



A study on the significance of physical stores in an Omnichannel retail strategy in this time of digitalization

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Abstract

In tandem with advancements in technology and the ever-progressing digitalization of business activities and efforts, shopping destinations have evolved from brick-and-mortar stores to vast expanses of online stores. Customers can now find and purchase their desired products/ services using social media, smartphones, apps, and other devices along with the options to discover, communicate, and connect with various brands. Nonetheless, notwithstanding the rise of online commerce, a large number of consumers prefer shopping in physical stores over online shopping, or a combination of the two. Customers are increasingly expecting better customer service, personalized options and communications, and multiple ways to locate and purchase market offerings. Data from several pieces of research shows it is necessary for businesses to adopt omnichannel strategies to seamlessly integrate all touchpoints- digital such as online stores, websites, apps, etc., as well as physical stores. Therefore, the primary goal of this research was to closely examine the prominence of including physical stores in an omnichannel strategy, as well as to investigate whether variables such as consumer demographics influence the need for physical stores in this age of digitalization. The researcher collected data from a self-administered questionnaire, where the sample consisted of 245 respondents, and statistical tests were applied to analyze the data collected. Results from the tests confirmed that it is worth emphasizing the significance of having physical stores included in a well-planned omnichannel strategy to enhance the customer journey and shopping experience, as well as to unite a company's business channels- both physical and online – to improve their operational effectiveness and efficiencies.

Keywords: Physical, Omnichannel, business, digitalization

1. Introduction

Despite the digital revolution, physical stores remain essential to an omnichannel retail strategy. According to Eric Hazan, Senior Partner at McKinsey & Company, as the world moves forward with technological advancements, there is no separate physical or digital world, instead, the physical world and the digital world are entirely connected, thus leading to a future “phygital” world. This idea establishes the need for physical stores along with a digital presence. As per a McKinsey & Company (2019) article, offering a seamless omnichannel experience is becoming increasingly important for successful retail operations. This has been demonstrated by the actions of major online businesses such as Amazon, which are developing their own network of brick-and-mortar stores.

1.1 Omnichannel Retail Strategy

To maintain competitiveness, it is not enough for businesses to just create a website alongside providing expected customer services.

A successful omnichannel strategy can boost business performance while improving the shopping experience on many levels.

Shopify (2020) ^[10] defines omnichannel retail strategy as a marketing and sales approach that offers customers a completely integrated shopping experience when implemented across all channels, devices, and platforms in order to create a connected, customer-centric experience.

Omnichannel retail strategies are not just breakthrough concepts anymore. Omnichannel approaches are requisite in the rapidly evolving marketing industry, with many companies in the IT and Marketing Services industry providing a number of solutions for implementing flawless omnichannel strategies, that help to personalize, as well as automate, all customer interactions/ touchpoints, by connecting these points across all platforms and channels, to essentially deliver a personalized customer experience that takes into account all proceeding touchpoints in the customer journey.

Research conducted by Harvard Business Review (2017) on 46,000 customers validated that a thorough omnichannel strategy is a necessity to remain competitive in the industry. The study found that the majority, 73% of customers, shopped using multiple channels (these customers were termed “omnichannel customers”). These customers highly preferred to use all channels offered to them by retailers. They would use the retailer’s apps on their phones for a variety of purposes, such as downloading coupons, price comparisons, and more, interacting on social media platforms used by retailers, while also using digital tools available at the retailer’s physical store, such as price-checkers, digital catalog, etc.

This study also confirms the importance of having physical stores, since not only are these stores important for a faultless omnichannel strategy, among the respondents while only 7% were online shoppers, 20% preferred shopping mainly at physical stores.

This may be the result of recent in-store trends that boosts the effectiveness of an omnichannel retail approach, such as using interactive catalogues, augmented reality, tailored recommendations and personalization, multiple and contactless payment methods, etc.

