ASSESSING THE IMPACT OF ONLINE RETAILING ON MALL SHOPPERS AND INTERNET USERS

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ABSTRACT
Online retailing, often referred to as online shopping or e-tailing, is growing every day in India. Although most studies in the past have pointed out that the process has been rather slow and unsuccessful in gathering much steam with the Indian users, the trend is changing now and a good number of savvy online users are making big purchases on the digital space. The purpose of this study is to analyze the impact of online shopping on both mall shoppers and internet users and how they are receptive to this change. It will also focus on some of the factors responsible for influencing the consumers to purchase through online mode and internet shopping attitudes. It also tries to study the situational and product category effects on intention to use internet versus mall shopping. This study can be considered as descriptive in nature and a questionnaire is designed and distributed among the selected sample to collect information and their opinions regarding online shopping. The results indicate that internet shopping has a relatively near term competitive impact on traditional shopping for the cognitive product market, while the effect of internet on sensory experiential market may not be as pronounced. Attitude towards internet shopping, past experience with online shopping and demographic characteristics influenced information search intention and shopping through internet.

KEY WORDS: Online Retailing, Internet Vs Mall Shopping

Introduction
Today’s consumers are blessed with enormous choices, not only among different products and brands, but also among diverse retail formats such as shopping malls, hyper markets, specialty stores, department stores and online electronic shopping systems. Of the various alternatives, internet shopping is the most rapidly developing shopping mode and is quickly gaining significant market share. Online retailing means the sale of goods and services via internet or other e-channels for personal or household use by consumers. Considering the internet’s present growth rate and society’s paradigm shift from an industrial to an information age, it is worth to understand the competitive effects of internet commerce on the marketplace arise. Internet retailing has evolved because of the facts like capability of internet to spread around the world on a fast pace, vital role of internet to make e-tailing a big hit, modernisation of traditional retail formats and e-tailing has many advantages over the traditional retail formats. As there is surge in PC penetration, growing internet awareness and computer literacy and change of internet more as enabler-facilitator than messaging-entertainment, internet shopping has got much momentum growth. The process of online shopping includes selection of product of interest, using of shopping cart software, signing up for a permanent online account and e-mail ordering and receipt conformation. The modes of
payment can be through debit card, credit card and the delivery options include download, shipping and in-store pick-up.

**Objectives of the Study**

Because very little empirical research has been conducted to assess the potential competitive impact of internet shopping on shopping through traditional retail venues and malls, the major objective this study is to determine whether the product category being evaluated or purchased and the situation context of shopping, used to identify three major consumer groups—internet shoppers, mall shoppers and cross shoppers between internet and shopping mall retail formats. Further, the factors that influence consumer’s decision to use internet or malls are assessed, including online shopping attitudes.

1. To have a theoretical overview of online retailing.
2. To investigate shopping mode choice and profile internet shoppers, mall shoppers and product-specific cross shoppers.
3. To examine the situational and product effects on intention to use internet versus mall shopping.
4. To identify factors influence consumer’s intention to use internet for product search and online shopping attitudes.

**Scope of the Study**

*Target group*—This study focuses on both typical mall shoppers and computer users, although those groups may not be mutually exclusive. Mall shoppers represent a major market segment that traditional store retailers strive to maintain and increase, while internet users represent an attractive segment for online retailers to pursue. By focussing on both groups, it is possible to determine the extent to which mall shoppers and internet users are likely to cross shop or to shop exclusively from one or the other venue.

*Product category and Purchase situation*—Product category is divided into two ie sensory experiential products (through touch, sight or smell) and products based on cognitive type of information (facts and figures, testimony of experts). Purchase situation is task oriented or convenience oriented.

*Shopper segments*—Each shopper group is profiled as online shopper, mall shopper or cross shopper based on attitude towards internet shopping, or use of internet for product information search and several consumer experience or background variables.

**Description to Methodology**

**Sampling and Data Collection**

Both primary and secondary data were used for the study. Primary data was collected from 120 respondents—60 mall shoppers selected from Trivandrum district and 60 internet users (preferably the researcher’s ‘facebook’ friends having ownership of a laptop or PC). They are the shoppers who have interest in online shopping as well as mall shopping and judgement sampling was used. Secondary data was generated from library research sources, text books, trade journals, articles from news papers and from websites.
Measurement

Shopping mode choices were studied by choosing the product categories as textiles, books, CDs, gifts, jewellery and other accessories. Based on product or situation specific scenarios, use of internet for product information search was studied. Attitude towards internet shopping was measured through general attributes like products offered and perceived risks and benefits.

Theoretical Framework

Online Retailing-An Overview

Online Retailing offers many advantages, including:

* **Incredible convenience:** In comparison to a brick and mortar store with fixed hours, online shoppers can choose any time of the day or night to get on the Web and shop. This is especially useful for moms with small children, people that are home-bound, or simply in times of inclement weather.

* **Price comparisons:** When we visit a store, we most likely have to settle for whatever price the vendor has placed on a particular item. Not so with online shopping – we have the ability to compare prices from hundreds of different vendors.

* **Infinite choice:** Shelf space in a brick and mortar store is limited, which means that variety of goods is limited. Not so with an online store, and also switching over is possible, if the needy item is not there.

* **Easy access to consumer reviews:** It's easy to access consumer reviews for pretty much of any product of online, which makes for more informed purchases.

