

**To study the inclination of consumers towards shopping mediums:****Online shopping v/s Traditional shopping****Nidhi<sup>1</sup>, Saurabh<sup>2</sup>, Sunita Mehla<sup>3</sup>, Nitin Goyal<sup>\*</sup>, Vikrant Hooda<sup>4</sup>****1,\*- Research Scholar, Dept. of Business Management, CCSHAU, Hisar****2- Student, D.N. College, Hisar****3- Professor, Dept. of Business Management, CCSHAU, Hisar****4- Research Scholar, OM Sterling Global University, Hisar****Abstract**

Shopping has become a part of our daily life's activities. A consumer goes for shopping for satisfying his need for particular product. For this, consumers have two mediums i.e. online shopping and traditional shopping. And there are many factors which influence the consumers to select the medium for their shopping decision. So this study has been conducted to find the effect of those factors on the consumers for selecting particular medium for their shopping decision. In this study factor analysis and discriminant techniques are used to complete the objectives of the study.

For achieving the objectives of study, primary data is collected from 100 respondents of Hisar city of Haryana with the help of structured questionnaire. And this data is analyzed with factor analysis and it is identified that there are 2 main C's which motives the consumers to select particular medium for their shopping decision. These two C's are: Convenience & Complexity which are associated with online shopping. From these two C's, convenience is one of the most important factor having Cronbach Alpha value is 0.808 which is highly significant and show that this factor attracts more and more consumers towards online shopping.

On the other hand discriminant tool has been used to study the impact of factors on the future growth of online shopping over traditional shopping. And it is found that 63.0% of original grouped cases correctly classified i.e. people are agree that there will be future growth of online shopping over the traditional shopping. Thus it can be concluded that the online platform should focus on providing more and more convenience to retain the existing consumers and also focus on removing the complexities which are faced by consumers on online platform so that companies can attract the potential consumer towards online platform.

**Keywords:** Online shopping, Traditional shopping, Convenience & Complexity

## Introduction

Shopping is the activity of purchasing products in the exchange of money from a particular medium either physical or virtual. Shopping becomes a part of everyday life activities. A consumer requires a large number of products like Groceries, Cosmetics, Books, Clothes, Furniture, Electronic gadgets, toys gifts, greeting etc. for satisfying his daily needs.

According to Kotler & Amstrong (2001), consumer goes through numbers of steps while making his purchasing decision for a particular product i.e. “Need recognition, information search, evaluation of alternative, purchase decision and post purchase behavior”.

The first step of consumer buying process is need recognition. In this step the internal and external stimuli forced the consumer to recognize his need. The second step of the process deals with the search of all the possible alternatives. The third step deals with the evaluation of all the alternatives available to the consumer for satisfying their need. In the fourth step, the consumer makes his purchase decision on the basis of evaluation process. The fifth and the final step of consumer buying behavior is post purchase behavior it involve the future action of consumer on the basis of satisfaction and dissatisfaction he get after buying the product. Thus on the basis of these steps a consumer under goes his shopping decision.

At present, there are two main forms of shopping for the consumer to satisfy his need of particular products. These forms are traditional shopping and online shopping. According to Chayapa (2011), the process involve in the shopping decision of goods are similar in both cases i.e. in traditional as well as in online shopping but some major difference between these mediums are the shopping environment and buying facilities.

Traditional shopping is defined as the shopping from a physical place where the consumer and seller meet in order to exchange the ownership of product in the exchange of money (Kotler,Wong,Saunders & Armstrong, 2005). In this type of shopping, vendors and physical shops play an important role as they create an authentic environment around the consumer and create reliability towards their products. Further traditional shopping gives a number of advantages to the consumer like instant use of product , no waiting period, ease of checking authenticity of product, reduction of fraud , easily replaceable policy etc. which may not involve in case of online shopping. Whereas online shopping is the form of e-commerce which allow the consumer to purchase the goods and services from the online stores with the help of internet. These stores are also called e-store, e-shop, virtual store etc. which are designed

in such a way that it gives an ease to the consumer to browse the product and services on a single click.

