

A Comparative Study of Online and Offline Shopping in Haryana

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ABSTRACT

E-commerce refers to the trading of goods and services through digital mode. B2C (Business-to-consumer) or online shopping is a major part of E-commerce. It is found that there is an increasing trend in online shopping. Increase in online shopping is because of time-saving element, easy payment methods and availability of varieties of products. Increasing use of smartphones has made it easy for customers to shop online in a developing nation like India. In India, however, people consider offline shopping more satisfactory yet have started using the Internet to buy goods and services online. That's why, there is a need to analyse the reasons behind this contradictory behaviour of customers. The present study is based on primary and secondary information which shows the status of online shopping in Haryana (India). It also compares both shopping methods: online and offline. It was found, in this study, that people in Haryana use both methods of shopping but still prefer offline shopping.

Keywords: E-commerce, Online Shopping, Consumer Satisfaction

INTRODUCTION

E-commerce or mobile commerce is the purchase and sale of goods and services on the Internet. With the growing prevalence of ICT, more specifically the Internet, the global business community is increasingly moving towards Business-to-Business (B2B) E-commerce. E-commerce is wider concept whereas online shopping or B2C (Business-to-customer) commerce is a part of it. In online shopping, customers can shop online using a range of different devices like desktop computers, laptops, tablet and smartphones. The establishment of a shop on the Internet allows sellers to increase their market and reach consumers who can't go to traditional shops. Online shopping has become a new trend of shopping nowadays and is becoming an important part of lifestyle soon. Easy access to online shopping is the main attraction for consumers. The benefits of online shopping also come with potential risks and threats about which consumers should be aware of.

WHY ONLINE SHOPPING?

Online shopping is comfortable and time-saving than offline or traditional shopping. Here, various reasons are given for the increasing trend of online shopping:

- No need of the physical presence of buyer and seller.
- Less time-consuming.
- Easy access from anywhere (24x7).
- Convenient and less costly.
- Varieties of products available on the fingertips.
- Customers can compare prices of products easily.

OBJECTIVES

- To analyse the trend of online shopping.
- To identify the major products categories selected by consumers through online shopping.

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- To compare the satisfaction level of consumer towards online and offline shopping
- To analyse various problems regarding online and offline shopping

RESEARCH METHODOLOGY

The whole study is based on both primary and secondary data sources. The study compares the behaviour of customers towards online and offline/ traditional shopping.

Primary Sources

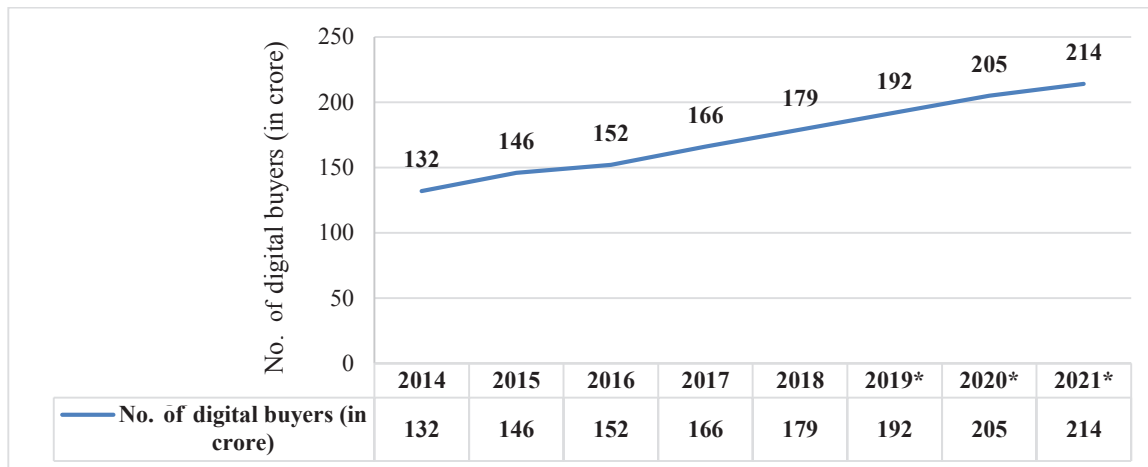
To get the current attitude of peoples towards online shopping, “Questionnaire Survey” method of data collection was implemented. As questionnaire method is easy to use and less costly to reach a wide range of populations. Questions related to important findings were included in this study. In this study, the social media platform was used to reach the diversified population. Primary data was analysed and the results were based on “Percent Method”. Responses were received from different districts; but due to the time constraint, the sample size was limited to 150.

