

AN EMPIRICAL STUDY TO IDENTIFY THE MOST CRITICAL ELEMENTS THAT INFLUENCE CUSTOMER'S DECISIONS ABOUT WHETHER OR NOT TO PURCHASE ONLINE VS TRADITIONAL PURCHASING

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ABSTRACT

Technology's influence on the retail sector has resulted in the majority of customers preferring to purchase online rather than at traditional brick-and-mortar locations. This pattern has been on the rise over the last decade, with many large retailers combining the two approaches to maximise profits. The goal of this research is to learn how customers feel about in-store vs online purchasing, as well as to compare and contrast the two shopping methods. This research delves at why males are more likely than women to make purchases online instead of in physical places. For this reason, physical stores have an advantage when it comes to the safety of credit card transactions in shopping centers. While more and more individuals are starting to make purchases online, most still choose shopping in a real store where they can interact with the sellers and view the products before buying.

Keywords: Online vs Traditional shopping, Consumers Behaviour, Consumers Choice, Consumers Satisfaction.

1 INTRODUCTION

Since 2013, China has dominated international retail e-commerce, and it has kept this position to the current day. In 2020, it accounted to slightly over half of the global e-commerce market's \$4.3 trillion in sales (Tang et al., 2021). Over 90% of all sales are accounted for by mobile devices, and most consumers would rather purchase something that offers great value than something that is more costly. China's rapid and easy delivery system, lax financial rules, and the supportive stance of the Chinese government toward new technology were cited as reasons for the country's 34-fold growth from 2010 to 2020, compared to the world's nine-fold increase. Leading data and analytics business Global Data forecasts a CAGR of 12.4% for China's GDP between 2021 and 2024, with production increasing from CNY13.8 trillion (US\$2.1 trillion) to CNY19.6 trillion (US\$3.0 trillion). As a result of the Covid-19 pandemic, consumers are spending less money at brick-and-mortar stores and more time shopping online. Despite a 3.9% reduction in total retail sales of consumer goods in China, online purchases of physical things increased by 14.8% in 2020, according to the China National Bureau of Statistics of China.

Consumers' perspectives on brick-and-mortar shops and shopping malls have changed drastically as a result of the rise of e-commerce. The phrase "e-commerce" describes the process of doing business transactions online. The increasing amounts of money spent on e-commerce by Chinese individuals makes sense considering that China is one of world's top economies. According to 2019 data from Pew Research, Chinese online shoppers spent over 3,161,000,000RMB in 2018 (Xi et al., 2018). Customers are drawn to online stores due to the many benefits they provide. Surveys of online buyers' demographics and lifestyle choices, for example, suggest that they are more likely to value having their goods shipped straight to their houses and maintaining the privacy of their buying habits. Factors such as convenience, peer pressure, the lower cost of items sold online, prior Computer experience, and the ease of

buying may affect consumers' choices to shop online.

Here are five strong arguments in favour of internet shopping. Several benefits distinguish online shopping from visiting a physical store. Another perk of shopping online is that consumers have access to a wealth of information about their favourite brands, products, and stores. Thirdly, as compared to shopping in a physical store, buyers have a far easier time comparing product features, pricing, and availability while shopping online. The fourth benefit is that buyers may confidently make private purchases online. Consumers whose time is highly valued in brick-and-mortar establishments may find online purchasing to be a time-saver (Monsuwe et al., 2004). Successful professionals in the fast-expanding virtual marketplace have mastered the online purchasing process and the preferences of their online consumers (Constantinides, 2004). Internet retailers can't thrive without the capacity to analyse and comprehend customer's decisions.

2 PROBLEM STATEMENT

“In the fourth industrial revolution, people are buying more online and on mobile devices due to the ubiquitous accessibility of digital technology and its simplicity of use”.

Sarkar thinks that companies both online and traditional should analyse customer behaviour. The market revolves on consumer demand. The patronage of the public is what makes a company successful. The growing popularity of online shopping in India may be attributed to the country's expanding network of internet cafes. Ads on the web are used to market goods and services. Consumers now have a choice between online and brick-and-mortar retailers because of the intense rivalry between the two types of establishments. Product specifics, level of perceived risk, and availability of similarly satisfying alternatives are all different across the two channels of commerce (Sarkar, 2017).

