



Short Review Paper

Analyzing online and offline consumer behavior

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Abstract

The online/internet based and offline/traditional based marketing both have different features to display to consumers. While shopping on internet no physical traveling of customers is done nor any shipment cost is involved nor there is any restriction/limitations on timings for shopping. Plus it gives extra advantage of ease of access, convenience and time saving. In contrast, offline/traditional shopping allows physical inspection/ degree of tangibility of the products, communication among customers and marketers but in contrast it involves high travel cost of customers which needs to be borne by themselves and exploration costs, and also has limitations on shopping timings. Consumers may exercise the both channels in a different way resulting the same consumers may display dissimilar behaviors while shopping through online and offline channels. Therefore, it is important to understand how the same consumers behave at the two channels. In this study we have attempted to present an in-depth review of prior theoretical literature available related to online and offline consumer behavior.

Keywords: Online Shopping, Offline Shopping, Consumer Behaviour, India.

Introduction

Studies shows in past that buyers' decisions is affected by buyers' characteristics so if marketer knows that characteristics, they could get the key which unlocks the lock of knowledge that how customer interpret the stimuli he has received for making purchase decision. Literature review suggests that numerous of parameter which effects on behavior of consumers while buying through internet and physical purchasing. Peter J. Danaher et. al concluded that those brands of products which have relatively high share of market had the benefit of trustworthiness in the online store, while low market share brands have the benefit of brand loyalty in the physical retail stores¹. Tony Ahn et. al, founded in their research the internet based shopping and traditional shopping have different features and their associations with the acceptance behaviors of different customers².

Aron M. Levin et. al. founded that when attributes such as shopping quickly and large variety are having more weightage, internet/online shopping was mostly done as compared to physical shopping³. When considerations such as personalize service and degree of tangibility are given more weightage, physical shopping was mostly preferred over online shopping. In this literature an attempt is made to find the relevance between different dimensions of Online and Offline Consumer Behavior. Review of some literature has been done such as Junhong Chu, et.al found that there is online and offline differences in brand loyalty and price sensitivity when talking about eatable products and sensory products⁴.

Differences are noticeable when talking about eatable/edible food products and the product when senses are dominant for purchasing. Yaobin Lu et.al identified some factors that influence/affect customers in purchasing intention while shopping on internet and while shopping traditionally in an store⁵. The customer may transfer their mode of buying from traditional to internet based store when they are exposed to favorable communication by the marketers. This study may enable to identify and measure some factors associated with Online/internet based shopping and offline/traditional store shopping of consumer and how their behavior ultimately leads to purchasing of product and services.

Objectives: With the help of review of literature we have tried to reveal the following: i. To understand the basic conceptual framework of Online and Offline Consumer buying behavior. ii. To study the different parameters of Internet shopping and traditional store which influence consumer buying Behavior.

Methodology

In this report we have tried to review some literature and secondary data from various websites, national and international journals. Various authors have used their own research methodologies while conducting research but basically we have reviewed all literature which are some of the revolutionary research work done in this area. The Internet based stores and traditional/offline stores each have different dimensions to exhibit along with advantages and disadvantages. While talking with respect to internet based shopping generally it means

involves no physical movement of customers, also no product transportation cost and also have no bar of shopping timings which ultimately have merit of convenience and saving of precious time of customers. But when we talk with respect of internet based stores or websites it strictly does not involve tangible inspections or feel of the products. Also it doesn't involve interpersonal communications or contact among seller and buyer. Also internet based stores doesn't provide customers instant satisfaction. Some time these type of store involve transport/shipping charges and handling charges which again may vary with total distance of shipment. Now if we talk about offline/traditional shopping in stores it allows tangible inspection of the products following with the personal communications or contact among seller and buyer. Also an offline/traditional based store does provide customers instant satisfaction. But involves high traveling cost which needs to be borne by the customers which may include travelling fare or fuel cost or parking cost etc. Also while talking with respect to tradition stores they do have timing restrictions and cannot be accessed at any time of the day. Different consumers exhibits differently on the two situation which ultimately guides their buying behaviour. So many marketers are keen and eager to know why and how consumer act differently when they shop in two channels. In majority many researcher agree to a common point that some factors/traits of customers are inherent and cannot be changed or mould down to favorable cases by marketers. Hence it is needed to critically analyse effect of these factors on buying behaviour while doing shopping online and offline.