Secondary Sources

Secondary information was collected through different web pages, newspapers, research articles and different reports.

Global Trends in Online Shopping

The most famous form of E-commerce for private consumers across the world comes in the B2C category, which includes online retail or online shopping. It refers to online purchases from Walmart, as well as online retailing corporations such as Amazon.com (biggest online retailer), Flipkart, etc. In 2014, the number of digital buyers was 132 crore and online retail sales were USD 1,316 trillion and it was 5.9% of total retail sales. In 2017, the number of digital buyers was 166 crore and online retail sales increased up to USD 2,197 trillion and it was 8.2% of total retail sales. All this shows that online shopping has an increasing trend. In future, online retail will be higher than offline retail sales.



Source: Statista 2018

*Estimated number of digital buyers

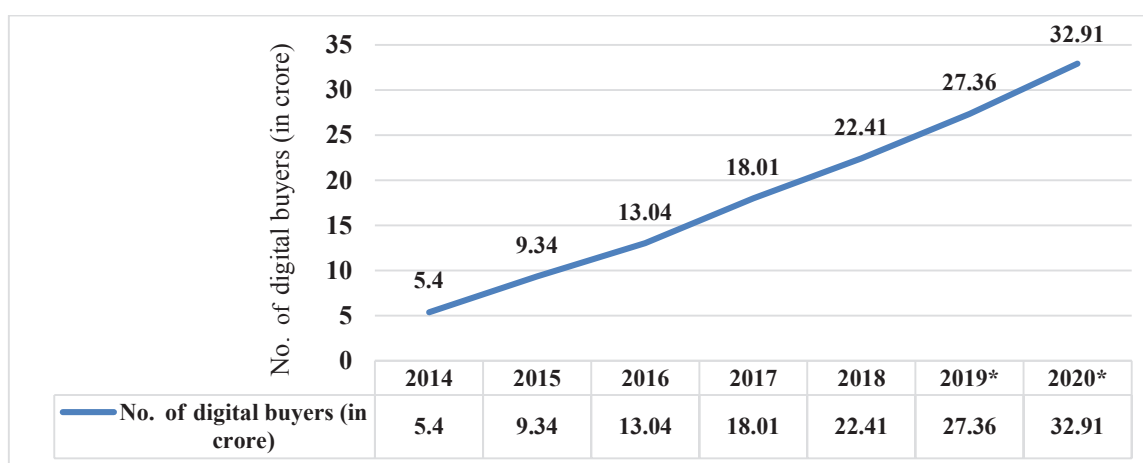
Fig. 1: Number of Digital Buyers Worldwide from 2014 to 2021 (in crore)

The Fig. 1 shows the number of digital buyers worldwide from 2014 to 2021. In 2014, there were 132 crores digital buyers across the world. At present, this number has increased to 179 crores (in 2018) and 214 crore people are expected to be digital buyers in 2021.

National Trends in Online Shopping

In 2020, the number of digital buyers is expected to

reach 32.91 crore, which means 70% of the Internet users will buy products online. The increasing trend of online shopping shows a positive impact on the customers because heterogeneous products are available. Retail E-commerce in 2016 was \$16 billion, which is expected to grow over \$45 billion in 2021. Amazon is the biggest online retailer followed by Flipkart and Snapdeal in India.



Source: Statista 2018

*Estimated number of digital buyers

Fig. 2: Number of Digital Buyers in India from 2014 to 2020 (in crore)

The Fig. 2 shows the number of digital buyers in India from 2014 to 2020. In 2014, there were 5.4 crore digital buyers across the nation. At present, this number has increased up to 22.41 crore (in 2018) and 32.91 crore people are expected to be digital buyers in 2020.

