

# *A Comparative Study of Online and Offline Shopping*

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**Abstract:** Due to the appearance of COVID-19, online shopping and offline shopping have experienced some significant changes and it has become a popular topic among people. It is valuable to research the differences between these two popular shopping method. Even though there have been many pieces of research investigating this area before, a detailed summary related to the comparison of consumers' shopping experiences and preferences is needed. This study will tackle this problem by reviewing previous related papers in this area and classify all of the information into three parts that is characteristic of traditional shopping, characteristic of online shopping and traditional shopping versus online shopping. By collect and analyze the information and data in other study, many differences between these two shopping way is discovered and the conclusion is that online shopping can give a better shopping experience to consumers, whereas consumers' preference among these two shopping ways will depend on the type of goods.

**Keywords:** Online shopping, traditional shopping, offline shopping

## 1. Introduction

COVID-19 powerfully altered global economics in previous years. The scale of production and consumption worldwide is shrinking, leading to detrimental effects on primary, secondary, and tertiary sectors. For example, the decreasing demand for crop products during this period[1].

In terms of the change in consumer behavior, one of the studies indicates that some restrictive methods from the government aiming to restrain the exponential curve of contamination of COVID-19 had increased the time people spent on digital activities, which speeds up the rate of development in online sales[2]. This resulted in the topic of the difference between online and offline shopping becoming popular. Currently, there are some studies regarding this topic, while a few of them specialize in the comparison of consumer shopping experiences and preferences. Therefore, the purpose of this study is to investigate the detailed difference between online and offline shopping, especially the dimension of consumers' shopping experience and preferences.

## 2. Characteristic of traditional shopping

Traditional shopping refers to the way that the purchasing process happens when people go into the shop directly[3]. There are many reasons why traditional shopping can be one of the mainstream shopping methods for a long time. According to [4], consumers visiting offline shops can benefit from touchable consumption experiences, enabling them to try on products before buying them. This

can be helpful for those, for example, purchasing clothes since they can ensure that the products are suitable for them by wearing them. [4] also say that interacting with shop assistants can be attributed to one of the boons given by traditional shopping. [5] agree with this and indicate that immediate satisfaction in purchasing goods and communication with salespeople can explain why this shopping way can be popular among consumers. The former can be explicated by the quicker transfer of goods from producers to consumers, which differs from online shopping where consumers have to wait for several days until they get it[6]. Moreover, safety can be a crucial factor that makes individuals tend to shop in a traditional way. This is because traditional shopping can eradicate the risk of online scams[3]. It usually refers to the goods received by consumers buying online that do not correspond to what the shopping websites describe. [7] have a similar opinion, pointing out that online shopping involves the risk of personal information disclosure especially the purchasing record, which supports consumers to do the traditional shopping. Furthermore, in offline shops, consumers are likely to have a stronger bargaining power, which they cannot do in online shopping since the price has already been set by the seller and cannot be changed easily[6]. However, the number of choices is limited in offline shops because of the involvement of manual work, and the geographical restriction including people spending their time traveling from their home to the shop is time-consuming for them to purchase goods, especially in cases where consumers want to visit many different shops as they have to consider the distance from this shop to another[6].

Traditional shopping faces many challenges during the period of COVID-19. With the government encouraging individuals to reduce the frequency of physical contact such as social distance in their daily lives, non-contact shopping way become more necessary for consumers, leading to a decreasing trend of offline shopping. This effect can be more obvious in the case where consumers understand more about this pandemic and have a positive identification with the government's policy[8]. Another study adds that consumers with high income or health concerns have a stronger demand for online deliveries[9]. Furthermore, this pandemic has brought anxiety, pressure, and uncertainty to consumers' psychology, making more of them to do impulsive purchasing especially when news media amplify the panicky atmosphere[9].

### 3. Characteristic of online shopping in China

Online shopping is a way that purchase goods over the internet. Based on the Michael Aldrich study[10], the growth of online shopping depends on the scientific development in computer science. The first online shopping network was designed by Thomson, and the purpose of this system was a platform for those who supply and demand for packed holidays. Then, in 1984, the idea of home shopping was achieved, and Jane Snowball was the first consumer who purchase goods from Tesco groceries by using television. Some researchers also study the traits of online consumers. In early papers, most online shoppers were reckoned to be those who enjoy high education, while, with the help of electronic devices, more of those with fundamental literacy also become online shoppers in China[11]. Consequently, education level tends to play a less significant role in online shopper identity. However, according to [11], it is necessary to acknowledge that the relationship between the frequency of online purchasing and the amount of money spent on one buying and the income level of one family still crucial: rich families are more willing to shop online and their singular payments are likely to be higher. Between online and offline shops, their different attributes also can be discovered in the type of products. According to the study from [12], online shops are reckoned as the ones with high products uncertainty, so products with uncertainty being less crucial such as furniture are less possible to be returned by online consumers. This means these products may be more welcome in online shopping, as exchange goods service can both cost consumers and producers a large amount of time.

