A Study on consumer's inclination Towards E-Commerce and Brick and Mortar with reference to Bengaluru City

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Abstract

The Indian Retail market has undergone a revolutionary change and has witnessed an amazing metamorphosis in the past 10 years; the transformation proved that the luxuries of yesterday are becoming increasingly necessities of the present regime, India ranks among the best countries to invest in retail space. Some of the factors that make India so striking include having the second largest population in the world, a middle class of 600 mn people, increasing urbanization, rising household incomes, connected rural consumers, altitudinal shift and increasing consumer spending, Retail is India's largest industry, currently accounting for over 10%

of the country's GDP and 8% of total employment, Recent Indian policy changes allow 100% FDI under the spontaneous route for single-brand retail trading.

The online business has changed the form of retailing done in India. India's Internet users are expected to reach US 125 billion dollars in April 2017, double it will be by 2020 US 250 billion dollars; Online business is majorly supporting, and the revenue for the online business is expected to be dual from US 39 billion dollars to US 120 billion dollars by 2020 by showing the highest growth in the world at 51% and the way online business has replaced the shop manner of consumers, which aims to study how and what influence consumer to choose the offline and E-Commerce mode.

I. INTRODUCTION

Retailing in India is one of the backbones of its economy and accounts for approximately 10 percent of its GDP. 8 percent of employment, The Indian retail market is among the five largest retail markets worldwide by economic value. India is one of the fastest growing retail markets in the world, the total Indian retail industry market size touched US$ 672 billion in 2017. It is anticipated to increase to US$ 1,200 billion by 2021 and 1,750 billion by 2026, India will become a promising market for fashion retailers on the back of a large young adult consumer base, increasing disposable incomes and relaxed government FDI rules.India has occupied a notable place in global retail rankings; the country has high market potential, low economic risk and reasonable political risk, India's high growth potential paralleled to global peers has made it more favorable. India is predicted to become the world's third-largest consumer economy, reaching US$ 400 billion in consumption by 2025, according to a study by Boston Consulting Group. India ranks 11th in the FDI Confidence Index after U.S., Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy. It remains the top country in Global Retail Development Index 2017 with rising middle class coupled with rapidly growing consumer spendings.

Indian retailing system reveals considerable assortment. We can find massive shopping malls and a small retail shops operating concurrently in nearby area. Remarkably, some small sole proprietary retailers are challenging successfully with retail group giants in adjacent areas.

Similarly, service sector retailing business is also growing. Most service sectors, like healthcare, insurance, banking, tour and travels, hotel and restaurants, stock markets and securities, and so on, have started focusing attention on effective retailing to maintain and grow.

Online retail business is the modern generation format which has high credibility for growth. Currently, it is predictable to be a US$ 50 billion prospect. After conquering brick and motor stores, retailers are now foraying into the sphere of e-retailing. The online retail market had a size of US$ 18 billion in 2017 and is expected to hit US$ 32.70 billion by 2018; online retail market is expected to reach US$ 60 billion by 2020. The sales of the online retail market are expected to grow at the rate of 31 percent year-on-year to reach US$ 32.70 billion in 2018. It is expected to reach US$ 73.00 billion by 2022F. Sales in India's online industry increased by 40 percent year-on-year to reach Rs 9,000 crore (US$ 1.5 billion) during the five-day sale period ending September 24, 2017, spurred by huge deals and discounts offered by the major e-commerce companies.

The government is likely to allow 100 percent FDI in e-commerce, under the preparation that the products sold must be manufactured in India to gain from the liberalized administration

A young demographic profile, increasing internet penetration, and comparative better economic performance are the key drivers of this sector. Policies and governing frameworks by the Government of India such as 100 per cent FDI in B2B e-commerce and 100 per cent FDI under spontaneous route under the marketplace model of B2C e-commerce are expected to further drive growth in the sectors. As per the new FDI policy, online entities through foreign investments cannot offer the products that are sold by retailers in which they hold an equity stake.

