O2O VICIOUS CIRCLE: A SHIFT IN CUSTOMER'S BUYING BEHAVIOUR IN THANE DISTRICT

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Abstract

O2O ecommerce was the key to growth in 2020. The coronavirus pandemic pushed more consumers online but for those still longing for in-store experiences. Today's customers are starting their shopping experience online. Whether it's seeing an online advertisement or a recommendation from a friend on social media. People are spending more time online now more than ever. In fact, they are spending their time on mobile more than TV. This is what makes the Offline to Online journey so critical for businesses. People are no longer spending their time watching TV advertisement. O2O is Online to Offline, referring to the online business opportunities by using the Internet, the offline business trading in the Physical Store. Since Online E-commerce decided to open offline stores and the offline stores began to build online platform. Brick and Mortar is a type of business model that has both online and offline operations, which typically include a website and a physical store. A Brick-and-mortar company can offer customers the benefits of fast online transactions and traditional face-to-face service and is thus potentially more competitive than a traditional "bricks and mortar" type of business, which is offline only. This type of business model is also referred to as Bricks and bricks. Brick-and-mortar shopping gives customers a chance to chat with sales representative, touch and feel, and get the in-store experiences. Combine that In-store customer experience with an online strategy so shoppers can read detailed product descriptions without talking to a sales representative. In order to study Shifts from Online to Offline to Online and Shift from Offline to Online to Offline; this study was conducted on customers who residing in the Thane District. The study consists of primary and secondary data. A structured questionnaire was used for data collection with 7-points Likert scale. Null hypotheses were tested using Mann-Whitney U Test & Kruskal Wallis test. The study in hand would be beneficial to the Marketers, Customers and Society at large.

Keywords – O2O, Vicious Circle, Consumer's Buying Behaviour

Introduction:

From time immemorial shopping has always been visiting the store and purchasing the required products. This in Todays' term is known as offline shopping. The Corona Pandemic forced the marketers and consumers to be at their residents at their homes. This forced in turn paved way to shopping from home through electronic medium via E-Shopping Portals which is known as Online shopping thus from Offline to Online (O2O). After the pandemic every one who were forced to be in their houses were tempted and longing for In-Store experience again. Hence from Online to Offline (O2O) thus forming the vicious circle of Offline to Online and Online and

Offline (O2O). This also make an new entrants breaking the water tight compartment of only offline or only online shopping to blended or hybrid shopping i.e. sometimes, as per the availability of time, money and energy and sources available. The customers may choose or switch from offline to online and online to offline.

Review of Literature:

Chang, Yu-Wei & Hsu, Ping-Yu & Yang, Qing-Miao. (2018) founded that system quality, information quality, and service quality of OTA websites increase online satisfaction. Online satisfaction further increases behavioural intentions toward online channels but has no significant effect on offline satisfaction and behavioural intentions toward offline channels. Emotional value and social value offered by hotels increase offline satisfaction. Offline satisfaction further increases behavioural intentions toward online and offline channels.

Xu Tiansheng (2015), stated that the concept, current development of O2O business models in china. The characteristic of these models including advantages and existing problems are also discussed extensively. Through the analysis of successful cases of these business models, a new development strategy is proposed to improve the efficiency of China O2O business model. It also can be used for O2O enterprises to make future business decision.

Xinxiang Zhang (2019), examined the effects of trust transfer and online contents on purchase intention in the online-to-offline e-commerce. A partial least squares based structural equation model was utilized to test the framework of causality and a series of multivariate analyses of variance were conducted to test the effects of online content size. The partial least squares results indicate that trust transfer from online-to-offline platforms to offline merchants, perceived effectiveness of online product reviews as well as perceived effectiveness of numerical ratings positively influence trust in merchants directly and purchase intention indirectly, while perceived effectiveness of online production descriptions shows no significant effect. Customer perspective on O2O circle is hardly available but this review of literature helps to prominently identify that marketers are ready for the changed behaviour and acceptance of customer for Offline to Online to Offline and vice versa i.e. Online to Offline to Online.

