

TOPIC- SHIFTING OF CUSTOMERS FROM REAL BUSINESS TO VIRTUAL TRANSACTIONS.

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ABSTRACT

The transition from traditional, in-person real business to virtual transactions has been a significant phenomenon in the business world. This shift from traditional brick-and-mortar business models to virtual transactions is a monumental shift in the business landscape. Real business involves visiting physical storefronts by the customer, which is now being transformed to sitting and ordering with the atmosphere of own convenience and comfort through digital platforms. Although, this dramatic drift to virtual world provides the market with global reach and scalability, lower operational costs, data-driven analytics and insights, it however, cannot ensure consumer's justification for product or service verification, a trustworthy relationship between seller-buyer, face-to-face interaction, immediate redressal of their grievances and most importantly 'reduced' risk of fraud. Based on this quick comparative study, we can say that, "Real business is really a business while virtual transactions are a superstitious business system". As we move further, this paper explores the critical differences, advantages, and challenges associated with these two transaction types.

KEYWORDS Real/ Traditional business, Virtual transactions, personal connection, customer satisfaction, technology driven, consumer behavior, tangibility, security, web platform, face-to-face interaction, physical stores.

INTRODUCTION

The way business transactions are conducted has undergone a significant transformation in recent years, largely driven by advances in technology. Traditional in-person transactions, often referred to as "real business transactions," are now juxtaposed with "virtual transactions" facilitated by electronic means. In traditional businesses, personal connections between business owners and customers foster trust and loyalty. Satisfied customers often become brand advocates, leading to word-of-mouth referrals. Not only that, but interpersonal relationships have also been an integral part of traditional business practices, contributing to customer loyalty, reliable supply chains, and professional networks. In the modern business landscape where everything is handled virtually, these relationships continue to be paramount, albeit in evolving forms. Businesses now leverage technology and digital platforms to maintain and enhance interpersonal connections with customers, suppliers, employees and partners. For instance, Customer Relationship Management (CRM) Software is used to manage customer interactions, track customer data and personalize communication. Its analytics are utilized to understand customer behavior and preferences. This shifting of real transactions to virtual transactions, often

referred to as digital or online transactions, can have a variety of effects on individuals, businesses, and the economy. These effects can be both positive and negative, depending on the specific context and how the transition is managed. Thus, it becomes essential to study its effect on the current business world and where it is heading.

HYPOTHESES

H1. Virtual transaction with its convenience and availability has revolutionized the way businesses operate.

H2. Sometimes the consumer is not a skilled person and offline purchasing for them offers better assistance and person to person interaction for establishing the understanding of the product and solving of problems.

H3. Online shopping provides bland services which involves lacking in payment security and cyber frauds.

H4. Offline shopping provides customers with product authentication and physical checking of the purchased products.

AREA OF STUDY

In order to understand the customer and seller's behavior in both online and offline business models a survey is conducted on 200 different offline sellers (which included 50 small grocery stores, 50 cosmetic stores, 50 readymade garments stores, 50 electronic store owner) who has a physical store for selling their goods and services which made the comparative study between both the offline business and online business easy and understandable. It also included taking samples of 100 customers.

1) Some sellers said that as the goods are available in discounted rates specially under various seasonal offers like Republic and Diwali sales, so consumer make online purchases due to this.

2) On talking to some boutique owners, they said, although buyers make online purchase of clothes but they bring them for alteration and fittings. Also, the quality of lady's wear items is disappointing many a times.

3) It was also found that though there are numerous web platforms for the sale and purchase of perishable items like fruits and foods, some consumers still prefer to physically verify the goods before buying.

4) Some buyers said, in the online purchase there's no parameter of judging a product purity and authentication which leads in receiving of unsatisfactory and damaged goods and the constant loop of refund and reporting.

Table no 1: - Showing the details of shopkeepers involved in survey.

Types of shopkeepers involved in survey	Total no of shopkeepers participated	No of owners said online shopping EFFECTED local market	No of owners said online shopping DIDN'T EFFECTED local market
Small grocery	50	35	15
Cosmetics	50	30	20
Readymade garments	50	20	30
Electronic stores	50	40	10

Looking at the table above, it can be observed that local market overall has been effected by customer shift from offline business to virtual transactions.

Table no 2: - Bifurcations of 100 customers considered in survey.

Gender	% of them preferring OFFLINE shopping	% of them preferring ONLINE shopping
Male	54%	46%
Female	35%	65%

The above table shows the division of customers in different age category and gender who are involved in the business transactions whether offline or online.