Some of the benefits to businesses with well-integrated omnichannel retail strategy include more competitive advantage, helps with customer retention due to improved customer experience, operational efficiency, and increased engagement and sales. To customers, the benefits include better customer satisfaction, more channels for making purchases and receiving offerings information, various payment methods, and higher quality of customer service and interaction in retail stores.

Hence, the primary focus of this research is to determine the importance of including physical stores in an omnichannel retail strategy, primarily from the customers’ point of view.

1.2 Statement of the problem

Physical stores have been part of civilisation and commercialisation for decades, if not centuries. Even with the digital revolution, physical stores have not lost their value. Therefore, it is crucial to understand why physical stores are critical in meeting the newly developed consumer demands, in this time of digitalisation. It is also important to analyse how businesses can tailor their omnichannel retail strategies

to cater to customer demands and expectations, that are constantly evolving.

1.3 Purpose of the study

The primary purpose of this study is to determine where customers prefer to shop- online or offline. The aim is to investigate the varying perspectives of different consumers on shopping in stores versus shopping online and to understand the reasons for their preference. In addition, understanding the data collected for this research can further help emphasize the importance of having physical retail outlets and why it is significant to integrate all business channels, including physical stores in an omnichannel retail strategy.

1.4 Objectives of the study

- To understand the significance of having physical stores in an omnichannel retail strategy.
- To identify factors that influence customers’ preference to shop in-store or online.
- To analyze if consumers’ demographics affect their preference for shopping in-store or online.
- To corroborate how having a physical store is essential for businesses, and how integrating customer interactions from physical stores with digital customer touchpoints can help businesses to successfully market and sell their products/ services.

1.5 Hypotheses

The objectives drafted led to the formulation of the following hypotheses, to analyse whether demographic differences affect customers’ preference to shop online or offline:

H₀: Consumers’ demographics have no impact on their preference to shop in-store or online.

H_A: Consumers’ demographics have a significant impact on their preference to shop in-store or online.

1.6 Significance of the study

Consumers around the globe are increasingly familiarizing themselves with how to use the internet to their advantage. They demand the absolute best in terms of products and services, as well as the efforts businesses take to market and sell offerings. Yet, with digitalization growing rapidly, traditional stores are still proving to be necessary for businesses to increase profitability and competitive advantage, as well as a tool to build customer trust and loyalty. To solidify the benefits of a brand’s physical presence in today’s digital era, data about all customer interactions must be integrated with the brand’s digital presence. Thereon, the findings of this study will contribute to forming a clear understanding of the difference in consumer viewpoints towards in-store versus online shopping. Additionally, the findings can also explain why connecting customer data about their shopping journey in physical retail stores with their interactions with the retailer’s online channels via an omnichannel retail approach is highly rewarding.

1.7 Limitations of the study

- Data collection was constrained due to limitations in determining and selecting the sample size.
- Data collection was constrained due to time constraints.
- Low generalizability of results from the study’s sample to the larger population.

2. Research Methodology

Research methodology encompasses all the methods used for conducting research. Hence, this section highlights the population study, and sampling, along with describing the methods via which data was collected, as well as the statistical methods used for data analysis.

2.1 Research Design

This research was conducted by following an empirical research design in order to understand why having physical stores is important from customers' point of view, and to further restate its importance in an omnichannel retail strategy, by building conclusive observations from data collected via a survey using Pearson's Chi-square test to prove or disprove the hypotheses generated. This research also used Factor Analysis to analyse the factors that influence customers' choice to shop online or at a physical store.

2.2 Population of study and sampling

The population of this research consisted of consumers of various demographic attributes. From these, a sample size of 245 participants responded to the online questionnaire. The respondents were selected through random and convenience sampling.

2.3 Data collection

Primary data for this research was collected via an online survey. A self-administered questionnaire was created using Google Forms, and the survey link was shared on social media sites such as WhatsApp, Instagram, Twitter, and Facebook. Respondents were also requested to forward the survey link to others as well. A total of 245 responses were collected. Secondary data was gathered from a variety of sources, including previously published research papers, documents, articles, and websites.

