

A Study On Consumer Behaviour In Online Shopping With Special Reference To Chennai City

C. Parvathy¹, Dr. A. Vijayakanth²

¹Part – Time, Research Scholar in Economics, P.G. Department of Economics,
Dr. Ambedkar Government Arts College, (Autonomous),
Vyasarpadi, Chennai - 600 039

²Assistant Professor, Head, Research Supervisor and Guide,
P.G. Department of Economics,
Dr. Ambedkar Government Arts College, (Autonomous),
Vyasarpadi, Chennai – 600 039

ABSTRACT

The present study has been initiated with the objective to study the impact of socio-cultural factors on buying behaviour. The main objectives of the study are to study the perception with reference to awareness and satisfaction. This research also helps to assess the ability of shopping sites in order to attract and retain the customer, to analyze the buying behaviour and to explore the reasons why potential customers do not prefer online shopping. The research methodology was exploratory and descriptive. In the study the sample was based on purposive, judgement and convenience sampling. Research indicates that the buying behaviour towards online shopping is positive due to reasons like convenience, time saving, varied choice and availability, 24x7 availability, etc. The increasing awareness towards use of internet, satisfactory results in online shopping, rise in standard of living due to dual spousal income, occupation, influence of family, friends and attractive promotional offers etc. are going to effect the purchase decisions the most. In the cultural, the study found that male spouse is now no more the single authoritative person of the household and he has been joined by his wife to make purchase decision for the family. In this way the household setup has been now towards more democratic in nature than the authoritative/hierarchical in past. The research is in favour that there is a socio-cultural environment in the purchase decision-making process. There is a gender role with the participation of women in decision making. The research also found in the developing country like India, people are still averse to online shopping due to the major reasons like no bargaining facility, online frauds, non-availability of try and buy facility, difficulty in returning the faulty products, lack of awareness level etc. Hence the present study directs the companies they should focus on these aspects in order to attract the customers towards electronic-shopping.

Key words: Customer behaviour, Online, Socio-Cultural

1. INTRODUCTION

Electronic 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 in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. Nothing is predictable in India except change. The internet revolution has brought about a paradigm shift in the way things are done. The Internet and worldwide web (www) have dramatically changed the way consumers seek and use information.

The Internet, which was earlier conceptualized as a tool for enquiring information, has become an important place of business these days. For businesses, the key to survival in the future depends on how well they can integrate this medium in their business model today. In order to sell anything over the internet, they have to take into account that what consumers buy, why they buy, how they buy how they buy, who their customers are, what their spending habits are like and the products and services they prefer.

HYBRID ONLINE SHOPPING

A New Buying Channel Hybrid electronic commerce involves the use of both virtual and physical presence to meet the needs of buyers. By physical presence, we include any assets that enable potential buyers to interact in person (i.e. not via the Internet, although perhaps 17 at a call center) with a firm's personnel or on a firm's premises in the support of an economic exchange. Our broader definition of physical presence can include, for example, instances such as catalogue firms or travelling sales representatives, which may not involve local fulfilment, but do utilize existing (pre-Internet) physical assets as sales channels. There are a number of reasons why we might expect hybrid electronic commerce to be more successful than either purely physical or purely virtual approaches to the market. The various strategies can be broadly categorized as follows: cost reduction strategies, trust building strategies, value adding strategies, market extension/reach, differentiation through value-added services, improved trust, geographic and product market extension.

REASONS OF BUYING THROUGH ONLINE CHANNEL

Their many reasons for the buying through online shopping, even have some reason following things are reveals the online shopping; Convenience, Better Prices, Variety, Send Gifts, Fewer Expenses, Comparison of Prices, Crowds, Compulsive Shopping , Buying Old or Unused Stuff at low prices, Discreet Purchases

2. SIGNIFICANCE OF THE STUDY

A highly demanding lifestyle is compelling consumers worldwide to adopt internet shopping as an alternative to traditional brick and mortar shopping. People, in order to save time and money IAMA report 2009 reveals that almost 25% of the are motivated to purchase products and services total Indian population is living in cities. Overall, internet usage is shopping channel. There is hardly any product, low amount to only 24% amongst urban population. Online retailing is

unanimously accepted and acknowledged as a cost-effective, profitable and accessible medium to shop. It therefore becomes imperative for online retailers to study online consumerism and how it is taking shape in today's era of rapid globalization.

