



PRODUCT CATEGORY DEPENDENT CUSTOMER PREFERENCES FOR ONLINE AND OFFLINE SHOPPING – A STUDY

Commerce

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ABSTRACT

This paper addresses the question of how to combine online and offline services in the most complementary way for different product classes. These differences were accounted for by a reproduction that weights the importance of different attributes for different goods and assigns different values to these attributes depending on whether they are better served online or offline. Particular marketing strategy for capitalizing on the complementarity of online and offline services: alliances between online and offline brands. Confirming the operation of both assimilation and complementarity effects, it was found that the images of both brands could be improved with such alliances. Other marketing strategies were also discussed.

KEYWORDS

online and offline brands, marketing strategies, attributes.

INTRODUCTION

Within the wake of online shopping's exponential growth, many advantages and some perceived disadvantages of shopping online as compared to shopping offline at traditional bricks-and-mortar stores have become apparent. Among the advantages are rapid and extensive display of information, and ease of comparison between the attributes of different brands. On the other hand, lack of personal service, inability to inspect or handle the product, and concern about delivery and exchange processes including giving out credit card numbers over the Internet have been realized as perceived disadvantages. We propose that the relative advantages and disadvantages of shopping online and offline will play out differently for different types of products, at least in the mind of the purchaser.

REVIEW OF LITERATURE

In comparison to the offline channel, the online channel affects all the consumer decision making stages (Sheth and Mittal, 2004). For example, the information search process online differs with the information search process within a traditional channel, as consumers are usually limited to a narrow evoked set in a traditional store, but as the internet increases the ease of accessing information (Sheth and Mittal, 2004). The interactive nature of the internet furthermore improves the availability of product information, makes attribute comparisons possible and therefore increases the online shopping efficiency (Alba et al., 1997). The internet increases search benefits with a broader amount of product alternatives available for little extra search cost (Bakos, 1991). Variety was also found by Lee and Lee (2007) as online channel attribute. In addition, by eliminating the consumers' travel to and from a shop, the convenience of online shopping refers to both where and when a consumer can shop (Childers et al., 2001). Another benefit of the internet in the decision making process is the interactivity and flexibility of the channel to access and control product information and its 24 hour availability that is accessible through more than one location (Alba et al., 1997; Hoffman and Novak, 1996; Lee and Lee, 2007). Peterson and Merino (2003) mention the internet to replace many traditional search methods. Consumers may focus less on brand information and instead focus on the attributes of their product searching goal (Lenvin et al., 2005).

OBJECTIVES OF THE STUDY

To gap preference for online and offline services at special stages of the shopping experience for different products

To determine how alliances between online and offline brands impact brand images.

METHODOLOGY:

Research Design

It has used multi-stage proportionate random sampling has used for this study.

Sampling design

The direct personal interview method will be adopted to collect the duties from sample respondents.

Sample size

A total usable sample of 100 respondents was collected.

Data collection

The study is based on primary and secondary data. The primary data were collected through well structured questionnaire. Secondary data were collected from journal, website and magazines.

Importance ratings scale for each product

	Enjoy shopping	Shop Quickly	Large selection	Best price	See Touch Handle	Personal Service	Speedy delivery	No-hassle exchange
Tickets	7	3	4	1	8	6	5	2
Books	7	8	1	3	5	6	4	2
CDs	6	8	2	1	5	7	4	3
Clothing	6	8	3	4	2	5	7	1
Computer software	8	6	4	1	7	3	5	2
Electronic product	8	7	3	1	4	5	6	2
Health & grooming	8	6	2	1	3	7	5	4
Sporting Goods	7	8	3	1	4	6	5	2

It can be seen that for about half the product categories in online methods are preferred over offline for the search and compare steps. Offline is greatly preferred over online for the final purchase step for most product categories. Thus, in many circumstances, consumers would prefer to log on to the Internet to look at their possible choices, compare those choices on their various features, but prefer to make the final purchase at a retail location.

Mean ratings of extent to which online or offline is better for each attribute

On line-Off line	Mean Ratings
OFF LINE	4.75
See touch –handle	5.63
Personal service	7.13
Enjoy shopping	2.25
No-hassle exchange	5.13
Speedy delivery	
ON LINE	1.63
Best price	2.75
Large selection	6.75
Shop quickly	

In the survey, respondents were asked to rate the extent to which they think online shopping or offline shopping is better on each of a number of features. Table that purchasers see online shopping sources as better

for shopping quickly and having a large number of selections. Customers believe that it is quicker to shop online than it is to visit a physical retailer and that they have access to more products with a greater range of features online. In addition, online shopping was perceived to be the source for the best prices. In view of that most online retailers use an aggressive low price strategy to draw customers to their Web sites to shop, this result shows that this strategy is working.

ONLINE/OFFLINE SHOPPING PREFERENCES AT EACH STEP FOR EACH PRODUCT (Data are % who prefer online)

	SEARCH	COMPARE	PURCHASE
Airline Tickets	92	80	10
Books	50	37	05
CDs	55	37	12
Clothing	22	15	06
Computer software	80	67	05
Electronic product	50	32	09
Health & grooming	18	12	02
Sporting Goods	30	20	05

Customers perform so called research shopping, where the online channel is used to perform research, and the offline channel is used for purchase. Here, the internet has an advantage over a store for the search stage, but the store has an advantage over the internet for purchase as it was found desirable to perform physical examination of a garment prior to deciding on a purchase. This shows it being crucial for customers to be able to physically examine a product before deciding on a purchase.

FINDINGS

The study leads to the extraction of various factors affecting online purchasing of various products and services. The most motivating factors have been identified which encourage customers to shop online. The study also unveils the various resisting factors, which act as obstruction and divert the customers towards time-honored buying mechanism.

SUGGESTION

The marketing managers of the companies engaged in online business are suggested to work upon privacy and security features, which are most important for customers and make their website features more user friendly.

CONCLUSION

It was observed that although consumers are searching online to learn about products, but ultimately when it comes to purchasing, consumers are shifting from online to offline retailing channels depending on various factors. Convenience, information, usefulness, cost and time efficiency are the factors discovered by various researchers which develop positive attitude towards online shopping whereas perceived security, perceived privacy, complexity, intangibility of online products, social contact, hassle in online purchasing, dissatisfaction with online shopping are the factors impeding online buying.

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