

## **A STUDY ON CONSUMER BEHAVIOUR TOWARDS ONLINE SHOPPING**

(Prabhu\_Ganesh\_and\_Dr.Shubha\_Muralidhar)

Master of business administration, BMSCE, BANGALORE

Keywords: Consumer behaviour, online shopping, offline shopping, retail.

### **Abstract**

The study on the “Consumer behaviour towards online shopping” which is to find out why consumers prefer online shopping over offline shopping. Mainly in the retail industry online shopping has become popular, so that most of the big companies in the market depends both on the online and offline. But, this study throughs the light on the Variety of product, speed of delivery, internet speed, Pricing of the product and many other, and also how they affect the consumer decision making process.

The main objectives of the study are to product categories for which customers favour online shopping. This help’s in understanding which product does consumers prefer to shop in online. The study also has some of the limitations as questionnaire was rigid and not flexible.

The gaps in the secondary data analysis has been tried to fulfilled and problem statement has also been drawn. The study has been conducted on the 166 respondents who are of customers of both online and offline store. Hypothesis has been drawn on the two major variables such as

Age, Gender and convenience of online store,do you agree online store consumes less time than offline store and amount spend in online shopping. Later, independent sample t-test, anova and co-relation is been done with the help of IBM SPSS tool.

The study concludes on a note saying that most of the respondent’s perception is online store is convenient, as it is more helpful to respondents to shop 24\*7 and from anywhere and get the products at their doorsteps.

### **1.Introduction**

The Indian e-commerce industry is growing rapidly and is expected to turn the US into the world's second-largest e-commerce economy by 2034. By 2027, Rs 13, 97,800 crores (\$200 billion) from Rs 2,69,076.5 crore (\$38.5 billions) are forecast for e-commerce in 2017. The e-commerce market of India will expand by 2022, driven by increased internet user income and growth, to more than four folds to 10,48.350 Rs (USD 150 billion). It is estimated that 120 million will be reached online shoppers in India by 2018 and 220 million by 2025. Today, 15,000 to

20,000 pin codes from nearly 100,000 pin codes are issued by online retailers. In 2019, one in every three Indian shops was reported to be via a smartphone.

## 2.1 Statement of the problem

Change in consumer behaviour has forced the companies to change the selling pattern and focus on online retail. The convenience enjoyed by the consumer is the large target of the companies. As some of the companies have been promoting online presence in retail store. Fondness towards online shopping is increasingly exponential rather than offline store

## 2.2 Objectives of The Study

The main objective of this study is to identify and understand the demographic factors affecting customer satisfaction with respect to in online shopping in India. The Secondary Objectives are:

- To analyse product categories for which customers favour online shopping
- To examine features that customers expect at an e-commerce portal.
- To survey the inhibitions faced by customers during online purchases.
- To scrutinize how these factors, interact to influence customer purchase decisions.

## 2.3 Methodology of the study

The study is descriptive in nature. The study explains the consumer behaviour towards online shopping.

Primary data and secondary data are taken into consideration for the study. Primary data comprises information survey of “**study of consumer Behaviour towards online shopping**” the data has been collected directly from respondents with the help of structured questioner. Respondents were asked to rate their opinion according to the Likert rating scale. The secondary data includes newspaper, online articles and journals and other sources.

## Sampling technique

The study is based on convenient based research methodology.

**Sample size: 166**

## Target population

The target population for the study will be customers who shop in online platforms. In this study is based on the Consumer behaviour towards online shopping.

## Research design

The study is descriptive in nature

## 2.4 Hypothesis formulated for the study

- **Hypothesis-1**

H<sub>0</sub>= There is no significant relationship between Age and agreeableness between online and offline store

H<sub>1</sub>= There is significant relationship between Age and agreeableness between online and offline store

ANOVA

Do you agree online shopping consumes less time than offline store?

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.578	3	1.193	1.240	.297
Within Groups	155.820	162	.962		
Total	159.398	165			

- H0=. There is no significant relationship between Age and do you agree online store consumes less time than offline store
- H1= There is significant relationship between Age and do you agree online store consumes less time than offline store

Significance level is .297

Sample size is 166

- The one-way anova analysis the relationship between age and do you agree online store consumes less time than offline store
- The sum of squares is 159.398 and degree of freedom is 165
- ‘the significance level is 5% and p’ value is .297 which is more than 0.05. therefore, null hypothesis is accepted and alternate hypothesis is rejected.
- There is no significant difference in the mean opinion in age and do you agree online store consumes less time than offline store.

