



A STUDY OF FACTORS AFFECTING ON ONLINE SHOPPING BEHAVIOR OF CONSUMERS IN INDIA

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Abstract

On-line shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. Most of the companies are running their on-line portals to sell their products/services on-line. Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is still not in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on -line shopping in India.

This study is the impact of factors of consumers on -line shopping parameters like satisfaction with on-line shopping, future purchase intention, frequency of on-line shopping, numbers of items purchased. The data was collected through Questionnaires. The results of study reveal that on-line shopping in India is significantly affected by various Demographic factors like age, gender, marital status, family size and income. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app.

An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are Alibaba, Amazon.com, and eBay. Retail success is no longer all about physical stores. This is evident because of the increase in retailers now offering online store interfaces for consumers. With the growth of online shopping, comes a wealth of new market footprint coverage opportunities for stores that can appropriately cater to offshore market demands and service requirements.

Introduction

Consumer behaviour refers to the range of behaviours exhibited by humans and which are influenced a lot by several reasons and these reasons are affected by factors like by culture, attitudes, emotions, values, ethics, authority, rapport, hypnosis, persuasion, coercion and genetics. The behavior of humans falls within a range with some behavior being common, some unusual, some acceptable, and some outside acceptable units. Behavior in general is characterized as having no meaning, being not directed at other people, and thus is the most basic human.

Behavior in this general sense should not be mistaken with society's behaviour which is a more advanced action, as social behaviour is behavior specifically directed at other people. The acceptability of behavior depends heavily upon society's norms and is regulated by various means of society's control. Human behavior is studied by the specialized discipline of psychology, sociology, economics and anthropology.

Consumer behavior is experienced throughout an individual's entire lifetime. It includes the way they act based on different factors such as genetics, social norms, core faith, and attitude. Behaviour is impacted by certain traits each individual has. The traits vary from person to person and can produce different actions or behaviour from each person. Social norms also impact behaviour. Due to the inherently conformist nature of human society in general, humans are pressured into following certain rules and display certain behaviours in society, which conditions the way people behave. Different behaviours are deemed to be either acceptable or unacceptable in different societies and cultures. Core faith can be perceived through the religion and philosophy of that individual. It shapes the way a person thinks and this in turn results in different human behaviours.

Retail present scenario currently the retail industry in India is accelerating. It is not widely accepted as the way it is accepted in Asian counterparts. India is excited to grow to be a most important player in the retail market. Since India is a developing nation, it is still not prepared for it. And they are leaving no stone unturned to become the best in retail Industry. Also India with a high on cross culture factor, it allows different companies bringing in variety of products targeting different consumer segments.



According to the Global Retail Development Index 2012, India ranks fifth among the top 30 emerging markets for retail. There are many factors contributing to the boom in this sector. Some of them are increased consumerism with the ability to afford luxury items. Even there is increase in the spending power of Indians. Indian's are travelling abroad and they are exposed to different cultures, their way of living, their style and thereby more brands. Worldwide retailers eye the Indian market because in our culture there is lots of give and take for marriages, festivals and other important events. Hence it's imperative for people to spend on gifts as a part and parcel of life irrespective of caste and creed and economic status. As there is no limitation to the spending power, Cities like Chandigarh, Coimbatore, Pune, Kolkata, Ahmadabad, Nagpur, Cochin, Hyderabad etc has fine market for about all product or service which offers a good proposal for a brand to penetrate Indian market.

Online Retail: The fact that world is fast dwindling into a universal community for the reason that of Internet and other communication mediums is not completely reflective in the Indian context. While developed and fast developing countries have understood the influence of Internet, India is still ignorant and trying to deal with up with the technological developments. The retail industry campaign has been repainted by Internet and the rules of the game in retailing are fast altering.

The western culture has affected each and every aspect of our Indian Society. The life is becoming fast not only in metros but also in the normal cities. The number of nuclear families is increasing and both husband and wife are working, as they have less time to go to the market for purchasing every now and then. Some other reasons like these, say shortage of time, traffic jams, late working hours, versatility of plastic money and above all the approach of internet at the door step of whosoever desires it. Online retailers have improved their service and consumers have found it convenient. There is been transformation in payment mode as well. From advance payment it is moved to cash on delivery (COD). Even in case of delivery pattern is changed. From fixed delivery timings it is moved on to convenient delivery timings at the choice of the customer. India has opened the doors for foreign direct investment in retail.

Indian market is dominated by unorganized players but there is potential in the area of retail players as well. Entry of bigger players such as Big Bazaar, More etc to even in the rural areas is paved the way of growth in its sector. There is been rise in the increase of Indian middle class people due to rapid economic growth. Though the population of using Internet in India is low in terms of by and large percentage of total population but, in total numbers it is very high. This gives enormous opportunities for various ecommerce sites to get in touch with this segment.

The population accessing in India is the age group from 18-45. Irrespective of this fact online retailing forms a meager 0.08% of the entire Indian retail markets. Market players have to be more positive, revolutionizing and pioneering in their approach and offering to make serious inroads. In the current market, bulk of online sales is in a range of items. This market in India needs to leap to the next level.

