

A Study of the Impact of Online Consumer Buying Behaviour on Offline Market while Purchasing White Goods

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ABSTRACT

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The rise of e-commerce has transformed the way consumers shop for goods and services. In recent years, there has been a significant increase in online consumer buying behavior, with consumers turning to online channels to purchase white goods. This trend has had a significant impact on the offline market, and retailers who operate both online and offline need to adapt to the changing consumer behavior to remain competitive. The purpose of this research paper is to study the impact of online consumer buying behavior on offline market while purchasing white goods.

The study indicates that online consumer buying behavior has a significant impact on the offline market while purchasing white goods. Consumers who purchase white goods online are more likely to compare prices, read reviews and conduct research before making a purchase. They are also more likely to purchase from retailers who offer free delivery and easy returns.

Keywords: White Goods, eCommerce, Online Buying Behaviour, Offline Market

Introduction:

In today's era of 'Internet of things' and rapid development of technology, the consumers purchase path has become increasingly fragmented, blurring the lines between online and offline retailing. As in-store and online technologies are being unified, channel integration is key to a smooth and seamless consumer experience. Modern consumers are becoming increasingly impatient; they want to be able to shop anywhere, at any time and from the location of their choice. They demand personalised shopping journeys to suit their needs as they move around and across numerous channels in the online and offline paths.

Consumers and retailers are going through a tough and complex situation driven by technology. As they transit through this paradigm shift, the traditional linear path-to purchase has been replaced by modern consumer's checkered path-to-purchase. Now the shopping journey is across a multitude of channels from stores to connected devices, everything and all being interconnected. Consumers now are more technology savvy and price conscious, on one hand, most consumers own high-end mobile gadgets and on the other hand, they use a lot of online and offline channels which allow them to shop everywhere and anytime.

As boundaries between online and offline channels disintegrate, the world is turning into one big showroom. Consumer in-store and online experiences are being complimented by technology across the entire purchase route. Tablets and smart phones are becoming the universal tools for shopping, as it is easier for consumers to access information, compare prices and make purchases in-store or online. Depending on one's access to the internet and their competency in use of technology, social media is influencing, how consumers discover, try and buy. Online shopping is much easier and faster, consumers can find information about the product and its availability twenty-four hours a day seven days a week and get highly personalised offers and discounts.

Objectives:

1. To analyse consumer buying behavior in online and offline medium for different age groups.
2. To study the factors resisting customers for making online purchase decisions in white goods industry.

Literature Review:

A Study on Purchase Behavior of Consumer Durable

Goods with Special Reference to Tiruvarur District by P.Sathya and R.Indrajith. In this research special attention being given to the marketing strategies adopted by the manufacture for effective reach is also done. The various studies related to consumer behavior, rural market and urban market have been conducted by different social scientists at micro as well as macro level in India and abroad. The present study has covered the Consumer Behavior towards consumer durable goods.

Tolerance for Unethical Consumer Behaviour Provides a Key Insight to how People Behave as Consumers Worldwide by Emin Babakas, in this study, consumer reactions to unethical consumer behaviour and the USA. Nationality is found to be a significant predictor of how consumers view various questionable behaviours. Gender is not a significant predictor, while age and religious affiliation are found to be significant predictors of consumer ethical perceptions.

An Evaluation of Consumer Awareness in Rural Markets by Y Krishnan Naidu, this paper deals with the extent of awareness in rural markets of India. It presents the — Gold available in this steadily growing market which has been going great since the 1980's and now bigger than the urban market for both FMCG's and durables, the former with 53 per cent share and the latter with 59 per cent of total market.

Impact of Consumer Involvement on Buying Decision by R Sudarshan a Conceptual Framework. Consumer involvement refers to the intensity of interest with which consumers approach the market place. It is related to the consumers 'values and self-concept which influence the degree of personal importance ascribed to a product or situation consumer involvement varies Krishna across different individuals, product, brands and situations.

