

A comparative study of Traditional shopping Vs Online shopping

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Abstract:

This era of business is marked with a high degree of dynamism. Due to technological advancement, the concept of competitive advantage is eluding day by day. Shopping at the click of a mouse is gaining popularity Now-a-days. Most of the people prefer to buy the products online. India Ranks 3rd after China in terms of increasing online shopping trend. This increasing trend made us curious to research on the topic.

Major purpose of our study is to know what the factors are which influences customers towards online shopping, what are the flaws in traditional way of shopping due to which customers prefer online shopping and also to discuss the nature of online shopping, what all problems it is facing and what measures can be taken to resolve them so that it can become a great success.

The primary data is collected by distributing Questionnaires to 50 respondents and almost all of them have experienced online shopping once .Data is collected from the students, working Professionals and Business Class people. Questionnaires include response on various factors like, Time saving, Cost saving, large variety of products, 24x 7 Shopping facility, Attractive gifts and discounts attracts customers towards online shopping but there are other factors like delay in delivery process, Lack of sufficient information about the product and lack of privacy which proves to be hurdle in online shopping. Despite all these factors, online shopping is increasing at a very large scale and is expected to increase more in the coming years.

Keywords:- E-commerce, E-shopping

Objectives of the study

- To understand the concept of E-Shopping and Traditional Shopping
- To study the growth of E-commerce in India
- To compare opportunities & Challenges of E-Shopping and Traditional Shopping.

Methodology:

The present data is collected by using secondary sources and also primary sources such as Interviews and Questionnaires.

Introduction

Shopping is part of every day's life. Some get the necessities from shopping, others get something more. It is viewed as a way to release the stress, a way to complete some desire in the mind, or a way to add some flavor to the mechanical way of life.

Shopping is probably one of the oldest terms used to talk about what we have all been doing over the years. Then again, in ancient times, the terms that would have been used would be 'trading' or 'bartering' and probably even 'market.' So what has traditional shopping have to offer now that the internet has opened up a wider and more enticing market to the current consumers.

In general, there are two types of shopping: traditional shopping and on-line shopping. Both of them have some merits and shortages respectively.

Nowadays, more and more people would 'go shopping' via Internet, thanks to the prevalence of the computer. Clicking in one word, thousands of items will pop up on the screen based on choice. No need to wade across a long road and nudge through hustling crowds to get a pair of fancy shoes. Just a click on the key board, make the choice and the goods will be delivered, right on the spot.

Online shopping has become an increasingly common staple of life in the 21st century. Its popularity can be credited to the fact that convenience is highly valued in our world today. Shopping online offers the opportunity to buy anything and everything you need while on a flight or getting ready for bed.

What is online shopping?

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. Alternative names are e-web-store, e-shop, e-store, internet shop, web-shop, web-store, online sort, virtual store etc.

Simply put, it is any form of sale that is done over the internet. Shopping has certainly gotten a new definition since the arrival of the internet. Because of what the internet has to offer, that is, any person or company from any part of the world who is able to post and sell goods on the internet via a website is able to sell. What's more, any consumer does not have to worry about having to find means to exchange monetary paper because not just online banking is made available, the consumer is given the option to pay through different payment methods. These days, it is even easier to find the most difficult of all products, by easily typing in the product or item that a customer is looking for. No worry about the location because logistic companies are also joining the bandwagon, so to speak, and helps in making sure that their products would be available to any and all destinations in the world. In fact, there are more and more advantages and benefits to online shopping and why people choose to do this type of shopping over traditional shopping.

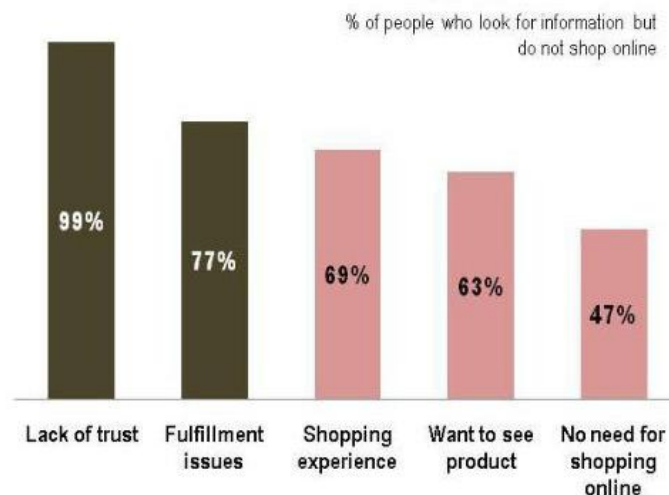
What is traditional shopping?

