

Consumer Switching from Traditional to Electronic Channel: A Literature Analysis

Ajay Kumar

(Ph. D. Scholar)

Department of Business Management

Dr. Harisingh Gour Vishwavidyalaya,

Sagar (M.P.)

Abstract

The trend of shopping in India are changing rapidly from brick-mortar model to modern click-model (online shopping). Online shopping refers to buying of goods or services form from the seller over the internet using a web browser. This study attempts to identify the motivation factors that highlighted from empirical researches regarding online shopping behaviour. The study also focuses on major factors that are responsible to consumers switching from traditional to electronic i.e. changing shopping behaviour towards online shopping from brick and mortar. This is conceptual study. Based on theoretical construct researcher provides the managerial recommendation to understand the gap between traditional shopping and electronic shopping mode and to come up with compelling marketing strategies.

Keywords: shopping behaviour, online shopping, traditional shopping, and motivation factor identification.

Introduction

Online shopping is emerging rapidly as a new trend of shopping in India last few years. It refers to buying of goods or service from the seller over the internet using a web browser. The developing prospect for online shopping is to growing use of the internet, one of the aspects of development in India. Basically, internet shopping to be governed by the direct effects of relevant online shopping features (Davis, 1993). The phenomenon of online shopping is becoming a reality. The online shopping behaviour and its future, respectively are changing the way consumer shop goods or services. As online shopping is processed in a virtual environment, and logistics, information flow, and capital flow are completed in a time and space separation, it has uncertainty and risks. However, online shopping has some benefits or motivation. People think online shopping is more convenience than traditional. It reflects the shorter time and less energy spent, including transportation cost reduction, less crowd and queues than real markets, unlimited time and space for shopping. The competitive advantages of online shopping over traditional is consist of firstly, price. Because online shops are virtual, rent cost of the store is reduced. Secondly, information advantages. In traditional stores, no matter of how big they are, what they can contain is limited and customers have to go to the stores to learn the relevant information of goods or services. However, the internet is the display platform of goods and services, a kind of virtual space, on this platform customers can learn all kinds of

information related to goods or services so as to make a purchase decision. Thirdly, customers can interact with goods and service's suppliers online. Customers seek online shopping to be a substitute or complement to offline (Rezaei et al., 2014).

Most of the marketing research on online shopping motivation has focused on analysis of empirical data (Liao and Cheung, 2001; Strader and Shaw, 1999; Jarvenpaa and Todd, 1997; Childers et al., 2001; Kim et al., 2001; Suki, 2001; Noble et al. 2006; To et al., 2007; Roham and Swaminathan, 2009). Here, researcher understood the important to compile the findings as an assortment of motivation factors. Our conceptual research is to attempt first, trying to explain differentiating motivation factors or variables in form of online shopping over the traditional way of shopping. Then, an assortment of motivation factors that are responsible for online shopping which in turn provides guidance to multi-channel retailers in designing their channel-specific strategies.

Shopping in Digital Era

The retail sector of India is shifting from brick-mortar model to click-and-mortar. The reason for the same is growing used of the internet by the major part of the population. Online shopping has become a necessity from the fad. It has gained media coverage because of the increasing number of browsing and shopping. Consumers are using the internet not just to buy goods and services, but also to browse online shops or to attain knowledge about potential purchases and significantly affected by various demographic factors like age, gender, marital status, family size and income (Nagra and Gopal, 2013). It has been seen as a complement or substitute to offline retailing (Rezaei et al., 2014). Establishment of online store expands the retailer market and reaches the consumer which usually does not like to go the physical stores. The online shop aims to make shopping an altogether different experience from buying products or services at a bricks-and-mortar retailer or shopping center. Online shoppers are buying almost everything from diapers to household furniture, books, cloths, shoes, even if cow dung cakes etc. Another influence on a person's buying to shop online is the amount of discretionary time they have. As the total number of hours worked by members of a household increases, the less time there is to search for and buy products and services in the traditional way.

In online shopping, 6 C's as a key web drivers, context (A website's layout, text, fonts, visual design and use of colours, white space, graphics and information have to all create a theme or conveys theme customer to purchase the product), commerce (make purchases safely, and also to make returns), connection (links to other websites), communication (between the company and the consumer, some sites use live chat capabilities, message board or email), community (allow customers to talk to each other via

message boards or leave comments), customization (customer and tailor itself to different users, makes personal recommendations based on past purchases) are made to shop online different from traditional shopping. Moreover, the development of better navigation software and search engines are making Internet visits a more pleasant and exciting experience. The increase in the quantity and quality of the available information on the internet and the presence of well-known corporations (e.g. Amazon, Flipkart) and brands on the internet are also generating higher interest among consumers.

