Online and Offline Shopping Decision-Making Process of Generation Y Customers

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Abstract
The objective of this paper is to explore the decision-making process in the online and offline shopping of generation Y i.e., millennials. The decision-making is the process of selecting choices by identifying a decision, gathering information, and assessing multiple options. They are long, difficult, disorganized, and risky, with enormous ramifications for the company's future. Online shopping is basically the act of buying goods or services using the internet. The technique comprises of the same five steps as traditional buying behavior. The online buying approach explains the psychological state of consumers in regard to Internet shopping. Offline shopping is the traditional way of visiting stores, merchants, or outlets in person to purchase goods or services. It utilizes offline advertising methods such as newspapers, brochures, exhibits, etc. as the primary instrument for establishing brand equity for items. However, this research is developed based on the secondary sources specially from google scholars, Scopus, and Web of Science. The study shows that the buying decision making process of generation Y is mostly similar in the case of online and offline shopping.

Keywords: Online shopping, Offline shopping, Decision-making process, Consumer behavior, Millennials

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Introduction
Due to the faster advancement of technology, people's preference for online shopping is progressively growing. Once upon a time, the only way for a buyer to acquire a product was to visit a real shop, but with the Internet's rapid spread, customers can now check product reviews online and make a purchase choice from the comfort of their own homes (Shanthi & Desti, 2015). Customers nowadays are highly particular about the items they purchase (Mehta et al., 2020). In this situation, offline shopping presents challenges since they have previously conducted research or are aware of the precise goods they want. It takes more time to visit a physical shop and determine if an item is new or used.

On the other hand, it can be observed that in the case of online purchasing, clients may see the product specifications immediately by searching for their goods on the website. In light of this, buyers are presently giving online shopping the highest priority in order to save money. However, it must be considered that not all clients are of the same age. There are customers of all ages and
socioeconomic standings who use their resources to pick between online and offline buying. There are still many clients who are more inclined to purchase offline due to their reluctance to trust and use such technology innovations. However, customers use both online and offline channels to acquire goods and services in accordance with their requirements and preferences. (S. Jennifer, December, 2020). For instance, if someone is leaving the workplace to prepare supper at home, he will go to the closest physical store to get this fast chicken. If he is preparing an invitation for the next week, he may pick online buying. Because he does not require immediate delivery and because he can select multiple items from the same location at once, he claims that his order will arrive at his home safely.

According to (M. Liraz, 4 July, 2014) the decision-making process of a particular customer is frequently dependent on the context of the decision. Moreover, the manner in which buying behavior is determined by the consumer's decision-making process continues to evolve. In this regard, the study aims to explore the previous studies relating to the generation Y group of customers. thus, this research study will examine the aspects that influence consumers' selection of online or offline shopping.

**Literature Review**

**Generation Y customers and their buying behaviour**

The demographic group that comes after Generation X but comes before Generation Z is known as Generation Y, sometimes known as the Millennial Generation. Instead of being referred to as digital immigrants, they are referred to as digital natives. According to (Bolton et al., 2013) they are the first generation to have lived their whole lives in an online realm; digitalization has a tremendous impact on how they live and work. This generation makes a contribution to, shares, searches for, and consumes material on social media platforms.

People's choices and actions during the purchase and utilization of things are collectively referred to as buying behavior. In order to determine which elements of a company's marketing strategy have the most bearing on the company's overall performance, a company has to do research on the purchasing patterns of its customers. (Sharma, 2014)

It has been discovered that members of Generation Y are materialistic, brand-focused, willing to take risks, and interested in business hedonism. They make snap choices while taking into consideration the need of maintaining their social position, and they choose upscale and premium brands. They devote the most of their time and energy on doing study before selecting an item that would provide them with the most effective status symbol (S & P, 2016) Their research on consumer purchasing patterns has garnered a lot of interest since there seems to be a discrepancy between what individuals say and what they really do. In addition to this, before making a buying decision, they investigate the pricing available on the market, as well as the alternatives and comparisons available for each product.

**Consumer decision making process**

The consumer decision-making process refers to the patterns of customer behavior that predict, determine, and direct the choice making process for the purchase of need-satisfying products, concepts, or services. (Voramontr & Klieb , 2019) According to (Huynh, 2020) to make the consumer decision making process simpler, John Dewey had proposed the model that consumers go through a five-stage decision-making process in any purchase/ post purchase. Need recognition, Information search, Evaluation of alternatives, Purchase decision and Post-purchase evaluation. The model separates out motivators and determinants in consumer buying behavior and also emphasizes the important effects that an organization can have on the consumer buying process by the use of communication channels.

