

Consumers Online Shopping Behaviour with Special Reference to Erode District

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ABSTRACT

Technology advancement has not only changed the human behavior but also changed in shopping behavior in day-to-day activities. The technology is so fast that anyone can do anything by just sitting in a room. Online Shopping System helps in buying of goods, products and services online by choosing the listed products from website (E-Commerce site). The proposed system helps in building a website to buy, sell products or goods online using internet connection. The purpose of this project is to map out the consumer buying behaviour through Internet shopping. This study was based on primary data, which was collected from 100 respondents with the help of a structured questionnaire from online buyers in Erode city. The results found that the overall online buying behaviour of the consumers is analysed by considering the four factors (safe searching, quality of information, delivery and cost of delivery and shopping convenience) extracted from 18 statements relating to online buying behaviour. Hence, the relationship between independent variables and online purchase behaviour is examined by framing null hypothesis. This study will also be useful for the online buyers and also online retailers to increase their sales.

Key words

e-Commerce, e-Tailing, Online Shopping, Shopping, Internet, e-Marketing

1.1 INTRODUCTION

Indian marketing today, is at an interesting crossroad. The marketing scales are at the highest point in history and new technologies are improving the sales. Though there are many opportunities to start a new retail business, retailers are facing numerous challenges. E-Marketing is convenient than the traditional marketing for both the customer and the marketer. It offers wide variety for the

particular product relatively with lower prices and in less time. It has changed the entire scenario of selling and buying. In this regard, the latest trend is online shopping. The increasing trend of computer education is directly proportional to increase in online shopping.

1.2 STATEMENT OF THE PROBLEM

In order to gain competitive edge in the market, marketers need to know the consumers' behaviour in the field of online shopping. The present study is an attempt to identify the answers to the following question:

1. How do consumers behave while purchasing through online?

1.3 REVIEW OF LITERATURE

Bellman et al., (1999)⁴ investigated various predictors influencing an individual to purchase online. They concluded that demographic variables, such as income, education and age had a modest impact on the decision of whether to buy online, whereas, the most important determinant of online shopping was previous behaviour, such as earlier online purchases.

Parimal and Pooja (2002)⁵ analysed the online shopping behaviour of the consumers. They found that the majority of the respondents (89 per cent) used internets to avail online services, followed by the reason to collect information, to check the product features, to read consumers' reviews about the product and to buy products through online. It was found that 73 per cent of the respondents evaluated online products based on its price, 68 per cent of them evaluated based on company's image and 61 per cent of them evaluated based on the product's features. Further, it was revealed that the popular products that were purchased online included books followed by music Compact Disks and web space or domain names.

1.4 OBJECTIVES OF THE STUDY

The present study is undertaken with the following are the specific objectives:

- To study the buying behaviour of online consumers.
- To offer suggestions based on the findings of the study for the better service of online traders.

1.5 HYPOTHESES

By keeping in mind the objectives of the study, the researcher’s theoretical knowledge, discussion with experts and from other research studies, the following workable hypotheses have been formulated.

H₀₁: There is no significant difference among the groups of various independent variables (Gender, Age, Education, Occupation, Monthly Income, Usage of Internet Services, Hours of Usage of Internet Services, Internet Expertise, Recurrence of Visit before Purchase, Periodicity of Buying through Online, Online Shopping Expenditure and Continuity of Buying through Internet) in safe searching, quality of information, delivery and cost of delivery and shopping convenience scores.

1.6 METHODOLOGY

- **Sample size:**

A selection for the research in Erode city only and people who are visiting online stores, keeping in view the limitation of time and resources have decided to take the sample of 100 respondents. However, out of the samples selected, owing to incomplete response, 10 respondents were eliminated out of the sample size of the study has been determined to 90 respondents in Erode city.

- **Area of the study:**

The study area only covered online buyers in the Erode city.

- **Data source:**

The data required for this study have been collected from both primary and secondary sources.

1.7 RESULTS AND DISCUSSION

Factors Identified against Statements Relating to the Online Buying Behaviour of Respondents

Factors	Factors Named
I believe that familiarity with the website before making actual purchase reduce the risk of shopping online	Safe Search
I like to shop online from a trustworthy website	
I feel safe and secure while shopping online	
The website design helps me in searching the products easily	
While shopping online, I prefer to purchase from a website that provides safety and ease of navigation and order	
I prefer traditional/conventional shopping to online shopping	Quality of Information
I prefer to buy from website that provides me with quality of information	
The descriptions of products shown on the web sites are very accurate	
Elaborate information is available while shopping online	
It is easy to choose and make comparison with other products while shopping online	
Promotion and advertisement –influence online shopping	Delivery and Cost of Delivery
I am satisfied with the after sales service	
I will prefer online shopping only if online prices are lower than actual price	
I get prompt delivery by shopping online	
Internet shopping reduces the costs incurred during the shopping time(parking fees, travel costs etc..)	Shopping Convenience
Online shopping doesn’t waste time	
It is great advantage to be able to shop at any time of the day on the internet	
I feel that it takes less time in evaluating and selecting a product while shopping online	

The four factors derived from the 18 statements using Factor Analysis were further analyzed for significant

differences among the groups of selected personal variables for which null hypotheses are framed and tested.

Relationship between Independent Variables and Online Buying Behaviour of the Consumers

The overall online buying behaviour of the consumers is analysed by considering the four factors (safe searching, quality of information, delivery and cost of delivery and shopping convenience) extracted from 18 statements relating to online buying behaviour. Hence, the relationship between independent variables (gender, age, education, occupation, monthly income, usage of internet services, hours of usage of internet services, internet expertise, recurrence of visit before purchase, periodicity of buying through online, online shopping expenditure and continuity of buying through internet) and online purchase behaviour is examined by framing null hypothesis.