2.4 Statistical tool and software used for analysis

After responses were retrieved from the questionnaire, coding and tabulation of the data collected were done according to the research's requirements. The statistical tools and software used for analysing and interpreting the data collected were Google Forms and Spreadsheets, Microsoft Excel, and IBM-SPSS.

2.5 Research gaps and Scope of the research

Research gaps occur when inadequate or missing information is identified in researches, as well as due to insufficient data. The researcher identified some gaps in this research, which arose as a result of excluding analyzing the effects of some demographic variables on consumers' choice of shopping in-store or online. The researcher has chosen to not analyze the impact of the level of education, income level, parenthood and marital status, among other demographic factors, on consumers' preference to shop online or offline. Since demographic data is a crucial variable that marketers should evaluate when they are developing and implementing retail and marketing strategies, this exclusion may result in inadequacies in test results. Insufficient data was identified as another research gap due to limited time for data collection. This research is highly beneficial to understanding why brands must have physical outlets to build a strong offline presence in this time of digitalization. This research can help in surveying consumers' attitudes since this study delves into

the factors that shape customer preferences and trust towards in-store and online shopping. Furthermore, the research findings, if deduced with precision, can aid in comprehending the importance of integrating customer data from physical stores with digital data to enhance the customer journey and shopping experience, thus reiterating the importance of a strong omnichannel retail approach. Therefore, the researcher suggests that further studies should be conducted to precisely evaluate the significance of including physical stores when planning and executing omnichannel retail strategies.

3. Data analysis and interpretations

Analysing the data collected through the online questionnaire and interpreting it is undertaken in this section. Descriptive analysis is used to show and summarise the data compiled from the survey to come up with concise observations.

3.1 Demographic Profile of Respondents

Table 3.1

Demographics	Categories	Frequency	Percentage (%)
Age	Under 17 years	27	11
	18 to 24 years	65	26.5
	25 to 34 years	42	17.1
	35 to 44 years	42	17.1
	45 to 54 years	35	14.3
	55 to 64 years	20	8.2
Gender	Age 65 or older	14	5.7
	Female	134	54.7
	Male	106	43.3
Employment Status	Other	5	2
	Employed	62	25.3
	Self-employed	25	10.2
	Unemployed	15	6.1
	Home-maker	30	12.2
	Student	97	39.6
	Retired	16	6.5

From this table, the demographic structures of the sample, the following conclusions are can be deduced:

- The majority of the respondents are students (39.6%), of the age range 18-24 years (26.5%).
- More than half of the respondents are female (54.7%).
- While most respondents are students, the rest of the respondents' employment status varies widely, for example, from unemployed (6.1%) to employed (25.3%).

3.2 Descriptive Statistics and Interpretations

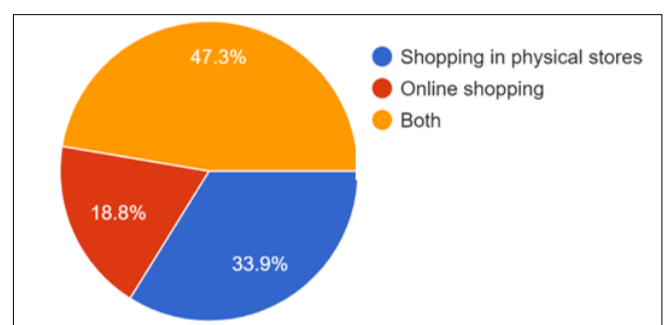


Fig 3.1: Which do you prefer the most generally?

Interpretation

- The majority of the respondents- 47.3%, prefer to shop at either physical stores or online stores.
- 33.9% of respondents prefer to shop in physical stores.
- While only 18.8% of respondents prefer to shop online.



Fig 3.2: Choose the option you prefer the most to purchase the following products or services from.

Table 3.2: Choose the option you prefer the most to purchase the following products or services from.

