

Project Report on

A study on factors enhancing Retail Store experience to compete with Online Stores

Submitted By:

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CERTIFICATE

This is to certify that Achin Bhardwaj, Roll No: 2K18/EMBA/503, student of Masters of Business Administration (Executive 2018-2020) at Delhi Technological University, Delhi has accomplished the project titled “**A study on factors enhancing Retail Store experience to compete with online stores**” under my guidance and to the best of my knowledge completed the project successfully, for the fulfilment of the course Executive MBA.

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DECLARATION

I, **Achin Bhardwaj**, student of **EMBA 2018-20** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report “**A study on factors enhancing Retail Store experience to compete with online stores**” submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.



Place: Delhi

Achin Bhardwaj

Date: 30/05/2020

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My sincere gratitude goes out to my colleagues whose participation in the project gave many valuable inputs for its completion.

A handwritten signature in black ink, appearing to read 'Achin Bhardwaj' with a stylized flourish at the end.

Achin Bhardwaj
(2K18/EMBA/503)

Abstract

In present times we are surrounded by technology in our lives, Technology has converted most of our works from offline to online. This has severely impacted offline retail stores to compete with online offerings. Many retail brands have been forced to shift their operations online in order to compete in the existing market scenario. This study will try to analyse how offline retail stores through their store environment can attract online customers and motivate them to increase their walk-in and sales.

In this study we will first map various online and offline shopping motivators in two separate models. Both these models will then be mapped together to bridge the gap between offline and online motivators to identify perceived benefits by customers as they prefer online in place of retail stores.

Besides being better store environment, it has now become relevant to take technological factors that are available with online customers, to take into account.

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1. INTRODUCTION

1.1 Evolution of Retail



Figure 1.1

Retail sector has largely been unorganised in many parts of the country, tracing back to the history in 18th and 19th century, the rise in number of markets, shops, departmental stores, Kirana stores started to organise the unorganised retail industry.

With the advancement in technology the need for better servicing to customers started developing as a result E-commerce started growing. In 2000's customers started getting familiar with Ecommerce platforms to order their needs. Needs from basic day to day household to all most every possible product. Growing ecommerce started giving competition to existing Retail stores thus giving rise to a war between both. The war between various factors on who serves customers better in order to acquire more customers or poaching on each other customers as well.

Retail marketing earlier only had focus on signage, packaging, newspaper, TV commercials etc to inform and acquire customers of the targeted segment. This essentially involved product features, quality of the product, look and feel. With growing ecommerce, Retail marketers had to respond to the ecommerce competition through their pricing and promotion strategy in order to maintain their customer base.

To raise their efforts in customer acquisition retailers started using online mediums like email marketing, digital catalogues etc. As time passes concept of celebrity marketing came into picture to influence customer towards its products and services.

As retail marketing developed, retailers focused on the 4Ps – product, price, place, and promotion, to sell their products. Retail marketers started using tools like with surveys and focus groups in order to understand their customer. Other tools used by retail marketer to target more customers includes Billboards, Online advertisement, Social media advertisement, influencer marketing etc.

In present times, Retail marketers has to respond to every actions taken by their competitors to enhance its customer base. There are multiple factors or key differentiators/tangible and intangible benefits between online and offline retail which separates itself from each other and should be used by marketers to have an edge over the other.

1.2 Online Vs Offline

With the growing online shopping trends, retailers are finding it hard to cope up with online retailers. Indian e-commerce market is expected to grow within the Asia-Pacific Region with its market size doubling every 2-2.5 years. India presently has more than 10 million people shopping online. The internet has provided Indian customers access to products and services in most of the places where there are no shopping complexes. Online drivers for shoppers include various advantages like variety of products to choose from as compared from physical stores, price competition in which online retailers with lower prices are likely to have an edge over the retail stores. Retail stores are facing a tough competition and a blow from online competitors. In some cases, it has been observed that e-commerce is taking over brick and mortar stores where retailers are forced to push its business through online mode or are forced to adopt Omni channel strategy. Some businesses including Walmart, Reliance is now pushing for online mode equally.

However, in India, malls and high street markets are more than just shopping places, they act as breakouts from the routine life, spending quality time with family through various facilities provided like retail shopping, entertainment options and dine-out. Malls and shopping centres are merely seen as places to shop but rather a place to experience which is highly unlikely to get through online shopping.

1.3 Objective

The Objective of this research is to determine the factors that customers experience online as compared to offline. There are some distinct advantages of online shopping and similarly retail stores. This research will focus on enhancing unique online factors to the retail store environment so that customers may have a better shopping experience in retail stores as they have in online shopping. This study will try to answer the following questions:

“To what extent unique features of online shopping can be integrated into retail stores to overall enhance shopping experience and attract customers to the physical stores”

The sub questions that follow in the research:

1. What all elements of online shopping can be integrated into retail store environment related to aesthetics, shopping experience and psychological factors?
2. How can customers’ satisfaction be made better in Retail stores?
3. Enhancing marketing and promotion of distinct Retail features.

2. LITERATURE REVIEW

2.1 Perceived Online Drivers

2.1.1 Ease of finding a product/Website Design

A Research model developed by Alam and Yasin (2010) has tried to identify factors influencing online shopping satisfaction these factors include UI/UX design, design of the website, availability of variety of products and overall delivery experience from order to receiving. Model was tested and it was found that all the above factors form as key motivators that influences online shopping. These factors will now help in forming questionnaire that will have questions under anticipated benefits of online shopping

Anticipated Benefits of online shopping as perceived by shoppers
UI design
Variety/options of products
Delivery experience

2.1.2 Fast Checkout and billing

Checkout experience in online shopping has been perceived as quicker than retail stores where one has to wait in long queue to reach to the cashier. Further a study conducted by Paypal on checkout experience of customers provides some insights on problems faced by customers during checkout. Summary showing results of customers abandoning payment in the middle of the transaction is given below:

Giving up a transaction since preferred payment option was not available	24%
Giving up a transaction because of credit card safety concerns	21%
Checkout is too complicated	18%

Although overall it has been perceived as a faster medium but still has some areas of improvement as suggested in the study. Seeing the above trends we have included ease of payment as one of our factor in the study.

2.1.3 Ease of price comparison with other ecommerce players

Online shopping's distinct advantage over retail is that customer can quickly compare price of the same products on different websites and make a purchase. According to a study conducted by Jung, Kwon & Cho, Yoon & Lee, Sun. (2014) on examination of how price comparison sites affect price and value perceptions of online shoppers across different product types. Study suggested that indicate that price information provided by an online price comparison site has some influence on online shoppers' perceptions of internal reference prices. However, the influence of a price comparison site on value perception differs according to product type.

2.1.4 Return/Refund/Exchange

Easy Return, refund and exchange has been a key motivator in online purchases and impact customer's buying decision according to a survey conducted New York Times. It is important to have return policy but on the other hand it promotes Deshopping behaviour as well.

Deshopping behaviour is becoming a major challenge faced by most of the companies as it increases logistics cost. Narvar, a company that deals with After sales customer experience,

conducted a survey of 1,300 online shoppers in 2018 and in their report “The State of Returns, What Today’s Shoppers Expect.” The findings of the study is given below:

Shoppers disagree to buy if need to pay for returns	69%
Preference for easy and very easy returns	96%
Ease of return in online is better than Retail Stores	40%

2.1.5 Offers/Sales available

A study conducted by Joshi, Sujata & Domb, Menachem. (2017) on Impact of Flash Sales on Consumers & E-Commerce Industry in India suggest that Flash sales has a positive impact on customer purchases and generating revenues for the company. Other methods company can adopt could be extra cash backs, discounted products etc.

2.1.6 Availability of EMI facility

Flexible EMI option on any product through credit card/debit card has a significant imoact on customers. Products that are expensive, customers find it easy to purchase on EMI. Even smaller products like mobile phone has now become easy to avail.

