

A COMPARATIVE STUDY ON CUSTOMER PERCEPTION TOWARDS ONLINE VS OFFLINE SHOPPING WITH SPECIAL REFERENCE TO ALATHUR

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ABSTRACT

This study examines customer perception towards online and offline shopping by comparing key factors such as convenience, price, trust, quality, and shopping experience. Data collected from 200 respondents using percentage analysis and chi-square tests reveal that online shopping is preferred for convenience and variety, while offline shopping is valued for physical inspection and immediate purchase. The study highlights the importance of an omnichannel approach to meet evolving consumer expectations.

INTRODUCTION

The growth of e-commerce has significantly changed consumer buying behaviour, with online shopping gaining preference due to convenience, variety, and time savings, while offline shopping retains value through physical experience and personal interaction. Customer perception, shaped by factors such as price, quality, trust, convenience, and service, plays a key role in choosing between the two. Despite its advantages, online shopping faces issues like delivery delays and return difficulties, whereas offline shopping is limited by time, travel, and availability.

Research Background

In recent years, the growth of internet access and digital technologies has transformed consumer buying behaviour, leading to the rapid expansion of online shopping. Online shopping offers convenience, wider product choice, and competitive prices, while offline shopping provides physical inspection, immediate purchase, and personal interaction. Despite the rise of e-commerce, many consumers still prefer traditional retail stores for trust and experiential value.

Objective of the study

- To understand the key factors influencing customer preferences towards online and offline shopping.
- To assess how product quality, price, convenience, and return policies influence buying decisions across both modes.
- To evaluate post-purchase behavior and customer loyalty in online vs offline retail platforms.

Statement of the problem

- To analyze and compare customer perception of online and offline shopping, focusing on the key factors that influence consumer choice and the problems or concerns faced in each shopping mode.
- To provide insights for businesses that help them align and improve their strategies in both online and offline formats to better meet customer needs and expectations.

Scope of the study

- To examine and compare consumer perception, preference, and buying behavior in online and offline shopping, with special focus on factors such as convenience, price sensitivity,
- To analyze how demographic factors and shopping experience elements—including customer service, product availability, digital innovation, and in-store/online experience—affect consumer preferences across both retail channels.

Limitations of the study

- The study is limited to only 200 respondents, which may not represent the entire population.
- Time constraints may have affected the depth of data collection and analysis.

Review of literature

- Smith & Anderson (2019) – Consumer Behavior in Digital Age Found that convenience and variety are the strongest influences on online shopping preferences, while trust and physical experience drive offline retail choices. Suggests that perceived risk is lower in offline shopping, shaping how customers choose between channels.
- Kumar & Gupta (2020) – Impact of Technology on Retail Shopping Reported that technological advancements like mobile apps and secure payment systems enhance customer confidence in online purchases. Offline stores still dominate in terms of immediate possession and tactile evaluation of products.
- Lee (2018) – Shopping Motivation: Online vs Offline Highlighted that social interaction and sensory experience motivate customers to prefer offline stores. Online shoppers prioritize time savings and price comparisons over experiential factors.
- Chen & Tsai (2021) – Perceived Risk and Consumer Trust Online Demonstrated that customer trust significantly affects online shopping behavior, especially related to privacy concerns and product quality uncertainty. Offline shopping is often seen as a more trustworthy option due to face-to-face interactions and return ease.
- Rahman & Hossain (2022) – Customer Satisfaction in E-commerce and Brick-and-Mortar Found higher satisfaction in offline shopping for categories needing sensory evaluation (e.g., clothing), while online satisfaction was higher for electronics due to detailed reviews. Service quality and delivery reliability are crucial determinants in online satisfaction.
- Patel & Shah (2020) – Comparative Analysis of Customer Loyalty Revealed that offline retailers with loyalty programs retain customers better, but personalized online recommendations increase repeat purchases. Suggests integration of personalized tech in offline stores can bridge the loyalty gap.
- Verma & Singh (2021) – Price Sensitivity Across Shopping Platforms Concluded that customers perceive online shopping as more price-competitive due to easy price comparisons. Offline buyers place higher value on instant gratification despite slightly elevated prices.
- Nair & Pillai (2019) – Demographic Factors in Channel Preference Observed that younger customers show a stronger preference for online shopping, while older customers trust offline stores more. Gender and income levels also influence perceived convenience and shopping satisfaction.
- Jha (2022) – Role of Social Influence in Shopping Choices Showed that peer recommendations and social media reviews strongly affect online buying decisions. Conversely, word-of-mouth and in-store staff recommendations impact offline purchase decisions.
- Ali & Lodhi (2021) – Service Quality Comparison in Online and Offline Retail Indicated that responsiveness and reliability are top service quality dimensions for online platforms. Offline stores excel in assurance and empathy, impacting overall customer trust and retention.

