

A Study of Consumer Behavior of Online Shoppers towards e-Stores with Especial Reference to Pune

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Abstract:

Everybody is now accustomed with advertisement of e-commerce companies on television. Internet shopping is responsible for transformation of marketing scenario in India. One click on screen of computer presents hundred of products to see and to compare with each other. Undeniably, turnover of such companies involved in this business is making new records every day.

Day by day the number of internet savvy people is increasing therefore e-commerce is spreading its wings in Pune as well. In the today's era of competition comfort and convenience is more important for consumer for buying any kind of product or service. No doubt, consumer behavior and attitude in online shopping is different from the actual market where he/she has access to see and verify the product.

The purpose of this research study was to study the consumer behavior and attitude in online shopping of products in Pune area. The main research question in this study was to know the importance to different factors in view point of online shoppers. It also focuses on satisfaction level of online buyers towards different services provided by e-stores. This study was mainly descriptive in nature. Small samples of internet users were surveyed in Pune region of Maharashtra.

Data collected were analyzed with the help of statistical test like 't' test and 'ANOVA'. The results of research focused on competitive price, time saving and convenience as important factors, which lead to certain buying behavior in online shopping.

Keywords: *Consumer behavior, online shopping, satisfaction level of online shoppers, e-commerce*

Introduction:

Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. When one purchases a product or a service over the internet, instead of traditional market place, it is called online shopping. E-commerce is expanding its orbit when from the more Indians have switched from brick and mortar retail companies to click and order. Despite the economic slowdown, Indians are continuing their online shopping of mobiles, shoes, books and anything else they wanted to deliver to their doorsteps. India ranks third in terms of number of online shoppers and is preceded by Japan and China at second and first place respectively.

Online shopping which is considered to be a sub category of E-Commerce has reached a mark where it can be said that it is in the stage of consolidation. On the other hand, data also reveals that out of the total Indian population of 1.25 billion only 9% people use internet. This implies that there is still a vast market, which is waiting to be tapped. It is because of this immense market scope that international giants like Ebay and Amazon were compelled to start their operations in India and within a short span of time; they were able to mark their presence in the Indian Market. In 2014 Flipkart Internet Pvt. Ltd, India's largest online retailer achieved annual sales of \$1 billion first time. According to 2014 report by the Crisil Ltd (Mumbai-based ratings firm), sales of e-commerce companies will be triple over the next three years to 504 billion rupees i.e.\$ 8.13 billion.

Consulting firm McKinsey & Co. predicted the number of additional internet users will be 300 million i.e. by 2015 total number of internet users will be 500 million.

Objectives of the Study:

To know the online shopping behavior of consumers following objectives were identified-

1. To study the influences of demographics on consumer behavior in online purchase
2. To study the important factors taken into consideration by internet users during the online shopping
3. To study the Satisfaction level of online shoppers

Literature Review: concern

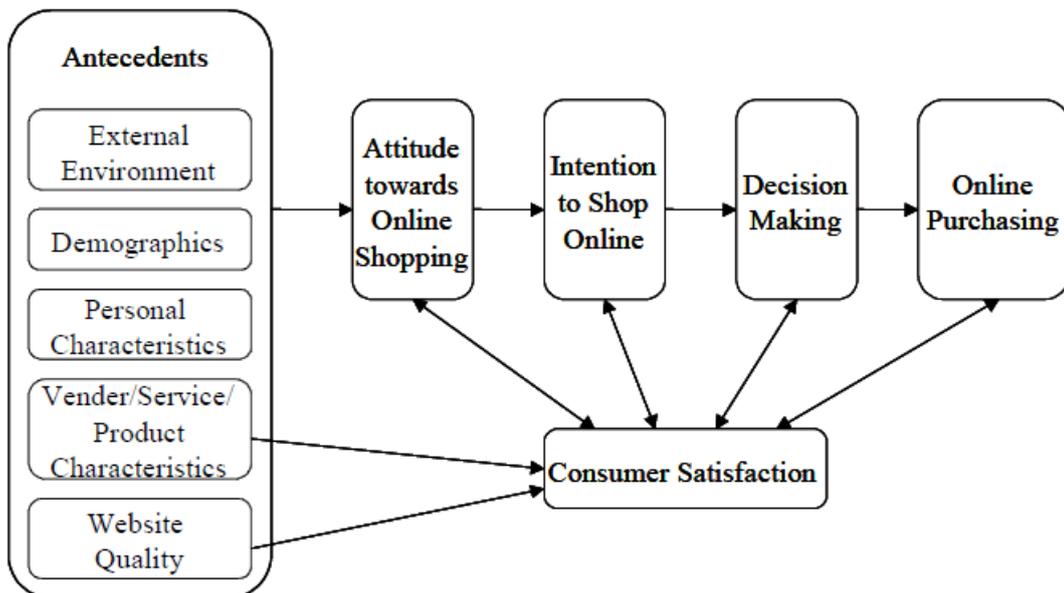
Sharma and Mittal (2009) forecasted in their research study that India will show tremendous growth in the Ecommerce.