Regardless of the form of purchase, the first step is "Need Identification," which begins when the buyer recognizes a problem. (Sarkar & Das, 2017) The customer perceives a gap between the stage he or she is in and the desired state. The customer's requirement is the missing item that can fulfill the customer's unhappiness. The next phase is "Information Search." Here, customers assess the products and services that may meet their requirements. This is the first phase of managing risk.
Consumers weigh the advantages and disadvantages of buying a product. Then comes "Evaluation Of Alternatives." in which goods and services are compared in order to choose the best ones. This decision is entirely subjective, since customer preferences vary from individual to individual. Furthermore, during the "Purchasing Decision" process, items and services are acquired after consideration. At this point, a consumer has either evaluated all the information and reached a logical conclusion, made a choice based on their emotions, or surrendered to marketing efforts, or a mix of all. According to (Sarkar & Das, 2017), the "Post-Purchase Decision" stage is when, after a product or service has been bought and utilized, the customer evaluates whether the product matched expectations, surpassed them, or was a disappointment.

**Online and offline shopping**

Online shopping is the process by which customers directly purchase products, services, etc. from a vendor through the Internet, without the need of an intermediate provider. (SUNITHA & Gnanadhas, 2014) Online shops allow consumers to buy from the convenience of their own homes while seated in front of a laptop, while offline shopping is the conventional method of visiting stores, retailers, or shops in person.

The development of the Internet and E-commerce has altered our lives. This new phenomenon offers innovation, difficulties, and a promising future for consumers, businesses, suppliers, and intermediaries. The retail industry is no longer restricted to physical sites, as an increasing number of businesses provide online shops. With the rise of online shopping comes new market exposure opportunities for merchants that can match the demands of overseas markets. Online purchase is growing. With an online store, companies may reach clients who are unable to visit their physical location. The simplicity of online buying attracts people.

Increasing numbers of individuals prefer internet shopping over conventional shopping nowadays. One may compare prices, models, and options more quickly and easily online. In addition, a variety of reviews and other information are available online to facilitate the selection of models and brands. Frequently, online information permits rapid side-by-side brand and model comparisons. (Gupta et al., 2013) This facilitates the selection of the best model. Because items are sent directly from the manufacturer or seller, internet retailers are able to provide better deals and cheaper prices than traditional stores. Numerous online merchants provide coupon codes and rebates, which further reduce expenses. One of the most evident benefits of online shopping is its convenience. According to (Gupta et al., 2013) one may order items from across the nation or the world and consumers are no longer restricted to the goods, models, and options supplied by local retailers. The diversity of products accessible is remarkable. Multiple brands and products from several suppliers are accessible at a single place. You may join in the most recent global trends without paying airfare expenses.

Online retailers are not encumbered by the costs associated with maintaining a retail outlet, such as lease and operating expenses such as sales staff salaries. Online retailers' cost savings result in reduced prices on the Internet, which they pass on to consumers. The Internet enables online retailers to compete by decreasing their pricing.

**Methodology**

This study has been prepared based on the secondary data from various sites and sources including publications, journals, survey information, and statistics. Various companies and previous research findings been utilized as an example in order to correctly concentrate on the consumer decision process various products and services. In addition, a rationality model has been used in order to comprehend what influences customer choice. Previously, customers who strongly depended on physical buying shifted to online shopping as a result of post-pandemic variations in consumer preferences. Thus, several pre-pandemic publications on consumer buying behaviors were rendered obsolete. Therefore, this paper's study primarily depends on post-pandemic information.
Results and Analysis

Generation Y’s buying decision making process

This section discusses the literature review, which contains specifics and a summary of Generation Y customers, their decision-making process based on prior experiences, the theory of social media marketing and its frequency of using it, and the five phases of consumer decision making process. This research discovers that companies are continuing to lose offline consumers, and that this trend has come to light as a result of the pandemic and dealing with Generation Y clients, who have distinct characteristics such as preferring to purchase online from the comfort of their own home.

Millennial customers have been demonstrated to be the most monetarily active and committed buyers. This industry has a strong attachment to specific brands and is ready to invest additional money to promote them. This generation places a high value on how other people perceive a brand's image. As a result, they are leaders in the implementation of creative marketing methods. Millennials are becoming more discriminating shoppers as a result of their easy access to social media. Generation Y is much more interested than prior eras with a product’s comfort, attractiveness, and craftsmanship. Nevertheless, the current study does not indicate convincingly that social media marketing can be utilized to have an impact on the decision-making process of a consumer.

In recent years, the marketing society and literature have shown that there have been many advances in consumer decision making processes and changes in consumer behaviors that are capable of having a major impact (Anila, 2017). The current era is the era of information and communication technology. In that case, new methods of online shopping have been developed through which customers get online and offline two types of shopping opportunities according to their preference. According to our understanding of the consumer decision process (CDP), it tackles the five stages a customer goes through while making a purchase. By evaluating the consumer along this cycle, we can improve our chances of successfully marketing a product or service. The consumer choice process consists mostly of five critical steps. This is the cycle through which purchasers evaluate their purchasing decision. The five phases consist of need identification, information search, appraisal of options, buy choice, and post-purchase decision.

