

CONSUMER BEHAVIOUR TOWARDS ONLINE SHOPPING

SUBMITTED BY – MUSKAN GROVER

SUPERVISED BY – MS. ITI TOMAR AND MS. RICHIKA RANA

University of Delhi

1. INTRODUCTION

Internet has changed the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have been using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. In addition to the tremendous potential of the Ecommerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers.

This section will cover all information regarding the thesis background, purpose and theories. It encompasses the introduction of consumer behaviour and online shopping which covers the key aspects of this research.

1.1 Consumer Behaviour

“Consumer behaviour of every individual is different from others depending on buying choices which is influenced by buying habits and choices that are turn tampered by psychological and social drivers that affect purchase decision process.” (Brassington, F. And Pettitt, S., 2000)

As quoted above, we can define consumer behaviour as an act of individual (consumers) directly involved in obtaining and using of economic goods and services, including the decision processes that precede and determine these acts.

This research study mainly focuses on interpreting the consumer behaviour towards online shopping and how they are affected by that.

1.2 E-Commerce / online shopping

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser.

Online shopping is convenient, faster and also now cheaper than the traditional buying.

Now a day's, buying clothes, grocery, electronic products as well as buying train ticket, air ticket all of them have gone online.

Rather than visiting markets and going to a crowded place, people are finding it simpler to log on to a website or just simply download an app and buy the goods they need.

1.3 Online shopping in India

“Online shopping started early in 1995 by the introduction of internet in India. Online shopping became popular during the Internet boom in 1999-2000 with the well know auction site know as bazee.com. Soon amazon.com, the online bookstore founded by Jeff Bezos, created history by becoming the first bookstore with a presence only on the Internet. Later on following the success of Amazon, many other bookstores with a physical presence also created an online presence on the Internet. Thereafter in 2005 bazee.com was taken up by ebay. The trend of online shopping took a good pace and many new portals started like amazon, flipkart, snapdeal, yebhi, gadgetsguru, myntra, iBibo, makemytrip, yatra, craftsvilla and so on. Many home portals such as Yahoo.com, Indiatimes.com and Rediff.com came up with online shopping options for the Indian consumer”(Dr. Sunil Patel, JRMP pg2 , Vol 4)

2. Research Objective

Increasing globalization has made the importance of online business grow and making it more fast and convenient for consumers. So the research question of this study is how consumers behave while shopping online? On the base of research question, the purpose of this research is to identify and get insight into consumer behaviour towards online shopping with respect to Indian economy, identify factors which influence online shopping and consumer behaviour to buy the goods online; explore the reason behind of less attention of online consumer towards online shopping of goods in India. Furthermore any segments can be established by identifying the consumers and how these segments relate to identified factors.

3. Literature Review

As Internet usage is increasing, so is online shopping particularly in those countries whose marketing infrastructures are well developed. Customers can shop at any time and have access to products not available in their geographic region.

Online shopping can be done within a short period and with less energy spent, including shipping cost reduction, less crowd, and queues than real markets, unlimited time and space, which all increase convenience of shopping.

Internet shopping for businesses and consumers is being accepted as an alternative shop mode rather than visiting the stores.

The main focus of this research study is to interpret consumer behaviour on their online purchasing decisions. The study is mainly concentrated on identifying the factors which influence online shopping and consumer behaviour to buy the goods online, also to explore the reason behind the less attention of online consumer towards online shopping of goods in India.

Moreover, it aims to elucidate the most widely used application or website that the people in India use for shopping goods online.

Also as per the recent trends, this research study aims to find the percentage change in online shopping before Covid 19 and during or post-Covid 19.

Research similar to this has been done by Adil Bashir (2013, 38079333) whose main focus was to study the consumer behaviour in online shopping of electronics in Pakistan. The main research question in his thesis was how consumers behave while shopping electronic products online in Pakistan. He also made use of primary data in the form of a questionnaire survey and by emails from personal contacts in two major cities of Pakistan.

However, several factors affect the behaviour of online consumers in the market but its limitation is that the research limits itself only to consumer behaviour in online shopping of electronic goods in Pakistan.

Also, Deepak Jain from the University of Kota did a research study on consumer buying behaviour towards online shopping in Kota city Rajasthan(2017, 323998478). The research study covered all the market at the Kota level in which the author has analyzed a various factor which are used in online shopping purpose.

Until now, in the domain of consumer behaviour in terms of online shopping research, there are general models of buying behaviour that depict the process which consumers use in making a purchase decision and how their internet usage time affects online shopping.

However, there has been very little or no research done until now in terms of finding the relation between gender, age, income, etc., and online shopping behaviour by collecting the Indian data.

Empirical research on online consumer theory has been examined under diverse contexts over the years. However, the scope of these studies is rather broad, the studies appear relatively fragmented and no unifying theoretical framework is found in this area.

Hence this research study aims to answer the question of how consumers behave while shopping online and finds relations between various identifiable variables by keeping in mind the ongoing trend (Covid-19) by undertaking the primary data through the questionnaire survey of 77 people.

Earlier studies paid much attention to this topic in developed nations where internet penetration is high and consumers are highly evolved. Among these factors, the risk perception of users was demonstrated to be the main discriminator between people buying online and people not buying online.

However, little attention is paid in India; especially in Delhi where on one hand there are numerous local markets and shopping areas but when it comes to online shopping, it carries its own space. Hence a need for such as study is identified to see how far these variables are relevant in Delhi and how much they influence consumer's intention to buy.

4. Research Methodology

Online shopping in Delhi has now become a common process simply because of its amazing features; no waiting in lines or in traffic, we can shop from the convenience of our home, easier to do comparison shopping, discounts and we can shop at any time without restrictions. The city has a booming economy and that reflects well in the shopping style of the people in Delhi. Apart from the regular shops and snobbish

malls, today online shopping in Delhi grows in popularity as more people are turning to online shopping for all their needs. Shopping online in Delhi is easy, convenient and less time consuming. We will just need a credit or debit card or net banking with requisite money, order online and have the product at your home.

For this research, primary data has been taken in the form of a questionnaire that would be filled by the people of Delhi especially those people who are in my circle and from the general public through the further contacts and encourage them to respond on this questionnaire in order to increase the response rate.

4.1 Research Approach

This research study would be descriptive in nature with the attempt to establish cause- effect relationship among the variables in the form of graphs and charts.

The study aims to work out on the factors that affect the consumer behaviour online shopping by conducting a demographic survey in and around Delhi, gather population data and then conduct descriptive research on this demographic segment.

It will then uncover details on “what are the purchasing pattern of buyers and what all difficulties and barriers they face.

The study’s objective is to compare various variables and note the pre-covid and post-covid analysis in order to understand the nature of the market.

4.2 Research Strategy

In this research, the main concern is to collect primary data and analyze questionnaire and respondents in order to analyze the factors involved in the consumer preference on online shopping of goods. The primary data is conducted in a way that it will be able to approach the research and conclude answers to research questions. In the next section, Questionnaire will be explained in more detail.

4.3 Sample

The sample for this research study has been taken using primary data in the form of questionnaire.

The questionnaire was designed using Google forms and was designed in a way to fulfil two main objectives: to maximize the response rate and to obtain accurate relevant information for our research.

Personalized cover paragraph was included explaining the research topic and the importance of the respondents’ participation, who is responsible for the survey and was guaranteed of confidentiality.

4.4 Research Questionnaire

In the research questionnaire (Appendix 1), five main segments have been identified to carry on the research;

- Demographics variables
- Identified variables

- Consumers concern in online purchasing
- Post purchase behaviour (any difficulty or barriers)
- Pre-covid and Post-covid comparisons.