Objectives of the Study
1) To study the various factors influencing consumer to select E-Commerce & Brick and Mortar in Bengaluru City
2) To examine whether the gender of the consumer affect the E-Commerce and Brick and Mortar Shopping.
3) To examine the factors prompting the consumer to switch from the Brick and Mortar to E-Commerce shopping.

Literature Review

Collins, Ava (2024): Discussed dominance of e-commerce by the convenience factor, wide variety, and cheapness. Mobile shopping has made this trend strong. On the other hand, brick-and-mortar stores are also preferred by consumers for trust, ready availability, and in-store experience. The report suggests that the business needs to be hybrid for survival in the market.

"Confer With" Team (2023): Discussed the challenges and benefits of both channels. E-commerce is preferred due to fast delivery, product range, and accessibility. Physical stores are preferred because of touch experiences and trust. After the pandemic, people have been more interested in omnichannel strategies that combine physical stores with digital interface.

Majumdar, R. & Singh, P. (2023): With a focus on Bengaluru retail dynamics, the consumers preferred to shop through e-commerce for low-involvement goods as it was more convenient but preferred to shop at physical stores for high-involvement goods. Retail success in Bengaluru demands innovation in creating unique in-store experiences and integrating digital tools.

Kapoor, Neha (2023): Examine the consumer behavior of post-pandemic times across Indian metro cities, including Bengaluru. E-commerce emerged as the favorite for discounts and easy accessibility, while brick-and-mortar stores faced difficulties in managing reduced footfalls. However, experiential retail formats such as thematic stores have been shown to rekindle interest in in-store shopping.

Ghosh, Arindam (2024): Investigated how social media influences the adoption of e-commerce in Bengaluru. The study shows that platforms like Instagram and WhatsApp are playing a crucial role in the purchase decisions. For brick-and-mortar stores, social media marketing of in-store experiences has been found to be effective

Research Methodology:-

The data and information has been collected from primary sources and secondary sources like online questioner, journals, magazines, business newspapers, periodicals, reports, text books and websites. Further face to face interviews for the related area was also taken into consideration for the study, the sample size is determined as 100 respondent's opinion from the target audience.

Sampling Design: A sample design is a finite plan for obtaining a sample from a given population. For this study, simple random sampling is employed.

Sample Size: The size of the sample is referred to as the number of the sampling units nominated from the population. A sample of 100 respondents was obtained from the population..

Sampling Procedure: The procedure of the current study is based on random sampling, which can also be termed as chance sampling. Under this kind of sampling design, every item within the frame has an equal chance to be included in the sample.

Methods of Data Collection:

The data's were collected through 1) Primary and 2) secondary sources.

Primary Sources

Primary data are in the form of "raw material" which was directly collected from target audience to which percentage methods are applied for the purpose of analysis and interpretations. The primary sources are discussion with the target audience, data's collected through questionnaire.

Secondary Sources

Secondary data's are in the form of completed products as they have already been analyzed statistically in some form or other. The secondary data mostly contains of data and information collected from records, company websites and also discussion with the management of the organization. Secondary data was also collected from, magazines, journals and books.

Nature of Research

Descriptive research also referred to as statistical research, describes data and characteristics about the population or phenomenon being studied. Statistical research answers the questions who, what, where, when and how. Although the data description is accurate, truthful and systematic, the research cannot describe what caused a situation. Thus, Statistical research cannot be used to create a causal relationship, where one variable affects another. In other words, statistical research may be stated to have very low requirement for internal validity.

Survey Questionnaire

A well-designed survey questionnaire that professionally used can obtain information regarding total performance of the test system as well as regarding details of about specific parts of the system. An overwhelmed questionnaire was minutely designed and specifically typed. The questions were placed appropriately, according to their relevance.

Relevance of Questions Asked

The questionnaire contains open-ended questions and rating questions.

Presentation of Data

The data are presented through charts and tables.

