

## A Study on Impact of Technological Shopping on Traditional Shopping

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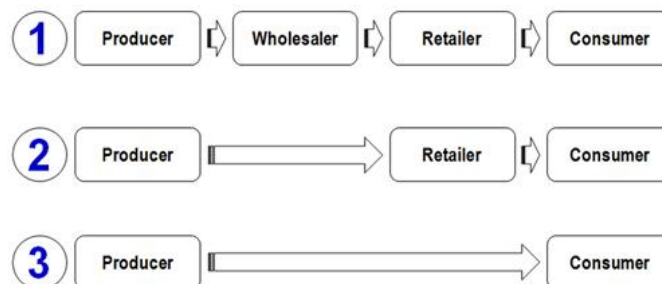
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### Introduction

Shopping is an economical act in which a customer wants the available goods or services presented by one or more retailers with the aim to purchase. There are many ways of this connectivity like some time it is differentiated by area, persons, mode etc. now we discuss its way of connectivity with customers.

### Traditional Shopping

In the traditional way of shopping there is a vendor with a specified shop. In the store, the consumer can compare, check, and physically touch and get information about a product. The physical store and its vendors are both important, because they need to have knowledge, skills, products, and services all at one place. Important factors are the shop's location, contacts, and assortment. When a physical store meets these qualifications, it will be successful. This method allows getting the item right now. There is no stress about the product lost in the mailing process. If we don't like something, we can just simply take it back to the store and get a refund or money back instantly.



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## **Online Shopping**

Now customers are going to buy products another way. The role of the physical store will change its called online shopping. Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. Doing business over the internet is called Electronic commerce (E-Commerce). Online shopping has become popular among consumers. Consumers search for the lowest price and the best bargain deals when shopping. Shopping over the internet gives consumers the freedom to shop when they want. Instead of hopping from shop to shop to buy their favorite products in the best possible rate, consumers have started hopping from site to site at the convenience of their home. E-commerce sites have also entered the FMCG market in India, like Big Basket, where you can buy vegetable and groceries online. . No need of taking out time to go shopping. There are no fixed timings. Consumers can shop as and when they need and the product is delivered to their home. No need of jostling through the crowd and standing in line to purchase your product.

### **Review of literature**

Some of the research works that came across during the study are as follows:

Anthony d. Miyazaki and Ana Fernandez prepared a report on “Consumer perceptions of privacy and security risks for online shopping” issued in “Journal of Consumer Affairs” volume 35, issue 1, and pages 27– 44, summer 2001.

Kathleen Seiders, Constantine Simonides, Douglas J Tigert prepared a report on “The impact of supercenters on traditional food retailers in four markets” in International Journal of Retail & Distribution Management”, ISSN: 0959-0552.

Soyeon Shim, Mary Ann Eastlick and Sherry Lotz prepared a report on “Assessing the impact of internet shopping on store shopping among mall shoppers and internet users” in the “Journal of Shopping Centre Research”.

Chaing and Dholakia (2014) carried out a study in which they examined the purpose the customer to purchase goods online during their shopping. The study revealed that the accessibility and the convenience of the shopping sites create the intention in the customer to purchase or not.

Iyer and Eastmen (2014) found that the population of senior who are more literate, more knowledgeable and who are more aware of the technology and those who have a positive behaviour towards online shopping and internet are more into online shopping.

Bo Dia, Sandra Forsythe and Wi-Suk kwon prepared a report on “The impact of online shopping experience on risk perception and online purchase intention: Does product category matter?” published in the Journal of “Electronic Commerce Research”, VOL 15, NO 1, 2014

### **Methodology of the Study**

This part of study defines all the process of data collection. When it comes to data collection, there are two methods in general used by researcher to collect data, primary and secondary method. Primary method includes observation method, interview/questionnaire method, and case study method. Secondary method is the method in which already collected data. The present study is based on combination of both qualitative and quantitative data. The qualitative data is collected through the sampling from the consumer. Random retailers are selected for the sampling purpose. The sample individual is selected from different age group, different sex and from different location.