5. Data Source

For this research, primary data has been taken in the form of a questionnaire that would be filled by the people of Delhi especially those people who are in my circle and from the general public through the further contacts and encourage them to respond on this questionnaire in order to increase the response rate.

The factor that intended to examine can be applied to and investigated in Delhi population that uses the internet and buys goods online. Since there are time and resource constraint that is why specific population had been approached in order to generalize the results that includes 77 respondents in and around Delhi. The questionnaire link was sent to personal contacts of varied age via Whatsapp and was filled by 77 people. The questionnaire was distributed to all the contacts that involved students, homemakers, service personnel's as well as retired people and entrepreneurs.

The data from the questionnaire aims to answer following questions

1. Which gender, age group, income group and occupation mostly rely on the online shopping?
2. What are reasons and average amount spent on online purchase?
3. What are the most preferred goods and website when shopping online?
4. What all difficulties and barriers are faced by people when shopping online?
5. Which generation buys more frequently?
6. Which factors influence the consumer behaviours in the process of purchasing?
7. What are the Pre-Covid and Post-Covid Scenarios?
8. Are people really satisfied with online shopping?

6. Results

In this section, the results from the questionnaire and the distribution of collected data among the respondents has been discussed and presented.

The questionnaire was designed to collect the primary data and further on to analyze the data and how consumers behave while considering various factors such as price, convenience, trust, loyalty when purchasing online.

The questionnaire was divided to, first, the demographics segmentation among the respondents and second to, collect the data about the factors like price, convenience, brand consciousness, safety, trust which effect directly or indirectly to the decision making process and ultimately highlight the typical behaviour of consumer while shopping online. The questionnaire has been divided into four main segments such as

general, Consumer Behaviour in Buying Process, Customer concern in online shopping and Post Purchase Behaviour and Experience. Also, in order to view the latest trend, pre- covid and post-covid analysis will also be covered in this study.

6.1 Analysis

1. Gender Analysis

Table 6.1.1

Gender	Frequency	Percentage
Female	37	48.05
Male	40	51.95
Grand Total	77	100

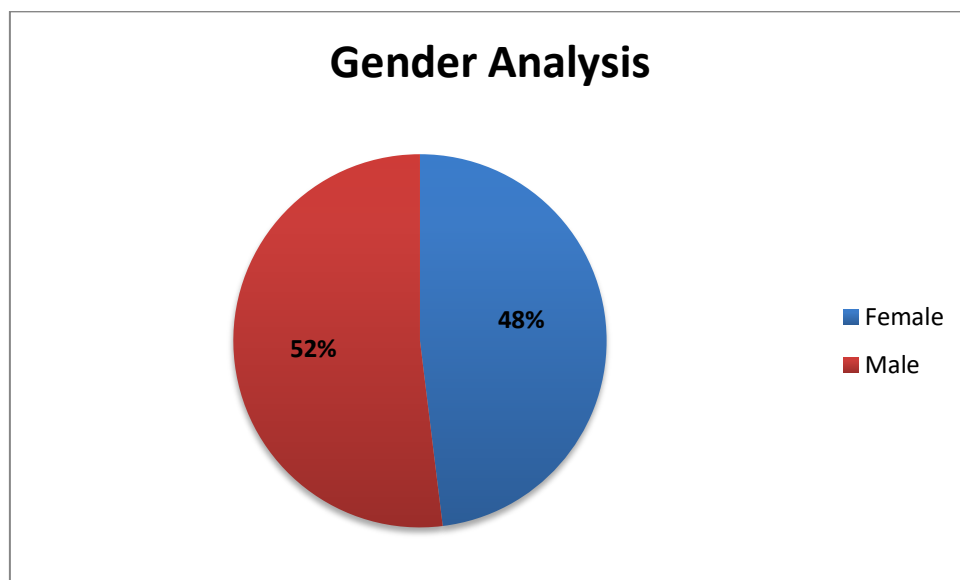


Fig. 6.1.1

From the above table and figure, we can easily analyze that both male and female have somewhat equal share of response in the survey. However male respondents have a very small majority in the survey as compared to females, we have 52% of males and 48% of females have participated in this survey.

2. Age Analysis

Table 6.1.2

Age Distribution	Frequency	Percentage
Under 15	5	6.5
16-24	17	22
25-39	21	27.3
40-59	29	37.7
Above 60	5	6.5
Grand Total	77	100

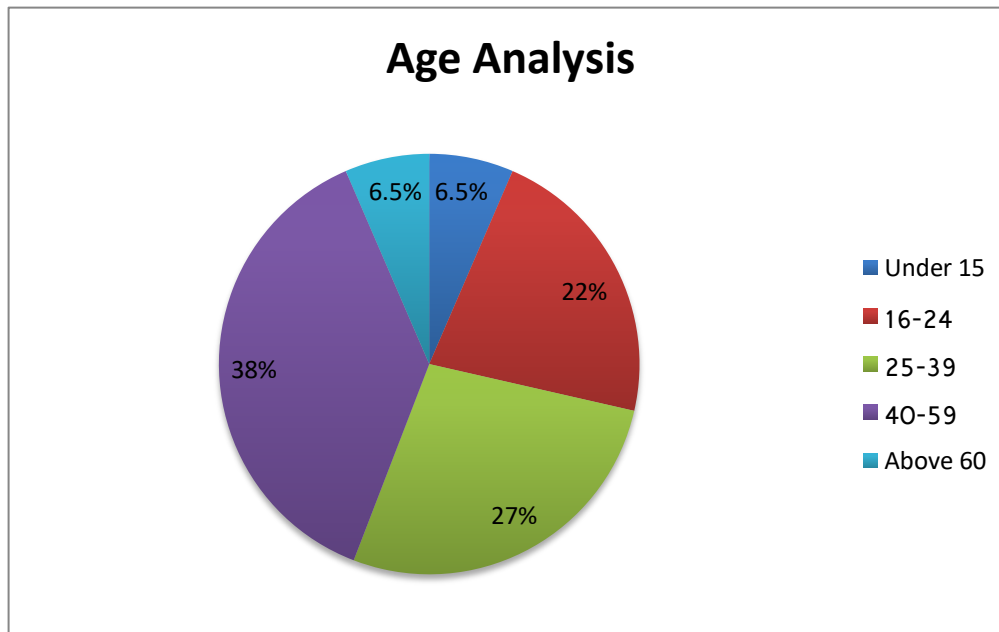


Fig. 6.1.2

The questionnaire responses mainly show that age group of around 16-50 plays actively part of the research. However respondents involving under 15 and above 60 accounts for just 6.5% each of the total respondents.

