SHIFTS IN CUSTOMER CHOICES REGARDING E-COMMERCEPLATFORMS

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ABSTRACT

Online retailing involves consumers directly purchasing goods or services from a seller in real-time via the Internet, eliminating the need for intermediaries. Preferences for online shopping vary across age groups, prompting this study to gather data through an online survey. The survey aims to have different age groups of online shoppers rank the importance of various features affecting their shopping experience. Results indicate significant differences in consumer preferences among age groups, with statistically significant variations in the ranking of individual features. The study highlights that consumers aged 25-35 in Chennai exhibit a higher interest in online shopping, followed by those under 25. The identified factors influencing consumer choices have been extracted as part of the research. The research implications are twofold: firstly, providing additional insights into online shopping preferences from an age perspective, and secondly, revealing that significant differences may not be evident at the construct level but become apparent when comparing individual features. The practical implication is for businesses to optimize their online shopping platforms, tailoring them to meet the specific needs of different age groups of online shoppers. The research's validity is confirmed through the use of a chi-square test.

Keywords: Online Shopping, Consumer Preference, Shopping Platform, Shopping Experience, Online consumer

INTRODUCTION

Online retailing involves consumers directly purchasing goods or services from a seller through the internet without the need for intermediary services. The popularity of online shopping is on the rise as consumers recognize the convenience and simplicity it offers. With the increasing number of internet users, currently reaching around 250 million in India and ranking globally as the third highest, the internet revolution is thriving in the country. Online shopping has seamlessly integrated into the lives of many individuals in India, and its widespread appeal can be attributed to several advantages over traditional in-person shopping.

The shift towards online shopping has become a prominent trend among consumers over the past decade, marking a departure from the tangible experience of visiting brick-and-mortar stores. The act of physically touching and holding merchandise, seeking advice from knowledgeable salespersons, and making informed purchasing decisions in traditional stores is gradually fading away. This transformation signifies a new era in shopping experiences and consumer behavior, characterized by the emergence of online commodity systems.

Consumers now explore numerous websites on the internet, seeking to align their needs with available product or service information. After careful consideration, a purchasing decision is reached, whether it proves to be the right choice or not. For consumers who have a clear idea of their desired purchase, online shopping offers a direct and hassle-free experience. However, for those uncertain about their choices, the decision-making process may be challenging without additional assistance.

The online consumer encounters another challenge compared to traditional offline shopping: the vast virtual warehouses of merchandise maintained by online retailers. While they may have offered 20 digital cameras in the past, retailers now present consumers with hundreds of choices. To assist online consumers in navigating through stores and information repositories, as well as making informed purchasing decisions, online retailers are incorporating features such as amateur product reviews. These reviews allow consumers to read about others' experiences and opinions, helping them manage the overwhelming amount of data and information related to the products offered. Numerous online consumer product review websites now exist, but for those unfamiliar with where to find such information, the task can be daunting. While well-known review sites like Amazon.com, Epinions.com, Consumer Reports, Buzzillions.com, and CNET product reviews are popular, discovering product information and consumer reviews remains a challenge.

Furthermore, the proliferation of product reviews has led to the burying of many reviews on online review sites, making information less easily accessible. This abundance of information often overwhelms consumers, making it more challenging to arrive at a purchasing decision. The four key aspects influencing online consumer product preferences include convenience (the ability to shop anytime), ease of finding product information, competitive prices, and the ability to discover more personalized gifts and enjoy perks such as freebies and offers. This research aims to uncover the preferences of online retailing among different age groups in Chennai, exploring the factors influencing consumers to prefer online retail platforms.

STATEMENT OF PROBLEM

It took over a decade for Internet usage in India to increase from 10 million to 100 million, followed by a three-year span to reach 200 million. Surprisingly, the jump from 200 to 300 million users only took a year. The report reveals that out of the 278 million users in India as of October, 177 million reside in urban areas, reflecting a 29% increase from the previous year. In rural India, the number of Internet users grew by 39%, reaching 101 million in October 2014. Urban mobile Internet users totaled about 119 million, while rural mobile Internet users stood at 40 million in October 2014. Projections suggest these figures will reach 128 million (urban) and 45 million (rural) by the end of December.