RESEARCH METHODOLOGY

Sampling plan

The study uses a Convenience sampling technique. A sample size of 200 respondents was chosen to ensure fair representation. Data were collected through a structured questionnaire, providing unbiased and reliable information for analysing training and development effectiveness.

Convenience sampling

The type of research used in this project is convenience in nature. The main goal of this type is to describe the data and characteristics about what is being studied. Convenience sampling is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close to hand.

Methods of the study

Data was gathered from both primary and secondary sources of information. The questionnaire is the source of collecting primary data and the secondary data are collected from various books, journals, websites.

1. **Primary data** – Primary data refers to information collected firsthand for the first time. In this study, primary data was gathered using a well-designed structured questionnaire, and the required information was collected through Google Forms.
2. **Secondary data** – secondary data is a type of data that has been collected in the past. It includes various information's from books, websites etc.

Statistical tool

- Percentage Analysis
- Chi square

Percentage Analysis

Percentage analysis is a statistical tool used to analyse and interpret the data collected from respondents. It helps in understanding the distribution of responses and comparing different categories in a simple and meaningful manner.

Chi-square

Chi-square is a statistical test commonly used to compare observed data with data one would expect to obtain according to specific hypothesis. The chi-square test is always testing what scientists call the null hypothesis, between the expected and observed states that there is no significant difference result.

ANALYSIS AND INTERPRETATION

Percentage Analysis

- The majority of respondents belong to the younger age group, indicating higher participation from young consumers.
- A significant percentage of respondents prefer online shopping due to convenience, time savings, and better price comparison.
- Offline shopping is still favoured by many respondents for physical product inspection and immediate purchase.
- Most respondents consider price, quality, and trust as the key factors influencing their shopping decisions.
- Overall, the percentage analysis shows a growing acceptance of online shopping alongside the continued relevance of offline stores.

Chi-square

Chi-square analysis between Influence of Age and Factors Influencing Online Shopping

H₀ (Null Hypothesis): Age has no significant relationship with factors influencing online shopping.

H₁ (Alternative Hypothesis): Age has a significant relationship with factors influencing online shopping.

Test	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	21.191	20	0.386
Likelihood Ratio	21.799	20	0.352
Linear-by-Linear Association	0.176	1	0.675
N of Valid Cases	200	-	-

Interpretation: The p-value for the Pearson Chi-square test is 0.386, which is greater than 0.05. Therefore, we fail to reject H₀. This means age does not significantly influence the factors that affect online shopping (such as convenience, price discounts, variety, product reviews, time-saving, or home delivery).

Chi-square analysis between Influence of Age and Factors Influencing Online Shopping

H₀ (Null Hypothesis): Gender has no significant relationship with factors influencing offline shopping.

H₁ (Alternative Hypothesis): Gender has a significant relationship with factors influencing offline shopping.

Test	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	12.722	15	0.624
Likelihood Ratio	12.620	15	0.632
Linear-by-Linear Association	0.104	1	0.747
N of Valid Cases	200	-	-

Interpretation: Since the p-value (0.624) is greater than 0.05, the null hypothesis is accepted. This indicates that gender has no significant influence on factors affecting offline shopping, and both male and female consumers share similar

preferences and perceptions.

Findings

- Online shopping is preferred mainly for convenience, wider product variety, and competitive pricing.
- Offline shopping is favoured for physical inspection, immediate purchase, and personal assistance.
- Demographic factors such as age, income, and lifestyle significantly influence shopping preferences.
- Gender does not have a significant impact on factors influencing offline shopping behavior.
- Trust, security, and after-sales service play a key role in shaping consumers' shopping decisions across both channels.

Suggestions

- Retailers should adopt an omnichannel strategy to combine the strengths of both online and offline shopping.
- Online platforms must improve trust, return policies, and after-sales service to enhance customer confidence.
- Offline retailers should focus on customer experience, personalized service, and in-store engagement.
- Businesses should segment customers based on demographics to design targeted marketing strategies.
- Enhancing digital awareness and security measures will encourage more consumers to adopt online shopping.

Conclusion

The study concludes that both online and offline shopping modes play a significant role in consumer decision-making. While online shopping offers convenience and cost advantages, offline shopping remains important for trust and experiential value. Demographic factors influence shopping preferences, but gender does not significantly affect offline shopping behavior. Retailers should integrate both channels to enhance customer satisfaction and remain competitive.

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