In the following paragraphs, we shall explore in further detail the customer choice of the Generation Y process between online and offline buying. In order to improve the process, we have used a survey conducted before of those who have experience with both online and physical purchasing. Generation Y begins the need-recognition phase of the consumer decision making process (CDP) by acknowledging their issue or need in relation to their current motivation state and desired motivation state. It has been stated that a person’s decision-making processes are greatly influenced by the person’s childhood as well as the human’s gradual development (Sokolowski, 2011, p.1, as cited in John, 2018). Some people like to purchase any trendy new release immediately; some are more comfortable buying products that fit their personal lifestyle and are comfortable. There are a number of aspects that affect customers' attitude like; what to buy, when to buy, why to buy, how to buy etc. (Alan & William, 2003). For example, if a person views an advertisement for a brand-new pair of shoes, they may decide they need a new pair. Each purchase may need the customer's sequential completion of each stage.

According to (Teo & Yeong, 2003), customers may bypass the research and assessment stages of routine purchases and continue straight to the purchase decision. However, the survey revealed that in the years after the outbreak, internet shopping has become the norm for over 68% of those who previously shopped offline. As a consequence, of the fundamental shift in how the majority of participants interact; the necessity for purchasing new shoes to conform to the previous socializing paradigm has changed, reducing the cues that promote Need Recognition. Changes in Need Recognition may be linked to the lack of parties, working from home, and other circumstances in which participants were not forced to purchase new shoes. Conversely, as previously stated, the brand may utilize this method to promote their items online through social media, where buyers are spending more time due to their interest (Ahmad et al., n.d.).
The subsequent phase of the consumer decision making process (CDP) of the millennials is the information search phase, during which they may search for information using either internal or external sources. Information from internal sources is retrieved from memory and may be based on past experience or previously read articles. Friends, family, advertisements, websites, and media articles are a few examples of the external sources of knowledge that 76% of those who participated in our poll may acquire from the environment. According to (Aryani et al., 2021) before going to the physical store, about 81% of consumers go to online research for purchasing. The remaining 20% of the customers take an average of 79 days to collect information before making major purchases. The wide spread opportunity to collect information from online has been created as a result of which customers are more dependent on online for information search. In that case, the websites have the opportunity of customer reviews by which other customers can make their decision. The opportunity to receive reviews and collect information through the potential website of online shopping in consumer engagement has created an opportunity for free judgment for customers (Chung-Hoon & Young-Gul, 2006). Depending on the goods and consumers, the effect of various information sources will vary, and marketers will choose which target markets of information sources are more influential. During offline purchasing, if a consumer wishes to buy something, he or she may first inquire with acquaintances about various brands and do research on the company's product quality (Zhao et al., 2021). As a result, participant satisfaction has grown and we learned from our responses that over 19% of the Generation Y often hunt for information out of boredom, which adds an interesting aspect to this phase of the consumer decision making process. Moreover, due to the lack of social ties caused by the epidemic, individuals' techniques of information absorption have also altered. This is shown by the participants' growing dependence on digital information sources (Ahmad et al., n.d.).

During the third stage of the information-based consumer decision making process (CDP) model, the Generation Y assesses alternative boundaries in the option set. In the case of online shopping, it can be seen that by visiting the physical stores, checking the price of one product with another product, the quality is going to take more time. The buying pattern of millennials is more inclined to see online because at the same time with the click of a mouse i.e., through the technology used by hand, they can visit different websites and compare the price, color, quality etc. of different products from different places very quickly and make their best option (Kavita, 2017). An important aspect of offline shopping is the tangibility of the product, i.e., the customer can verify the entire product by touching it (Vishal, 2017). Customers' "involvement" in the product is a crucial evaluative aspect. Examples of high-involvement purchases include running a company, making investments, and buying a house and a car. Customers may quickly find out why a more expensive brand is more expensive via internet research and buy. According to (Ahmad et al., n.d.) consumers see brands as a tool to mitigate the risks associated with the purchase process. As a result of the higher degree of brand trust associated with it, our surveyors stated that it is reasonable to assume that participants assess garments in terms of brand at this point, as it directly influences their overall satisfaction with their purchases.

