ORIGINAL RESEARCH PAPER

Commerce

A COMPARATIVE STUDY ON ONLINE MARKETING AND TRADITIONAL MARKETING

KEY WORDS: Online Shopping, E-commerce, Traditional Shopping Etc

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ABSTRACT

Online shopping is concerned with e-commerce. The act of purchasing products or services over the internet is known as online shopping. Despite the advent of online shopping, the traditional shopping still prevails. But there has been a controversy as to which is better in comparison which the researcher himself has not been able to find. The survey, thus, conducted shows that people are not likely to use it every time but only prefer it sometime. The dilate is still on the pros and cons of online shopping, type of e-commerce threats that society poses using online shopping and also its advantages over traditional Shopping.

INTRODUCTION TO MARKETING

Marketing is the process of determining consumer demand for a product or service, motivating its sales and distribution it to ultimate consumer at a profit. –E.F.L.BREACH

Marketing is the communication between a company and the consumer audience that to increase the value of the company or its merchandise, or to raise the profile of the company and its products in the public mind. The purpose of marketing is to include behavioral change in the receptive audience. The concept of marketing dates back to ancient times. In ancient Greece, citizens used the agora as a forum to gather, make announcements, "muster military campaigns" and discuss issues like politics, marketing was a common practice for merchants and craftsmen, who used the agora to make and sell their wares.

The current scenario of Indian market looks bright. It s no longer a seller's market and over years, it has become one of the largest consumer market in the world. Today, the market of India is based on perfect competition principle with the presence of both buyers and sellers. The market fluctuations are dependent on the demand-supply chains and there is very little government intervention. The significant growth of the Indian economy has also put a positive impact on the market. The yearly average growth of the gross domestic product (GDP) ranges from 6% to 7%. According to the reports by the World Bank, the Indian market is accepted to grow around 8% in the year 2010.

The liberalization policies undertaken by the Indian government in the 1900s was perhaps of the major factors which led to the development and growth of marketing scenario in the country. Due to the liberalization policies, foreign companies started coming in, there was an overall increase in the demand and supply chains and various industrial segments were introduced into the market. This gives a real boost to the economy of India.

The vast and highly competitive consumer market of India has also attracted global business giants and multinational companies to set up bases here. More foreign companies are investing in the Indian capital market to get better profits. The amount of the foreign institutional investment (FIIS) has already become US$ 10 billion and it is accepted to rise further. The foreign direct investment (FDI) has also witnessed a phenomenal growth of around 85.1% to US$25.1 billion. The equity market in India ranks as the third in south Asia after china and Hong Kong.

STATEMENT OF THE PROBLEM

It is important to look into the situation from an academic research point of view so as to question the reason behind the condition of the shopping in Coimbatore city. This research may fill the gap between the choice of online and traditional marketing. This study reflects the problems and factors of online and traditional shopping. This study helps the companies to get an idea about what are the efforts to be made in the field of online marketing as well as traditional marketing. Moreover it makes the companies clear about which option should be taken to get more benefit out of it.

OBJECTIVES OF THE STUDY

*   To study about the consumer preference towards online marketing and traditional marketing.
*   To understand the factors influencing online marketing and traditional marketing
*   To observe the satisfaction level of consumers towards online marketing and traditional marketing
*   To identify the problems involved and to provide better suggestions for the future study purpose

RESEARCH METHODOLOGY
AREA OF STUDY
*   The study was conducted in Coimbatore City.
*   SOURCES OF DATA
*   The source of researcher study is based on primary data collection among 100 respondents.
*   SAMPLING DESIGN
*   The sampling design used in the study is convenience sampling

STATISTICAL TOOL USED
*   Percentage Analysis
*   Ranking Analysis

LIMITATION OF THE STUDY
*   For want of time, the study is restricted to Coimbatore city only.
*   The size of sample was constrained to 100 respondents and hence this study cannot be generalized for total population.

ANALYSIS AND INTERPRETATION
TABLE 1 PERCENTAGE ANALYSIS

GENDER	NO. OF RESPONDENTS	PERCENTAGE
Male	37	37
Female	63	63
TOTAL	**100**	**100**
AGE GROUP	**NO. OF RESPONDENTS**	**PERCENTAGE**
Below 15 years	02	02
15-18 years	23	23
19-22 years	64	64
23-26 years	09	09
27-30 years	02	02
TOTAL	**100**	**100**
EDUCATION QUALIFICATION	**NO. OF RESPONDENTS**	**PERCENTAGE**
School level	13	13
Under graduate	73	73
Post graduate	10	10
professionals	04	04
TOTAL	**100**	**100**
OCCUPATIONAL STATUS	**NO. OF RESPONDENTS**	**PERCENTAGE**
Govt. employee	55	55
Self employed	22	22
Private employee	18	18
Diploma	05	05
TOTAL	**100**	**100**

