

A Comparative Analysis on the Effectiveness of Online and Offline Purchases on The Satisfaction Level of the Customers

Akhter Muzaffar, Khushboo Kumari, Dr Simanpreet Kaur, Ms Anjali

Department of Commerce, Chandigarh School of Business, Chandigarh Group of Colleges, Jhanjeri-140307, Mohali.
India

ABSTRACT

Retail is one of the sectors in India growing at the fastest rate. It constitutes one of the key economic pillars and accounts for about 10% of the country's GDP. This study aims to provide some light on the differences between online and offline shopping habits. Customers have options based on whether they favour shopping online or offline. Both offline and online purchasing have advantages and disadvantages. Because it eliminates the need for long trips, offers a greater selection, is open 24/7, and makes customer reviews more widely available, online shopping conserves time and money. But when they spend money in person, customers have the ability to visually inspect items, something that online shopping does not provide. Customers may use standard and online buying strategies depending on what they want to buy at any given moment, which results in essentially different behaviours between the two forms of shopping.

INTRODUCTION

Customers have two options for meeting their purchase needs: online and offline. Each method offers advantages and works with a variety of preferences and circumstances.

Customers can shop and peruse products from the ease of their houses or from any place with internet access thanks to e-commerce platforms. Its convenience—which spares time and eliminates the need to visit physical stores—is one of its main selling points. You can also get a great range of international products online, often at reasonable prices. Online shoppers find it attractive because it allows them to read reviews, compare prices, and access a wider selection.

On the other hand, offline shopping, also known as brick and mortar, involves making purchases in actual stores. There are benefits to using the conventional method, like being able to inspect, feel, and touch items before buying them. Customers also benefit from instant gratification because they don't have to wait for their items to be shipped home. Additionally, by allowing customers to interact with salespeople and other customers, the social component of offline shopping can enhance the overall shopping experience.

Both online and offline shopping have benefits, and factors like price, product availability, user-friendliness, and personal preferences often play a role in choosing between the two. Nowadays, a lot of consumers combine the two methods to meet their different needs and take advantage of their respective benefits.

REVIEW OF LITERATURE

In a study **Chiang and Dholakia (2014)** examined the motivations behind consumers' online purchases. According to their analysis, there are three primary factors that influence a buyer's decision to make an offline or online purchase. The types of goods and their attributes, the price of the product itself, and the characteristics of the online stores that make them available are these. The study found that consumers' decisions to buy or not buy are influenced by the usability and accessibility of shopping websites. Customers will resort to offline shopping if they are having trouble making an online purchase. They will then make an online purchase if they are still having problems making an offline purchase. After discussing the two shopping channels, the Customers have stated that they find online shopping to be more convenient and satisfying, which encourages them to make purchases online. Seniors who tend to be more educated, knowledgeable, and tech-aware as well as those who have positive attitudes towards the web and online shopping are more inclined to shop online, according to research by **Iyer and Eastmen (2014)**. However, seniors who are less tech-savvy and have an adverse view of online shopping are less active on these sites as they prefer to do their purchases offline. Conversely, seniors with greater internet proficiency use a greater number of online shopping platforms. When making purchases, older adults with more internet and shopping site knowledge compare online and offline shopping. The viewpoints of customers making in-

person and online purchases have been compared by **Tabatabaei (2009)**. The objective is to comprehend the factors that effect traditional customers' decisions to make purchases online, why they favour doing so, and what deters them from using these websites. 64 people participated in the study he conducted in a small mall, and he later reviewed the results. Each research participant possesses literacy skills and is acquainted with computers and the Internet. The survey asks about demographics, computer proficiency, and internet knowledge. The study came to the conclusion that monthly online shoppers used to make a lot of purchases. When **Jin and Kato (2004)** used eBay Market Watch Cards, 88% of the cases resulted in an online average rating of 8 or higher. Beckett's price guide explained that a card graded 8 will usually be worth twice as much as a card graded 7. This is a reference to the investigation's overall findings. Comparing the offline and online sales of 19 grocery products to the brand loyalty of 100 brands was the main focus of **Danaher et al. (2003)**. They used the beginning model, a new Dirichlet model segment, to compare the food items from the two shopping trips. Along with the 14 real models for purchasing behaviour, this model's highly noticeable features give exact brand choice classes. According to the study's findings, a surprisingly high percentage of well-known businesses with sizable market shares made purchases online. But when it comes to the small share brand, the situation is precisely the opposite. Conversely, brand share observations and expectations have nothing to do with traditional retail.

