

Comparative Analysis of Online Product Purchases and Service Usage: Insights for Retailers and Service Providers

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ABSTRACT

This study compares the number of responses between online product purchases and service usage to understand the differences in consumer behavior. The results show that online product purchases significantly outperform online service usage, with the most popular product categories being Mobile/Laptop/Desktop, Sports Fitness, and Clothing. Banking transactions are the most used online service, followed by movie tickets and railway tickets. The findings suggest that retailers should focus on expanding their online presence and optimizing the shopping experience for popular product categories, while financial institutions and service providers should invest in improving their online platforms. The study provides valuable insights for businesses to enhance their digital strategies and improve customer engagement.

KEYWORDS: Online, Product, Purchases, Retailers, Service, Providers.

INTRODUCTION

Today's savvy shopper seeks a different kind of retail experience - one that's convenient, time-saving, and accessible from the comfort of their own home. Enter the world of online shopping, the digital revolution that has transformed how we buy and sell everything from groceries to gadgets. It all started with the humble internet, weaving its way into homes and businesses, providing access to a vast pool of information and, soon enough, a global marketplace. No longer restricted by geographical boundaries, consumers found themselves with an unprecedented choice of products, all neatly displayed on their computer screens. The unpleasant crowds, long queues, and limited options of traditional markets became a distant memory. The explosive growth of information technology (IT) played a crucial role in this retail revolution. High-speed internet connections replaced dial-up struggles, user-friendly websites and mobile apps simplified the shopping experience, and secure payment gateways like digital wallets and online banking made transactions a breeze. This seamless integration of technology made online shopping not just convenient but also secure and reliable. The

convergence of the internet and IT paved the way for the rise of e-commerce, a thriving ecosystem of online stores, marketplaces, and delivery services. From fledgling startups to established brands, everyone joined the digital bandwagon, offering an array of business and commercial models to cater to diverse customer needs. Consumers, empowered by choice and convenience, embraced this new way of shopping, using the internet as their go-to resource for research, price comparison, and purchase decisions. The Indian market, with its rapidly growing internet penetration and rising disposable incomes, has become a fertile ground for online shopping. Improved data connectivity, especially in rural areas, is further fueling this trend. Consumers are increasingly comfortable clicking their way to doorstep deliveries of everything, from everyday essentials to high-end electronics. This digital shopping spree is likely to continue, with both basket size and average spends expected to increase, albeit at varying rates.

REVIEW OF LITERATURE

AnuRadha, S., & Vanathy, J. J. T. J. (2024) makes a significant contribution to the understanding of online shopping behaviour among female students from conservative communities in a post-pandemic world. By applying the TAM framework and utilizing robust methodology, the authors provide valuable insights and actionable recommendations for online retailers. Further research exploring cultural influences, generational differences, and longitudinal trends could offer even richer understanding of this evolving demographic.

Kingston, A., & Paulraj, G. (2024) This study by delves into a critical and timely topic: the influence of packaging awareness on the purchase decisions of young consumers, specifically focusing on students in Thoothukudi district, India. By investigating this specific demographic and their attitudes towards eco-friendly packaging, the authors address a growing concern in the context of sustainable consumption. This study makes a significant contribution to the understanding of how packaging awareness shapes the purchase decisions of young consumers. By employing a robust SEM approach and focusing on a critical demographic, the authors provide valuable insights and actionable recommendations for promoting sustainable consumption practices. Further research exploring emotional factors, external influences, and generalizability could offer even richer understanding of this complex issue.

Habib, M. D., Alghamdi, A., Sharma, V., Mehrotra, A., & Badghish, S. (2024) The conclusion of the study underscores the significance of understanding consumer purchase behavior in the context of vegan retailing, given the notable shift towards veganism. The findings contribute to the existing knowledge by providing a qualitative assessment of the factors influencing individuals' adoption of vegan diets and their purchasing behavior. This research is valuable for retailers, policymakers, and stakeholders in the food industry, as it offers insights that can inform marketing strategies, product positioning, and consumer engagement in the growing market for vegan products. The study's focus on the qualitative assessment of consumer behavior in the context of vegan retailing aligns with the increasing scholarly and practical interest in understanding and catering to the needs of consumers adopting plant-based diets.