3. OBJECTIVES OF THE STUDY

- To study the impact of socio-cultural factors on online buying behaviour.
- To study the perception of consumers regarding the online buying behaviour with reference to awareness and customers satisfaction.
- To assess the ability of E-Shopping sites to attract and retain customers in Indian Environment.

4. RESEARCH METHODOLOGY

Research is not only concerned to the revision of the facts and building upto date knowledge but discover new facts involved through the process dynamic changes in the society. Methodology is defined as a system of methods and rule to facilitate the collection and analysis of data. It provides the starting point for choosing and approach made of theories, data, concept and definition of the topic.

5. RESEARCH METHOD

There are two basic research methods; qualitative and quantitative research. Qualitative research provides insights and understanding of the problem setting. In this study qualitative research was used with a goal of getting insight into the online shopping. The qualitative research method involving the collection of variety of empirical papers, literature and knowing personal experiences of the online shopper and non-online shoppers. Quantitative research seeks to quantify the data and typically, applies some form of statistical analysis. In this research, more emphasis is laid on quantitative research.

RESEARCH DESIGN

The present research design was exploratory in the initial stages then after gaining the insights into the problem it was verified and quantified by conclusive research. The form of conclusive research design adopted for the study was descriptive in nature.

SAMPLING DESIGN

In this study, the sample of the study was initially based on Purposive, Convenience and Judgement sampling. Chennai became the first stage of sampling unit. The selections of respondents were based on convenience method.

LOCALE OF THE STUDY

Chennai and Surround area of the study.

6. LIMITATIONS OF THE STUDY

The study has been conducted with immense responsibility while keeping in the mind the success of first step is deemed necessary to have second one. Proper planning was done to analyze every aspects of the study. All precautions have been taken to evolve a systematic study to reduce the element of bias to its lowest extent. The data was collected through personal interaction and every effort was made to observe consistency throughout. The statement of the scale was well explained and every response has been recorded properly.

7. REVIEW OF RELATED LITERATURE

It has been universally acknowledged that no work can be meaningfully conceived and soundly accomplished without critically studying what already exists in relation to it. It is the study of already established knowledge pertaining to the area that enable us to perceive clearly what is already lighted up in that area and what still remained enveloped in darkness. Once we come to know about that what is already researched and what portioned is left out, then we can proceed logically and purposefully. There are very few direct studies available on this subject. Infact, in India, studies has not been conducted related to the topic so far.

Raymond A. Bauer (1967) introduced the notion of —perceived risk to consumer behaviour research. He suggested, —Consumer behaviour involves risk in the sense that any action of a consumer will produce consequences that he cannot anticipate with anything approximating certainty, and some of which are likely to be unpleasant.

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 on-line shopping in India. The results of study reveal that on-line shopping in India is significantly affected by various Demographic actors 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.

8. DATA ANALYSIS AND INTERPRETATION

This chapter presents the demographic profile of respondents. The data for the study has been collected from the 800 respondents of different districts of Punjab, Haryana and U.T of Chandigarh with the help of the questionnaire developed by the researcher. The survey has been carried out on the basis of some demographic characteristics or factors like occupation, age, income, education etc.

ASSOCIATION OF AGE AND ONLINE SHOPPING

- Ho (a): Age has no association with online shopping.
- H1 (a): Age has significant association with online shopping.

