



ROPO in mobile phones (Research online purchase offline)

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Abstract

E-commerce is one of the most modern way for buying and selling of goods. E-commerce not only saves time but it also makes works easier for people. The total world population is around 7.7 billion out of it 1.7 billion people prefer doing online shopping which generally is a huge turn around in digital marketing. But the concept of ROPO has given a lot of problems to the recent development in ecommerce. This paper will deal about what is ROPO, how does it affect online shopping in a particular field (mobile phones) and also to give a small brief on the other things too.

Keywords: purchase, online, phones

Introduction

ROPO (Research online purchase offline) is a modern trend in buying behaviour where customers research relevant product information to qualify their buying decision, before they actually decide to buy their favourite product in the local store.

The ROPO effect allows the advertiser to calculate their overall Return on Investment (ROI) more precisely, by multiplying their online sales with the O2S-factor. The result is the offline revenue which is influenced by the online marketing investments. ROPO is often equated with Click and Collect, i.e. the process of online reservation and subsequent pick-up of the product at the store. Both are segments of Multichannel marketing. According to a 2011 Google report 80 percent of all offline buyers research online, before they buy a product in a local store. Furthermore in high item value industries ROPO already makes a significant share of total sales. This was also acknowledged by an analysis of the German retail association and PricewaterhouseCoopers. Its opposite is show rooming: researching a product in a physical store before buying it online.

Objective of the Study

1. To know Why ROPO works in Purchase of the mobile phones.
2. Why Are Consumers Shifting to ROPO?
3. Some Statistics regarding the purchase of phones through both online and offline.
4. How does it affect the ecommerce business?

Research Part

1. To know how ROPO works in Purchase of the mobile phones?

At first, the idea of researching a product online and buying it offline seems a bit absurd. However, when you look at the big picture, you will understand why the ROPO phenomenon is on the rise.

A. consumers rely on online product reviews

Before the internet, word-of-mouth was perhaps the only

way to learn about different products from your friends and peers. Today, however, people often check out social media and online forums to read the reviews of a product, with 85% of consumers trusting online reviews as much as personal recommendations.

According to a recent Get App Lab report, almost half of the consumers (49.1%) prefer to research products online and make a purchase offline because they prefer to read reviews of the products before buying them. No wonder ROPO seems to be trending.

B. Smartphones are game changers

Consumers are increasingly using their mobile phone to shop locally. Smartphones have made local search easier for consumers as they can find local businesses on the go. According to a recent research report, mobile devices alone will influence \$1.4 trillion (9, 94, 58, 94, 00, 00, 000.00 Indian Rupees) in local sales by 2021.

C. The Touch-and-Feel Factor

The third most common reason is the touch-and-feel factor. In a physical store, consumers can try merchandise, especially beauty and fashion products before buying. This approach is less time-consuming as you only buy the product that fits and suits you. In the case of online purchases from a cosmetics ecommerce website, chances of a misfit are higher. You may also need to wait for weeks for an exchange.

2. Why are consumers shifting to ROPO?

Even though e-commerce is growing as a sales channel, there are many reasons why customers still prefer to make certain purchases in stores, particularly when it comes to CPGs. The most common are related to:

- **Shipping costs:** Because CPG products typically have lower average unit prices, consumers are hesitant to pay shipping charges, which can vastly increase the overall cost of an item.
- **Shipping speed:** Many CPG categories are needed as soon as they run out, so shoppers still lean toward instant gratification on these products.

- **Sensory detail:** Some CPG products are hard to fully detail without being able to see, touch, smell or

sometimes taste them in store.