Agusiady, R., Saepudin, D., & Aripin, Z. (2024) The literature review contributes to academic understanding by providing a comprehensive analysis of the role of social media in shaping consumer behavior during the pandemic and post-pandemic era. Factors such as live streaming, celebrity endorsements, promotional tools, and online reviews have been found to influence

consumer purchasing behavior via social media during the COVID-19 outbreak. The findings have practical implications for companies in adapting their marketing strategies to the evolving consumer dynamics, ensuring that they remain relevant and effective in the changing market landscape.

Valencia, E., Beckett, E., Collins, C. E., Seljak, B. K., & Bucher, T. (2024) findings highlighted that veganism is more than just a dietary behavior and that vegan activism may serve as a double-edged sword, impacting behavioral intentions toward vegan food. The review aligns with the growing scientific attention to veganism, as adopting plant-based or vegan diets can have benefits such as mitigating climate change and promoting animal welfare. It also resonates with the discussion of vegan activism and its impact on the broader community, as some perceive it as a forceful imposition of views, while others see it as a means to spread awareness and engage people in the cause. The study's findings have significant implications for academics, retailers, and policymakers interested in veganism, providing insights into the reasons, challenges, and behavioral intentions associated with adopting a vegan lifestyle. The review contributes to filling the gaps in current studies about veganism and adds to the existing knowledge in this field.

STATEMENT OF THE PROBLEM

The number of responses between product purchases and service usage is a crucial aspect of customer engagement. However, there is a lack of understanding regarding whether there is a significant difference in the mean number of responses for online products purchased versus online services used. This problem statement aims to investigate whether there is a significant difference in the mean number of responses between product purchases and service usage, and if so, to identify the underlying factors contributing to this difference.

OBJECTIVES OF THE STUDY:

- To determine if there is no significant difference in the mean number of responses for online products purchased versus online services used.
- To investigate whether there is a significant difference in the mean number of responses between product purchases and service usage, and if so, to identify the underlying factors contributing to this difference.

HYPOTHESES

Hypotheses1: Number of responses between product purchases and service usage.

H1a: There is no significant difference in the mean number of responses for online products purchased versus online services used.

H1b: There is a significant difference in the mean number of responses between product purchases and service usage.

DATA ANALYSIS AND INTERPRATATION

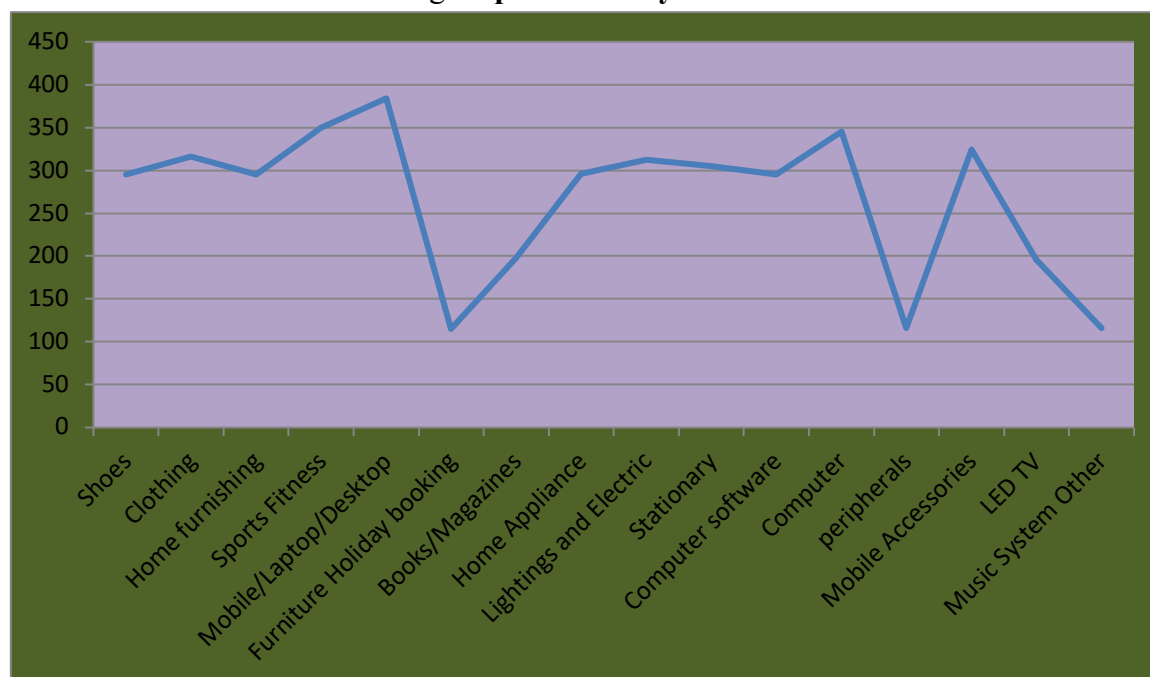
Table Number of responses between product purchases and service usage

