

Understanding Research Online Purchase Offline (ROPO) Behaviour of Indian Consumers

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ABSTRACT

E-commerce business is increasing at a huge speed in India but still bigger cake is in the hand of offline retailers. Because of the easy accessibility of internet, a unique kind of consumer behaviour has been seen where the consumer searches products and information through internet and then purchases offline. This article accesses the factors why consumers research online and purchase offline. The objective of this study is measuring attitude towards ROPO behaviour. For this, a survey method has been used and data was collected online and offline. The principal component factor analysis technique is used in order to investigate the common factors that might explain underlying reasons for ROPO behaviour. It was found that factors affecting ROPO behaviour are product knowledge and information, online shopping infrastructure, quick possession, risk reduction, and shopping experience among Indian consumers. The findings of this study provide important insights for the e-commerce platforms which have spent money trying to be competitive and do not get the expected conversion.

KEYWORDS

e-Commerce, Indian Online Retailing, Multichannel Retailing, Offline Channel, Online Channel, Online Shopping Infrastructure, Purchase Decision, Shopping Experience

INTRODUCTION

Online marketing has emerged as a new business opportunity in various business categories. This rise of new business model has challenged the conventional business model. Online business avenues attract various new entrepreneurs and establish businesses to adapt this model for sustainable competitive environment. This shifting trend has also changed in consumer behaviour also. With the emergence of the online channel in addition to the traditional channel, consumers can perform the decision making process in both channels and across these channels (Uzan, 2014). PwC's Annual Global Total Retail Consumer Survey (2015) established that 70% of the internet users gathered product related information online and later bought them offline. Consumers display a unique behaviour in offline and online setting that they search and evaluate information online and purchase offline, this is known as research online and purchase offline (ROPO) behaviour. This behaviour is also known as research online, buy offline (ROPO) or Online-to-Store (O2S-Factor) and Web rooming. The internet emerged as a powerful research instrument in buying decision process. Various e-commerce website such as Amazon, Flipkart, Shopclues, and various customer review sites such as Angie's List, Choice, Consumer Reports provide reviews, recommendation and comparison for products and this information

DOI: 10.4018/IJOM.2020010101

play a prominent role in influencing buying decisions (Helvesen et al., 2018). Nowadays, the internet provides well rounded research for selecting better product or services. However, these consumers purchase the product through conventional channels. Being physically able to touch and product interaction is an important element for consumer in their buying decision process and buying offline provide this element at the time of purchasing, instead of waiting for the purchase to be delivered.

Research Online Purchase Offline is important consumer behaviour and understanding this type of behaviour provides various marketing opportunities. Nowadays consumers have different channels to buy product and services and they also switch from one channel to another in finalization of their purchase. Past research focuses towards various dimensions of online marketing, including ROPO behaviour. However, the foci of most studies have been on the USA or other European and developed countries. Little is known about ROPO behaviour in developing countries such as India (Gehrt et al., 2012). Shifting of consumers from crowded offline stores to online stores is a global phenomenon but trends are different in India, Indian consumers confine themselves towards an online store because security and privacy concerns (Vijay and Balaji, 2009).

The primary objective of this study is to investigate the ROPO behaviour among Indian consumers. In addition, this research also an attempt to identify the underlying dimensions of ROPO behaviour among Indian consumers. India is emerging as the fast developing economy and become the second highest internet user base in the world (TOI, Nov 18, 2015). As per the report by the Internet and Mobile Association of India (IAMAI), India is likely to reach 402 million by December 2015, with a growth of 49% over last year. This number is expected to further surge to 462 million by June next year as more people come online (TOI, 2015). However, there are so many disadvantages of online shopping also such as online retailers are believed to be dishonest; delivery times are too long; not being able to see the real products can lead to mistakes; and the choice is limited and prices too high due to which customer generates less trust over this mode of shopping (Boulay et al., 2014). Dennis et al. (2002) suggests the similar phenomenon that many consumers experienced offline shopping more enjoyable as compare to offline shopping.

ROPO BEHAVIOUR: AN EXPLORATION THROUGH LITERATURE

Research Online Purchase Offline (ROPO) behaviour is rapidly increasing phenomenon nowadays and hence get a serious discussion point for academicians, researchers and companies. Recent literature researched on multichannel retailing and confirm the existence of ROPO behaviour (Arora and Sahney, 2017; Chou et al., 2016) where product and service information is gathered through internet and purchasing have been accomplished through offline stores. This phenomenon is buzzing in recent times but the related concepts have been explored earlier such as hybrid retailing (Kalyanam and Tsay, 2013) and research shopper phenomenon (Verhoef et al., 2007).

Extensive Exploration of ROPO behaviour Literature reveals a numerous reasons as to why or why not consumers research online and purchase offline. Detailed information about product and services online with online reviews, rating assist customers to take better decisions (Flavian et al., 2016). Customers also search online about the products and services in order to narrow down their choices before moving offline stores (Wolny and Charoensukasai, 2014).

Hahn and Kim (2009) pointed out that customer services are points of interaction are important in e-commerce. Risk is a major issue for online customers, so online customers use offline features as a risk reduction approach before they decide to go online (Al-hawari and Mouakket, 2012). Consumers perceive high variations in product quality and hence perceive online more risky than offline purchasing (Grewal et al., 2004). In order to reduce such risk, online marketers have to focus upon developing trust because the element of trust has always been higher in offline settings. Adopting offline retail channel by online players is acting as a powerful inducer of trust in the company's operations (Jones and Kim, 2010). Trust emerges as an important element in research online purchase

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