3. Occupation Analysis

Table 6.1.3

Occupation	Frequency	Percentage
Student	20	26
Service	35	45.5
Self employed/ Business	11	14.3
Homemaker	5	6.5
Retired	6	7.7
Total	77	100

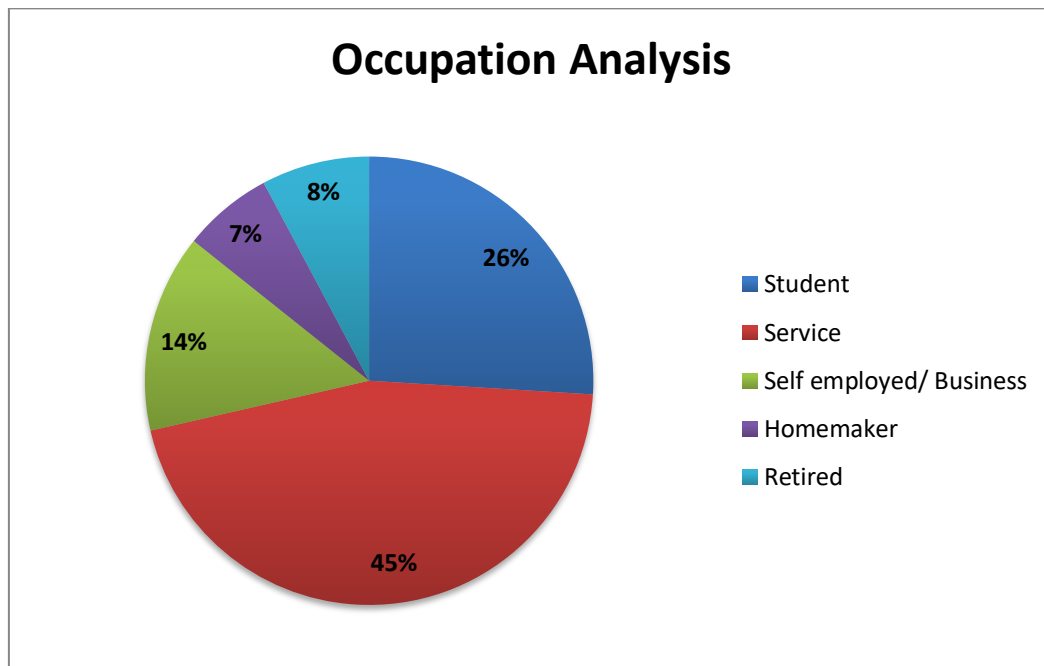


Fig. 6.1.3

The highest frequency 45% among the respondents falls under Service category followed by 26% of students. A very small number of retired and homemakers have filled this survey. It precisely shows that most of the students and people involved in service sector make online purchase.

4. Income Distribution

Table 6.1.4

Income Distribution	Frequency	Percentage
0	24	31
Less than 30,000	3	4
30,000-60,000	13	17
60,000-1,20,000	23	30
More than 1,20,000	14	18
Total	77	100

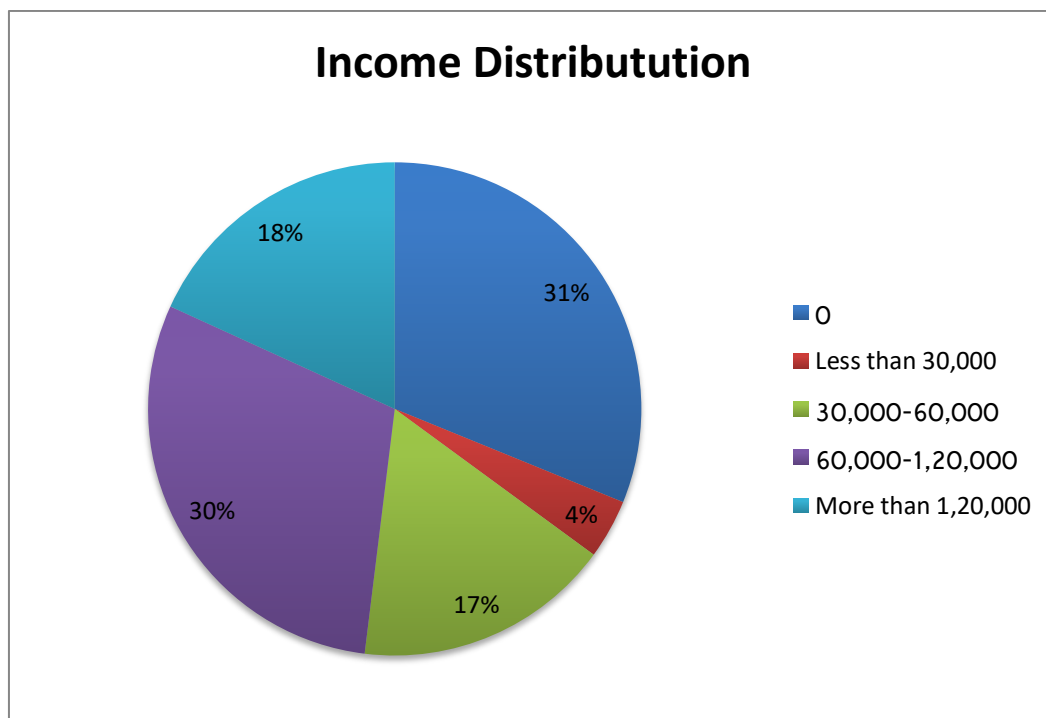


Fig. 6.1.4

It has been assumed that Students and Homemakers have 0 income. According to the survey, most of the respondents belong in the income group of 60,000-1,20,000, accounting of 30% of total respondents. However when it comes to the respondents belonging in the 0 income groups, it has been observed that although they don't have any source of income as of now but they do actively play a part in purchasing goods online(31%).

5. How often people buy online

Table 6.1.5

How frequently do you buy online?	Frequency	Percentage
Frequently or at least once a month	37	48
Once in 3-6 months	32	41.5
Once a year	8	10.5
Total	77	100

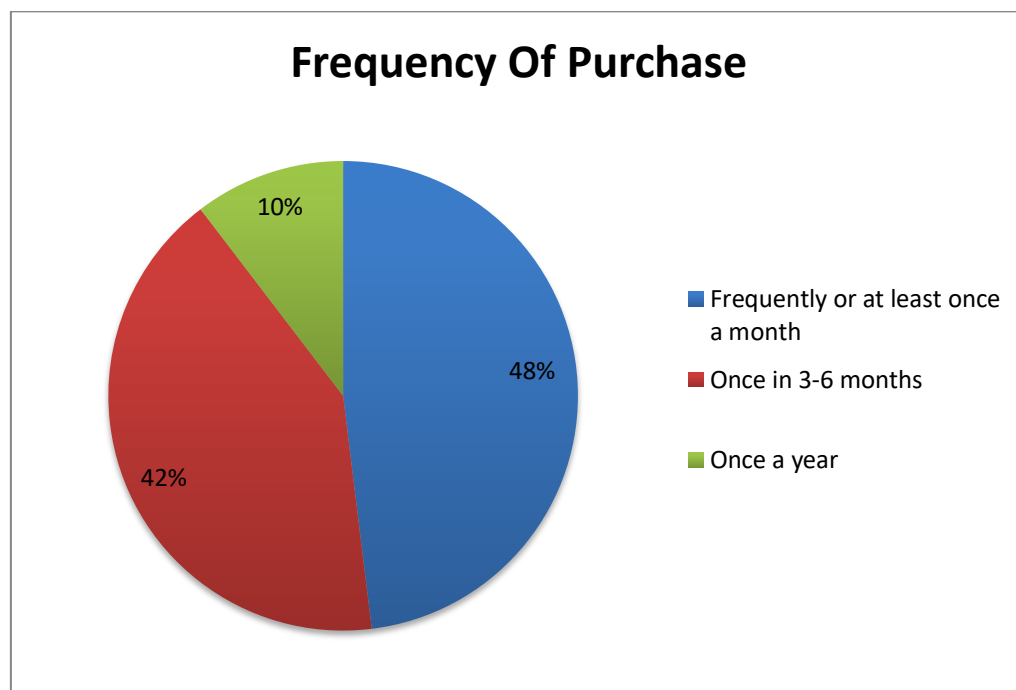


Fig. 6.1.5

The data reveals that around half the respondents buys goods online frequently or at least once a month

It has been assumed that people filling out this survey has shopped online atleast once a year. The survey shows that almost half of the respondents who have filled the form, shop frequently or at least once a month through online medium. The data shows that there is a growing trend in online shopping as the people who shop once a year accounts for just the 10% of respondents.