DATA ANALYSIS AND INTERPRETATION

This section shows the feedback of respondents which are based on a primary survey collected by the author.

Demographic Profile of Respondents

Table 1: Age Group

Age	No. of Respondents	Percentage
0-20	28	18.66%
20-40	110	73.33%
40 and above	12	8%
Total	150	100%

Source: Primary Survey by Author's

The above Table 1 presents the demographical profile of the respondents. Age distribution of the respondents' plot skewed graph with 73.33% population belonging to the age group 20-40 years. In this survey, only 18.66% of people below age 20 and 8% people above 40 years are included. From these skewed results, it can be concluded that the major part of the population using the internet belongs to 20-40 years.

Table 2: Diversification of Respondents (Haryana)

District	No. of Respondents	Percentage
Rohtak	70	46.66%
Jind	26	17.33%
Charkhi Dadri	12	8%
Sonipat	11	7.33%
Bhiwani	8	5.33%
Jhajjar	7	4.66%
Hissar	4	2.66%

<i>District</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Kaithal	4	2.66%
Panipat	3	2%
Chandigarh	3	2%
Rewari	2	1.33%
Total	150	100%

Source: Primary Survey by Author's

The respondents are taken from all over the state, which are geographically diversified as shown in Table 2. The responses are received from 10 districts and the capital of the state. All samples belong to various economic and social backgrounds, which means that the survey is not based on a specific part of the state. But due to time constraint, the collected sample size was limited in the survey.

ANALYSIS OF DATA COLLECTED

Table 3: Main Items Preferred by Respondents to Buy Online

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Clothes	68	45.3%
Gadgets	57	38%
Food Items	22	14.7%
Sports Equipment	19	12.7%
Footwear	33	22%
Others	27	18%

Source: Primary Survey by Author's

The Table 3 represents main items preferred by respondents to buy online. 45.3% prefer to buy clothes online, around 38% prefer to buy gadgets online, whereas 14.7% use online platform to buy food items. 12.7% prefer sports equipment and 22% prefer to buy footwear online. However, 18% prefer other things to buy online. Survey shows that people prefer mainly cloths, gadgets and footwear.

Table 4: Method Preferred by Respondents to Payments

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Credit/Debit Card	46	30.66%
Cash on Delivery	94	62.66%
E-wallets	7	4.66%
Others	3	2%

Source: Primary Survey by Author's

The Table 4 represents the payment method preferred by respondents. Around 30.66% prefer Credit/Debit card, 62.66% prefer cash on delivery, 4.66% prefer E-Wallet for payment and 2% prefer other methods of payment. After so many efforts for digitalization in India, people prefer cash on the delivery method for payment. Only 35% of people use digital mode of payments in Haryana.

Table 5: Satisfaction Level of Online Shopping

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Very Satisfied	21	14%
Satisfied	64	42.7%
Neutral	56	37.3%
Dissatisfied	9	6%
Very Dissatisfied	-	-
Total	150	100%

Source: Primary Survey by Author's

The Table 5 represents the satisfaction level of respondents from online shopping. Only 14% are very satisfied and 42.7% are just satisfied. On the other hand, 6% are dissatisfied and 37.3% are neutral about satisfaction from online shopping.

Table 6: Do you Think Online Shopping is Trustable and Secure?

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Yes	57	38%
No	38	25.3%
Can't say	55	36.7%
Total	150	100%

Source: Primary Survey by Author's

Table 7: Reasons for not Trustability and Security (out of 93)

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Security	13	13.97%
Delivery of product	19	20.43%
Quality of the product	65	69.89%
Internet access problems	7	7.52%
Others	16	17.20%
Total	93	100%

Source: Primary Survey by Author's

The Table 6 shows what respondents feel about whether online shopping is trustable and secure. Out of 150 respondents, 57 accept online shopping is trustable and secure whereas 38 consider it not trustable and secure and 55 were not able to decide trustability and security of online shopping. Table 7 shows that 93 respondents disagreed with use of online shopping due to different reasons. A major part of respondents consider that quality (69.89%) and delivery of the product (20.43%) are main reasons for not trust on online shopping. 13.97% answered security as a reason and 7.52% accept internet access as a problem.

