

# Preference Of Online Shopping Over Offline Shopping By Youth In Chennai

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**Abstract:** Retail sector is one of the fastest growing sector and that plays a major role in the growth of Indian economy. The recent trend in retail sector is the online shopping. As the online shopping is already existing in the rest of the world, in the city of Chennai also it is becoming popular. Selling and buying of goods will happen through internet is called as online shopping. Any product or service can be purchased through online. This paper discusses the preferences of youth located in Chennai in purchasing the products and services online over offline. Challenges of online purchase and merits and demerits of online over offline purchase are analysed in the current paper.

**Keywords:** online purchase, offline purchase, Youth in Chennai

## INTRODUCTION

Advancement of technology increases the opportunities to the sellers and buyers to find innovative ways to sell and buy their products and services. One of them is online shopping which utilizes the benefit of internet for the faster and economical way of doing business. Internet is attracting the consumers of retail market. It is way far from the traditional business where the buyer sees the product physically, touches and feels the quality, nature of the product. Though these facilities are not available for online purchasing, youth is getting attracted towards online buying. Though the user cannot check the product physically, the loyalty and popularity of the seller acts as the major cause for the user to choose the online seller. The factors that are influencing the youth to opt for online purchase are the convenience, more options and choices, better prices, ease of buying by sitting at home etc. Other factors are the ability to find and design more personalized gifts, ease of comparing the products of large varieties by sitting at one place, ease of returning the products if they don't like it after receiving them. The trust to be build by the seller or retailer to attract the consumer by providing the proper specification and good quality products on their website with lot of choices to increase the choice of their sales. Online purchase is more in the youth compared to other age groups. Young people would like to try trendy products and clothing. They prefer to gift the personalized items. The online sellers will have the provision of reviews by previous buyers which will be helpful to him in choosing whether to buy or not. Any traditional brick and mortar shop will have limited options of the products. Where as in an online shop, there will be hundreds and hundreds of virtual warehouses of multiple sellers. The website will facilitate the consumer to navigate through the products of all the sellers so that he will have the choice of choosing one among hundreds of the products. This facility is not available for offline shopping.

In a metro city like Chennai, though there are lots of choices for off line shopping like multiple malls and branded show rooms, youth still prefer to do the online shopping keeping various factors in mind. Few of those factors that are influencing the youth to prefer online shopping are studied in this paper.

## 1. OBJECTIVES

- To study factors influencing online and offline shopping
- To study the advantages of online shopping over offline shopping.
- To analyse the product attributes available online that are attracting the youth to prefer the online shopping
- To study the impact of various factors that influence the youth to prefer online shopping

## 2. REVIEW OF LITERATURE

- Monsuwé et al., 2004; Palmer, 2013 assumes that the key reason for favoring online shopping is due to price comparisons.
- Poulter (2013) believes that the online shopping avoids the long queues.
- Fitterman (2013) says, consumers can purchase online anywhere, any time including while cooking or exercising of doing any sort of other work at home.
- Grewal et al (2002), trust that consumers' needs and wants can be efficiently fulfilled by online shopping.
- Childers et al. (2001) claimed that several merits and interactions of online shopping can bring interesting experiences
- Haubl and Trifts (2000) says that consumers can compare the prices and specifications of the products and look for alternative options.

## 3. FACTORS INFLUENCING ONLINE SHOPPING

**Convenience:** The first and foremost factor that influences the online shopping is the convenience. Instead of travelling all the way in the heavy traffic of the city, the youth can sit at home and choose what they want to buy and order online. Travelling, finding a parking place, waiting for the sales person etc are all can be avoided. **Variety:** One can find number of varieties online which will not be available in offline shopping zones. It is human tendency that they look for as many as possible varieties before they purchase

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something. Offers: Online shopping sites offers many deals to regular buyers and also for first time buyers. Discount offers based on brands, payment mode etc are common in online shopping. These offers attract the consumers to online shopping. Pricing: Online sellers need not spend the money for physical stores and establishment etc. They can save the money that is to be spent on stores rent, EB expenses, store staff salaries etc and this can directly influence the prices of the products hence it can be sold at cheaper rate than the offline sellers.

#### **4. FACTORS AFFECTING OFFLINE SHOPPING**

Choice of choosing: Choice of choosing is limited in the case of off line shopping. The stores can store limited number of varieties due to physical space availability. Hence the buyer will not have much options. Time consuming: One has to travel to the stores and spend time for the transportation, spend time for selection etc. Physically seeing the products and trial of the same etc will take time in buying. Knowledge of sales person: all the sales people may not have adequate knowledge on the product. The buyer may not get complete information on the product if the sales person does not have the knowledge. Authenticity: In offline shopping one can feel, touch and will know what exactly he is buying. Bargaining: Physical bargaining can be done in offline shopping where as it is not possible in online shopping. One has to look for offers and discounts only in online shopping.

#### **5. ADVANTAGES OF ONLINE SHOPPING OVER OFFLINE SHOPPING**

Technology advancement makes the availability of internet at fast data rates and cost effective. There are lot of service providers of internet that provide the service at competitive prices. Thus, it makes the consumer to spend minimal amount on internet charges. Consumers need not do the shopping at a specific time and no need to wait for the open and closing times of traditional off-line shops. Just by sitting at home one can choose what to buy and where to buy. Convenience of online shopping is the main attraction for the youth in a city like Chennai as the travelling time in the traffic hours can be avoided. No pollution shopping is another reward. Various payment options are available for the products purchased online. Security is maintained by the online site for the payment through credit or debit cards. Cash can also be paid at the time of delivery. Online shopping sites offers better prices, cheap deals and rewards and cash back offers for regular buyers. Consumer can buy directly from the manufacturer without the interference of middlemen which gives the benefit of better price. During conventional shopping consumer tend to spend more due to impulsive buying, on transportation, eating out etc which can be avoided in the online shopping. Comparing the similar products and on their specifications and prices across the manufacturers is easy and can be done with in no time in the online shopping.