6. Consumer spending on single online purchase

Table 6.1.6

Amount on single online purchase	Frequency	Percentage
Less than 1000	13	16.8
1000-3000	40	52
3000-5000	16	21
More than 5000	8	10.2
Total	77	100

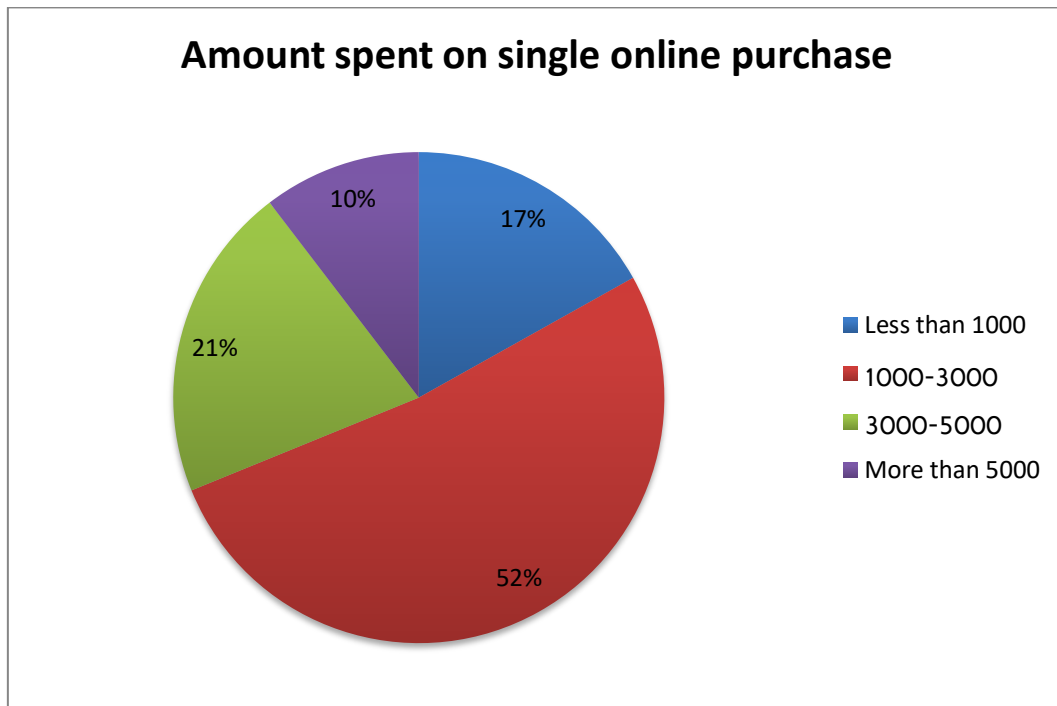


Fig. 6.1.6

The table and figure clearly shows that people mostly spend around 1000-3000 rupees on their single online purchase. However the respondents spending more than 5000 rupees on their single online purchase accounts for just 10% of the total respondents. Hence it shows that on an average people spend around 500-4000 rupees whenever they make their purchase online.

7. Most preferred online shopping website

Table 6.1.7

Most preferred online shopping website	Frequency	Percentage
Amazon	53	68.9
Myntra	10	13
Flipkart	9	11.7
Big basket	3	3.9
Jiomart	2	2.5
Total	77	100

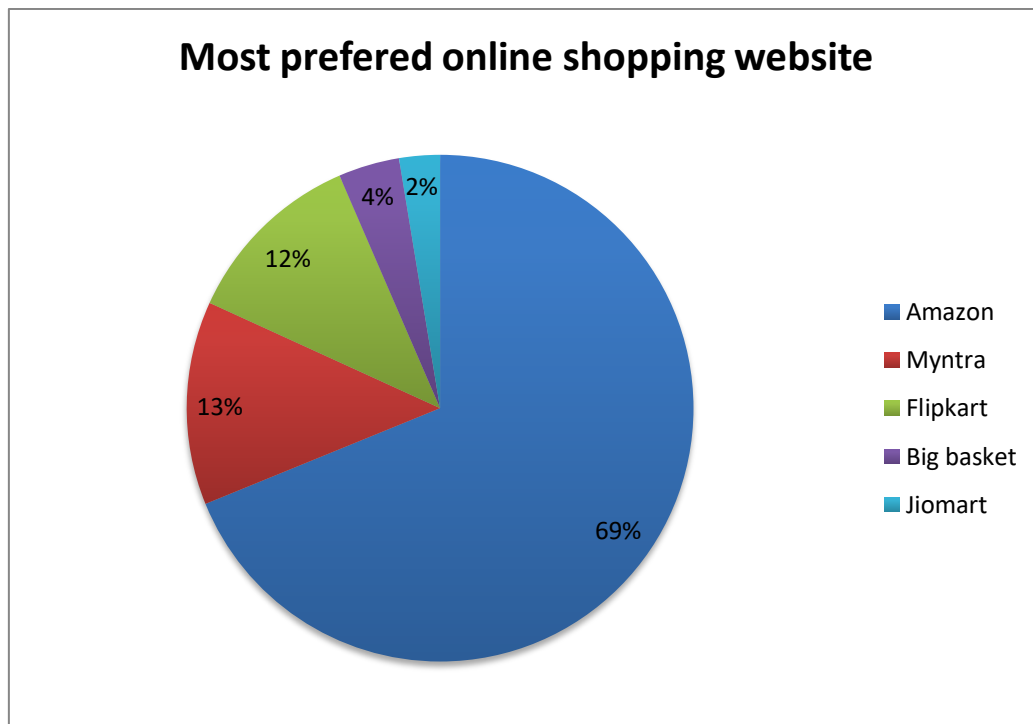


Fig. 6.1.7

From the above table and figure, it is clear that people mostly prefer shopping from Amazon. 53 of the respondents accounting for 69% of total respondents who have filled the form prefer Amazon more than the other online shopping websites available.

8. Product Segmentation

Table 6.1.8

Products Segmentation	Frequency
Books	27
Apparels	35
Accessories	35
Electronic Products	45
Grocery	29
Beauty and personal care products	26
Footwear	30
Total	227

