

Consumers buying behavior towards online shopping: An Empirical Study

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Abstract

The number of Internet users in India is continuously increasing. Online shopping and E-Commerce play an important role in retail sector. Due to internet, shopping at home is become easy. Most of the people of Jabalpur city are young and service class, so the trend of online shopping is become increasing among them. The main objective of this study is to know the present status of online shopping and which elements and factors affecting consumers to shop online. This study is based on primary data of 200 respondents of Jabalpur city. For this purpose well structured questionnaire is prepared. Out of 200 questionnaires 190 returned. Study reveals that most people of Jabalpur city prefer online shopping and maximum respondents were young in age group of 18 to 25. The study shows that most people purchase online according to their work and profession. Cheaper goods, different variety of product, convenient shopping also encourage people to buy product online.

Keyword: E-commerce, online shopping, internet.

Introduction

Electronic commerce refers to a wide range of online business activities for products and services. In India e-commerce industry market has matured and new players have entered the market space. Internet is playing a vital role in removing past business limitations. . Online shopping places a heavy demand on the use of the internet. Due to revolution in telecommunication sector internet has changed the way consumers shop and buy goods and services. As compared to the western countries internet marketing in India is low but it is growing rapidly. Computer and internet is becoming an inevitable part of our life. The technology is developing rapidly so that it removes the misconceptions and limitations of the past. Online shopping is used as a medium for communication and e-commerce. There is a huge online market in India and Indian people are gaining confidence about purchasing products online. Now a day's many Indian purchase goods like electronic gadgets, food, rail ticket, gifts, mobile phone, computer peripherals, clothes etc online. Present study was conducted to find the trends of online shopping among the people. It also includes the study of why, when and where the people buy online, how often they buy and how often they use. Though there is lot of benefits of online shopping still it have many disadvantages, threats and risks. All these factors are affecting the behavior of customers towards online shopping. In present study was also conducted to find out the consumers risk and problem facing by people during online shopping.

Review of Literature

Jiradilok, Taweerat; Malisuwan, Settaong; Madan, Navneet & Sivaraks, Jesada (2014) in article "The Impact of Customer Satisfaction on Online Purchasing: A Case Study Analysis in

Thailand” published in Journal of Economics, Business and Management stated that although e-commerce has increased a large amount benefits such as creating superior value for customers beyond geographic barriers and generating the unprecedented business growth but it has not been realized by many people. It can be said that the internet users may frequently visit the shopping sites but many of them do not perform the actual transaction with the sites. The study reveals that people mostly value assurance and empathy as the most influential dimensions. This finding is applicable for both types of internet users that are users with experience in purchasing and users with no experience in purchasing. Thus, the shop vendors should rely heavily on these two dimensions to certain customer’s trust in the shopping sites that they will surely receive what the vendors have promised and be treated as the privileged guests. As a result, it is suggested that the shop vendors should include all of these variables; assurance, empathy, responsibility, website information quality, and reliability, into websites; however, the vendors can use diverse tactics to draw different groups of customers by focusing on each attribute valued by the target customers. Study showed that variety, website system quality, and tangibility have no influence on purchasing intention in customer’s decision even though the respondents were quite satisfied with these dimensions.

Binoy Mathew (2015) in his article “A Study on Changing Trends in Online Shopping of Indian Consumers in Apparel Segment” analysed the changing trends in online shopping of Indian consumers in the apparel segment. In the beginning stages of online shopping consumers were reluctant to buy apparels online as it has many limitations. But today the market is able to overcome many of the limitations and build confidence among the consumers to buy online. He stated that the Indian fashion online apparel industry encompasses a plethora of opportunities. But tapping these opportunities, and converting them to business value, requires a holistic understanding of the industry, starting from fiber-to- online fashion retail. Online Fashion retailers have to go beyond the boundaries of sales, marketing, merchandising, and category management, and have to explore upstream and allied industries with accuracy. Online apparel retailers in India have to continue realigning and restructuring their models to cater to the evolving needs of this dynamic market. The opportunity in the online fashion market is immense, but this opportunity exists only for those who can visualize the future and reinvent themselves in order to address the associated challenges. The retailers should spend on online marketing as the rural areas are not aware of the online shopping facilities. They should also indulge in cost cutting, reach their customers, target markets, build long term relationship, available at all hours, low cost and better quality apparel and increase sales.

