory variables. ANOVA gives a statistical test of whether the means of several groups of data are all equal.

- The Chi-square (χ^2) test is one of the simplest and most widely used non-parametric tests in statistical work. The symbol χ^2 is the Greek letter chi. the χ^2 test was first used by Karl person in the year 1900. The quantity χ^2 describes the magnitude of discrepancy between theory and observation.

$\text{It is defined as } \chi^2 = \frac{(O - E)^2}{E}$

Where O refers to the observed frequencies and E refers to expected frequencies.

- Mean (\bar{X}): The mean value is obtained by adding together all the items and by dividing this total by the number of items.

$\bar{X} = \frac{\sum X_1 + X_2 + X_3 + \dots + X_n}{N}$
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- **Cross Tabulation:** Cross tabulation is a technique for comparing data from two or more categorical variables such as gender and selection variable. Cross-tabulation is used with demographic variables and the study's target variables.

The F-test: The F-test is used for comparisons of the components of the total deviation. For example, in one-way, or single-factor ANOVA, statistical significance is tested for by comparing the F-test statistic to the F-distribution with-1, nT-I degrees of freedom.

$$F = \frac{\text{variance of the group means}}{\text{mean of the within-group variances}}$$

- **Likert's scale format:** The responses on variables related to the study were obtained on the 5-point Likert scale. According to Burns and Bush (1998)¹, the value of the Likert scale format lies in the fact that respondents are asked to indicate how much they agree or disagree with the statement.

The study is confirmed to East Godavari District, Andhra Pradesh. Thus, results of the study may vary while compared with other areas.

The study is mainly based on the consumer's perceptions collected by personal interview. It is observed that the respondents have not disclosed their correct marketing information. However, utmost care has taken to minimize constraints to attaining required information in the study. Hence results of the study may be relevant.

¹Burns, A., and Bush, R. (1998). *Marketing Research* (2nd ed.). Prentice Hall: New

Chapterization of the thesis

The study contains seven chapters. *Chapter one is introductory in nature.* It presents a brief introduction relating to the online and offline shopping, consumer attitude, need for the study, objectives, hypothesis, methodology, a period of study, and scope and limitations of the study and present study layout. The *second chapter is* dedicated to the presentation of earlier studies under the heading *Review of Literature* relating to the various aspects of online and offline shopping. A comprehensive review of the past studies is presented in this chapter. *Chapter three named “Growth of internet marketing in India.* *Chapter four titled as “Profile of the East Godavari District”.* It covers demographic and social factors which influence on consumption level. In chapter five, the *demographic and economic profile of the respondents* which effects on consumption is presented. Chapter six explains the ‘Consumers’ perception of online and offline marketing in the study area. The last chapter presents a *summary of observations and suggestions.* A selected bibliography is added at the end.

Findings of the Study:

Demographic and Economic profile of the Customers and shopping format choice decision:

1. The data for the study has been collected from the 650 respondents of different occupations like employees (32.31 percent) students (18.46%), Housewives (15.38%), Business persons (13.85%) and others (20%) including political members, literate farmers, doctors).
2. About 71.4 percent of the respondents are male and the remaining 28.46 percent are female. Majority of the customers are belonging to 15-25 years of age group followed by the age groups of 26-35 years (32.31%), 36-45 years (18.46%) and above 46 years (13.54%) respectively.
3. A major chunk of the respondents (40.15 percent) had graduation followed by PG and above (21.08%), technical education (19.54%) and Diploma/SSC qualification.
4. About 50.77 percent of customers prefer offline shopping and remaining 49.23% prefer to online retailing.
5. Among the male, 61.51 percent preferred online shopping and it is 12.83 % in case of a female. The coefficient of variation (CV) in this regard is recorded at a lower level at 0.29 and 0.20. The X^2 test results also show that the null hypothesis (H_0) is not

