

Online shopping versus physical shopping marketing essay



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ABSTARCT

Background: Traditional shopping may influence by existing of online shopping which could lead the changing in consumers' shopping types especially college students. This study extends our understanding on the main factors that influence college students' in choosing between online shopping and physical shopping.

Methods: The questionnaire is designed in Hybrid approach and thus convenience and quota sampling is used. 30 samples of questionnaire were contributed to the college students who are come from various colleges in Penang. Those respondents require filling up the questionnaire with series questions about the preference between physical shopping and online shopping. The respondents will not forced in participate in this research but is under voluntary basis.

Results: There have three factors provided in physical shopping and online shopping to allow respondents make ranking from most important to less important. The most important factor for physical shopping is products sensitive to the shipping time (63. 33%), following by looking for personal services and social aspect which are 30% and 6. 67% respectively. The important factors for online shopping choose by respondents are easy seek for information provided and cost or price, both are 40% and following by convenience (20%).

Conclusion: Although there have many advantages in online shopping, however, the results show that there are 86. 67% of majority respondents

are preferred in physical shopping at the end. Furthermore, their opinions have been stated as well in the questionnaire.

Introduction

Online shopping is growing faster and accepted by consumers to make variety purchases (Donthu, 1999) while physical shopping should not be overlooked. Therefore, consumers' shopping types is related by choice preference behavior (Degeratu et al, 2000). This topic 'online shopping versus physical shopping' was chosen is to determine the reason of students' preference in shopping types.

Literature Review (Total: 442)

Every people are taking the advantages to shop online and allow consumers access to the websites easily in anywhere and at anytime. Convenience is the key factors stated by Blakney and Sekely (1994); Gehrt and Carter (1992); Eastlick and Feinberg (1994); Burke (2002); Evanschitzky et al., (2004); Lee and Overby (2004). According to Aylott and Mitchell (1998); Cassill et al., (1997), non- monetary costs[1]categorized under convenience. Time saving consider as important reason for shop online which supported by Morganosky and Cude (2000); Wolfinbarger and Gilly (2001); Raijas and Tuunainen (2001). Consumers are beneficial under time pressure to go shopping mall, make purchases from house under certain uncertainty[2], trouble free from change or drive to various stores. Besides that, Morrison and Roberts (1998 and Shim et al., (2001) said that convenience included navigation function[3]which may saved shopping time (Szymanski and Hise, 2000) and effort[4]can be saved (Lindquist, 1974). An argument stated by

Finance Times (2002) that retailer may face difficulty and disappointed from the purchases bring on.

Availability of variety information's[5] provided by e-retailer to the shoppers comes from different places will cause greater accessibility[6] for searching purpose. Burke (2002); Evanschitzky et al., (2004); Lee and Overby (2004) stated that able to do comparison shopping may cause increasing in choices for customers (Rohm and Swaminathan, 2004) and reduce decision-making with few clicks on mouse was mention by Alba et al (1997); Shankar et al., (2003). Comparison can be made in term of price and products comparison. Some more product testimonials and product demonstrations also provided. Anyway, there are show oppositely that consumers tend to rely on the product information provided because failure in see and touch the real products (Alba et al., 1997; Lohse and Spiller, 1998; Lynch and Ariely, 2000; Ward and Lee, 2000). Alba et al., (1997) also stated that shoppers may feel stressful in progressing search jobs.

There have a bit related relationship between cost or price and information. The supplier's kindly use the online environment provides products related information for reducing products search cost (Janssen and Moraga, 2000; Shankar et al., 1999; Bakos, 1997). It is because retailers no need to pay up the rental, salary and utility every month but some payments have to make such as advertising or maintenance and update of website information is needed. The shopping cost[7] need to take into account except search cost. However, the products price cannot set too high by suppliers for customers because higher price lead to customer unfavorable.

Dependent Variable:

Factors that influence students choose in online shopping

Independent Variables:

Convenience

Easy seek for information

Price or cost

Some of the customers choose physical shopping aim to get personal service stated by (Ramus and Nielsen, 2005) or service quality (Baker et al, 2002; Mazursky and Jacoby, 1986). They able to make complaint, get answer from specific question towards the product to the promoter face to face at a physical store. Therefore, obsolesces products can return or change immediately.