Due to this rapid growth of internet, a large number of people do their shopping on online platform and it is estimated about 329.1 millions of people use online shopping till 2020 i.e. about 70.7% of people of India. Online shopping platform attracts a large number of people towards itself due to its facilities which are generally absent in traditional shopping these facilities are: 24\*7 hour availability, variety of options, time saving, better offers etc. All these facilities not only overcome the limitation of place and time which are generally faced by consumer in traditional shopping (Adnam,2014) but also provide a convenience platform which serve the consumer in better way.

Thus the decision of medium for shopping the product is depend on the perception of consumer towards them. In the modern era of e-commerce some people take advantages of technology and use the online shopping for their convenience or attractiveness while some people still don't trust the online sites and prefer traditional shopping due to some risk and securities issue. So this paper is focus on the inclination of consumer towards these two mediums for shopping.

### **Review of Literature:**

A review of literature is an analytical and descriptive summary of all the work done by the researcher on a specific topic or area of study. Literature review tries to fill the gap between previous research and existing research by providing background information about the problem. So there are some literature's review which identified the different aspects of traditional shopping and online shopping

**Rajdeep Singh & Ramandeep Kaur (2017)** has identified in his paper "Comparative study of factors affecting online & offline shopping" that the young generation show more inclination towards the online shopping due to advancement of technology. The demand of online shopping is increasing due to 5 main factors i.e. price, quality, offers, choice and variety.

**Yashika Guleria (2018)** has explained in her paper "Evaluating impact factors for consumer online & offline shopping behaviour", the six factors i.e. convenience, efficient, enjoyable,

rewarding, stressful and difficulty. All these factor help the consumer to shift their behaviour from offline to online shopping or vice- versa.

**K.shree lata Reddy & S. Jayalaxmi(2014)** has defined in his paper “ A comparative study of traditional shopping vs. online shopping”, online shopping provide number of facilities to the consumers like highly convenient, time saving. On the other hand it is also concluded that traditional shopping give a ground to consumer by providing a facility of physically checking of product and try to actually find the real need of consumer and satisfying them by actual interaction with consumer.

**Ms. Supriya Mahajan(2018)** identify in her paper “ A comparative study on online and offline shopping”, that the choice of medium for purchasing goods either online or offline platform depends on the demographic variables like gender, income, age, occupation and marital status. Apart from the demographic variable, consumers behavior also affected by the sources like convenience, authenticity, quality, pricing policy, trust, variety, offers etc. which are used by both platforms to attract more and more customer.

**Raja Sarkar & Dr. Sabyasachi Das(2017)** , in his paper “ Online shopping vs. offline shopping: A comparative study” identified that although there is rapid growth in e- commerce , people of India still prefer physical shops for real shopping experience. He also concluded that only the youngster of India are fueling the growth of online shopping by the use of technology but still other people prefer traditional shopping due to some trust and security issues related to online shopping.

## Research methodology

### Objectives of the Study:

- To find out the factors which affect the selection of shopping medium
- To study the impact of factors on the future growth of online shopping over traditional shopping.
- **Sampling technique:** It is the method of obtaining a sample from universe. In this method non probability sampling techniques (convenience and snow ball sampling) is used to collect data from sample.

**Universe:** Hisar is taken as universe for conducting study.

**Sample Size:** Number of people which are selected from universe is called sample size. In this study a sample of 100 respondents is taken into consideration for collecting data.

**Data Collection:** Data is collected with the help of primary as well as secondary source

- Primary source: The source from which first hand information is obtained is called primary data. In this study primary data is collected with the help of questionnaire.
- Secondary source: The source from which ready-made information is obtained is called secondary data. In this study secondary data is collected with the help of research paper, books, web sites etc.

**Statistical analysis:**

A frequency distribution technique is used to study the demographical profile where as factor analysis and discriminant is used to study the subjective profile of respondent.

**Procedure:**

Present study is an empirical research which is used to study the factors which influence the consumer to select the particular medium for shopping and how these factors affect the future growth online shopping over traditional shopping.

The data of the study has been collected from the respondent of Hisar city of state Haryana during the time period of dec2019 to feb2020. In this study, Hisar city is taken as the universe of the study and a sample of 100 respondents are selected for collecting the data with the help of structured questionnaire by the use of non-probability sampling technique i.e. convenience sampling and snow ball sampling. This questionnaire consists of two sections.