Having the ability to physically choose and check out what an item or product is like, would look like, and its features are the benefits of traditional shopping. This is why some consumers still prefer the traditional type of shopping over online shopping because for one, it allows them to meticulously check out an item. E-shopping is the place where buyers and sellers do not meet each other which result to lack of awareness about the product.

Though the customer visit the online shopping site, does not show any interest for purchasing the product some of the reasons are Lack of trust , Lack of Physical touch and feel, security issues etc.

Reasons for Not
Online

Shopping

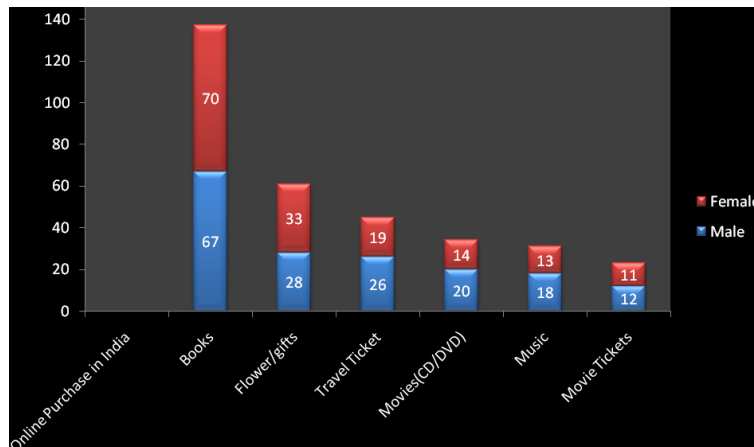


So in retrospect, while online shopping has not just numerous benefits and advantages as explained by many online consumers as well as studies and surveys, there are still conventional shoppers who like to check out the product that they are interested in buying.

Growth of E- commerce in India

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in nascent stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. Indian middle class of 288 million people is equal to the entire U.S. consumer base. This makes India a real attractive market for e-commerce. To make a successful e-commerce transaction both the payment and delivery services must be made efficient. There has been a rise in the number of companies' taking up e-commerce in the recent past. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. Many sites are now selling a diverse range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers. With stock exchanges coming online the time for true e-commerce in India has finally arrived.

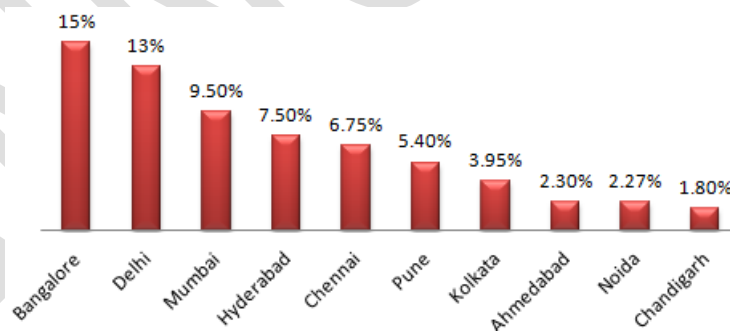
E-shopping in India



Top 10 Indian Cities With Online Shoppers -

Online retail in India has been growing exponentially since the last few years; the evidence to the fact is the ever increasing balance sheets of the major players and the mushrooming up of a new online retail portal every few weeks.

TOP 10 INDIAN CITIES WITH ONLINE SHOPPERS



Source www.couponzguru.com

India is one of the fastest developing countries in the world. And E-Commerce retail business is booming very rapidly in India. The latest technology made online shopping very easy and convenient like never before. Within last few years lots of company started online shopping store

and they established a good reputation in online shopping world . There are so many big reputed shopping store that have created the trust in short period.

The given data has taken in the 2nd week of April 2014, The information about the websites has been taken from their respective website and Wikipedia.

