AN EMPIRICAL INVESTIGATION AIMED AT IDENTIFYING THE KEY FACTORS THAT IMPACT CUSTOMERS' DECISION-MAKING PROCESSES ABOUT THE CHOICE BETWEEN ONLINE AND TRADITIONAL PURCHASING METHODS

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ABSTRACT

As a consequence of technology's impact on the retail industry, the vast majority of shoppers now choose online stores over their more conventional counterparts. In order to optimise earnings, several major retailers have adopted this strategy throughout the last decade. The study's overarching objective is to compare and contrast traditional storefront shopping with its digital counterpart and to ascertain clients' preferences across the two channels.

This study investigates the reasons men are more likely than women to prefer shopping online. As a result, the security of credit card transactions at malls is enhanced by brick-and-mortar establishments. While more and more consumers are beginning to make purchases online, most still favour shopping in a physical store where they can connect with the vendors and inspect the items before purchasing.

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

1. INTRODUCTION

Online shoppers in China increased by 53 million, from 516 million to 569 million, in only a single year. E-commerce, or the network of online stores that buy and sell goods and provide services via the Internet, is the most recent distribution method for consumer goods. Via both digital (using the Internet) & brick-and-mortar (utilising regional company networks) routes. Electronic retailing, sometimes known as "virtual storefronts" and "online catalogue stores," is a specific kind of internet business. People are more likely to make purchases from online companies the longer they spend shopping online and the greater the sample size in a previous survey. Online shopping would not be possible without the search results that provide links to numerous products. Convenience, services, and prices may also play a role in shaping consumers' channel choices. Those usually place more weight on their own views and those of those they know to be acquainted with the goods. When buying online, consumers have the unique option to instantly compare pricing and choices among numerous sellers, and customers' experiences can be shared publicly. According to the results of a previous survey, there are five distinct categories of online shoppers: those motivated by convenience, those motivated by quality, those motivated by price, those motivated by service, and those motivated by technology. Consumers are starting to value speed and accessibility more than convenience, which is why online shopping is losing ground. A number of respondents to the survey mentioned it as a means to get out and about more often. Prior research on consumer purchasing patterns often made broad assumptions about the population as a whole, including individuals of different ages and ethnicities. The goal of this research is to examine how spending patterns across different age groups of Chinese consumers compare (Xiong et al., 2018).

A shopper's primary goal is to find the goods and services they need when they go the stores. Transactions involving the buying and selling of commodities and services. These days, consumers have a choice between two shopping options. Online & off-line shopping are two instances of these distribution systems. The usage of internet shops has been more common in recent years. Purchasing products and services over the internet is often referred to as "online shopping." Historically, buying and selling military equipment and supplies has always occurred in person. It is up to the person to choose whichever medium they wish to utilise for acquiring items. Even though many people nowadays prefer to do their shopping online, there are still plenty who have reservations about online stores and would rather go the town instead. Finding out how well-informed consumers are about the advantages and disadvantages of both online and traditional buying is a primary goal of this study (Suthamathi, 2020).

2. PROBLEM STTEMENT

"During the era of the 4th industrial revolution, individuals are increasingly engaging in online purchasing and using mobile devices as a result of the widespread availability of digital technology & its user-friendly nature".

Sarkar believes that conventional and internet businesses alike should do consumer behaviour analysis. Consumer demand is the market's major driving force. Customers' support is crucial to every business's ability to thrive. It's possible that the proliferation of internet cafés throughout China is contributing to the rise of online shopping there. Products and services are promoted via online advertisements. Customers may now choose between traditional storefronts and their digital counterparts because to the fierce competition that exists between them. Specifics of the product, perceived risk, and the availability of comparable substitutes vary across the two sales channels (Sarkar, 2017).

3. BACKGROUND OF THE STUDY

Euromonitor International, a market research firm, predicted in 2017 that e-commerce will be the fastest-growing part of the global economy between then and 2022, with the food and beverage category posting the highest growth rate (80%). Despite China's reluctance to join in on the trend, the market has seen a remarkable acceleration in reaction to the COVID-19 outbreak. In the year of the Euromonitor research, barely 9% of persons in the China ordered food online. 31% of Americans reported utilising an online grocery service for in-store pickup or at-home delivery in March 2020, the first month China was hit by the worldwide pandemic, and the overall number of online orders jumped by 33% in April. The worldwide epidemic struck China before any other nation. As long as the epidemic is ongoing, this upward trend is likely to continue. To be considered mature, an online market needs 70 percent of its customers to regularly shop there; before the pandemic, some business projection models anticipated that the online grocery industry would reach maturity by 2025; these predictions have since been revised (Liu et al., 2016).