Some Statistics regarding the purchase of phones through both online and offline

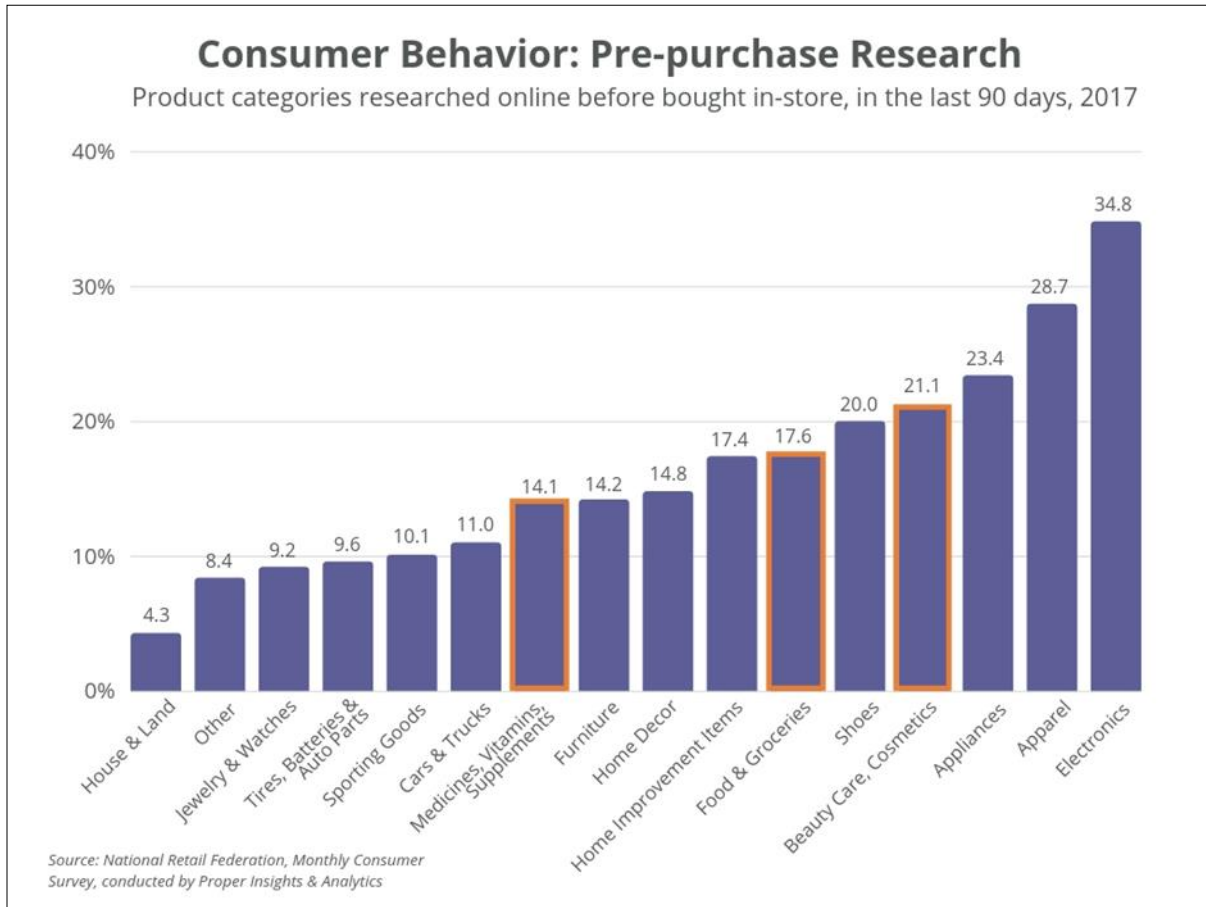


Fig 1

The statistics above shows that people do a lot of research when they want to buy any electrical items. The above picture clearly shows that around 34.8 % people do

research about a product in online when they buy any electrical items.

