Abstract— The project deals with the study on what type of shopping do consumers prefer, is it online shopping or traditional shopping and why? What type of products do they prefer buying online or through traditional means and why? How satisfied are they by the shopping experience. Few suggestions like extended customization options and gaming options are also provided that could help in improving online sales.

Index Terms— Consumers, online shopping, traditional shopping.

I. INTRODUCTION

The project deals with a comparative study on the consumer’s attitude towards online and traditional shopping. The success of e-commerce is directly dependent on the number of people using online resources for business/transactions. The penetration of Internet in Asia (10.7%) compared to rest of the world's (25.0%) indicates that there is large scope of penetration in the Asian market which could be the future potential. But, the penetration rate in Asia is 248.8 per cent compared to worlds at 190.1 per cent indicates that during 2000 and 2007, there is a rapid increase in the internet penetration in Asia (Internet World Stats, 2007). As per The Digital Economy Fact Book, 2006, Business-to-business e-commerce will grow at a compound annual growth rate (CAGR) of 59.1 percent in Asia-Pacific (excluding Japan) over the next four years. And according to IDC, India is expected to show the highest CAGR of 83.7 percent in B2B ecommerce revenue, ahead of a CAGR of 81 percent of China.

According to Internet and Mobile Advertising Association of India-IAMAI (2006), 40 million Indians are online and estimated to be 100 million by 2007-08. About 93% of the 40 million online Indians today belong to the age group of 18-45 years, which has the maximum buying power. As per IAMAI estimates, Indian e-commerce B2C transactions will cross Rs 2300 crores (2006-2007), an increase of over 300% from the financial year 2004-05. Hence there is a need to understand its impact on the world of online shopping.

Due to increasing amount of competition in both the online and traditional stores, it is extremely important to understand what type of shopping is most preferred and why. What factors are making it more attractive and what can be done to provide better services to people and encourage them to shop online.

From the previous studies (Customer satisfaction and loyalty in online and offline environments.
Alexandru M. Degeratu, Arvind Rangaswamy, Jianan Wub, Customer loyalty in e-commerce) it was found that:
A. The combined effect of price and promotion on choice is weaker online than offline.
B. The prices set in the online stores were too high and were not affordable by even the middle class.
C. Security was a very big issue in the online shopping.

II. RESEARCH GAP

From the related papers and articles the following research gap is identified:
A. Time: since the research was conducted long time ago, the results may vary.
B. Price sensitivity based on income of individual.
C. Fear of commoditizing the brands due to online shopping.

How and why online choices may differ from offline choices

III. OBJECTIVES

To find out which type of shopping is more preferred, online or traditional shopping.

IV. RESEARCH METHODOLOGY

The questionnaire adopted for the research (Customer satisfaction and loyalty in online and offline environments. Alexandru M. Degeratu, Arvind Rangaswamy, Jianan Wub) comprised of several variables – stores preferred, frequency of purchase, products purchased, payment modes, time spent, delivery time, return policy and overall satisfaction. The responses were taken on a five-point Likert scales, with one denoting strongly disagree and five denoting strongly disagree. Some responses were taken on nominal scale.

V. SAMPLE:

Data collection was done though structured questionnaire administered. Random convenience sampling technique was used. The questionnaire was administered in National
Institute of Technology, Warangal (NITW). Since there are many students at NITW who shop online, NITW students were requested to assist in the survey. Total sample comprised of 50 completed questionnaires which were used for analysis. Secondary data was collected through reports, theses, journals and magazines.

V. TOOLS AND TECHNIQUES USED
The data thus collected is analyzed with the help of Microsoft excel, SPSS. Factor analysis was used to reduce the factors. Cross tabulation was used to find the interrelationship between the variables.

VI. ANALYSIS AND INTERPRETATION
To perform the analysis SPSS 16th version software was used. Factor analysis:
The collected data was entered in excel sheet and exported to SPSS software where factor analysis was conducted to reduce the available factors. Ten variables namely 1. Frequency of purchase, 2. Security, 3. Delivery time, 4. Return policy 5. Received product looks 6. Overall satisfaction 7. Factors influenced shopping, 8. Products purchased 9. Payment modes, and 10. Stores preferred were reduced to only three factors 1.Transaction, 2. store and frequency, 3. Products purchased.

VII. CROSS TABULATION
Cross tabulation were conducted between the customers who shop online and those who do not shop online.
The analysis showed the factors that were most prominent to shop from the online site and also showed the reasons as to why people did not prefer online shopping.

