



FACTORS INFLUENCING THE BUYING BEHAVIOUR OF ONLINE RURAL CONSUMER IN POLLACHI TALUK

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Abstract

Online shopping is user friendly compare to in store shopping because consumers can just complete his requirements just with a click of mouse without leaving their home. In the present work, the researcher intended to analyze the factors influencing online buying behavior of the rural consumer in Pollachi Taluk. To analyze the online shopping behavior of rural consumer, the required data has been collected from 200 respondents. Simple average method and Factor analysis were used to find out most influencing factor.

Key Words: Online Shopping, Factors Influencing, Rural Consumer Behavior.

Introduction

In the era of globalization, internet has been constantly gaining importance; with its wonderful expansion it reached all the corners of the world. Various business organizations have globalized their sales and marketing efforts for their products and services through the internet. Over the decades most of the business organizations have been providing various products like books, hardware, software, toys, household appliances etc. to their customers through online.

Online shopping is the process of buying and selling the goods and services through online. It includes transferring of funds, supply chain management and marketing. It is the use of technology for better marketing performance, through online shopping; different types of business and organizations have gained a tremendous opportunity to increase their sales and to maintain a direct relationship with its customers. Today both urban and rural areas are enjoying internet facilities. The increasing use of internet by the young generation in India provides an emerging prospect for online retailers. Unlike traditional marketing, online marketing has many advantages like global reach, availability of wide variety, cheaper products and 24X7 timing etc.

In recent days the concept of online shopping plays a vital role in retail marketing. According to D S Rawat, Secretary General, Association of chamber, Indian e-commerce market worth is Rs 50,000 crores. In this worth, 80% of contribution from travel followed by retail (15%). Now-a-days there is an increasing the rate of internet users. Internet connection in India, almost 3 times increased during last 3 years. Penetration of internet users in India, in rural area is more than urban areas and it has experienced a growth of 73% annually.

Review of Literature

Anders Hasslinger, Selma Hodzic and Claudio Opazo (2007) examined particular factors that influence the online consumer with reference to university of kristianstad student. In this research, price, trust, and convenience were identified as important factors. Price was considered to be the most important factor for majority of the students.

Prasad and Aryasree (2009) explored the determinants of shopper behaviour such as convenience, customer service, trust, web store environment and web shopping enjoyment. The researchers concluded that convenience, web store, online shopping enjoyment and customers service, rather than perceived trust, had a significant impact on willingness to buy from online retail store. Except trust and customers service, all other factors were significant with reference to patronage of online retail stores.

Banerjee, Dutta, and Dasgupta (2010) conducted a study on “customer’s attitude towards online shopping”. The study revealed that among the 202 respondents who shopped online, 89.1% were satisfied and 96.1% satisfied customers also intended to indulge in online shopping in the future. It could be concluded that the availability of extensive and current information was the most important factor which influenced Indian customers to shop online. The researcher also revealed that there was a significant association between online shopping and monthly family income, frequency of internet usage, and time spent per session on Internet usage.

Pallavi kumari (2012) in her article found that Indian market are celebrity influence, online shopping, freebies and popularity of eco friendly products. Retailer need to keep up with understanding our citizens as they are more proactive and have better access of information and they were new norms are created overtime.



Shalini and Kamaladevi.D (2013) revealed in their article that the online shoppers are young, mostly educated and expert users of Internet and mobiles. There is a positive attitude which influences those people towards online shopping and advertisements.

K.Vaitheeswaran (2013) examined the convenience of online shopping “With product getting standardized, specifications getting fixed and the concept of service getting eroded, the post sale responsibility of the retailer has come down drastically. Hence customers go to stores to explore the product physically detail but by online at a cheaper rate. Heavy discounts of e-commerce firms are possible because of their no warehouse model.”