The Paradox of Progress - Inexperienced Consumers 'Choice of Major Household Appliances by AC Erasmus, in this paper the initial notion that limited consumer socialization may result in, and even necessitate inexperienced consumers 'reliance on surrogate indicators of quality, such as price, brand name and store image, as compensation for lack of appropriate product knowledge unfortunately the use of surrogate indicators of quality does not necessarily imply informed, responsible buyer behaviour.

Online consumer buying behavior has been extensively studied in the past few years, and there is a growing body of research on its impact on the offline market. According to a study by Forrester Research, online retail sales in the US are expected to reach \$370 billion by 2017, representing a significant increase from the \$231 billion recorded in 2013 (Forrester, 2014).

Research has also shown that consumers who purchase products online are more likely to conduct research before making a purchase, compare prices, and read reviews (Nielsen, 2015). The convenience and ease of shopping online have also contributed to the growth of online consumer buying behavior.

However, research has also shown that the majority of consumers still prefer to purchase white goods offline, mainly due to the need to see and touch the product before making a purchase (Nielsen, 2015). Retailers who operate both online and offline need to adapt to the changing consumer behavior to remain competitive in the market.

The white goods market has also seen a significant shift towards online buying behavior. According to a report by Statista, online sales of white goods in the US are expected to reach \$18.5 billion by 2024 (Statista, 2021). The report also stated that the convenience and availability of products are the primary reasons for the shift towards online buying behavior in the white goods market.

Over the years as consumers adopt new ways to shop through different channels, businesses need to create synergies between their various sales channels to be able to serve their consumers Businesses need to update their strategies from time to time as they move from traditional channels to multichannel players, everything else in between and finally to Omni-channel players in the present times. This adoption has created efficiency and competitiveness, which is a must for both business and consumers in present economic conditions.

Omni-channel; the essence of the concept is that the consumer can use all the available online and offline sales channels in a seamless manner. Consumers today are not only connected twenty-four hours a day seven days a week but are also empowered. They prefer to shop at their convenience as they travel through various touch points. With the advent of online

channels and ongoing digitalization, channels such as mobile and social media have influenced the way consumers behave through their search and acquisition patterns.

The demand for seamless channel integration has increased tremendously as consumers use many different channels to complete a single purchase transaction. Consumers are now more into show rooming, as they visit a shop or a stores website to check out products, but may end up buying them from another online store or retailer. This has forced retailers to transact with consumers across various channels, requiring consistent channel integration and creating a similar and positive experience throughout the whole process at various stages in a consumer's journey.

Retailing today requires careful integration of the entire range of available shopping channels both, online and offline. It requires all channels to work in a seamless manner in the buying process, from discovery to purchase both in-store and out. Going way beyond helping in-store consumers as they cross-shop on digital devices, in today's world though the number of channels are more but at the same time channel differentiation gets blurred as channel borders disintegrate and merge. These new channels not only break down old barriers of geography and consumer ignorance but at the same time, these channels can be used interchangeably through the search and purchase process to benefit the consumer in his journey.

Research Methodology:

A quantitative research design was used to gather data from consumers who have purchased white goods both online and offline. A survey questionnaire was developed and collected from 60 respondents. The data collected was on online consumer buying behavior, including factors that influence purchasing decisions, channels used to purchase white goods, and the impact of online purchasing behavior on offline market.

Hypothesis:

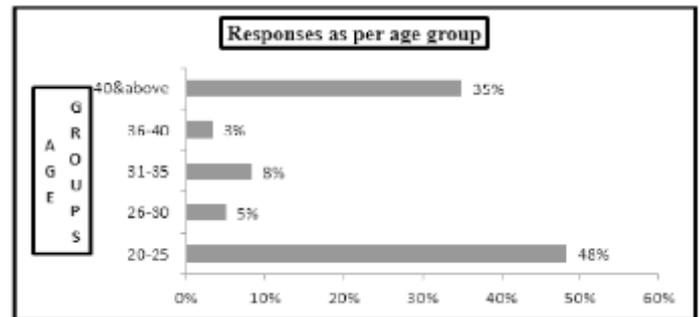
H₀: There is no significant impact of online consumer buying behavior on offline market while purchasing white goods.