- **Sampling:** The target group is of different age, different age group retailers are considered because to know whether which groups of people are involved more in the online shopping and which group of people is not confined to shop online.
- **Sample Size:** For this research 50 sample size is taken for the interviews. From this sample size the calculation of simple percentages for each variable is done.
- **Data Collection:** Data is collected by Primary and secondary data. Primary Data is collected by questionnaire which is filled by retailers. Other data is collected by magazine, research papers etc.

### **Objectives**

The research has been conducted with the following objectives:

- To study about factor affecting traditional shopping.
- To study about factor affecting online shopping.
- To study the effect on retail stores due to the arrival of e-stores.
- To analyze the effect upon pricing patterns of retail stores in recent times.

### **Factor affecting Traditional Shopping**

Retail shopping has existence since the existence of mankind. There are some factors which affect the shopping offline those are as follow:

- **Marketing Campaigns**

Advertisement plays a greater role in influencing the purchasing decisions made by consumers. The Marketing campaigns done on regular basis can influence the consumer purchasing decision to such an extent that they may option for one brand over another or indulge in indulgent or frivolous shopping.

- **Economic Conditions**

Consumer spending decisions are known to be greatly influenced by the economic situation prevailing in the market. It affects the mentality of consumer while purchasing from the Retail outlets. Like some person does not goes to high class A.C.

Showroom because it will take high price. Like that some persons don't want to go street market thought they have cheap quality. So all this thing effect the retail structure of shopping. A positive economic environment is known to make consumers more confident and willing to indulge in purchases irrespective of their personal financial liabilities.

- **Personal Preferences**

At the personal level, consumer behavior is influenced by various shades of likes, dislikes, priorities, morals and values. In certain dynamic industries such as fashion, food and personal care, the personal view and opinion of the consumer pertaining to style and fun can become the dominant influencing factor. That's way retail store converted into Theme Wise.

- **Group Influence**

Group influence is also seen to affect the decisions made by a consumer. The primary influential group consisting of family members, classmates, immediate relatives and the secondary influential group consisting of neighbors and acquaintances are seen have greater influence on the purchasing pattern of a consumer. People generally do what its affected group does.

- **Realism**

Offline shopping is more realistic than online shopping. While buying the product we can feel the texture of it and know what it's like. We exactly know what we are buying while buying anything offline.

- **Choice of trail**

The taste and preferences of the customer change from time to time. While buying any product from a store we have the flexibility and the choice to try out 9 outfits. But while buying any product from a website we don't have this facility. Therefore, buying offline caters more to the changing taste and preferences of the customers.

- **Option of Bargaining**

In offline store a customer can do physical bargaining to the seller unlike shopping online. In online shopping a customer cannot do bargaining as the price of the product is fixed. Some of the customer purchased products depending upon bargaining so they do not go for online shopping as they feel shopping online is more costly than the market.

### **Factor affecting the Online Shopping**

- **Convenience**

The main factors customer shop online is that it is more convenient than to shop in-store. Convenience is the most prominent factor that motivates consumers to shop through the internet. It is available 24 hours with full enthusiasm. And it is access from almost any location. These factors will be taken into account as part of convenience factor. Now all market is available in only one touch of mobile.

- **Price**

Price of product offered online is one of the major factor that influencing customer to engage in online shopping. Consumers can buy through the internet in cheaper prices offered by online retailers compared to traditional retailers. Online retailers usually are able to offer cheaper prices because of the shrinking cost of information processing, lower operating cost and global reach provided by Internet. usually, shoppers will make comparisons and always go for the best value for price products they consider buying on the Internet, however to some extent it would cost more to buy from online store than purchasing it from physical retail store.

- **Physical Outlets**

E-commerce site have the luxury of showcasing various products from various brands as they do not need to physically store these products. On the other hand the retailer can only manage to have a certain amount of products from a few brands as they have limited space to store their products.

- **Flexible**

Online shopping is more flexible than offline. Consumer can change his location according to his choice with one tab. There is variety of products, color, and size according to consumer. Consumer can pay bill according to his choice also like by debit card, credit card, NEFT etc.

