T-Market vs. E-Market: A Study of Consumer Behavior while Purchasing Consumer Durable Goods

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This research work is dedicated towards the evolving concept of Marketing. Marketing term has been continuously changing its meaning and scope as the organizations progress. This study aims at looking deeply into the organizations changing strategies and its policies towards market. Further it also compares the traditional approach of marketing with the new and sophisticated E-marketing approach. It deals with the various challenges an organization faces in the new dynamic environment. It also focuses on the consumer behavior while purchasing those goods which require deep analysis. It shows how the consumer sensitivity turns round towards the new marketing approaches adopted by the organizations.

Keywords: T-market, E-market, Consumer behaviour.

1. INTRODUCTION
When companies start business, their main goal is to make profit and accomplish a successful growth in the defined Market. Market is a place where buyers and sellers meet to satisfy their needs and wants. In its original context a traditional market is defined as a physical place where buyers and sellers meet in order to make exchanges (Kotler, Wong, Saunders & Armstrong, 2005).

However, the Internet which is a rather new type of digital interactive media, an electronic channel of communication where actors can take part actively and instantly (Arens, 2004), has given rise to a new marketplace and a new form of commerce called e-commerce. To conduct e-commerce on the Internet is to buy, sell, transfer, or exchange products, services, or information (Turban, Leidner, McLean & Wetherbe, 2006). Internet is a new marketing tool that can be used by companies in order to reach their customers. Internet marketing is defined as “the application of the Internet and related digital technologies to achieve marketing objectives and support the modern marketing concept”. (Dave Chaffey et al. (2000), Internet Marketing: Strategy, Implementation and Practice, Pearson Education Limited)

Entrance of Internet into our lives has brought many possibilities and that has also affected marketing. Since the evolution of Internet, the Internet selling or e-selling has become ever more established in everyday life in the society and is even replacing the traditional medium, to some degree. It is a new channel for communication which brings along new opportunities for marketing.

As explained by Cross and Smith (1996), the key selection criteria for consumers purchases in the interactive age will be the marketers ability to deliver pure and relevant information. This new environment has changed the traditional marketing process into a more customer initiated and controlled process. Traditional marketing is aimed at a passive audience while e-marketing is targeting. Through a website, a company can present itself in many ways where the customer can study different aspects of the company and get to know it well where as this is not possible in the same way through traditional tools for promotion. Internet service can have on a company’s image (Malcolm Newbery, 2006, Trends in online apparel retailing: Online issues)

Consumers that actively seek information and thus single-handedly screen out the unwanted information (Kotler 2005).
Of special interest is when consumers are highly involved in their purchasing of a durable product. This is when buying behavior is complex due to high risk in terms of financial commitment, and when differences are considerable among brands while purchasing consumer durable goods. A product that might induce high-involvement, according to, could for example be a personal computer. (Alan Charlesworth. (2009) *Internet Marketing: A Practical Approach*, Butterworth-Heinemann)

The search is to find out if high-involvement purchases also affect what marketplace consumers chose. Hence, the study will be narrowed down to focus more directly on consumer durable products, and more specifically Mobiles and Cameras

2. LITERATURE SURVEY

The Literature survey will mainly cover aspects related to consumer behavior with respect to the traditional and online environment. Additional theories that will be covered are related to the online market and high-involvement purchases with power to influence consumers in the decision-making process.

2.1 Consumer Behavior

Buying behaviour is the process in which individuals and groups are affected when they evaluate, acquire, use or dispose of goods, services or ideas. The importance of understanding consumer behaviour is more specifically attached to; opportunities in the market, selection of target, the marketing mix, and sending appropriate messages. The aim of learning about consumers buying behaviour is, from a business perspective; to be able to more effectively reach consumers and increase the chances for success.

2.2 Buyer Decision Process

As presented by Kotler et al., (2005) the buyer decision process consists of five stages; namely need recognition, information search, and evaluation of alternatives, purchase decision and post-purchase behaviour. The important notion is that a purchase should be viewed as a process rather than just a single action. Consumers do not necessarily go through all five steps in every purchase situation since some purchases are less complex than others.

2.2.1 Group Influence: (Kotler et al., 2005)

Consumers are influenced by a number of social factors in their buying behaviour, such as family, groups, social roles and status. Primary groups are family, friends, neighbours or other groups that the consumer has regular yet informal interaction. Secondary groups on the other hand are less frequent but more formal gatherings like religious groups, organizations, professional associations and so on.