2.2 Perceived Retail Store Drivers

2.2.1 Store Ambiance

A study conducted by Louise Krümpelmann on “The influence of store environment on customer’s satisfaction and purchase behaviour” suggests the following factors responsible for customer satisfaction in supermarkets.

1. Lighting/Displays
2. Cleanliness
3. Crowding
4. Personnel

Overall it was suggested that store ambiance has a significant impact on customer purchases.

2.2.2 Presence of sales person to guide and assist

According to a study by Lee, Sanghyun & Dubinsky, Alan. (2010). on Influence of salesperson characteristics and customer emotion on retail dyadic relationships. Salespeople can provide assistance to customers in making a purchase. Through buyer and seller interaction, salespeople are likely to convince customers feeling when shopping. Salespersons are likely to have an impact on customer's emotions. Study also reveals that the presence of sales person may increase satisfaction level about receiving an original product.

2.2.3 Touch and feel a product

A distinct factor very which is very difficult for online shoppers to match is human touch and feel. According to a study published on retaildive.com from female perspective the ability to see, touch and feel items. 66% of female shoppers say trying-it-out is a deciding factor for shopping in stores versus online. Products like apparel and accessories or home furnishings seems to be a likely driver.

2.2.4 Instant Delivery

Retail stores deliver as quick as it got purchased. Instant delivery for those who cannot wait has always been a positive for retail stores. In case of perishable items, it is still difficult to beat delivery competition with Retail Stores.

3. Methodology

Quantitative research method was used for this study. The main focus of quantitative research was to focus on perceived benefits of online shopping along with perceived benefits of Retail stores as mentioned in the literature review section. These benefits can be called as anticipated benefits as they have come from the literature review.

First part of the research identified strong factors of Retail stores along with strong factors of online shopping as perceived by customers. These factors can be called as "actual benefits" as they have come from primary study. These factors were then mapped together to analyse if combined strengths of online shopping can be integrated into the weaknesses of Retail stores to respond to the challenges imposed by online shopping to Retail.

Second part of the study further provided insights that even in this scenario, what all factors, still have an edge over the other (retail vs online) as perceived by customers. Also, it

provided further insights about the preference of retail stores over online shopping according to the age and gender.

The study was done through a questionnaire that pertains questions regarding the perceived benefits of retail store and online shopping.

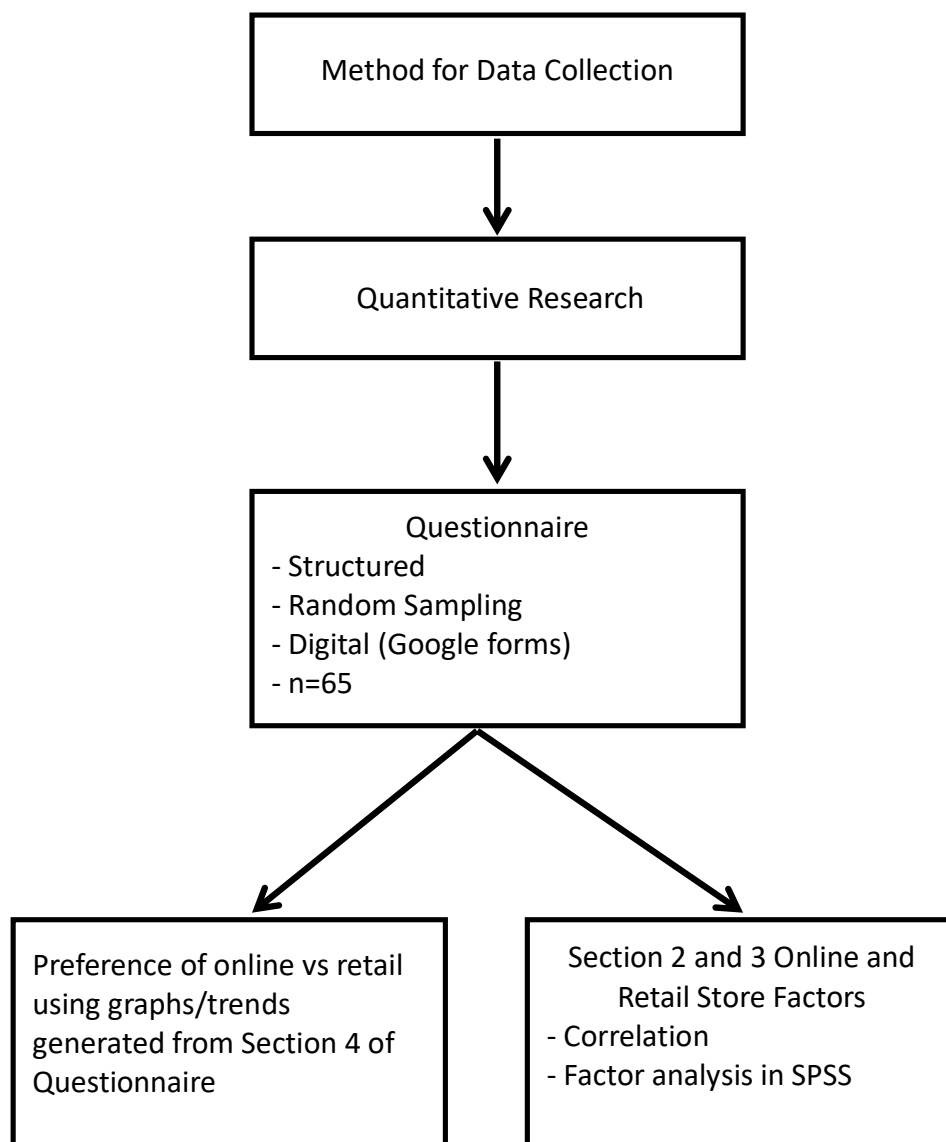


Figure 1.2

3.1 Sampling

Convenience sampling was used for this research, questionnaire made on google form was floated to the different social media mediums where respondents are primarily friends, colleagues and relatives to get responses. Respondents were asked to respond based on their perception of online shopping and Retail stores. Also preference of one over the other has also been asked.

3.2 Questionnaire

A survey was conducted using a questionnaire to reach maximum respondents through using social media tools. Questionnaire was floated using Social Media where respondents are primary friends, colleagues and relatives. It was informed to the respondents that the study will be used for academic purpose only.

Questionnaire has 4 sections. First section includes the personal information of the respondent followed by section 2 which has 15 questions related to their experience of online shopping. A likert scale was used to provide input “1” for “Strongly Disagree” and 5 for “Strongly Disagree”.

Section 3 has 15 questions related to their experience of Retail stores. A likert scale was used to provide input “1” for “Strongly Disagree” and 5 for “Strongly Disagree”.