Section 1 of questionnaire contains demographical profile of the respondents like gender, age, income, occupation, educational level, locality and family type. Whereas section 2 of questionnaire contains the subjective profile of the respondent which consists of statements related to the comparison between online shopping and traditional shopping. This questionnaire consist of closed ended questions and scale based question. The scale based questions of questionnaire consist of 12 statement which are based on likert 5 point scale ranging from 1= strongly agree, 2= agree, 3=neutral,4= disagree, 5= strongly disagree. After the collection of data SPSS version 20 has been used to analysis the data and conclusion is made with the help of factor analysis and discriminant tool. Apart from primary data, secondary data is collected with the help of research paper, books and websites.

**Table 1. Demographic Profile of the Respondents**

Parameter	Demographic Profile	Frequency	Percentage
Gender	Male	51	51
	Female	49	49
Age	20-25	41	41
	25-30	35	35
	30-35	12	12
	35-40	4	4
	Above 40	8	8
Income per month	Rs. 0-15000	45	45
	Rs.15000-30000	28	28
	Rs.30000-45000	10	10
	Rs.45000-60000	3	3
	Rs.60000-75000	7	7
	Above Rs.75000	7	7
Occupation	Student	34	34
	House wife	12	12
	Entrepreneur	14	14
	Govt. employee	19	19
	Other	21	21
Education Level	High school	8	8
	Bachelors	36	36
	Masters	47	47
	PhD	9	9
Locality	Urban	64	64
	Rural	36	36
Family type	Nuclear family	61	61
	Joint family	39	39

The demographical profile of respondent is summarized in Table1. From the given data it is identified that majority of respondents are male i.e.51% and the female is 49% which shows that both male and female are engage in online shopping. Mostly respondents are youths which belong to the age group of 20-25 years (41%) and followed by the age group of 25-30 years (35%) which shows that youth uses the internet shopping to a great extent. Further majority of the respondents are under the income group of Rs.0-15000 (45%) and followed by income group of Rs.15000-30000 (28%) which shows that about  $\frac{3}{4}$  of the respondents are belongs to the middle class family and also show that the craze of online shopping is increasing in middle class family.

The educational level of majority of the respondents is Masters (47%) & followed by the bachelors (36%). Mostly respondents are students (34%) which show that the students show

more interest to buy the online products due to convenience on online platform. Mostly respondents of Hisar city belong to nuclear family (61%) and rest 39% lives with joint family. The table also concluded that 64% of consumers are from urban area and 36% respondents are from rural area which show that not only urban area but also rural area show inclination towards online shopping.

### Objective 1: To find out the factors which affect the selection of shopping medium

**Table 2. KMO and Bartlett's test**

<b>Kaiser-Mayer-olkin Measure of sampling adequacy</b>		<b>.713</b>
<b>Bartlett's Test of Sphericity</b>	Approx. Chi square	329.761
	Df	66
	Sig.	0.00

In this study, KMO and Bartlett's test are conducted to check whether the data is suitable for factor analysis or not. In Kaiser-Mayer-Olkin test, the sampling adequacy is 0.713 which shows that the data is middling for factor analysis. Also the Bartlett's test measures the sphericity which is equal to 329.761 which is significant. Thus both tests indicate that the data is appropriate for conducted the study through factor analysis.

**Table 3. Reliability Statistics**

<b>Cronbach's Alpha</b>	<b>.739</b>
<b>No. of items</b>	<b>12</b>

This table indicates the Cronbach's Alpha value of the factors is 0.739. These factors include in 12 different statements. Thus this Cronbach's Alpha value for 12 different statements indicate the reliability of factor for the study.