2.2.2 Involvement

The level of involvement is individual and dependent of the consumer’s interest and/or recognized importance. A certain level of involvement and differences between brands decide how motivated the consumer is to process information. (Jennifer Rowley, *Remodeling marketing communications in an Internet environment*, Internet Research, Bradford, 2001, Vol. 11)

2.2.3 Complex Buying Behaviour

There are several factors that might make consumers highly involved, for example when (Kotler et al., 2005);

- Purchase involves a high risk,
- Products are expensive,
- There are great differences among brands,
- Products are very self-expressive,
- And/or when the product is purchased rarely

2.2.4 Dissonance-Reducing Buying Behaviour

In situations where consumers carry out a dissonance-reducing buying behaviour, the same factors constitute an important role as for the complex buying behaviour, except here we only find few differences among brands. Consequently, consumers are highly involved, but tend to make quick decisions after learning what choices they have, and price often becomes the primary factor of importance (Groucutt, J. & Griseri, P. (2004). *Mastering e-business*. Basingstoke, Hampshire: Palgrave Macmillan).

2.2.5 Habitual Buying Behaviour

Habitual buying behaviour are undertaken when consumer involvement is low. Also here differences among brands are recognized as insignificant, and price is low. The products are bought on a regular basis, and the choice of brand is made by routine (Kotler et al., 2005).

2.2.6 Variety-Seeking Buying Behaviour

Here highly perceived differences among brands often result in brand switching. Consumers have a low-involvement, and often hold a belief about the product before the purchase. Evaluation of the product is instead made during the consumption (Kotler et al., 2005).
2.2.7 Online Consumer Behavior

Internet has become so vital for our everyday life where it has evolved from a theoretical concept to the reality it is today. There are so many activities on the Internet that not even your imagination can set the boundaries for what is possible. The more experience consumers have with the Internet and online purchases, the more likely it is that they will spend more money online, which clearly is another interesting finding with regards to online consumer behaviour. The increased competition in the online environment has made the acquiring and retaining of customers more complex than ever before. The key here is to be able to understand the consumer behaviour online in order to find success (Turban et al., 2006a).

2.2.8 Trust in e-Commerce

Trust can be defined as; “the psychological status of involved parties who are willing to pursue further interaction to achieve a planned goal”, Turban et al., (2006a, p. 149). Trusting someone means to have confidence that the promises made by another party will be kept. This statement also implies that there is a certain risk involved, for both parties, that this trust can be breached. The breach could involve destructive actions from either party or problems within the e-commerce environment and infrastructure.

3. PROBLEM STATEMENT

The Internet explosion has shifted some of the traditional shopping to the online shopping environment. The Internet has also divided consumers into two distinctively characterized groups, namely traditional and online consumers, where the latter tend to value information highly and are more skeptical to pure sale messages (Kotler et al., 2005). With the increasing importance of the Internet in everyday life, both from a social and commercial point of view, it has become ever more crucial to understand the new market and the new type of consumer. This information is hidden in the perceptions and attitudes where these parts depict the behavior of consumers, which is why spies are used in extracting this type of information. The more concrete task of the spies in the context of this thesis consists of understanding what implications the Internet has on consumer behavior in general and high-involvement purchases in particular.

There are great advantages and opportunities with studying consumers in order to find out what could make them purchase more on the Internet. This is a burning and contemporary issue that needs to be explored further as both the consumers and the online market could profit from the findings of this research, although on the expense of the traditional market The purpose of this thesis is to find out that what are the specific features buyers in the traditional market believe are unsatisfactory or missing in the online market. Our findings will help us give suggestions on what actions online marketers might take in order to redistribute high-involvement purchases from the traditional market to the online market.

4. OBJECTIVES

The Objectives of this research are

• To find the distribution of consumers while purchasing consumer durable goods at the traditional market in contrast to the online market.
• To analyze the consumer behaviour while purchasing consumer durable goods in the traditional market.
• To investigate the consumers preferences of one market over the other.
• To suggest some techniques for the online marketers to make it popular among the consumers.

5. HYPOTHESIS

Null Hypothesis: Consumers still prefer traditional market over online market in the era of electronic revolution.

6. RESEARCH METHODOLOGY

The data collection throughout the study includes both qualitative and quantitative research methods. The reason behind the combination rests on the requirement that all data assortment has to be appropriate, justifiable and relevantly collected. The two approaches have their respective advantages; the quantitative is used to address hypothetical relationships among variables that are measured in numerical and objective ways. The qualitative on the other hand, is used to address questions of sense, interpretation and realities in a social construction (Newman, Ridenour, Newman & DeMarco, 2003). The target group for the entire thesis was students at M.D University. We have chosen to concentrate the study on students because;

1. Data from this segment is relatively accessible, both from geographical and time consuming aspects. The gathering of data is further simplified as students are in daily contact with the researcher.
2. Students are constantly bound to use the school networks for various concerns (in-formation search, student collaboration, data sharing, signing-up for exams/projects/courses, document uploading/...
downloading, general track-keeping etc.). Consequently, they are familiar with Internet usage – a vital factor to be able to provide sufficient information to the study.