- **Return Policy**

The return policy is the most important thing that gives customers the ability to return an unwanted item or purchase that doesn't measure up to their expectations or needs. Most of Indian women have habit of once return the purchased product. Without a proper return policy, a customer's shopping behavior is severely stunted because they are forced to put too much faith into the ecommerce business. There is nothing worse for the consumer than receiving a product and feeling like their money was wasted because the product doesn't measure up to expectations.

- **Cultural Differences**

Cultural differences and biases toward online shopping are prevalent with online stores being present in many countries around the world. Each societies value system is different, but it is the ecommerce company's responsibility to provide an atmosphere that gives confidence to the buyer. With 43% of buyers coming from non-English speaking countries there are many different cultural differences that need to be accounted for. Understanding the relationship that the consumer has with online shopping and the Internet in particular can affect consumer behavior.

- **Option of Choice**

There are lots of sites which provide online shopping services. A customer has many options. Each site has more than 1 lakh products. The products are available in much size, color. Each product has 5 to 6 options.

- **Less Time Consuming**

It is very less time consuming. People can purchase any things from only one touch. Now we have not required to go cloth market to purchase dress, not to go Journal Store to purchase daily routine things. They all are available only one place, at your home.

- **Information**

Online shopping provides all the information regarding product like available sizes, colour, contents, version etc. Every information is shown in the site so consumer can get knowledge regarding products.

**Effect on Retail Stores Due to the Arrival of e-Stores**

The latest fashion trend among the consumers in India is online shopping or e-shopping. Instead of hopping from shop to shop to buy their favorite products in the best possible rate, consumers have started hopping from site to site at the convenience of their home. No need of taking out time to go shopping. There are no fixed timings. Consumers can shop as and when they need and the product is delivered to their home.

**Turnover**

Due to e-commerce the turnover of offline retailers has reduced which is a warning signal for the enterprise. As per a recent study, the turnover of enterprises has gone down by around 80% over the past two to three years. This is a very disturbing trend and is also discouraging for the local retailers.

**Profit Margin**

On the arrival of online shops in the market offline retailers are suffering from pricing. Because most of online sites connected with factory outlet directly so they become cheaper from retailers. To survive in market, Retailers have to sell product in low prices which covers only their operational costs and they do not get any profit margin.

**Discount**

Traditional retailers sell their products at discounted rates because online stores offer heavy discount to the customers and to stay in the market and to attract the customers they have to sell the products at discounts.

**Variety of Stocks**

Variety of goods is offered by online stores in each sites. Almost each sites has more than 3 lakh variety of product they have. Offline retailers cannot do like that because at the end of year the left over stock can give a huge loss to the retailer. It is not possible for a retailer to maintain such stock in small area shop.

**Customer Services**

Now Offline retailers are providing different services like repair and goods of services, home delivery and after sales services also like online shops. This all are for attract the customer from online to offline.

### Reduce Actual Customers

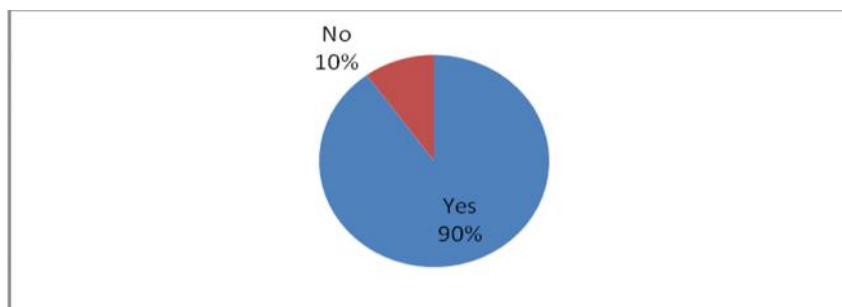
Online store provide low prices offered to customers. So consumers look and check this product at physical stores and they buy product online. Due to which they have prospective customer's more than actual customers.

### Analysis and Interpretation

Q.1 Is Online Shopping increases day by day?