FAMILY INCOME	NO. OF RESPONDENTS	PERCENTAGE
Below Rs.10000	14	14
Rs.11000-20000	25	25
Rs.21000-30000	26	26
Rs.31000-40000	15	15
Above Rs.40000	20	20
TOTAL	**100**	**100**
SOURCE OF AWARENESS	**NO. OF RESPONDENTS**	**PERCENTAGE**
Own interest	30	30
Advertisement	44	44
Shop keepers	04	04
Agents	01	01
Parents	12	12
Friends and relatives	22	22
children	04	04
TOTAL	**100**	**100**
ADVERTISMENT MEDIA	**NO. OF RESPONDENTS**	**PERCENTAGE**
pamphlets	04	04
Posters and Banners	06	06
News papers	07	07
Radio and Television	15	15
Internet	12	12
TOTAL	**100**	**100**
RELY ON MEDIUM	**NO. OF RESPONDENTS**	**PERCENTAGE**
yes	48	48
No	32	32
Some what	20	20
TOTAL	**100**	**100**

CHI-SQUARE TEST

Chi-square test is a non-parametric test. It can be used to determine in categorized data show dependency or the classification are independent. It can also to make comparison between theoretical populations and actual data when categories are used. This test was first used by Karl Pearson in the year 1900. For all the chi-square test the table value has taken @ 5% level of significance and Degrees of Freedom = DF= (R-1)(C-1)

Chi-square test $(X^2) = \sum (O-E)^2/E$
Were 'O' = Observed Frequency
'E' = Expected Frequency
'R' = Number of Rows
'C' = Number of Columns

ALTERNATE HYPOTHESIS

There is a significant relationship between the age of the respondents and their opinion towards marketing efforts by companies on online activities compared to traditional marketing methods

NULL HYPOTHESIS

There is no significant relationship between the age of the respondents and their opinion towards marketing efforts by companies on online activities compared to traditional marketing methods

CHI-SQUARE TEST

Comparison between the age of the respondents and the traditional marketing methods

Age/opinion	Yes	No	Not sure	Row total
17-20	2	26	34	62
20-23	7	9	8	24
23-25	1	0	3	4
>25	0	0	0	0
Column total	10	35	45	90

Comparison between the age of the respondents and the traditional marketing methods

Observed frequency(O)	Expected frequency(E) E=(RT*CT)/GT	(O-E)²	(O-E)²/E
2	6.88	23.81	3.46
26	24.11	3.57	0.15
34	31	9	0.29
7	2.66	18.83	7.08
9	9.33	0.11	0.01
8	12	16	1.33
1	0.44	0.31	0.70
0	1.55	2.40	1.55
3	2	1	0.5
X²= ∑(O-E)²/E			15.7

(O= Observed Frequency, E= Expected Frequency, X^2= Chi Square)
From the above calculation we get,

Calculated Chi Square value X^2= 15.07
Now, to calculate the Degree of Freedom. When a comparison is made between one variable and another, the degree of freedom equals to (number of columns minus one) x (number of rows minus one) not counting the totals for rows and columns.

From the calculated data = (4-1)*(3-1)
Degree of Freedom (df) = 6

The table value at 5% level of significance and degree of freedom at 6 is 12.59.

INTERPRETATION

Since the calculated value is greater than table value 12.59, we are accepting the alternate hypothesis and hence rejecting null hypothesis.

Hence there is a significance relationship between the ages of respondents and traditional marketing puts down the reputation.

FINDINGS

- Majority 63% of the respondents are female
- Majority 64% of the respondents are in the age group of 19-22 years
- Majority 73% are qualified up to graduate level
- Majority 85% of the respondents are govt. employees
- Most 26% monthly family income is between Rs.21000-Rs.31000
- Only 44% of the respondents are aware through advertisement
- 34% of respondents are aware by the mode of advertisement
- Most 48% of the respondents rely on the medium of advertisement

SUGGESTIONS

- Companies should mix various mediums like advertisement, trade fairs, and sales persons.
- Consumers have the good knowledge of using the internet facilities they are highly are of online marketing.
- Consumers find certain benefits in online marketing moreover traditional marketing practices
- Consistency is to be improved more over in traditional marketing

CONCLUSION

Marketers are faced with new challenges and opportunities within this digital age. Online marketing is the utilization of electronic media by the marketers to promote the products or services into the market. The main objective of online marketing is attracting customers and allowing them to interact with the brand through online media. The main limitation of online marketing is where goods are being sold, the lack of tangibility means the consumers are unable to try out, or try on items they might wish to purchase. Generous return policies are the main way to circumvent such buyer apprehension. This article focuses on the importance of digital marketing and traditional marketing for both marketers and consumers.

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