- accepted and accepted the alternative hypothesis (H_1) i.e., there is a gender difference in retail format choice decisions at 5 percent level of significance.
6. Majority of the respondents in the age group of 26-35 years by 55.05% (group-B) is preferred to online shopping followed by the age groups 15-25 years, 36-45 years and above 46 years. The X^2 test results also show that the null hypothesis (H_0) is not accepted and accepted the alternative hypothesis (H_1) i.e., there is a metamorphosis in retail format choice decisions among the customers by their age group' at 5 percent level of significance.
 7. About 55.08 percent of the respondents are married. Of the total, 66.76 percent are referred to and 33.24% are preferred online shopping. Among the unmarried, 68.84 percent of the respondents are chosen online shopping. From the X^2 -test, it is found that the null hypothesis (H_0) is not accepted and accepted the alternative hypothesis (H_1) i.e., There is a difference between married and unmarried in shopping format choice decisions.
 8. It is found that shopping format choice decisions depend on respondents' by family size also. Families with 3-5 and above members frequently prefer online shopping formats. The P-value is recorded by 0.005 at 5 percent level of significance. Thus, the null hypothesis- 'The consumers' family size attributes are not affecting consumer's retail format choice decisions' is accepted at 5 percent level of significance.
 9. It is further observed that about 51.72% of the UG degree holders, 56.93% of PG and above qualified, 48.82 percent of technical holders are preferred online shopping. It is observed that the null hypothesis (H_0) is not accepted and accepted the alternative hypothesis as 'there is a difference in retail format choice decisions' between respondents by their educational qualifications.
 10. In a total of concerned occupations, the majority of employees (53.33 percent), another occupational group (55.38%), business (51.11 percent), students (46.67% and housewives (34% percent) are preferred online shopping. The null hypothesis- 'the consumers' occupation is an influencing attribute affecting consumers' retail format choices' is accepted at 5 percent level of significance.
 11. It is concluded that majority of the respondents are preferred the online according to the study. Male respondents, the age group of 26-35 years, unmarried, family size with 2-3members, employees and other group members (political members, literate

farmers, doctors etc.) are significantly preferred to online shopping. Meanwhile, there is a perceptual difference among these peer groups regarding and online and offline shopping. Therefore, it can be said that proper awareness is not on online shopping. The next chapter explains the shopping behavior of the customers in various dimensions.

12. Paradigm shift from Offline to Online:

- 38 percent of Male have shifted from Offline to Online where as 62 percent of Female have shifted from Offline to Online.
- A majority (56 percent) of respondents in the Age group of 26 – 35 years have shifted from Offline to Online. Only 8 percent of the respondents in the Age group of 46 and above years have shifted from Offline to Online.
- 36 percent, 28 percent of the respondents of degree, PG & above educational qualification respectively have shifted from Offline to Online.
- A majority (52 percent), (56 percent) of students and employees respectively have shifted from offline to online.
- A majority (68 percent) of the respondents, whose monthly income of 10000 – 20000 have shifted from offline to online. Only 7 percent of the respondents, whose monthly income which is more than to 30,000 have shifted from offline to online.
- 47.5 percent of um-married respondents have shifted from offline to online; where as only 16.7 percent of married respondents have shifted from offline to online.

13. Paradigm shift from Online to Offline:

- 40 percent of Male have shifted from Offline to Online where as only 18 percent of Female have shifted from Online to offline.
- A majority (43 percent, 31 percent) of respondents in the Age group of 36 – 45 years and 46 & above respectively have shifted from Online to offline. Only 4.5 percent of the respondents in the Age group of 26 – 35 years have shifted from Online to offline.
- 21 percent, 13 percent of the respondents of degree, PG & above educational qualification respectively have shifted from Online to offline.
- A majority (26 percent), (13 percent) of business people and housewife's respectively have shifted from Online to offline.

- A majority (58.6 percent) of the respondents, whose monthly income of less than to 10000 have shifted from Online to offline. Only 1.2 percent of the respondents, whose monthly income which is 20,000 to 30,000 have shifted from Online to offline.
- 12.6 percent of married respondents have shifted from online to offline; where as only 4.9 percent of un-married respondents have shifted from offline to online.

Suggestions

From the study, it is found that majority of the customers not having awareness about online shopping and internet usage even though the respondents are well educated, and employees. Therefore, proper directions and offers should be provided by the companies as the central government is provided incentives for online transactions after demonetization.