Section 4 has 13 questions related to their preference of online stores vs retail stores regarding common factors. Model used to prepare Questionnaire on anticipated benefits

RETAIL STORES		ONLINE SHOPPING
AESTHTICS - LIGHT, COLOUR, TEMPERATURE - INTERACTIVE	VIS A VIS	UI/UX DESIGN - WEBSITE DESIGN - EASE OF FINDING A PRODUCT - PRICE COMPARISON
SHOPPING EXPERIENCE - BELONGINGNESS - CHECKOUT - INSTANT DELIVERY	VIS A VIS	SHOPPING EXPERIENCE - RETURN/REFUND - CHECKOUT/PAYMENT - DELIVERY
PSYCHOLOGICAL - PERSONNAL	VIS A VIS	PSYCHOLOGICAL - RATINGS/REVIEWS - CYBER SECURITY - SHARING TOO MUCH INFORMATION

Figure 1.3: Anticipated Benefits

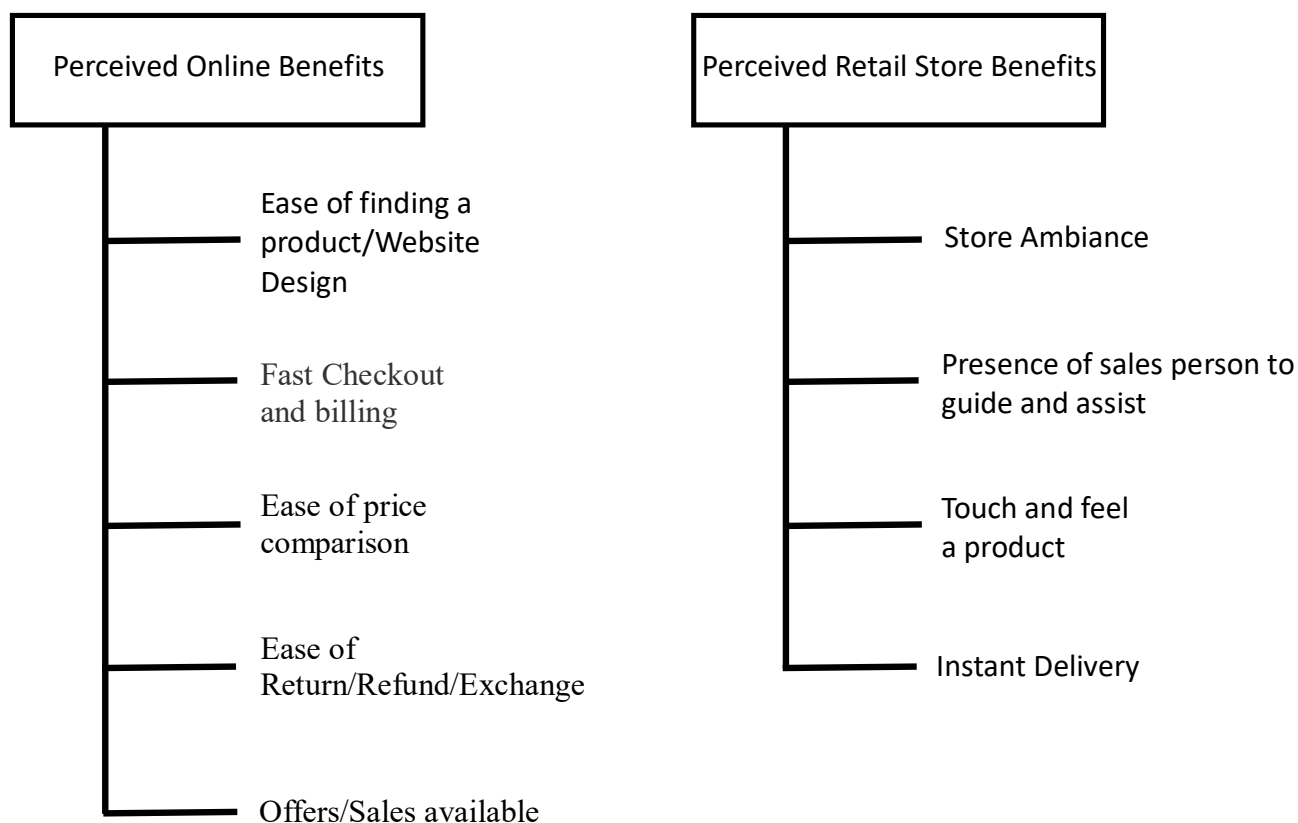


Figure 1.4: Anticipated Benefits Summary

3.3 Data Processing and Analysis

IBM SPSS was used to analyse data received from questionnaire and some analysis was done using MS Excel. The used data were questions in Section 2 and 3 of the questionnaire for analysis in SPSS analysis and Section 4 for analysis in Excel. Section 2 and 3 covered experience of perceived benefits of online shopping and Retail store whereas Section 4 covered preference of one over the other.

3.3.1 Section 2 and 3 Analysis

Items in the data set was grouped into 2 parts, Online Shopping experience and Retail store experience. A principal component factor analysis (PCA) with a varimax rotation of the 5-Likert scale questions from the customer experience questionnaire was conducted on data, gathered from 66 participants. The cut-off value for components was 0.3 and rotated component matrix was analysed to see strong and weak factors. Before analysing the data,

several assumptions were checked which includes KMO and Bartlett's Test along with significance and the reliability with Cronbach's Alpha.

3.3.2 Section 4 Analysis

Items in the data will be include preference of one over the other based on independent factors. To analyse this graphs and trends will be used to see the preference of respondents as they perceive one over the other to account stronger factors between Retail Stores and Online shopping.

4. Results

Results include analysis of data on online shopping and retail Stores done separately. This includes Descriptive, Correlation and Factor analysis done separately for both to find strong factors.

4.1 Quantitative Results

The Descriptives of online shopping along with Cronbach's Alpha to check reliability of questionnaire is given below.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.764	.787	15

	Mean	Std. Deviation	N
Website design	4.59	.607	66
It's Easy to find a product online	4.65	.568	66
I trust available reviews/ratings on products	3.64	1.047	66
Checkout and billing is faster	4.44	.704	66
It's Easy to compare prices with other e-commerce players	4.20	.932	66
Ease of Return/Refund/Exchange	4.30	.841	66
Satisfaction that the original product has been received	4.00	1.123	66
Availability of High definition product images provides clear idea about look and feel of the product.	3.86	1.122	66
Satisfaction of Safe Payment	4.30	.894	66
Offers/Sales available online are better	4.32	.844	66
Availability of EMI facility on any product	3.89	.994	66
Delivery Experience is always satisfactory	3.97	1.052	66
Fear of sharing personal information with others	3.65	1.157	66
Free of cost trying a product for 3 months should be made available* reverse coded	3.02	1.353	66
I feel Secured from online frauds	3.39	1.162	66

Figure 1.5: Mean and Standard Deviations of Online factors

The Descriptive for Retail Stores data with Cronbach's Alpha to check reliability of questionnaire is given below.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.754	.771	15

Item Statistics

	Mean	Std. Deviation	N
Importance of Store Ambiance (Light, Cleanliness, Music, Temperature)	4.50	.809	66
Presence of sales person to guide and assist	4.14	.910	66
Involvement of sales person in advice and recommendation of a product	3.50	1.193	66
Availability of drinking water in the retail store	3.88	1.157	66
Checkout and billing is faster	4.06	.990	66
Having a perception that the product is available cheaper on amazon / flipkart etc	3.85	1.056	66
Ease of Return/Refund/Exchange	3.71	1.200	66
Satisfaction that the original/genuine product has been received	4.64	.671	66
Importance of Touch and feel a product before purchasing	4.76	.658	66
Satisfaction of Safe Payment	4.77	.520	66
Offers/Sales available in retail stores are genuine not on inflated prices	3.83	.970	66
Difficult to avail EMI Facility for expensive products	3.41	1.136	66
Free snacks and beverages should be made available for shoppers* reverse coded	2.97	1.425	66
I feel secure giving personal information in retail stores like phone no. etc.	3.32	1.279	66
I feel Secure from money transaction frauds while shopping in Retail Stores	4.21	.953	66

Figure 1.6: Mean and Standard Deviations of Retail Stores

Out of 15 only 8 questions seem to have a mean of more than 4 in case of anticipated online benefits on the other hand only 7 questions have a mean of more than 4 in case of anticipated retail stores benefits. Thus a further investigation into actual benefits needs to be done. Cronbach's Alpha in both cases shows a reliability of more than 0.7 depicting that the questionnaire is reliable.

A correlation analyses was conducted to test multicollinearity.

