



## INDIAN ORGANIZED RETAIL MOVES FROM SHOWROOM SHOPPING TO ONLINE SHOPPING – (IORSO)

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### **Abstract**

The Indian Retail industry is going through the phase of wonderful transformation. The impact of the transformation in the format of the retail sector changed the lifestyle and behaviour of the Indian consumers drastically. It is noticed that On-line shopping has been the preferred channel by the customers due to various reasons. There are divergent views on the future of on-line retailing in India. Though much is yet to be achieved, online retailing is an emerging business in India. With growing broadband internet access, this industry may see an explosive growth. Apart from the brick -mortar formats, brick -click and click -click formats are also increasingly identical on the Indian retail landscape. This research paper focuses on to find out which kind of shopping experience is more delighting the retail customers to purchase the electronic goods either through Showroom channel or through Online (Electronic) channel. While we take 50 different segmented customers as our sample to do our research to find out preferred channel, It is found through our results that Online (E) Retailing is attracting more customers due to varied reasons, ie. Convenience, Cost effectiveness, Perceived quality, Traffic problems to reach out showrooms, Display of range of products, payment convenience and return of goods.

**Keywords:** Showroom shopping, online shopping, organized retail, convenience, range of products, cash on delivery.

### **1. Introduction**

The Indian Retail industry is going through the phase of wonderful transformation. The impact of the alterations made in the format of the retail sector changed the lifestyle of the Indian consumers drastically. Nowadays the Indian consumers are becoming more knowledgeable with the concepts about quality of products and services. The organized retail sector is expected to grow stronger and strengthen our GDP in the next five years driven by changing lifestyles, escalating incomes and favourable demographic features. RETAIL GOES ONLINE- Now it is the time to find the right alternative for the retail industry to bring down the expenses and to move up in the market. As customers are hard pressed by time to meet their day to day commitments and they are becoming conspicuous and less patient, online market is now creating enormous opportunities in retail business. To reach the online shoppers, Electronic Retailing is the best alternative solution for the retail industry, through which online branding can be achieved. Online branding and online marketing are the ongoing retail business trends. This changing consumer behaviour creating the ways to Organized Retailers to transform as Multi channel Retailers.

### **2. Innovative Strategies of Retailers**

Now-a- days the consumers are becoming more complicated, confused , emotional and knowledgeable personalities and this kind of behavioural changes making the Retailers to move ahead with innovative strategies not to lose a single customer. Marketing Strategy is a right fit between Organizational marketing objectives and available resources and competencies to achieve the desired targets. When we perceive the movement of physical or service Product through its life cycle from introduction to growth to maturity to decline – Shopping experience or gratification of the customer moves from unorganized retail to organized retail to online purchase. In this context , Retailers have to understand the customer's behaviour and expectations on various fronts – so that they can improve the experience of the customers. There was a rumour at the market place that slowly showroom shopping has been transformed into online shopping, which may be far from truth. There are significant reasons for the show room retailers to go a long way with their own customers ie. for Intuitive experience, for socialization, for physical activity, for no delivery frustration, for No shipped product tension and for immediate gratification. On the other side, a set of significant advantages are tempting the customers to prioritize on line shopping – those are comparison of prices, avoiding visiting crowded places, Discreet purchases , fewer expenses and convenience. Weighing the situations on both the fronts, Retailers strives to identify innovative strategies to capture more market. Convenience and speed are specific attributes that physical stores have over their online counterparts. Moving to the nearby shops for a few items can be considerably easier than ordering online and having to wait for it to be delivered – especially if the need is urgent. However, queuing and crowds are a disgust so removing these pain points in physical stores will benefit the customer's experience immensely. Now,

Retailers have to make enough research to reduce the turnaround time of its shoppers from visiting the physical stores , selecting the required merchandise, paying the bills to quit the stores. There can be an idea of developing an app which



allows shoppers to browse, scan and buy products on their phones within store so that they could skip queues and crowds reducing the amount of time they spend in store.