List of Top 10 online shopping store

Rank	Store Name	FB Like	Alexa Rank	Alexa India Rank	Google Page rank	Twitter Follower
1	<i>flipkart.com</i>	2639700	140	9	6	117K
2	<i>Amazon.in</i>	2790302	385	25	8	7.482K
3	<i>Ebay.in</i>	2658513	349	22	6	31.6K
4	<i>Snapdeal.com</i>	2012857	288	15	5	33.7K
5	<i>Jabong.com</i>	2317307	425	28	5	34.6K
6	<i>Myntra.com</i>	1977310	275	14	5	29.7K
7	<i>Shopclues.com</i>	1503587	719	56	3	6.639K
8	<i>Tradus.com</i>	808936	1520	126	4	3.710K
9	<i>HomeShop18.com</i>	1262776	1262	99	5	26K
10	<i>Yebhi.com</i>	1567722	3257	274	5	16.1K

source: <http://www.blogatoms.com>

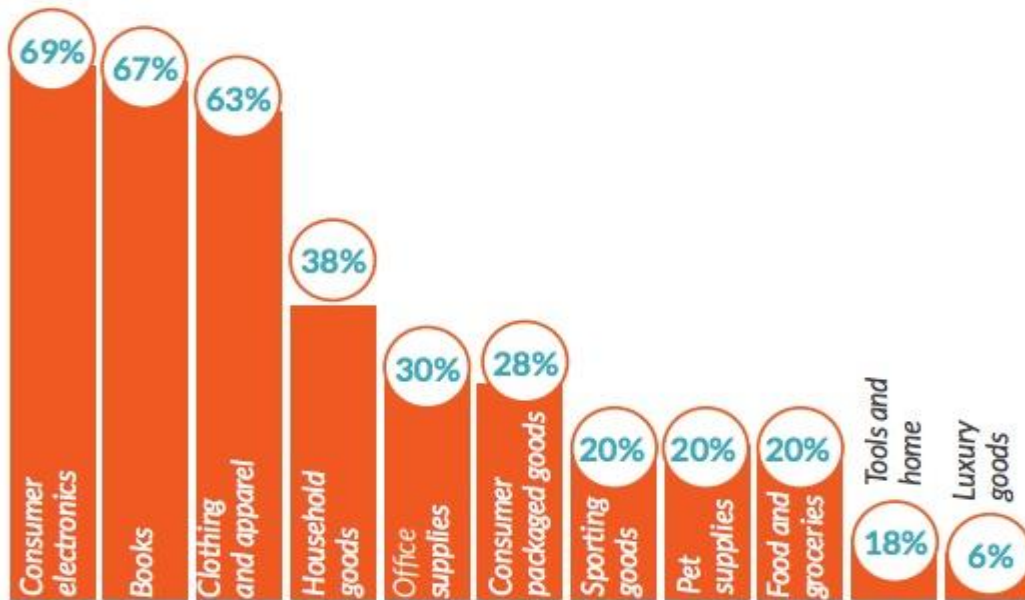
Specific features of Online shopping:-

- ✓ 24 X 7 Service available.
- ✓ Easy Access with multiple devices.
- ✓ Single click to navigate multiple sites
- ✓ Comparison can be made in real time.
- ✓ Flexible Payment methods.
- ✓ Cash back offer.
- ✓ Casual shopping.

Business Model:-

E- shopping adopts the B2 C Business-to-consumer e-commerce model.

The Most Common Types of Products Purchased Online



Source:

Walker Sands' 2014 Future of Retail Study

B2C denotes a financial transaction or online sale between a business and consumer. B2C involves a service or product exchange from a business to a consumer, whereby merchants sell products to consumers. This model is very effective and can be fully utilized to attract the attention of the prospective customers. Here there is no mediator in the transaction. The party to

this transaction is the manufacturer and the customer. Because of this, there is authenticity in the products and will avail the same benefits which the manufacturer is offering to other buyers.