- a) Yes                                  b) No

Yes	45	90%
No	5	10%
<b>Total</b>	50	100%



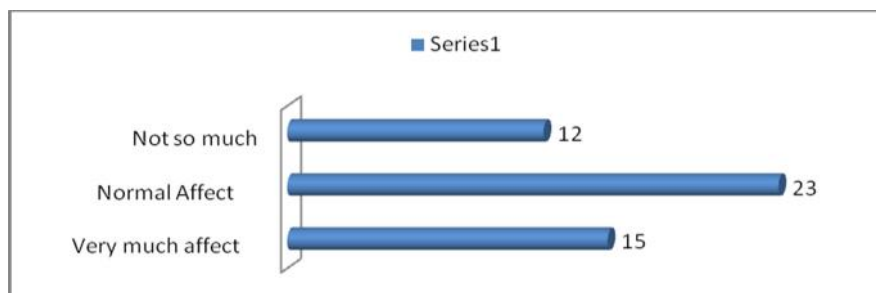
### Interpretation

90% Retailer agree that Online Shopping is increase day by day. It's the time of boom period of Online Shopping. 10% reject this.

Q.2 Is Online Shopping reducing the frequency of consumers towards retail shop?

- a) Very much affect   b) Normal Affect   c) Not so much

Very much affect	15	30%
Normal Affect	23	46%
Not so much	12	24%
<b>Total</b>	50	100%



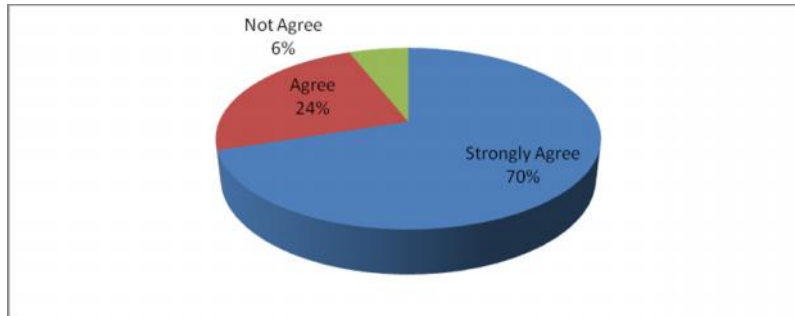
### Interpretation

30 % Shopkeepers strongly agree that online shopping reduce the frequency of consumer towards retail shop where 46% give normal reaction and 24% refuse this statement.

Q.3 Are you agreeing that Online Shopping affecting the decision of consumer to purchase the product from retail shop?

a) Strongly agree    b) Agree    c) Not Agree

Strongly Agree	35	70%
Agree	12	24%
Not Agree	3	6%
<b>Total</b>	<b>50</b>	<b>100%</b>



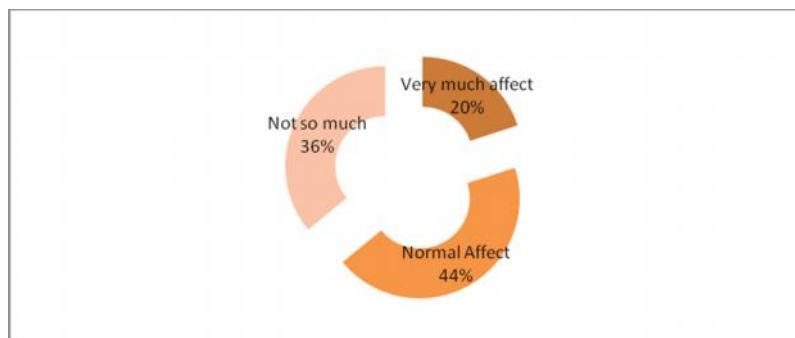
#### Interpretation

70% retailers agree that Online Shopping affecting the decision of consumer to purchase the product from retail shop because it is more conveyance than to go shop and purchase something. 6% refuse this statement that many this products cannot be purchase by online.

