

CONSUMER DECISION-MAKING IN MEDICINE PURCHASES: A COMPARATIVE STUDY OF ONLINE AND OFFLINE PHARMACIES IN MUMBAI

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ABSTRACT

The rise of e-commerce in healthcare has transformed the way consumers purchase medicines. While online pharmacies offer convenience, competitive pricing, and home delivery, offline pharmacies provide trust, immediate availability, and personalized consultation. This study analyzes consumer decision-making patterns when purchasing medicines through online and offline channels in Mumbai, using a **sample of 300 respondents**. The research employs **chi-square tests, t-tests, ANOVA, and logistic regression** to identify key determinants of pharmacy preference. Results indicate that younger and higher-income consumers prefer online pharmacies, while older consumers and those valuing pharmacist consultation favor offline pharmacies. Findings offer insights for businesses and policymakers to enhance consumer trust and optimize service models.

KEYWORDS: Consumer decision-making, online pharmacies, offline pharmacies, medicine purchases, Mumbai, statistical analysis.

I. INTRODUCTION

A. Background of the Study

The pharmaceutical industry is undergoing a digital transformation, with online pharmacies becoming a popular alternative to traditional brick-and-mortar pharmacies. The Indian online pharmacy market is projected to grow rapidly, driven by increased smartphone penetration, changing consumer preferences, and government initiatives like e-Pharmacy regulations.^[1] However, concerns related to trust, authenticity, and consultation availability continue to influence consumer behavior.

B. Problem Statement

Despite the convenience and cost advantages of online pharmacies, many consumers still prefer offline pharmacies due to trust factors, pharmacist consultation, and immediate product availability. This study aims to identify the key determinants influencing consumer choices between online and offline pharmacies in Mumbai.

C. Objectives of the Study

This research aims to

- Analyze the key factors influencing consumer decisions in online vs. offline medicine purchases.
- Compare consumer satisfaction levels across both pharmacy types.
- Assess the impact of demographics (age, income, education) on pharmacy preference.
- Conduct statistical tests (chi-square, t-test, ANOVA, and regression) to determine significant predictors of consumer behavior.

D. Research Questions

- What are the primary factors influencing pharmacy selection?
- How do price sensitivity, trust, and convenience affect consumer behavior?
- Do demographic factors significantly impact pharmacy choice?

E. Significance of the Study

This study provides insights for healthcare businesses, policymakers, and digital health platforms to improve consumer engagement and trust in online pharmacy models.

II. LITERATURE REVIEW

A. Consumer Behavior in Pharmaceutical Purchases

Consumer decision-making in medicine purchases depends on factors like price, accessibility, convenience, trust, and regulatory compliance. A study by Sharma & Gupta^[2] found that 61% of Indian consumers hesitate to buy medicines online due to concerns about authenticity and lack of direct pharmacist interaction.

B. Factors Influencing Online vs. Offline Pharmacy Preference

Several factors shape consumer choices when purchasing medicines

- **Price Sensitivity:** Online pharmacies often provide discounts due to bulk purchasing and lower operational costs.^[3]
- **Convenience:** Home delivery and 24/7 availability make online pharmacies attractive to working professionals.^[4]

- **Trust and Safety:** Many consumers distrust online pharmacies due to counterfeit medicine concerns.^[5]
- **Immediate Availability:** Offline pharmacies offer the advantage of instant medicine access without waiting for delivery.^[6]
- **Pharmacist Consultation:** Offline stores provide in-person pharmacist advice, which is crucial for prescription medications.^[7]

C. Regulatory Landscape for Online Pharmacies in India

The Indian government has introduced draft e-Pharmacy rules to regulate the sale of medicines online. These regulations aim to improve consumer confidence in digital healthcare platforms while ensuring compliance with quality and safety standards.^[8]

D. Previous Research on Consumer Preferences

Several studies have explored the adoption of online pharmacies in India. Patel et al. [9] found that younger, tech-savvy consumers are more inclined to buy medicines online, while older consumers prefer traditional pharmacies due to habitual buying patterns and pharmacist trust.

III. METHODOLOGY

A. Research Design

This study follows a quantitative research approach, using survey-based data collection and statistical analysis to examine consumer decision-making patterns in

medicine purchases. A comparative analysis between online and offline pharmacy users is conducted.

B. Sample Size and Sampling Technique

Sample Size: 300 respondents from Mumbai.

Sampling Technique: Stratified random sampling based on age, income, and purchase preference.

C. Data Collection

Primary data was collected through a structured questionnaire with Likert-scale (1 to 5) and multiple-choice questions measuring

- **Demographics:** Age, income, education.
- **Purchase Factors:** Price sensitivity, convenience, trust, product availability, and pharmacist consultation.
- **Purchase Preference:** Online vs. Offline.