	Agegroups	Website design	Its Easy to find a product online	I trust available reviews/ratings on products	Checkout and billing is faster	Its Easy to compare prices with other e-commerce players	Ease of Return/Refund/Exchange	Satisfaction that the original product has been received	Availability of High definition product images provides clear idea about look and feel of the product.	Satisfaction of Safe Payment	Offers/Sales available online are better	Availability of EMI facility on any product	Delivery Experience is always satisfactory	Fear of sharing personal information with others	Free of cost trying a product for 3 months should be made available.	I feel Secured from online frauds
Agegroups	1.000															
Website design	-0.063	1.000														
Its Easy to find a product online	.058	.347	1.000													
I trust available reviews/ratings on products	-.003	.221	.277	1.000												
Checkout and billing is faster	.268	.186	.132	.330	1.000											
Its Easy to compare prices with other e-commerce players	.007	.214	.152	.168	.315	1.000										
Ease of Return/Refund/Exchange	.147	.202	.319	.439	.323	-.024	1.000									
Satisfaction that the original product has been received	.142	.322	.304	.235	.243	.091	.483	1.000								
Availability of High definition product images provides clear idea about look and feel of the product.	.068	.178	.211	.259	.223	.016	.373	.501	1.000							
Satisfaction of Safe Payment	.317	.404	.263	.307	.429	-.024	.482	.604	.503	1.000						
Offers/Sales available online are better	.013	.395	.304	.196	.173	.377	.341	.299	.289	.166	1.000					
Availability of EMI facility on any product	.128	.114	.154	.131	.385	.320	.101	.011	.174	.062	.134	1.000				
Delivery Experience is always satisfactory	.147	.378	.159	.255	.404	.089	.334	.506	.450	.656	.274	.201	1.000			
Fear of sharing personal information with others	-.025	.027	.101	-.049	-.008	.009	-.005	.177	.187	-.117	.205	.319	-.008	1.000		
Free of cost trying a product for 3 months should be made available.	.061	-.170	-.094	.023	.010	.038	-.178	-.135	.076	-.040	.011	.259	-.023	.090	1.000	
I feel Secured from online frauds	.235	.247	.142	.295	.174	-.140	.232	.455	.233	.484	.145	-.102	.253	.023	.089	1.000

	Agegroups	Importance of Store Ambiance (Light, Cleanliness, Music, Temperature)	Presence of sales person to guide and assist	Involvement of sales person in advice and recommendation of a product	Availability of drinking water in the retail store	Checkout and billing is faster	Having a perception that the product is available cheaper on amazon / flipkart etc	Ease of Return/Refund/Exchange	Satisfaction that the original/genuine product has been received	Importance of Touch and feel a product before purchasing	Offers/Sales available in retail stores are genuine not on inflated prices	Difficult to avail EMI Facility for expensive products	Free snacks and beverages should be made available for shoppers	I feel secure giving personal information in retail stores like phone no. etc.	I feel Secure from money transaction frauds while shopping in Retail Stores	
Agegroups	1.000															
Importance of Store Ambiance (Light, Cleanliness, Music, Temperature)	.049	1.000														
Presence of sales person to guide and assist	.088	.402	1.000													
Involvement of sales person in advice and recommendation of a product	.034	.213	.578	1.000												
Availability of drinking water in the retail store	.191	.310	.219	.341	1.000											
Checkout and billing is faster	.150	.079	.073	.210	.243	1.000										
Having a perception that the product is available cheaper on amazon / flipkart etc	.136	.093	-.067	-.031	.086	.166	1.000									
Ease of Return/Refund/Exchange	.048	.044	.133	.156	.130	.541	.429	1.000								
Satisfaction that the original/genuine product has been received	-.152	.159	.001	-.148	-.173	.123	.183	.241	1.000							
Importance of Touch and feel a product before purchasing	-.099	.508	.095	.176	.186	.168	.253	.130	.383	1.000						
Satisfaction of Safe Payment	-.025	.162	.136	.105	.275	.307	.172	.229	.391	.368	1.000					
Offers/Sales available in retail stores are genuine not on inflated prices	-.064	.239	.265	.053	.126	.142	.391	.375	.251	.394	.370	1.000				
Difficult to avail EMI Facility for expensive products	.278	.106	.044	.153	.046	.029	.148	.219	.217	.089	.139	.253	1.000			
Free snacks and beverages should be made available for shoppers	.329	-.006	.101	.256	.242	.212	.219	.236	-.082	.032	.015	.137	.119	1.000		
I feel secure giving personal information in retail stores like phone no. etc.	.292	.004	.385	.245	.218	.126	.184	.256	.049	.140	.273	.310	.176	.114	1.000	
I feel Secure from money transaction frauds while shopping in Retail Stores	.145	.231	.334	.189	.274	.052	.126	.124	.290	.157	.199	.089	.092	.127	.336	1.000

Figure 1.6: Spearman’s Correlation of Online and Retail Stores

Table above shows the spearman correlations of all the variables in online factors and retail store factors. The correlation matrix showed a weak ($r < 0.3$) to moderate ($r < 0.4$) positive correlation among all variables, there were some negative correlations also. Very few factors have correlation of 0.5 or more.

The relation between most elements are weak hence would not be good measure for interpretation of the outcome of the analysis.

4.2 Factor Analysis

Factor analysis was done separately on both online and retail store factors separately. The Kaiser-Meyer-Olkin was checked to measure the sampling adequacy for this analysis, KMO = .700 and .606, which means that a factor analysis is appropriate for this data.

KMO and Bartlett's Test for Online Factors		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.700
Bartlett's Test of Sphericity	Approx. Chi-Square	311.650
	df	105
	Sig.	.000

KMO and Bartlett's Test for Retail Store Factors		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.606
Bartlett's Test of Sphericity	Approx. Chi-Square	270.571
	df	105
	Sig.	.000

Figure 1.7: KMO & Bartlett's Test for sample adequacy for Retail and online stores

Bartlett's Test is significant (sig = .000), which shows that there are some relationships between the variables, so a factor analysis can be done.

Factor analysis furnished a 4 factor solution in case of online shopping and 5 factor in case of retail stores. All 4 in online and 5 factors in retail are considered as they have shown eigenvalues are greater than one.

Online shopping				Retail stores			
Component	Initial Eigenvalues			Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %		Total	% of Variance	Cumulative %
1	4.425	29.501	29.501	1	3.666	24.443	24.443
2	1.828	12.188	41.689	2	1.935	12.903	37.346
3	1.359	9.058	50.748	3	1.626	10.839	48.185
4	1.277	8.514	59.261	4	1.203	8.018	56.203
				5	1.012	6.744	62.947

Figure 1.8: Eigenvalues for Retail and Online stores

All these components will now be analysed based on the rotated component matrix to find common factor among these components.

(Online) Rotated Component Matrix ^a					(Retail Stores) Rotated Component Matrix ^a					
	Component					Component				
	1	2	3	4		1	2	3	4	5
Satisfaction of Safe Payment	.834				Importance of Touch and feel a product before purchasing	.804				
Delivery Experience is always satisfactory	.756				Importance of Store Ambiance (Light, Cleanliness, Music, Temperature)	.753	.453			
Checkout and billing is faster	.690		.421		Satisfaction that the original/genuine product has been received	.634	-.425			
I feel Secured from online frauds	.616		-.380		Offers/Sales available in retail stores are genuine not on inflated prices	.509		.324		.323
Satisfaction that the original product has been received	.595	.525			Satisfaction of Safe Payment	.505		.502	.313	
I trust available reviews/ratings on products	.588				Involvement of sales person in advice and recommendation of a product		.826			
Offers/Sales available online are better		.730			Presence of sales person to guide and assist		.716		.342	
Its Easy to find a product online		.583			Availability of drinking water in the retail store		.488	.430		
Website design	.306	.579			Checkout and billing is faster			.833		
Ease of Return/Refund/Exchange	.443	.452			Ease of Return/Refund/Exchange			.663		.495
Its Easy to compare prices with other e-commerce players			.815		Free snacks and beverages should be made available for shoppers		.355	.376		
Availability of EMI facility on any product			.640	.536	I feel Secure from money transaction frauds while shopping in Retail Stores				.773	
Fear of sharing personal information with others				.799	I feel secure giving personal information in retail stores like phone no. etc.				.721	
Free of cost trying a product for 3 months should be made available.		-		.526	Difficult to avail EMI Facility for expensive products					.713
Availability of High definition product images provides clear idea about look and feel of the product.	.461	.327		.478	Having a perception that the product is available cheaper on amazon / flipkart etc	.310				.591

Figure 1.9: Rotated component Matrix for Retail and Online stores

These components will then be compared to see the strengths and weaknesses of online shopping vs retail stores. It will help in drawing a conclusion towards how these can be helpful to enhance store experience and lead to increase in sales and customer walk-ins. Putting together components/factors given by rotated matrix together yielded the following findings.