Q.4 Is Online Shopping affect the discount offer of retailer to consumer?

a) very much affect    b) Normal Affect    c) Not so much

Very much affect	10	20%
Normal Affect	22	44%
Not so much	18	36%
<b>Total</b>	<b>50</b>	<b>100%</b>



#### Interpretation

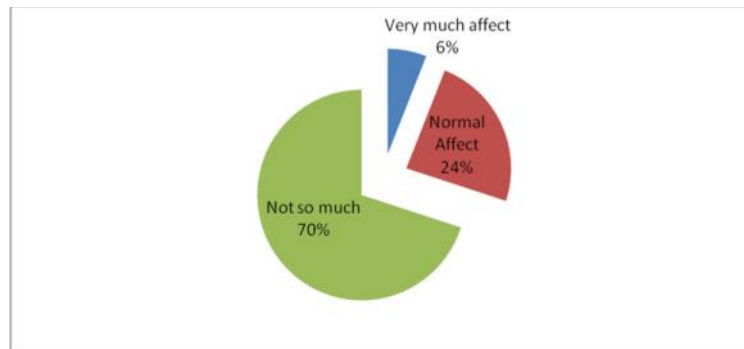
20% retailers agree that online shopping provide very attractive offers so to compete them retailers also provide some attractive offers. 44% retailers give normal react on this and 36% retailers said online offers did not affect their discount policy.



Q.5 Is Online Shopping affect the packing of product?

a) Very much affect b) Normal Affect c) Not so much

Very much affect	3	06%
Normal Affect	12	24%
Not so much	35	70%
<b>Total</b>	<b>50</b>	<b>100%</b>



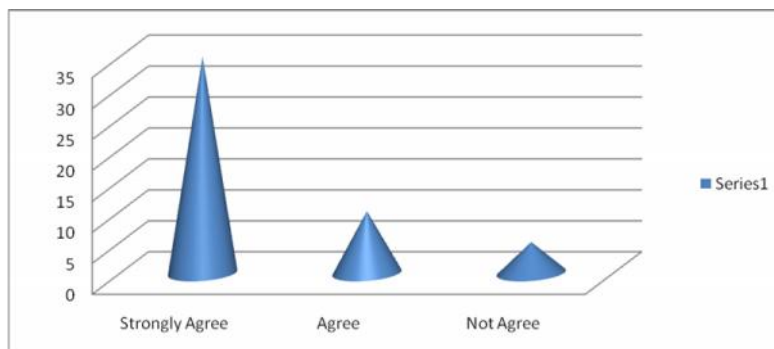
**Interpretation**

Only 6% retailers agree with that online shopping effect the packing of product. 24% said it affect normally. 70% retailers are not agree with this.

Q.6 Are you agree that there is some difference in the quality of product in online offer?

a) Strongly agree b) Agree c) Not Agree

Strongly Agree	35	70%
Agree	10	20%
Not Agree	5	10%
<b>Total</b>	<b>50</b>	<b>100%</b>



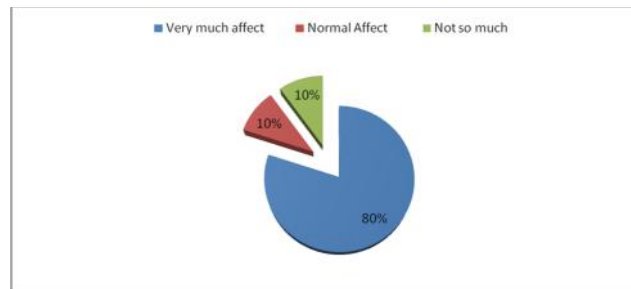
**Interpretation**

70% retailers are strongly agree that there is some difference in the quality of product in online offer. They are comparatively less. 20% retailers are normally agree on this and 10% are disagree with it.

Q.7 Is Online Shopping affect the turnover of retailer?

a) Very much affect b) Normal Affect c) Not so much

Very much affect	40	80%
Normal Affect	5	10%
Not so much	5	10%
<b>Total</b>	<b>50</b>	<b>100%</b>



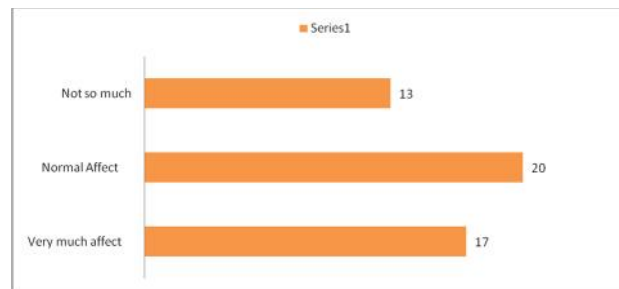
### Interpretation

80% retailers agree that online shopping reduce the turnover of retailer. 10% retailers said that it affect normally. 10% retailers said that there is not affect that.