Mohanapriya.S and Anusuya.D, (2014) all types of commodities and services are being sold through the websites. Goods and services, consumer durables, books, audio and video cassettes and services like and air tickets can also be purchased online. With the wonderful expansion of the internet, online shopping is also on the rise, showing fabulous potential for future growth, as well.

Statement of the Problem

Marketing is basically helps the consumer’s needs more effectively and efficiently with good product and services with best price and delivery. A good marketer continuously satisfying consumers needs in better way. Sometimes opportunity to give the consumers in better way is designed by marketers himself and sometimes it is offered by the technology. Internet is changing the way consumers shop for goods and services and has rapidly evolved into a global event. Consumers can purchase any goods and services anytime at everywhere. Online shopping is user friendly compare to in store shopping because consumers can just complete his requirements just with a click of mouse without leaving their home.

Android phones and increasing mobile Internet usage have paved way to the opening up the online shopping. Nearly 8 million people regularly shopping through Internet. Over a short period of time, India has encountered a great exponential increase in its online market¹. The Online shopping stores with discount coupon code system has emerged a new trend in India. The main attracting attributes of online shopping are Price, Quality, Discounts, Availability of Products and comparison of price with other branded products.

As the majority of the people living in villages, rural market capacity is wider and larger than urban. Based on the above statement the researcher has raised the following research question;

) What are the factors influencing online buying behavior of the rural consumer?

Study Objective :To analyze the factors influencing online buying behavior of the rural consumer.

Research Design

To conduct this study descriptive research methodology is been used wherein the data has been collect from the defined sample for the research.

Sampling Plan and Tool

The study is based on primary data. The researcher collected required data from the respondents who have actively involved in online shopping. For the collection of primary data, 200 respondents were selected through convenient sampling method. The data were collected by using well structured questionnaire. To analyze the socio economic factors, simple average method adopted and Factor analysis used to find out most influencing factors on online buying behavior of the rural consumer.

Area and Period of Study: The sample online shoppers have been selected from different parts of Pollachi taluk. The period of study ranged from January 2016 to July 2016.

Scope of the Study

This study is undertaken to analyze the factors influencing online buying behavior of the rural consumer. The present study is based on the opinion of rural consumer. It enables the researchers to understand the most influencing factors. In short, the study covers only socio economic status and factors influencing rural consumer on online shopping.

Study Limitations

The study is confined to the following limitations. First, this study is undertaken to the Pollachi Taluk only. So the findings may not be generalized in broader perspective. Secondly, the study is restricted to only rural consumers. In making more generalize, reliable and significant conclusions, a study employing larger samples and all section of consumers are needed.



ANALYSIS AND INTERPRETATION

Table 1: Demographic consideration of the respondents

1.Gender	Frequency	Percentage
Male	156	78.0
Female	44	22.0
Total	200	100.0
2.Age	Frequency	Percentage
below 20	84	42.0
21-30	68	34.0
31-40	32	16.0
Above 41	16	8.0
Total	200	100.0
3. Marital status	Frequency	Percentage
Married	64	32.0
Unmarried	136	68.0
Total	200	100.0
4. No of members in family	Frequency	Percentage
Up to 3	44	22.0
4 to 5	140	70.0
Above 5	16	8.0
Total	200	100.0
5. Educational qualification	Frequency	Percentage
School level	24	12.0
Under Graduate	88	44.0
Post Graduate	56	28.0
Others	32	16.0
Total	200	100.0
5. Occupation	Frequency	Percentage
Students	98	49.0
Business	30	15.0
Employed	56	28.0
Agriculturist	16	8.0
Total	200	100.0
6. Monthly income of family	Frequency	Percentage
Up to Rs 10000	56	28.0
Rs10000- Rs 20000	104	52.0
Rs20000- Rs 30000	32	16.0
Above Rs.30,000	8	4.0
Total	200	100.0