H_A: There is a significant impact of online consumer buying behavior on offline market while purchasing

white goods.

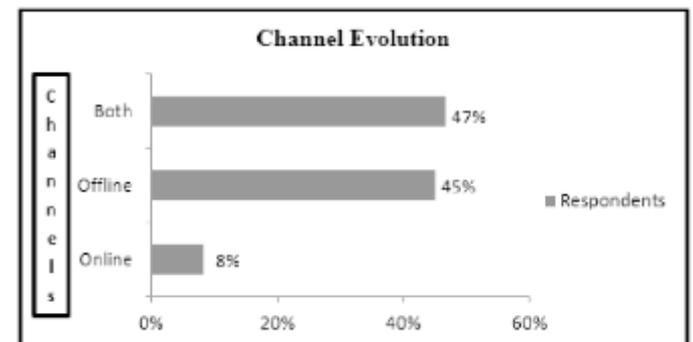
Age Groups

According to the survey results, the highest respondents were from age group of 20-25 which were 48 % (29), followed by 40& above which were 35 % (21). This shows that the survey was equally distributed among various age groups and targets all the age groups. The figure below shows the respondents as per age group.



Channel Evolution

The respondents were asked about the kind of store they preferred to shop in. According to the replies received, 45% of the respondents preferred to shop in an offline store and 8% of the respondents preferred to shop online and 47% respondents preferred shopping from both. It was a clear indication that most the respondents preferred to shop from both offline and online and online channel has evolved as an option to shop for most of the buyers rather than only offline as it can be observed from figure below. It was surprising that the respondents preferred offline channels against online channels, as the majority of the surveyed population are of age group 20-25 as we saw in the above the Chart.