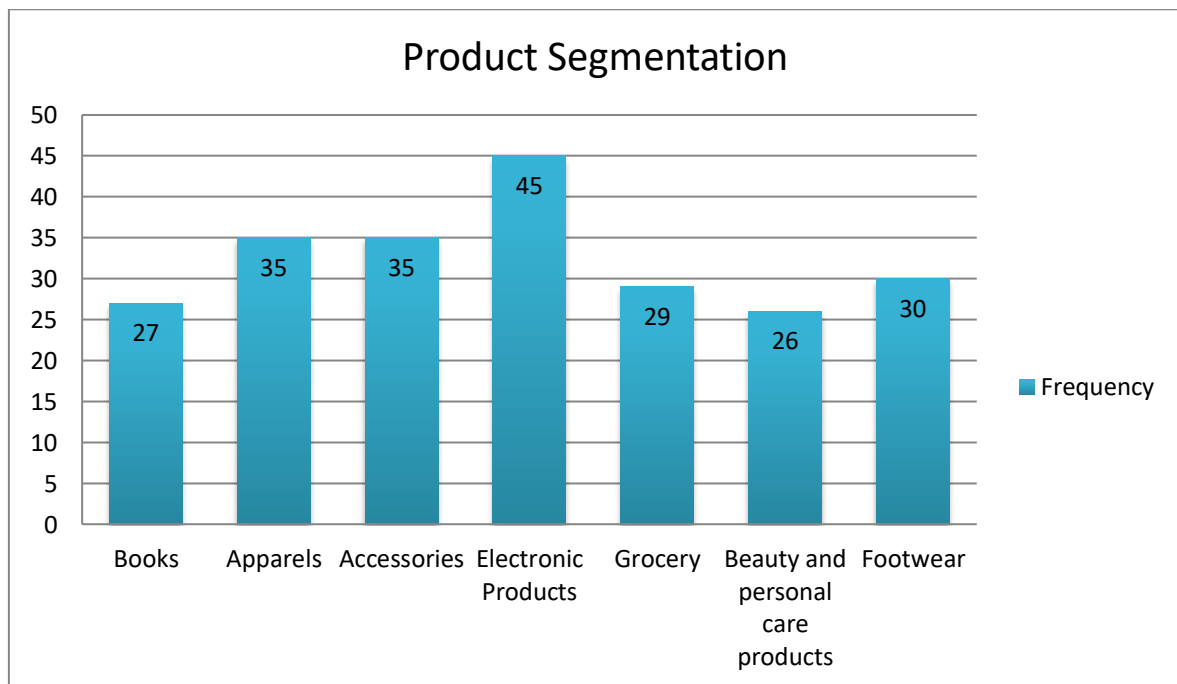


Fig. 6.1.8

Out of the survey of 77 people, majority of the respondents i.e. 45 respondents prefer buying electronic products via online medium. Electronic goods, apparels, accessories and footwear are the most common goods that people intend to purchase online.

9. Main reason for shopping online

Table 6.1.9

Main Reason for shopping online	Frequency
Price	23
Convenience & time saving	50
Brand conscious	11
Selection of products is very broad	31
Easy comparison of product and vendors	30
Home delivery	49
Total	194



Fig. 6.1.9

As we can see from the graph, key reasons that boost the consumers to buy goods online are home delivery, convenience in shopping and time saving. 50 % of respondents consider convenience and time saving as the most important factor followed by 49 % people who consider home delivery as one of the major reasons for shopping goods online.

10. When do people purchase online

Table 6.1.10

When do you purchase online	Frequency
During festive season	16
During heavy discount period offer	34
As and when required	54
Depends upon the mood	19
Total	123

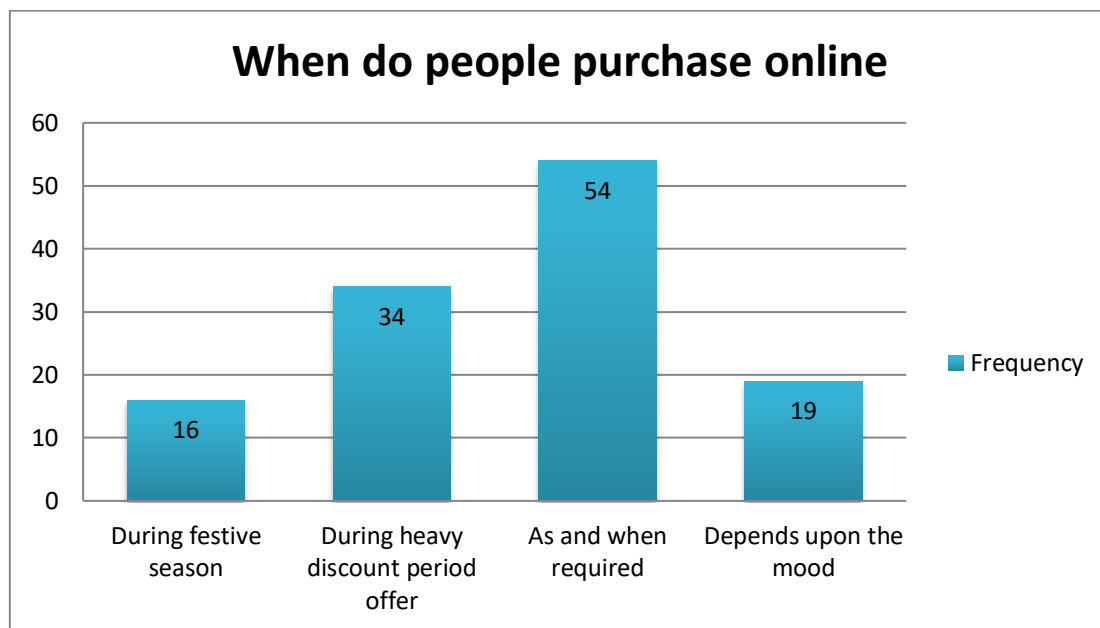


Fig. 6.1.10

The table and the graph show that people generally buy their goods online, as and when they need that particular product. However other than that people also tend to purchase goods online when there are good discount period offers, even if the particular good is not of such need.

11. Mode of Payment

Table 6.1.11

Payment mode	Frequency	Percentage
Cash on delivery	21	27.3
Credit card	27	35
Debit card	15	19.5
Net banking	5	6.5
Third party(Paytm, Gpay etc.)	9	11.7
Total	77	100

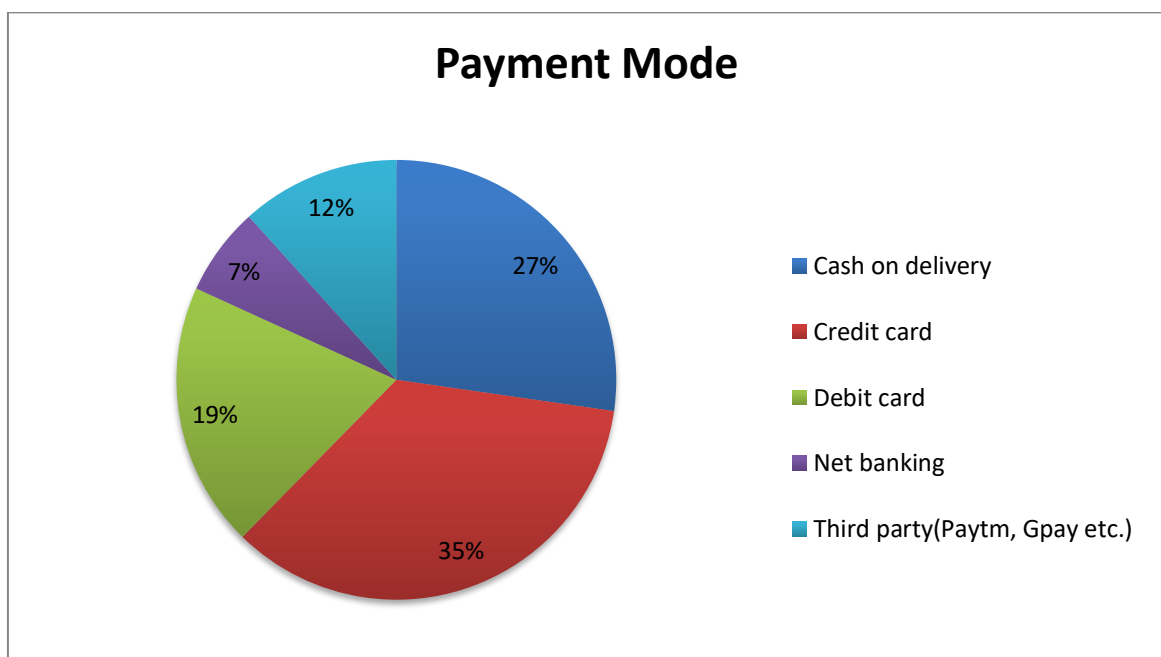


Fig. 6.1.11

The responses show us that the most preferred mode of payment when shopping online is credit card. 35% of respondents shop using credit card in an online medium. While 27% use cash on delivery as the payment mode.