Demographic Profile of the Respondents

Table 1 : Demographic Profile of the Respondents		
Sl No.	Demographic Factors	E-Commerce & Brick and Mortar Shoppers
		Numbers
Gender		
1	Male	53
2	Female	47
Total		100
Age Group		
1	18 – 25 Years	12
2	26 – 35 Years	27
3	36 – 45 Years	45
4	46 – 50 Years	12
5	Above 50 Years	4
Total		100
Marital Status		
1	Married	58
2	Unmarried	42
Total		100
Type of Family		
1	Joint	27
2	Nuclear	73
Total		100
Occupation		

2	Businessmen	16
3	Govt. Employee	3
4	Private Employee	59
5	Professional	22
Total		100
Monthly Family Income		
3	20001-30000	8
4	30001-40000	63
	40001-50000	19
5	Above 50001	10
Total		100

Interpretation -

Gender: Male respondents constitute 53%, while Female respondents constitute 47%.

The slight male dominance shows that men are marginally more involved in shopping, both online and offline, for this sample group.

Age Group : The largest proportion of respondents falls within the age bracket of 36–45 years, which constitutes 45% of the sample, This is followed by respondents in the age bracket of 26–35 years, which constitutes 27%. This reflects a significant representation of middle-aged consumers, The 18–25 years and 46–50 years groups both constitute 12%, while those older than 50 years amount to only 4%, This indicates that middle-aged consumers (26–45 years) lead in shopping preferences, mainly due to financial stability and purchasing power.

Marital Status : 58% of respondents are Married, while 42% are Unmarried. Married individuals may opt for brick-and-mortar for family-centric purchases or due to ease, while the unmarried might opt for e-commerce for saving time and familiarity with digital mediums.

Type of Family : Majority, 73% resides in Nuclear families, whereas 27% belongs to Joint families, Nuclear family consumers might be different due to their family size being smaller compared to joint families, while the latter may exhibit patterns of collective decision-making often in favor of traditional shopping experiences.

Occupation : Private Employees form the biggest occupational group with 59% respondents. Professionals rank second with 22% and Businessmen at third with 16%. The percentage of Government Employees stands at a meagre 3% Private employees' predominance suggests that they form an

essential mass of active consumers because they enjoy their disposable income and have adequate exposure to digital media

Monthly Family Income : The maximum families having monthly family incomes lie between ₹30,001 – 40,000 amounting to 63% of the sample. Families earning ₹40,001–50,000 constitute 19%, and 10% fall in the Above ₹50,001 category. Only 8% of families earn between ₹20,001–30,000.This distribution reveals that most of the respondents belong to the middle-income group, thus affordability and tendency to shop for value-for-money products, both online and offline.

Purchase Frequency of E-Commerce Shopping

Table 2:-Purchase Frequency of E-Commerce Shopping	
Frequency of Purchase	
Frequency of Purchase	No. of Customers
Daily	0
Once in a week	13
Once in a month	34
Twice in a month	7
Once in two months	16
Quarterly	19
Half early	3
Frequently	8
Total	100

Interpretation -
Purchase Frequency of E-Commerce Shopping
The data on the frequency of purchases for online shopping shows that 34% of the respondents shop once a month, which means they shop in a planned and periodic manner. The next smaller segment is that of those who shop once a week, which accounts for 13%. 19% shop quarterly, and 16% shop once in two months. Only 8% shop frequently, and 3% shop half-yearly, which indicates minimal engagement. Interestingly, no respondents shop daily, which means that online platforms are not yet a daily shopping preference for this group. Overall, the findings indicate that most customers use online shopping for occasional or planned purchases rather than frequent or impulsive buying.

Purchase Frequency of Brick and Mortar Shopping

Table 3:-Purchase Frequency Brick and Mortar Shopping	
Frequency of Purchase	
Frequency of Purchase	No. of Customers
Daily	32
Once in a week	26
Once in a month	18
Twice in a month	3
Once in two months	5
Quarterly	4
Frequently	12
Total	100

Interpretation -
Purchase Frequency Offline Shopping
The purchase frequency about brick-and-mortar purchases shows that 32% are shopping daily, and this presents a continuous usage of physical places for daily needs. With 26%, one shop a week, while 18% shop monthly, so it shows that they really shop but less often than the first two. Then there's 12% who shop weekly, 5% who do it once every two months, and 4% quarterly. Only 3% go to the shop twice a month, indicating very poor mid-frequency engagement. From the results, it seems that brick-and-mortar stores enjoy more daily and weekly shopping habits, probably because of the immediacy of access to a product.