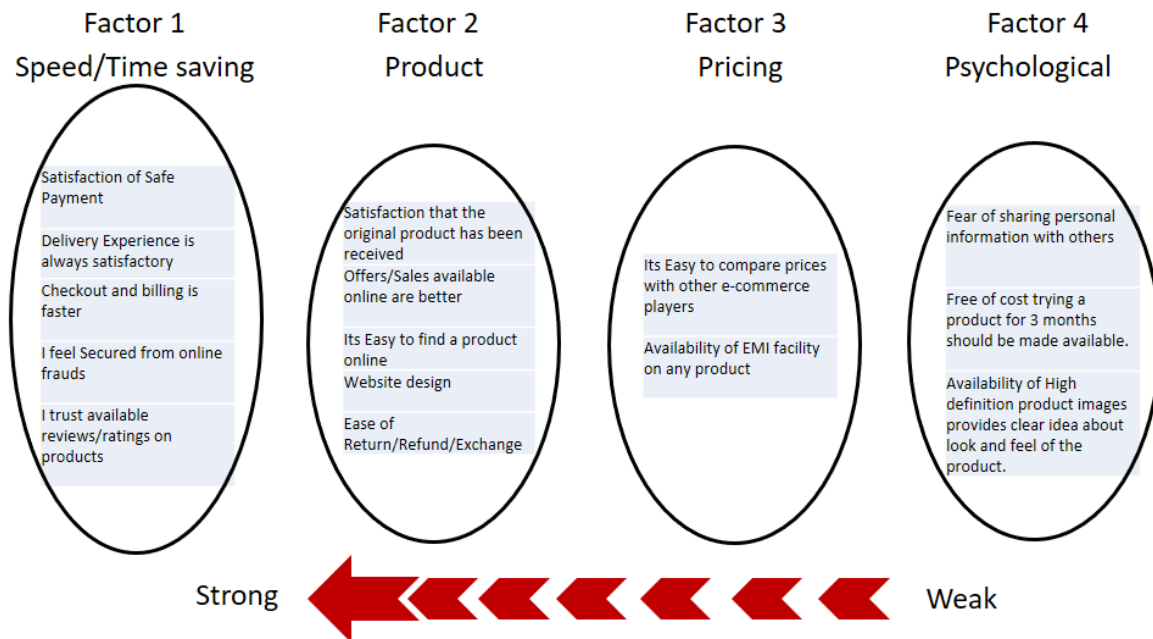


Figure 2.0: Online Shopping Strong and Weak Factors (Actual Benefits)

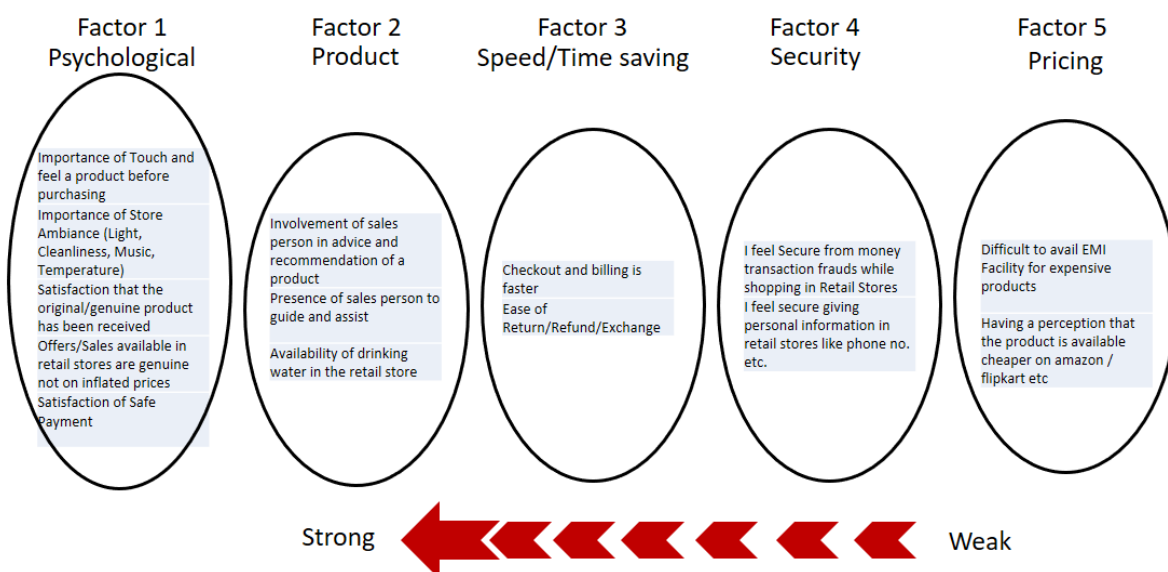


Figure 2.1: Retail Stores Strong and Weak factors (Actual Benefits)

4.3 Other Analysis Consideration

This analysis includes preference of online shopping or retail shopping on common factors.

1. Feel Safe while making a payment



Figure 2.3

The above analysis show that Retail stores are likely to have preference over online shopping on feeling safer while making aa payment. Further in the analysis both male and female feel safe while making a payment in Retail store than online shopping.

2. Product availability



Figure 2.4

The analysis above shows that Online shopping is preferred in terms of product availability. Males seems to have clearly preferred online shopping over retail however preference for females show somewhat an equal preference among online and retail.

3. Delivery Speed

Delivery speed is better in
66 responses

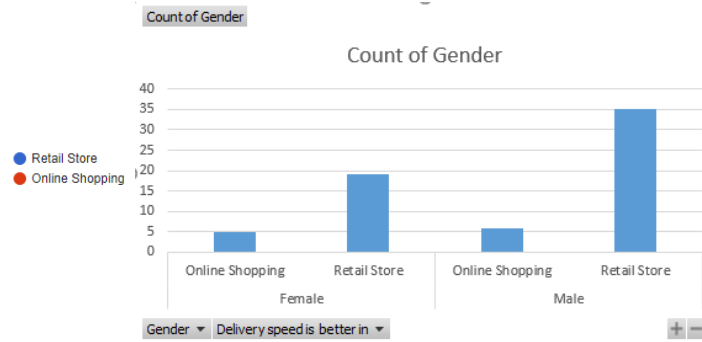
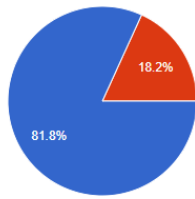


Figure 2.5

This Analysis show that delivery speed is another factor which overtakes online shopping, further both the genders prefer retail stores over online shopping in terms of delivery speed.