• Hypothesis-2

H0=. There is no significant relationship between Age and online store more convenient than offline store.

H1= There is significant relationship between Age and online store more convenient than offline store.

Correlations

		Age	Do you agree online store is convenient?
Age	Pearson Correlation	1	.195*
	Sig. (2-tailed)		.012
	N	166	166
Do you agree online store is convenient?	Pearson Correlation	.195*	1
	Sig. (2-tailed)	.012	
	N	166	166

\*. Correlation is significant at the 0.05 level (2-tailed).

Correlation co-efficient is 0.195

Level of significance 5%

Significance level is .012

Sample size is 166

The Pearson correlation analysis the relationship between age and online store is more convenient than offline store.

The above table shows that the Pearson’s correlation is 0.195, which is greater than 0 and therefore it indicates a positive relationship. i.e. age and online store more convenient than offline store are positively corelated. Also, the association is weak because ‘r’ valve lies in between 0.1 to 0.29. Age and

offline store are more convenient than online store have a statistically significant linear relationship because 'p' value is less than 0.05. therefore, null hypothesis is rejected and alternate hypothesis is accepted.

H0= There is no significance relationship between Gender and amount of money spent on online shopping in a month.

H1= There is significance relationship between Gender and amount of money spent on online shopping in a month.

- Hypothesis-3

**Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
On an average what amount of money do you spend on online shopping? (In a month)	Male	108	4.093	.9124	.0878
	Female	58	4.000	.8786	.1154

**Independent Samples Test**

	Levene's Test for Equality of Variances	t-test for Equality of Means								
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
On an average what amount of money do you spend on online shopping? (In a month)	Equal variances assumed	.490	.485	.631	164	.529	.0926	.1466	-.1970	.3821
	Equal variances not assumed			.639	120.594	.524	.0926	.1450	-.1944	.3796

H0= There is no significance relationship between Gender and amount of money spent on online shopping in a month.

H1= There is significance relationship between Gender and amount of money spent on online shopping in a month.

Significance level is .297

Sample size is 166

The independent T-test analysis the relationship between Gender and amount of money spent on online shopping in a month.

- The level of significance is 5% with the significant value is 0.485 which is more than 0.05. therefore, null hypothesis is accepted and alternate hypothesis is rejected.
- There is no significant difference in mean opinion in the gender and average purchasing in online in a month

### 3 SUMMARY OF ANALYSIS

- it clearly shows the majority of the respondents are from the age group of 18-24. Most of the respondent population of the study are youngsters. As most of the youngster's spend their time in their smart phones it is one of the major leads to online shopping.

- Most of the Respondent are students and financially dependent on their parents on their spending. Their spending pattern depends on the monthly or daily money their parents give them.
- It is clear majority that respondent income per month is below 25000. They are mostly students or newbie in the organization. They generally try to spend less and live a budgeted life.
- Majority of the respondent are male. As most of the respondent of the study are male and 34.9 per cent are female it may give a clear opinion of the study.
- It is a clear majority that online shoppers shop occasionally in the e-commerce market. Most of the respondent's shop in online store for clothing, electronics and other commodities.
- Majority of the respondents prefer amazon and flipkart. These two companies are major players in e-commerce industry in India. They attract customers by discounts or low pricing, many variants and other promotional methods. Some products come's exclusive only in flipkart or amazon.