As businesses strive to expand their online retail presence, understanding the preferences and concerns of online shoppers becomes crucial. Consumer preferences for online retailing may differ based on various factors such as the type of product (e.g., consumers prefer online retailing

for air ticketing and booking tickets in theaters compared to clothing purchases, where the desire for a personal touch and feel is essential), individual preferences, and past online shopping experiences. This research seeks to comprehend the preferences of online shopping acrossdifferent age groups in Chennai, specifically targeting those already using the Internet and consumers interested in adopting online shopping practices. Given the increasing integration of the Internet into our daily lives, the research aims to explore the preferences for online shopping among consumers of different age groups, including those who are Internet users and are aware of online shopping.

OBJECTIVE OF THE STUDY

• Investigating the awareness and preferences of online retailing among diverse age groups of consumers in Chennai.
• Examining the different factors that influence customers in favoring online retailing.
• Assessing the challenges encountered by customers in their preference for online retailing.
• Proposing measures for improvement to enhance customer preferences for online retailing.

REVIEW OF LITERATURE

Margherio (1998) observed that the Internet and WWW have simplified, streamlined, and made electronic interactions and commercial transactions more cost-effective and accessible for businesses of all scales and consumers, contrasting with the traditional use of private value-added networks.

Wyckoff (1997) highlighted that the Internet significantly diminishes the distance between producers and consumers, allowing direct purchases without the involvement of traditional intermediaries like retailers, wholesalers, and distributors.

Hsin (2000) and Rowley (2000) noted that electronic retailing over the Internet, or online shopping, commenced in 1994, representing a form of direct consumer marketing in non-store retailing through online channels. This emerging retailing concept has garnered interest from retailers and merchants due to the growing recognition that online shopping will establish itself as an alternative channel alongside traditional offline retail channels, such as physical retail stores (Rowley, 2000).

Referring to a study by Professor Rajiv Lal and Assistant Professor Miklos Sarvary of Stanford Business School, products marketed through the Internet can be categorized into two groups, with the first group consisting of items that consumers do not necessarily need to see in person before purchasing. These products, ranging from computers to compact discs to canned goods, can be assessed using text, pictures, and other digitally communicable information, making them ideally suited for online shopping, where the Internet serves essential transaction and communication functions.

Based on AC Nielsen Research (Peterson et al., 1997; McGann, 2004), the primary motivation for consumers shopping online is convenience. Convenience stands out as the most significant factor driving consumers to opt for online shopping due to the superior timing, location flexibility, and purchasing process facilitated by the Internet compared to traditional methods of purchasing goods and services.

Hanson (1999) pointed out that the 24-hour availability of online storefronts and accessibility from almost any location contribute to making online shopping more convenient for consumers, offering a powerful alternative channel for making purchases. Online retailers can provide lower prices due to reduced information processing costs, lower operating expenses, and the global reach offered by the Internet (Rowley, 2000). Another significant factor contributing to the affordability of online shopping is competitive pressure, particularly from new online retailers who use pricing as a primary competitive strategy to attract customers (Hanson, 1999).

RESEARCH METHODOLOGY

The nature of this study is descriptive, focusing on the population of Chennai, with a sample size of 120 respondents comprising individuals who are both aware of online shopping and active internet users. The research employed a questionnaire designed with a survey method, utilizing a 5-point Likert scale to collect responses from the consumers. Statistical tools such as percentage analysis, weighted average, chi-square test, and factor analysis were applied for the analysis of research data.

HYPOTHESIS

Null Hypothesis (H0) 1: There is no statistically significant relationship or association between the preference for online shopping and various age groups.

Null Hypothesis (H0) 2: There is no statistically significant relationship or association between the preference for online shopping and the factors influencing consumer choices towards online shopping.

DATA FINDINGS AND INTERPRETATIONS OF FINDINGS

Descriptive statisticsInterpretation

Mean - The arithmetic mean, often referred to as the average, is calculated as the sum of observations divided by the total number of observations. It serves as a widely utilized measure of central tendency. The mean is sensitive to extreme values, both large and small.

Std. - Standard deviation, the square root of the variance, gauges the extent of dispersion within a set of observations. A larger standard deviation indicates a more widely spread distribution of observations.

Variance - Variance, a measure of variability, is computed as the sum of squared distances of data values from the mean divided by the variance divisor. The Corrected SS (sum of squared distances) is obtained by subtracting the mean from each data value before squaring. The variance is then calculated as the corrected SS divided by N-1. While variance is an index, it is not commonly used due to being in squared units; instead, standard deviation is preferred.

