



Electronic shopping V/S traditional shopping: A study on perceptions of consumers in Gujarat

Dr. Harshit Ravindra Jain

Assistant Professor C.P. Patel & F.H. Shah Commerce College, Anand, Gujarat, India

Abstract

India is one of the profligate developing markets and this progression has become a catalyst for the market. Formerly rations were obtained from local provisions, however, at present the situation is absolutely contradictory. Consumers have begun to purchase their essential products through online markets. This has impacted the local market on a great extent. This work is concentrated on understanding the view of customers from Gujarat and their preference between electronic markets and traditional markets. This study puts an emphasis on the preference of consumers for obtaining their preferred merchandises from either electronic or traditional markets. Further, it also tries to find out the various elements that impact the regularity of using internet for purchasing.

Keywords: electronic markets, traditional market, opinion, Gujarat, internet, consumers

1. Introduction

Progression of technology has rigorously altered the modes consumers purchase merchandises and services for the realization of their wants. Due to a constant rise in the users of internet, because of easy availability of data, the opportunities for suppliers to shrink their marketing budget and garb their potential customers become massive. This occurrence has reduced the rate of the merchandise which in turn has become valuable to the consumers who purchase goods at a lower rate. This is substantial for both as a means to sell merchandises and services, also as assistance to gather the opinion of the consumers and understand whether the purchaser is content from the goods or services provided to them or not. In India, this occurrence is gaining popularity daily that in turn has urbanized the e-commerce movement on a massive scale by convincing consumers to acquire merchandises and services from online fronts. Earlier, the solitary alternative that consumers had was the stores accessible in local area and was restricted due to movement, deals and inadequate alternatives; this is not the situation at hand. Earlier individuals having wealthy status used to purchase merchandises from electronic medium, however with the decline in the rate of internet and upsurge in the quantity of online vendors saw well as owed to extraordinary acquiring volume with beneficial offers the situation has transformed. Nowadays, the consumers which largely comprise of common man choose online marketplaces due to its convenience, deals and diversity. Hence, the perception of consumers can differ from merchandise to merchandise on the basis of the necessity and the past familiarity of various sources. This revolution has not only swayed large cities but also, has fetched changes in the purchasing configuration of the consumers that are located within small towns and villages that are range throughout the country.

Objectives of the Study

The principal objective of the Study is to provide knowledge about the customer's preference towards electronic and traditional markets for shopping. Specifically, the subsidiary

Objectives of the study are as follows

1. To find out the perception of customers using electronic and traditional shopping mode.
2. To find which mode of shopping is preferred by the respondent as well as examine the competitive pressure amongst traditional and online shopping in relation to various products.
3. To analyze the criteria for choosing the mode of shopping.

Methodology

The study is empirical in nature and the key emphasis is on fact detection. Primary data has been employed for the study, which was composed with the assistance of designed survey form. A sample of 347 respondents has been chosen on the base of "Convenience Sampling" from respondents situated in Gujarat. The inquiry form has restricted and simple questions and was settled on the foundation of the purposes planned for the study. Lastly, the data gathered was scrutinized with the assistance of SPSS. Regression and t-test was used to analyse the data included in the study.

Hypothesis

Following null hypothesis have been tested in the study to judge population parameters.

The following shall be the alternate hypotheses for the research

H01: There is no significant difference in the various demographic characteristics of the respondents (area, gender, occupation, age, education and monthly income) and their frequency of using internet to purchase product.

H02: There is no significant difference in the frequency of using internet to get the information about product, prior to any purchase, daily use of internet and the frequency of using internet to purchase article.

H03: There is no significant difference in the importance of various factors (delivery time, reputation of the company, guarantees and warranties, privacy of the information, a good description about the product, security and price of the

product) on the frequency of the internet to purchase article.
H04: There is no significant difference between amount spent online purchase and offline purchase on a single purchase.
H05: There is no significant difference in the preference of the respondents on shopping of various items (grocery, fast food, books, furniture, clothes, cinema/concert/theatres tickets, travel tickets and electronics) through online and in retail store.
H06: There is no significant difference in the various factors (time and cost saving, 24*7 access, risk and difficulty involved, availability of good range of product and description, post sales conflict) leading towards the perception of customers for online shopping.

