Comparative Review of Online and Offline consumer behavior

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Abstract

The consumer buying behavior has been always a distinguished marketing subject, extensively studied and pondered over the last decades.It is believed that consumers or customers make purchase decisions on the receipt of small selectively chosen pieces of information. Thus it will be very important to understand what and how much information is required by the customer to help him evaluate the goods and service offerings. It confirms that the enterprise design and marketing strategies should differ in the two purchasing environments, depending on whether the parameter differences were the result of the behaviors' of most online consumers and offline consumers.

Keywords

1. HOD, Swift Technical Campus, Ghaggar Sarai, Rajpura

Introduction

Consumer buying behavior is of growing importance to all marketers. It's especially important in deciding how much–and where–to spend money bringing customers into the sales funnel and then leading them to buy. The consumer buying behavior has been always a distinguished marketing subject, extensively studied and pondered over the last decades.

It is believed that consumers or customers make purchase decisions on the receipt of small selectively chosen pieces of information. Thus it will be very important to understand what and how much information is required by the customer to help him evaluate the goods and service offerings.

Online consumer buying behavior is the behavior displayed by consumers in searching for, purchasing, using and evaluating of products or services that they expect will satisfy their needs through web media whereas offline consumer buying behavior refers to the buying behavior of the ultimate consumer who prefers to visit traditional stores or contact salesman/use magazines/newspapers/telephonic media for buying any product/service. The

Internet and conventional marketing each have distinct features. Online shopping involves no travel, product carrying or restrictions on shopping hours, offering easy accessibility, convenience and time saving. In contrast, offline shopping permits and allows physical examination of the products, interpersonal communication but involves high travel and search costs, and also has restrictions on shopping hours. Focusing on the right requirements of consumers could lead to improving the performance of the company and a company's target group should be served by considering their favorite requirements and priorities.

Objectives

The paper is focused towards the following objectives:

• To comparatively analyze the consumer decision making process in online vs. offline channels.

• To analyze consumer buying behavior in online and offline medium for different age groups.

• To study the factors resisting customers for making online purchase decisions

Online consumer behavior

Understanding the mechanisms of virtual shopping and the behavior of the online consumer is a priority issue for practitioners competing in the fast expanding virtual marketplace. The origin of the internet has given new routes to consumers regarding collecting information, comparing products or prices and the prospect of purchasing through the internet. Online consumer buying behavior is the study of the processes involved when individuals or groups select, purchase, use various products, services, ideas, or experiences to satisfy needs and desires through online channels. Therefore consumer behavior on the internet is an important factor for marketers. To predict consumer behavior on the internet marketers need to understand how, where and why consumers behave online.

Next to the personal and external uncontrollable factors influencing the buying behavior, exposure of customers to the company's marketing can affect the decision-making by providing inputs for the consumer's black box where information is processed before the final consumer's decision is made.

Identification and classification of the Web experience elements is necessary for an all-inclusive picture of the controllable actors likely to affect or even determine the outcome of the virtual interaction. The classification can help marketing practitioners to recognize and better understand the nature and potential of their online marketing tools. It can also contribute

to the ongoing theoretical debate on online consumer's behavior by summarizing the prevailing ideas of researchers and identifying issues for further research.
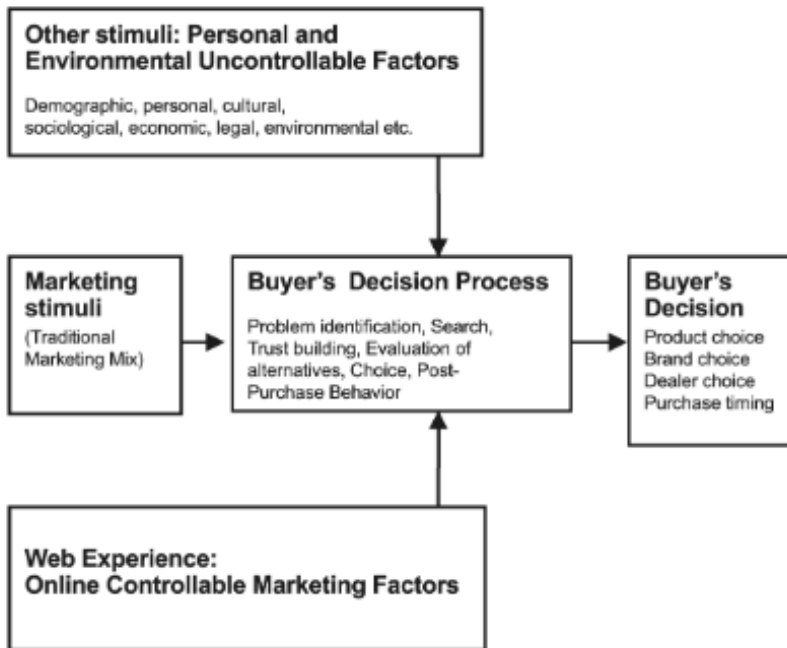
Fig. Factors Influencing the Consumer Behavior

Offline Consumer Behavior

Offline consumer buying behavior refers to the buying behavior of the ultimate consumer who prefers to visit traditional stores or contact salesman/use magazines/newspapers/telephonic media for buying any product/service. This study intends to explore what online consumers employ when they are in a particular stage of the buying decision process.

Here are some of the survey's more interesting conclusions:

- While consumers are more likely to purchase offline, roughly two-thirds begin their searches online, using a combination of search and the retailer's own Web site.
- Shoppers on average consult about four websites for price and feature information. However, half of them end up buying in brick-and-mortar stores.
- About one-third of shoppers buy within one week of starting their searches. Roughly 70% make purchases within one month of beginning to look.

- Of the 19% of shoppers who enter the sales funnel via a retail site, 40% purchase from the site while half complete their transaction in the physical store. Of the 18% that start on a search engine, 37% move on to a retail site and half of them purchase from the site.

Online research has clearly become the norm. However, most customers apparently still want to be able to "kick the tires."

Literature Review

Tony Ahn, SeewonRyu and Ingoo Han,(2004)

Explored online and offline features of Internet shopping malls and their relationships with the acceptance behaviors of customers. Web survey with 932 users was conducted in 6 shopping malls of Korea. The study validate technology acceptance model (TAM) in predicting the acceptance of the Internet shopping malls. Online and offline features have positive effects on the user acceptance, usefulness, attitude and intention to use.

Aron M. Levin, Irwin P. Levin and Joshua A. Weller, (2005)

For the study two samples of size 199 were used from a large mid-western American university and an online survey panel. The study found that the preferences for shopping online or offline were shown to vary across products, consumers, and stages of the shopping experience. When attributes such as large selection and shopping quickly were predominant, online shopping was preferred. When attributes such as personal service and ability to see-touch-handle the product were predominant, offline shopping was preferred.

YaobinLu (2011)

Focused on factors that influence users' intention to transfer their usage from the offline to the online channel that offer similar services. The study revealed that innovativeness in new technology and relative benefit had positive effects on users' intention to transfer usage. Moreover, the findings of the study also indicated that internet experience moderates the relationship between relative benefit and consumers' intention to transfer usage from offline to online services.

Conclusion

The Review not only indicates and but also confirms that the enterprise design and marketing strategies should differ in the two purchasing environments, depending on whether the parameter differences were the result of the behaviors' of most online consumers and offline consumers.

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