- Most of the respondents have shopping experience 3-5 years. Having shopping experience increases the customers efficiency to buy the best product in the lowest price. The customers prefer flipkart plus and amazon prime if they are shopping online in regular intervals to reduce the delivery date at discounted prices.
- Respondents prefer electronics products because they believe its original product and the price is less then offline store. Clothing is also preferred because of variant's, new design, affordable pricing and other factors.
- Most of the respondents don't shop in global website because of foreign currency exchange, delivery of the product is more than 7 days and fear of not getting product delivered or fake websites.
- On an average respondent spent Rs. 1000-2500 per month in online shopping. If a customer spends in between 1000 to 2500 Rs. It is a boast for the industry and this may be a reason why foreign e-commerce companies are interested in Indian market.
- It is clear that majority of the respondent prefer online shopping because of variety of products that is available in online platforms. It is a one stop destination for all online shoppers. In offline store colour, design variants are comparatives less.
- Majority of the respondents prefer to pay using Cash on Delivery (COD). It's one of the safest means as there is exchange of commodity for money. The consumers check the products before making the payment and feels the no risk involved even if the product is not delivered.
- Majority of the customers feel that their data is secured in online shopping and there is no breach in privacy. The debit/credit card details are not secured with transaction partners and they have not faced any hindrances.
- Respondent remain neutral in agreeing online shopping is better than offline store. online and offline store carry their own importance, merits and demerits. Consumer preference on online and offline shopping behaviour depends on the product their purchasing, its necessity and value of the product.
- Respondent agree to some extent that online shopping consumes less time than offline store. visiting the offline store in major cities is a planned activity due to the traffic congestion. Offline buying includes difficulties in finding parking area, spending in foodstuffs or refreshments also increases offline store shopping.

- The speed of delivery of the product is important for most of the respondents. They prefer the product should be delivered within a within three to five days. There are many products that are not delivered to tier 2 and 3 cities. Online retailers should try to reach overall India and every pin code and delivery product to every household.
- Most of the respondents prefer online shopping over offline shopping due to convenient shopping time. Customers can shop 24\*7 365 days which is one of the advantages over offline store. Government as relaxed its norms that shops or retailers can function 24\*7 but offline retailers face hindrance's like security issue during the night, increase in labour shifts will increase the fixed and variable cost, low footprint after 10 P.M
- Respondents probably agree that online store is convenient. Having an affordable internet pack and access to online store 24\*7 is convenient to most of the population in the study.
- Speed of internet is very important in online shopping. The online shopping includes browsing of the product, comparing the product in different websites, payment of the product and tracking the product. As internet plays a major role high speed internet connectivity all over India is essential.
- Respondents agree that online shopping has better return back policy than offline store. In online shopping the product is taken back by the delivery executive and the money is deposited in bank account within 5 to 7 days. Offline shopping, they discourage the customer for return back policy, it increases the travel duration to go to the shop and return back in the traffic congestion in major metropolitan city.
- Respondents sometimes recommend online shopping to their friends. The recommendation shows that the trust and believe online platforms. The word of mouth is one of the ways of promotion.
- Amazon is rated the best online shopping destination based on the previous experience. Major e-commerce global company has understood the consumer behaviour in India. The Respondent agreed that Amazon provides good service and most of the queries have been attended.
- The one-way ANOVA analysis the relationship between age and do you agree online store consumes less time than offline store. The sum of squares is 159.398 and degree of

freedom is 165. the significance level is 5% and p' value is .297 which is more than 0.05. therefore, null hypothesis is accepted and alternate hypothesis is rejected. There is no significant difference in the mean opinion in age and do you agree online store consumes less time than offline store.

- The Pearson correlation analysis the relationship between age and online store is more convenient than offline store. The Pearson's correlation is 0.195, which is greater than 0 and therefore it indicates a positive relationship. i.e. age and online store more convenient than offline store are positively correlated. Also, the association is weak because 'r' value lies in between 0.1 to 0.29. Age and offline store are more convenient than online store have a statistically significant linear relationship because 'p' value is less than 0.05. therefore, null hypothesis is rejected and alternate hypothesis is accepted.
- The independent T-test analysis the relationship between Gender and amount of money spent on online shopping in a month. The level of significance is 5% with the significant value is 0.485 which is more than 0.05. therefore, null hypothesis is accepted and alternate hypothesis is rejected. There is no significant difference in mean

opinion in the gender and average purchasing in online in a month

### 3Conclusion

- Consumer prefer online store and offline store for the necessary products. It mainly depends on the delivery date, prices of the product and availability of the product.
- Consumer buy variety of products in online platforms. From clothing to grocery to medicine. Need of the product, past experience and nature of the product influences online buying rather than offline store
- Quality assurance and affordable pricing influences the consumer to make purchase decision. The best in class quality and discounted prices encourages to shop in trusted online platforms
- Convenient time and available 24\*7 throughout the years are a boom of online market. With customer service working round the clock to provide best service