Analysis and Interpretation

H01: There is no significant difference in the various demographic characteristics of the respondents (area, gender, occupation, age, education and monthly income) and their frequency of using internet to purchase product.

Table 1: Summary (How Often Do You Use Internet For Shopping)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 1 | .36 | .13 | .12 | .84 |

Predictors: (constant), Age, Gender, Qualification, Occupation, Monthly Income of the Respondents.

Table 2: Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-------|----------------|-----------------------------|------------|---------------------------|-------|-------|
| | | B | Std. Error | Beta | t | |
| 1 | (Constant) | 1.47 | .23 | .00 | 6.35 | .000 |
| | Age | .34 | .10 | .25 | 3.60 | .000 |
| | Gender | .62 | .11 | .31 | 5.79 | .000 |
| | Qualification | -.04 | .06 | -.05 | -7.78 | .435* |
| | Occupation | -.24 | .05 | -.32 | -5.04 | .000 |
| | Monthly Income | .09 | .07 | .08 | 1.36 | .173* |

Source: Field Survey

Dependent Variable: How Often Do You Use Internet For Shopping

The correlation between various demographic characteristics under the study and the frequency of the respondents using internet to purchase articles is 0.36 and only 12% of the variance in frequency of the respondents using the internet to purchase articles is explained by the five demographic factors under study. Again, noting the influence of various demographic characteristics on the buying habit of the respondents over the internet individually, it has been found that Age, Gender, and

Occupation are significant whereas Qualification and Monthly Income are insignificant which means that it does not affect the buying habit of the customer.

H02: There is no significant difference in the frequency of using internet to get the information about product, prior to any purchase, daily use of internet and the frequency of using internet to purchase article.

Table 3: Model Summary (How Often Do You Use Internet For Shopping)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 2 | .62 | .39 | .38 | .70 |

Predictors: (constant), Period of Use of Internet, Frequency of use of Internet and Use of Internet for Product

Information

Table 4: Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-------|--------------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | t | |
| 2 | (Constant) | .35 | .22 | .00 | 1.62 | .106 |
| | Period of Use Of Internet | .13 | .04 | .13 | 2.88 | .004 |
| | How Often DO You Use Internet | .29 | .07 | .20 | 4.36 | .000 |
| | Use Internet for Product Information | 1.18 | .09 | .58 | 13.71 | .000 |

Source: Field Survey

Dependent Variable: How Often Do You Use Internet For Shopping

Here the researcher conducts a regression analysis taking the frequency of surfing internet by the respondent for 1) Period of Use of Net 2) Frequency of Use of Net 3) Internet for Product information as predictors and the online buying habit of the respondents as dependent variables. It has been found that the correlation between the three predictors and dependant variables comes out as 0.62 and 39% of the variance of the dependent variable is explained by the three

predictors. Again while looking at the individual influence of the three predictors on the dependent variable it has been found that the frequency of using internet prior to any purchase by the respondents have most influence on the online buying habit of the respondents. The frequency of using internet prior to any purchase, the frequency of using internet daily and frequency of using internet for product information with the online buying habit of the respondents is significant.

H03: There is no significant difference in the importance of various factors (delivery time, reputation of the company, guarantees and warranties, privacy of the information, a

good description about the product, security and price of the product) on the frequency of the internet to purchase article.

Table 5: Model Summary (How Often Do You Use Internet for Shopping)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 3 | .39 | .15 | .13 | .83 |

Predictors: (constant), Importance of Delivery Time, Reputation of the Company, Privacy Information, Price of

the Product, Description of the Product, Payment Gateway and Account Security.