Reasons for E-Commerce Shopping

Table 4 – Reasons for E-Commerce Shopping						
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Low Price	10	8	31	42	9	100
High Quality	18	26	32	16	8	100
Huge Offers /Discounts	3	12	25	37	23	100
Choice/Varity of products	8	9	25	22	36	100
Support Service (Customer Care)	11	6	22	22	39	100
Time saving	10	6	25	28	31	100
Door to Door service	11	8	29	30	22	100
24 hours Access	5	8	39	33	15	100
Searching the products are easy	10	3	23	30	34	100
Detail Information about the Product	7	9	28	33	23	100
Sending Gift for relatives is easy	14	16	30	26	14	100
More Payment Options	11	8	22	30	29	100
Customer Reviews are available to decide	8	6	26	23	37	100
No Need to Wait in Queue	9	7	21	31	32	100
Save Transportation expenses	10	7	20	30	33	100
Latest Products are Available	10	8	20	23	39	100

Interpretation -

Low Price: 42% agree that low prices attract them, while 9% strongly agree. However, 31% are neutral, and a small section disagrees (18%).This indicates that affordability is a strong motivator for many but not a unanimous factor.

High Quality: A huge proportion of 44% disagree or strongly disagree that e-commerce offers high-quality products, with 32% neutral. Only 24% agree or strongly agree. This shows skepticism about product quality in online shopping.

Huge Offers/Discounts: The major attractions for consumers include offers and discounts. A total of 37% agreed and 23% strongly agreed, but 15% disagreed. Clearly, promotions and discounts determine buying decisions.

Variety/Choices of Products: An important 58% of respondents either agreed or strongly agreed that e-commerce provided variety, thus constituting an important reason to shop online.

Customer Care Support Services :39% of respondents strongly agreed and 22% agreed that the customer care services were satisfactory. However, 17% of the respondents disagreed.

Saving Time: 59% agree or strongly agree that e-commerce saves time, consolidating convenience as a benefit.

Door-to-Door Service: 52% agreed or strongly agreed, while 29% were neutral. For many, home delivery is an important benefit.

24 Hours Access: About 48% agreed or strongly agreed that online platforms allowed 24/7 access; 39% were neutral.

Ease of Product Search:64% agree or strongly agree that it is easy to find products, which means user-friendly sites are appreciated.

Detailed Information: 56% agree or strongly agree that detailed information on products is available online to aid in the decision-making process.

Ease of Sending Gifts: Only 40% agree or strongly agree, and 30% are neutral, with 30% disagreeing, which reflects mixed opinions about this aspect.

More Payment Options: 59% agree or strongly agree that e-commerce offers a variety of payment options, making it convenient for customers.

Customer Reviews: 60% agree or strongly agree that customer reviews enable them to make decisions and that trust is an essential element in shopping online.

No Need to Wait in Queue: 63% agree or strongly agree that not having to wait in physical queues is one of the significant advantages.

Save Transportation Expenses: 63% agree or strongly agree that with e-commerce, they save on traveling costs.

Availability of Latest Products: 62% agreed or strongly agreed that the internet makes newer products more accessible; just 18% disagreed.

Reasons for Brick and Mortar Shopping

Table 5- Reasons for Brick and Mortar Shopping					
	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Total**
Low Price	4	14	42	26	14	100
High Quality	9	5	27	33	26	100
Huge Offers /Discounts	3	15	57	17	8	100
Choice/Varity of products	8	9	28	37	18	100
Support Service (Sales Executive)	5	11	45	26	13	100
Instant Delivery	12	28	33	18	9	100
Door to Door service	8	14	36	25	17	100
Seen & Touch the product	12	12	24	32	20	100
Searching the products are easy	11	14	17	33	25	100
Detail Information about the Product	12	5	16	18	49	100
More Payment Options	12	15	34	26	13	100
Products are Well Arranged	12	4	28	29	27	100
Loyalty of Shop	16	17	32	21	14	100

Interpretation -

Low Price:26% Agree and 14% Strongly Agree (40%). Neutral responses stand at 42%, while there is 18% disagreement 14% Disagree, 4% Strongly Disagree.