### Reference of research paper

1. M.Vidya and P. Selvamani (2019) Consumer Behaviour Towards Online Shopping: International Journal of Innovative Technology and Exploring Engineering



- (IJITEE) ISSN: 2278-3075, Volume-8 Issue-12S, October 2019
2. Dr. Vijendra Pratap Singh and Shailendra Singh Kushwah government PG college jalesae U.P: Customers behaviour towards online shopping
  3. Dr. Yogesh Gaikwad and Dr. Nilesh Berad (2019) MET's, Institute of Management, Bhujbal Knowledge City, Nashik: Consumer Behaviour towards Online Shopping in India "The Contemporary Issues in Management: Cases & Caselets" ISBN NO - 978-93-5212-116-8 (2015)
  4. Pushpak Singhal and Dr. Supriyo Patra A Study on Consumer Behaviour towards Online Shopping In Kolkata {Student, Department of Business Administration, St. Xavier's College (Autonomous), Kolkata, India} {Assistant Professor in Management, Department of Business Administration, St. Xavier's College (Autonomous), Kolkata, India}: IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668 PP 91-102
  5. Prashant Singh PhD research scholar Lucknow university: Consumers buying behaviour towards online shopping National Monthly Refereed Journal of Research in Commerce & Management 27 ISSN – 2277-1166 Volume III, February'14
  6. Amit Kumar department of operation management, management development institute, Gurgaon customer satisfaction and loyalty of E-commerce in India. International Conference on "Recent Innovation in Science, Technology and Management" (ICRISTM-16) at Indian Federation of United Nations Associations (IFUNA), New Delhi, India on 12th June 2016 ISBN: 978-81-932712-3-0
  7. Dr. A B Santhi Principal, SGS UG & PG College, Tirupati, Andhra Pradesh, India A study on the customer satisfaction towards online shopping in Tirupati town IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 19, Issue 6. Ver. I (June 2017), PP 12-16
  8. Jayaprakash. K and B. Maithili, Sree Saraswathi Thyagaraja College Online Shopping in Pollachi taluk -ResearchGate
  9. Muruganatham S, Nandhini S, Nivetha B and Nandhini. A (2017) Assistant Professor, Department of Commerce with PA, Dr. N.G.P. Arts and Science College, Coimbatore, Tamil Nadu, India. A study of consumer satisfaction towards online shopping with special reference to Coimbatore City International Journal of Applied Research 2017; 3(12): 171-174
  10. Dr. C. Vijay Vishnu Kumar and R. Gopinath A study on the customer satisfaction towards Amazon (south Chennai). International Journal of Emerging Technologies and

Innovative Research (www.jetir.org),  
ISSN:2349-5162, Vol.6, Issue 2, page  
no.608-614, February-2019

11. Upasana Kanchan, Naveen Kumar and Abhishek Gupta A Study of Online Purchase Behaviour of Customers in India. School of management Gautam buddha university IJMS V1 I3 paper 4\_136\_142
12. Ratish Gupta and, Dr. Manish Mittal Research Scholar, Pacific University Udaipur Determinants of Customer Satisfaction Affecting Online Shopping Behaviour in Tier Two Cities of Madhya Pradesh International Journal of Research in Advent Technology, Vol.6, No.11, November 2018 E-ISSN: 2321-9637
13. Prateek kalia, Navdeep Kaur and tejinderpal Singh Consumer Satisfaction in e-Shopping: An Overview. Indian Journal of Economics and Development, Vol. 13(2a), p. 569–576, 2017
14. D Mahipal, Osmania University K Shankaraiah, Osmania University E-Commerce growth in India: A study segments contribution. Academy of Marketing Studies Journal (Print ISSN: 1095-6298; Online ISSN: 1528-2678)
15. Dr. Shefali Tiwari<sup>1</sup> Professor and Dr. Shraddha Sharma: A Study of Consumer Behaviour and Preferences towards E-tailing. ISSN: 2321-7782 (Online) e-ISJN: A4372-3114