Kothari P. Pritam, Maindargi S. Shivganga (2016) in article “A Study on Customers Attitude towards Online Shopping in India and its Impact: With Special Reference to Solapur City” published in International Journal of Advance research , Ideas and Innovations in Technology highlighted the factors which online Indian customers keep in mind while shopping. Researchers found that cognition, sensed usefulness, comfort of use; sensed enjoyment and security are the five components which affect consumer perceptions about online purchasing. Internet has

changed the way consumers purchase goods and services at the same time many companies have started using the Internet with the objective of cutting marketing costs, thereby reducing the price of their product and service in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to purchase the product online, but also to compare prices, product features and after sale service facilities they will receive if the purchase the product from a particular store.

Alpna Vaidya (2017) in article “Online Shopping Trends among College Students” published in International Journal of English Language, Literature in Humanities stated that college going youth mostly shop online. The purpose of this study is to find out the trends in online shopping among College students of Pune city. The sample consisted Youth prefer mobile app for shopping and Flipkart is the most popular app followed by Amazon and others. Most of the students use online method for shopping of electronic goods and for buying of clothes. Suggestions – Future study may be conducted by using variables such as personality, rural urban differences in online.

Saranya & Chandran (2017) in article “Risk and Threats in online shopping-A study with special reference to perception and behavior of customers in Chennai city” examine the factors perceived as a risk with the product or service and analyze the various threats which perceived as a risk in online transaction. He stated that the consumer is willing to purchase product/service from an online vendor that is perceived low risk, even if the consumer’s perceived ease of use on e-Commerce is relatively low. As a result of the study found that consumers consider the risk related to the online transaction (i.e., privacy, security, and non-repudiation.) as one of the important factors when they purchase on the Internet. There are Eight Risk factors perceived by the respondents, who perceived the most risk with the financial aspects and time loss of online shopping. Study showed that the consumers perceiving less overall risk with online shopping.

Research Methodology

Both primary and secondary data has been used for the purpose of this study. Primary data was collected through a questionnaire designed exclusively for the study. Secondary data was taken from research papers, Journals, magazines and websites.

Objectives of the study

1. To study the buying behavior of consumers towards online shopping.
2. To study the gender difference in online shopping among the consumers.
3. To analysis factors affecting the customers attitude towards the online shopping.
4. To know the problem facing by people during online shopping.

Hypothesis

H0: Consumer's behavior to buy product online is independent to their occupation.

H1: Consumer's behavior to buy product online is dependent to their occupation.

Limitation of study:

1. The market size is too big and sample survey conducted to present study is limited to 200 respondents.
2. Time is main limiting factor, so elaborate study could not be done.

Sample size and area

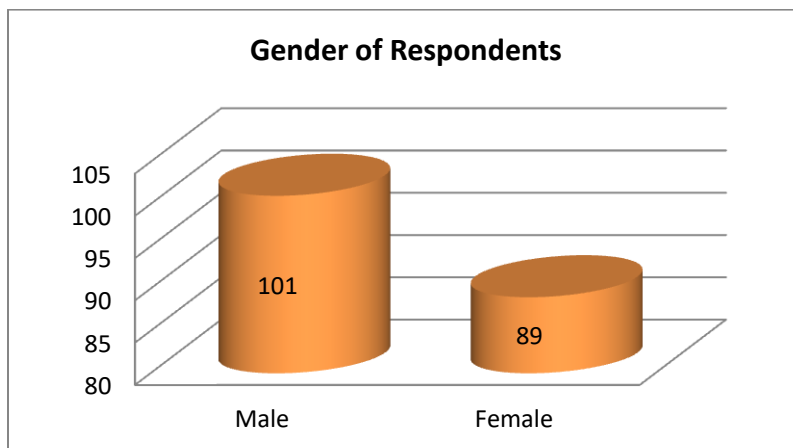
Samples were collected from consumers of online shopping of Jabalpur City. A target of 200 respondents was set, but many of them provided incomplete questionnaire and having no experience of using internet and online shopping therefore only 190 questionnaires were entertained for final analysis and data interpretation.

Data Analysis and interpretation

Table 1:- Gender of Respondents.