According to Ramus and Nielsen (2005), social aspect mean as opportunity for family do something together such as purchasing decision have to provided. Anywhere, it also state that the chance to see and meet other people outside of house is provided.

Based on Ramus and Nielsen (2005), product sensitive to shipping time such as vegetables and fruits are more suitable buy in the physical stores. It is because physically examine the quality of products is needed before purchase and for some goods is need to see or smell or touch it (Baker,

2000; Ernst & Young, 1999; Citrin et al., 2003) so that the items are good in conditions.

Independent Variable:

Factors that influence students choose in physical shopping

Independent Variable:

Personal service

Social aspect

Product sensitive to shipping time

3. 0 Research Methodology

There are two types of research methodology stated by (Saunders et al., 2009) which are Positivism[8], Phenomenology[9]. In this research, the Hybrid approach[10] will be used. Positivism approach is more emphasis, which focusing on the theory testing or deduction in explaining the causal relationships between variables mentioned by previous researchers at the shortest period of time. A small portion of induction approach is included to understand the nature of current issue and also to complement this research.

The main constraints in conducting this research are cost and time available.

Consequently, questionnaire is chosen as the main tool for data collection.

There are cost effective when compare to interview. Questionnaire is more familiar to most people. Nearly everyone has had some experience

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completing questionnaires and they generally do not make people apprehensive. Respondents are more likely to cooperate under voluntary basis. It is also relatively quicker to collect data using a questionnaire.

A total of 30 students will be selected randomly from various colleges in Penang by using convenience and quota sampling method. The questionnaire is distributed to the students during their break time and those respondents are expected to complete the questionnaire within five to ten minutes time.

Total: 194

Access and Ethics

This research has been approved by the module lecturer, Ms Elaine Chan through the fast track ethical approval form[11]. Students are not forced to participate in this research but are entirely on a voluntary basis. The respondents will be informed about the procedures and risks involved before the participation.

The information provided will be treated with strictly confidential and the respondents are assured that identifying information are secured and will not expose to other parties who is not involved in this research. Respondents will also remain anonymous throughout the study, even to me. It is of great importance that confidentiality and anonymity are maintained throughout the research.

Total: 107

Data Collection

The questionnaire[12] contains five questions, each with their own sub questions. A series of questions will be asked to respondents about their preference in shopping types. Respondents are not required to fill in their name in the preliminary stage of the questionnaire.

Question 2. 0 asked about the experience of students using online shopping. The sub question in this section, Question 2. 1 asked students whether have experience in online shopping before. Students have experience it before are able to proceed the next two questions and vice versa. Question 2. 2 asked for time in hour(s) will be spent in online shopping per week and Question 2. 3 asked the desirable of students seeking during online shopping in generally.

Question 3. 0 is designed to know the factors that influence students prefer in physical shopping. Ranking method from 1 to 3 is used to determine the factor which is most influencing for students.

The next question is using the same way, ranking method to identify the factors which is most influencing for students to choose in online shopping.

The last Question 5. 0 is an open-ended question. Respondents are allowed to briefly explain their own opinion on the important factor that cause them choose in shopping type. The purpose of open-ended question is to obtain more relevant information from respondents include view of point and understanding their reason in choosing the shopping type. The information obtained is more reliable than close-ended question.

Total: 235

6. 0 Data Analysis

The questionnaire was contributed to female and male respondent equally (Appendix 3). The data is collected from respondents come from various college in Penang (Appendix 5) and there are in the age group between 18 to 20 (20%), 21 to 23 (66.67%) and more than 23 (13.33%) show in (Appendix 4).

Appendix 6 shows that 17 out of 30 respondents have experience in online shopping before. Refer to Appendix 7, 73.33% of female respondents and 40% of male respondents have shop online, while the percentage for non online shopper for female and male are 26.67% and 60% respectively.

Based on. The time spend of online shopper have been given in hour(s). Most of them are spending 1 to 10 hours (88.24%) per week, following are 11 to 20 hours (5.88%) and more than 21 hours (%) which has show in Appendix 8. Therefore, there are purposely looking on services, merchandises and price information, travel product and enjoyment and which are 58.82%, 23.53% and 17.65% respectively (Appendix 9).

