

Effects of Digital Technology on Consumer Behaviour: Online v/s Offline Shopping

Ankita Bharatbhai Bhatt¹, Dr. Kruti P. Shah²

¹*Research Scholar, Mahdi Mahila Commerce College, Bhavnagar-364110*

²*GLS University, Ahmedabad*

doi.org/10.64643/IJIRTV12I8-191157-459

Abstract—Digital technology's quick development and broad use have drastically changed consumer behavior, especially when it comes to purchasing habits and decision-making. The way that consumers look for information, weigh their options, and decide what to buy has changed as a result of digital tools including smartphones, e-commerce platforms, mobile applications, digital payment systems, social media, and recommendation systems powered by artificial intelligence. The purpose of this study is to compare online and physical buying in order to investigate how digital technology affects consumer behavior.

Information search behavior, perceived convenience, price sensitivity, trust and security perceptions, product evaluation, impulsive buying inclinations, and post-purchase pleasure are all important behavioral variables that are impacted by digital technology. It also looks at how consumers' preferences for online or offline shopping modes are influenced by variables like demographics, digital literacy, technological accessibility, and internet usage frequency. Online buying has several benefits, including convenience, a greater selection of products, competitive pricing, and time savings, but offline purchasing is still preferred for in-person product inspection, rapid possession, and greater perceived confidence.

In order to gather consumer impressions and behavioral trends across both shopping modes, a mixed-method research methodology is suggested, utilizing structured questionnaires and statistical analysis. It is anticipated that the results would underscore the increasing

prevalence of digital platforms while highlighting the ongoing significance of offline retail in offering experiential value. By providing insights into the changing hybrid consumer behavior influenced by digital technology, the study adds to the body of previous studies.

In order to create integrated omni channel strategies, enhance customer satisfaction, and successfully handle the evolving demands of digitally empowered customers in a cutthroat market, marketers, retailers, and policymakers will find great value in the research's findings.

I. INTRODUCTION

The quick spread of digital technologies has transformed marketplaces and changed how customers engage with goods, companies, and merchants. Online shopping experiences that were before unthinkable have been made possible by technologies like social media, smartphones, high-speed internet, artificial intelligence (AI), and augmented reality (AR). In the meantime, offline retail keeps changing by incorporating digital solutions like contactless payment methods and in-store digital kiosks. Because of these changes, it is now essential for academics and professionals to comprehend how digital technology affects consumer behavior.

II. PROBLEM STATEMENT

Traditional physical shopping continues to draw customers looking for tangible experiences, even though internet channels offer accessibility and convenience. Questions concerning how digital technologies impact important consumer behavior constructs including motivation, information search, evaluation, purchase choice, and post-purchase behavior are raised by the competition between online and offline channels.

III. OBJECTIVE OF THE STUDY

This paper wants to study:

1. Examine how digital technology affects customer behavior.
2. Compare the dynamics of offline versus internet shopping.
3. Analyze how preferences and purchase decisions are impacted by digital innovation.
4. Determine the consequences for retailers and marketers.

IV. SCOPE OF RESEARCH

The study investigates how digital technology affects consumer behavior on a psychological, social, and economic level. It also takes into account how different demographics and new trends are influencing both online and offline shopping.

V. LITERATURE REVIEW

- Theories of Consumer Behavior

Models like the Information Processing Model, Theory of Planned Behavior (TPB), and Technology

Acceptance Model (TAM) are used to study consumer behavior. These frameworks describe how consumer decision-making is influenced by both internal and external variables.

Information Processing Model: Describes how customers look for, evaluate, and use information prior to making a purchase.

TPB: Emphasizes perceived behavioral control, attitudes, and subjective norms.

TAM: Describes how technology adoption is influenced by perceived utility and usability.

- Using Digital Technology in RetailThe retail environment has been reshaped by digital technologies through:
 - Platforms for online sales
 - Apps for mobile devices
 - Marketing on social media
 - AI-powered suggestions
 - VR/AR virtual try-on

- Shopping Behavior: Online versus Offline Research reveals variations in:

Decision-making velocity
Overload of information
Experiences with the senses
Perceived danger
Security and trust issues
Online buying may be more convenient for customers, but offline purchasing may be more authentic and engaging.

VI. RESEARCH METHODOLOGY

Design of Research

Based on current literature, industry reports, and theoretical frameworks, this research provides a conceptual and analytical investigation.

Data Sources

Academic publications, industry papers, novels, and digital market studies were the sources of secondary data.

The Analytical Method

The impact of digital technology on consumer behavior in both online and offline situations was assessed using qualitative synthesis and comparative analysis.

VII. FINDINGS AND DISCUSSION

Identification of Needs

Through tailored recommendations (such as alerts and advertisements), online platforms speed up the identification of needs.