High Quality: 33% Agree and 26% Strongly Agree (59%).Neutral responses stand at 27%, while disagreement stands at 14%.

Huge Offers/Discounts:Majority are Neutral at 57%. 17% Agree and 8% Strongly Agree (25%), while 18% disagree.

Choice/Variety of Products: 37% Agree and 18% Strongly Agree, totaling 55%. Neutral responses stand at 28%, while there is 17% disagreement.

Support Service (Sales Executives):26% Agree and 13% Strongly Agree (39%).Neutral responses are 45%, with 16% in disagreement.

Instant Delivery: 33% Neutral, with only 18% Agree and 9% Strongly Agree (27%). Disagreement is relatively high at 40% (28% Disagree, 12% Strongly Disagree).

Door-to-Door Service: 25% Agree and 17% Strongly Agree (42%). Neutral is 36%, while disagreement totals 22%.

Seeing and Touching the Product: 32% Agree and 20% Strongly Agree (52%). Neutral is 24%, while disagreement is 24%.

Ease of Searching Products: 33% Agree and 25% Strongly Agree (58%). Neutral is at 17%, with a disagreement of 25%

Detailed Product Information: 18% Agree and 49% Strongly Agree, with a high total of 67% Neutral is at 16% and disagreement at 17%.

More Payment Options: 26% Agree and 13% strongly Agree, with a total of 39%. Neutral is 34% and the disagreement is at 27%.

Well-arranged Products: 29% Agree and 27% strongly Agree, making it 56%. Neutral is 28% and the disagreement is very low.

Loyalty to the Shop: 21% Agree and 14% Strongly Agree (35%). Neutral stands at 32%, and the disagreement level is pretty high at 33%.

II. CONCLUSION & SUGGESTIONS

Analysis of shopping preferences shows that E-Commerce and Brick and Mortar have different shopping behaviors.E-Commerce Shopping Preferences: Customers like to shop online because of the following: low price (51%), time-saving (59%), and door-to-door service (52%). Easy search, availability of customer reviews, and wide variety were the other significant factors that have influenced customer satisfaction with e-commerce. Access to products 24/7 and access to detailed information about products further strengthened the appeal of online shopping.

Brick and Mortar Shopping Preferences:For traditional in-store shopping, the most important reasons were high quality (59%), choice and variety of products (55%), and seeing and touching the product (52%). Detailed product information and the in-person experience of brick-and-mortar stores were also important, including instant delivery, though less frequently, and the tactile nature of shopping.

Although e-commerce holds the advantage in terms of convenience, price, and accessibility, it cannot replicate the tangible and sensory experiences offered by traditional retailing to customers.

Recommendations:

E-Commerce Sites:

Focus on competitive pricing and special offers/discounts; these are among the significant factors driving customers. It should be made clear that proper, detailed product information along with customer service will increase the satisfaction rate.

Simplify the product search and make the product descriptions more meaningful. The customer reviews should be highly visible in order to build trust and help customers decide whether or not to buy.The payment options should be more. The loyalty programs will be given to retain customers and to attract more customers.

Brick and Mortar Stores:

In order to be competitive, brick-and-mortar stores should focus on high-quality products and have a better sales staff to cater to the customers.

This would include improving the arrangement of products and instant delivery as one of its key offers. In that way, convenience will not be lost for the tactile experience of a customer.

Technology can be harnessed to enhance the in-store experience. Examples include using digital kiosks for product information, or click-and-collect services to capture the e-commerce-savvy customer.

Limitations of the study:-

1.The research is carried out in Bangalore, Karnataka; hence parameters taken into consideration may differ at different places.

2. The study was conducted for a short period only, if more time is given much more detailed information could be obtained.

3. The responses taken from the respondents are solely on their perception.

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