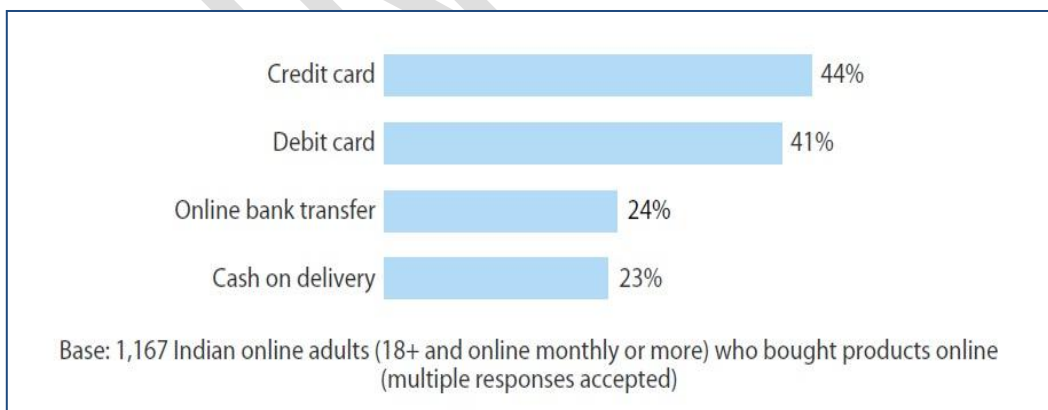
The above mentioned data is motivating enough for both buyers and sellers, who are willing to use internet as a source of their commerce, as always we are focused on the customer centric

Market, here we will analyze some of the **factors which attracts the customers** preferring the online purchasing.

1. **Convenience Factor:** Online retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover the growth of the mobile communication has led to the growth of the online retailing as people are more accessible to internet 24 x 7 there is no time limits involve all you need is a internet connection and money in your pocket to pay the price and every thing is at your door step.

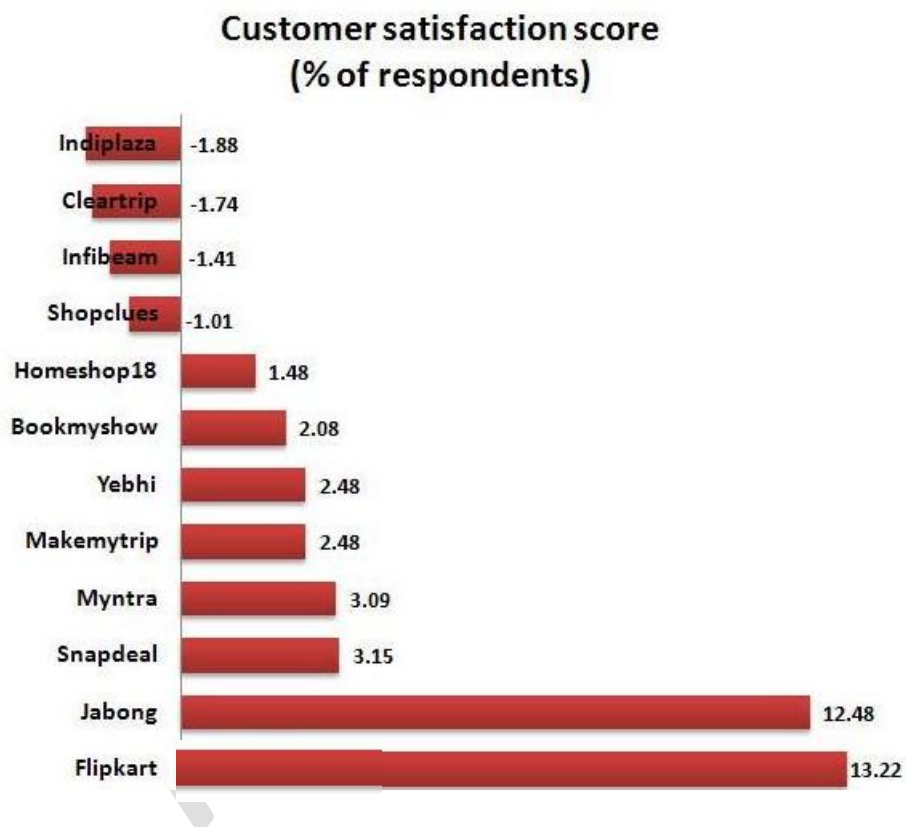
2. **Payment Mode:** As compare to the earlier days where we have to make the payment in advance and wait for our order for weeks, now we make the order first and make the payment when the goods are delivered. Apart from liquid cash payments, multiple payment methods are introduced as Debit card payments , credit card payments , cash on delivery etc.

The following chart gives a picture for various payment methods for E-shopping.