Objectives:

1. To study the concept of O2O vicious circle
2. To study the concept of Offline to Online to Offline and vice versa i.e. Online to Offline to Online
3. To analyse the level of acceptance of O2O vicious circle

Hypotheses:

1. H_0 – there is no significant difference between Gender and Level of Acceptance

   H_1 – there is significant difference between Gender and Level of Acceptance

2. H_0 – there is no significant difference between Age and Level of Acceptance

   H_1 – there is significant difference between Age and Level of Acceptance

3. H_0 – there is no significant difference between Education and Level of Acceptance

   H_1 – there is significant difference between Education and Level of Acceptance

4. H_0 – there is no significant difference between Income and Level of Acceptance

   H_1 – there is significant difference between Income and Level of Acceptance

5. **H$_0$**: There is no relation between Shift from Online to Offline to Online and Shift from Offline to Online to Offline

   H$_1$: There is relation between Shift from Online to Offline to Online and Shift from Offline to Online to Offline

Research Methodology:

The research study is indicative and analytical in nature. Both primary and secondary data was collected. Primary data was collected by floating structured questionnaire through google form among customers in Thane District. The questionnaire was framed with five-point Likert scale. The secondary data was collected from books, articles & Research Paper and websites. The population for the study was customers in Thane District. The convenient Sampling Method was used. The questionnaire was subject to editing. Incomplete questionnaires were removed and complete questionnaires i.e 159 responses were taken into consideration. It gets classified, tabulated and summarized in the flow of paper. Normality Test was done & as the data was Non normal, non-Parametric test were applied.

Limitations of Study:

1. The area is restricted to Thane District.

2. Time constraint to meet more Customers in Thane District.

Data Analysis:

The data analysis was done by using SPSS package. The normality test was conducted to check normality of data by using Kolmogorov-Smirnov & Shapiro-Wilk test. The data was found to be Non Normal therefore null hypotheses were tested by using Non parametric tests i.e Mann-Whitney U Test & Kruskal Wallis test.

Normality Testing

Normality was conducted for the data using Kolmogorov-Smirnov & Shapiro-Wilk test.

H$_0$: Distribution is Normal

H$_1$: Distribution is Non-Normal

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Table 1 - Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Acceptability	.119	158	.000	.969	158	.001

Lilliefors Significance Correction

The Table number 1 indicated that significant value was less than 0.05 which means null hypothesis is rejected that means Distribution is Non-Normal hence appropriate Non-Parametric test were used for further analysis.

Ho – There is no significant difference between Gender and Level of Acceptance

H1 – There is significant difference between Gender and Level of Acceptance

Table 2 - Mann-Whitney U Test – Gender and acceptability

Null Hypothesis	Test	Sig.	Decision
there is no significant difference between Gender and Level of Acceptability	Independent-Samples Mann-Whitney U Test	.487	Retain the null hypothesis.

Source: Primary data

The Table number 2 indicated that the significant value is 0.487 which is greater than 0.05 which means the Null Hypothesis is Accepted that means There is no significant difference between Gender and Level of Acceptability.

Ho – There is no significant difference between Age and Level of Acceptance

H1 – There is significant difference between Age and Level of Acceptance

Table 3 - Kruskal Wallis Test – Age and acceptability

Null Hypothesis	Test	Sig.	Decision
there is no significant difference between Age and Level of Acceptability	Independent-Samples Kruskal Wallis Test	.002	Reject the null hypothesis.

Source: Primary data

The Table number 3 indicated that the significant value is 0.002 which is lesser than 0.05 which means the Null Hypothesis is Rejected that means there is significant difference between Age and Level of Acceptability.

Ho – There is no significant difference between Education and Level of Acceptance

H1 – There is significant difference between Education and Level of Acceptance

Table 4 - Kruskal Wallis Test – Education and acceptability

Null Hypothesis	Test	Sig.	Decision
there is no significant difference between Education and Level of Acceptability	Independent-Samples Kruskal Wallis Test	.238	Retain the null hypothesis.

Source: Primary data

The Table number 4 indicated that the significant value is 0.238 which is greater than 0.05 which means the Null Hypothesis

is Accepted that means There is no significant difference between Education and Level of Acceptability.

Ho – There is no significant difference between Income and Level of Acceptance

H1 – There is significant difference between Income and Level of Acceptance

Table 5 - Kruskal Wallis Test – Monthly Income and acceptability

Null Hypothesis	Test	Sig.	Decision
there is no significant difference between Monthly Level of Acceptability	Independent-Samples Kruskal	.002	Reject the null hy

Source: Primary data

The Table number 5 indicated that the significant value is 0.002 which is lesser than 0.05 which means the Null Hypothesis is Rejected that means there is significant difference between Monthly Income and Level of Acceptability.