People are averse to online shopping because there is a difficulty in returning the faulty products. Hence the companies should make the arrangement so that try and buy facility is available at the customer doorstep and one can return if the product is faulty.

More awareness towards online shopping: it is found from the study that the demographical issues like age, education, and income were agreed for online shopping but the rate is higher when the respondents are young, when the education is higher the respondents agreed for the same and the higher income group respondents strongly agree for the same. It means an awareness programme for online shopping is very much necessary. The retail online shoppers should be planned for awareness towards online shopping in different ways.

Negotiations and bargaining: One of the most reasons for not doing online shopping is that there is less chance of making reasonable negotiations and bargaining. It has been found that Indian Consumers are price sensitive. Hence the price-sensitive consumers do not take much interest in online shopping. So the companies should allow considerable bargain for the customers.

Shipping charges: Most of the people feel that products available through online shopping are costly because of the shipping charges whereas in the traditional shopping there are no such charges. So the companies should provide the facility of free delivery in order to create excitement among non-users.

Mode of payment: In order to attract more and more customers, online shoppers have to increase the payment options as there are only small sections of people who have credit cards so this also hampers some who are willing to shop online. More options like Cash-on-

delivery, money transfer, cheques or demand drafts, end-to-end payment should be made available to the customer who can adopt the best-suited method.

Security measures: Security issues still continue to be a major drawback and complicated issue to the customers. Online frauds are common. In this process, trends like AVS (Address Verification System), PIN for credit cards, smart cards, digital signatures, e-cards, and easier infra-and inter-bank transactions online need to be made more prominent. Teaching consumers to transact only on secure internet connections is also necessary.

The researcher suggests that there should be a mutual agreement on internet transactions. Both parties should be liable for any fraudulent transactions. Proper OTP system should be introduced. At the same time, thumb impression is a good system, especially in the banking system. The concerned bank should display on the screen to thumb scan.

Call centers: Online retailers should also look into the possibility of running call centers which could ensure that the customer gets a chance to formally interact with the other party before the actual purchase. Through this way, the online shopping companies will be able to tap those customers who believe in experiencing the salespeople and products before to purchase.

Highlight the benefit of shopping at home: Potential customers should be convinced of the benefits of shopping from home without having the pain of going out in the crowded placed.

Security and privacy to generate trust: The study suggests that customers give the most importance to security and privacy to generate trust. Perceived privacy of customer information can be improved by ensuring that at no point of time the customer is asked for irrelevant personal information.

Make the prices more competitive: The price offered for online shopping should be made more competitive as compared to the prices of the goods available in the local shops then only the customers will feel motivated to buy online. Customers should be made aware of the varied sales promotion schemes, which will make this online buying more attractive and popular among the buyers.

Improve consumers 'value perception: Companies should improve consumers 'value perceptions about the products and reduce consumers 'perceived risk in the online shopping environment by providing quality products, timely delivery and fulfill their expectations. Also, the companies should make their website easy in use and risk reduction activities should be taken care.

Sale service: As the biggest hindrance in the path of online shopping becoming more popular is the question “who is to blame” If the product is not functioning well? Therefore, there should be more stress on the quality of products and the durability of the products, which are offered for sales and along with that assurance for after-sales service.

The overall results prove that the respondents have perceived online shopping in a positive manner. This clearly justifies the projected growth of online shopping in the country. However, the frequency of online shopping is relatively less in the country.

Scope to Further research

The present study has brought new dimensions and ideas to understand the online consumer behavior online shopping behavior in East Godavari district, Andhra Pradesh. The implications of this study have indicated that for future studies, the other areas of the research could be done on the comparative study of male and female online consumers and identifying the online risk reduction factors so as to bring more new insights related to the online shopping buying behavior. The scope of the study can be extended to different regions of India. Future studies can extend the results of this study for investigating the online consumer buying behavior that will help companies in relooking and revamping their strategies for online shopping. There is a scope to studies on the relevance of online shopping after demonetization in India is appropriate.