12. Visit retail store before shopping online

Table 6.1.12

Visit retail store before making an online purchase	Frequency	Percentage
Yes	3	4
No	60	78
Maybe	14	18
Total	77	100

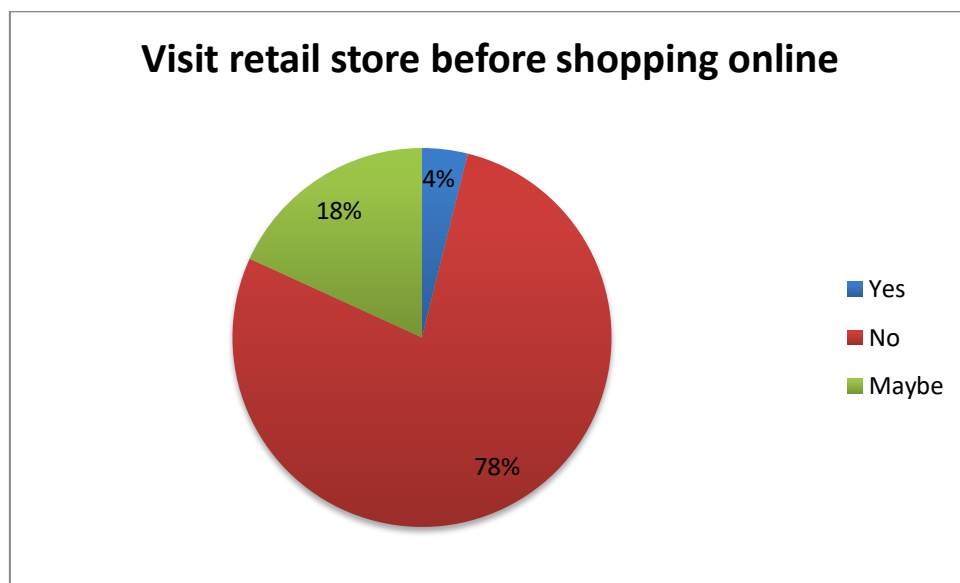


Fig. 6.1.12

This question was asked to judge the consciousness of consumer and approach regarding the selection of product about offered online products.

As the figure clearly shows, 78% of the respondents i.e. majority of people when shopping online do not visit the retail store before making their purchase online. Only 4% of the respondents i.e. 3 people says that they do visit the retail store. However 18% are unsure or they might visit depending upon the products they wish to buy.

13. Difficulty when purchasing online

Table 6.1.13

Difficulty when purchasing online	Frequency
Delay in delivery	15
Quality and size of products	32
Product damage	8
Difference in displayed and delivered product	33
Product return	16
Payment not successful	9
Total	113



Fig. 6.1.13

The common difficulties that people face when shopping goods online are:

- Quality and size of products
- Difference in displayed and delivered product

These two difficulties are given the highest percentage, 32% and 33% respectively as compared to the other reasons mentioned in the table.

14. Barriers of shopping online

Table 6.1.14

Barriers of shopping online	Frequency
Low trust level of online store	26
Delivery too slow	8
Safety of payment	14
High Shipping Cost	18
Value added tax / customs duty	3
Total	69



Fig. 6.1.14

The survey shows that 22 of the respondents feel that there are no barriers when shopping online. However, for the ones who do face barriers while shopping online gives two major reasons:

- Low level of trust of the online store
- High shipping cost

From the survey it is revealed that lack of trust on the online store is the biggest barrier in online shopping. Slow delivery and added taxes are not the kind of barriers that lot of people face.

15. Are you satisfied with the online shopping?

Table 6.1.15

Satisfied with online shopping	Frequency	Percentage
Yes	62	80.5
No	2	2.5
Maybe	13	17
Total	77	100



Fig. 6.1.15

The data clearly reveals that majority of the people; 80% of the respondents are satisfied with shopping goods online. It shows the growing trend of people shopping more goods online than before. However just 3% of the total respondents are not satisfied with shopping through online medium. Furthermore the barriers have been discussed above in order to know the reason of why some of the people are not satisfied with online shopping.

6.2 Findings

1. Relationship Between Monthly Income And Frequency Of Purchase

Table 6.2.1

Count of How frequently do you buy online?	Column Labels			
	Frequently or at least once a month	Once a year	Once in 3-6 months	Grand Total
0	16	1	7	24
30,000-60,000	4	2	7	13
60,000-1,20,000	11	2	10	23
Less than 30,000	2		1	3
More than 1,20,000	4	3	7	14
Grand Total	37	8	32	77