OBJECTIVES OF STUDY

The current study is focused to compare online and offline shopping. The specific Objectives are as follows:

- 1 To examine the notable distinctions in consumer demographics, availability, and attitudes between the offline and online segments.
2. To investigate the elements that lead a customer to transition from offline to online and vice versa.
- 3 To find out the difference between the effectiveness of online and offline shopping on the satisfaction level of the customers.

RESEARCH METHODOLOGY.

The scope was limited to the geographical boundary of Punjab, Jammu and Kashmir. The study is descriptive in nature. The study was conducted in Punjab, Jammu and Kashmir.

An online survey with the help of questionnaire was employed in the study to gather information from participants. The purpose of the questionnaire was to gather information pertinent to the study's goals.

Data Collection Method : Primary Data: A structured questionnaire was prepared. A total of 100 respondents were taken into account out of which 50 belonged to Punjab and 50 to Jammu and Kashmir

Secondary Data: It was used to gather the relevant information and documents from various websites, periodicals, journals etc.

DATA ANALYSIS AND INTERPRETATION

The study was conducted on different geographical area of the consumers where 63.4% are under rural and 36.6% are urban. The study showed the age group of consumers, 63.4% are 23-28, and 34.1% are aged 19-23. Most of the customers shop online occasionally, 29.3% rarely shop online and 22% frequently. The results found that when making an offline purchase, consumers search for it online, most of customers search products sometimes online before purchasing them offline, 26.8% always search products online before purchasing them offline. The data represented that the consumers perceive the convenience of online shopping compared to offline shopping, most of the customers are neutral about to shop online as compared to offline, 22% are more convenient to shop online and 29.3% are somewhat more convenient to shop online. The study showed that have consumers ever made a purchase online and then returned it in-store, most of the customers never returned the products in store after purchasing them online, and some of the customers rarely return products in store. While considering the response of students on how important is the option for consumers to return items in-store when shopping online, most of the customers think its very important option for them to return items in store after making the online purchase. With regard to how many consumers think online shopping has affected the overall experience of shopping, most of the customers think it has improved somewhat more to shop online, and 29.3% thinks it has improved significantly their shopping experience. According to the findings, a significant number of consumers believe that shopping online has impacted the selection of products available in physical stores, and the majority of them concur.

In addition to this, consumers feel about the customer service experience when shopping online versus offline, most of the customers are neutral about the customer service of online versus offline shopping. However, consumers think traditional retail stores can compete effectively with online retailers, most of the customers think traditional stores cannot compete with online shopping.

Figure 1.1

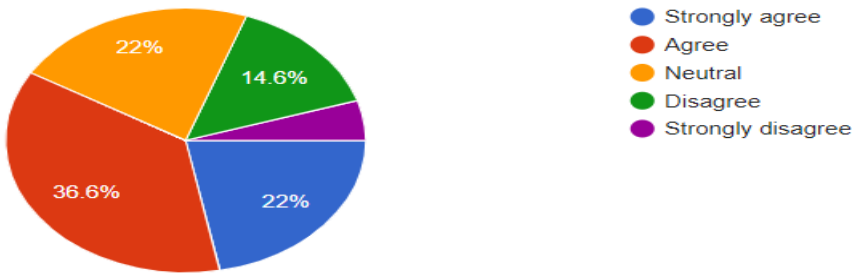


Figure 1.1 shows us how many consumers have noticed a decrease in their offline shopping since they started to shop online, most customers agree that after purchasing items online they have seen a decrease in their offline shopping, and 22% of the customers strongly agrees it.