3. BACKGROUND OF THE STUDY

People's spending habits are illustrative of the routines and routine tasks they engage in on a daily basis. Shop around and get out of the house. The buying habits of consumers have been the subject of much study. Customers' contentment with the store's overall environment and service has a significant impact on their propensity to make purchases there. The existence of entertainment options in shopping centers causes customers to spend longer time there and alters their behaviour. Therefore, it has been demonstrated that leisure activities cause a change in purchasing behaviour (Daz et al., 2017). Therefore, it is suggested to use measurement tools that account for both factors.

Values and way of life affect how individuals use their free time at shopping centers (Daz et al., 2017). Research like this is novel in comparison to conventional views that emphasise such factors as demographics and socioeconomic status alone as a means of gaining insight into consumers. An individual's behaviour is shaped by their ideals, which are their most important moral principles. They have to do with the unique worldviews people have. There has been a plethora of research that has included a survey of individuals' values and lifestyles as part of their study (VALS). However, some authors have differentiated between the two concepts to simplify the analyses and improve the efficiency of the study. Daily activities, such as

learning, socialising, and taking care of one's home, are all included under the umbrella word "values." Cultural, wellness, technological, cultural, and environmental factors can be separated from one another; education can be separated into the categories of knowledge and instruction; social activities can be separated into the categories of cooperation in social contexts; and domestic responsibilities can be separated into the categories of cooking, gardening, and raising children (Daz et al., 2017).

How a person's values and ideals shape their behaviour is another topic of study. Some authors have focused on the difficulties of socialisation, while others have emphasised individuals and the dynamics of their schools and homes. Studies of these kinds of interactions have been used to the marketing of retail and amusement venues' wares. Individuals' distinct points of view are mostly the product of their individual lifestyles (Warrior, 2020). Today's consumers are pickier than ever before, less loyal to brands, and eager to flaunt their affluence via their belongings and pastimes. Their shopping habits are changing because of this pattern.

4. LITERATURE REVIEW

Many shoppers spent many hours perusing the stores before making a purchase; however, other patrons preferred to bargain for a lower price and make final purchases only after conducting a thorough investigation of the items in question (Rajah, 2018). How long it takes to finish the process is very variable, ranging from a few minutes to several weeks, depending on the products, quality, quantity, and place of purchase. "E-commerce" (or "online business") is the practice of purchasing and selling products or services only via the use of the Internet. One option for staying alive in the current market is to adopt an online business model. The whole process, from conceptualization to promotion to distribution and support, is covered. Increasing numbers of consumers are making purchases online. If it is properly used, with the security of the transactions guaranteed, it thrives in a dynamic and competitive environment (Nanda Kumar et al., 2014). A sizable portion of Salem's populace is technologically sophisticated, and the city is dotted with successful companies. Businesses, hospitals, and universities increasingly rely on internet purchasing because of the rising number of individuals in their twenties and thirties (Suthamathi, 2020).

While being a relatively recent phenomenon, internet shopping has already had a huge impact on consumers' daily routines. Customers have grown more knowledgeable and discerning as a consequence of the proliferation of e-commerce, and businesses have had to adjust to meet the needs of this enlightened buyer demographic. This survey suggests that businesses should investigate the online market more. The majority of respondents to a recent survey had a positive attitude on online shopping, even those who prefer to buy in traditional stores. Most of these buyers are young adults under the age of 24. They like to shop in stores and malls where they may interact with others while doing so, such as when they want to meet up with friends. It would seem that these shoppers have a deeper familiarity with the products they are buying since they do their research online before making a store visit (Sivanesan, 2017). The explosive growth of online shopping has completely altered the structure of retail throughout the globe. The Internet has made it feasible to do business at a reduced cost. Having access to the internet, rising incomes, and a more educated population have all helped people overcome challenges. It's possible that consumers' opinions of the value of online buying may increase if they had access to more reliable payment systems, more convenient Electronic Stores, more

generous return policies, and more alluring price reductions. Gender, age, and level of education all play significant roles when describing the profile of Indian internet buyers (Kaur, 2018).