Skewness - Skewness quantifies the degree and direction of asymmetry in a distribution. A perfectly symmetrical distribution, such as a normal distribution, has a skewness of 0. Negative skewness, indicative of a leftward skew, occurs when the mean is less than the median.

In this context, it was observed that the data exhibited a normal distribution, with most items approximating a value of -2 or -3.

All skewness values in this study are below 2.5, suggesting that the frequency distributions of all items can be considered as normally distributed. The normal distribution of data implies that participants' responses were favorably spread, showcasing a significant diversity in answers provided.

CONVENIENCE							
Less effort compared to traditional shopping		Ease of finding a product		Time saving		Able to shop at any time	
Mean	12.2	Mean	12.2	Mean	12.4	Mean	12.2
Standard Deviation	12.61745	StandardDeviation	11.41052	Standard Deviation	13.06905	Standard Deviation	15.8019
Kurtosis	-0.56804	Kurtosis	-2.68545	Kurtosis	0.80967	Kurtosis	3.017986
Skewness	0.961419	Skewness	0.306398	Skewness	1.20245	Skewness	1.714054
MORE SELECTION							
Comparison of online retailers		Product display				Abundance Information on Products & offers	
Mean	11.6	Mean	12			Mean	11.8
Standard Deviation	11.86592	Standard Deviation	10.5119			Standard Deviation	11.81947545
Kurtosis	-2.96156	Kurtosis	-1.4512			Kurtosis	-2.933799752
Skewness	0.278862	Skewness	0.361581			Skewness	0.200947114
PRICE							
Savings in price compared to traditional shopping		Comparison in price					
Mean	10.8	Mean	11.4				
Standard Deviation	9.011104	Standard Deviation	12.70039				
Kurtosis	-1.54514	Kurtosis	-0.95813				
Skewness	0.510181	Skewness	0.922886				

ABILITY TO FIND MORE PERSONALIZED SERVICE ON GIFTS SUCH AS							
Apparels		**Ornaments**		**Toys**		**Music/storyCD/DVDS**	
Mean	12.2	Mean	12.2	Mean	12.2	Mean	12.2
Standard Deviation	7.395945	StandardDeviation	7.190271	Standard Deviation	6.870226	Standard Deviation	8.526429
Kurtosis	0.276629	Kurtosis	0.282728	Kurtosis	-2.03821	Kurtosis	0.395002
Skewness	-0.91285	Skewness	-1.20731	Skewness	-0.60689	Skewness	0.125349

HOME PAGE					
Design		**Attractiveness**		**Ease of navigation**	
Mean	12.2	Mean	12.2	Mean	12.2
Standard Deviation	8.074652	Standard Deviation	9.257429	Standard Deviation	9.602083
Kurtosis	-0.9496	Kurtosis	-0.34043	Kurtosis	-2.0026
Skewness	-0.35102	Skewness	0.916606	Skewness	-0.05286

TRUST					
Transparency		**Security of personaldata**		**Payment modes**	**Ease of obtaining refunds**
Mean	12.2	Mean	12.4	Mean	12.4	Mean	12.4
Standard Deviation	17.18139	Standard Deviation	18.50135	Standard Deviation	13.06905	Standard Deviation	16.74216
Kurtosis	0.243648	Kurtosis	3.122864	Kurtosis	0.80967	Kurtosis	3.29538
Skewness	1.234773	Skewness	1.80737	Skewness	1.20245	Skewness	1.768678

FUN					
Discount		**Offers**		**Freebies**	**Enjoyment**
Mean	12.4	Mean	12.4	Mean	12.4	Mean	12.2
Standard Deviation	6.8775	Standard Deviation	5.176872	Standard Deviation	8.619745	Standard Deviation	5.932959

| Kurtosis | -0.30229 | Kurtosis | 0.607318 | Kurtosis | -3.02442 | Kurtosis | -1.82706 |
| Skewness | 0.37995 | Skewness | -0.30921 | Skewness | 0.331175 | Skewness | 0.30023 |

Table 1
Descriptive statistics

CHI SQUARE TEST ANALYSIS

Hypothesis 1:

Null Hypothesis (H0): There is no statistically significant relationship or association between the preference for online shopping and different age groups.