* **No pressure sales:** Normally, customers been awkwardly propositioned by eager salespeople. Customers don't have to put up with that online. For the retailers: *Global reach* is possible, location is irrelevant.* Possible to save wages and premises cost.* Possible to reach a larger audience and acceptance of orders 24 hours a day.* Customer relationship management and micro marketing is easy. Even though, there are a lot of advantages, Consumers have to face certain challenges like security worries, lack of interaction, can’t see or feel the merchandise, premium for delivery and difficulty for return and delivery. Retailers face obstacles due to lack of technology, less powerful than face to face, uptake slow for goods selected by taste or smell, after sale care difficulties, difficult to maintain a customer service operator or maintenance staff etc.

Even though Tata group and Vishal retail have already launched online shopping portals, there are a lot of challenges ahead. But, it is true that awareness about electronic shopping is increasing nowadays. A recent survey shows the result as fifty four percent of the youth are using internet shopping for ordering books, online ticketing, trendy clothes and accessories, audio-video CDs, software and innovative home appliances and kitchen utensils. E-marketing through blogging and social networking sites is common now, because through these modes, products and companies can have personal interaction and can instil a feeling of loyalty from potential customers. Social media helps to expand the reach of products and a tremendous impact on the number of impressions that are generated for marketing and communication. In the case of future potential e-retailers, evangelizing, selling and keeping the customer happy is more challenging. It needs heavy promotion to get customers, building trust and security is imperative. Indian retail industry has always thrived on personalization, which no CRM software can claim to do. Indian customers are still very need oriented than impulse or deal oriented than Americans. So in India, a combination of both traditional retailing and modern e-tailing will serve the best.
Analysis and Results

Among the respondents, 53% are male and only 47% are females. Majority (60%) are in the age group of 25-34. In general, the respondents were highly educated and the study revealed that more than 50% are graduates. Among the mall shoppers, majority were employed in private firm and in professional occupations and among the mall shoppers, 60% have total monthly income above 10000 and among internet users, majority are youngsters, and among them, 50% of the respondents have monthly income above 20000. Among the mall shoppers, 60% visit the shop monthly twice and majority are from urban area. Their preference for buying includes quality product, one-stop shopping, more brands, family shopping and fresh stock. Among the internet users only 30% had purchased products through internet. Based on the sensory experiential product category, 68% are mall shoppers, 29% are cross shoppers and only 3% are purely internet shoppers. In the case of cognitive product category, 52% are mall shoppers, 46% are cross shoppers and 2% are purely internet shoppers.

Results indicated that the 3 segments of shoppers were significantly different in attitudes towards internet shopping for both the cognitive product market and the sensory experiential product category. Internet shoppers exhibited significantly stronger attitudes towards the secure transaction, speedy process, and money savings benefits of internet shopping. Internet and cross shoppers were similar in their attitude towards the social shopping and easy choice benefits of internet shopping. In the case of sensory experiential product category, three groups displayed significantly different attitude towards the speedy process and choice. Three groups were different in their intention to search for information in the case of both cognitive and sensory experiential product. For both the products, internet shoppers seek prior information through internet and mall shoppers will seek through retail formats. Product-situation cross shoppers exhibited a tendency to search for information from both internet and retail stores. Because of social influence also, people tend to buy from malls, but such an influence is meagre in the case of internet shoppers. For sensory experiential products, direct internet purchases was substantially greater (apparels and accessories) than mall shopping. Greater percentage of males tended to be internet shoppers or product-specific crossing shopping for both product categories.
Table 1- Age wise characteristics (in percentage)

<table>
<thead>
<tr>
<th>Age</th>
<th>Mall Shoppers</th>
<th>Internet Shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>25-34</td>
<td>60</td>
<td>50</td>
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<tr>
<td>35-44</td>
<td>10</td>
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<tr>
<td>45-54</td>
<td>10</td>
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<tr>
<td>&gt;54</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary data

Table 2- Online shopping expectations

<table>
<thead>
<tr>
<th>Confidence (Strongly agree)</th>
<th>Convenience (Strongly agree)</th>
<th>Choice (Strongly agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feel more secure if Don’t want to enter Credit or debit card information -62%</td>
<td>Prefer sites that offer multiple payment methods-66%</td>
<td>Choose sites with both credit and debit card payments-61%</td>
</tr>
<tr>
<td>Trust sites that offer more payment options-65%</td>
<td>More convenient when alternative payment methods-68%</td>
<td>Want a paypal method where don’t want to enter Credit Card number-62%</td>
</tr>
</tbody>
</table>

Source: primary data

In short, for cognitive products, the respondents will use either internet or stores, but for sensory products, they prefer malls and 52% indicated that they would shop through only malls or retail formats, independent of product being purchased. Internet may be preferred shop mode for products requiring a greater degree of intellectual sense like books, CDs and software. For merchandise that need senses or experiences, the respondents prefer retail store shopping.

Conclusion

The results of the present study may provide important implications for developing strategies for shopping mall managers to compete directly to online retailing, the research results suggests that traditional retailers have to expedite the service as well as trend setting. Shopping experience should be more time-efficient than the present day regional mall. High speed processing and self service with internet type environment will be preferred. Innovative product information should be available in stores; otherwise customers will try to get it from the internet. So making product information available to consumers may be an important tool that directly affects sales. In the malls, there should be toll-free telephone numbers or simultaneous internet via store shopping. In the case of web retailers, proper care should be taken to give maximum security, multiple payment and delivery methods, preference for methods like Paypal in order to maximise the result. Lastly, this research has its limitations, so future research is warranted to extend and expand the scope of the present study.
References