Products/ Services	Physical Store	Online Store	Physical or Online Store
Grocery and Home-care products	181	11	53
Clothes and accessories such as jewelry, bags, etc.	88	31	126
Cosmetics, Body and Skin care products	125	27	93
Electronics	136	25	84
Stationery items and toys	143	26	76
Entertainment: For example, movies (CDs, tickets, etc.), music, books, etc.	39	106	100
Information: Newspapers, magazines, guides, etc.	59	102	84

Interpretation

- Table 3.2 depicts that when choosing between in-store or online shopping (excluding the option: Both), physical stores are highly preferred by the majority of respondents to purchase products or services that belong to 5 out of the 7 given product categories.

- ‘Grocery and Home-care products’ are most preferred to be purchased from physical stores (181 respondents), while ‘Entertainment products/ services such as movies (CDs, tickets, etc.), music, books, etc.’ are least likely to be purchased from physical outlets, with only 39 respondents who prefer to buy these offerings from physical stores.
- ‘Entertainment products/ services such as movies (CDs, tickets, etc.), music, books, etc.’ are most preferred to be purchased online (106 respondents), closely followed by ‘Information: Newspapers, magazines, guides, etc.’ with 102 respondents purchasing these online. ‘Grocery and Home-care products’ are least preferred, with only 11 respondents choosing to purchase these items online.
- ‘Clothes and accessories such as jewelry, bags, etc.’ is the product category with the highest number of respondents- 126, choosing either shopping online or in-store to purchase these items. However, Table 3.2 shows that when choosing between shopping in-store or online for this category of products, 88 respondents prefer to purchase these items from physical stores, with just 31 respondents choosing to shop these items from online sites/ stores.

Table 3.3: Choose the most appropriate answer for each question.

	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
I mostly purchase from physical stores than online stores.	81	70	42	39	13
I find out more about new and other products and brands when I visit a store than from online stores.	25	44	61	56	59
Shopping in a physical store helps me take better purchasing decisions.	62	94	66	18	5
There is less confusion involved in choosing products when I shop in a physical store.	67	97	52	22	7
I trust the quality of a product when I can touch, see or test the product in a physical store.	96	77	54	13	5
Not being able to confirm the quality of a product on an online store pushes me to buy things from physical stores more.	53	65	64	55	8
I find that customer service is better at physical stores compared to online customer services.	77	99	57	11	1
I am satisfied with the options of products available at physical stores.	31	84	59	51	20
Receiving messages or emails promoting or recommending new products while I'm in a physical	40	115	79	8	3

store encourages me to try these new products.					
The different payment options (Cash payments, Credit/Debit cards, e-wallets, UPI/Online payments, etc.) available in physical stores add to my shopping experience.	121	78	38	7	1

Interpretation

- The majority- 81 respondents, typically purchase from physical stores than online stores.
- While only 25 respondents highly agree and 44 respondents agree that they find out about new products/ services when shopping in-store, 59 respondents highly disagree with the statement, with 61 respondents choosing to stay neutral.
- 94 respondents agree that they make better purchasing decisions when they shop at physical stores, with only 5 respondents highly disagreeing, and 18 disagreeing with this statement.
- 97 respondents agree that there is less confusion involved in choosing products when they shop in physical stores, while only 7 highly disagree.
- 96 respondents highly agree that they trust the quality of a product when they can touch, see or test the product in-store, while only 5 respondents highly disagree.
- 65 respondents agree that not being able to confirm the quality of a product on an online store pushes them to purchase from physical stores more.
- 99 respondents agree, along with 77 highly agreeing that customer service is better in physical stores than in online stores, with only 11 respondents disagreeing with this statement.
- 115 respondents agree that receiving messages or emails promoting or recommending new products while they are shopping in-store encourages them to try those promoted products. Only 3 respondents highly disagree, while 8 disagree with this statement.
- 121 respondents highly agree that the availability and convenience of having different payment options in physical stores enhance their shopping experience, while only 7 respondents disagree and just 1 person highly disagrees.

3.3 Hypotheses Testing

To test the hypotheses formulated for this study, Pearson’s Chi-squared test is used. This test was applied as a test of significance to analyze if consumers' demographics affect their preference for shopping in-store or online.