H0: There is no relation between Shift from Online to Offline to Online and Shift from Offline to Online to Offline

H1: There is relation between Shift from Online to Offline to Online and Shift from Offline to Online to Offline

Table 6 – Correlation

		Shift Online to Offline to Online	Shift Offline to Online to Offline
Shift Online to Offline to Online	Pearson Correlation	1	.433**
	Sig. (2-tailed)		.000
	N	158	158
Shift Offline to Online to Offline	Pearson Correlation	.433**	1
	Sig. (2-tailed)	.000	
	N	158	158

**. Correlation is significant at the 0.01 level (2-tailed).

The Table number 6 indicated that significant value is 0.000 which is less than 0.05 which means the Null Hypothesis is rejected that means there is significant relationship between Shift from Online to Offline to Online and Shift from Offline to Online to Offline. There is a strong positive Correlation between Shift from Online to Offline to Online and Shift from Offline to Online to Offline on customers.

Findings:

Among the total respondents 48.7% were Male, 51.3% were Female.

Among the total respondents 13.9% were from 13 to 19 Age Group, 51.3% were from 20 to 40 Age Group,

30.4% were from 40 to 60 Age Group, 4.4% were from 60 and above Age Group,

Among the total respondents 72.8% were literate, 27.2% were illiterate.

Among the total respondents 18.4% were from less than Rs. 20,000 income group, 17.7% were from Rs. 20,000 to Rs. 50,000 income group, 44.9% were from Rs. 50,000 to Rs. 100,000 income group, 19% were from Rs. 100,000 and above income group

Among the total respondents 13.3% always gets shifted, 38.6% Many times gets shifted, 48.1% sometimes Were shifted from Online to Offline to Online, 13.9% were always gets shifted, 37.3% Many times gets shifted, 48.7% sometimes were Shifted from Offline to Online to Offline on customers.

It was found that irrespective of education and gender towards Shift from Online to Offline to Online and Shift from Offline to Online to Offline on customers.

From the Review of Literature, it was found that Offline satisfaction further increases behavioural intentions toward online and offline channels.

Suggestions:

There is a tremendous scope for all the marketers whether selling there goods online or offline following suggestion are divided into two parts. Recommendation to the marketers which are also the measures to enhance their sales and profitability and recommendation to customers to protect themselves.

Recommendation/ Measures to the Marketers.

The companies/ Marketers having only offline stores should develop their websites which will serve as E-Portals for trading.

Those marketers who cannot effort to develop a customers website or portal or an application can use social media like WhatsApp, Facebook, and Instagram etc. to advertise as well as trading.

The offline marketers can tie up with the budding home marketers turn into entrepreneur who do not have the money to invest in shops but are interested in doing business and are technologically sound.

The online marketers should setup some pick up store or centre that can serve as serve as a point of contact with the customers.

The online marketers need to develop a prominent feedback mechanism to solve the customers problem and know their needs.

The online marketing companies need to develop a customise and firewall mechanism that would prevent hacking data theft and ensure security.

Significance of Study:

As already stated, there are hardly any studies on Vicious Circle. The research study would be significant to the budding researchers for innovative in-depth research. It is significant to the marketers to understand an implement this paradigm shift and most of all. It is significant to the society in general and customers in particular. As it could give them as understanding of Online and Offline would help them make a choice between the two or the circumstances for hybrid shopping which in turn will help in saving time, money, and energy and same time provide security.

Discussion:

In the near future it can predict purely online and offline. Hence, online store now offline store, offline store

also launches their own websites and Apps. It will never be mode of purchase it will be combo and both and the consumer would willing be enter into vicious circle O2O.

Conclusion:

The objectives of the study were achieved and hypotheses was tested and proved that There is significant difference between Monthly Income and Age and Level of Acceptance. There is no significant difference between Gender and Education and level of Acceptance. There was a strong positive Correlation between Shift from Online to Offline to Online and Shift from Offline to Online to Offline on customers. Customer experiences nowadays are made up of such multifaceted paths that evolve so differently that it's not easy or even possible to manage them manually. This is why it's essential that the user of both physical and digital services is identified as soon as possible. Time to time it will depend on person, time, their satisfaction and their experience which will decide their mode of purchase. The vicious circle of offline to online and online to offline will merged into a hybrid mode of shopping where the customers as the king of the market will compare analyse and decide the mode of shopping. It is going to be a Herculean task for the marketers to persuade. Now is a time to understand the technology as well as customers wants as the customers will dominate the market so the mantra to the marketers and the companies is "Go with the Flow".

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