Makwana, K. *et al* (2014) concluded from their research that consumers have been seen to exhibit different buying behaviors when shopping online than when they are shopping in a physical store.

Arun Thamizhvanan *et al.* (2013) identify the determinants of online purchase intention among youth in the Indian context and concluded that impulse purchase orientation, prior online purchase experience and online trust have significant impact on the customer purchase intention.

Dr. Nagra,G. and Dr.R Gopal (2013) research study results revealed that on-line shopping in India is significantly affected by various demographic factors like age, gender, marital status, family size and income.

Fig.1.Research model of consumers' online shopping attitudes and Behavior



Source: Na, Li.,Ping, Zhang.(2002). "Consumer online shopping attitudes and behavior: an assessment of research." *Eighth Americas Conference on Information Systems* pp.508-517
Consumer online shopping attitudes and behavior: an assessment of research

Hypotheses:

H₁: There is no significant relationship between importance to different factors and gender of online shoppers.

H₂: Online buyers neither satisfied nor dissatisfied towards the different services by e-stores i.e. $\mu=3$

Research Methodology:

Methods of data collection

Primary data were collected by the survey method in which the structured questionnaire distributed and recollected from the respondents.

Questionnaire design

The questionnaire had questions on demographic details of the respondents (Online buyers) including gender, age, income and education. The other questions were included to know the respondents’ number of hours of internet use in a day, importance to different factors given by shoppers. To know satisfaction level of online buyers Likert scale (five-point) was used ranging between ‘highly satisfied’ to ‘highly dissatisfied’.

Sample Element:

Online shoppers from Pune area

Sampling Method:

Convenient non-probability sampling method was used to collect data from the respondents.

Sample Size

Sample size of 80 respondents was taken for the collection of the data.

Data Analysis and Interpretation

The data was collected, edited and coded data were analyzed with the help of SPSS 20.0. The ‘ANOVA’ and independent sample ‘t’ test were used to test the hypotheses.

Analysis and Discussion:

Influences of demographics on consumer behavior in online Shopping:

The detailed demographic features about the respondents are summarized in the following table-

Demographic information of Respondents (online shoppers):

Demographic Feature	Frequency	Demographic Feature	Frequency
Gender		Educational Level	
Male	55 (69%)	Undergraduate	8 (10%)
Female	25(31%)	Graduate	51(74%)
Age		Postgraduate	21(26%)
20-30 Years	30	Monthly Income level	
30-40 Years	41	Up to Rs.30,000	30 (38%)
More than 40 Years	9	Up to Rs.50,000	38 (47%)
Total Respondent	80	More than Rs.50,000	12 (15%)

The findings about Gender wise frequency of online shopping:

Gender of Online Shopper and Frequency of online shopping in a month	Frequency of online shopping in a month			Total
	Up to 3 times in a month	4-6 times in a month	More than 6 times in a month	
Male	22	29	4	55
Female	13	9	3	25
Total	35	38	7	80

Gender of Online Shopper and Category of Products Preferred	Category of Products Preferred					Total
	Electronics	Home and Living	Fashion (clothing, watches, shoes ,etc)	Books and Magazines	Others	
Male	29	4	9	10	3	55
Female	3	5	10	3	4	25
Total	32	9	19	13	7	80

From the above analysis it is seen that majority of respondents shop for 4-6 times in month followed by respondents shopping for up to 3 times in a month. The noticeable fact is that very few respondents were interested in making online purchases for more than 6 times in a month.

From the above analysis, it is seen that most of the males prefer purchasing electronics while females prefer the fashion category to buy the products.

Just as gender wise difference in buying preferences of online shoppers researchers also found differences in preferences as per changes in buyers’ age, education and income.

It has been found that online shoppers in the age between 30-40 years preferred to buy from the categories of fashion, electronics, home and living, books and others in respective order.