5. METHODOLOGY

5.1 DATA COLLECTION

The researcher also conducted quantitative research in the form of survey collection. Data for the study was collected through a questionnaire survey. Rao-soft software determined a suitable sample size to be 1500, thus 1600 questionnaires were sent out; 1563 were returned, and 63 were deemed insufficient for analysis. A total of 1500 questionnaires were employed for the analysis, 855 from women and 645 from men. The analysis was performed in SPSS 25.0, a statistical tool for the social sciences.

5.2 STUDY AREA

The study was conducted in shopping malls, public area, markets, offices, universities, colleges in China. The study sites were chosen because of the broad availability of people to assess their shopping habits.

A rating system based on the Likert scale is often used in surveys and questionnaires to gauge respondents' ideas and viewpoints. Participants often have the option of selecting a response from a set of five options, including "strongly agree," "agree," "did not respond," "disagree," and "strongly disagree," to a given question or statement. If the research uses numeric coding, such as 5 for "strongly agree," 4 for "agree," and so on, then the values for each category of answer must be established. By asking on a Likert scale from 1-20, as shown above, researchers may learn about shoppers' preferences for both online and traditional retail. The survey began with a series of "control" questions on the respondent's demographics and their level of familiarity with online vs. traditional buying.

6. THEORETICAL FRAMEWORK



7. RESULTS

A total of 1600 questionnaires were distributed to the respondents. Out of this number 1563 sets or 97.69% of the questionnaire were returned and 1500 questionnaires were analysed using the Statistical Package for social science (SPSS version 25.0) software.

7.1 FACTOR ANALYSIS

Confirming the latent component structure of a collection of measurement items is a common utilisation Factor Analysis (FA). The scores on the observable (or measured) variables are thought to be caused by latent (or unobserved) factors. Accuracy analysis (FA) is a model-based method. Its focus is on the modelling of causal pathways between observed phenomena, unobserved causes, and measurement error. The data's suitability for factor analysis may be tested using the Kaiser-Meyer-Olkin (KMO) Method. Each model variable and the whole model are evaluated to see whether they were adequately sampled. The statistics measure the potential shared variation among many variables. In general, the smaller the percentage, the better the data will be suitable for factor analysis.

KMO gives back numbers between 0 & 1. If the KMO value is between 0.8 and 1, then the sampling is considered to be sufficient. If the KMO is less than 0.6, then the sampling is insufficient and corrective action is required. Some writers use a number of 0.5 for this, thus between 0.5 and 0.6, you'll have to apply your best judgement.

- KMO Near 0 indicates that the total of correlations is small relative to the size of the partial correlations. To rephrase, extensive correlations pose a serious challenge to component analysis. Kaiser's cutoffs for acceptability are as follows:
Kaiser's cutoffs for acceptability are as follows:
A dismal 0.050 to 0.059.
- 0.60 - 0.69 below-average
Typical range for a middle grade: 0.70–0.79.
Having a quality point value between 0.80 and 0.89.
The range from 0.90 to 1.00 is really stunning.

Table 1. KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.918
Bartlett's Test of Sphericity	Approx. Chi-Square	7212.127
	df	190
	Sig.	.000

This demonstrates the validity of assertions for sampling purposes. To further verify the relevance of a correlation matrices as a whole, Bartlett's Test of Sphericity was performed. Kaiser-Meyer-Olkin Sampling Adequacy Value is 0.918. The p-value for Bartlett's sphericity test was determined to be 0.00. Bartlett's test of sphericity showed that the correlation matrix isn't an identity matrix, with a significant test result.

7.2 TEST FOR HYPOTHESIS
7.2.1 DEPENDENT VARIABLE

CUSTOMER'S DECISIONS

Online consumer buying behaviour is the search for, purchase, use, and evaluation of items or services that consumers think will meet their requirements via digital media, whereas offline consumer buying behaviour is the buying of products and services offline. conduct of the ultimate buyer who chooses to visit conventional shops or contact salesman/use magazines/newspapers/telephone media to acquire any product/service. Online marketing differs from traditional marketing. Internet purchasing saves time, money, and travel. Offline purchasing allows product inspection, human contact, and expensive travel and search expenses, but shopping hours are limited. A company's success may be improved by serving its target group's preferred needs and priorities.