H₀: Consumers’ demographics have no impact on their preference to shop in-store or online.

H_A: Consumers’ demographics have a significant impact on their preference to shop in-store or online.

For hypotheses testing, data from questions based on three demographic variables and which method of shopping (at physical stores/ in-stores, online, or both) they preferred, were used.

H₀₁: Consumers’ age has no impact on their preference to shop in-store or online.

Table 3.4

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	83.359 ^a	12	.000
Likelihood Ratio	90.745	12	.000
N of Valid Cases	245		

Interpretation

The first test analysed whether the age of consumers affects their preference to purchase from a physical store, online store, or both. Table 3.4 shows that the significance value (p-value) of this test is 0.000. This indicates that consumers’ ages do significantly impact their preference to shop in-store or online. Since the p-value is less than $\alpha = 0.05$, the researcher rejects the null hypothesis. P-value <0.001 proves that this result is statistically significant.

H₀₂: Consumers’ gender has no impact on their preference to shop in-store or online.

Table 3.5

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.859 ^a	4	.210
Likelihood Ratio	4.458	4	.348
N of Valid Cases	245		

Interpretation

The second test examined whether consumers’ gender affects their preference to purchase from a physical store, online store, or both. Table 3.5 shows that the significance value (p-value) of this test is 0.210.

Since the p-value is greater than $\alpha = 0.05$, it indicates that consumers’ gender does not impact their preference to shop in-store or online.

Hence, the researcher fails to reject the null hypothesis.

H₀₃: Consumers’ employment status has no impact on their preference to shop in-store or online.

Table 3.6

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	48.689 ^a	10	.000
Likelihood Ratio	53.450	10	.000
N of Valid Cases	245		

Interpretation

The third test analysed whether consumers’ employment status affects their preference to purchase from a physical store, online store, or both.

Table 3.6 shows that the significance value (p-value) of this test is .000, i.e., P-value <0.001. From the test result, it can be deduced that consumers’ status of employment does affect whether they prefer to make their purchases in-store or online.

Since the p-value is lower than $\alpha = 0.05$, the researcher rejects the null hypothesis. P-value <0.001 proves that this result is statistically significant.

3.4 Additional Testing: Factor Analysis

To identify factors that influence customers’ preference to shop in-store or online

Factor Analysis was used to deduce factors that impact consumers’ preference to make their purchases in a physical store or an online store. Respondents were requested to rate each of the 10 statements given in the questionnaire on a 5-point scale (Highly Agree, Agree, Neutral, Disagree, and Highly Disagree).

Table 3.7: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.866
Bartlett’s Test of Sphericity	Approx. Chi-Square	1343.330
	df	45
	Sig.	.000

Interpretation

KMO and Bartlett’s Test measures how appropriate this data is for factor analysis. Since the KMO measure shown in Table 3.7 is 0.866, and Bartlett’s Test of Sphericity is .000, this data is permissible for conducting factor analysis.

Table 3.8: Communalities

	Initial	Extraction
I mostly purchase from physical stores than online stores.	1.000	.708
I find out more about new and other products and brands when I visit a store than from online stores.	1.000	.654
Shopping in a physical store helps me take better purchasing decisions.	1.000	.745
There is less confusion involved in choosing products when I shop in a physical store.	1.000	.689
I trust the quality of a product when I can touch, see or test the product in a physical store.	1.000	.674
Not being able to confirm the quality of a product on an online store pushes me to buy things from physical stores more.	1.000	.678
I find that customer service is better at physical stores compared to online customer services.	1.000	.699
I am satisfied with the options of products available at physical stores.	1.000	.547
Receiving messages or emails promoting or recommending new products while I’m in a physical store encourages me to try these new products.	1.000	.676
The different payment options (Cash payments, Credit/Debit cards, e-wallets, UPI/Online payments, etc.) available in physical stores add to my shopping experience.	1.000	.685

Interpretation

Communality indicates the amount of variance in each variable that is accounted for.