**Table 4. Total Variance explained**

	<b>Factor 1</b>	<b>Factor 2</b>
<b>Eigen Values</b>	3.496	2.294
<b>% variance</b>	29.135	19.114
<b>Total</b>	29.135	48.249

**Table 5. Factor name & their Loading**

Factor Name	Statement	Eigen Value	Cronbach's Alpha	% variance
<b>Convenience</b>	Online shopping platform provide more attractive offers like gifts, discount etc	.779	.808	29.135
	Online shopping saves time of buyer	.738		
	Online platform attracts a large number of customers	.712		
	Online shopping takes less time to purchase than traditional shopping	.698		
	Online shopping provides variety of products than traditional shopping	.683		
	Products in online platform are cheaper than conventional shop	.642		
	Comparison of product is possible on online platforms as compare to traditional one.	.528		
<b>Complexity</b>	Online shopping involve a lot of risk than traditional one	.758	.704	19.114
	Online shopping involves lengthy return & refund policy as compare to traditional shopping	.730		
	Online shopping involve a number of frauds	.691		
	Traditional shopping is more authentic as compare to online shopping	.631		
	It is hard to judge the quality of online product	.559		

### Factor analysis:

In this study primary data is collected with the help of questionnaire and analysis of questionnaire is done with the help of factor analysis in which 12 different statement are reduced to form 2 main factors which are related to the perception of consumer towards traditional shopping and online shopping on the bases of some positive and negative aspects related to them. These two factors are obtained with the help of Rotated components matrix and only those factors are included whose eigen value is more than one as it indicates the significance of factors for the study. From the analysis it is clear that the Chronbach's Alpha value of these two factors is 0.808 and 0.704 which is highly significant. The different percentage of variance for each factor is 29.135% and 19.114% which accounts for a total variance of 48.249%.

The factors name and the respective statements are loaded in Table.5 which includes two main factors and 12 different statements related to these two factors. These statements are loaded according to the nature and characteristics of factor. These two main factors are: convenience and complexity which are associated with the online shopping which affects the consumers' decision of using traditional shopping and online shopping.

## **Factor 1: Convenience**

The first factor that is obtained from factor analysis is “convenience”. This factor explained the highest percentage of variance i.e. 29.135% and its Chronbach’s alpha value is 0.808 which is highly significant. This highly significant value of Chronbach’s Alpha shows that the consumer is highly influenced by this factor. Seven different statements which show the convenience of online shopping are loaded in this factor. These 7 statements are: Online shopping platform provide more attractive offers like gifts, discount etc ,Online platform attracts a large number of customers, Online shopping takes less time to purchase than traditional shopping, Online shopping takes less time to purchase than traditional shopping, Online shopping provides variety of products than traditional shopping, Products in online platform are cheaper than conventional shop, Comparison of product is possible on online platforms as compare to traditional one. These are some conveniences for the consumers who purchase the product from online platform and it creates a favorable image of online shop in the mind of consumer and pulls them towards online shopping.

## **Factor 2. Complexity**

The second factor which is obtained from factor analysis is complexity which is related to online shopping which resist the consumer to go to online shop and forced them to make their purchase from traditional shops. This factor explained 19.114% of variance and its Chronbach’s alpha value is 0.704. This value of Chronbach’s Alpha shows the significance of factors. In this factor 5 statements are loaded which shows the complexity that are associated with online shopping. These 5 statements are: Online shopping involve a lot of risk than traditional one, Online shopping involves lengthy return & refund policy as compare to traditional shopping, Online shopping involve a number of frauds, Traditional shopping is more authentic as compare to online shopping, It is hard to judge the quality of online product.

All these statements are related to the Complexities which are faced by consumer while making online purchase. This factor creates a negative impact on the mind of consumer and resists them to buy the product from online shops.

**Objective 2: To study the impact of factors on the future growth of online shopping over traditional shopping.**

To study the above objective, this paper is focused on finding the different factors which are associated with the online shopping. These factors either show positive or negative impact on the mind of consumers or motivate them to choose one specific medium of shopping i.e. traditional shopping or online shopping. The selection of medium for shopping will ultimately affect the future growth of online shopping. So in this study dependent variable is taken as the growth of online shopping over traditional shopping and 2 factors i.e. convenience and complexity are taken as independent variable. For studying these factors 12 statements are taken into consideration on Likert 5 point scale. This scale consist of 5 point i.e. 1=strongly agree, 2=agree, 3=neutral, 4=disagree, 5=strongly disagree.