Majority of respondents are chosen the products sensitive to shipping time (63.33%) is the most important factors to cause them shop physically, following are looking for personal services (30%) and social aspect (6.67%). It is show in Appendix 10. For online shopping, the result is show in Appendix 11. The cost or price and easy seek for information provided are highly chosen by respondents as the most influencing factor. Both of them are 40% out of 100% while 20% of respondents are chose in convenience.

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86. 67% of respondents which are 26 persons are preferred in physical shopping than online shopping (Appendix 12). Respondents' opinions also have summaries out (Appendix 13). The method of confidence intervals (CI) for percentages and proportion from estimation analysis is used. The analysis is using 95% of CI and the outcome show that the preference in physical shopping is between 74.97% and 99.03% (Appendix 14).

The Chi-Square testing is used to test the existence of association between gender and times spend on hour for online shopping. At a significant level of 5%, do not reject null hypothesis (H_0) is the result stated there is no association between gender and times spend on hour for online shopping (Appendix 15). The same significant level, 5% have been used in test the existence association between gender and types of shopping under Chi-Square testing method. The result is show in do not reject null hypothesis (H_0) which is there is no association between gender and types of shopping. From the both results, there are do not reject null hypothesis (H_0) due to 30 sample are chosen, insufficient information to reflect the general population.

7.0 Conclusion

The using of online shopping is beneficial for us. However, there is result show that 87% of the respondents are preferred in physical shopping. The point of view of respondents have stated as the reason in their preference. Minority of respondents, 13% who are prefer in online shopping and the most reason has been stated is convenience. Based on the result shown, although there are many people familiar with online shopping, in the end, they are also more prefer in physical shopping.

7. 1 Limitation and Recommendation

Only 30 samples were chosen due to time and cost constraint. This may not consider as population. Large sample of respondents who are come from various colleges in Penang are recommended for further studies and intend to get more relevant result. Face-to-face interview and open-ended question should be use in the questionnaire so that better understanding from respondents view and standpoint is allowed.

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E-Journal

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7. Jayawardhena, C., Wright, L. T. and Masterson, R. (2003). An investigation of online consumer purchasing. *Qualitative Market Research: An International Journal*. [Online]. Vol. 6 (1). P58-65. Available from: <http://www.emeraldinsight.com/journals.htm?issn=1352-2752&volume=6&issue=1&articleid=858446&show=html> [Accessed: 23/9/2010]

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Books

Saunders, M., Lewis, P. & Thornhill, A. (2009), *Research Methods for Business Students*. 5th Edition, Publisher: Harlow: Prentice Hall.

Appendices

Appendix 1

STAFFORDSHIRE UNIVERSITY, Faculty of Business and Law

Summary of the Process for Ethical Approval (1 page)

Where the module leader/project supervisor identifies the need to do any form of research, students will be informed of the need to complete the appropriate ethics form. This information will be detailed within the module handbook and/or websites.

Disclaimer Form

This form may be used where:

Module leaders decide to sign off the whole module with a disclaimer if they deem it appropriate to do so (following the ethics guidelines).

Students may individually identify the need to complete a disclaimer. This will be in discussion with the module leader.

Students will be asked to submit the disclaimer form as part of their assessment submission and all signed disclaimer forms will be held in the appropriate course office.

Fast Track Form

This form may be used where:

the module leader/project supervisor informs the student of the need to complete this form.

Upon completion of the form, the student must submit it to the module leader/project supervisor for approval. If approved, the module leader/project supervisor will sign off the form and a copy of this form must be lodged in the appropriate course office by the student. The course office administrator will log which forms have been received. Dr David Douglas will contact each office monthly to check how this is progressing, to highlight any issues etc and will write a brief report for the Faculty Ethics Committee on this process.

Long Form

Upon discussion with the module leader/project supervisor, the need to complete the long form will be identified. The student must complete the form and submit it to the module leader/supervisor in the first instance.

The module leader/project supervisor will submit the form to the Faculty Ethics Committee. There will be an appointed administrator to this committee and meetings will be scheduled on a monthly basis.