### 3. Review of Literature

Mohanty & Panda (2008) opines about retailing as a sector of India occupies important place in the socio-economic growth strategy of the country and the people are bifurcated by various segments i.e. Demographic, Geographic, Psychographic and behavioural. India is witnessing retailing boom being propelled by increasing urbanization, rising purchasing power of ever growing India's middle class based on their disposable incomes, changing life styles heavily leaning young population, technological revolution, intense globalization drive etc. This paper examines how the retailing is being switched steadily from show room to online shopping and find out various considerations by customers to make this kind of shift. According to a new report, India saw a 128% growth in interest from consumers to prefer on line as compared to that of 2011 (Deepali, 2013). This paper discusses the various motivators of online shopping (Gangeshwar, 2013) and reveals that on-line shopping in India is significantly affected by various Demographic and psychographic factors like age, gender, marital status, family size and income (Nagra & Gopal, 2013), Interest and attitudinal change of the youngsters. The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers (Zia Ul Haq, 2012). Due to technological advancement, the concept of competitive advantage is no longer enjoyed by any marketer. Every company is having almost the same technology and this has generated a flock of standardized products with difference on only one front i.e. the brand name (Shweta Tanwar, 2009). This paper studies that growth of online market is increasing very rapidly and study various factors that attracts the consumer towards online shopping (Suresh & Shashikala, 2011). Some popular websites of online shopping

- [www.jabong.com](http://www.jabong.com)
- [www.myntra.com](http://www.myntra.com)
- [www.yebhi.com](http://www.yebhi.com)
- [www.pepperfry.com](http://www.pepperfry.com)
- [www.fashionara.com](http://www.fashionara.com)
- [www.fashionandyou.com](http://www.fashionandyou.com)
- [www.shopnineteen.com](http://www.shopnineteen.com)
- [www.koovs.com](http://www.koovs.com)
- [www.shoppersstop.com](http://www.shoppersstop.com)
- [www.cilory.com](http://www.cilory.com)
- [www.zovi.com](http://www.zovi.com)
- [www.urbantouch.com](http://www.urbantouch.com)
- [www.craffts.com](http://www.craffts.com)
- [www.lenskart.com](http://www.lenskart.com)
- [www.watchkart.com](http://www.watchkart.com)
- [www.bagskart.com](http://www.bagskart.com)
- [www.inkfruit.com](http://www.inkfruit.com)

Information technology provides consumers tremendous access to information on products and services from anywhere in the world and from different sources other than exclusively from the product seller. The combination of less time available for shopping, limited information-processing capability and the explosive amount of information on the web has, however, led customers to demand more control, less effort and greater efficiency during shopping [Jarvenpaa and Todd, 1997]. In order to respond to the customers' desire for control and convenience, on line stores have to design an efficient system to enable consumers to easily find out what they need, learn more about it and quickly make a purchase decision [Baty and Lee, 1995], by offering customer-friendly technical support.

### 4. Objectives of the Study

- To find out which retail channel would be more convenient to customers in terms of shopping
- To understand the reasons behind selecting a specific retail channel by more customers

### 5. Limitations of the Study

- The information collected from the customers of Vijayawada city in Andhra Pradesh and the perceptions may be varied for other geographical area customers .
- Majority of customers gave their opinion for eight statements by ranking both the channels (one channel with high score and the other with less score)



## 6. Hypotheses

In the light of the above discussions and views mentioned, the following hypotheses are formed:

H0: Online shopping and showroom shopping are equally convenient in the perspective of customer.

H1: On line shopping is more convenient than showroom shopping.

## 7. Research Methodology

While interacting with the customers to know their preference to purchase the merchandise either through showroom shopping or on line shopping, the following points are frequently highlighted by them to discriminate both the channels:

- (i) Convenience
- (ii) Cost effectiveness
- (iii) Perceived quality
- (iv) Transportation difficulties
- (v) Range of products
- (vi) payment convenience and return of goods
- (vii) Trust worthiness (mutually beneficial)
- (viii) immediate gratification

Matching with the above objectives of the study , the relevant data has been gathered from primary and secondary sources.

### 7.1 Subjects and Variables Studied

The sample of the study comprised 50 customers in Vijayawada city with various capacities ( in terms of income, age groups and professions).

### 7.2 Primary Source and Instruments Used

The primary data is sourced through a well structured questionnaire clearly knowing their age, gender, occupation, monthly income and qualification consisting of eight points to be responded by different customers who regularly do shopping of electronic goods either through showroom or online. They have been very clearly explained the questionnaire and asked them to give their rating to each statement ( total 8 questions) on a 5 point scale ( Highly convenient to be of score 5, convenient to be of score 4, Satisfactory to be of score 3, inconvenient to be of score 2 and highly inconvenient to be of score 1) about their feasibility and importance given to a specific channel in respect of above points i.e. convenience, perceived quality, transportation arrangements, range of products, payment convenience and return of goods and trust worthiness (mutually beneficial). Of course, majority of customers gave their opinion by ranking both the channels for each point (one channel with high score and the other with less score).

### 7.3 Secondary Source

The secondary source used for the study includes various literatures, magazines, E journals and relative websites etc.