7.2.2 INDEPENDENT VARIABLE

ONLINE PURCHASE

Online retailer trust affects online purchasing intention. Trust influences customers' willingness to shop at online shops and recommend them to others. Initial and ongoing trust in the Internet retailer's website is based on confidence in the online service provider. Trust and satisfaction influence system and information quality interpretations and use intents. Trust transfer improves social commerce continuation via satisfaction. Online and mobile payment confidence and perceived comparability may boost social commerce trust.

E-COMMERCE

Electronic commerce (E-commerce) involves buying and selling goods and services online. Buyers and sellers may use mobile purchasing and payment encryption. Most firms with an internet presence use an online store or platform to handle its ecommerce marketing, selling, and fulfilment. E-commerce sales exceed \$5 trillion by 2022, accounting for 25% of all retail sales, according to e Marketer. Total expenditures exceed \$7 trillion by 2025, even with slow growth. To understand the notion, let's look at e-history, commerce's development, and consequences on company. E-future commerce's advantages and downsides are also considered by customers. The Get it Big Podcasts features worldwide thought leaders discussing ecommerce trends, news, growth strategies, and success stories.

H01: There is no significant relationship between E-commerce and customer's decisions.

H1: There is a significant relationship between E-commerce and customer's decisions.

As per the hypothesis formulation H01 is null hypothesis and H1 is the alternative hypothesis.

Test For E-commerce

Table 2. H₁ ANOVA test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	65692.704	496	5474.392	2829.974	.000
Within Groups	168.296	1003	1.934		
Total	65861.000	1499			

In this study, the result is significant. The value of F is 2829.974, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the **“H₁: There is a significant relationship between E-commerce and customer’s decisions”** is accepted and the null hypothesis is rejected.

BETTER QUALITY OF GOODS

Products of high "quality" are those that customers want to buy and that end up meeting their needs. In the business world, product quality is measured in a number of ways, including how well it satisfies customers' wants and requirements and how satisfied they are with the product overall.

H02: There is no significant relationship between better quality of goods and customer's decisions.

H2: There is a significant relationship between better quality of goods and customer's decisions.

As per the hypothesis formulation H02 is null hypothesis and H2 is the alternative hypothesis.

Test for Better quality of goods

Table 3. H2 ANOVA test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	65131.762	369	9304.537	1173.851	.000
Within Groups	729.238	1130	7.927		
Total	65861.000	1499			

In this study, the result is significant. The value of F is 1173.851, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the “H2: There is a significant relationship between better quality of goods and customer’s decisions” is accepted and the null hypothesis is rejected.

8. CONCLUSION

Online shopping is prevalent. Online shopping is growing throughout all ages, genders, occupations, and education levels. Customers may quickly find and buy their desired stuff online since they have access to a bigger assortment of goods from the more reliable firms. Businesses may offer bigger discounts to online shoppers due to the Internet's efficiency. Online shopping continues to rise as individuals realise how convenient and cost-effective it is. Traditional buying is still popular among 31-40-year-olds, who purchase once every three months. Online and brick-and-mortar retailers are focusing more on in-store customer experience and service to attract and keep consumers who prefer to purchase in person but whose consumption patterns change with the seasons. The figures also show that physical buying eliminates shipping delays. They may avoid exchanges and returns by trying on clothes at a store. Large retail complexes are making traditional buying more competitive with online shopping. To improve traditional shopping, users identified difficulties including shopping adviser services and parking services. Brick-and-mortar shops flourish. Customers like shopping. Merchants may hold suitable, guide, or exclusive traditional activities or utilise the AI artificial alter clothing, etc. technology to improve our traditional buying experience. Meanwhile, ads may urge them to go shopping and shop with friends, and social media can help individuals try to purchase online.

LIMITATIONS

Assumptions & mathematical models provide mathematical expressions for quantitative methods. These essential assumptions may apply to different problems. Quantitative methods utilised improperly might have disastrous results. Quantitative techniques need professional skill and are expensive. Even major corporations utilise quantitative methodologies sparingly since many applications are not cost-effective. Managers favour intuition over quantitative methods to make decisions. Quantitative methodologies are inaccurate due to data inaccuracy, definition inconsistency, sample selection, procedure choice, comparisons, and presentation. Quantitative methods can't be used to study qualitative phenomena since they don't account for human intangibles. Managers' knowledge, attitude, and passion are ignored while judging. To employ techniques, intangible assertions may be quantified. Grading a manager's qualifications is one technique to assess their intelligence.

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