Products(a)	No of Res	Services(b)	No of Res
Shoes	295	Railway ticket	298
Clothing	316	Movie ticket	315

Home furnishing	295	Airline ticket	29
Sports Fitness	350	Banking transaction	356
Mobile/Laptop/Desktop	384	Insurance purchase	75
Furniture Holiday booking	115	Share sale/purchase	115
Books/Magazines	198	Bill/Fee payment	68
Home Appliance	296	Premium/EMI payment	68
Lightings and Electric	312		
Stationary	305		
Computer software	295		
Computer	345		
Peripherals	116		
Mobile Accessories	324		
LED TV	196		
Music System Other	116		
t Stat = 108.495	df = 15	p-value = <0.001	

Source: Primary Data

Figure products buy online



This table shows the number of respondents who buy different products online. The most popular product category is Mobile/Laptop/Desktop, with 384 respondents reporting that they buy these products online. Sports Fitness and Clothing are also popular categories, with 350 and 316 respondents, respectively, reporting online purchases. Other popular categories

include Home Appliance (296 respondents), Lightings and Electric (312 respondents), and Stationary (305 respondents). Less popular categories include Furniture Holiday booking (115 respondents), Books/Magazines (198 respondents), LED TV (196 respondents), and Music System Other (116 respondents).

Figure show the number of respondents who use different online services

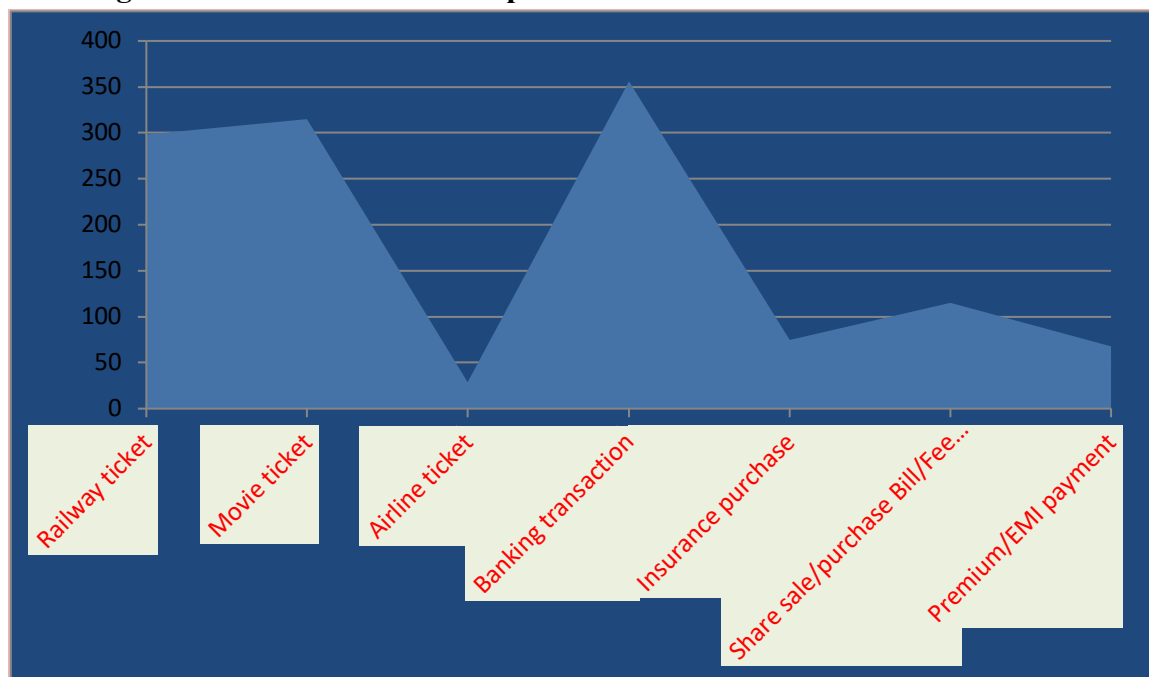


Table and Figure show the number of respondents who use different online services: Banking transactions are the most used service, with 356 respondents reporting their use. This indicates a high level of adoption for online financial activities. Movie tickets and railway tickets follow closely with 315 and 298 respondents respectively, highlighting the convenience of online booking for travel and entertainment. Mobile/laptop/desktop purchases (384) and mobile accessories (324) from the previous table might be related to these online services, suggesting people manage their devices and entertainment through online platforms. Other services like bill/fee payments (115), premium/EMI payments (68), and insurance purchases (75) see lower usage, potentially due to factors like less frequent needs or preference for offline methods. Airline tickets have the lowest usage (29) compared to other travel options. This could be due to the higher value and complexity involved in airline bookings, leading some users to prefer offline channels. Share sale/purchase is not listed, suggesting this activity might be less common among the surveyed population or conducted primarily through offline channels. Since the p-value is highly significant, reject the null hypothesis confidently. This indicates clear statistical evidence that significantly more products are purchased online compared to usage of online services. The strong t-test result aligns with the higher total responses for product options. It confirms the difference between online shopping and services is very significant. Retail e-commerce is the dominant platform, while service commerce lags behind. The statistical analysis verifies online consumers transact much more for retail goods versus using financial and other virtual services. Product retailers should continue focusing business online.