### Table- 1

Results: Presents the total score for each question posed to target customers who are regularly purchasing electronic goods either from show room or from online shopping.

**Table 1: presents the total score for each question to find out which channel is more feasible for them to purchase electronic goods.**

Q.No.	Total Score for Showroom experience	Total Score for online experience
1	110	160
2	130	190
3	160	120
4	105	190
5	150	180
6	123	195
7	90	185
8	175	150

Source: Primary data

**Table- 2**

Results: In the following table, for each total score corresponding to each question we calculated averages for both the channels (respectively denoted by x and y) with sample size (N) = 50.

**Table- 2 presents average x and average y:**

Q.No.	Score for showroom/N	Average x	Score for online/N	Average y
1	110	110/50 = 2.2	160/50	3.2
2	130	130/50 = 2.6	190/50	3.8
3	160	160/50=3.2	120/50	2.4
4	105	105/50=2.1	190/50	3.8
5	150	150/50=3.0	180/50	3.6
6	123	123/50=2.46	195/50	3.9
7	90	90/50=1.8	185/50	3.70
8	175	175/50=3.50	150/50	3.00

Source: primary data

**Table- 3**

Results: In the following table we found  $\bar{x}$  and  $\bar{y}$  through the formulae  $\bar{x} = \frac{\sum x}{n_1}$  and  $\bar{y} = \frac{\sum y}{n_2}$ .

**Table- 3 presents  $\bar{x}$  and  $\bar{y}$**

Type of channel									Total
Showroom x	2.2	2.6	3.2	2.1	3.00	2.46	1.8	3.5	20.86
Online y	3.2	3.8	2.40	3.80	3.60	3.90	3.70	3.00	27.40

Source: primary data

$$\text{Thus } \bar{x} = \frac{\sum x}{n_1} = \frac{20.86}{8} = 2.60 \quad \text{and} \quad \bar{y} = \frac{\sum y}{n_2} = \frac{27.40}{8} = 3.43$$

**Table- 4**

Results: In the following table we have calculated  $\sum(x - \bar{x})^2$  and  $\sum(y - \bar{y})^2$  with the help of which common variance can be found.

**Table- 4 Presents  $\sum(x - \bar{x})^2$  and  $\sum(y - \bar{y})^2$**

x	$(x - \bar{x})$	$(x - \bar{x})^2$	y	$(y - \bar{y})$	$(y - \bar{y})^2$
2.2	-0.40	0.16	3.20	-0.23	0.0529
2.6	0	0	3.80	0.37	0.1369
3.2	0.60	0.36	2.40	-1.03	1.0609
2.1	0.50	0.25	3.80	0.37	0.1369
3.00	0.40	0.16	3.60	0.17	0.0289
2.46	-0.14	0.02	3.90	0.47	0.2209
1.8	-0.80	0.64	3.70	0.27	0.0729
3.5	-0.90	0.81	3.00	-0.43	0.1849
$\sum = 20.86$		$\sum = 2.39$	$\sum = 27.40$		$\sum = 1.87$

Source: primary data

Common variance

$$S^2 = \frac{[\sum(x - \bar{x})^2 + \sum(y - \bar{y})^2]}{n_1 + n_2 - 2} = \frac{[2.39 + 1.87]}{8 + 8 - 2} = \frac{4.26}{14} = 0.30$$

Results: In the following steps we calculated the value of the T -test statistic

Student's T -test

$$t = \frac{\bar{x} - \bar{y}}{\sqrt{\frac{S^2}{n_1} + \frac{S^2}{n_2}}} = \frac{[2.60 - 3.43]}{\sqrt{\frac{0.30}{8} + \frac{0.30}{8}}}$$

$$\text{Calculated value} = |t| = |-3.03| = 3.03.$$



Results: In the following steps we mentioned the tabulated value of the T –test statistic with the help of suitable  $\theta$  and  $\alpha$  values.

$\theta$  = degrees of freedom = 14

Let us take  $\alpha = 5\%$  Level of significance.

Tabulated value =  $t_{\alpha}$  at  $\theta$  dof =  $t_{0.05}$  at 14 dof = 1.761.

### Conclusion

Since  $|t| = 3.03$  greater than 1.761, we reject  $H_0$  and eventually  $H_1$  is accepted. It means that online shopping and showroom shopping are not equally convenient to the customers and the second hypothesis ( $H_1$ ) i.e. on line shopping is more convenient than showroom shopping to the shoppers in the current trend is found to be accepted. Hence, the Retailers have to understand this changing consumer behaviour in Retail industry and have to promote their electronic products by following contemporary marketing strategies to attract more customers to a specific channel i.e. Electronic Retailing.

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