Table 3: - Percentage of Male and Female according to their shopping preferences.

Age	Male	Female
18-37	26	32
38-57	8	16
Above 58	7	11

It can be clearly seen that both males and females are involved in purchasing from physical stores as well as web platforms according to their taste & preference, comfort & convenience, availability of the goods and services they want to purchase. However, the percentage of females shopping from web platform is more than the percentage of females shopping offline and even more than the males shopping from either of the platforms.

OBJECTIVES

The objectives of this research paper are as follows: -

- 1) To examine factors that resulted in the shifting of customers from real business to virtual transactions.
- 2) To study how the shift influences customer behavior in this interactive business world.
- 3) Ascertain the further scope of study in this particular topic.

ANALYSIS AND INTERPRETATION

In recent years, the world of commerce has witnessed a significant transformation, driven by the exponential growth of virtual transactions. This paradigm shift from traditional brick-and-mortar transactions to digital and virtual exchanges is reshaping the way businesses and consumers interact and conduct business. In particular, the COVID-19 pandemic has had a profound impact

on the way people conduct transactions, significantly accelerating the shift toward virtual transactions. The pandemic created widespread concerns about the transmission of the virus through physical contact and surfaces. As a result, people have become more reluctant to handle physical cash, cards, and conduct in-person transactions, favoring contactless purchases using numerous digital platforms. To give an instance, grocery delivery companies like BigBasket have witnessed a surge in demand ever since the lockdown began and supply chains across the country have been affected by restrictions by local administrations. Recently, fresh produce startup Ninjacart started supplying vegetables and fruits directly to apartments and housing societies. Undoubtedly, COVID19 has played a major role by becoming an influencer and shifter from physical stores to digital platforms, whereby now customers prefer to sit at home and order whatever they want at the convenience of home, which benefits them with touch-free payments and minimal public interactions. The following are some additional advantages of carrying out transactions virtually: -

1) **Accessibility:** - Virtual transactions are accessible 24/7, allowing individuals to conduct financial activities at any time, including outside of regular business hours. This accessibility is particularly valuable for people with busy schedules. Thus, one can make a purchase at midnight from any website. Whereas, traditional commerce is limited to particular schedules and specific locations. Consumers have to travel to stores during business hours to find what they need. However, they may end up finding out that it may not be out of stock at that location.

2) **Global Market Reach and Scalability:** - Businesses, by operating their digital platforms, have the ability to expand their customer base to a global scale, reaching demographics that were previously inaccessible. Thus, customers also can make a purchase of items or brands whose stores aren't available physically in their geographical area. While in traditional, businesses may find it difficult to expand their customer base beyond their geographical location.

3) **Price Comparison:** - The ease of comparing prices between different online retailers encourages consumers to look for the best deals. Many shoppers use price comparison websites and apps to find the most cost-effective options. Suppose one is purchasing a book from Amazon, the price of the same book from a different retailer will be available in tabular form for price comparison which in traditional business model is limited.

4) **Data-Driven Insights:** - Virtual transactions generate a wealth of data, enabling businesses to analyze consumer behavior and preferences. This data can be leveraged for personalized marketing and product development.

However, despite the increasing popularity of online and digital alternatives, customers may choose traditional businesses (operating mainly in physical locations such as stores, offices, factories, or warehouses) over virtual transactions (which have revolutionized the way people conduct business through the application of technology) for several reasons. Here are some of the common reasons for this preference:

1) **Personal Interaction:** - Traditional businesses provide face-to-face interactions, which some customers value highly. They may appreciate the personal touch and the ability to ask questions, seek advice, or receive immediate assistance from knowledgeable staff before making a

purchase, which can provide them with a sense of reassurance and satisfaction. In contrast, customers doing virtual purchases may end up having concerns about product quality and authenticity.

2) Tangibility: - Some customers prefer to physically see and touch products before making a purchase, particularly when it comes to items like clothing, furniture, or electronics. For example, while purchasing clothes or purchasing electrical equipment online, one has to depend upon a description of the product, then they will also always be ambiguous about what will arrive. The ability to try out or inspect products is a significant advantage of traditional businesses.

3) Immediate Gratification: - Traditional businesses allow customers to obtain products or services immediately, without waiting for shipping or delivery. This is particularly appealing when consumers need an item urgently. The biggest drawback of virtual transactions is often the waiting period that comes with many purchases. Yes, one can buy a product with the click of a button. However, they will then have to wait for it to arrive and, above all, sometimes the delivery charges are more than the cost of the product.