Calculated Chi-square value = 16.6, Degrees of Freedom = 3, Probability = 0.001.Table value = 7.815. Given that the table value is greater than the calculated value, we reject the null hypothesis and accept the alternative hypothesis. Consequently, it is established that there is a significant relationship or association between the preference for online shopping and different age groups.
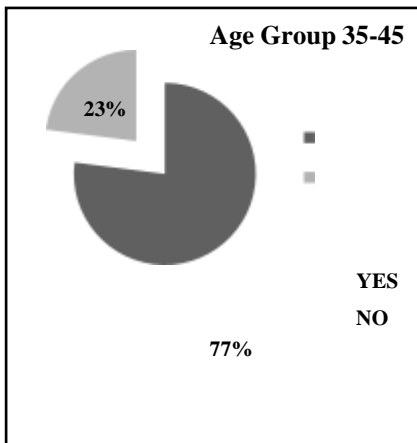
Fig.1. Preference percentage ofconsumer in Age group 35-45   Fig.2. Preference percentage ofconsumer in Age group >45
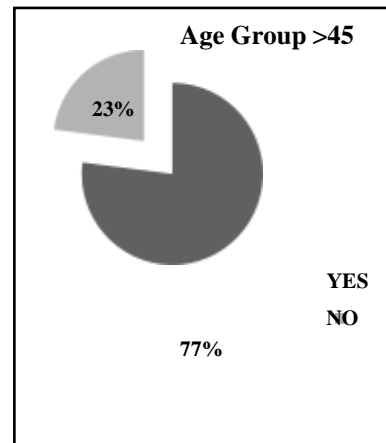
The assessment of online retailing preference across various age groups involved the analysis of consumers with awareness of online shopping and those with prior online shopping experience. The observed results are outlined below.

Age group	Percent (Base:87)
25-35	77%
<25	71%
35-45	65%
>45	50%

Table 2
Preference percentage on Age Group

The aforementioned outcome is derived through straightforward percentage analysis. Upon scrutinizing these findings, it becomes evident that online retailing is predominantly favored by consumers in the age group of 25-35, surpassing other age brackets. Additionally, the percentage of consumers in the age group below 25 closely aligns with that of the 25-35 age group.

Hypothesis 2:
Null Hypothesis (H0): There is no statistically significant relationship or association between the preference for online shopping and the factors influencing consumer preference for onlineshopping.
Calculated Chi-square value = 82.1, Degrees of Freedom = 20, Probability = 0.000.Table value = 31.41.

Given that the table value exceeds the calculated value, the null hypothesis is rejected, and the alternative hypothesis is accepted. Thus, it is demonstrated that there is a significant relationship or association between the preference for online shopping and the factors influencing consumer choice.

Therefore, it is confirmed that factors such as convenience, a broader selection, better prices, the ability to find personalized gifts, trust, homepage interface, and enjoyment play a crucial role in influencing consumer preferences toward online retailing. The preference for these various factors is determined using the weighted average method, as presented in the tabulated results below.

Factors	Percent (Base: 100)
More selection	58.3
Convenience	58
Better price	56
Ability to find a more personalized gift	47
Homepage	47
Fun	45
Trust	36

Table 3
The factor which are opting the customer to prefer online

The feedback related to the sub-factors contributing to convenience is visually represented in the form of a bar chart.
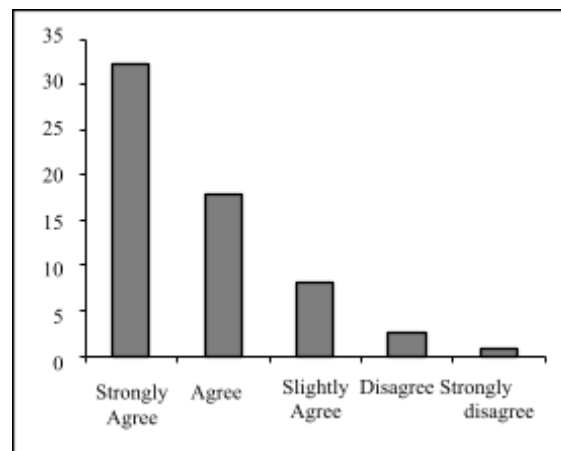