3. Built on previous experience and observations it is likely that students have, at some point in their life, conducted a high-involvement purchase (e.g. Mobiles and cell-phones etc). Conclusively, the probability to acquire appropriate information within this segment is believed to be high.

On the basis of the second explanation above, only students that have answered that they use the Internet on a daily basis were considered in the qualitative interviews. An additional requirement has been that they have bought their current Mobile in the traditional market. This lies within the reasoning to figure out why they have avoided the Internet in this matter. It is important to follow this requirement since the research aims to investigate the reasons for why some consumers avoid purchasing high-involvement products online. Finally, to ensure an objective evaluation of perceptions among students, but also between sexes, an equal gender distribution has been chosen to represent the segment.

The data collection for finding out where students make their high-involvement purchases is to demonstrate the market allocation of consumers. It is only to map out the purchase location (i.e. the traditional or online market) and thus the survey will be run in a quantitative fashion. A group of Two Hundred students is to represent the segment.

The reason behind driving a quantitative research on one hand and a qualitative research on the other is to answer two essential but different questions. The quantitative research basically aims at showing the purchase location. The results from this research will mainly entail the statistical reality, thus answering – where do students purchase their Mobiles? The qualitative research will on the other hand reveal the reasoning behind the choices students make in prior to the purchase, thus uncovering – why do they purchase their Mobiles and cameras at one location and not the other?

Since the quantitative survey is only to categorize consumers into two segments, i.e. traditional buyers and online buyers, it is arguable to treat the data nominally in a descriptive fashion (Saunders, Lewis & Thornhill, 2003). Although the data is purely descriptive it is possible to measure the case spread between the two segments and since this is the only measure we desire at this particular moment of the process, it is unnecessary to take the data treatment further. The survey entailed where 500 students had made their last Mobile and camera purchase. Further, it disclosed their age and gender, but also data on level of involvement, frequency of Internet use etc. It is simply an illustration of the consumer distribution among students. The quantitative survey was provided to students in English.

7. THE QUALITATIVE RESEARCH

In the qualitative survey we examined the reasons behind the choices that students make. The choices are associated with which market place they prefer and why they prefer it. The selection of interviewees renders from certain requirements, such as high Internet usage frequency, high-involvement and what purchase location they chose for their Mobile. It included 200 cases, all of whom had bought their respective Mobiles and cameras in the traditional market; 100 male cases and 100 female cases. The reason for selecting 200 interviewees was since this amount was feasible and manageable within the given time horizon. It is within the research area to figure out what needs to be done in order to attract traditional consumers to online purchasing and hence the traditional consumers (and not the online consumers) must be interviewed to provide answers to why the Internet has been avoided in this matter. The idea that already current online consumers could be studied to come to disclosing findings for this matter is evident, but the interest of the study lies in the missing attributes for online purchasing – attributes that current online consumers understandably have disregarded or overseen. An equal gender distribution

![Figure 1: The Quantitative Research](image-url)
has been selected for the 200 interviews to ensure an objective evaluation, not only of perceptions among students, but also differences opinions across the sexes. Perhaps males and females think differently, and this notion should not be neglected in advance. In our investigation we examined consumer behavior and its subcategories, all of which we believe are drivers of high-involvement decision making, an idea also stated by Kotler (2005). By conducting in-depth interviews with cases from the traditional segment – students that have purchased their Mobile in the traditional market – the findings should lead to results that can be helpful in attracting more consumers to the online market. The aim is to figure out why they are reluctant to purchase online. Conclusively, the major motive arises – to discover why traditional consumers have avoided online stores.

8. CONCLUSION & RECOMMENDATION
The traditional market, regarding consumer durable products, possesses the ability to pro-vide its consumers with the possibility to redeem the evident experiential need for testing and trying out the product prior to the purchase decision. The online market, in its inability to offer this opportunity is bound to find other ways to attract consumers. Concurrently, online merchants need to come up with solutions to either provide substitutes in the absences of this experiential factor or to offer deals persuasive enough for the consumers to disregard the experiential need. The study entails that elements of importance include price competitiveness, delivery systems, return policies, customer service and product presentations. In a high-involvement context, these are the features that consumers regard as vital when online purchasing is mentioned.

References