Traditional shopping Vs. Online shopping

Several studies empirically tested the behaviour or attitudinal or perception difference between traditional and online shopping (Gupta, 2015; Singhal and Shekhawat, 2015; Kacen et al., 2013; Degeratu et al., 2000), other researchers have investigated behaviour difference on product categories basis or gender or motivation factors basis to know consumers attracted to shopping online versus traditional (Andrew and Currim, 2004;). However, Martin and Turley (2004) discussed mall shopping is a place of social motivation. Social motivation to consumer predict perception of mall's ambiance, design, variety and excitement as well as the consumer's desire to stay and intent to return to the mall. In traditional shopping, features of the atmosphere of the store or mall are a key factor influencing the consumer's perception (Debak 2015; Michon et al. 2008) and creating consumers' approach shopping behaviour (Spies et al., 1997) or finding in whether shopping experience pleasurable or not (Tandon et al., 2016; Singh and Sahay, 2012; Sherman et al., 1997). Babin and Ataway (2000) investigated atmospheric affect as a tool for creating value on in-store shoppers and contributes to a positive effect in build customer share. On the contrary, the environment in online shopping is a much narrower range of experiences. In environment setting, certain technological abilities are needed. All the senses cannot be used to perceive online shopping experiences because of involvement of limited factors (Dennis et al., 2007). The shoppers can't touch the product or interact with the salespeople directly in the online shop (Sarkar, 2011). Online shopping may bring interesting experiences (Demangeot & Broderick, 2006). Eroglu et al. (2001) advocated that the most important thing in the traditional retailing is physical store setting. This types of a store are largely determined by the cost of real estate and the various physical objects required to create different sounds, aromas, colours and lighting. While in online shopping, customers are satisfied with the mode of payment, enjoy return facilities, feel safe during shopping online and delivery on time. Customers most frequently purchase clothing's, footwear's and electronics from the online shop (Shree et. al., 2015). Bauer et al., (2006) have compared the services of online retail service vs. traditional retail services. They have

identified that online retail services are broken into two rather distinct phases: the client interaction phase taking place online and the fulfillment phase taking place offline. They also have suggested that web-site quality is a matter of delivering both hedonic and utilitarian elements. Wani and Malik (2013) compare online shopping behaviour among Indian and UK consumer for the knowledge of perceived risks and benefits. Online shopping is still viewed as risky proportion instead of its substantial benefits. Indian consumers perceived higher risks as compared to the UK. Indian consumers who perceived benefits allocated significantly higher value for hedonic dimension than the UK, however in terms of shopping and product selection benefits, British consumers had significantly more positive view of the online shopping benefits. Recently Gupta (2015) conducted a study on Rourkela's shoppers in Odisha, revealed that male is less doing the online shopping than female because of female enjoy shopping whether it is traditional shopping or e-shopping. The revolution in the technology among the youth population brings the young generation to more often purchasing from online sites. Degeratu (2000) compared to traditional supermarket consumers, online consumers on two product categories, are found as less price sensitive, prefer larger sizes to a smaller size, have stronger size loyalty, do more screening on the basis of brand names and have stronger choice set effects.

Even though online shopping has many benefits, there are still consumers who have reasons to avoid it. One reason may navigate websites which can prove to be tricky for consumers who are not familiar with shopping this way. Another reason may be trust the internet website do not reflect as a safe source for transactions (Monuwe et al., 2004). If consumers face problems during shopping online, they wait only eight seconds to receive any response from the company's system before giving up the purchase (Dellaert and Kahn 1999). Such users frequently complain about factors such as: refunds, return policies, billing problems, exchange policies and faulty products. Moreover, consumers want to know everything about a product before spending money on it (Chen & Chang, 2003).