Type	Number of Respondent	Percentage in total Sample
Male	101	53.2
Female	89	46.8
Total	190	100

CHART I

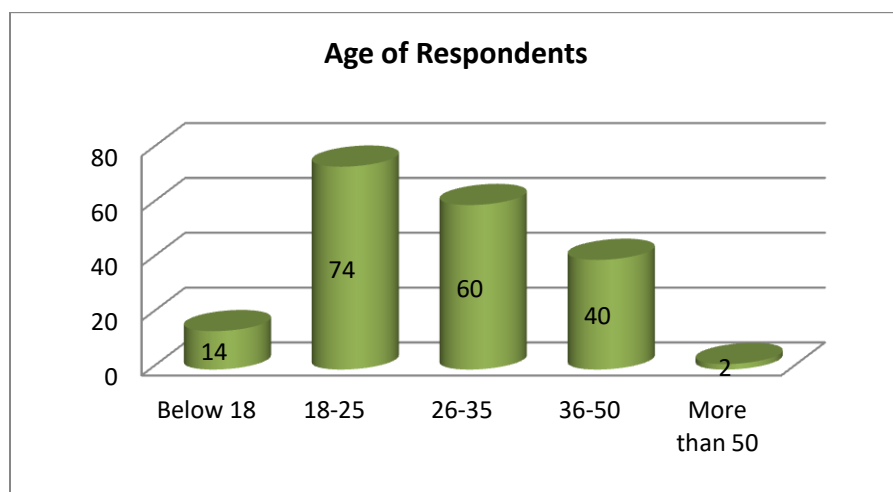


Inference: Table 1 and chart I show that 101 (53.2%) respondents are male and remaining 89 (46.8%) are female.

Table 2:- Age of Respondents.

Type	Number of Respondent	Percentage in total Sample
Below 18	14	7.4
18-25	74	38.9
26-35	60	31.6
36-50	40	21
More than 50	02	1.1
Total	190	100

CHART II

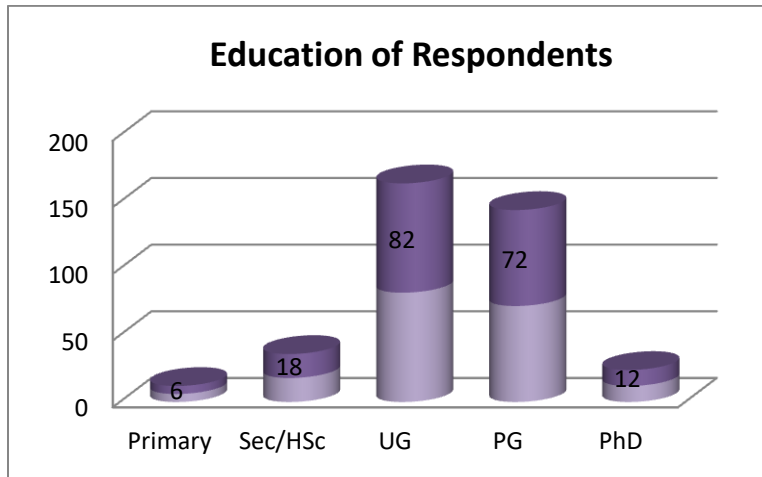


Inference: Table 2 and chart II show that large no of respondent are between 18 years to 25 years (38.9%) followed by 26 years to 35 (31.6%).

Table 3:- Education of Respondents.

Type	Number of Respondent	Percentage in total Sample
Primary	06	3.1
Secondary/Higher Sec.	18	9.5
Under Graduate	82	43.2
Post Graduate	72	37.9
Doctorate	12	6.3
Total	190	100

CHART III

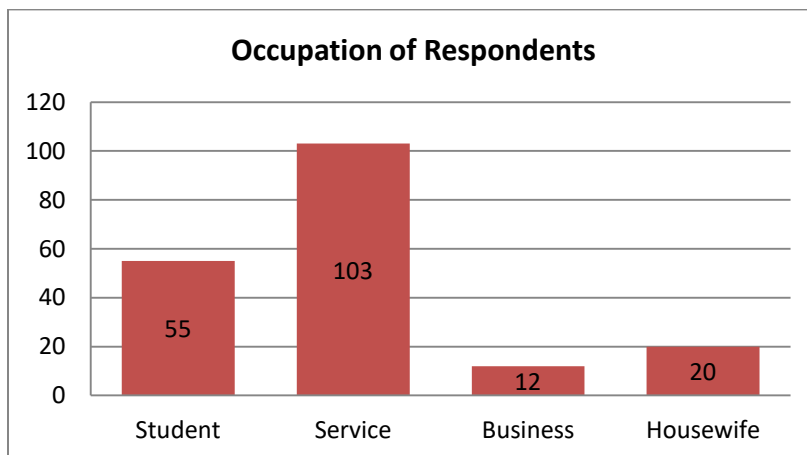


Inference: Table 3 and chart III show that majority of respondent are Under Graduate (43.2%) followed by Post Graduate (37.9%). It is clearly shows that maximum no. of the respondents is educated and they are able to understand the language, terms and conditions and content of the product while shopping online.