4. Better Discounts/Offers

Better Offers/Discount
66 responses

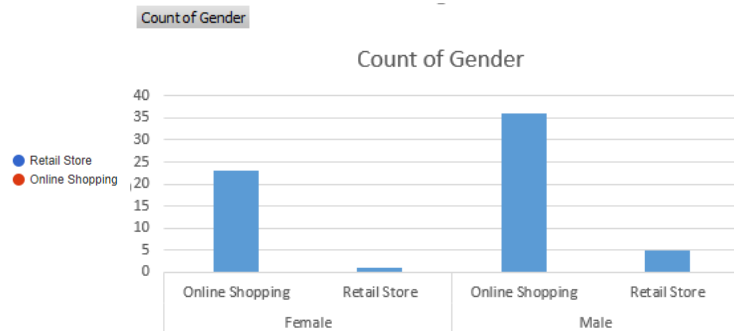
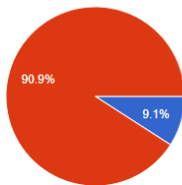


Figure 2.6

Above trends show that in terms of offers and discount online shopping is a clear winner for both male and female. Offers and discounts in retail is preferred by shoppers.

5. Touch and feel a product

Touch and feel of product is better in
66 responses

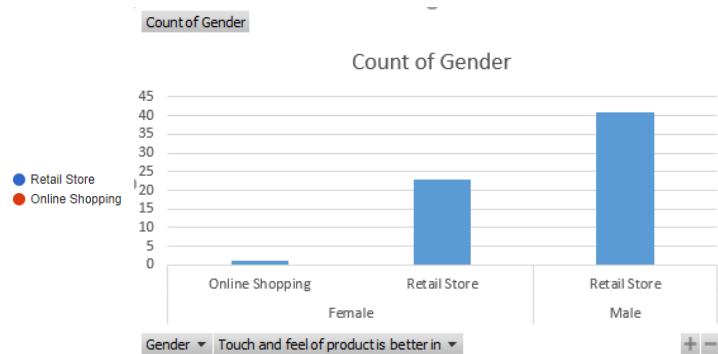
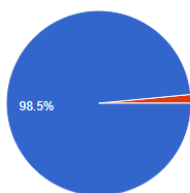


Figure 2.7

A distinct factor of Retail store, the availability of touch and feel a product. Almost everyone feels that touch and feel is better in retail stores as compared to online shopping. 100% male supported retail stores over online shopping.

6. Less likely to share personal information

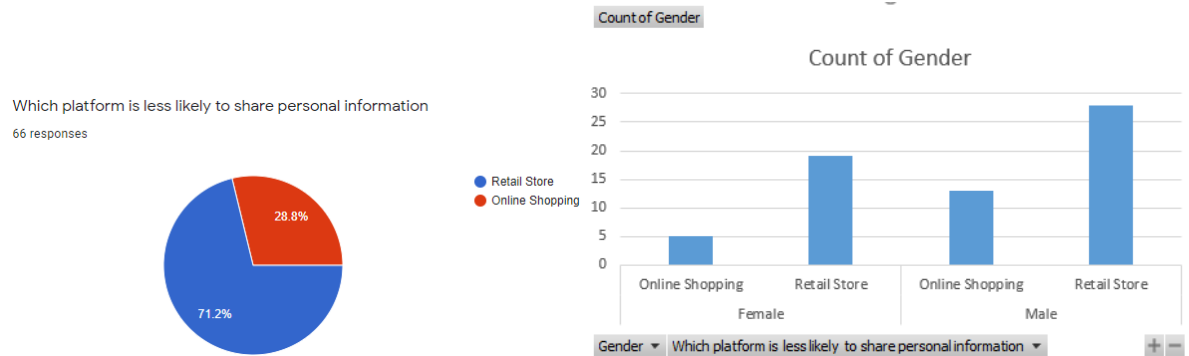


Figure 2.8

Above trends show Retail stores are preferred on the account that it is less likely to share personal information. Both the genders feel the same.

7. Overall Time saving

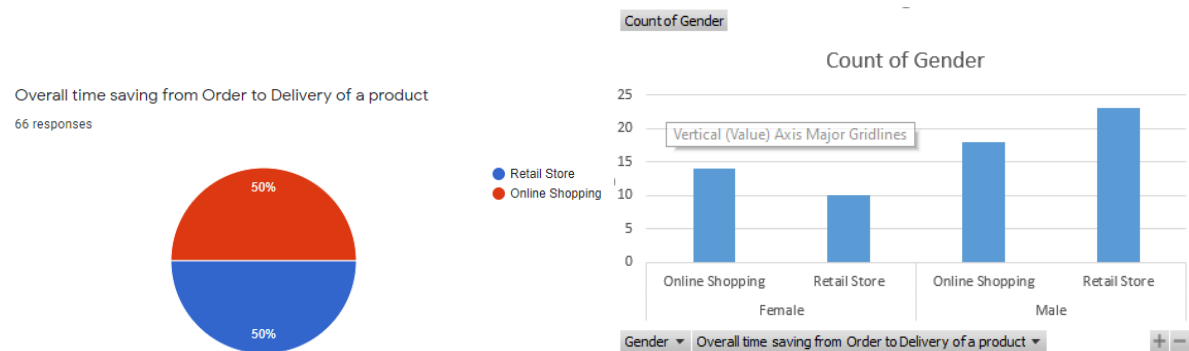


Figure 2.9

Overall time saving has equal response from the respondents. 50% feel that online shopping saves time on the other hand remaining 50% feel that Retail shopping saves time. But there is a difference of opinion among male and female whenin female shoppers feel online shopping saves time where as male shoppers feels that Retail stores saves more time.

8. Best way to spend quality time

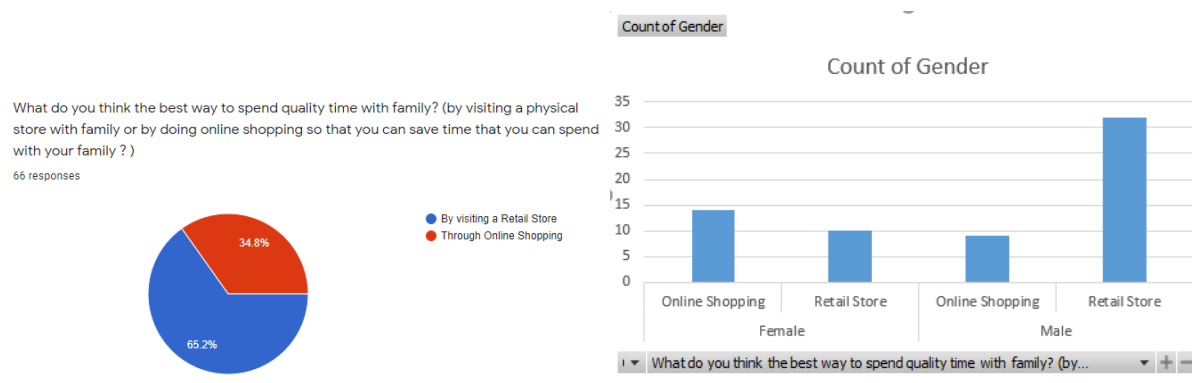


Figure 3.1

Above trends show that visiting a Retail store seems to be the best way to spend quality time with family however taking a deeper look into the statistics, for males there is a strong trend skewed towards Retail stores whereas females seem to be inclined towards online shopping. Males feel that quality time can be spent by visiting a retail store with family while females think otherwise.