FINDINGS

- The most popular online product category is Mobile/Laptop/Desktop, with 384 respondents reporting purchases in this segment.
- Sports Fitness and Clothing are also highly popular online product categories, with 350 and 316 respondents, respectively.
- Banking transactions are the most used online service, with 356 respondents reporting usage.
- Movie tickets and railway tickets are the next most popular online services, with 315 and 298 respondents, respectively.
- The total number of responses for online product purchases is significantly higher than the total for online service usage.
- The p-value comparing product purchases and service usage is highly significant, indicating a very clear statistical difference.

SUGGESTIONS:

1. Retailers should continue to focus on expanding their online presence and offerings, as e-commerce is the dominant platform for consumer transactions. The study found that online product purchases significantly outperform online service usage.
2. Online retailers should prioritize optimizing the shopping experience for popular product categories such as Mobile/Laptop/Desktop, Sports Fitness, and Clothing to capitalize on the strong demand in these segments.
3. Financial institutions and service providers should invest in improving and promoting their online banking and payment platforms to drive greater adoption and usage. The study found that banking transactions were the most used online service, but overall service usage lagged behind product purchases.
4. Travel and entertainment companies should enhance their online booking systems and marketing to attract more customers to their digital channels for services like movie tickets and railway tickets, which were among the most popular online services.
5. Further research should investigate the reasons behind the lower usage of certain online services, such as insurance purchases and airline tickets, to identify opportunities for growth and address potential barriers to adoption.

CONCLUSION:

The study provides valuable insights into the differences in consumer behavior between online product purchases and online service usage. The analysis reveals that online product purchases significantly outperform online service usage, with the most popular product categories being Mobile/Laptop/Desktop, Sports Fitness, and Clothing. On the other hand, banking transactions are the most used online service, followed by movie tickets and railway tickets. These findings suggest that retailers should continue to focus on expanding their online presence and optimizing the shopping experience for popular product categories to capitalize on the strong demand. At the same time, financial institutions and service providers should invest in improving their online platforms and promoting their digital offerings to drive greater adoption and usage. The study highlights the dominance of e-commerce in consumer transactions and the potential for further growth in online service usage. By understanding these

differences in consumer behavior, businesses can enhance their digital strategies and improve customer engagement, ultimately leading to increased sales and customer satisfaction.

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