Table 4:- Occupation of Respondents.

Type	Number of Respondent	Percentage in total Sample
Student	55	29
Service	103	54.2
Business	12	6.3
Housewife	20	10.5
Total	190	100

CHART IV



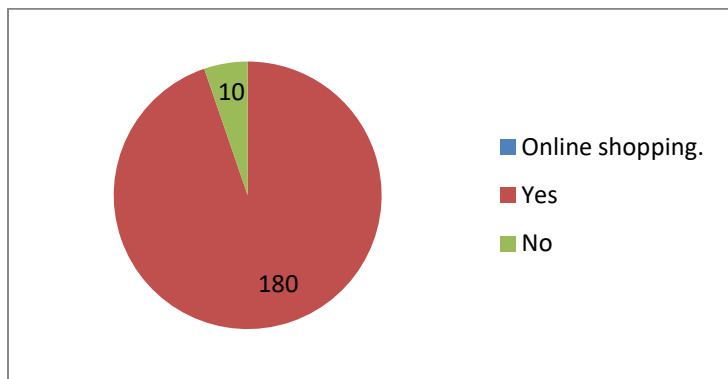
Inference: Table 4 and above graph show that majority of respondents are service class (54.2%).

Table 6:- Online Shopping Experience by respondent.

Response	Number of Respondent	Percentage in total Sample
Yes	180	94.7
No	10	5.3
Total	190	100

CHART VI

Online Shopping experienced

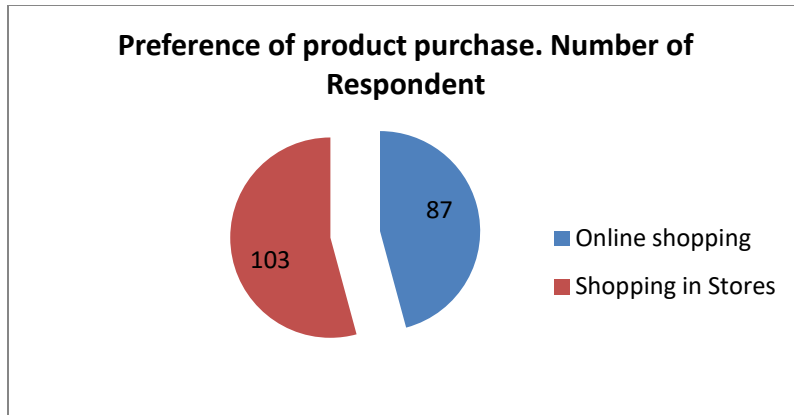


Inference: Above Table and chart show that majority of respondents 180 (94.7%) have experienced online shopping and remaining 10 (5.3%) have not experienced online shopping.

Table 7:- Preference of product purchase.

Response	Number of Respondent	Percentage in total Sample (Aprox.)
Online shopping	87	46
Shopping in Stores	103	54
Total	190	100

CHART VII

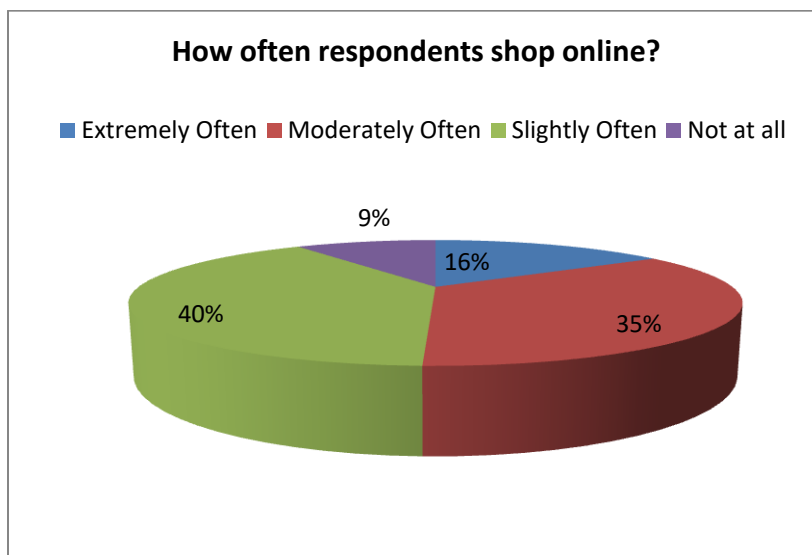


Inference: Table 7 and graph VII show that majority of respondents (54%) have preferred shopping in stores.