Fig 1 Bar chart showing the main factors, which have stopped people from shopping online.

Fig 2: Bar chart showing the main factors that have lead people to shop online.

Fig 3: Bar chart showing the most preferred shopping sites.
VIII. INTERPRETATIONS

A. 76% of people have done online shopping at least once in their life.
B. Most of them shopped online due to the unavailability of the product in the traditional stores.
C. Most of them prefer flipkart and amazon to shop online.
D. Cash on delivery is the most common payment mode chosen.
E. People rarely buy online, that is around once in 6-months.
F. Consumers are moderately satisfied on the factors like looks, security, delivery time and return policy.
G. The most prominent reason to avoid online shopping was the lack of touch and feel experience.

IX. LIMITATIONS AND ISSUES FACED

A. Time: shortage of time to collect and analyze the data is an issue.
B. Biased: sometimes results may be biased, depending on the state of mind of the person.
C. Lack of awareness of online shopping benefits.

X. SUGGESTIONS

A. Allowing the customer to try the product before he makes the payment and letting him return immediately without any delay in time or money of both buyer and seller.
B. Frequency of purchase should be improved by providing seasonal offers and reward coupons with
time limit. This way the customer has a pressure to shop repeatedly from the site.
C. Since time was given less importance as a factor to go for online shopping, customers can be engaged in the site by introducing games like combination of dresses, customization of shirts, mugs etc.
D. Most of the online shopping is done only in selected sites due to security issues. Hence the remaining sites should become partners with affiliate business, like payback, to gain confidence of customers and improve sales.

XI. CONCLUSION
From the study it is found that online shopping is only at its growth stage. It is most prominent among the people between the age group of 18-28. However the rate at which shopping is done is very low. The main factors that are pulling back the consumers to shop online are lack of touch and feel experience and resistance to change.

ANNEXURE
QUESTNAIRE
Greetings, I Anapa Naveen Kumar (MBA II Year) conducting a survey on consumers attitude towards online and traditional shopping. Please fill the following questioner, which will help me to collect relevant data to make study on consumers shopping behavior and in turn make useful interpretations that can be helpful to the shopping sites to improve their sales.
I assure you that the data collected will be kept confidential and will be used only for the purpose of completion of the academic project.

Name: Age: Gender: Education:
A) Do you shop online?
   A) Yes (Go to Q-3)  B) No (Go to Q-2)
B) What factors stopped you from shopping online?(Tick the relevant factors)  A) Safety
   B) Lack of touch and feel experience  C) High Price  D) Resistance to change  E) Loyalty to Traditional shop
C) What factors have leaded you to shop online?
   A) Time  B) Offers  C) Suggestions from friends and family  D) Unavailability of products  E) Variety of choices
D) In what online store do you buy?
   A) FlipKart  B) Amazon  C) EBay  D) SnapDeal  E) Others
E) How much time do you spend on online shopping?
   A) >One day  B) >Half day  C) >One hour  D) >Half an hour  E) Few minutes
F) How often do you shop online?
   A) Yearly  B) Once in 6-Months  C) Once in 3-Monthly  D) Monthly  E) less than a month
G) What products have you purchased through online?
   A) Accessories  B) Beauty Products  C) Electronic gadgets  D) Home Appliances  E) Others
H) Would you prefer to buy online again?
   A) Yes  B) No
I) Do you find the site user friendly?
   A) Yes  B) No
J) Do you shop only when offers are available?
   A) Yes  B) No
K) What modes of payment do you prefer?
   A) Online  B) Cash On Delivery  C) Internet Banking  D) Credit Card Payment  E) Debit Card Payment
L) How secured do you feel about online purchasing?
   A) Highly Risky  B) Risky  C) Average  D) Secured  E) Highly Secured
M) How satisfied are you with delivery time?
   A) Highly Dissatisfied  B) Dissatisfied  C) Average  D) Satisfied  E) Highly Satisfied
N) How satisfied are you with the return policy?
   A) Highly Dissatisfied  B) Dissatisfied  C) Average  D) Satisfied  E) Highly Satisfied
O) Is received product is same as ordered product?
   A) Completely Different  B) Different  C) Moderately  d) Almost Same  D) Exactly Same
P) Rate overall satisfaction level.
   A) Highly Dissatisfied  B) Dissatisfied  C) Average  D) Satisfied  E) Highly Satisfied
Q) Any suggestions or experiences which you would like to share________________________

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