Motivation to online shopping from traditional shopping

Motivation research has been studied since a long time in traditional shopping context (Chithraleaga, 2013; Anning-Dorshon et al. 2013; Lakshmi and Rani, 2013; Patel, and Sharma, 2009; Hemalatha and Ravichandran, 2009; Dhurup, 2008; Jamal, 2006; Martin and Turley, 2004). Now, there is increasing the interest of research in motivation towards online shopping (Kumar and Thakur, 2015; Close and Kinnery, 2010; To et al., 2007; Beldona et al., 2005; Childers, 2001; Suki, 2001). Motivation in online shopping is to some extent different from the traditional way of shopping. Brown (1987) tried to differentiate this by identifying the costs of a retail format which is referred to

consumer's costs. Consumers incur both non-monetary cost in the form of time, effort and psychological costs as well as monetary costs. Customer emphasis on savings in non-monetary costs by selection of non-store formats. Non-store format brings the customer ease and convenience of shopping, freed from location and other constraints. The increased need for convenience reduces the time spent searching for availability of the product information (Burke, 1997). Suki (2001) suggested seven motivation factors in online shopping context are accessibility (the most important factor), reliability, convenience, distribution, socialization, searchability, and availability. A recent research (Kumar and Thakur, 2016), confirm the relationship between information-search and convenience in online shopping. Both two factors, information-search and convenience are responsible for diversifying the customers to shop online in comparison to brick and mortar stores. Convenient access to product information could facilitate and help shopper's making an online purchases decision (Loshe and Spiller, 1999; Swaminathan et al., 1999). However, Upadhyay & Kaur (2013) give emphasis to clear information about security & service, time-saving, convenience, security and delivery on time while shopping online shoppers. Shwu-Ing (2003) stressed on consumer's benefits perception which is comprised of convenience, selections freedom, information abundance, homepage design and company name familiarity. Moreover, To, et al., (2007) proposed that people use to online shopping because of convenience, cost saving, availability of information and selection. Investigated factors that influence people's attitudes towards online shopping. Rohm and Swaminathan, (2004) identified convenience shoppers, variety seekers and balanced buyers. These shoppers were found to exhibit a high propensity to shop online, but with varying purchase frequencies, depending upon the product category and in relation to their main shopping motivation. Utilitarian orientations, convenience, price and wider selection are an important determinant of consumer's attitude toward online shopping (Delafrooz, 2009). The customers with high utilitarian shopping values perceive greater benefits in online shopping (Sarkar, 2011). Most of the online stores provide the utilitarian benefits to their customers by saving their time and costs. A study in Indian context shows that the main motivation for online shopping is the ability to easily search (Punjand and Moore 2009). Close & Kinney (2010) investigated shopping cart as a twofold purpose one for shoppers in which they can placing items with or without buying, termed virtual cart use. While another for retailer's point of view, offer virtual carts as a functional holding space for intended online purchases, beyond current purchase intentions or may investigate reasons the carts include: securing online price promotions, organizing shopping items, obtaining more information on certain products, and just for entertainment purpose.

Conclusion

The environment in online shopping includes a much narrow range of experience because of all the senses cannot be used perceive online experience like physical touch sense of product. While in the traditional shopping, physical store setting provides such facility and more pleasurable shopping experience by creating different pleasant sounds, aroma, colours and lightings. But online retailer trying to improve the shopping experience by the different way like interaction and customization of the product by brand, colours, size, price and even if delivery time which can bring about an interesting experience. The customer is satisfied with the mode of payment, enjoying the ease of return facilities, feel safe while shopping online, delivered to them on time. The customers that are not familiar with the navigating websites believe it tricky and do not trust as a safe for transactions. Moreover, Female enjoy more whether it is traditional or e-shopping. But young generation is more often purchasing from online websites because of revolution in the technology and they are able to use technology well-being more. Technology that brought the shoppers by 6 C's as key web drivers – context, e-commerce, connection, communication, community and customization. This is also proved that there is the relationship between online shopping satisfaction and monthly income. Another finding of the study in online shopping context are that shoppers are motivated by motivation factors such as convenience, searchability, availability, information accessibility, reliability, distribution, socialization, cost saving, selections, purchase frequency. Among this convenience is the most important in online shopping.

Overall, online has become an exciting destination with all the traditional perks of a trial, ease of return, hard-to-resist bargains, time and place. E-retailing is the new kid on the block which breaks the norms of traditional shopping. It's an exciting domain which offers 'value' to consumers in myriad ways. The increasing number of companies in India that are offering convenient way online shopping.

Limitations and Future Research

This review based analysis mainly identify the factors responsible towards online shopping switching from traditional way of shopping. The literature also build around the differentiating the customer's shopping motivation whether traditional or online shopping. The researcher ignored the other dimensions of shopping. This article identify the theoretical dimensions of shopping motivation but not tested empirically. Currently, there is inadequate research based on comparative study of traditional way of shopping versus online shopping on common motivation factors or the factors that differentiated to each other which are tested empirically in Indian context. However, there is potential research available on motivation factor in traditional and online shopping. Moreover, there is room for

further research into specially on the environment and experience of online shopping. Further studies seeking into methodology aspect for online shopping research.

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