There has been an unexpected uptick in online purchasing, but what impact this will have on the retail food industry is unclear since online customers are influenced by different factors than those who shop at traditional brick-and-mortar stores. Since China's food industry has

been hesitant to embrace the internet marketplace, the industry's producers and merchants have traditionally prioritised confidence in their marketing, stressing topics like privacy and helpful staff. As a result, buying groceries in China is a waste of time and money (Kaur, 2018). Research has demonstrated that the positioning of a product on the shelf and the distribution of shelf space has a major impact on product demand, making the minimization of customer search costs a primary priority within the framework of the supermarket industry. Online shopping, on the other hand, has a reputation for being impersonal, although offering a lot of advantages such as consumer convenience and a wider selection of goods. Preliminary research suggests that reducing food insecurity and improving people's diets may be possible with widespread adoption of online grocery shopping. Others, on the other hand, have noted that targeted advertising and expanded areas of service can have unintended implications that further increase imbalances in the food environment if actions are not made to mitigate the hazards that are linked. Even if online grocery shopping may not necessarily take over the market share already held by more traditional in-store shopping, the expansion of online platforms is projected to have an effect on the future of food marketing (Kaur, 2018).

4. LITERATURE REVIEW

According to the present study, there is a wide range of differences between online and physical shopping behaviours. In spite of the meteoric increase of online sales in China and the projections for much more development, there is still a significant preference to the so-called "genuine" shopping experience offered by brick-and-mortar businesses in China. Multiple studies confirm that a sizable population in China is largely responsible for the phenomenal success of online shopping in the country. Traditional brick-and-mortar stores have certainly felt the effects of the rise of online shopping. Online stores' profit margins have been significantly stretched as a result of the substantial discounts they provide. Furthermore, the ever-increasing price of real estate in China has raised concerns about the continued viability of traditional brick-and-mortar businesses. However, despite the exponential growth of their customer bases, no online retailer has yet reached profitability. Offering very low prices on everything is a mistake they made once, and now they regret. This has resulted in a recent scarcity of available private equity and venture financing. Merchants are responding to the growing need for omni-channel strategies by maintaining a presence on both digital and brick-and-mortar channels (Sarkar, 2017).

Customers that shopped online were found to vary from non-shoppers on a number of demographic and behavioural dimensions. Gender and income didn't appear to make a difference in comparing online and off-line shoppers. Those over the age of 30 and with more education were more likely to book a table in advance online. The results of the research indicated that regular Internet users and online shoppers used the Internet and web browsers differently on a weekly and monthly basis. Respondents who reported prior online shopping habits also reported more browser use and Internet time. One of the main aims of the research was to determine the factors that influence customers' decisions to make reservations online, both for the online and non-online groups.

There was a considerable association between online reservation intention and variables such as convenience, safety, and price, as demonstrated by the results of the multiple regression. In

the online-only sample, the convenience of searching for and making a purchase had a significant effect in the respondents' overall reservation intentions. When it came to locating and exchanging data, however, the online community placed a premium on ease of use rather than low prices. Hotel marketers may use these findings to better tailor their strategies to the different stages of an online hotel reservation site's life cycle. When designing a first-time user-friendly (i.e., the introductory phase) online reservation system, it is important to prioritise ease of use, affordability, and safety. However, if the volume of online bookings hits a particular threshold, the system should also facilitate information searches and financial transactions. As the number of consumers who have made purchases online rises, hotel reservation websites must cater to those clients by making it easier for them to do so. Marketing strategies for internet hotel reservations might shift their focus from acquiring new consumers to retaining existing ones. Due to the geographical separation between them, online shoppers are particularly concerned about the protection of their credit card information and personal details while making purchases. If the most severe issues are identified and fixed, it may be possible to allay customers' privacy worries. The safety and security of online transactions is of paramount importance to marketing managers (Kim, 2004).

5. RESEARCH OBJECTIVES

i.   To determine the factors, influence consumers to shop online.
ii.   To find the advantages and disadvantages of online shopping.
iii.   To understand the difference between physical consumers and online customers.
iv.   To examine how frequently people shop online than offline.
v.   To find the most popular online platform for selling nowadays.
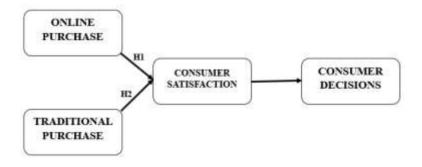
6. RESEARCH METHODOLOGY

A team of researchers conducted a comprehensive cross-sectional study. The use of a cross-sectional design mandated the gathering of data at a single moment in time, resulting in a rapid and cost-effective approach. Due to the constraints of a narrow time period & limited resources, the researcher made the decision to use a quantitative methodology. The sample size of 1460 was estimated using Rao-soft software. A total of 1600 questionnaires were sent, out of which 1563 were returned. However, 63 questionnaires were discarded due to incomplete responses. A total of 1,500 individuals from China were selected and then engaged in interviews for the purpose of this research. Convenience sampling was used to approach all respondents at the aforementioned locations. Participants were requested to participate in a monitoring initiative conducted at the factories. The researcher provided participants with relevant information on the study and was available to address any inquiries they had throughout their monitoring programme. In instances when a participant exhibited illiteracy or physical immobility, such as being confined to a wheelchair, the researcher assumed the responsibility of verbally presenting the survey questions and answer options to the participant. Subsequently, the researcher proceeded to transcribe the participant's replies into the survey form in accordance with their verbal communication. In some locations, individuals were provided with questionnaires to be completed and then returned in a consolidated manner.