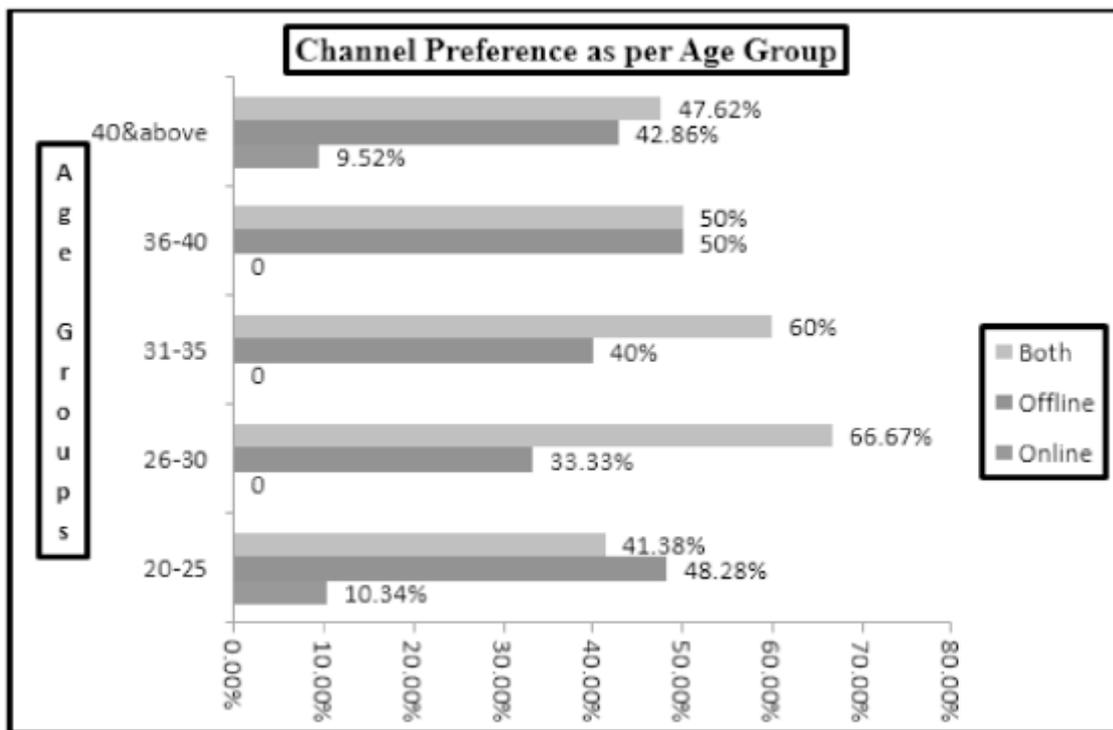
Channel preference as per Age groups

As per the survey, the detailed preference of channel, the respective age groups is given below in the figure. It is found that 48.28% of people between ages 20-25 are inclined towards shopping offline, which comes as a surprise as they prefer shopping online the most.

Further, it is found that 66.67% of people between age group 26-30 prefer shopping from both channels and rest 33.33 %shop from offline channels only. A 60% of people in age group 31-35 prefer both and rest 40% prefers offline only. A 50% of people prefer offline and rest 50% prefer both in age group 36-40.

A surprisingly 47.62% prefer both channels in age

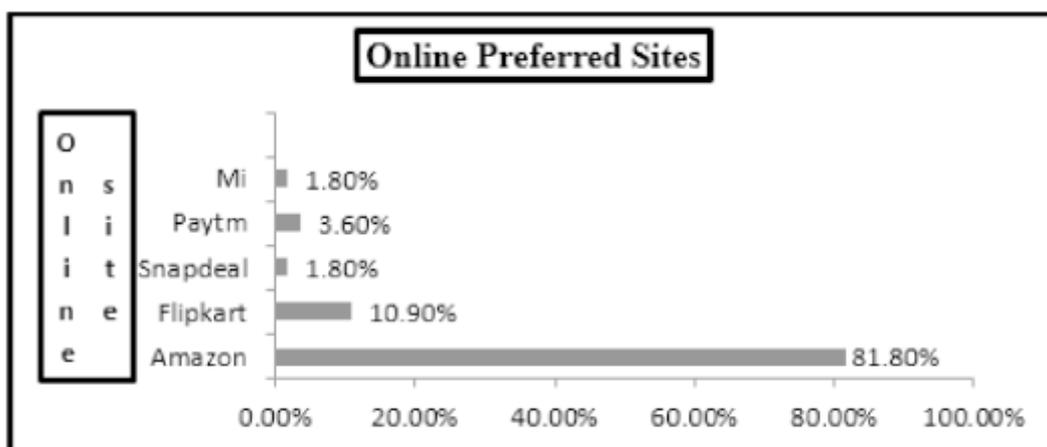
group 40& above. A 42.86% prefer offline only and rest 9.52% prefer online only in same age group. From the data we could say that people younger yet prefer to shop white goods offline whereas people older prefer both channels hence considering online shopping as one of the channels. Hence, we could see how the both channels have evolved with respect to different age groups.



Online Preferred Sites

As the majority of the respondents preferred to shop from both online and offline channels, it was a clear indication that they had shopped online and hence the researcher tried to find out their preferred online site. In fact, when 55 respondents commented about their preferred online sites to shop white goods the results