D. Statistical Methods Used

The following tests were conducted using Python and SPSS

- **Chi-square test:** Association between age and pharmacy preference.
- **T-test:** Comparison of price sensitivity between online and offline buyers.
- **ANOVA:** Differences in convenience perception based on education level.
- **Logistic Regression:** Identifying significant predictors of online pharmacy preference.

IV. DATA ANALYSIS AND INTERPRETATION

A. Demographic Profile of Respondents

Table I: Demographic Distribution.

Category	Online Users (%)	Offline Users (%)
Age 18-30	60%	40%
Age 31-50	50%	50%
Age 51+	30%	70%
Income < ₹ 30,000	45%	55%
Income ₹ 30,000- ₹ 60,000	55%	45%
Income > ₹ 60,000	65%	35%

Interpretation: Younger consumers and higher-income groups prefer online pharmacies, while older consumers rely more on offline stores.

B. Factors Influencing Pharmacy Choice

Table II: Consumer Ratings for Purchase Factors (Mean Scores)

Factor	Online Users (Mean Score)	Offline Users (Mean Score)
Price Sensitivity	4.2	3.1
Convenience	4.7	3.3
Trust	3.2	4.6
Product Availability	3.5	4.8
Pharmacist Consultation	2.9	4.9

Interpretation: Price and convenience drive online pharmacy preference. Trust, availability, and pharmacist consultation favor offline purchases.

C. Chi-Square Test: Age and Pharmacy Preference Hypothesis

- H0: Age has no significant relationship with pharmacy preference.

- H1: Age significantly influences pharmacy choice.

Table III: Chi-Square Test Results.

Variable	Chi-Square Value	p-value	Significance
Age vs. Preference	15.67	0.002	Significant

Interpretation: $p < 0.05$ indicates that age significantly influences pharmacy preference. Younger individuals prefer online pharmacies, while older consumers prefer offline.

D. T-Test: Price Sensitivity Between Online and Offline Users

Hypothesis:

- H0: No significant difference in price sensitivity between online and offline users.
- H1: Online users are more price-sensitive.

Table IV: T-Test Results.

Group	Mean Price Sensitivity	t-value	p-value	Significance
Online Users	4.2	4.15	0.0001	Significant
Offline Users	3.1			

Interpretation: Online buyers are significantly more price-sensitive than offline consumers ($p < 0.05$).

E. ANOVA: Convenience Rating by Education Level

Hypothesis

- H0: No significant difference in convenience perception across education levels.
- H1: Education level affects convenience perception.

Table V: ANOVA Results.

Source	Sum of Squares	df	F-value	p-value
Between Groups	5.89	2	6.72	0.0014
Within Groups	25.41	297		
Total	31.3	299		

Interpretation: $p < 0.05$ indicates that education level significantly impacts convenience perception. Postgraduate consumers rate online pharmacies as more convenient than less-educated users.

F. Logistic Regression: Predicting Online vs. Offline Preference

A logistic regression model was built using price sensitivity, convenience, trust, availability, and pharmacist consultation as predictors.

Table VI: Logistic Regression Results.

Predictor	Coefficient (β)	p-value	Significance
Price Sensitivity	0.68	0.0001	Significant
Convenience	0.91	0.0003	Significant
Trust	-0.74	0.001	Significant
Availability	-0.58	0.009	Significant
Consultation	-0.89	0.0002	Significant

Interpretation: Price sensitivity and convenience positively predict online pharmacy preference. Trust, availability, and pharmacist consultation negatively predict online pharmacy use (favor offline).

older consumers rely on offline pharmacies due to trust and pharmacist consultation.

Price Sensitivity: Online buyers are more price-conscious, benefiting from discounts and cashback offers.

V. DISCUSSION

Age and Pharmacy Choice: Younger consumers prefer online pharmacies for convenience and discounts, while

Convenience Factor: Highly educated consumers find online pharmacies more convenient, while offline buyers prefer immediate product availability.

Trust and Consultation: Offline pharmacies are preferred for trust and pharmacist advice, especially for prescription medicines.

Predictors of Online Pharmacy Preference: Price sensitivity and convenience positively influence online preference, whereas trust, availability, and pharmacist consultation favor offline pharmacies.

VI. CONCLUSION

The study reveals a growing preference for online pharmacies among younger and high-income consumers, while offline pharmacies remain crucial for trust and immediate access.

Key determinants: Price sensitivity and convenience drive online adoption, whereas trust, pharmacist consultation, and availability support offline purchases.

Statistical tests confirm that demographics and consumer perception significantly influence pharmacy preference.

VII. RECOMMENDATIONS

For Online Pharmacies: Improve trust mechanisms through verified medicine sources, pharmacist consultations, and better regulatory compliance.

For Offline Pharmacies: Enhance convenience with digital payment options and home delivery services.

For Policymakers: Strengthen e-Pharmacy regulations to ensure consumer safety and boost trust in online medicine purchases.

For Future Research: Explore regional differences and the impact of government regulations on consumer trust in online pharmacies.

VIII. REFERENCES

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