Table 6: Coefficients

| | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. |
|----------------------------|-----------------------------|------------|---------------------------|--|-------|------|
| | B | Std. Error | Beta | | | |
| (Constant) | 3.25 | .23 | .00 | | 14.13 | .000 |
| Delivery Time | -.21 | .04 | -.33 | | -5.24 | .000 |
| Reputation Of The Company | -.03 | .07 | -.04 | | -.47 | .635 |
| Privacy Information | .28 | .07 | .39 | | 4.30 | .000 |
| Price Of The Product | -.03 | .06 | -.04 | | -.57 | .567 |
| Description OF The Product | -.05 | .06 | -.05 | | -.79 | .427 |
| Payment Gateway | -.15 | .07 | -.18 | | -2.28 | .023 |
| Account Security | .02 | .08 | .02 | | .20 | .841 |

Source: Field Survey

Dependent Variable: How Often Do You Use Internet For Shopping

A regression analysis was conducted by taking various important factors revolving in the mind of the consumers (Importance of Delivery Time, Reputation of the Company, Privacy Information, Price of the Product, Description of the Product, Payment Gateway and Account Security) as predictors and the frequency of online buying habits of the respondents as dependent variable. It has been found that the correlation between the various predictors and dependent variable comes out at 0.39 and 15% of the variance of the dependent variable are explained by various predictors under study. Again, except the importance of

Delivery Time, Privacy Information and Payment Gateway all other predictor and online buying of the respondents are insignificant. While looking at the individual influence it has been found that out of those predictors under study, the importance of delivery time and privacy information have most influence on the buying habit of the consumers followed by predictor importance of payment gateway.

H04: There is no significant difference between amount spent online purchase and offline purchase on a single purchase.

Table 7: Paired Sample Statistics

| | | Mean | N | Std. Deviation | S.E. Mean | t | Sig. (2-tailed) |
|--------|----------------------------------|------|-----|----------------|-----------|-------|-----------------|
| Pair 1 | Amount Spent on Online Shopping | 2.01 | 347 | 1.05 | .06 | -6.45 | .000 |
| | Amount Spent on Offline Shopping | 2.46 | 347 | .53 | .03 | | |

Source: Field Survey

It has been found that in the concerned research area the difference between the amount spent on online shopping mode on a single purchase (mean=2.46) is significant and conclude that as compared to online shopping people are ready to spend more money on traditional mode of shopping on a single purchase. Hence, it can be said that till now people are willing to spend their money on expensive items which are available online.

H05: There is no significant difference in the preference of the respondents on shopping of various items (grocery, fast food, books, furniture, clothes, cinema/concert/theatres tickets, travel tickets and electronics) through online and in retail store.

Table 8: One-Sample Test

| Test Value = 0 | | | | | | |
|----------------|-----------|-----|-----------------|-----------------|---|-------|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | Df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| Grocery | +Infinity | 346 | .000 | 1.00 | 1.00 | 1.00 |
| Fast Food | 28.58 | 346 | .000 | 2.37 | 2.21 | 2.53 |
| Books | 40.13 | 346 | .000 | 3.29 | 3.13 | 3.45 |
| Furniture | 31.64 | 346 | .000 | 2.52 | 2.37 | 2.68 |
| Clothes | 49.19 | 346 | .000 | 3.71 | 3.57 | 3.86 |
| Cinema | 43.68 | 346 | .000 | 3.74 | 3.57 | 3.91 |

| | | | | | | |
|----------------|-------|-----|------|------|------|------|
| Travel Booking | 43.56 | 346 | .000 | 3.67 | 3.51 | 3.84 |
| Electronic | 52.31 | 346 | .000 | 3.85 | 3.71 | 4.00 |

Source: Field Survey

It is to be noted that the value of t-statistic cannot be calculated for the preference of respondents on grocery items as standard deviation is 0. It has been noted that all the respondents prefer retail stores over online shopping for grocery items. Table 1 shows respondents preference of various modes. The table clearly shows that for purchasing fast food, Books, Furniture, clothes, concert & cinema tickets, travel bookings and electronics most of the respondents prefer traditional mode. As it can be seen that

the buying habit of the respondents (online & traditional modes) with respect to the above stated item is significant

H06: There is no significant difference in the various factors (time and cost saving, 24*7 access, risk and difficulty involved, availability of good range of product and description, post sales conflict) leading towards the perception of customers for online shopping.