9. More likely to make impulse purchases

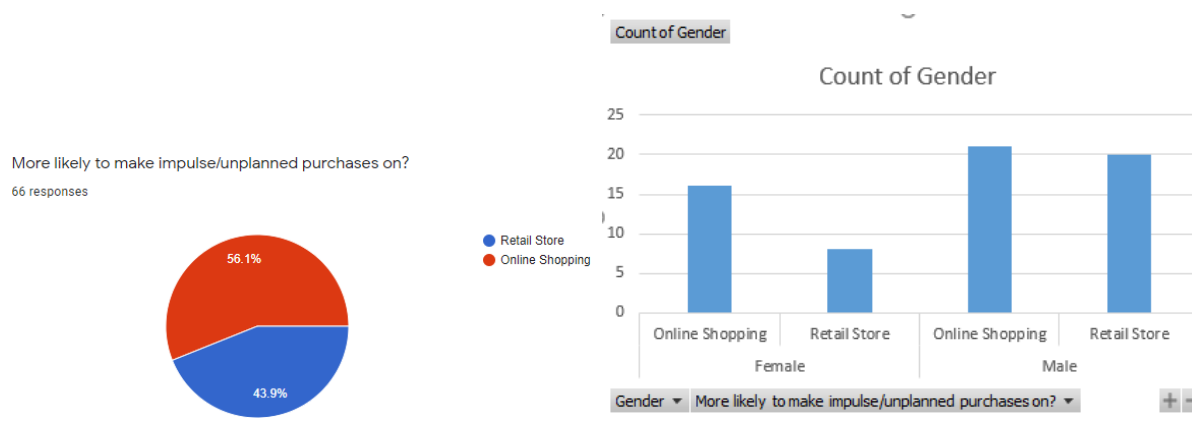


Figure 3.2

Above trends depict that impulse shopping is more likely to happen in online shopping, females are likely to do impulse shopping via online whereas males show an equal likelihood for both.

10. Trials before making a purchase

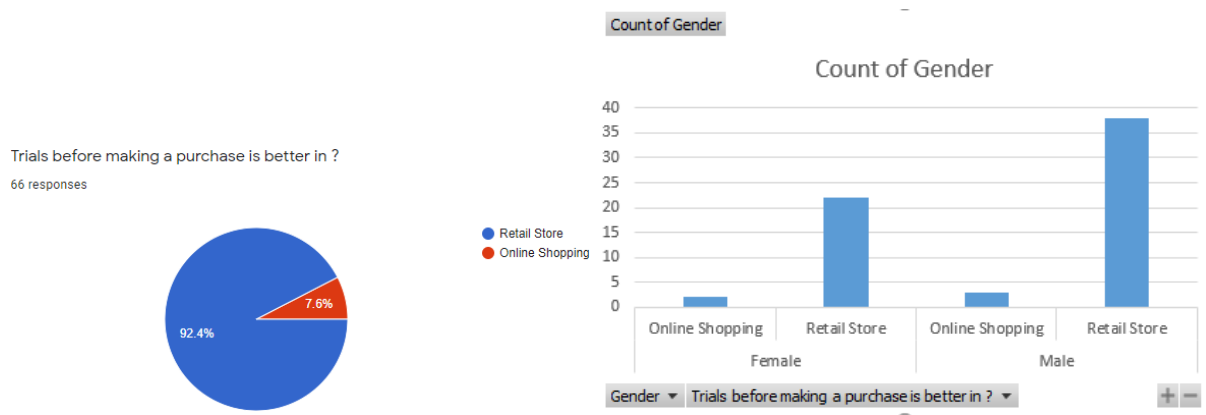


Figure 3.3

Preference for making trials before a purchase seems more in Retail stores than online.

11. Satisfaction of receiving a genuine product.

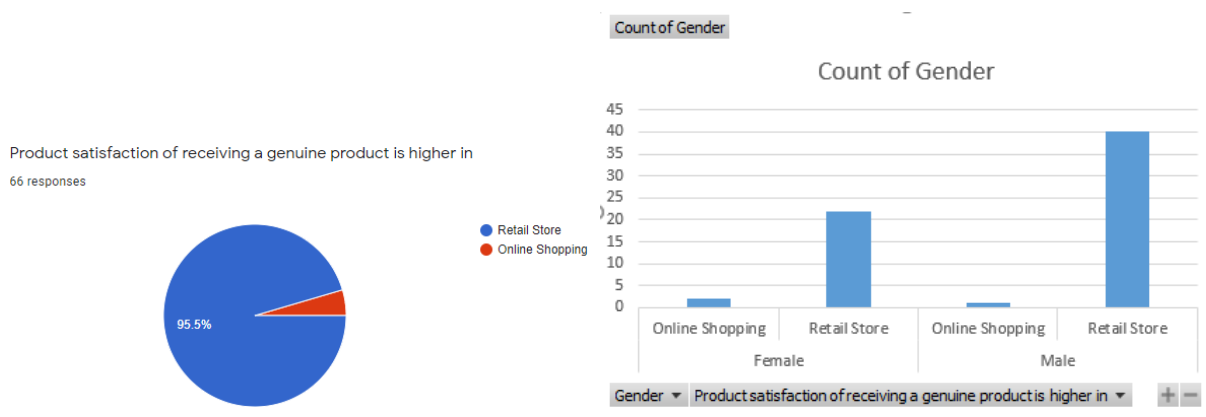


Figure 3.4

Product satisfaction of receiving a genuine product is very high in Retail stores making it one of the distinct factor over online shopping, both males and females agree to this.

12. Ease of Return/Refund/Exchange

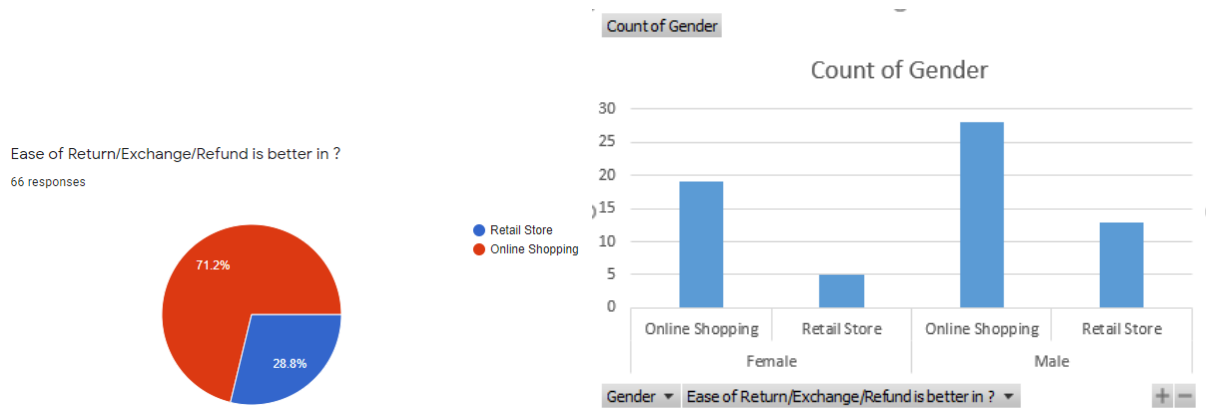


Figure 3.4

Ease of refund is higher in online shopping than Retail stores both genders agree to this.

13. Window shopping



Figure 3.5

Window shopping is preferred online over retail by both genders.

Result Summary

Factor	Preference
Feel Safe while making a Payment	Retail Store
Better Product Availability	Online
Delivery Speed	Retail Store
Better Offers/Discount	Online
Touch and feel of product	Retail Store
Less likely to share personal information	Retail Store

Overall time saving	Equal
The best way to spend quality time with family	Retail Store
More likely to make impulse/unplanned purchase	Online
Trials before making a purchase	Retail Store
Satisfaction of receiving a genuine product	Retail Store
Ease of Return/Exchange/Refund	Online
Window Shopping	Online

Figure 3.6

The above results show that there are some strong factors in each of them which still holds an edge over the other. Since this study stress more on retail store benefits, the inclusion of online strong factors is possible to integrate in retail stores.

The preference for retail stores includes

1. Feel Safe while making a Payment.
2. Delivery Speed.
3. Touch and feel of product.
4. Less likely to share personal information.
5. The best way to spend quality time with family.
6. Trials before making a purchase.
7. Satisfaction of receiving a genuine product.

The above strong factors can be used by marketers in their promotions to persuade customers towards retail stores. Other less strong factors include

1. Better Product Availability
2. Better Offers/Discount
3. More likely to make impulse/unplanned purchase
4. Ease of Return/Exchange/Refund
5. Window Shopping

These factors can be worked to bring upon the level of online shopping where retailers are struggling to match. These weaknesses can be turned into opportunities to gain customer base.