#### **6. ONLINE PRODUCT ATTRIBUTES ATTRACTING THE YOUTH TO PREFER THE ONLINE SHOPPING**

Youth are generally interested to buy their clothes and accessories by comparing with hundreds of varieties across the manufacturers and across the shopping web sites. This facility is not available in off line shopping. Online websites will display the product attributes like colour, price, quality, variety, customer service and return service etc. It is easy for the youth to choose one among them if they are able to compare all these attributes with similar products. Store experience and touching and feel of the product is not possible in online shopping but still youth prefers to do online shopping as all the remaining attributes are in favour of them. Most of the youth in the Chennai are college going or in the initial stage of their work life. They prefer to look attractive and noticeable. But their college and office timings may not permit them to travel in traffic jams and do the shopping. Without sparing much time for shopping they can easily find what they want and compare with different varieties and order easily online. Hence their priority is online shopping over the offline shopping.

#### **7. IMPACT OF VARIOUS FACTORS THAT INFLUENCE THE CHENNAI YOUTH TO PREFER ONLINE SHOPPING**

Youth prefer to visit the reliable websites for shopping. They will not place the orders just like that. The parameters like website design, reliability, security provided in each website, customer support, return and refund terms will influence the buying behavior of the youth. There are different types of online buyers like frequent buyers, occasional and regular buyers. All these buyers will have different perceptions for choosing the online medium for buying the products. In general, interactive nature and online assistance of online shopping websites makes the buyer comfortable and incline towards the online shopping. Where as in offline shopping, it is all depending upon the nature of the sales person. He may show different varieties if only he is interested and energetic otherwise if the sales person is tired and not active in his job, he may not show the all available products. This will not happen for online shopping; all the varieties can be seen by the buyer with in no time and can easily compare to choose one among them. Hence the comparison may not be possible for the buyer. This is also one of the reasons for the youth to choose the online shopping

#### **8. METHODOLOGY**

To study the preference of shopping of Chennai youth, primary method is used. A questionnaire is circulated among the college going and working youngsters, different sex and unemployed youth and young housewives. The data is collected from them through questionnaires. The sample size taken is 125 and the completely answered sheets are 110. Response is evaluated and a conclusion is drawn.

#### **9. QUESTIONNAIRE**

The questionnaire contained the questions related to the following topics.

10. Quality of the product

11. Payment security
12. Privacy
13. Advertisement of the products
14. Risk of using credit /debit cards online
15. Brand or reputation of the seller
16. Ease of returns
17. Customer support and after sales service
18. Deliver time
19. Convenience of shopping
20. Enough description of goods.

**Table.1** Responses on the priority of online shopping over offline shopping

Questions	Priority to online shopping				
	SA	A	N	DA	SDA
Q1	41	51	9	7	2
Q2	44	52	4	6	4
Q3	39	46	12	5	8
Q4	32	48	11	13	6
Q5	52	49	1	5	3
Q6	44	50	5	4	7
Q7	33	61	4	5	7
Q8	44	53	7	2	4
Q9	4	3	5	55	43
Q10	43	54	6	3	4

SA: Strongly disagree

A: Agree

N: Neutral

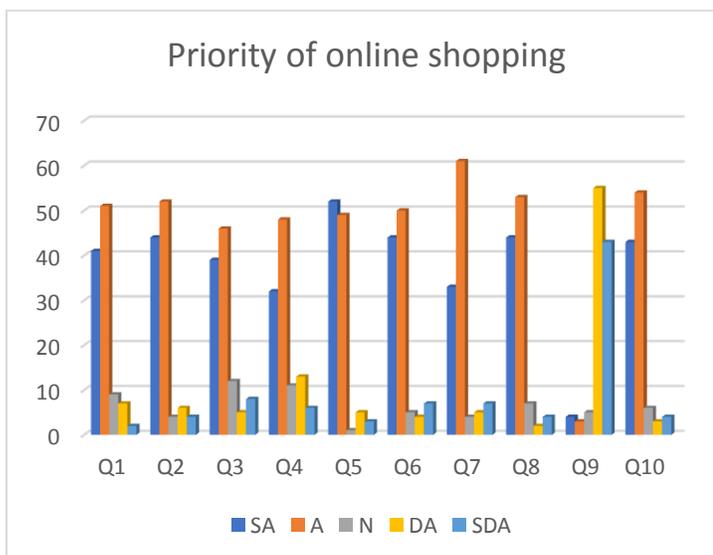
DA: Disagree

SDA: Strongly Disagree

After comparing the all the parameters mentioned above, the youth preferred the online shopping than offline and it gives more satisfaction and also inspires the consumer to purchase online. Based on the availability of the vast options for choosing, convenience of the shopping, offers and discounts offered by online sellers, youngsters in the Chennai metro city preferred the online shopping over offline shopping. Majority of the people opined that the transaction security, convenience of the shopping, offers and discounts, accessibility, delivery time, vast options to choose, quality comparison are the parameters attracting the youth towards online shopping.

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**Fig.1** Bar graph for the responses on priority of online shopping

The table and the graph shows that the majority of the people agree to prioritize the online shopping.

## 11. CONCLUSION

Priority to the shopping medium will be given based on a number of parameters. Those parameters may be demographic, age, gender, need, convenience, price etc.