Source: Asia Pacific Techno graphics Online Survey, Q3 2011

3. **Delivery:** For general type of products line DDV, CD, Goggles, books etc., are being delivered to the customer in 2 to 3 working days and the goods which are required to be produced like special print sarees, customized bags etc., are delivered within 5-6 working days. Moreover single unit of any product chosen by the customer can also be delivered from other country, which may not be possible to import in case of physical purchase.



Source:- www.dazeinfo.com

4. **Product Comparison:** Without moving from one shop to other for comparing the benefits of the product, the shopper gets the benefit of comparing the features and cost analysis at one place.

By navigation multiple web pages with a single click. Most of the sites are providing this facility of searching the product based on budget or based on criteria.

5. Cost and Time Saving: A shopper saves a good amount of time and money by shopping online. In the metros and even in the smaller towns which are growing fast, the life of an average person has become very fast. They have very little time after their normal routine office schedule to go to the market and purchase even the daily need items.

6. Extensive Product Mix Availability

Online shopping provide multiple options compared to traditional shopping that focus to search and select a product /items available in local areas. There might be a certain item that is only available to those versions of the business that exist in the mall. That's because store buyers have to make decisions about what items to carry in their physical stores, Most physical stores have a limited array of products. They can only hold some items, and there are often many policies affecting the availability of products. These decisions are impacted by local market demand, past purchasing success and failures and shelf- space constraints.

8. Fewer Traps

Physical stores are made to lure the customer to buying more things. They use posters, sales messages, colors and product placement to buy additional items. The most popular products are typically in the back because the owner wants to view all of the products. Many people will find a few additional items by the time they reach the thing they came in for. These tactics are not as pronounced with online stores. There is no pressure on the customer to buy other things.

9. Discreet Shopping

Physical stores often make it difficult to buy certain items. For example, buying lingerie without getting a few awkward stares is nearly impossible. There are many instances of this, and sometimes you might feel embarrassed for no reason. Shopping online gives you privacy because you won't have people looking at you while you shop. Not only that, but the receipts are usually made so that no one will know what you bought.

Factors that make a customer to Purchase Product Online.

Source: Walker Sands 2014 Future of Retail Study



Challenges

The E-Commerce industry in India is growing at a remarkable pace due to high penetration of internet and sophisticated electronic devices. However, the recent growth rate of E-Commerce is far lagging behind than other developed countries. There are many big problems and challenged on the way of an online merchant. Factors like safety and security of online money transaction being the biggest problem along with others, have curb the smooth expansion of the online industry in the country.

There could be a huge difference in the click to sale ratio of many e-commerce sites if they make the browsing experience hassle free. One of the biggest challenges is to offer merchandise to the consumer in such a manner that he "feel like buying" instead of the site "trying to sell." Most of the E-tailers want the customer to register first; only then one can enter the site. It's like covering the windows of a showroom and asking the window-shopper for personal details if he wants to even window-shop.

Though online shopping is a good place for bargain hunting and to get products at a very competitive price, but still all Indian consumers are not acquainted with online shopping.

The main reason for this is that Indian consumers do not get any real value or incentive from this trend. Also they are worry about fraud, delivery and customer service which is not far from the truth. Following are some of the challenges faced by E-Shoppers.

1. **Slow change in the buying behavior:** Indians are still reluctant to buy on-line and prefer brick and mortar models. Indians still like to have a feel of product and spend time in buying.
2. **Inability of on-line retail players to sway customers from offline mode to on-line retail channel:** Lack of proper marketing and advertisement, inability to create a brand image, lack of proper usage of all possible on-line means like search engines, paid marketing, on-line ads, social networking, blogs etc to reach the customers. Inability of online retailers to drive the values a customer can derive by shopping on on-line channels.
3. **On-line portals are not up to the mark:** There have been few lacuna's in the exiting on-line websites like poor front ends, website search options are not good, lack of sufficient information about products and terms and conditions, slow websites etc
4. **Lack of seriousness:** A lot of on-line portals have come up in India backed by major retail distributors but, for many it seems to have been just a one time setup. Post this there hasn't been enough drive to propagate the brand and services of the portals among potential clients
5. **Issues concerning security and transaction frauds.** In addition many of the web portals don't support all on-line modes of payments. There are high occurrence of failed payments and this if often a deterrent for clients to revisit the portal.
6. **Competitors are just a click away.** When consumers search, they have multiple options available, and many use search to navigate the Web rather than type in or bookmark specific sites.
7. **Visitors can disappear in 15 seconds or less.** Online consumers are goal-oriented shoppers. If they don't immediately find what they're looking for when they reach your site or landing page, they're gone in under 15 seconds.
8. **Shopping is a multistep process.** Online consumers love to browse. Many spend a fair bit of time visiting several sites just to gather information. They may also compare the offerings of several competitors before hitting the "buy now" button.
9. **Time between initial visit and purchase has increased.** Increasingly financially challenged consumers may wait longer before buying.
10. **Customers wait for merchants' best offer.** Having been seduced during the holiday season with free shipping and handling and other price-driven offers, consumers have been trained to wait for a special deal.