Frequency of shopping also gets changed as per the difference in monthly income of online buyers. Frequency of online purchases made by income group earning around Rs. 50,000/month is more than the category earning up to Rs.30,000/month. This pattern can be attributed to more amount of spare income with lack of time for roaming around in markets.

Online shoppers who are graduates buying online more times than undergraduates or even postgraduates.

Importance to various factors in online buying:

The table No. 3 shows the ANOVA table for importance to different parameters and gender of online Shoppers. The calculated F-values of importance to money saving, importance to Convenience, importance to offers and discounts, importance to flexi payment option and importance to variety of products are 3.46, 10.41,0.744,4.46 and 5.83 respectively. Since the F critical (1, ∞) is 3.84 which is more than F(calculated) values,

in case of importance to convenience and importance to variety of products ,the null hypothesis is accepted i.e. there is no significant relationship between importance to convenience and importance to variety of products and gender of online shoppers. In other three cases, the null hypothesis is rejected as F critical (1, ∞) is less than F (calculated) values. This reflects that there is significant relationship between gender of shoppers and the importance they give to money saving, flexi payment option and offers and discounts available online.

ANOVA for Importance to different parameters and gender of online Shoppers

Variables		N	Mean	Std. Deviation	Std. Error	F-value	Sig.
Importance to Money Saving in online Shopping	Male	55	2.33	.721	.097	3.462	.067
	Female	25	2.64	.638	.128		
	Total	80	2.43	.708	.079		
Importance to Convenience in online Shopping	Male	55	2.22	.686	.092	10.413	.002
	Female	25	2.72	.542	.108		
	Total	80	2.38	.682	.076		
Importance to offers and discounts in online Shopping	Male	55	2.42	.658	.089	.744	.391
	Female	25	2.28	.678	.136		
	Total	80	2.38	.663	.074		
Importance to Flexi Payment Option in online shopping	Male	55	2.20	.730	.098	4.460	.038
	Female	25	2.56	.651	.130		
	Total	80	2.31	.722	.081		
Importance to Variety of Products in online Shopping	Male	55	1.93	.858	.116	5.837	.018
	Female	25	1.48	.510	.102		
	Total	80	1.79	.791	.088		

Satisfaction Level of Online Shoppers:

When the satisfaction level of online shoppers measured on Likert scale for different parameters it is found that shoppers are satisfied towards delivery time/Speed, Quality of Products, Pricing of Products, security, and customer care services and they are dissatisfied towards replacement, warranties and money back guarantee.

One-Sample Test

Satisfaction in Online Shopping towards different parameters	Test Value = 3					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfaction in online Shopping towards Delivery Time/Speed	-2.170	79	.033	-.225	-.43	-.02
Satisfaction in online Shopping towards Quality of Products	6.444	79	.000	.763	.53	1.00
Satisfaction in online Shopping towards Pricing of Products	9.705	79	.000	1.075	.85	1.30
Satisfaction in online Shopping towards Security	10.290	79	.000	1.050	.85	1.25
Satisfaction in online Shopping towards Replacement, Warranties and Money back Guarantee	-1.229	79	.223	-.150	-.39	.09
Satisfaction in online Shopping towards Customer Care Services	5.608	79	.000	.675	.44	.91

Conclusion and Implications of the Study:

This study was an attempt to understand the consumer behavior towards online shopping in Pune region. Since the number of internet users is increasing on daily basis it leads to increased awareness about online shopping and companies need to assess the buying preferences and cater to the needs of the online shoppers. The study was a step towards this direction and the results were tested with appropriate parametric test.

The analysis discussed in the above section has documented that the Indian customers are very money cautious and they follow the traditional rule of “cheap and best”. Even though income level of individuals has increased but still they online shoppers are mostly attracted towards offers and discount and give a great importance to money saving while making online purchases.

The young earning population is the main buyers and this poses a great challenge for the companies to offer products according to taste and preferences of this “generation Y” group, which changes very frequently. The majority of internet users are youngsters, the majority of goods and services demanded are related to only this segment.

There is no doubt that India presents a very big market for the online stores but underdeveloped infrastructure, lack of technology, finances and proper delivery channel are some of the biggest concerns which need to be addressed.

At the same time, intensive marketing strategies adopted by these online stores are creating great awareness among the population which should be backed up by increased computer literacy for the non users. Government has already initiated various programs for spreading computer education like distributing free computers and laptops to school and college students in rural areas and making computer a compulsory subject in primary and secondary education levels.

Also it has been observed that not only the number of online shoppers increasing but the average order value has also seen increment over the years which indicates pleasant signs for the time to come.

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