Figure 3
Response towards convenience

The responses from the sub factors which contribute to more selection are shown as in the formof bar chart.
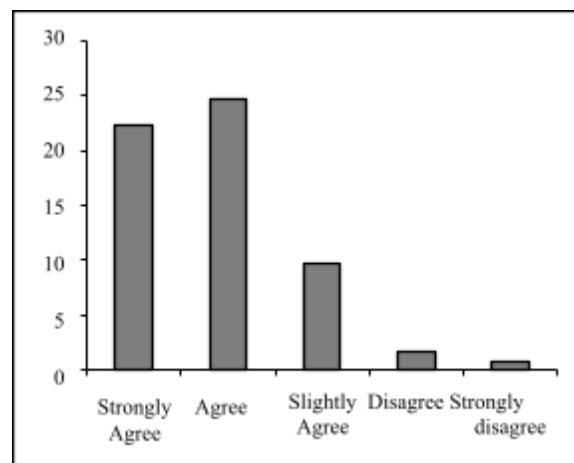

Figure 4
Response towards more selection

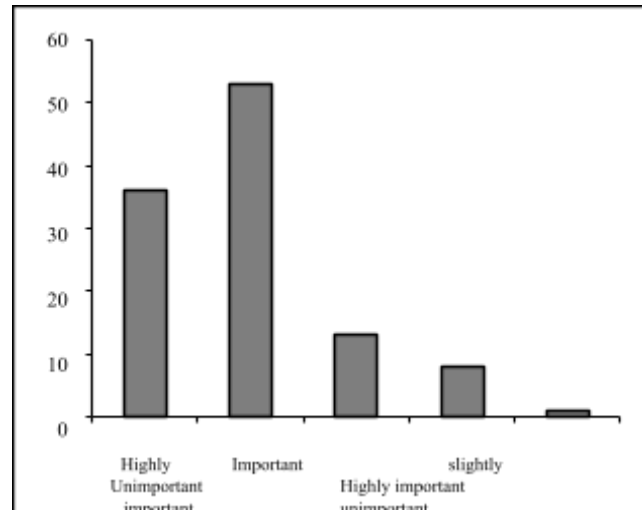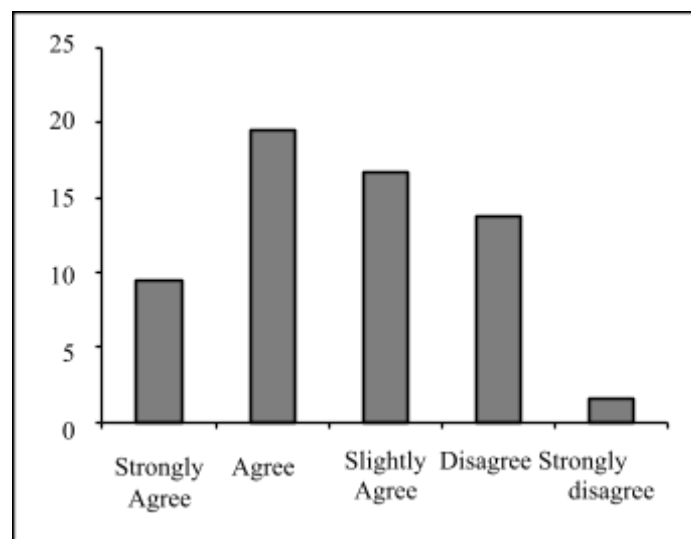The responses of the sub factors which contribute to better prices are given in the form ofbar chart as given below:

Figure 5
Response towards Better Price

The responses of the sub factors which contribute to ability to find more personalized giftsare given in the form of bar chart as given below:
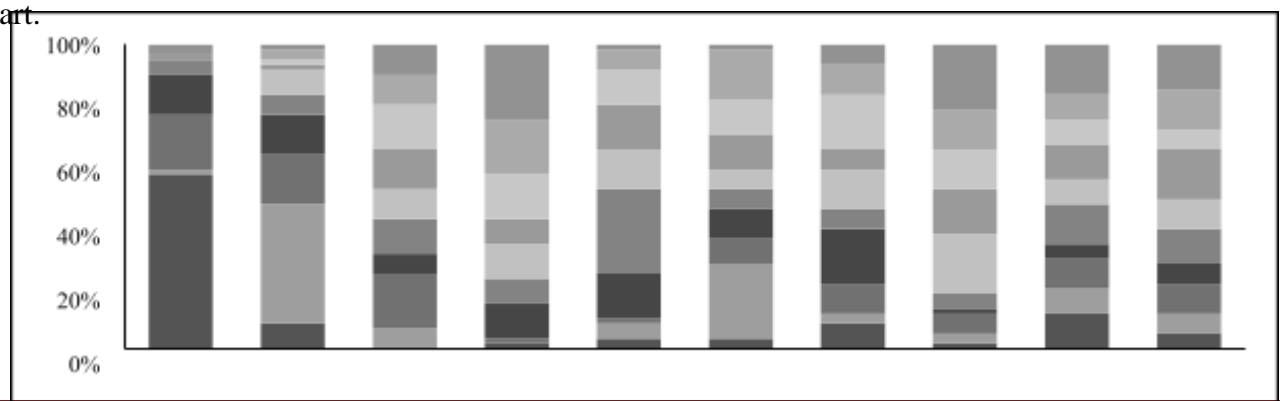

Figure 6
Response towards ability to find more personalised gifts

The responses from the sub factors which contribute to Home page are shown as in the formof bar chart.
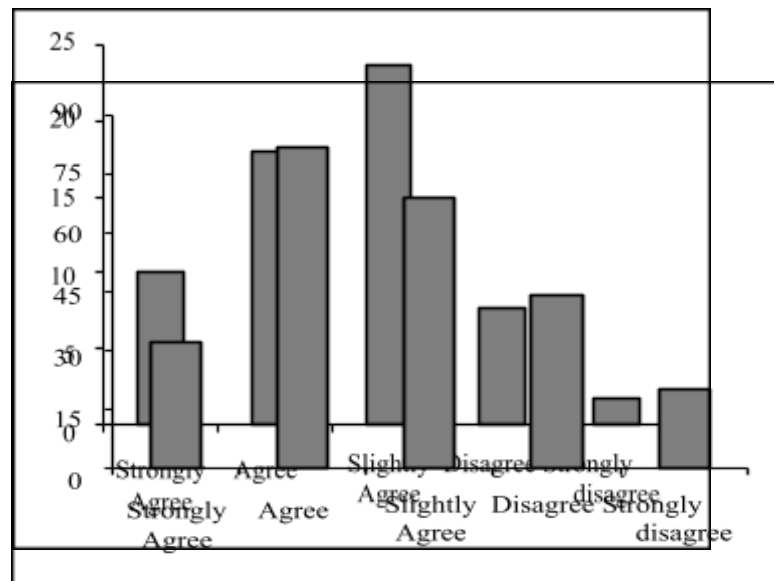
Figure 7
Response towards home page

The responses from the sub factors which contribute to trust are shown as in the form of bar chart
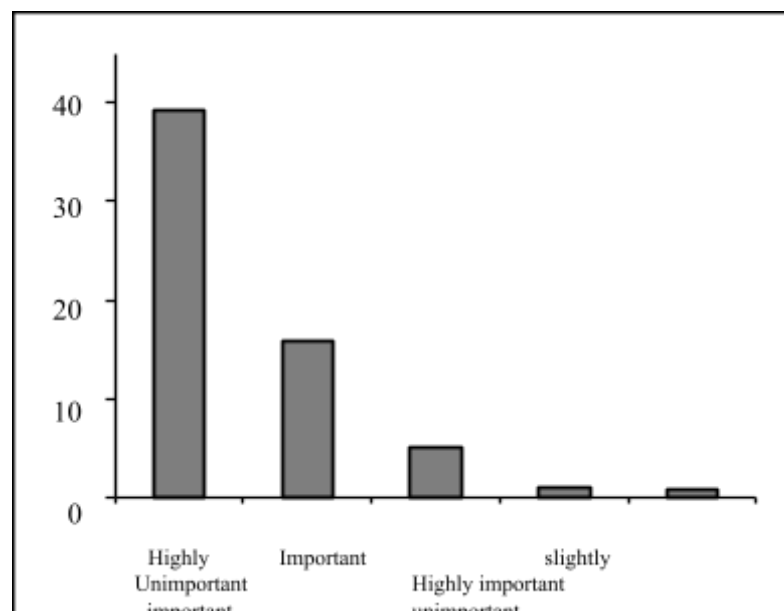
Figure 10 Product Preference

