



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact factor: 4.295

(Volume 4, Issue 1)

Available online at: <https://www.ijariit.com>

Comparison of Consumer Response to Online and Offline Marketing

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ABSTRACT

With the advent of significant changes in technology, this article has analyzed the online and offline marketing strategies. The purpose of this study is to identify different marketing strategies in both online and offline platforms and their effects on customer satisfaction and customer commitment to the company's product. We have attempted to throw light on the effects of integrated marketing communication on both online and offline purchases. We have attempted to provide clearer pros and cons of both online and offline marketing and sales which can bring about significant variations in the number of profits earned by the company. The convenience factor for the customer in making online or offline purchases partially has a role to play in the effectiveness of the marketing strategies. This shows a connecting chain between consumer convenience, the effectiveness of the marketing strategy, consumer satisfaction, consumer commitment and brand loyalty. It also includes concepts like comparisons between online and offline demand and price variants which forms the base of marketing products of these companies.

Keywords: *Consumer Satisfaction, Virtual Experience, Customization.*

1. INTRODUCTION

E-commerce today has become an unequivocal requirement in the business world and has carved a niche for itself in the competitive marketplace. It seems impossible to live without the internet these days. The main dilemma facing the customer is a variety of buying options, predominantly the online portals and brick and mortar shops. Both these options can satisfy the purchase interest of the customer. However, this has led to a serious challenge for companies on how to target and capture their customers. In the present day, capturing customers is of utmost importance for the sustenance of the company in the market. The psychology of human beings has to be studied. With e-commerce gradually dominating the market, there is a healthy competition between both online and offline modes of marketing. This has ushered in a new era wherein consumers are free to buy whatever they want to and satisfy their interests.

2. REVIEW OF LITERATURE

(Zhang, 2009)

The article studies the effects of customized promotions at 3 different levels: mass market, various segments, and the individual. The importance of customization is highlighted and its impact on the two types of stores is studied to understand the ability to make profits. It is seen that loyalty promotions are more useful in online stores than offline stores and the vice versa is true for competitive promotions.

(Danaher, 2003)

In this article, the key differences in customer loyalty of 100 grocery brands were studied in traditional and online environments. It was seen that people who shopped online for groceries looked at high-quality brands. After the initial utilization of the product, the buyer becomes familiar with the quality of the product and thus doesn't hesitate in making frequent buying choices. Customers perceive low-quality brands as being risky choices while shopping online. On the other hand, when buying groceries offline, they do not mind buying a lesser known product. When e-commerce first emerged people felt that it would lead to vanishing brand loyalty and this is true to an extent, even in today's context.

(Granados, 2012)

The article throws light on the price elasticity of demand with specific reference to the air travel sector. Data related to the sales and

prices of online and offline modes were collected. The online travel sector happens to be more price elastic than the offline sector. Multichannel strategies can help in eliminating the gap between offline and online modes of demand and cater to all sectors. However, owners were not open to innovation and felt that the risk factor may be higher due to competition.

(Román, 2014)

The article aims to bring out the fact that online marketing can deceive the customers and can lead them to make wrong shopping choices. On the other hand, offline shopping will enable customers to have a good shopping experience. It is also believed that there is a positive relationship between materialism and shopping enjoyment. Materialism is said to have a positive effect on both offline and online shopping. Experiments were conducted on customers in the retail market by focusing on purchases of computers and e-gadgets. It was found that consumers who were risk averse would not shift to online shopping easily. Hence due to the risk-averse nature of customers, they tend to gather less knowledge of online shopping options.

(Bonatti, 2011)

The following article highlights on how targeting ability of companies is higher for online rather than the offline sector. Due to this, there is competition between the two sectors to capture market share. The online market is easily accessible to the masses and therefore large firms tend to advertise more of their products in the online mode and leave the offline mode. However, the cost of advertising remains high in either case.

(Jost, 2011)

This article gives us an elaborated vision of the relationship between online and offline marketing. Online marketing and traditional marketing work on the same objectives of the company but the methods used differ. The article also says that online marketing belongs to the same framework of offline marketing but they are implemented on different grounds. The functions of 7 P's of marketing are carried out in the same manner but the results may vary on the bases of sales and consumer satisfaction.

(Nahid, 2012)

This article mainly involves four main e-marketing tools which have been trending due technological developments. This article gives us a view about the importance and the level at which both online and offline marketing strategies have been used in the market. The article says that effectiveness of the strategies depends on the customers' level of convenience, online purchases are more cost and time effective whereas offline purchases have higher level of satisfaction. In a technology-driven society, online marketing strategies have a significant role to play but there is enough number of customers who would prefer making purchases offline.

(gupta, 2015)

This article includes a comparative study consumer's choice of making online and offline purchases. The study was conducted in Odisha to analyze the decision making of the population the article mainly dwells on the concept of consumer satisfaction on the purchases of products in two different flat forms. The article talks about risks like quality, lack of bargaining, delivery time, previous experience involved in online shopping. The article shows that the marketing strategies for both online and offline flat forms have a lot of impact on the purchases of the population.

(BILOS)

This article mainly focuses on trending changes in the way products are communicated to the customers by promotional activities. It also shows the journey from traditional marketing to online marketing and their impact on sales of the products. The article talks about the high costing of online marketing and their impacts on different markets. The article provides us a measurement gap of communication between online and offline marketing

(pawar, 2014)

This article mainly talks about impacts on online marketing with integrated marketing communication. It gives us a brief knowledge about the different tools of marketing communications like advertisement, sales promotion public relations and their benefits. It shows how marketing communication helps in the easy flow of the buying process and gradual increase in profits for the company. It shows the effects of lack of marketing communications which would impact the customers level of commitment

3. METHODS

We have made use of secondary data in the form of journals and articles to make an analysis of the offline and online marketing activities. The data which is collected in the respective researches are arrived at by using statistical tools like t-tests, hypothesis testing, questionnaires, regression and empirical analysis.

4. RESULTS

The main results are summed up as follows. In recent times, customers prefer to use the online mode of marketing considering the fact that it is easily accessible and people get to target their customers easily. However, the cost of advertising is pretty high for both online and offline modes of marketing. Online mode is said to create perceived deception among buyers and hence some researchers feel that buying offline can be safer and help them enjoy themselves. Materialism is said to have a positive impact on buying patterns in both sectors. Lesser known brands are not preferred while shopping online as sufficient data of the product is not available but the vice versa is true for offline shopping.

5. CONCLUSION

Analysis of both online and offline marketing strategies have helped in reaching conclusions that both online and offline mediums have pros and cons. The online medium is more time efficient and more productive in today's technology driven world. People prefer making online purchases because it also allows the exchange of goods in addition to the principal advantage of door delivery. This makes it less time consuming to the customers who can utilize this time elsewhere for more productive work. The disadvantage of online purchasing is that the customers can be misled because there is no guarantee of the quality or the product itself and the customers do not have the bargaining power in their hands.

The advantages of offline shopping are that the customer gets a virtual experience of the products, also gets a full guarantee of the product and there are fewer chances of the customer being misled regarding the price or the product quality itself. The marketing strategies used on both online and offline bases are done using different methods but both are ultimately focused on fulfilling the company's objectives, and the effectiveness of the marketing strategy depends on the convenience level of the customer and this leads to consumer satisfaction. The commitment level of the customer also partially contributes to consumer satisfaction.

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