6.1   Sampling & 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.

6.2   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.

6.3   Statistical Software: The analysis was performed in SPSS 25.0, a statistical tool for the social sciences.

6.4   Statistical Tools: Descriptive analysis was applied to understand the basic nature of the data. The researcher applies Factor analysis and ANOVA.

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.

7.   THEORETICAL FRAMEWORK

8.   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.

8.1 Factor Analysis:

The process of verifying the underlying component structure of a set of measurement items is a

frequently used application of Factor Analysis (FA). The scores of the observable variables are believed to be influenced by latent factors that are not directly noticed. The accuracy analysis (FA) approach is based on a model. The primary emphasis of this study is in the construction of causal pathways that connect observable occurrences, latent causes, and measurement error.

The appropriateness of the data for factor analysis may be assessed by the use of the Kaiser-Meyer-Olkin (KMO) Method. The adequacy of the sampling for each model variable and the overall model is assessed. The statistics quantify the extent of possible common variation across many variables. Typically, a lower percentage value indicates a higher level of suitability for factor analysis in relation to the data.

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.

8.2   Test for hypothesis:

8.2.1   Dependent Variable:

☐   Customer's Decisions:

The phenomenon of online consumer buying behaviour pertains to the process of searching for, purchasing, using, and evaluating goods or services via digital platforms, as perceived by customers who believe that these offerings would fulfil their needs. In contrast, offline consumer buying behaviour refers to the acquisition of products and services through non-digital channels. The behaviour of the ultimate consumer who opts to visit traditional brick-and-mortar stores or engage with salespersons, use print media such as periodicals and newspapers, or employ telephone communication channels to get a product or service. There are notable distinctions between online marketing and conventional marketing. The act of acquiring goods or services on the internet offers the advantages of time efficiency, cost savings, and reduced travel requirements. Offline purchase offers many advantages, including the ability to check products firsthand, engage in face-to-face interactions, and save the costs associated with travel and extensive search efforts. However, it is important to note that offline shopping is constrained by restricted operating hours. Enhancing a company's performance may be achieved by catering to the specific demands and objectives of its target demographic.

8.2.2   Independent Variable

☐   Online Purchase:

The practise of making purchases using electronic means (the Internet) is sometimes referred to as "online shopping." When people buy online, they are probably doing so at a store that is referred to as a website, e-shop, e-store, virtual shop, web shop, Online shop, or online store. Text, photos, and other material are all used by online stores to offer detailed descriptions of their products. The website where a consumer makes a purchase typically contains additional information on the item being bought. They may explain how to use the product correctly, what to do in an emergency, or even the manufacturing process. Some of them could even provide help in the form of guides or lessons. Consumers who are already online may as well read some reviews on the goods they are thinking about buying. Some online stores may have a special area on their sites for exactly such comments. Reviewers are often welcomed by many companies. In a regular store, shoppers wouldn't be allowed to ask questions like this about a product.

•   Customer Satisfaction with Online Purchase:

It's reasonable to predict that online shopping, a creation of e-latest commerce, will change the way people all over the world shop in the years to come. All of these enterprises have an

online presence where customers may purchase their items or employ them for services. More and more young people, especially millennials, are showing a ravenous appetite for internet shopping. When compared to their grandparents, today's youth see online shopping as a revolutionary concept that not only saves them time but also expands their exposure to new and interesting things. The assumption that internet shopping is bad for consumers, offers subpar quality, or is unreliable is only a framing. However, things are looking good, and there are some positive indicators of young people in the region right now. With more and more people using the web and mobile devices, businesses can only reach their target audience via digital channels. Online shopping has become popular since it has allowed young people to save a significant amount of time compared to traditional purchasing methods. On the basis of the above discussion the researcher formulated the following hypothesis which analysed the relationship between customer satisfaction with online purchase and customer decisions.

H01: There is no significant relationship between consumer satisfaction with online purchase and customer decisions.

H1: There is a significant relationship between consumer satisfaction with online purchase and customer decisions.

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

Table 2. H1_ANOVA

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	65626.976	487	6562.698	2495.813	.000
Within Groups	234.024	1012	2.629		
Total	65861.000	1499			

In this study, the result is significant. The value of F is 2495.813, 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 consumer satisfaction with online purchase and customer decisions." is accepted and the null hypothesis is rejected.