Figure 8
Response towards trust

The responses from the sub factors which contribute to fun are shown as in the form of barchart.
Figure 9
Response towards fun

DIFFICULTIES FACED BY THE CONSUMER

As per the consumer survey, among 100 respondents, 42 consumers encounter challenges when engaging in online retailing. The difficulties experienced by consumers may involve one or a combination of the following issues:

- Time-consuming registration process
- Disclosure of personal information
- Inadequate disclosure of full costs
- Absence of a personal feel or touch on products
- Preference for a thorough, concise, and uncluttered website
- Lengthy billing processes
- Concerns about timely delivery of products
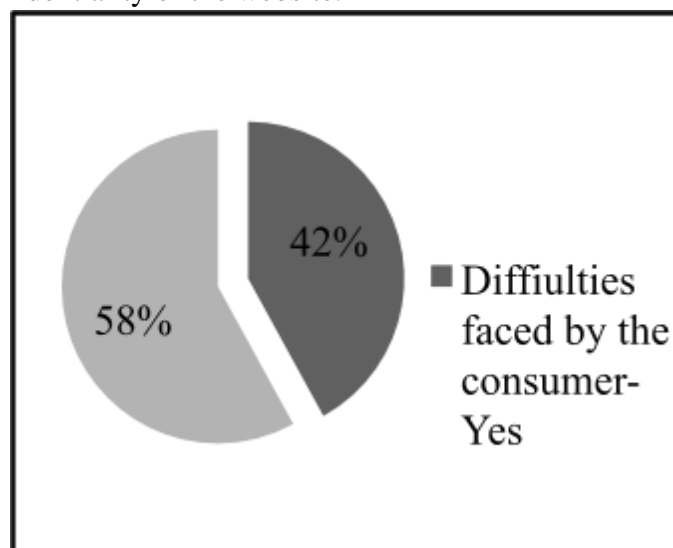- Lack of trust in the confidentiality of the website.

Figure 11 Difficulties

AWARENESS OF ONLINE RETAILING

The study reveals that 87% of customers are familiar with online shopping. Additionally, it is observed that 20% of individuals who possess awareness of online shopping are hesitant to engage in it due to security concerns and the satisfaction derived from traditional brick-and-mortar store shopping experiences.
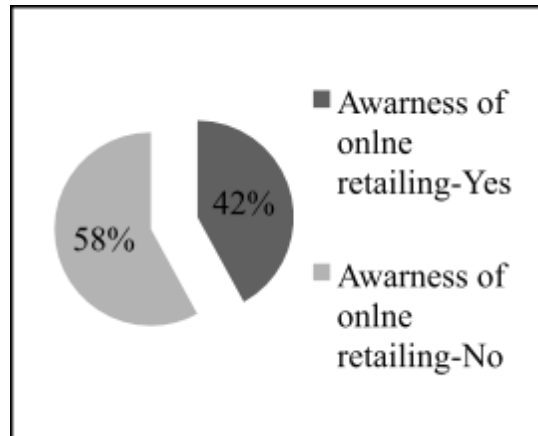
Figure 12 Awareness

CONCLUSION

Using the chi-square test, a notable variation in the preference for online retailing among distinct age groups has been identified. The results indicate that consumers aged 25-35 exhibit a preference for online shopping. An examination of the challenges encountered by consumers in favoring online retailing revealed that 42% of individuals encounter difficulties in this aspect.

Additionally, the recommendations provided by consumers regarding their preference for online retailing were documented. The research underscores the significance of age as a determining factor in online retailing preferences. Given the substantial youth population in India, understanding the preferences and behaviors of the target consumers within specific age groups is crucial for market retailers.

Beliefs, product needs, and perceptions towards online retailing vary among individuals and are influenced by age. Among consumers, those under the age of 25, driven by a heightened interest in new technologies, particularly enjoy the entertainment aspect of online shopping. They respond more positively to features that enhance the enjoyment of the shopping experience.

Common challenges faced by consumers include time-consuming registration processes, the disclosure of personal information, lack of transparent cost information, and the absence of a tactile experience with products. To enhance the flow of information, online retailers are encouraged to focus on social interactive platforms, potentially increasing the conversion rate compared to traditional advertising methods.

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