4) Return and Refunds: - The dissatisfaction with the quality of a product which arrives through online shopping creates the situation of return/ replacement/ claiming of refund a such cases, people may be interacting with artificial intelligence tools which adhere to their grievances as per their own programming. Humans only get involved when something goes wrong and needs to be fixed. All these further increase the scope of disputes and conflicts.

5) Security and Regulatory challenges: - With the rise in use of technology, cybercrime and online fraud have also increased. Thus, the bank details (debit/credit card information) provided by the consumers, for say, during claiming their return is not 100% safe. Not only this, the general information like age, product preferences etc. can be used by companies without a customer's acknowledgement to generate data-driven insights for their market targeting. When it comes to regulation, the Indian government does have acts to regulate digital business models' transactions carrying out virtual transactions like the Information Technology Act 2000, but still awaits proper implementation.

6) Use of technology: - When it comes to consumption of data while carrying out a virtual transaction, there's certainly no limit. Consumers end up wasting their precious time doing useless window shopping for hours. Not only this, online shopping stimulates impulsive decisions where buy things which they may never need. However, this is absent in traditional business models and customers bring back home what they went to purchase.

7) Accountability towards social responsibilities: - Traditional business contributes to the economy by generating employment. The middle-earning commissions are the source of income for many households. Not only this, they can always be held accountable for non-completion of their responsibilities towards society, the environment and the economy in general. For example, businesses of the same nature form associations/ committees to regulate their product pricing in the market and many more which are not available in the virtual world.

8) Health concerns: - Online shopping typically involves sitting in front of a computer, tablet, or smartphone for extended periods. This sedentary behavior can lead to health problems like obesity, cardiovascular issues, and musculoskeletal problems. While purchasing from traditional business businesses almost move out of their home to physical stores involving some sort of physical movement.

Though experts predict a promising and glorious future and an increase in virtual transactions in the 21st century, considering all the above-mentioned points in mind, difficult to replace traditional business model.

CONCLUSION

In conclusion, the rise of virtual transactions has revolutionized the way businesses operate and consumers shop. While real business transactions continue to have their place, virtual transactions have expanded the global marketplace, reduced costs, and created new economic opportunities. Technology continues to shape this evolving landscape, and businesses and consumers must adapt to reap the benefits while mitigating the associated risks. Both have their unique advantages and disadvantages. Traditional businesses have a physical presence that allows customers to interact with products before making a purchase, while through virtual transactions, businesses have the advantage of being able to reach a global audience and operate with lower overhead costs. Sales volumes of online stores are more than comparable with those of "brick-and-mortar" ones. And the tendency will continue, because a lot of people are "imprisoned" by work and household duties, while the Internet saves a lot of time and gives the opportunity to choose goods at the best prices. The effects of shifting real transactions to virtual transactions are complex and multifaceted. Effective management and regulation are key to maximizing the benefits and minimizing the drawbacks of this transition. Trust, security, and convenience are key factors in choosing between real and virtual transactions, and understanding their implications is essential for all stakeholders in the modern economy.

SUGGESTIONS

The following are the strategies for a successful transition: -

- 1) User-Friendly digital Platforms: - Businesses must invest in intuitive and secure digital platforms to provide a seamless shopping experience for customers. For example, instant telephonic interaction for redressal of their grievances.
- 2) Omnichannel Retail: - Integrating e-commerce with physical stores provides customers with flexible shopping options and helps businesses bridge the gap between real and virtual commerce. Traditional businesses should go online to increase their customer reach outside of their physical stores.
- 3) Digital Marketing and Customer Engagement: - Traditional businesses need to employ digital marketing strategies and engage customers through social media, email marketing, and content creation to build an online presence.
- 4) Data Analytics and Personalization: - Leveraging data analytics tools allow businesses to understand consumer behavior and offer personalized recommendations and experiences.

Hence, understanding these factors and how they influence consumer behavior is crucial for traditional business so that they can apply technologies, philosophies and contribute to the

computing paradigm of the new economy. Not only this, it will help online retailers to create effective marketing strategies and provide a satisfying shopping experience for their customers.

FUTURE SCOPE OF STUDY

Regardless of which type of business is preferable, business through digital platforms has stormed the business world and it isn't going anywhere any time soon. Thus, it definitely has a lot of future study scope in the matter of providing strong cyber security, effective communication among stakeholders, providing employees with training and development. Recent world events have shown us that, when necessary, businesses can adapt to their environments quickly and effectively.

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