In Table 6 results of Canonical Discriminant Function coefficients yields coefficients of various factors. The equation of Discriminant is mentioned below:

$$\text{Discriminant Score} = +1.020(\text{Convenience}) - 0.040(\text{Complexity}) + 0.000(\text{Constant}).$$

Here the discriminant score for convenience is +1.020 which is highly significant and score for complexity is -0.040 and for constant is +0.000

**Discriminant**

**Table 6: Canonical Discriminant Function Coefficients**

Regression Coefficients	Function
	1
<b>Convenience</b>	1.020
<b>Complexity</b>	-0.040
<b>Constant</b>	0.000

Unstandardized coefficients

The results of Discriminant Equation are given in the above Table. It shows that the online shopping is preferred by number of consumers due to its convenience and it motivates the consumer to shop online. Thus it is indicated that the online shopping will take over the traditional shopping in future due to the convenience which are available at the online platforms. Moreover Group Centroids is used to check the authenticity of the output of equation by comparing the score of Discriminant equation.

**Table 7: Functions at Group Centroids**

Do you think online shopping take over the traditional shopping in future ?	Function
Yes	-.107
No	.485

Unstandardized canonical discriminant functions evaluated at group means

Thus above table concluded that if the score is more than -0.107 then the respondents of the study agree that the online shopping will overcome the traditional shopping in future where as the score of the equation more than 0.485 shows that the respondent do not think that online shopping take over traditional shopping in future.

**Table 8: Classification Results (a)**

Classification Results(a)				
Do you think online shopping take over the traditional shopping in future?		Predicted Group Membership		Total
		Yes	No	
Original Count	Yes	55	27	82
	No	10	8	18
	%	67.1	32.9	100.0
	NO	55.6	44.4	100.0

a 63.0% of original grouped cases correctly classified.

The classification result is shown in Table 8 which is used to give strength to Discriminant equation. In this study Bernoulli function is used to divide the respondents into two groups.

According to Bernoulli function 70% of the cases are used for predicting Discriminant equation and remaining 30% cases are used for checking the strength of the Discriminant equation.

In the study, it is identified that 63% of the selected cases are correctly classified where as the remaining 39% of the unselected cases are correctly classified. So the discriminant equation with 63.0% of original grouped cases correctly classified is considered as of good

quality. Thus it is concluded that the respondents think that online shopping take over the traditional shopping in future due to the number of convenience facilities which are available in the online platforms as all these convenience act as a pull factor which attracts more and more consumer towards online platform.

### **Conclusion:**

As there are number of factors which affect the choice of medium through which a consumer undergoes his shopping decision. In this study we divided these factors into 2C's which affect the consumer to choose a particular platform for their shopping needs. It has been named as convenience and complexity. These 2C's are framework of online shopping which are faced by consumer when they make online purchase. These 2C's show a negative as well as positive impact on the mind of consumer and on the bases of these impacts consumers select the medium of shopping in future purchase.

Convenience deals with all the facilities and ease which a consumer receives while making online purchase. It generally includes features like attractive offers, variety of products, cheaper product, time saving, economical product and comparison between the products. All these convenience show a positive impact in the mind of consumers and attract a number of consumers towards online platform. In addition to being an online shopping convenience, there are some complexities that drive customers to buy from their traditional market rather than online shop. And due to these complexities consumers do not want to do online shopping. These complexities are: risks related to identity theft, lengthy return & refund policy, number of frauds, lack of authenticity and hardness to judge the quality of product. All these complexity persist the consumer to shop on traditional shopping. Thus these two factors influence the consumer's decision for choosing the particular medium for shopping. It is concluded from the above study that out of these 2C's consumers are more influenced by the first C i.e. convenience. As it carries high eigen value over complexity which shows that consumers are influence by the convenience which are available on online shopping platform. And on the basis of their choice of online shopping due to its convenience, it is identified that mostly consumers think the growth of online shopping over the traditional in future. Thus it is concluded that the online platform should focus on providing more and more convenience to retain the existing consumers and should focus on removing the complexities which are faced by consumers on online platform so that companies attracts the potential consumer towards online platform.

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