**APPENDIX 1.2 – STAFFORDSHIRE UNIVERSITY
FAST-TRACK ETHICAL APPROVAL FORM
(STUDENTS)**

Faculty of Business & Law (3 pages)

Tick one box: TAUGHT POSTGRADUATE project UNDERGRADUATE project PhD/MPhil project TAUGHT POSTGRADUATE MODULE assignment

TAUGHT UNDERGRADUATE MODULE assignment

Other project (Please state)

Title of Course on which enrolled
... ..

Tick one box: Full-Time Study or Part-Time Study

Title of project
... ..

Name of student researcher
... ..

Name of supervisor/module tutor
... ..

Student Researchers- please note that certain professional organisations have ethical guidelines that you may need to consult when completing this form.

Supervisors/Module Tutors – please seek guidance from the Chair of your Faculty Ethics Committee if you are uncertain about any ethical issue arising from this application.

YES

NO

N/A

1

Will you describe the main procedures to participants in advance, so that they are informed about what to expect?

2

Will you tell participants that their participation is voluntary?

3

Will you obtain written consent for participation?

4

If the research is observational, will you ask participants for their consent to being observed?

5

Will you tell participants that they may withdraw from the research at any time and for any reason?

6

With questionnaires and interviews will you give participants the option of omitting questions they do not want to answer?

7

Will you tell participants that their data will be treated with full confidentiality and that, if published, it will not be identifiable as theirs?

8

Will you give participants the opportunity to be debriefed i. e. to find out more about the study and its results?

If you have ticked No to any of Q1-8 you should complete the full Ethics Approval Form.

YES

NO

N/A

9

Will your project deliberately mislead participants in any way?

10

Is there any realistic risk of any participants experiencing either physical or psychological distress or discomfort?

11

Is the nature of the research such that contentious or sensitive issues might be involved?

If you have ticked Yes to 9, 10 or 11 you should complete the full Ethics Approval Form. In relation to question 10 this should include details of what you will tell participants to do if they should experience any problems (e. g. who they can contact for help). You may also need to consider risk assessment issues.

YES

NO

12

Does your project involve work with animals?

13

Do participants fall into any of the following special groups?

Note that you may also need to obtain satisfactory CRB clearance (or equivalent for overseas students)

Children (under 18 years of age)

People with communication or learning difficulties

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Patients

People in custody

People who could be regarded as vulnerable

People engaged in illegal activities (e. g drug taking)

14

Does the project involve external funding or external collaboration where the funding body or external collaborative partner requires the University to provide evidence that the project had been subject to ethical scrutiny?

If you have ticked Yes to 12, 13 or 14 you should complete the full Ethics Approval Form. There is an obligation on student and supervisor to bring to the attention of the Faculty Ethics Committee any issues with ethical implications not clearly covered by the above checklist.

If you have ticked Yes to 13 and your participants are patients you must follow the Guidelines for Ethical Approval of NHS Projects.

STUDENT RESEARCHER

Provide in the boxes below (plus any other appended details) information required in support of your application. THEN SIGN THE FORM. Please Tick Boxes

I consider that this project has no significant ethical implications requiring a full ethics submission to the Faculty Ethics Committee.

Give a brief description of participants and procedure (methods, tests used etc) in up to 150 words.

I also confirm that:

ii) All key documents e. g. consent form, information sheet, questionnaire/interview are appended to this application.

Or

ii) Any key documents e. g. consent form, information sheet, questionnaire/interview schedules which need to be finalised following initial investigations will be submitted for approval by the project supervisor/module leader before they are used in primary data collection.

Signed... .. Print Name... ..

Date... ..

(Student Researcher)

Please note that any variation to that contained within this document that in any way affects ethical issues of the stated research requires the appending of new ethical details. New ethical consent may need to be sought.

The completed form (and any attachments) should be submitted for consideration by your Supervisor/Module Tutor

SUPERVISOR/MODULE TUTOR

PLEASE CONFIRM THE FOLLOWING: Please Tick Box

I consider that this project has no significant ethical implications requiring a full ethics submission to the Faculty Ethics Committee

i) I have checked and approved the key documents required for this proposal (e. g. consent form, information sheet, questionnaire, interview schedule)

Or

ii) I have checked and approved draft documents required for this proposal which provide a basis for the preliminary investigations which will inform the main research study. I have informed the student researcher that finalised and additional documents (e. g. consent form, information sheet, questionnaire, interview schedule) must be submitted for approval by me before they are used for primary data collection.