Table 9: Paired Sample Statistics

| | Statement | Mean | N | Std. Deviation | S.E. Mean | t | Sig. (2. Tailed) |
|---------|--|------|-----|----------------|-----------|--------|------------------|
| Pair 1 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -24.3 | .000 |
| | OnlineShoppingIsAvailable24x7 | 4.46 | 347 | 1.11 | .06 | | |
| Pair 2 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -19.12 | .000 |
| | Online Shopping Is Time & Cost Saving | 4.04 | 347 | 1.26 | .07 | | |
| Pair 3 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -13.18 | .000 |
| | Online Shopping sites have High Range Of Products | 3.82 | 347 | 1.28 | .07 | | |
| Pair 4 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -8.69 | .000 |
| | Product Quality Of Online Purchase is Good | 3.35 | 347 | 1.24 | .07 | | |
| Pair 5 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -9.12 | .000 |
| | Post Sales Service Over Online Shopping Is Good | 3.37 | 347 | 1.24 | .07 | | |
| Pair 6 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -13.12 | .000 |
| | Higher Money Security Over Online Shopping | 3.66 | 347 | 1.20 | .06 | | |
| Pair 7 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -13.77 | .000 |
| | Transaction Security The Factor Influencing Online Shopping Decision | 3.83 | 347 | 1.24 | .07 | | |
| Pair 8 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -10.88 | .000 |
| | Privacy And Security Influence Decision | 3.68 | 347 | 1.40 | .08 | | |
| Pair 9 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -18.43 | .000 |
| | Product Price And Quality | 3.96 | 347 | 1.18 | .06 | | |
| Pair 10 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -15.8 | .000 |
| | After Sales Service | 3.83 | 347 | 1.10 | .06 | | |
| Pair 11 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -19.46 | .000 |
| | Convenience And Save Time | 4.05 | 347 | 1.06 | .06 | | |
| Pair 12 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -12.36 | .000 |
| | All Time Shopping Accessibility | 3.63 | 347 | 1.25 | .07 | | |
| Pair 13 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -12.95 | .000 |
| | Promotion And Advertisement | 3.59 | 347 | 1.17 | .06 | | |
| Pair 14 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -17.8 | .000 |
| | Shorter Delivery Period | 4.00 | 347 | 1.10 | .06 | | |
| Pair 15 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -19.22 | .000 |
| | Product Price And Quality Comparison | 4.00 | 347 | 1.08 | .06 | | |
| Pair 16 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -18.57 | .000 |
| | Variety OF Global Products | 4.08 | 347 | 1.07 | .06 | | |
| Pair 17 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -15.14 | .000 |
| | Customer Review Availability | 3.91 | 347 | 1.21 | .07 | | |

| | | | | | | | |
|---------|---|------|-----|------|-----|--------|------|
| Pair 18 | How Often Do You Use Internet For Online Shopping | 2.61 | 347 | .90 | .05 | -14.95 | .000 |
| | Sufficient Product Information | 3.93 | 347 | 1.19 | .06 | | |

Source: Field Survey

The researcher used paired t-test to look at the frequency of using internet for online shopping with the various advantages and disadvantages of online shopping. Each of the advantages and disadvantages of online shopping under the study are being paired with frequency of using internet by the respondent for online shopping. The extreme right column of the table shows the significance of different factors and it can be seen that all the factors a significant as per the analysis.