☐   Offline Purchase:

Offline shopping involves visiting a store or vendor. Consumers advocate visiting a shop as soon as possible if they like to buy in person. Standard 5–7-day internet purchasing delivery is unnecessary. Choose products depending on their requirements and interests. Try it, see how it works, and determine whether people want to buy it. This isn't available for online purchases. Any brick-and-mortar purchase may be returned for a refund if it doesn't meet expectations. Return the item to the store's return day or swap it immediately. Online shopping requires time-consuming research. Some employees encounter a lot of consumers while making a transaction offline and know what works for them. Consumers should consult experts before making quick decisions. In addition to cash, many establishments take cards, QR codes, UPI, etc. Thus, customers might increase offline spending. Consumer money may be caught in a

cyber-transaction, delaying payment. Look no farther than this exchange-based solution for greater openness than online payment platforms. Select clothes that fit and compliment their form. When tempted, people may try on items at many places before buying. Due to their rural or illiterate status, many individuals still lack internet and mobile phone connectivity (PayCEC, 2022).

•   Customer Satisfaction with Offline Purchase:

Customer-friendly offline stores boost product engagement. Quality services boost brand trust. Product cost boosts customer happiness. Offline purchasing allows you to touch and see an item's features and appearance. Some individuals prefer traditional shopping to online shopping because they can check an item before buying. Consumers pack up and head out when the need to purchase is too intense to wait for delivery. If they sample something and like it, they buy it at normal shops. Shopping memories are often the most precious. Online shopping doesn't satisfy customers as going out with family (Pinto, 2022). Offline shopping involves visiting a business or seller to buy. Consumers may visit the supermarket or mall to buy items. Traditional retail allows customers to develop lasting connections. Giving customers the ability to try their items before purchasing them online may reduce returns. The biggest drawback of conventional brick-and-mortar retailers is their limited product variety compared to internet purchasing (Pinto, 2022). On the basis of the above discussion the researcher formulated the following hypothesis which analysed the relationship between customer satisfaction with offline purchase and customer decisions.

H02: There is no significant relationship between consumer satisfaction with offline purchase and consumer decisions.

H2: There is a significant relationship between consumer satisfaction with offline purchase and consumer decisions.

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

Table 3. H2_ANOVA

ANOVA					
Sum					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	65752.536	437	5479.378	4395.049	.000
Within Groups	108.464	1062	1.247		
Total	65861.000	1499			

In this study, the result is significant. The value of F is 4395.049, which reaches significance with a p-value of .000 (which is less than the .05 alpha levels). This means the "H2: There is a significant relationship between consumer satisfaction with offline purchase and consumer decisions" is accepted and the null hypothesis is rejected.

9.   CONCLUSION

Buying things online is commonplace now. The popularity of buying things online is rising among consumers of all ages, both sexes, and all walks of life. Customers may browse a wider selection of products from reputable companies, making it easier to locate and purchase the items they need. Online customers may be eligible for further discounts from stores because of the convenience of shopping online. Online purchasing continues to increase as consumers discover how handy and cost-effective it is. People in their thirties and forties still prefer making purchases the old-fashioned way, once every three months. In order to attract and retain customers who prefer to shop in-person but whose consumption habits fluctuate with the seasons, both online and brick-and-mortar retailers are placing more emphasis on the in-store customer experience and service. Physical purchases help save waiting for deliveries, as shown by the data. A retail try-on might help them avoid the hassle of exchanging or returning items. The proliferation of huge shopping malls has increased competition between brick-and-mortar stores and internet retailers. Users suggested solutions like shopping consultant services and parking services to enhance the conventional shopping experience. Real-world stores thrive. Many people like going shopping. Traditional shopping experiences may be enhanced by merchants holding events that are appropriate, guiding, or exclusive, or by using AI artificial change clothes, etc. technology. While advertisements may encourage people to go shopping and shop with friends, people may get assistance purchasing online via social media.

10. LIMITATIONS

Quantitative approaches rely on mathematical expressions derived from assumptions and mathematical models. These foundational assumptions may be useful in solving a variety of issues. The use of quantitative methodologies incorrectly may have severe consequences. Quantitative methods are complex, time-consuming, and costly for professionals to implement. Since many applications are not cost-effective, even large firms seldom use quantitative approaches. Managers often rely on their gut instincts rather than hard data when making important choices. Data inaccuracies, definitional inconsistencies, sample and process selection, comparisons, and presentations all contribute to the unreliability of quantitative methods. Since they don't take into consideration human intangibles, quantitative approaches cannot be employed to analyse qualitative phenomena. The competence, motivation, and character of managers are not taken into account. Intangible claims may be measured with the use of methodologies. Grading a manager's credentials is one approach to determine their intelligence.

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