**SUPERVISOR AND SECOND ACADEMIC SIGNATORY
STATEMENT OF ETHICAL APPROVAL (please delete as
appropriate)**

**1) THIS PROJECT HAS BEEN CONSIDERED USING
AGREED UNIVERSITY PROCEDURES AND IS NOW
APPROVED**

**2) THIS PROJECT HAS BEEN APPROVED IN
PRINCIPLE AS INVOLVING NO SIGNIFICANT
ETHICAL IMPLICATIONS, BUT FINAL APPROVAL
FOR DATA COLLECTION IS SUBJECT TO THE
SUBMISSION OF KEY DOCUMENTS FOR APPROVAL
BY SUPERVISOR (see Appendix A)**

Signed... .. Print Name... .. Date...

... ..

(Supervisor/Module Tutor)

Signed... .. Print Name... .. Date...

... ..

(Second Academic Signatory)

APPENDIX A

AUTHORISATION FOR USE OF KEY DOCUMENTS

Completion of Appendix A is required when for good reasons key documents are not available when a fast track application is approved by the supervisor/module leader and second academic signatory.

I have now checked and approved all the key documents associated with this proposal e. g. consent form, information sheet, questionnaire, interview schedule

Signed... .. Print Name... .. Date... ..
... ..

(Supervisor/Module Tutor)

Appendix 2

Dear Respondents,

Online Shopping versus Physical Shopping: Survey on College Students

I am student from Disted College from the Staffordshire University Business programme. I am conducting a research among students who are studying in college while this research as a part of my assignment or the subject, Research Methods. The objective of this research is to determine the reasons of student preference in online shopping or physical shopping.

This research is conducted as part of my final year project in fulfilment of my Business Degree with Staffordshire University. The questionnaire consists of

THREE pages, including this cover page and has been structured to allow you to complete it with ease. All the relevant instructions have also been included in the questionnaire. It should take you about five to ten minutes to complete it and your genuine feedback is highly appreciated.

All the information you have disclosed will be treated as highly confidential.

Thank you for your participation.

Sincerely,

Ong Sheh Yhing Ms Elaine Chan

Final Year Student Lecturer

Research Methods (BLB00015-3)

Online Shopping versus Physical Shopping: Survey on College Students

Please answer all of the following questions. Please choose only ONE of your answer.

Respondent Profile

1. 1 What is your gender?

Male

Female

1. 2 What is your age?

18- 20

21- 23

> 23

1. 3 Which college are you come from?

Disted

KDU

TARC

Other; please state: _____

Experience of student using online shopping

Have you go for online shopping before?

Yes

No

***(If you do not experience it before, please skip question 2. 2 and 2. 3)**

If you have experienced it, how many hours do you spend on online shopping per week?

1-10

11-20

> 21

Commonly, what are you seeking for during online shopping?

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Travel products

Enjoyment

Services, merchandises and price information

Please rank the following factors that cause student prefer in PHYSICAL SHOPPING from the MOST important to LESS important.

1= Most important 2= Neutral 3= Less important

Factors choose to physical shopping

Ranking

3. 1

Personal service: Able to make complaint; goods can be return

3. 2

Social aspect: Able to meet other or outside people.

3. 3

Products sensitive to the shipping time: example, food, fruits....

Please rank the following factors that cause student prefer in ONLINE SHOPPING from the MOST important to LESS important.

1= Most important 2= Neutral 3= Less important

Factors choose to online shopping

Ranking

4. 1

Convenience: Purchase from house; saved time, energy and location for parking; quality service encounter.

4. 2

Cost or Price: Search cost.

4. 3

Easy seek for information provided: Greater access; comparison in price and products; availability of price and products information.

5. 0 Respondent view

5. 1 Which shopping mode do you prefer?

Online shopping

Physical shopping

5. 2 Please state your reason based on Question 5. 1.

Thanks for your cooperation...End of Questionnaire

Appendix 3

Gender of respondents

Gender

No. of respondent

Percentage