Salespeople and in-store displays are what drive purchases in offline retailers.

Information Lookup

Online buying provides a wealth of information that is always available, including reviews, ratings, and videos.

Customers that shop offline rely on store employees, product displays, and in-person inspection.

Online shoppers frequently make decisions faster when cross-platform information is available.

Assessment of Options

AI-based recommendations, filters, and side-by-side comparisons are made easier by online tools.

Immediate interaction and tactile experience have an impact on offline evaluation.

VIII. PERCEPTION OF RISK AND TRUST

Risks associated with online shopping include fraud, security, and product legitimacy.

Risks associated with offline shopping include time, effort, and restricted selection.

To lessen the anxiety associated with making purchases online, digital interfaces now use trust signals (certifications, secure payment badges).

IX. CONTENTMENT AND ALLEGIANCE

Online buyers place a high importance on customer service responsiveness, website usability, and delivery quickness.

Personal service, atmosphere, and in-person product examination are important to offline consumers.

In an effort to increase loyalty, omni-channel tactics try to leverage the advantages of both modalities.

X. USING TECHNOLOGY TO IMPROVE OFFLINE PURCHASING

Digital technologies are used by retailers in their stores:

Interactive kiosks

QR codes to access product details

Mobile point-of-sale systems

Beacons for customized deals

The conventional divide between online and offline encounters is lessened by them.

XI. SOCIAL MEDIA'S FUNCTION

Through reviews, influencer marketing, and community involvement, social media platforms

shape preferences. This is true for both physical and online shopping situations.

XII. COMPARATIVE ANALYSIS: ONLINE V/S OFFLINE SHOPPING BEHAVIOUR

Purchase Behavior

Online: Often during sales occasions, algorithm-driven impulsive purchases.

Offline: Experiential purchases and planned purchasing.

Effort and Time

For customers who are pushed for time, online shopping is essential because it minimizes physical strain and travel time.

Sensitivity to Price

Price transparency online increases sensitivity and comparison shopping. Offline may include negotiation and bundling offers.

After-Purchase Conduct

Online return policies differ, and how simple it is to return items affects future purchases. Offline purchases are subject to store restrictions and hours, but they can be returned right away.

Interaction with Customers

While local engagement necessitates personnel and experiential design, online engagement through apps and reward schemes is automated.

XIII. HOW TECHNOLOGY IS CHANGING CONSUMER BEHAVIOR

Mobile Shopping

Smartphones enable purchases at any time and from any location, leading to a trend toward transactions that take place while on the road.

Personalization and Big Data

Retailers use customer data to customize offers, communications, and recommendations, which boosts conversion rates and lessens information overload.

Chatbots and AI

Automated assistants facilitate online decision-making, simulate human interaction, and speed up response times.

AR, or augmented reality

Customers can see products (like furniture in a space) with the aid of augmented reality (AR) tools, which lessens ambiguity in the absence of actual presence.

Smart and Contactless Payments

Checkouts in both online and offline channels are made easier by digital wallets and UPI systems.

XIV. IMPLICATIONS FOR MANAGEMENT

Multichannel Approaches

For smooth client journeys, retailers need to combine online and offline channels:

Click-and-collect services

Consolidated loyalty schemes

Regular promotions and prices

Increasing Customer Confidence

Businesses ought to:

Put in place robust cybersecurity

Emphasize credentials and safe payment marks

Provide clear return and refund procedures.

Customization and Involvement

Customizing experiences is made easier by utilizing customer data:

Customized emails

Suggestion engines

Campaigns on social media

XV. FUTURE TRENDS

Voice-Commerce

Voice assistants like Alexa and Siri will have an impact on consumers' search and shopping habits.

dynamic interaction between traditional retail values and digital capabilities. Future successful retail formats will be defined by the strategic integration of online and physical channels, supported by digital technologies.

Online Shopping

Social media platforms will see an increase in integrated shopping, which will improve the ease of discovery and purchase.

Smart Retail and IoT

Inventory control and real-time customisation will be provided by connected gadgets.

Immersive Retail and the Metaverse

By fusing digital and real-world shopping, virtual shopping spaces will revolutionize experience retail.

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XVI. LIMITATION AND POTENTIAL FOR ADDITIONAL STUDY

This study uses secondary data and is conceptual in nature. Subsequent empirical studies may include:

Comparing cultures

Quantitative studies on the uptake of technology

Longitudinal research on changing preferences

XVII. CONCLUSION

Digital technology has had a significant impact on consumer behavior, changing how things are located, assessed, and bought. While offline purchasing still meets experience and sensory criteria, online shopping shines in speed, convenience, and customization. Modern consumer behavior is a reflection of the