Table 8: Have You Faced Any Problem in Online Shopping in Past?

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Yes	94	62.7%
No	56	37.3%
Total	150	100%

Source: Primary Survey by Author's

Table 9: Solution of the Problems (out of 94)

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Replacement of Product	48	51.06%
Refunding of Payment	35	37.23%
Service Centres	11	11.70%
Total	94	100%

Source: Primary Survey by Author's

The Table 8 shows the problems faced by respondents in online shopping. Out of 150 respondents, 94 (62.7%) accepted that they have faced problem but 56 respondents (37.3%) refused about any problem in past. Table 9 shows different solutions to their problems given by 94 respondents. The replacement of the product solved more than 50% of respondents' problems, 37.23% respondents' problems were solved by refunding of payment and 11.70% respondents' problems were solved by service centres.

Table 10: Drawbacks of Online Shopping

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Trust	44	29.33%
Security	36	24%
Costly	9	6%
Not Accessible	32	21.33%
Others	29	19.33%

Source: Primary Survey by Author's

The Table 10 explains the main drawbacks of online shopping. 29.33% respondents consider trust as the main drawback, 24% security, 21.33% accessibility and 6% consider cost as drawbacks of online shopping.

ANALYSIS OF OFFLINE SHOPPING

Table 11: Satisfaction Level of Offline Shopping

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Very Satisfied	66	44%
Satisfied	55	36.66%
Neutral	26	17.33%
Dissatisfied	3	2%
Very Dissatisfied	-	-
Total	150	100%

Source: Primary Survey by Author's

The Table 11 shows the satisfaction level of respondents from offline shopping. 44% are very satisfied and 36.66% are just satisfied. On the other hand, 2% are dissatisfied and 17.33% are neutral about satisfaction from offline shopping.

Table 12: Drawbacks of Offline Shopping

<i>Response</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Time Consuming	47	31.33%
Cost of Access	21	14%
Price of Products	32	21.33%
Less Variety of Products	19	12.66%
Ill Behaviour of the Seller	18	12%
Others	13	8.66%

Source: Primary Survey by Author's

Above Table 12 explains the main drawbacks of offline shopping. 31.33% of respondents consider time consumption as the main drawback of offline shopping. 21.33% consider price, 14% consider the cost of access, 12.66% consider less variety of products and 12% of respondents consider ill behaviour of the seller as drawbacks of offline shopping.

Comparison of Both Online and Offline Shopping

Table 13: What You Think Which Method Better for Shopping?

Response	No. of Respondents	Percentage
Online	71	47.3%
Offline	79	52.7%
Total	150	100%

Source: Primary Survey by Author's

The Table 13 shows that out of 150 respondents 52.7% think offline shopping is better than online shopping. Yet, 47.3% respondents are in favour of online shopping. In short, despite the increasing trend of online shopping, people prefer offline/traditional method of shopping.

Table 14: What You Think About Which Method of Launching Any New Product?

Response	No. of Respondents	Percentage
Online	119	79.3%
Offline	31	20.7%
Total	150	100%

Source: Primary Survey by Author's

About choosing a method for launching of any new product, 79.3% respondents chose online method whereas 20.7% of respondents chose the offline method (Table 14).

CONCLUSION

Government has focused on transferring the economy into a digital economy, yet physical/traditional or offline shopping is more preferred by customers. People found

offline shopping more satisfactory. They can check the quality of products physically and buy locally manufactured products easily through offline shopping. Online shopping has an increasing trend due to less time consumption, varieties of products available easily and the customer can compare prices of products without any problem. But, there are some issues regarding online shopping such as security, quality of products and delivery of products that must be sorted out. To improve the satisfaction level of online shopping, it must be more secure and more products should be added by sellers to fulfil the needs of customers.

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