Q.8 Is Online Shopping affect the profit ratio of retailer?

a) Very much affect b) Normal Affect c) Not so much

Very much affect	17	34%
Normal Affect	20	40%
Not so much	13	26%
<b>Total</b>	<b>50</b>	<b>100%</b>



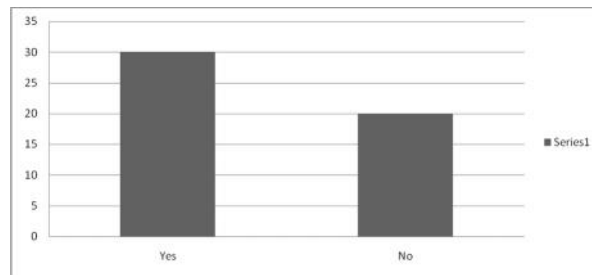
### Interpretation

34% retailers agree that online shopping reduce the profit ratio of retailer. 40% retailers said that it affect normally. 26% retailers said that there is not affect that.

Q.9 Are shopkeepers had to maintain variety of products because consumers want more product option like online shopping?

a) Yes b) No

Yes	30	60%
No	20	40%
<b>Total</b>	<b>50</b>	<b>100%</b>



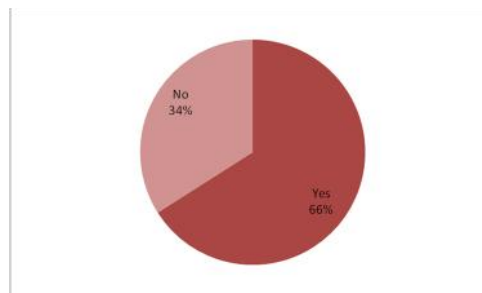
**Interpretation**

60% shopkeepers agree that they have to maintain variety of products because consumers want more product option like online shopping. 40% retailers are not agreeing with that.

Q.10 Is online shopping increase seller segment as compare to consumer segment?

a) Yes            b) No

Yes	33	66%
No	17	34%
<b>Total</b>	<b>50</b>	<b>100%</b>



**Interpretation**

66% agree that online shopping increase seller segment as compare to consumer segment.

**Conclusion**

Although online shopping has come as a boon for consumers in India, there is a flip side to it as far as the retailers are concerned. Now, not only do they need to compete with other retailers, they also need to compete with the e-commerce websites which has a definite edge over the retail store owners. The retailers have also agreed to the fact that their profit margin has gone down as they need to give more discounts in order to attract their customers. This has also resulted in people losing jobs. The customer loyalty has significantly shifted towards e-commerce sites. The main factor being the variety offered by these e-commerce sites which local retailers cannot afford to have. E-commerce site have the luxury of showcasing various products from various brands as they do not need to physically store these products. On the other hand the retailer can only manage to have a certain amount of products from a few brands as they have limited space to store their products.

## Suggestions

Times have changed and today's market is consumer's market. There has been an alarming increase in window shopping not turning into potential customers as the customers have the option of choice. They can either choose from the store or go online and get the product that they want to buy. In order to increase their sales the retailers have no other choice but to be on the good books of the consumers. The retailers have to change the way they offer their products and services to their customers in order to survive in the competitive market. Changes like attracting customers to their stores with larger variety, fair price, etc. need to be adopted by the retailers. They also need to avail the benefits of technology by introducing the online shopping concept to the extent possible to increase their sale. They can also change their window display from the conventional methods to more unconventional methods to draw the window shoppers to become potential customers. E-commerce sites are affectation challenges to retailers in a big way but if the retailers can be more adaptive and flexible in their move toward then they can expect the tide changing in their favor in the longer run.

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