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	18-30 years	428	53.2	53.5	53.5
	30-45 years	345	42.9	43.1	96.6
	above 45 years	27	3.4	3.4	100.0
	Total System	800	99.5	100.0	
Total		800	99.5		

TEST STATISTICS

	FREQUENCY OF ONLINE SHOPPING	AGE
Chi-Square	788.810	336.018
Df	3	2
Asymp. Sig	.000	.000

TABLE NO 1

- 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 200.0
- 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 266.7.

INTERPRETATION

Age is one of the important demographic variable that has an influence on online shopping. In the present table four age groups are considered in determining the impact on usage of online shopping

among Indian consumers i.e. below 18 years of age, 18-30 years, 30-45 years of age and more than 45 years. It is significant ($P < .05$). Therefore we reject the null hypothesis H_0 (a) and accept the alternative hypothesis H_1 (a). Hence, it is concluded that age has significant association with online shopping. Out of the four age groups, the maximum respondents i.e 53.2% respondents lies between 18-30 years and 42.9% lies in the age group of 30-45 year. It is found that youngsters have the highest perception and prefers more online shopping than the age group above years.

ASSOCIATION OF GENDER AND ONLINE SHOPPING

- H_0 (b): Gender of consumer has no association with online shopping.
- H_1 (b): Gender has significant association with online shopping

GENDER	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Male	400	49.8	50.0
Female	400	49.8	100.0

TEST STATISTICS

	FREQUENCY OF ONLINE SHOPPING	AGE
Chi-Square	788.810	.000
Df	3	1
Asymp. Sig	.000	.000

TABLE NO 2

- 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 200.0.
- 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 400.0.

INTERPRETATION

Gender was included in the survey in order to find the difference between males and females concerning beliefs towards online shopping. The table explained the value of chi-square is .000 with 3 degree of freedom. It is insignificant ($P > .05$). Therefore we accept the null hypothesis H_0 (b) and reject the alternative hypothesis H_1 (b). It is concluded that gender has no association with online shopping. The study found that both the males and females are showing interest in preferring online shopping. Gone are the days when females were not allowed to do the job and take important decisions in the family. But now a days, the nuclear urban families are mushrooming up and females play an active role in decision making. Because of the dual spousal

income, the purchasing power of females has been increased and they wish to enjoy the modern technology.

There has been a fundamental change in shopping patterns in terms of frequency and the shopping cycle. Females are more likely to go in for the impulse purchase and buy more often. Rising working females has also given boost to online shopping. Now days, females believes in status quo and imitate others in online shopping. It is seen that now females are not home makers, rather they are home managers. Also because of the growing trend of nuclear urban families and dual spousal income, the role and status of women is very important in the decision making related to when, where and how of purchase decisions. Hence, there has been an active involvement in decision making in family. Keeping in mind, the online shopping companies are offering attractive offers and promotions to attract both the genders to buy the products online. The study also found that as online 139 shopping is growing trend among Indian consumers, so both males and females do give preference to online shopping in India.

PERCEPTION OF CONSUMERS REGARDING THE ONLINE BUYING BEHAVIOUR

PERCEPTION OF CONSUMERS	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Strongly Disagree	11	1.4	1.4
Disagree	107	13.3	14.8
Not Sure	72	9.0	23.8
Agree	488	60.7	84.8
Strongly Agree	122	15.2	100.0

TABLE NO 3

INTERPRETATION

The above table shows that 75.9 % respondents agreed that they are satisfied with the decision to purchase through online shopping. The mean value i.e. 3.7538 reveals that the respondents are positive towards the satisfaction gained from 179 the experience of online shopping. The reason being online shopping provides wide choice of product and comparison of price. There are some innovative shopping sites which offer differentiated experience on online shopping. Moreover the best ecommerce sites ensure a satisfactory online experience for their customers through ease of navigation, accessibility, effective customer service and online security. There are certain attributes like convenience, ease of use, delivery system received through online shopping that make the respondents satisfied. Convenience includes the overall ease of finding a product, time spent on shopping, post purchase service, complete contact information, and minimization of overall shopping effort. The features evaluated for satisfaction include: (1) overall ease and fun of the shopping experience, (2) post purchase customer service, and (3) ability to look up detailed product information and to make price comparisons.