Major Findings and Recommendations of the Study

• Following are the major findings of the present study

- It was found that unlike major cities the far fetched localities of gujarat prefer to shop their groceries from traditional shops, local vendors or hawkers as it is a convenient way to shop for them.
- From the analysis it has been noted that people still prefer to purchase things like fast food, books, furniture, clothes, cinema tickets and book travel tickets through the traditional mode i.e. by physical means. However, the preference of the customers have stated to switch to technological modes from the conventional ones.
- It has been noted that the factors like Age, Gender and Occupation play a significant part in the shopping preference of the customers. Customers between the age of 18 – 35 prefer shopping online compared to other age groups; similarly occupation plays an important part in deciding the preference of the customers. Students prefer to shop online due to convenience and ease of purchasing the products where as the other sectors prefer to switch between online and traditional modes depending on the circumstances.
- It is found out that people generally use internet on daily basis and find information relation to different products online therefore, they prefer to shop online as they are able to get necessary details of the products and compare prices from different vendors accordingly.
- From the analysis it was noted that the main concern of the customers is the delivery period, confidentiality of their information and the payment gateway. They fear that the products will not be delivered on time or they may get damaged in transit, additionally they have a concern towards their privacy, such as telemarketing calls, spammers and scammers and last but not the least the payment gateway is their highest concern as they are not sure that their hard earned money is safe or not.
- It has been found that people tend to spend more on offline shopping compared to online shopping. However, the people are ready to spend more on online shopping.
- It has been seen that factors like 24*7 availability of shopping, Time and cost effective, good quality products, after sales services, money security, personal privacy, delivery period etc. have encouraged people to switch to online shopping mode from the counter part.

• Following are the major recommendations of the present study

- It is recommended to the online vendors to reach out to such localities by various marketing strategies and provide services to such local population, ultimately boosting their business. They can adopt strategies like print media advertising as well as other latest modes of e marketing as most of the customers are using internet in the modern world.
- It is suggested that the companies should provide a safe and optimal shopping environment online where the customer can feel safe and purchase the products without hassle. More and more offers should be introduced so that customers can be benefitted, strengthening the customer count for such online players not only will it improve the customer base it will be a factor that will help earning their trust..
- The companies should target the other age groups and provide offers to lure the customers into using online shopping as their primary mode of shopping as they can prove to be an additional source of income and targeted promotions as per the demography of the customers should be made.
- The local vendors should start providing offers to the students to increase their sale because the youngsters are techno savvy today and they prefer to use internet as their primary source of shopping as they get attractive offers.
- It is suggested that the local players should start to enlist themselves online as it will work as an anchor to bring in customers as they will be able to see the product on display after finding the vendor listed online and also be able to judge the product on the basis of the review and its substitutes.
- Here the online vendors should provide an insurance related to the orders where the customer can claim the amount from insurance companies if the product is damaged and a fixed delivery time as per the convenience of the customer should be set up where he or she can receive the product as per their ease. The customer should be assured that their information is not being shared with anyone by advertisements and such other means. Finally the security of the payment gateway should be enhanced to protect the customer from being hacked or scammed thus saving the customer from losing their hard earned money.
- The online vendors should encourage customers to shop online by providing lucrative offers and easy ordering process where a novice can easily order goods online though he or she is doing it for the first time as they are hesitant to order the goods it will be a supporting factor for improving the sales and changing the mindset of the customer.
- The traditional service providers should provide better services if they want to maintain their customers therefore it is high time for them to plunge into the e market where they can improve their business by providing competitive services at a time and cost effective manner as they won't be having a burden of

high transportation cost in the local market.

Conclusion

Though, internet has highly influenced the shopping habits of the consumers, by providing goods and services at a lucrative cost. Still, large number of consumers is reluctant to purchase expensive goods and services from online sources. A high input on marketing activities has to done in this regards. Even the locals do not prefer to purchase groceries from online sources due to unavailability or ignorance of the facility. They even, prefer to get books, clothes and other thing from traditional sources. However, it can be conferred that when it comes to purchase goods from online sources they do not hesitate to buy them due to various factors like convenience, cheaper goods, better quality and such other features. And the study reveals that consumers still prefer to purchase goods and services from traditional mode rather than the virtual counterpart.

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