- The variable with the highest value- “Shopping in a physical store helps me take better purchasing decisions” accounts for 74.5% of the variance.
- The lowest variable was shown by the variable- “I am satisfied with the options of products available at physical stores”, which accounted for 54.7% of the variance.

Table 3.9: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.892	48.916	48.916	4.892	48.916	48.916	4.418	44.182	44.182
2	1.864	18.638	67.554	1.864	18.638	67.554	2.337	23.372	67.554
3	.717	7.169	74.722						
4	.557	5.569	80.291						
5	.471	4.711	85.002						
6	.391	3.914	88.917						
7	.356	3.559	92.476						
8	.278	2.777	95.253						
9	.263	2.629	97.882						
10	.212	2.118	100.000						

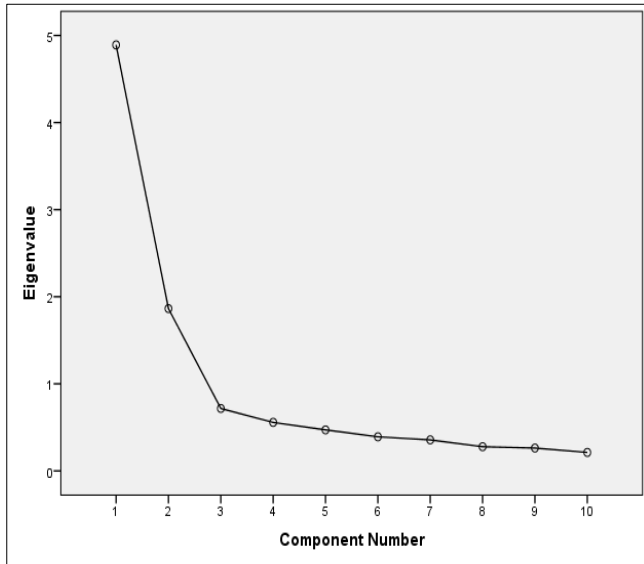


Fig 3.3: Scree Plot

Interpretation

Table 3.9 shows that SPSS extracted two components. The first component accounts for “48.9%” of the variance, and the second component accounts for “18.63%” of the variance. The cumulative percentage is 67.554. Hence, these two factors explain 67.55% of the variance. All the remaining factors are not significant.

Interpretation

The scree plot shows that two factors are above an eigenvalue of 1. Since all the other potential factors or components from factor 3 are below eigenvalue 1, these factors were not extracted, with just the first 2 components being retained.

Table 3.10: Component Matrix

	Component	
	1	2
Shopping in a physical store helps me take better purchasing decisions.	.847	-.167
There is less confusion involved in choosing products when I shop in a physical store.	.830	.011
I mostly purchase from physical stores than online stores.	.817	-.200
I trust the quality of a product when I can touch, see or test the product in a physical store.	.814	.108
Not being able to confirm the quality of a product on an online store pushes me to buy things from physical stores more.	.772	-.287
I am satisfied with the options of products available at physical stores.	.709	-.210
I find out more about new and other products and brands when I visit a store than from online stores.	.685	-.429
Receiving messages or emails promoting or recommending new products while I’m in a physical store encourages me to try these new products.	.326	.755
The different payment options (Cash payments, Credit/Debit cards, e-wallets, UPI/Online payments, etc.) available in physical stores add to my shopping experience.	.375	.738
I find that customer service is better at physical stores compared to online customer services.	.583	.600
Extraction Method: Principal Component Analysis.		
a. 2 components extracted.		