11. Shipping Cost/ Returns Can Be Costly

It's essential to be aware of the return policy for any e-commerce retailer you are considering doing business with. The majority of sites do not pay return shipping, so often it cost more than the exchange of the item physically in traditional shopping.

12. Spread of Internet

The biggest problem in making online shopping a success in India is the limited spread of internet services. Due to low usage rate of internet online shopping will take time to become a common way to shop.

13. Plastic money

Less prevalence of credit card is on more reason for the consumer remaining away from this modern means of shopping. Although many sites are also accepting cheques, cash on delivery and bank demand drafts but still a larger section of the service provider rest on this plastic money.

Although, major portion of e-business sectors have affected by above mentioned challenges but still there are few online giants like Makemytrip.com, flipkart.com, Snapdeal.com who have overcome the challenges and represents the perfect growth trends of e -Commerce in India.

Measures to be taken to make it popular

1. E-commerce awareness

One of the biggest challenges for Online Shopping has been the skepticism surrounding security aspects of e-commerce, which has lowered confidence levels. Only remedy to this is to strengthen the transaction security to gradually build up confidence in online payment.

2. Varied payment options

In order to attract more and more customers' e-tailers has to increase the payment options as there are only small sections of people in India who are having credit cards so this also hampers some who are willing to shop online. More options like -on-delivery, money

transfer, cheques or demand drafts, end-to-end payment should be made available to the customer who can adopt the best-suited method.

3. Awareness regarding security measure

Security issues still continues to be a major drawback and trends like AVS (Address Verification System), PIN for credit cards, smart cards, digital signatures, e-cards, and easier intra- and inter-bank transactions online need to be made more prominent. Teaching Consumers to transact only on secure internet connections is also necessary.

4. Highlight the benefit of shopping at home

Potential customers should be convinced of the benefits of shopping from home without having the pain of going out in the crowded places.

5. Make the prices more competitive

The price offered for online shopping should be made more competitive as compared to the prices of the goods available in the shops then only the customers will feel motivated to buy online.

6. Stress on the special offers

Customers should be made aware about the varied sales promotion schemes, which will make this online buying more attractive and popular among the buyers.

7. Emphasis on after sale service

As the biggest hindrance in the path of online shopping becoming more popular is the question "who is to blame" if the product is not functioning well? Therefore, there should be more stress on the quality of products and the durability of the products, which are offered for sales and along with that assurance for after sales service.

Conclusion

Online shopping has given any and all types of consumers the ability of being able to buy anything, that is, any type of item or product, regardless of where its location is in any part of the world. What's more, the consumer does not have to leave the confines of his house or current location to be able to own and purchase the merchandise, item, or product that he wants. Online shopping has come up as a boon for all type of consumers and it has something to offer for

everyone. Despite of this fact that it is highly convenient and time saving and to certain extent it is also cost cutting exercise as one need not to step out of his / her home for doing shopping.

The main area of concern is the limited internet usage and security problem. A lot of stress need to be given on these two parameters so that this IT revolution can be of use to everyone in India and then only it can be a success in true sense of terms. Otherwise, it will just end up being a style statement of few who wants to be away from the crowd and then it will loose its applicability in the real world.

Traditional shopping still allows for more ground to the consumer in terms of being able to physically check out and even try out the merchandise that he wants.

So if you have certain peculiarities, quirks, or habits that you, as a consumer, would have, no matter what type of shopping you choose, whether you would go for online shopping or traditional shopping, the bottom line is that you would always be able to find the best means to whatever suits you in both the money factor and the need or want factor.

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