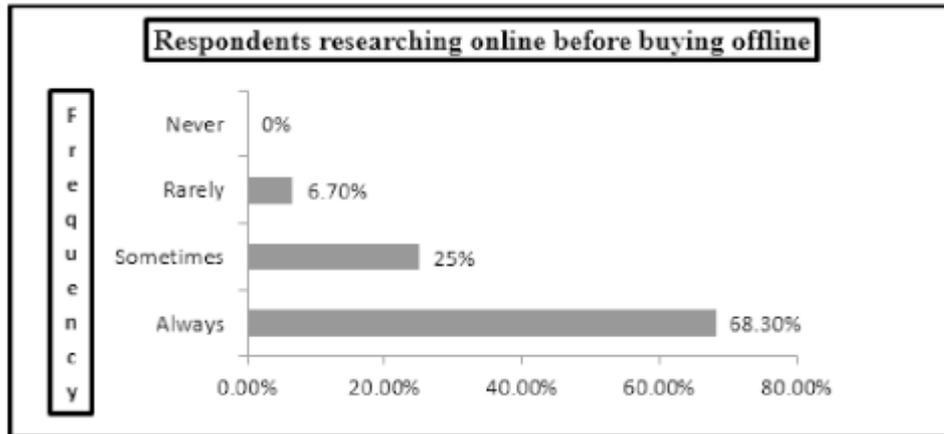
were as shown in the figure , 81.80% of the respondents shopped online from Amazon, followed by Flipkart with 10.90% of the respondents and further 7.3% of the respondents using various other sites such as Snapdeal, Paytm and Mi. Hence, Amazon is the most preferred site for shopping White goods online.



Factors Influencing Consumer Channel Purchase Behavior

As it is evident from Charts, consumers today have access to different online tools and shop online and offline. At times, part of the consumers not only uses their online tools to shop but also do pre-shopping research. Other part of the consumers visits traditional stores to shop or to check out products. According to figure, 68.30% of the respondents always research

products online but buy the product in a traditional store, 25% of the respondent's research sometimes and buy products in a traditional store, followed by 6.70% of the respondents who prefer to rarely research online and buy products offline. None of the respondents just go to traditional store without researching online. Hence, this reflects how online channels have affected the consumer buying behavior for purchasing products offline.



Factors Influencing Consumer Purchase Behavior in Offline Channel

The respondents were asked about the reasons behind their buying products in a traditional store. According to the survey results the majority 87.70% respondents agreed with the statement, 'I prefer to touch the product' and 61.40% of the respondents agreed with the statement, 'no fake products' in store because I can check the originality of the product'.

According to figure, 57.90% of the respondents would like to visit a traditional store because they do not want any product disappointment that is what is shown in the picture and what original product looks like. It was a bit surprising to note that, 22.80% of the respondents

said I prefer to buy in traditional stores so I can get better return policies when online sites are investing so much money just to make return policies easier and better. 38.60% of the respondents agreed they buy offline because of in store discounts and 28.10% agreed because of no extra shipping charges.

It further suggested, 3.50% of the respondents were keen on spending quality time with family and friends hence preferred offline channel. Other factors such as urgency of the product were suggested by 1.80% of the respondents. Hence the top 3 reasons why consumers buy offline are “touch the product”, “no fake products” and “no product disappointment”.



Factors Affecting Consumer Buying Behavior in Online Channel

The respondents were asked about the top 3 reasons about the factors concerning the reasons behind their buying products through online channel. According to the survey results the majority, that is 86.4% respondents agreed with the statement, 'I buy through online because it saves me time' and 54.50% of the respondents agreed with the statement, 'I buy through online because I can check and easily compare different products and compare their prices and features'.

According to figure, 45.50% of the respondents agreed that online shopping is convenient as let us

shop at anytime from anyplace. 40.90% of respondents don't mind buying online as they think they get more discounts online. Further, 36.40% of the respondents say that, we buy through online so we can get direct shipping of products home.

20.50% of respondents prefer online because of EMI options and 18.20% buy online to get exclusive online products. About 15.90% respondents say that they shop online to jump the long queues in traditional stores. Hence the top 3 reasons why consumers prefer online over offline channel are 'saves time', 'ease of comparing products' and convenience to shop at anytime from anyplace'.