In his study "Consumer behavior is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires". In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention and conduct in light of the online buying practice: i.e., why they employ or falter to use it for purchasing? Consumer attitudes seem to have a significant influence on this decision. (Schiffman, Scherman, & Long, 2003 in his study researched that "yet individual attitudes do not, by themselves, influence one's intention and/or behavior. Instead that intention or behavior is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this case online buying.

Over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels (Ernst & Young, 2001; Mahajan, Muller & Bass, in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

The work of Kim and Park (2005) using U.S. samples suggests that their positive attitudes as well as willingness to search for pre-purchase information leads to a strong likelihood that they will buy online. Online shoppers are required to have



computer skills in order to use the Internet for shopping. Hence, those who are not comfortable with using the computer will likely do their shopping at the traditional store, modern shop, or discount store (Monsuwe , 2004)because it will be faster shopping there than in the Internet shop. Goldsmith and Flynn (2004) state that the home catalog is another traditional selling channel where people can shop at home because of the varieties of products offered in the catalog. They can order through the phone or by mail. It is convenient except that they are not able to touch and feel products before purchasing.

Literature Review

Solomon, 1998 in his study “Consumer behavior is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires”. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer’s mind-set, intention and conduct in light of the online buying practice: i.e., why they employ or falter to use it for purchasing? Consumer attitudes seem to have a significant influence on this decision.

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Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

(Kumari Renu.,2013;) Use of technology has opened new doors and opportunities that enable for a more convenient lifestyle today. Variety of products, quicker services and reduced price are the three significant ways in which online shopping influenced people in India and world as a whole .**Patna (2013)**, investigates the relationship between globalization, ecommerce adoption or acceptance that lead to business performance and effectiveness. Through privacy and security policies, developers are doing their best to put an end to this unethical practice. That will pay the way for its success.

Research Objectives

1. To identify the impact of Demographic factors impacting on-line shopping behaviour of consumers with special emphasis on Age, Gender, Education, Income Possession of internet, Frequency of online purchase.
2. Motivation drives for online purchase.

Hypotheses

- H1: Demographics Factors of Consumers significantly impact The Online Shopping Behavior of the Consumers.
- H1.2: Gender of consumer significantly impacts online shopping parameters of consumer.
- H1.3: Marital Status of consumer significantly impacts online shopping parameters of consumer.
- H1.4: Income of consumer significantly impacts online shopping parameters of consumer.

Research Methodology

Methods of data collection a combination of Interview method and Questionnaire method is used to collect data from the respondents. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

Sample Design: Under sample design the method of Random Sampling is been used to collect data from the respondents.

Sample Size: Sizes of 70 respondents are taken for the collection of the data.

Data Analysis and Interpretation: In data analysis and interpretation method of “ANOVA” is used to analyze the data by using the minitab 16 Software and SPSS.

Hypothesis Testing

H1.1: Age of consumer significantly impacts on possession of internet connection of consumers.



CONSUMERS' RESPONSE VARIATIONS FOR ONLINE BEHAVIOR * ACROSS DIFFERENT AGE GROUPS

(* Possession of internet, Frequency of online purchase, Motivation drives for online purchase)

The results show that Gender as one of the variables of demographics factor does impact Possession of internet and Frequency of online purchase of consumers. The result may be documented to the reason that females are more impulsive buyers as compared to males and are more likely to be attracted towards the promotional schemes offered by the online retailers and therefore gender has a significant impact on frequently of on-line Shopping. Rising Working woman concept has also enhanced it. Females also believe in status quo and emulate others in shopping.

CONSUMERS' RESPONSE VARIATIONS FOR ONLINE BEHAVIOR * ACROSS DIFFERENT INCOME GROUPS

(* Possession of internet, Frequency of online purchase, Motivation drives for online purchase)

The results show that Income as one of the variables of demographics factor has a significant impact on impact Frequency of online purchase of consumers. Research studies by Sultan and Henrichs in 2000 concluded that the consumer's motivation to and inclination for using the Internet as his or her shopping intermediate was positively allied to income the Identical is being supported by this study.

CONSUMERS' RESPONSE VARIATIONS FOR ONLINE BEHAVIOR * ACROSS DIFFERENT OCCUPATION GROUPS.

The results show that occupation as one of the variables of demographics factor does not have any significant impact on any of the variable taken for study.

Conclusion

The results for consumers' response across different demographics factors shows that gender does impact Possession of internet and Frequency of online purchase of consumer's occupation is a demographic variable which does not impact any of the variable under study. The overall results prove that the respondents have perceived online shopping in a positive manner. This clearly justifies the project growth of online shopping. The frequency of online shopping is relatively less in the country.

Online shopping organizations can apply the relevant variables and factors, identified from the research, to create their strategies and tactics. The organizations can prioritize the consumer inherent and unequivocal requirements in online shopping environment. The results can also be used by various organizations to identify their target customer segments.

Suggestions

The results of the study can be utilized by practitioners in relooking or revamping their strategies for online shopping. Online websites should concentrate more to the female segments as results prove that females shop more in online shopping as compared to men. So companies should devise the policies and strategies to magnetize more number of people in this segment in future also.

Online retailers should also look into the prospect of call centers which could guarantee that the customer get a chance to officially interact with the other party before the actual purchase.. It includes the random sample of individuals from Navi Mumbai . This study finds agreement amongst variety by including people of different age, income, occupation gender segments.

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