Literature Review

Pivush K. Sinha et. al acknowledged main considerations which the Indian consumer keep in his/her mind while purchasing any goods. The research team studied on over 293 participates through e-mail⁶.

Tony Ahn et. al discovered that there is difference between internet and physical purchasing features and their associations with the purchasing intentions of customers. They did survey over internet which have total 932 respondents which are residents of Korea and shops in 6 shopping malls under their consideration. Their study has given a remarkable model called "validate technology acceptance model" which helps in knowing the favorableness of shopping malls under consideration².

Aron M. Levin et. al for their study they were taken two cluster samples each of sizes nearly 199 each from a US university and form an survey panel which give feedback through internet only. Their study findings shows customer preferences in relation to internet shopping and physical shopping vary in large degree in relations to various products available in physical stores and internet shopping stores. Also they concluded that shopping experience of different consumers which are at different stages in their experience curve varies in

characteristics while buying through physical store and internet stores. When the criteria of decision making contains buying in bulk and quickly without having much lead time during that time internet purchasing is preferred over traditional physical purchasing and vice versa when the criteria of decision making contains personalize services and degree of tangibility that time traditional physical purchasing over internet purchasing is preferred³.

Junhong Chu et. al. discovered the relationship between the size of household and the product they buy and how many times they buy the same product. Further they found out the relationship among the brand trustworthiness and different price across internet stores and physical store with respect to daily grocery products. The study was initiated in Spain in one of the leading retail chain of daily grocery. The researchers found out two major findings i.e., firstly customers are more loyal in purchasing grocery products/items also the lot size of their order in nearly fix irrespective of internet purchasing or physical purchasing. Secondly they found out customers are less reluctant to price change while purchasing on internet as compared to purchasing traditionally⁴.

Rick L. et. al have conducted a survey though scanner panel method among various consumers. They found out in their research that there are a lot of behavioral differences among customers who shop on internet and those who shop traditionally though stores and supermarkets. Again the found same kind of findings that whenever customers buys on physical stores or supermarkets they give their more concern to lot size. When they buy over internet they opt for larger lot sizes of order because of the fact of easy home delivery. Also it has been found out through the scanner panel that customer do more screening of brand names, prices and variety⁷.

Koen Pauwels et. al in their study has concluded that revenue generation of any particular internet shopping store depends largely upon the content of that online store. Its revenue largely depends on the type of product categories the online store has kept and among various segments available to which segment the online store is targeting their efforts. They also founded the usually customers prefers traditional shopping when tangibility of an product is of more important and vice versa when tangibility is not of more importance than they prefer internet store for shopping. Also the customer whose resident is far away from the physical store location usually buys over internet rather than shopping on traditional stores⁸.

Yaobin Lu focused his study on identifying the causes which impose the customers to shift their desire from traditional shopping to internet shopping activities and vice versa from internet shopping to traditional shopping activities. He has founded further in his study that due to internet era, free flow of information, greater reach to customers, personalized services and product offerings nowadays etc fosters the inclinations of

customers towards internet shopping as compared to traditional shopping⁵.

Isabel P. Riquelme et. al has founded that some of the traits of human personality also have major effects on their buying intentions. Major traits which influence the buying perceptions for retailers' are the cognitive skills and psychographic traits. Retailers malpractices generally influences the cognitive trait of human brain and later on consumer act accordingly whether he/she is purchasing on internet or in traditional store⁹.

Conclusion

The literature review related with Online and Offline consumer behavior projects that there is lot of research work done in this stream, many among them is harder to be stated in here. But the above research papers review surely shows that there is a vital need to understand more and more the internet/online shopping attitude and behaviour of customers, as the new era indicated the glimpse of internet shopping only in coming future and our customer might totally depends only on internet shopping in future. So marketers must clearly define and differentiate the parameters and characteristics which segregate the behaviour of online and tradition purchasing of goods and services. In the above review we have found out some drivers and purchase intentions which incline a customer towards one side among two sides of a stream; i.e., Internet based store shopping of just traditional store shopping. Further our research suggest if a marker want to go for traditional store he/she needs to form different kind of marketing strategy as compared to if he/she wants to go for internet based store. Our research also suggest that if a customer is internet savvy it doesn't mean that he/she will buy only through online store. Customers may uses the Internet only to compare prices, product design and features and also after sale services given by the manufacturers and may make purchasing from traditional stores.

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