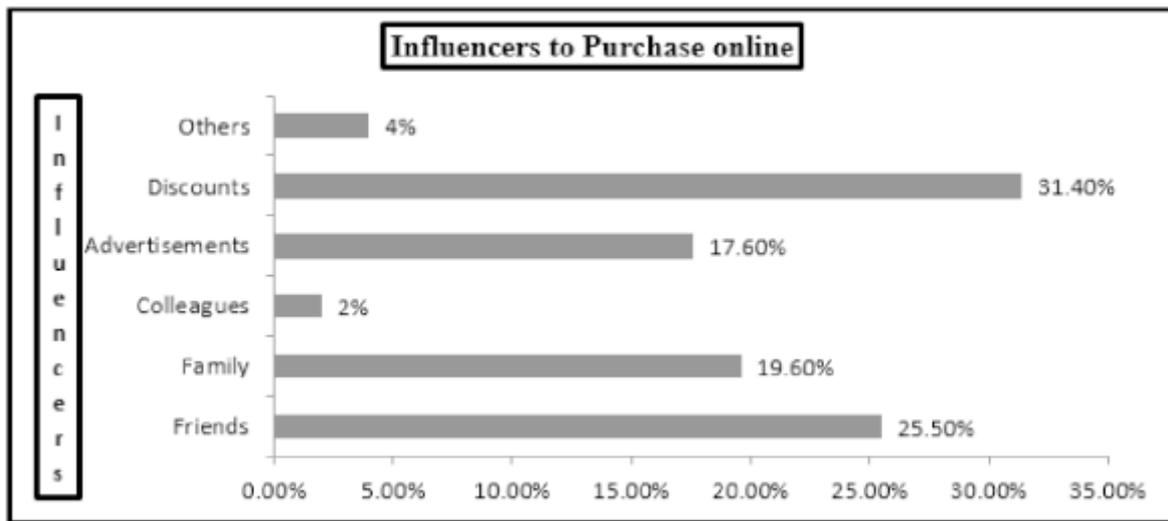
Influencers Who Influence Consumer Behavior to Purchase Online

According to the survey results, majority of respondents that is 31.4% get influenced to purchase online because of the attractive discounts provided by the online sites. Further, 25.5% said they get influenced by friends and they persuade them to buy white goods online if they have had a good experience. 19.6% said that family members influence them to purchase online and surprisingly only 17.6% people said that advertisements influence them to purchase online. This comes as a surprise as online

sites are spending a huge amount of funds on advertisements. Rest 6% is divided between colleagues at 2% and others at 4%.

Hence here we could see that, discounts influences most people to purchase online and hence the online sites should prefer giving more discount and do influencer marketing rather than spending huge amount of money on advertisements.