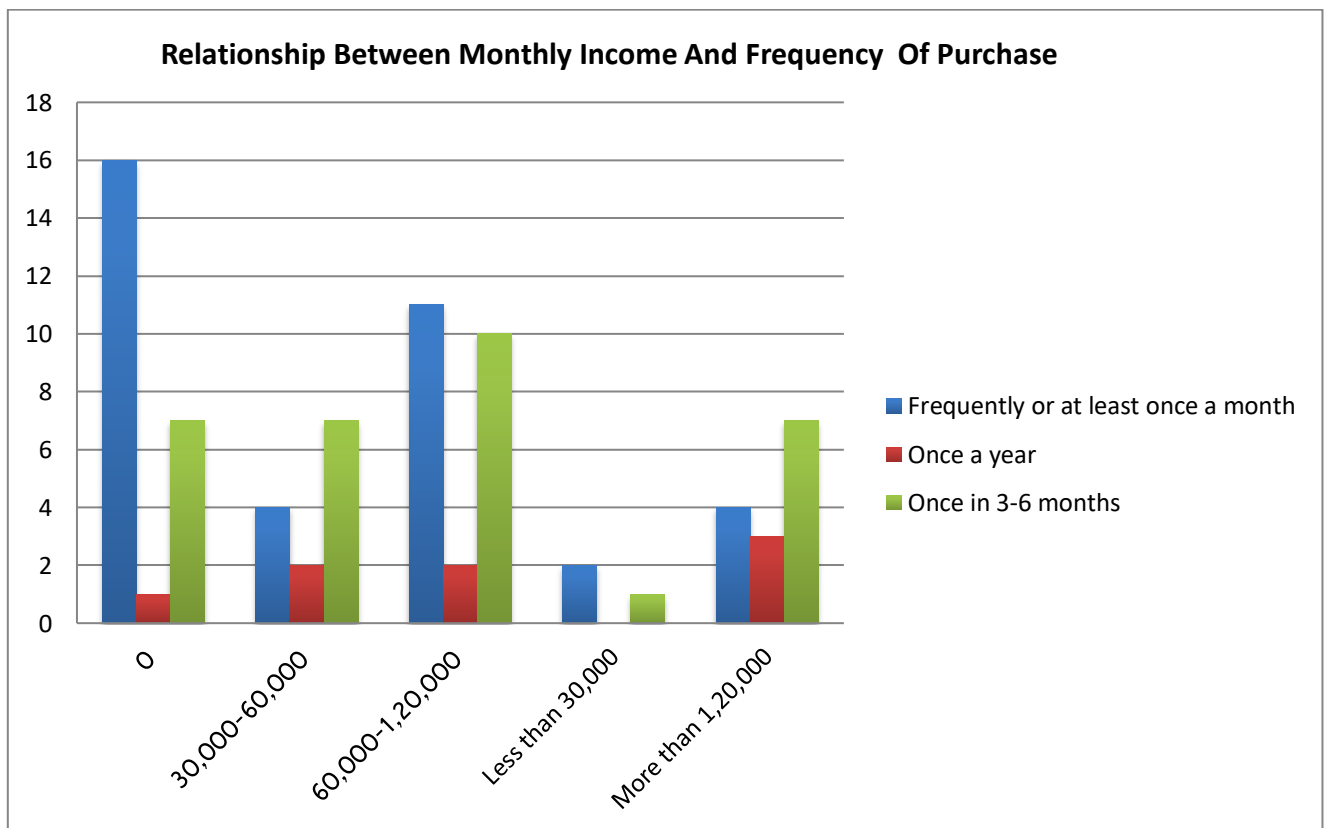


Fig. 6.2.1

When considering the relationship between monthly income and frequency of purchase, the graph shows an unexpected event, the respondents with 0 level of income (i.e. students and homemakers) are the ones who buy more goods frequently via online medium than any other income group. Since in our data, there are just 5 homemakers and the rest with 0 income are students, it also concludes the fact that the majority of the students tend to shop online more frequently than any other profession. Therefore, it analysis the fact that student play more active role in shopping goods online.

The graph and table also infer that the income group of 60000-1,20,000 are the ones who buy goods frequently or at least once in 6 months.

Hence when it comes to comparing monthly income and frequency of purchasing online, respondents with 0 income and 60,000-1,20,000 income group plays an active part in shopping goods online.

2. Relationship Between Age And Frequency Of Purchase

Table 6.2.2

Count of How frequently do you buy online?	Column Labels			
Row Labels	Frequently or at least once a month	Once a year	Once in 3-6 months	Grand Total
16-24	12	1	4	17
25-39	8	2	11	21
40-59	13	4	12	29
Above 60			5	5
Under 15	4	1		5
Grand Total	37	8	32	77

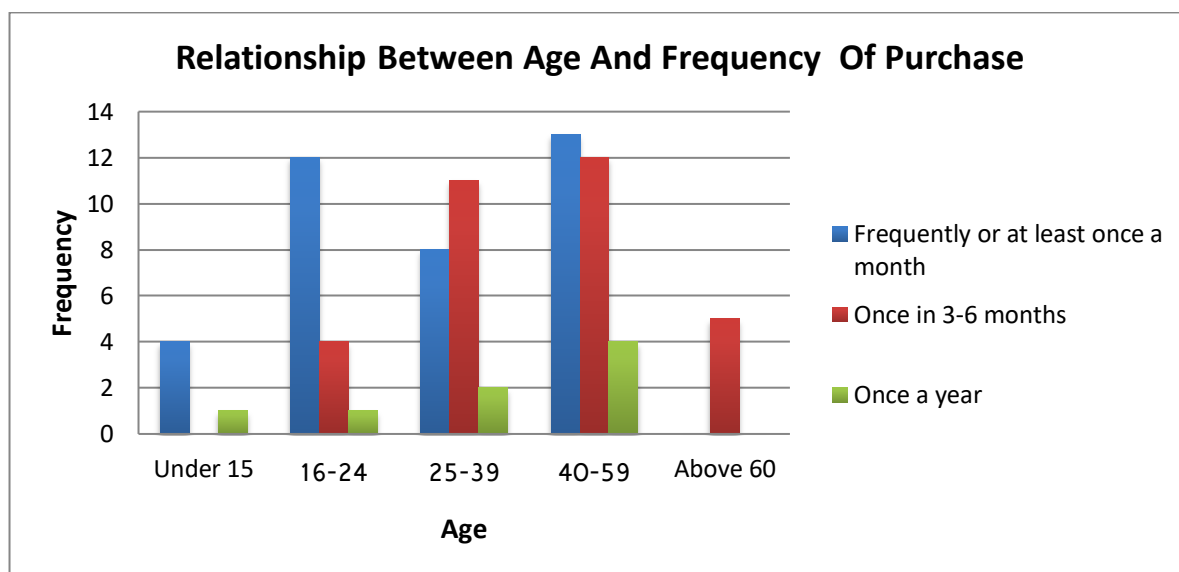


Fig. 6.2.2

The graph clearly shows that the age group of 40-59 are the ones that lie high in all the frequency of purchase. The age group of 16-24 and 40-59 are the groups which buy goods online more frequently.

However, the age group of above 60 buys online just once in around 6 months, thereby showing that online shopping is not much popular among people lying above 60.

Also, when it comes to considering the respondents lying under the age of 15, it has been observed that the majority of them buy frequently through the online medium, thereby showing that online shopping is becoming more popular among the younger age as well

3. Relationship Between Gender And Frequency Of Purchase

Table 6.2.3

Count of How frequently do you buy online?	Column Labels		
Row Labels	Female	Male	Grand Total
Frequently or at least once a month	19	18	37
Once a year	4	4	8
Once in 3-6 months	14	18	32
Grand Total	37	40	77

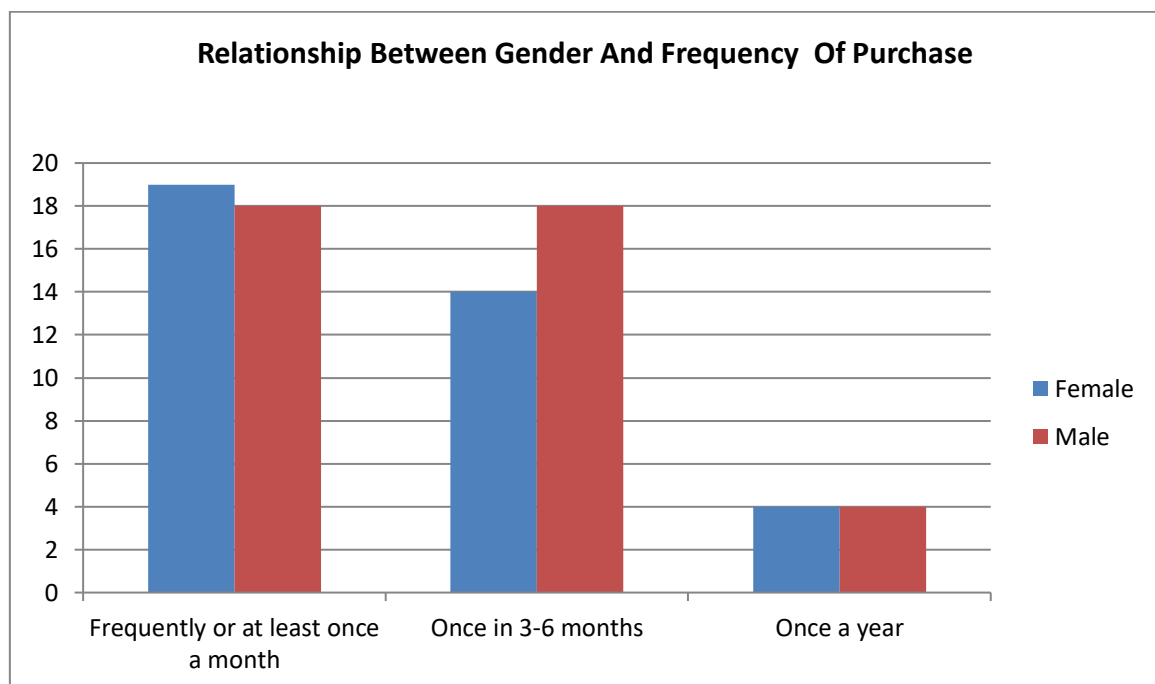


Fig. 6.2.3

From the table and the graph, it is visible that there is not much of the difference between males and females when comparing how frequently they buy goods online.