GETTING QUALITY PRODUCTS THROUGH ONLINE SHOPPING

	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Strongly disagree	3	.4	.4
Disagree	152	18.9	19.4
Not sure	135	16.8	36.3
Agree	394	49.0	85.5
Strongly agree	116	14.4	100.
Total	800	99.5	

TABLE NO 4**INTERPRETATION**

The above table reveals that 63.4 respondents agree that online shopping provides better quality products. The mean value 3.4525 denotes that people perceive quality is one of the important factors which excite them for online shopping. Online shopping is beneficial because of quality availability of products. Many online shopping sites provide the best, highest quality products at competitive prices. The products delivered by the shopping sites are of international standards and are guaranteed to satisfy the needs of the consumers. There are certain online websites which have an excellent record in providing the best and customized products to the consumers. The shopping sites like naaptol.com, fashionista.com are known for providing the choicest product at an affordable price. Shopping online has become popular one can find the latest branded products at the best prices.

RESPONDENTS RESPONSE ON PREFERENCE OF SHOPPING WEBSITES

	FREQUENCY	PERCENT	CUMULATIVE PERCENT
e-bay.com	244	30.3	30.5
Myantra.com	138	17.2	47.8
Snapdeal.com	41	5.1	52.9
Homeshop18.com	235	29.2	82.3
Indiaplaza.com	3	.4	82.6
Fashion and you.com	98	12.2	94.9
Futurebazaar.com	1	.1	95.0
Indiashopping.com	1	.1	95.1
Others	39	4.9	100.
Total	800	99.5	

TABLE NO 5**INTERPRETATION**

The above table reveals that 30.3 % respondents visited e-bay. The reason being e-bay is the oldest online shopping site and it is the international brand among websites offering online shopping. E-bay is The World's Online Marketplace enabling trade on a local, national and international basis.

With a diverse and passionate community of individuals and small businesses, eBay offers an online platform where millions of items are traded each day. The eBay Trust & Safety team is devoted to making eBay a safe and reliable place to trade. The team helps build trust in the community through various educational resources, rules and policies, and trust-building programmes, all of which help maintain general marketplace security and prevent and combat fraud. The eBay Toolbar now features "Account Guard," a tool that enables members to protect their account by indicating when they are on a genuine eBay site and warning them when they are on a potentially fraudulent (spoof) website. The second most visited site is homeshop18 by 29.2% respondents. HomeShop18 is the largest e-tailing company in India providing shopping services on Internet, TV and via mobile. HomeShop18's goal is to be the largest and most trusted e-tailer providing an unmatched platform for virtual shopping to Indians worldwide. Every week HomeShop18 reaches 100 million+ consumers and 20 million+ households in India and www.homeshop18.com is one of India's fastest growing ecommerce websites with more than 2.8+ million monthly visitors (Source: comScore Inc., April 2012). HomeShop18 strives to provide high quality products at exceptional value to consumers through innovative, differentiated and demonstrative retail experiences on Internet and TV. The Company has, today emerged as the largest multimedia retailer in India with a base of 5 million+ happy and satisfied customers. The Company has won several prestigious awards and has partnered with marquee brands like Samsung, Nokia, Godrej, Reebok, Dell etc.,

RESPONDENTS RESPONSE ON IMPORTANCE OF PROMOTION IN ONLINE SHOPPING

	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Not important	71	8.8	8.9
Somewhat	147	18.3	27.3
Very Important	582	72.4	100.
Total	800	72.4	100.0

TABLE NO 6

INTERPRETATION

The table reveals that 72.4% respondents consider promotions play an important role in decision making for online shopping. Online sales promotions attract the customers towards online shopping. So there are numerous shopping sites providing promotional offers like coupons, discounts, cash back offer, cash on delivery, free shipping, web ads etc. to woo the customers. Many sites hold contests and sweepstakes to draw traffic and keep users returning. Contests require skills whereas sweepstakes involve only a pure chance of drawing for the winners. These sales promotion activities create excitement about brand and entice the consumer to visit a shopping site.