One of the major benefits of online shopping is convenience. Raja Sarkar and Dr.Sabyasachi Das[4] mention that it is not necessary for consumers to go to brick-and-mortar shops, avoiding the troubles of finding a place to park and hustling with others. One study shows that online shopping can be preferable to consumers when the distance from them to the shop is larger than 5km[13]. According to [6], online retailers can benefit from less cost spent on store, rent and bills, so they can set a lower price directly to consumers, leading to higher demand. [4] agree with this and add that online sellers can give more discounts to consumers than offline shops since they are operating without the cost of decorating the shop and the wage of sales assistants. On top of that consumers visiting online shops can eliminate the risk of being annoyed by the officious sales assistant who can irritate consumers or make the purchasing mandatory[14]. Furthermore, consumers can buy various types of goods by doing online shopping, which means they do not have to worry that they cannot find their desired products[6]. [4] emphasize that most offline shops cannot provide the same number of different goods as online sellers provide. In addition, the information about the products is more available to obtain. Based on the study of [4], what the consumers have to do to view the products is pressing the keyboard on their mobile phone or laptop, which has extremely low search costs. Another study from [15] shows that the information provided can also include other consumers' buying records. With the help of detailed information, consumers tend to appraise the products comprehensively. During the period of covid-19 outbreak, a survey shows that eighty-one percent of respondents adopted online shopping. This is because the drawbacks of offline shopping are enlarged. A case in point is that the lack of transportation for people to go out and severe SOP make individuals not willing to leave their homes[16]. Another study from [8] shows the decreasing revenue in the offline market, especially grocery shops and department stores, and the authors add that the result can be attributed to what the pandemic restrain to social distance and times of doing outdoor activities, discouraging consumers using offline distribution channels. With some physical stores shutting down, online consumption can be driven[17]. [18] study emphasizes that individuals in larger cities had larger consumption of food than those living in small ones, and they explain that large cities such as Shanghai and Hangzhou where the place is the hub of manufacturing have active e-commerce to support many delivery systems. [17] study confirms that online shopping can be stimulated by the point of view of others. Due to the outbreak of COVID-19, people tend to purchase or stock goods such as foods by online shopping, which enhances the total number of online consumption in China.

However, online shopping is not perfect still. Just like what [19] mention online shopping is usually associated with high risk due to less confidence from consumers caused by the lack of face-to-face communication. Nevertheless, consumers see trust as one of the crucial criteria whenever they are making choices. With insufficient trust, consumers are irresolute before they decide to purchase a product[20]. The finding of [20] also shows that information failure, in case where two parts give distinguishing information at the same time, can be the problem, and emphasizes that, without interaction of sales people, online shopping tends to be reckoned as an online scam. Also, online shoppers can think of the risk of finance and exposure of their private information[21]. Such risks can influence their attitude toward online shopping, discouraging them from shopping in this way[22]. Further research from [23] indicates that there is a negative correlation between online shopping and perceived risk, and the consequence of less trust in online vendors can lead to consumers having less interest in this shopping way. [24] point out that consumers do not think that online shops are trustworthy can be attributed to the reason that the website provides insufficient information to consumers such as hazy return and exchange policy and deficient information about producers. [25] give a detailed explanation adding that cognition-based trust and affect-based trust are two components of the whole one. In terms of the former, it is the extent of representation that consumers believe the retailers are honest and reliable.