Table 8:- How often respondents shop online?

Response	Number of Respondent	Percentage in total Sample
Extremely Often	30	16
Moderately Often	66	35
Slightly Often	76	40
Not at all	18	9
Total	190	100

CHART VIII

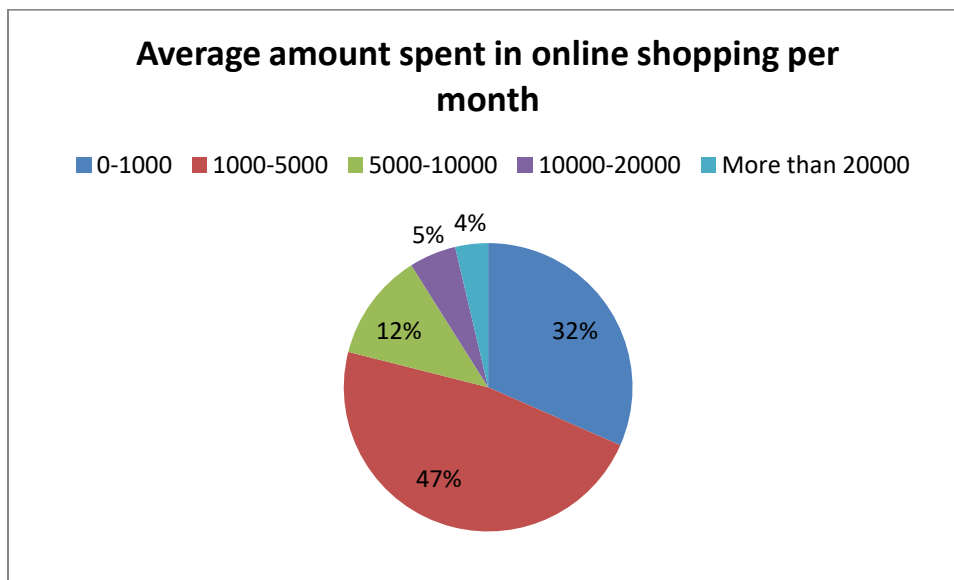


Inference: From above Table and graph it can be inferred that 9% of the respondents do not shop online, 40% respondents slightly often shop online, 35% prefer this option moderately often, 16% of the respondents prefer this option extremely often.

Table 9:- Average amount spent in online shopping per month.

Response	Number of Respondent	Percentage in total Sample
0-1000	60	32
1000-5000	90	47
5000-10000	23	12
10000-20000	10	5
More than 20000	7	4
Total	190	100

CHART IX



Inference: From above Table and graph it can be inferred that that about 47% of the respondents spend between Rs. 1000-5000, 32% of the respondents spend between 0-1000, 12% 5000-10000, 5% respondents spend between 10000-20000 and 4% of the respondents spend more than 20000.

Table 10:- Preferred Products to purchase online.

Response	Number of Respondent	Percentage in total Sample
Books & Magazine	16	8.4
Food	35	18.4
Home Appliance/ Electronics items	30	15.8
Apparel	55	28.9

Travel & Service (Hotel/Holidays/Ticket)	40	21.1
Other (Groceries, Mobile Accessories/footwear/computer hardware & software)	14	7.4
Total	190	100

Inference: From Table and graph No. X inferred that maximum respondents were interested to shop apparel online. 55 respondents buy Apparel, 40 respondents interested to purchase travel & service, 35 respondents buy food, 30 respondents buy home electronics, 16 respondents buy books and magazine and 14 respondents purchase other goods like groceries, mobile accessories, footwear, computer software etc.

Table 11:- Preferred websites for Online Shopping.

Response	Number of Respondent	Percentage in total Sample
Flipkart	45	23.7
Amazon	58	30.5
Snapdeal	11	5.8
Myntra	34	17.9
Bookmyshow	30	15.8
Other	12	6.3
Total	190	100

Inference: Above table and graph shows that the most respondents preferred Amazon website for online shopping.