INCOME AND PROMOTION IN ONLINE SHOPPING AND INCOME CROSS TABULATION

			INCOME				TOTAL
			BELOW 10,000	10,000- 25,000	25,001 - 50,000	50,001- 1,00,000	
Promotion	Not important	Count	25	6	37	3	71
		Expected Count	16.5	20.6	29.7	4.2	71.0
	Somewhat important	Count	34	84	27	2	147
		Expected Count	34.2	42.6	61.6	8.6	147.0
	Very important	Count	127	142	271	42	582
		Expected Count	135.3	168.8	243.7	34.2	582.0
Total		Count	186	232	335	47	800
		Expected Count	186.0	232.0	335.0	47.0	800.0

CHI-SQUARE TESTS

	VALUE	DF	ASYMP. SIG. (2-SIDED)
Pearson Chi-Square	91.058	6	.000
Likelihood Ratio	93.027	6	.000
Linear-by-Linear Association	11.559	1	.000

1 cell (8.3%) has expected count less than 5. The minimum expected count is 4.17.

SYMMETRIC MEASURES

		VALUE	APPROX. SIG.
Nominal by Nominal	Contingency Coefficient	.320	.000

TABLE NO 7

INTERPRETATION

The above table reveals that promotion plays an important role in online shopping. The value of contingency coefficient is .320 which depicts that there is association between income and promotion. Promotional efforts like combo packs, discounts also lure the higher income people. Moreover in the table the respondents earning Rs. 25000-50000 rupees are also keen to do online shopping if there is availability of promotional schemes on the products.

9. FINDINGS, SUGGESTIONS AND CONCLUSIONS

The present study has brought some novel contributions towards the knowledge of online shopping and found the reasons for the shift in buying behaviour from the traditional shopping to online shopping among Consumers.

FINDINGS OF THE STUDY

The consumer behaviour of Indian consumer is changing dramatically. Online shopping has truly revolutionized and influenced our society as a whole. This use of technology has opened new doors and opportunities that enable for a more convenient lifestyle today. Anytime anywhere, 24x7 availability, variety, choice, availability, convenience, quick and better services, schemes, offers and discounts, value for money are some of the significant reasons in online shopping that influenced Indian consumers to prefer online shopping.

Online shopping is growing in Indian culture because of the shift in modern culture. Now in the Indian culture, no male dominating tendency is found in the present study. This is because of awareness, dual spousal income and increasing role of females in the society. In Indian culture, Younger's whether it is male or female do prefer more online shopping than others. They do not hesitate in placing the order of products through online shopping.

Younger's do prefer more online shopping because they are risk takers and know the procedure of online shopping whereas the old age persons are risk averse and like physical shopping. Marital status plays a significant role in buying behaviour related to purchase of goods through online. The study found that young and single prefer more online shopping than married persons because they do online shopping for fun and enjoyment. The demographic factors like age, income, occupation, education and ability to use the internet is having a significant association with online shopping. There is a positive relationship between occupations, education with online shopping. Almost all the people are aware of the online shopping. The prime motive for surfing the net remains checking the products before to buy. The reason being the issues concerning the security of the credit cards.

SUGGESTIONS

Companies should have more risk reduction activities as perceived risk could strongly influence consumers' online purchase decisions. And specific types of perceived risk like online frauds should be taken care of in different scenarios. Hence, the shopping sites should sport a Certificate of Authenticity (a seal or small sticker designed to demonstrate that the item is genuine and risk free) and should have a security symbol in order to safe shopping. Companies should improve consumers' value perceptions about the products and reduce consumers' perceived risk in the online shopping environment by providing quality products, timely delivery and fulfil their expectations. Also the companies should make their website easy in use and risk reduction activities should be taken care. The study suggests that the Indian customers give the most importance to security and

privacy to generate trust. Perceived privacy of customer information can be improved by ensuring that at no point of time the customer is asked for irrelevant personal information. Further, some kind of legal framework should be setup in order to check online frauds. Moreover, the complaints related to online shopping should be heard by setting up some body.