5. Discussion

Factor analysis provided us an image about strong and weak factors of online shopping and Retail Stores. Examining both factors, an improvement model has been developed. 5D improvement model suggests five levels of improvement according to the factors.

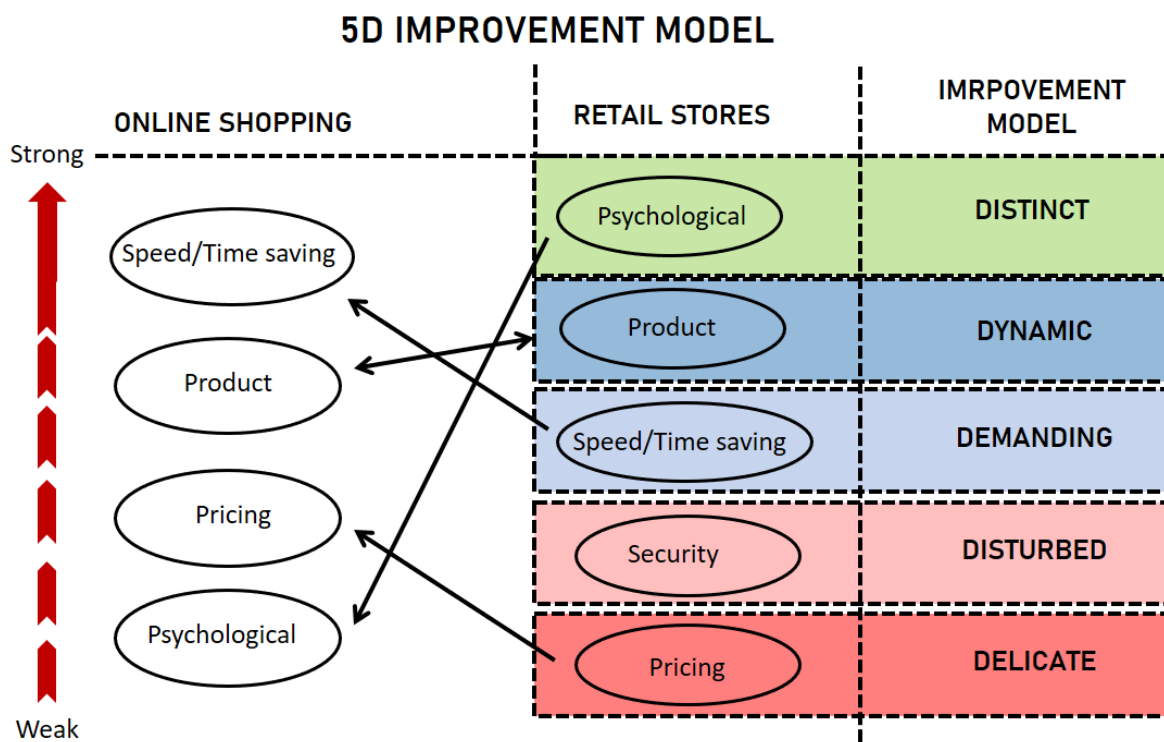
I. **Distinct** - Strongest factor has been kept at distinct level, hard to imitate, which means that this factor is already the strongest and should be continuously worked upon to stay at top the position.

II. **Dynamic** - Second category is at higher altitude but still needs to get updated with changing dynamics of the market.

III. **Demanding** – Third category is middle which suggests that it needs attention, any oversight in this category may lead to a slip of this factor into lower category. This category demands regular update and require stronger response to the competitors.

IV. **Disturbed** – This category is second lowest in the spectrum, factors in this category needs very high level of attention, cannot afford any further slippage.

V. **Delicate** – Fifth category depicts that the factors under this stands nowhere in the competition. Customers do not even see this as an alternative. This category needs to be worked most and require very high level of attention.



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An experiential study on Retail Stores Vs E-commerce

This will strictly be used for academic purpose as a part of my final year project.

* Required

1. Age *

Mark only one oval.

- 18-25
- 25-35
- 35-45
- 45-55
- Above 55

2. Profession *

Mark only one oval.

- Govt Employee
- Employed in Pvt Sector
- Self Employed/Owner
- Students
- Retired
- Other: _____

3. Gender *

Mark only one oval.

- Female
- Male
- Other: _____

4. Education *

Mark only one oval.

High School

Graduate

Post Graduate

Doctorate

Other: _____

Skip to question 5

Importance of aspects for ONLINE SHOPPING

Likert scale of 1-5, where 5 = Strongly agree and 1 = Strongly disagree

5. Website design *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

6. Its Easy to find a product online *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

7. I trust available reviews/ratings on products *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

8. Checkout and billing is faster *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

9. Its Easy to compare prices with other e-commerce players *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

10. Ease of Return/Refund/Exchange *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

11. Satisfaction that the original product has been received *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

12. Availability of High definition product images provides clear idea about look and feel of the product. *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

13. Satisfaction of Safe Payment *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

14. Offers/Sales available online are better *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

15. Availability of EMI facility on any product *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

16. Delivery Experience is always satisfactory *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

17. Fear of sharing personal information with others *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

18. Free of cost trying a product for 3 months should be made available. *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

19. I feel Secured from online frauds *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

Skip to question 20

Importance of aspects for RETAIL STORES

Likert scale of 1-5, where 5 = Strongly agree and 1 = Strongly disagree

20. Importance of Store Ambiance (Light, Cleanliness, Music, Temperature) *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

21. Presence of sales person to guide and assist *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

22. Involvement of sales person in advice and recommendation of a product *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

23. Availability of drinking water in the retail store *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

24. Checkout and billing is faster *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

25. Having a perception that the product is available cheaper on amazon / flipkart etc *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

26. Ease of Return/Refund/Exchange *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

27. Satisfaction that the original/genuine product has been received *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

28. Importance of Touch and feel a product before purchasing *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

29. Satisfaction of Safe Payment *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

30. Offers/Sales available in retail stores are genuine not on inflated prices *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

31. Difficult to avail EMI Facility for expensive products *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

32. Free snacks and beverages should be made available for shoppers *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

33. I feel secure giving personal information in retail stores like phone no. etc. *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

34. I feel Secure from money transaction frauds while shopping in Retail Stores *

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

Skip to question 35

Choose your preference for Retail Store or Online Shopping ?

Retail store or Online shopping ?

35. I feel Safe while making a Payment in *

Mark only one oval.

- Retail Store
 Online Shopping

36. Product availability is better in *

Mark only one oval.

- Retail Store
 Online Shopping

37. Delivery speed is better in *

Mark only one oval.

Retail Store

Online Shopping

38. Better Offers/Discount *

Mark only one oval.

Retail Store

Online Shopping

39. Touch and feel of product is better in *

Mark only one oval.

Retail Store

Online Shopping

40. Which platform is less likely to share personal information *

Mark only one oval.

Retail Store

Online Shopping

41. Overall time saving from Order to Delivery of a product *

Mark only one oval.

Retail Store

Online Shopping

42. What do you think the best way to spend quality time with family? (by visiting a physical store with family or by doing online shopping so that you can save time that you can spend with your family ?) *

Mark only one oval.

- By visiting a Retail Store
 Through Online Shopping

43. More likely to make impulse/unplanned purchases on? *

Mark only one oval.

- Retail Store
 Online Shopping

44. Trials before making a purchase is better in ? *

Mark only one oval.

- Retail Store
 Online Shopping

45. Product satisfaction of receiving a genuine product is higher in *

Mark only one oval.

- Retail Store
 Online Shopping

46. Ease of Return/Exchange/Refund is better in ? *

Mark only one oval.

- Retail Store
 Online Shopping

47. Window Shopping (Seeing products physically or browsing products on eCommerce) is better in ? *

Mark only one oval.

Retail Store

Online Shopping

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