Females are the ones who buy the goods more frequently than males. Although the above result shows that males shop more goods online than females but females buy the goods more frequently than males.

The second column of the graph also represents a similar thing; males buy more at least once in six months than females.

However, when comparing the frequency of buying once a year, both male and female shops equally.

4. Pre-Covid and Post-Covid Analysis

Table 6.2.4

	Approximated number of times people shopped online before covid-19 in 1 year	Approximated number of times people shopped online during or post covid-19 in 1 year
Average	9.883116883	14.5974026

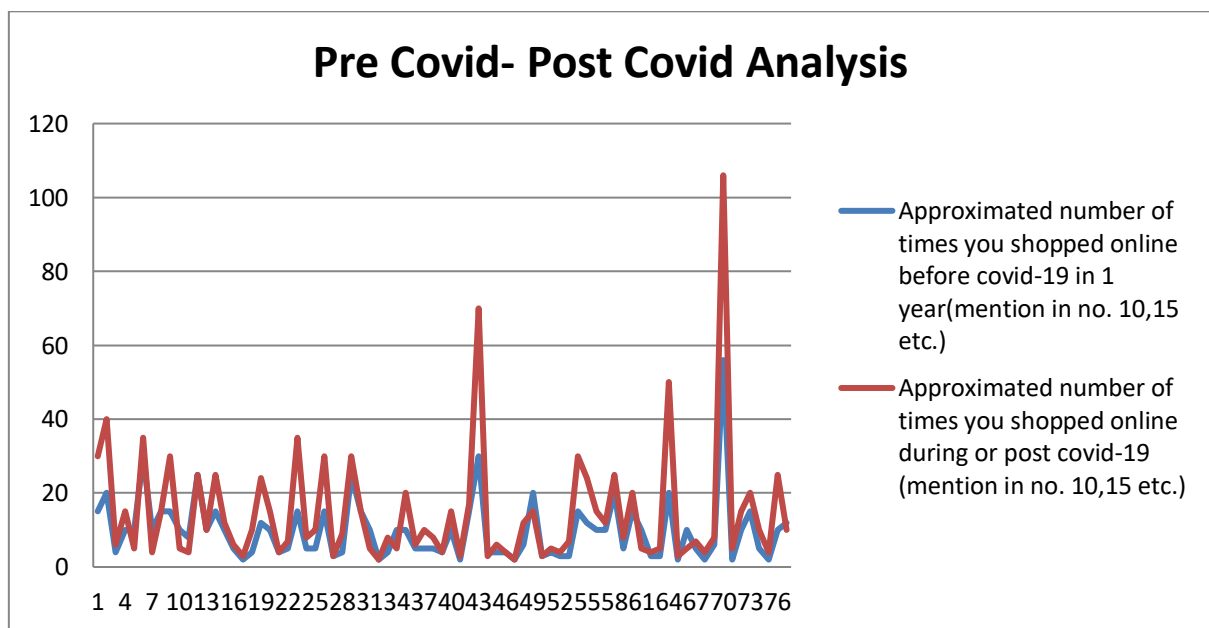


Fig. 6.2.4

When it comes to calculating the approximated number of times people shopped online before Covid-19, the average of the data has been taken. The same has been done when calculating the approximated number of times people shopped during or post Covid-19.

Now, the table shows that on average people shopped around 10 products before Covid-19 in a year, while the average of during or post covid shows that people shopped around 15 products in 1 year. It shows that there is an increase in purchases during/post-Covid times.

A line graph has also been made here from both the responses column to draw the comparison between pre covid and post/during covid times. The graph shows an increasing trend during the covid times.

7. CONCLUSION

This study was accomplished to determine the consumer behaviour towards online shopping particularly in Delhi and by large in India. The study shows that online shopping is increasing in India but the acceleration of online shopping is not as rapid as compared to other developed countries like the USA and UK and developing country China.

This research study aimed to infer the experimental motives of online shopping which were highlighted into consumer characteristics, online consumer behaviour, factor predicting online shopping, and consumer mindset in online shopping.

The study identifies factors such as internal beliefs, attitudes, and intentions for online shopping; the study revealed that consumers are doing online shopping because of its convenience and it is time-saving. Also, people have the advantage of getting things directly at home without going anywhere.

The survey questionnaire was prepared and distributed among personal contacts and received 77 responses. From the survey, it is accessed that online shopping is somewhat equal among both males and females implying 52% and 48% respectively. Also, it has been observed that the majority of the respondents were aged between 20 to 50 years old and the majority of the income distribution fell into the group of 60,000-1,20,000, while respondents with an income of 0(such as students and homemakers) also play the lead role in this survey.

The study shows that the majority of students and the respondents involved in the service sector play an active part in shopping goods online. The data reveals that 48% of the total respondents buy goods online frequently or at least once a month and so **it is evident that the trend of online shopping has been increasing and becoming more popular in the economy as a whole.**

Online shopping is getting popular among the young generation as they feel it more comfortable, time-saving, and convenient. It has been studied that most people do not visit the retail store before making their purchase online and the average amount spent by most of the people when shopping online is between 1000-3000 rupees.

The products that have been given most of the weightage when shopping online are electronic products. Other than electronic products, people also tend to buy apparel and accessories more through the online platform. Also people most of the time shop online as and when they required or during heavy discount period offers.

The research study also concludes that Amazon is the commonly used website for shopping goods online and people most often use the credit card or opt for cash on delivery as their payment mode.

The most common difficulties faced by people when conducting an online purchase are difference in displayed & delivered product and quality and size issues.

The main barrier which has been studied in this research study is a lack of trust in the process of online shopping. People are most often afraid to share their personal information and financial information on the internet.

The end of the research study finally concludes that the majority of the people shopping online are satisfied with the concept of e-shopping. 80% of the respondents are satisfied while 17% are unsure. However, 3% of the respondents are not satisfied probably due to the difficulties and barriers discussed above.

References

1. Bloomberg (2012), 'Groupon China Venture to merge with tencent-backed ftuan', [online] Available at:
<http://www.bloomberg.com/news/2012-06-26/groupon-china-venture-to-merge-with-tencentbacked-ftuan.html>
2. Online Shopping/ Wikipedia
3. E-commerce Facts (2012), 'Eurostat: 43 percent of Europeans make purchases online', [online] Available at: <http://www.e-commercefacts.com/research/2012/05/eurostat-eu-online-shoppi>
4. Adil Bashir/ Consumer Behavior towards online shopping of electronics in Pakistan/ 38079333/ Winter 2013 MBA International Business Management/ Seinäjoe ammattikorkeakoulu Seinäjoki University of Applied sciences
5. Deepak Jain/analysis of consumer buying behavior towards online shopping: a case study of kota city- rajasthan/ researchgate.net/publication/323998478
6. Dr. Sunil Patel, JRMP pg2 , Vol 4
7. Brassington, F. And Pettitt, S., 2000

Appendix 1

Link to the Questionnaire:

<https://forms.gle/KANugXuoNQejjuXo9>