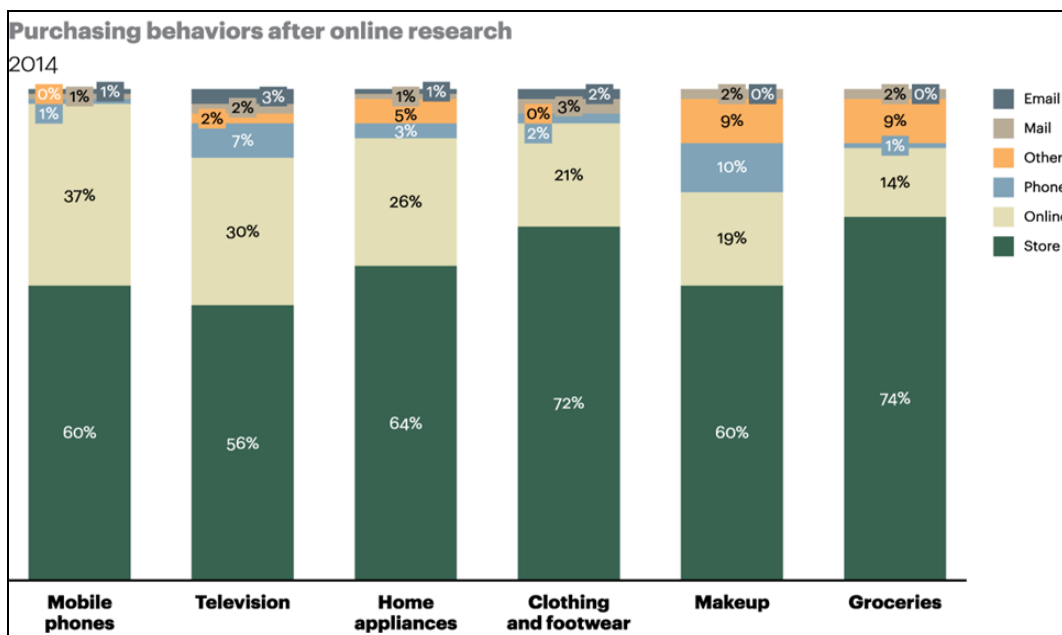


Fig 2

The picture above shows that about 60% of the people who research in online end up buying in stores which affects the online shop.

3. How does ropo affect online business?

There are a number of ways that ROPO has already affected and will continue to affect e-commerce. The good news is, they are not necessarily negative.

Firstly, e-commerce businesses are likely to see growth in cart abandonment rate, especially for high-value products or first-time purchases. This is often because consumers are going through the initial research phase of the buying cycle. In this phase they may add several items to a cart in order to compare prices or to save items to view later.

But, this doesn't necessarily mean that a customer has truly abandoned your products.

Once they have the necessary information they may then go on to make an in store purchase, and so abandoning the cart in the process. This means that business owners need to shift their focus to a combined online/offline approach by asking themselves the following question: what digital tactics can I use to drive in-store sales?

In short, more must be done to convince a customer to convert their online research into a brick-and-mortar purchase.

Customer reviews play a huge role in influencing how we shop, eat, even travel. What is the first thing you look at when you're attempting to evaluate a product or service? Most likely reviews left by other customers! Recent research actually shows that products with 50 or more reviews can increase conversion rates by 4.6%. So, having a good set of reviews on a product page is an excellent first starting point.

With that in mind it's important to encourage both new and returning customers to leave reviews of their recent purchases with a solid remarketing strategy and follow-up tactics. By doing so you'll effectively be giving new visitors to your site the key incentive they need to carry out a purchase in-store. Or, ideally, on your website.

Augmented technology plays a role

This consumer desire to thoroughly evaluate a product goes hand-in-hand with the recent rise in augmented technology and artificial intelligence in the e-commerce sector. Consumers increasingly desire the ability to see their potential purchases in "real-life" situations.

This can range from makeup brands showcasing eyeshadows and lipsticks on different models to apparel retailers showcasing catwalk videos of clothes and shoes. Both examples give the consumer an idea of what each product would look like on them.

Ikea have taken this one step further. Their smartphone app actually allows users to visualise how a large number of pieces from their website would look like in their own homes. It does this by rendering the image in 3-D from different angles. This gives a potential buyer a huge confidence boost to buy online or in store, armed with the knowledge that the sofa they've had their eye on would in fact look good in their living room

How ROPO can be used as a tool to leverage in store sales?

The fact that consumers are leaning towards making purchases in store should definitely not be viewed as a bad

thing. In fact there are ways that ROPO can be used to boost brick-and-mortar sales.

Firstly, it's a well-known fact that mobile experience is an absolutely essential factor in e-commerce success and growth. Now this factor has also extended its reach into in store purchasing decisions.

This is because a growing number of people conduct research on their smartphones on-the-go before then making the decision to purchase an item in store. And the bottom line is that if your site is not mobile optimised to enable potential customers to access product information quickly, easily and efficiently, they'll simply take their business elsewhere.

This is backed up by recent statistics which show that a huge 80% of people out shopping used their smartphone inside a physical store to conduct research on a product, including looking at reviews and comparing prices.

Our Commerce platform is built with mobile users in mind. Offering a seamless cross-device experience means shoppers can easily view product pages and navigate your site on their smartphone. This gives them all the information they need to make the online to offline experience as fluid as possible.

Furthermore, both desktop and mobile users are demanding ever-more "hands-on" technology when conducting their online research. They want to be able to view a product from every possible angle and to see all its colour variations on different models or settings. Access to live stock updates is also an important factor.

Conclusion

There are a lot of people who do still believe that buying in online is a still a risk this is because of the fact that online business is still not proven to be the safest business there are still a lot of problems in online business which involves like fraudulent delivery, money fraudulent activities in the net, delivering duplicate products or second hand products. To make people believe in online business many awareness or assurance must be given properly to the people until then many concepts Like ROPO is going to trend make the online business suffer even a lot.

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