Figure 1.2

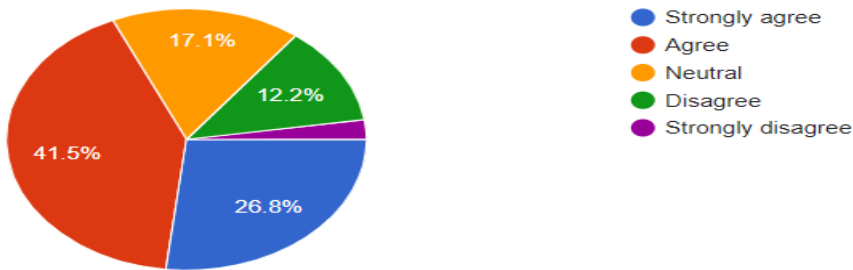


Figure 1.2 shows us how many consumers think online shopping has impacted their overall spending habits, 41.5 % agrees with it and 26.8% strongly agree with this that online shopping has impacted their overall spending habits.

Hypothesis Testing

Comparison between satisfaction level of online and offline shopping of customers

H0 (Null hypothesis):

There is no significant difference between the effectiveness of online and offline shopping on the satisfaction level of the customers.

Ha (Alternative hypothesis):

There is a significant difference between the effectiveness of online and offline shopping on the satisfaction level of the customers.

If P value is > .05 H0 accepted

< .05 H0 rejected

Table 1.1

Hypothesis	P value	Decision	Findings
H0	0.04	H0 rejected	There is a significant difference between the effectiveness of online and offline shopping on the satisfaction level of the customers because the p value is less than .05.

FINDINGS OF STUDY.

The major Findings of the study were :

1. There were 41 responses recorded in this survey.
2. Most respondents (63.4) are from rural areas.
3. The study shows the age group of consumers, 63.4% are 23-28, and 34.1% are aged 19-23.
4. 39% of consumers shop online occasionally.
5. 26.8% of consumers search for products online before purchasing them offline, 43.9% sometimes and 22% often search for the products.
6. 22% of consumers are much more convenient about perceiving convenience about online shopping as compared to offline shopping, and 41.5% are neutral, 29.3% are somewhat more convenient.
7. 29.3% of consumers think online shopping has affected the overall experience of shopping.
8. 14.6 % of consumers strongly agree that online shopping has affected the availability of products in physical stores, 43.9 only agree and 24.4% disagree with it.
9. With regard to how many consumers think online shopping has impacted their overall spending habits, 26.8% strongly agree, 41.5% agree and 12.2% disagree with it.
10. There is a significant difference between the effectiveness of online and offline shopping on the satisfaction level of the customers

CONCLUSION

A comparison analysis of customer satisfaction between online and offline purchasing can yield important insights into the preferences and behavior of consumers. While offline shopping offers customers a sensory experience where they can see, touch, and sample things before purchasing, online shopping offers convenience with 24/7 access and the flexibility to purchase from anywhere. Individual tastes may dictate that some customers place a higher value on convenience, while others may place a higher value on the in-store experience. Convenience, product choice, personalisation, security, cost, and social interaction are a few of the factors that influence how satisfied customers are with their purchases—both online and offline. By understanding these differences, retailers can more effectively modify their strategies to meet the requirements and tastes of their target market.

REFERENCES

1. Ahn, T., Ryu, S., & Han, I. (2004). The impact of the online and offline features on the user acceptance of Internet shopping malls. *Electronic commerce research and applications*, 3(4), 405-420.
2. Broekhuizen, T. L. (2006). Understanding channel purchase intentions: measuring online and offline shopping value perceptions.