Safe Searching and Online Buying Behaviour of the Consumers

Factors	Calculated Value	Table Value	Result
Age	4.007	3.359	**
Education	4.490	3.824	**
Occupation	1.687	2.391	NS
Monthly Income	1.543	2.118	NS
Usage of Internet Services	10.835	3.359	**
Hours of Usage of Internet Services	9.420	3.359	**
Internet Expertise	27.629	4.651	**
Recurrence of Visit before Purchase	2.135	2.624	NS
Periodicity of Buying through Online	13.730	4.659	**
Online Shopping Expenditure	7.966	3.359	**
Gender	1.206	1.965	NS
Continuity of Buying through Internet	3.447	2.586	**

*- Significant at 5 per cent level **- Significant at 1per cent level
NS – Not Significant

It is found that the hypothesis relating to gender, occupation, monthly income, recurrence of visit before purchase have been accepted and the hypothesis relating to age, education, usage of internet services, hours of usage of internet services, internet expertise, periodicity of buying through online, online shopping expenditure, continuity of buying through internet have not been accepted.

Quality of Information and Online Buying Behaviour of the Consumers

Factors	Calculated Value	Table Value	Result
Age	2.309	2.391	NS
Education	0.812	2.624	NS
Occupation	2.566	2.391	*
Monthly Income	0.926	2.118	NS
Usage of Internet Services	1.628	2.391	NS
Hours of Usage of Internet Services	4.593	3.359	**
Internet Expertise	7.509	4.651	**
Recurrence of Visit before Purchase	3.000	2.624	*
Periodicity of Buying through Online	6.150	4.651	**
Online Shopping Expenditure	2.327	2.391	NS
Gender	1.968	1.965	*
Continuity of Buying through Internet	3.491	2.586	**

*- Significant at 5 per cent level **- Significant at 1per cent level
NS – Not Significant

It is found that the hypothesis relating to age, education, monthly income, usage of internet services, online shopping expenditure have been accepted and the hypothesis relating to gender, occupation, hours of usage of internet services, internet expertise, recurrence of visit before purchase, periodicity of buying through online, continuity of buying through internet have not been accepted.

Delivery and Cost of Delivery and Online Buying Behaviour of the Consumers

Factors	Calculated Value	Table Value	Result
Age	2.397	2.391	*
Education	0.150	2.624	NS
Occupation	1.713	2.391	NS
Monthly Income	1.461	2.118	NS
Usage of Internet Services	5.488	3.359	**
Hours of Usage of Internet Services	10.339	3.359	**
Internet Expertise	20.681	4.651	**
Recurrence of Visit before Purchase	4.965	3.824	**
Periodicity of Buying through Online	2.650	3.015	NS
Online Shopping Expenditure	3.528	3.359	**
Gender	1.900	1.965	NS
Continuity of Buying through Internet	2.710	2.586	**

*- Significant at 5 per cent level
1per cent level **- Significant at
NS – Not Significant

It is found that the hypothesis relating to gender, education, occupation, monthly income, periodicity of buying through online have been accepted and the hypothesis relating to age, usage of internet services, hours of usage of internet services, internet expertise, recurrence of visit before purchase, online shopping expenditure, continuity of buying through internet have not been accepted.

Shopping Convenience and Online Buying Behaviour of the Consumers

Factors	Calculated Value	Table Value	Result
Age	2.867	2.391	*
Education	6.344	3.824	**
Occupation	3.575	3.359	**
Monthly Income	0.754	2.118	NS
Usage of Internet Services	3.704	3.359	**
Hours of Usage of Internet Services	2.872	2.391	*
Internet Expertise	11.810	4.651	**
Recurrence of Visit before Purchase	2.046	2.624	NS
Periodicity of Buying through Online	0.953	3.015	NS
Online Shopping Expenditure	2.961	2.391	*
Gender	1.648	1.965	NS
Continuity of Buying through Internet	2.799	2.586	**

*- Significant at 5 per cent level
1per cent level **- Significant at
NS – Not Significant

It is found that the hypothesis relating to gender, monthly income, recurrence of visit before purchase, periodicity of buying through online have been accepted and the hypothesis relating to age, education, occupation, usage of internet services, hours of usage of internet services, internet expertise, online shopping expenditure, continuity of buying through internet have not been accepted.

1.8 SUGGESTIONS

- It is observed from the study that, most of the respondents feel easy to use online for shopping. So, it is suggested that the online traders have to maintain better customer service and adequate set of selling methods. The companies should create more multi-platform online and offline presence that provides accurate information and convenient

ways for the consumers to buy the products easily and engage them with more information

- Marketers can build confidence in their consumers through initializing secure, reliable, and safe marketing platform and offering attractive proposition.
- Based on the findings of the study, it is suggested that the online traders must prove themselves to be a powerful platform for consumers and traders allowing access to an enormous marketplace without geographical restrictions. More number of delivery channels can be set up for quick and easy delivery of products.

1.9 CONCLUSION

It is safe to conclude that the internet is a collection of new media that have a huge potential to be a popular channel for electronic commerce. Internet shopping resembles conventional in-home shopping in that the customer makes transactions without physically visiting a store. The internet provides means to distribute marketing information in waves similar to conventional direct marketing, like catalogs and targeted direct mail. The internet has other applying properties too. Every day, millions of people go online to do research about products and make purchases from thousands of different online merchants. It is a cheap, and it helps personal communication between the seller and the buyer. It is useful for distributing digital products, and it can shorten the time between purchase decision and delivery. It also gives the customer certain extra benefits, like the ability to compare and discuss products. Marketers should aim to not only create awareness and curiosity among this segment, instead use mass media and digital communication to create an attitude shift towards online buying. Online shopping can be easy and enjoyable with some precautions.

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