Table 12:- Use of internet by respondent.

Response	Number of Respondent	Percentage in total Sample
At home	100	52.6
At work	80	42.1
Other	10	5.3
Total	190	100

Table 12:- Purpose of using the internet by respondent.

Response	Number of Respondent	Percentage in total Sample
Shopping	46	24.2
Work	59	31
Education	64	33.7
Hobby	21	11.1
Total	190	100

Table 13:- Benefits of online shopping.

	Strongly Disagree	Disagree	Agree	Strongly Agree
Online shopping is convenient to shop	14	16	130	30
Online shopping has a wider variety	8	20	118	44
Online shopping has cheaper goods	12	60	96	22
Online shopping saves time and energy	20	15	105	50
Online shopping delivers your goods to your home without the need for travel	6	6	112	66
Online shopping can be done from the comfort of your own home/anywhere	10	4	116	60

Table 14:- Disadvantages of online shopping.

	Strongly Disagree	Disagree	Agree	Strongly Agree
Security concerns surrounding payment by credit card over the Internet	22	40	96	32
Not being able to physically inspect the goods before purchase	10	15	85	80
Goods getting damaged during transport	22	70	70	28
Goods not arriving in time or at all	8	88	76	18

Table 15 :- Preference of Payment Method when shop online

Response	Number of Respondent	Percentage in total Sample
Dr./Cr. Card	66	34.7
Cash on Delivery	114	60
Other mode	10	5.3
Total	190	100

Testing of Hypothesis

H0: Consumer's behavior to buy product online is independent to their occupation.

H1: Consumer's behavior to buy product online is dependent to their occupation.

$$\text{Chi Square Test} = (O-E)^2/E$$

Occupation and buy Product Online

Occupation	Books	Food	Home Appliance	Apparel	Accessories	Total
Students	07	14	4	12	12	49
Service	02	15	12	21	11	61
Business	02	03	01	04	08	18
Profession	04	02	01	04	09	20
Housewife	01	01	12	14	14	12
Total	16	35	30	55	54	190

Expected Frequency

Occupation	Books	Food	Home Appliance	Apparel	Accessories	Total
Students	4.13	9.02	7.74	14.18	13.93	49
Service	5.14	11.24	9.63	17.65	17.34	61
Business	1.51	3.32	2.84	5.21	5.12	18
Profession	1.68	3.68	3.16	5.80	5.68	20
Housewife	3.54	7.74	6.63	12.16	11.93	12
Total	16	35	30	55	54	190

Calculated Value = 37.76

Degree of freedom = (c-1) (r-1)
 = (5-1) (5-1) = 16

Level of Significance P= 0.05`

Table Value = 26.29

Calculated value is greater than table value so null hypothesis is rejected and alternate hypotheses accepted.

Findings:

1. According to study male respondents shop online more than women respondents.
2. The respondent who belongs to age group of 18-25 shop online more often than other age group.
3. Most of the graduate respondents preferred to shop online.
4. Study shows that maximum number of service class respondents prefers online shopping.

5. The study revealed that about 95% people have experienced online shopping but still shopping from the store is first choice of the people.
6. Majority of people spend Rs. 1000-5000 per month on online shopping.
7. Preferred product to purchase online is Apparel and Amazon is the favourite online shopping site.
8. Study revealed that majority of people is satisfied with online shopping. The motivating factors to shop online are convenient, wider variety of product, price, time and energy saving, home delivery etc.
9. But still there are some problems facing by respondents while online shopping like security problem in online payment, inability to touch the product, damage of goods, delay in delivery, difference in colour and shape etc.
10. The maximum number of people preferred cash on delivery payment mode.

Conclusion:

Online shopping is playing an important role in retail sector of Indian market. At present most of people become internet friendly that is the reason why online shopping trend is increasing among the youth. The study shows that people shop online according to their work and profession. Most important reason for increasing online shopping are cheaper goods, time and energy saving, different variety of product, convenient shopping etc. Study also revealed that people of Jabalpur city is mostly belongs to middle class family and moderately use online shopping so the trend of online shopping is increasing but it is less compared to offline. There are some disadvantages of online shopping which discourage people to shop online i.e. security issue, delay in product delivery, damage of goods, inferior quality of goods, unable to touch etc. If some suggestions are implemented than these problems should be overcome. People should be aware about safety aspects like safe browser, good websites, alternate payment mode (cash on delivery) when shop online.

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