3. Chiang, K. P., & Dholakia, R. R. (2003). Factors driving consumer intention to shop online: an empirical investigation. *Journal of Consumer psychology*, 13(1-2), 177-183.
4. Cho, Y., Im, I., Hiltz, R., & Fjermestad, J. (2002). The Effects of Post-Purchase Evaluation Factors on Online vs. Offline Customer Complaining Behavior: Implications for Customer Loyalty.
5. Danaher, P. J., & Mullarkey, G. W. (2003). Factors affecting online advertising recall: A study of students. *Journal of advertising research*, 43(3), 252-267.
6. Gilly, M. C., & Wolfinbarger, M. (2000). A comparison of consumer experiences with online and offline shopping. *Consumption, Markets and Culture*, 4(2), 187-205.
7. Hult, G. T. M., Sharma, P. N., Morgeson III, F. V., & Zhang, Y. (2019). Antecedents and consequences of customer satisfaction: do they differ across online and offline purchases?. *Journal of retailing*, 95(1), 10-23.
8. Iyer, R., & Eastman, J. K. (2006). The elderly and their attitudes toward the internet: the impact on internet use, purchase, and comparison shopping. *Journal of Marketing Theory and Practice*, 14(1), 57-67.
9. Jin, G. Z., & Kato, A. (2004). Consumer frauds and the uninformed: evidence from an online field experiment. University of Maryland, Working Paper.
10. Jin, G. Z., & Kato, A. (2006). Price, quality, and reputation: Evidence from an online field experiment. *The RAND Journal of Economics*, 37(4), 983-1005.
11. Lokhande, M. J. (2022). Online and Offline Shopping: A Comparative Study. *International Journal of All Research Education and Scientific Methods (IJARESM)*, 10(12), 775-786.
12. Mohanty, S. K., & Das, R. C. (2022). Service Experience and Customer Satisfaction in Offline and Online Services: A Study on Traditional Apparel Retail in Odisha. *Orissa Journal of Commerce*, 42(4), 74-91.
13. Moon, Y., & Armstrong, D. J. (2020). Service quality factors affecting customer attitudes in online-to-offline commerce. *Information Systems and e-Business Management*, 18(1), 1-34.
14. Rafiq, M., & Fulford, H. (2005). Loyalty transfer from offline to online stores in the UK grocery industry. *International Journal of Retail & Distribution Management*, 33(6), 444-460.
15. Riquelme, I. P., Román, S., & Iacobucci, D. (2016). Consumers' perceptions of online and offline retailer deception: a moderated mediation analysis. *Journal of Interactive Marketing*, 35(1), 16-26.
16. Sarkar, R., & Das, S. (2017). Online shopping vs offline shopping: A comparative study. *International Journal of Scientific Research in Science and Technology*, 3(1), 424-431.
17. Shankar, V., Smith, A. K., & Rangaswamy, A. (2003). Customer satisfaction and loyalty in online and offline environments. *International journal of research in marketing*, 20(2), 153-175.
18. Sharma, A., Sharma, A., & Kaur, H. (2020). Comparative Analysis Between Online and Offline Shopping Approach and Behavior of Consumers. *Journal of Computational and Theoretical Nanoscience*, 17(11), 4965-4970.
19. Tabatabaei, M. (2009). Online shopping perceptions of offline shoppers. *Issues in Information Systems*, 10(2), 22-26.
20. Vidani, J. (2024). Survey on Comparative Study of Online vs. Offline Buying Behavior of Consumer for Grocery Product in Surat. *Offline Buying Behavior of Consumer for Grocery Product in Surat (April 30, 2024)*.
21. Walsh, G., Hennig-Thurau, T., Sassenberg, K., & Bornemann, D. (2010). Does relationship quality matter in e-services? A comparison of online and offline retailing. *Journal of Retailing and Consumer Services*, 17(2), 130-142.
22. Zhang, J., & Wedel, M. (2009). The effectiveness of customized promotions in online and offline stores. *Journal of marketing research*, 46(2), 190-206.