CONCLUSIONS

Online shopping is a new experience and has greatly impacted the lives of consumers in its short time of existence. It is expected to grow constantly in years to come with advancements in technology. Online shopping has made consumers more effective and efficient in their shopping behaviour and has driven businesses to a new level, forcing many to make the necessary adjustments and changes to reach the new market of knowledgeable consumers. The results of this survey underscore the need for businesses to take the online market seriously. The survey conducted revealed a positive attitude and behaviour toward online shopping even by those consumers who still like traditional stores. These consumers are mostly in low and high age groups. Those consumer groups have time to spend in traditional stores and malls and value the offline shopping experience for social reasons, such as meeting with friends. These consumers appear to be more knowledgeable by gathering information online and then purchase it from traditional stores. Rapid growth of e-commerce has resulted in a E-transformation in the global retail infrastructure. Internet has emerged as a cost effective means of doing business.

Despite being faced with numerous bottlenecks, Thanks to rising internet and higher incomes and more savvy population. Secured online payments, better to Electronic Stores, return policies and exciting discounts could help the Perceptions of Shopping Benefits. Considering the demographic profiles of online users; gender, age and education have significant association to web shopping in the current Indian scenario. Online users are aware of the serviceable and 229 pleasure-seeking benefits of online shopping, they are reluctant to actually utilize internet for shopping purpose.

10. REFERENCES

- [1] Rangaswamy and G.H. Van Bruggen (2005); —Opportunities and challenges in multichannel marketing: An introduction to the special issue, *Journal of Interactive Marketing*, 19(2),p.:5-11
- [2] Ahuja, M. K., Gupta, B., & Raman, P. (2003): An Empirical Investigation of Online Consumer Purchasing Behavior [Electronic version]. *Communications of the ACM*, 46(12)ve pp.145-151. Retrieved 18 April 2005 from <http://portal.acm.org/cacm/ve1203>.
- [3] Ansari, C.F. Mela, and S.A. Neslin (2008); —Customer channel migration, *Journal of Marketing Research*; XLV: pp.:60-76.
- [4] AcNielsen (2009), —Indians beat world in cyber shopping, [online document].
- [5] Adams, Dennis A., R . Ryan Nelson, & Peter A. Todd, (1992), "Perceived Usefulness, Ease of Use, Usage of Information Technology: A replication", *MIS Quarterly* (June), pp.: 227-247.

- [6] Aladwani, Adel M., & Prashant C. Palvia, (2002), "Developing and Validating and Instrument for measuring User-Perceived Web Quality", *Information and Management*, 39, pp.:467-476.
- [7] Ankur Kumar Rastogi(2010): A study of Indian online consumers and their buying behavior, *International Research Journal* Vol 1 Issue 10 pp.:80
- [8] Allred, R.C., Smith M.S and Swinyard, R.W (2006), "E-shopping lovers and fearful conservatives: a market segmentation *analyses*", *International Journal of Retail and Distribution Management*.34-4/5,308-333.
- [9] Acquisti and Varian (2005), "Conditioning Prices on Purchase History", *Journal of Marketing Science*, Vol. 24(3), pp.: 367–381.
- [10] Ahmad. S. (2002), "Service failures and customer selection: A Closer look at online shopping experiences", *Journal of Managing Service Quality*, Vol. 12(1), pp19-29
- [11] Alan D. Smith and Dean R. Manna (2004), "Exploring the trust factor in medicine", *Online Information Review*, Vol. 28(5), pp. 346-355.
- [12] Aleja I, Sisan and Joan Fontradona (2005), "Ethical Aspects at E-Commerce: Data Subjects and Context", *New York Times*, March 20.