Table 3.11: Rotated Component Matrix

	Component	
	1	2
Shopping in a physical store helps me take better purchasing decisions.	.844	.181
I mostly purchase from physical stores than online stores.	.830	.140
Not being able to confirm the quality of a product on an online store pushes me to buy things from physical stores more.	.822	.042
I find out more about new and other products and brands when I visit a store than from online stores.	.799	-.123
There is less confusion involved in choosing products when I shop in a physical store.	.758	.338
I am satisfied with the options of products available at physical stores.	.734	.088
I trust the quality of a product when I can touch, see or test the product in a physical store.	.705	.421
The different payment options (Cash payments, Credit/Debit cards, e-wallets, UPI/Online payments, etc.) available in physical stores add to my shopping experience.	.053	.826
Receiving messages or emails promoting or recommending new products while I’m in a physical store encourages me to try these new products.	.001	.822
I find that customer service is better at physical stores compared to online customer services.	.298	.781
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

Interpretation

From the Rotated Component Matrix

The variables that have high positive loadings into the first component are- “Shopping in a physical store helps me take better purchasing decisions”, “I mostly purchase from physical stores than online stores”, “Not being able to confirm the quality of a product on an online store pushes me to buy things from physical stores more”, “I find out more about new and other products and brands when I visit a store than from online stores”, “There is less confusion involved in choosing products when I shop in a physical store”, “I am satisfied with the options of products available at physical stores”, and “I trust the quality of a product when I can touch, see or test the product in a physical store”.

The second component includes the following variables- “The different payment options (Cash payments, Credit/Debit cards, e-wallets, UPI/Online payments, etc.) available in physical stores add to my shopping experience”, “Receiving messages or emails promoting or recommending new products while I’m in a physical store encourages me to try these new products”, and “I find that customer service is better at physical stores compared to online customer services”.

The first component has been named “Customers’ In-store Shopping Perception Factors”.

The second component is identified as “Customers’ Shopping Experience Enhancing Factors”.

4: Discussions

4.1 Findings

Based on this research’s data analysis, the findings can be summarized as follows:

- There is an impact of demographics on customers' preference to shop in a physical store versus from an online store.
- Variables such as "age" and "employment status" affect where these customers prefer to make their purchases.
- "Gender" does not influence customers' preference to shop online or in-store.
- The majority of the respondents were students. Further analysis proved that the age groups they belong to, 18 to 24 years, prefers to shop both online and in-store, based on the types of products they are looking for.
- Respondents prefer to purchase product types such as "grocery and home-care products", "clothes and accessories", "cosmetics, body and skin care products", "electronics", and "stationery items and toys" most predominantly from physical stores.
- Respondents prefer to purchase entertainment-related and information-related products and services mostly from online channels.
- The likelihood of making purchases in a physical store is increased due to customers being able to test, see, touch, and feel the product, which is important to build their trust in the brand. Unlike in online shopping, being able to confirm product quality while shopping in a store influences customers' decision to choose purchasing from a physical store over an online store.
- Although there are various sources that customers gain product knowledge from, physical stores also act as a source of information on different and new products, brands, and more. This was confirmed as 69 out of 245 respondents agreed that they get more product(s) information when they shop in physical stores.
- Results from conducting factor analysis on the available data assisted in determining the factors that influence customers' preference to shop in-store or online.
 - Factors that impact customers' perception of shopping in a physical store include the ability to see, touch, feel and/ or test the product which enhances customers' trust, physical stores acting as a convenient source of product(s) information, improving customers' purchasing decisions, presence of satisfactory options of products, and less customer confusion in choosing products when purchasing from a physical store.
 - Factors that enhance customers' shopping experience in physical stores include the convenience of making payments via different types of payment methods ranging from cash payments to paying using UPIs and e-wallets, promotional messages about new and different products being sent to customers, while they are in a store, encouraging them to try these products, and the availability of good customer service.
- Overall, this study helped to understand why including physical stores in an omnichannel retail strategy is necessary as more and more customers turn to shop in-store, even in the presence of online shopping channels. Hence, if physical stores are excluded from the omnichannel strategy, strong customer data on their interactions, preferences, and/ or touchpoints when they shop in physical stores will be rendered useless, thus

affecting the organizations' ability to effectively cater to their customer's needs and thereby, not being able to meet organizational objectives and targets.