As for the latter, it reflects the satisfaction consumers get during their shopping experience. Moreover, products from online sellers may be spoiled during the delivery, thus giving consumers damaging products. Meanwhile, the time spent on transportation makes the products cannot be used by consumers after they have made the payments, which cannot meet those demands who have to or hope to get them immediately[15]. For example, individuals purchasing fish, apples, and other food are likely to have a strong demand on receiving these goods at once, as the extended time to derive them may spoil their taste. The amount of time spent on delivering products like food plays a very essential role when consumers are making online purchases said [26]. [27] have a different interpretation for why the waiting time can make consumers away from online shopping: something will be worried by some consumers until they receive products that meet their demands or expectation. In the particular case where, for example, the COVID-19 outbreaks in China, many consumers reckon that this shopping way is risky, since they do not know who parcels their goods and whether their courier have infection or not[18]. One point that cannot be neglected is the unpredictability of product fit. Unlike offline shops, online shops cannot palliate this uncertainty, as products in online stores cannot be appraised physically[12]. The study by [26] has talked about the fee of delivery having influences on consumers preference. Their study confirms that the amount of this fee ranks first place on consumer concerns. Compared to offline stores, this may be a disadvantage for online stores to motivate or stimulate their overall consumption.

#### **4. Traditional shopping vs. online shopping**

##### **4.1. Comparison between consumers' experience**

In terms of online shoppers' consumption experience, they can benefit from a convenient shopping experience. [28] indicate that online shops have their website, which can be accessed by consumers easily. So they can check some relevant information about the products on their mobile phones, laptops, and other electronic devices. However, offline consumers have to visit local shops, which is time-spending. [29] evaluates this point from the drawback of offline shopping saying that, in hypermarkets, many consumers' time will be spent on finding their desired product and queuing for their payment. [30] agree with this view and emphasize that this is the main reason for consumers switching from offline shops to online ones. [31]research has confirmed this by showing the investigation related to factors motivating consumers to choose either offline or online shopping: The majority of consumers(71.28%) give up offline shopping due to the need for them to go out. [30] add that, during online consumption, online consumers do not have to face pressure from salespeople, and this is a new convenient shopping way. However, [4] argue that salespeople can provide specific services to consumers: they can introduce some main points for consumers or teach them how to use them. It is factors that can enhance the consumer shopping experience. In [28]paper, these services are called pre-sales services, which is a positive consumption experience given to consumers. However, online shopping platforms have different methods to help their consumers choose among goods. During online shopping, consumers not only benefit from the convenience of viewing various goods online but also check the feedback from other online shoppers, which helps them to do the comparison between many brands and similar products[32]. In [4] paper, this opinion is acknowledged; with review from other users, it is more likely that online shoppers choose their suitable goods. One of the important points driving consumers to choose online shopping is the reasonable price of online products and this is shown in[33]research. This is because online shopper can benefit from advanced technology to reduce their daily operation cost,leading to more discount given to consumers[31].

## 4.2. Comparison between consumers' preference

Online stores are not seen as reliable in many cases, because of the lack of trust[28]. This is because there is an uncertainty between what consumers see on the internet and what consumers receive at their home. This is known as environmental and behavioral uncertainty[34]. All of this will result in consumers having different preferences in two different shopping ways. According to[33]paper, products are classified into two extremes: One is high-touch products and another is low-touch products. It is necessary for consumers to have physical contact when purchasing the former ones, so offline consumers will prefer purchasing these goods such as clothing and sports goods. The latter refers to goods including air tickets which do not need consumers to feel or try on them. So online shoppers will prefer these goods, as online shopping can help them purchase the goods quickly. The study from[35] indicates that online and offline shops have different competitive advantages over each other. Previous studies about consumers' preferences have found that the competitive advantages of online shop are reasonable prices, simple information, convenient shopping process, various goods, and sufficient inventories for consumers. The competitive advantages of offline shops also are mentioned; touching products, getting goods at once, and immediately satisfying consumers' demand. [36]paper also obtains similar results and ranks these factors according to consumer preference. Consumers prefer to obtain product information quickly the most, which is followed by various choices among products. The third place in online shopper preference is reasonable prices and large discounts. The last is the convenient shopping process. Those who prefer offline shop have different preferences. Obtaining the goods immediately ranks at the dominant place, which is followed by the reliable quality guaranteed by physical contact with products. The after-sell services and interaction with sales person are at the third and fourth place respectively.

## 5. Conclusion

In conclusion, based on the quantitative and qualitative reviews, consumers can enjoy a convenient experience by shopping online, saving them much time. Even though there are salespeople involved in offline shopping to improve the consumer's shopping experience, comments from other shoppers can be checked to help them make choices among similar products. However, consumers' preferences will depend on the type of their desired goods. Those goods that need touching experience in shopping are preferred by online consumers and those low-touch products will be preferred by offline consumers. There are some limitations in this study, it is better to investigate the result by restricting the age group, so it can be more detailed and reliable.

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