The fourth stage of the consumer decision making process (CDP) model is the phase in which the Generation Y consumers actually acquire the product; which type of goods and services a customer will accept will depend on his emotional responses (Jagdish & Bruce, 1991). For example, taking Nikes’ shoe advertisement, I considered buying a pair of Nike shoes to fulfill a need or want. The purchase choice might be made immediately or in a few weeks. In order to improve sales, a seller may need to explain their offering by comparing the items with those of the competitors and stressing their own benefits. However, Khan et al. (2016) discovered that millennials are more prone to make impulsive purchases than previous generations. Some of the 46 participants reported feeling more bored while buying online, and a few of them did display an increase in purchases, with the reason that the improved accessibility and the aforementioned boredom led to more online browsing. These particular instances are compatible with the habit model of purchasing, which posits that consumers engage in automatic, regular purchase behaviors. The structure of habitual purchases is similar to that of impulsive purchases since the Generation Y customer makes the purchase with little
forethought. When the millennials are exposed to stimuli that stimulate their attention, they make purchases (East et al., 2016).

The consumer decision making process (CDP) model's post-purchase assessment step assesses, based on the customer's past experiences, whether or not the product matched their expectations. The marketer's responsibility is to persuade prospective consumers that purchasing the product will suit their requirements, and to reassure current customers that their choice to purchase the goods was correct. This prohibits people from changing their minds and purchasing an alternative product (Carrigan et al., 2004).

According to (Narayanan et al., 2020) approximately 44% of the participants, the shift to online shopping, which has given them access to a wealth of new information they were previously unaware of, as well as having the time and resources to conduct more research on their purchases prior to making them, have both contributed to this increase. As a result, of the participants' predisposition to seek out more information about products that aim to meet bottom-tier needs such as practicality, function, and comfort, there is a rise in the demand for such things (Ahmad et al., n.d.). Generation Y's typical purchases were less cognitively dissonant because they spent more time researching them and subsequently buy products that met more basic criteria as opposed to more complex ones, such as social acceptability and status. (Kotler and Keller, 2016)

**Implications of the study**

On the basis of the analysis and conclusions of this research report, we may identify some of the marketing implications for various stakeholders. Such as, future marketers who seek to grasp the market for online and offline sales will be able to get a deeper knowledge of the issue, which will also help them target certain demographic segments and learn more about the dos and don'ts. The policymakers will get a deeper understanding and the students who aspire to join the profession of marketing may get a thorough understanding of what lies ahead and how the market operates. Moreover, based on the outcomes of this study, academics will significantly expand and improve the most current literature evaluation.

**Research Limitations and Future Direction**

Several research limitations of this study. In this regard, the first one is that there is no assurance that respondents will respond to the questions truthfully or comprehend how typical their consuming behavior operates. Furthermore, when purchasing a product, customers may not always examine and look for information. They frequently buy something inexpensive. Moreover, the consumer choice making process model is not always accurate since customer decision-making processes differ from person to person. According to (John and Whitney 1983, pp.661-666), the consumer decision-making process occurs far faster than the theory predicts, but it nevertheless maintains its core structure of need detection, restricted search appraisal, and purchasing potential.

However, we may also suggest some future directions for individuals who will be undertaking research. As consumers are progressively seeking personalization, larger samples should be taken into research to assist in discovering common features and interconnections. It is critical to recognize generational disparities since it is a challenging task to meet the wants and wishes of both generations using different ways. Hence, their decision-making process will also vary. Different countries' consumers behave differently. As a result, not all of Asia's successful marketing practices and customer decision-making processes will be as successful in other areas of the world.

**Conclusion**

This research examines customers' offline and online retail decision-making processes. It is based on secondary research, and the facts and figures were acquired from scholarly sources that have been confirmed. We analyze the consumer decision making process since it is well-known and used by the vast majority of people; thus, it provides a clear visual representation and makes it simpler to comprehend. It is noticed that consumers go through the consumer decision making process (CDP),
which explains the five steps a buyer goes through when making a purchase. Moreover, the marketing implications of a brand or business have a key role in moving its customers online.

**Recommendations**

Based on the research paper, few recommendations are prepared.

**Online shopping**

Online shopping is solely based on the attractiveness of the product or how the product is advertised. For instance, taking into account the multinational companies, their advertisement has to be diverse as their customers base contains people from every country. They can focus on a specific group while making an online campaign. For example, Generation Y prefers Nike and Adidas both. So, the companies have to make sure that there are unique online campaigns to differentiate them from their competitors and people will be more attracted to their products. The company can make their online shopping experience more convenient for their customers. They can come up with a new algorithm which can be easily used by anyone of any age sitting at home. Furthermore, they can come up with new sales and new offers on their online portal. Such as Black Friday is a common practice in America and every existing companies offers huge sale during this period. So, coming up with something unique will highlight the company and its product will be a great way for the company to sell its products.

**Offline shopping**

People are more comfortable shopping offline because of the customer service its more convenient for them if someone helps them to find a certain product, they are looking for there’s a possibility they’ll go back again because they experienced good customer service. The companies can make their in-person shopping experience better. And the usage of flyers, bill boards, mascots these play a big role attracting customers; and they can make their retail stores more attractive for people to go inside their stores to shop.

**References**