4.2 Suggestions

This research adds to studies that focus on in-store versus online shopping. Online shopping is on the rise and will continue to be an important part of any company's market progress. Yet, it would result in great loss if companies forego having physical stores. It would lead to even more loss if there is an absence of a well-planned omnichannel retail strategy, integrating data from both physical and online platforms. As a result, findings from studies like this one can be critical in providing recommendations for improving the development and implementation of retail strategies.

Some suggestions that the researcher has made after the thorough examination of the data and analysis are as follows:

- A major reason why most of the respondents prefers to shop in-store is the immediate availability of their choice products and the ability to "analyze" these choices. Businesses should ensure that the most sought out products are available both in-store and online. If a customer finds a product on an online store of a retailer, but is hesitant to make the purchase until they see/ feel/ test it, having the same product at the retailer's physical store will enable the customer to analyze the product. This ensures that there is no loss of a potential sale. Product categories where such a scenario has an impact, based on this study, includes items such as grocery and home-care products, clothes and accessories, cosmetics, body and skin care products, electronics, and stationery items and toys.
- SMS marketing is still an evolving marketing tool. Well-designed messages with attractive promotions and call-to-actions can significantly help in not just grabbing the attention of a customer, but can also increase the chances of them making a purchase. Hence, it is crucial for businesses to create and send out ad messages at the right time. That is, marketers should ensure that these promotional texts reach customers at the times they are mostly likely to be shopping, especially in-store. With a strong omnichannel retail strategy, data about customers' online and in-store shopping behaviors can help marketers devise the right set of marketing plans, thus ensuring that ads and offerings' information reaches the right customer, at the right place and time.
- The findings substantiated that customer service plays an important role in influencing consumers' choice of in-store shopping, instead of online. Efforts must be taken to improve the quality of the service provided by customer service department, so that customers' shopping and post-purchase experience is enhanced. In case of online stores, online retailers could highly benefit from having traditional stores so that customer grievances could be handled face-to-face, in real-time. This can be beneficial as useful information, such as complaints, suggestions, preferences, etc. can be collected from physical customer interactions, as opposed to information acquired online, which may be affected by limits such as inability to gauge emotion, reaction, bias, etc.
- Along with various researches conducted by marketers to understand consumers' tastes and preferences, studying customers when they are shopping in, or even

just visiting, physical stores is an effective and efficient way to study different aspects of consumers' behaviors. Matters such as how they shop, what do they shop, why they shop, what encouraged them to shop there, the flow of their customer journey, etc. can be thoroughly studied in real-time.

- More researches need to be conducted by marketers to understand why consumers choose to shop offline and not online, even with the growing number of online businesses. Understanding 'why' can help businesses implement the right retail strategy, so that both the business as well as consumers can benefit from the inclusion of physical stores.

4.3 Conclusion

Today, digital presence is integral for organisations to be competitive in any industry. This is particularly important for companies in the retail industry. Online stores plus strong digital marketing efforts help customers to find and purchase products/ services with just a few swipes on their digital devices, also helping these businesses to successfully retain consumers and maintain brand loyalty by engaging with customers (new, existing, and potential customers) on digital platforms such as social media, emails, etc. This success in digital transformation is seen as a sign that traditional physical stores will become obsolete in the coming years. But there are pieces of evidence that prove that this assumption is far from the truth.

According to an article by Forbes (March, 2022), the best way to retain customers in today's digital era is to enhance their in-store shopping experience, while also working towards improving customer relationships over digital channels. An effective omnichannel retail strategy is essential to do so. For this purpose, customer data from all interactions between a customer and the organisation, from online channels and physical stores, must be integrated.

Therefore, this study was conducted to further corroborate the importance of having physical stores by understanding why customers would prefer to shop in physical stores when instead they could shop online. The findings helped to substantiate that businesses cannot operate without physical stores. To ensure profitability and competitive advantage, businesses must have a well-developed omnichannel retail strategy that includes traditional physical stores along with digital channels.

This study made every effort to collect relevant data and analyse it in order to derive precise observations that can then serve as a foundation for understanding the significance of having physical stores and their relevance to businesses when developing and implementing omnichannel retail strategies.

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