Source: Primary data

The gender distribution of the respondents consisting 78% of male respondents and 22% of female respondents. The major age group of online buyers was below 20 years (42%), followed by 21to 30 years (34%), 31to 40 years (16%) and above 41 years (8%). The marital status of the respondents was, with (32%) married respondents and (68%) unmarried respondents. Most of the online buyers (70%) reported that their family consists of 4 to 5 members, followed by up to 3 members (22%) and above 5 members are (8%). In terms of education qualification, majority (44%) of the respondents were Under Graduates, 28% of the respondents were Post Graduates, 16% of respondents has opted other category that is (Diploma Education), and 12% of the respondents had a school level education. In terms of occupation, almost (49%) of the respondents were students, 28% of the respondents were employed, 15% of the respondents were engaged them in business and 8% of the respondents were agriculturists. With regard to monthly household income of online buyers, the major group online shoppers had monthly household income of Rs10000- Rs 20000 (52%), followed by Up to Rs 10000 (28%), Rs20000- Rs 30000 (16%) and (4%) of the respondents monthly earnings were Above Rs.30000 per month.



Factor Analysis

In order to determine which factors influencing more on the behavior, Factor Analysis on 12 factors was performed (Table - 2). Principal Component Analysis with a Varimax Rotation and Eigen value equal to or more than 1 (Kinnear and Taylor, 1987) were used for the present study. In order to get clear factorial design, 2 items with factor loadings of less than 0.50 were dropped and loadings equal to or above 0.50 were retained. The dropped questions were: can track the goods/service easily and anywhere and anytime shopping, as they have low impact. In the factor analysis, the remaining 10 factors are taken to analyze. In line with the objectives, the present study seeks to find out the factors influencing online buying behavior of the rural consumer. The suitability of factor analysis was validated with the help of Kaiser-Meyer-Olkin measure of sampling adequacy was 0.202 and Bartlett's test of sphericity was significant ($\chi^2 = 1.533E3, p < 0.000$).

**Table – 2 Factors influencing the behavior of rural consumer
(Factor Analysis results)**

Rotated Component Matrix ^a				
	Component			
	Factor 1	Factor 2	Factor 3	Factor 4
Online shopping saving time and money	0.886			
Follow as the new trend	0.855			
Shopping at leisure time	0.837			
Offers and seasonal discount	0.779			
Easy to compare features and price	0.628			
Wide range of products		0.937		
Convenient Payment		0.836		
Defective products are replaced properly			0.887	
After sales services are satisfactory			0.835	
Free home delivery				0.883
Eigen values	3.793	2.999	1.606	1.226
Percentage of total variance	31.612	24.994	13.380	10.214
Cumulative percentage of variance	31.612	56.606	69.986	80.200
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.202
Bartlett's Test of Sphericity	Approx. Chi-Square	1.533E3

From item's highest loading with each factor, it is understood that the first influencing factor is highly characterized by Online shopping saving time and money (0.886), Follow as the new trend (0.855), Shopping at leisure time (0.837), Offers and seasonal discount (0.779), Easy to compare features and price (0.628); second factor by Wide range of products (0.937) and Convenient Payment (0.836); third factor by Defective products are replaced properly (0.887) and After sales services are satisfactory (0.835); and fourth factor by Free home delivery (0.883).



Conclusion

This research shows that online shopping is having bright future in India. This study mainly focuses on the factors influencing online buying behavior of rural consumers. Those factors were looked at, and examined to reveal the influence of online rural consumer behavior. By using Factor Analysis, highest loading with each factor, it is understood that the first influencing factor is highly characterized by Online shopping saving time and money, Follow as the new trend, Shopping at leisure time, Offers and seasonal discount, Easy to compare features and price; second factor by Wide range of products and Convenient Payment; third factor by Defective products are replaced properly and After sales services are satisfactory; and fourth factor by Free home delivery.

Scope for the Future Research

As the present study is confined to factors influencing online buying behavior of the rural consumer, only the views of the rural consumers are given importance in this study. A study of the similar nature can be extended by covering urban consumers in the sample, and using the same methodology adopted in the present study.

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