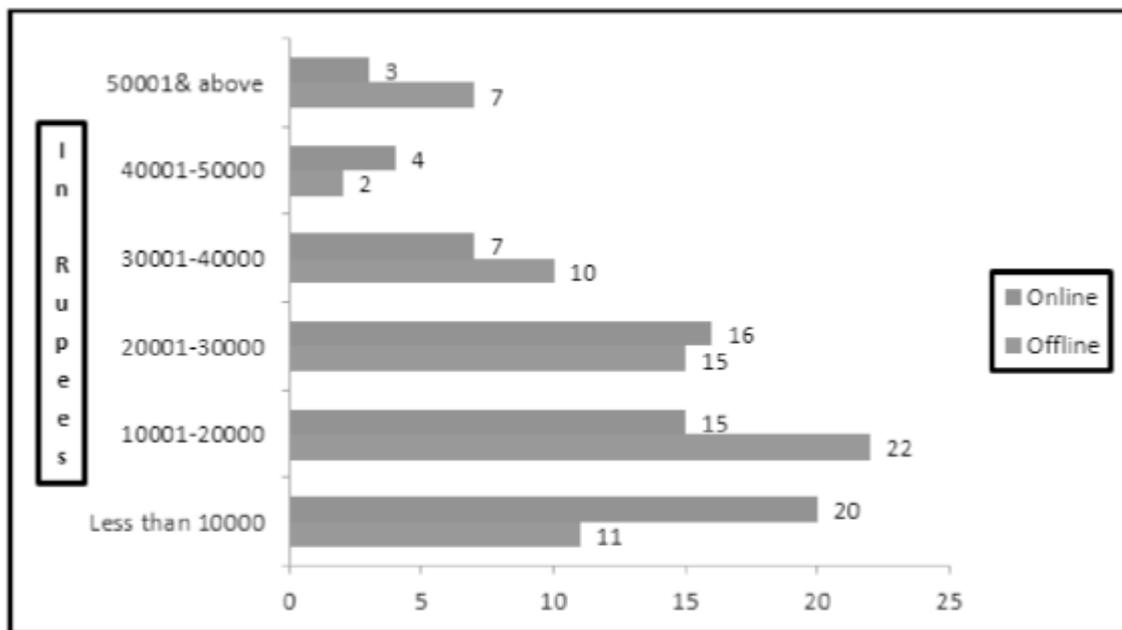
The figure below shows the detail of the influencers influencing consumer online purchasing behavior.



Consumer Spending On Buying White Goods Respect to Different Buying Channels

As per the survey results we could see that people prefer to spend less than 10000 rupees while purchasing white goods online. Most people prefer to buy white goods between range of Rs10001-20000 and they prefer offline mode. As we could see in the graph below that the consumer purchasing behavior

changes at every range, hence it is difficult to determine which channel is preferred depending on the price range. But from the graph we can assume that as the spending range rises people prefer to buy offline as they have a trust issue about the originality of the product as well as want to touch the product. People prefer to buy low valued white good online as the risk factor is less.



Findings:

The finding of the study show that most of the respondents preferred to shop from both offline and online and online channel has evolved as an option to shop for most of the buyers rather than only offline. It was surprising that the respondents preferred offline channels against online channels, as the majority of the surveyed population are of age group 20-25.

Younger consumers yet prefer to shop white goods

offline whereas people older prefer both channels hence considering online shopping as one of the channels. Majority of the respondents always research products online but buy the product in a traditional store, some of the respondents research sometimes and buy products in a traditional store, followed by few of the respondents who prefer to rarely research online and buy products offline. None of the respondents just go to traditional store without researching online.

The study also found that Amazon is the most preferred site for shopping White goods online. As education levels are rising people are more aware about the online shopping channel and are considering online channel as a mode of shopping for white goods. Top 3 reasons why consumers buy offline are “touch the product”, “no fake products” and “no product disappointment”.

The top 3 reasons why consumers prefer online over offline channel are 'saves time', 'ease of comparing products' and convenience to shop at anytime from anyplace'. Discounts influences most people to purchase online and hence the online sites should prefer giving more discount and do influencer marketing rather than spending huge amount of money on advertisements.

Spending range rises people prefer to buy offline as they have a trust issue about the originality of the product as well as want to touch the product. People prefer to buy low valued white good online as the risk factor is less.

Conclusion:

The issue of consumer channel purchase behaviour is very complex and wide. The consumers purchase journey is increasingly fragmented, as online and offline channels are getting blurred due to the impact of technology. The findings in this research helped understand the consumers online and offline channel choice, its impact on the consumer purchase journey and the role of value dimensions. The study recommends that white goods retailers should integrate their online and offline channels to increase their sales and maintain their market share. By doing so, retailers can provide consumers with a seamless shopping experience that caters to their needs and preferences.

The research also reveals that the organisations need to focus and further strengthen their holistic omnichannels to build consumer confidence, so that consumers not only shop through online channels but the visibility and engagement of the consumers increase with the company.

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