



A Study of Indian Online Consumers & Their Buying Behaviour

Mrs. Chitra
Sharma

Research Scholar, Pacific University Udaipur.

ABSTRACT

This study attempts to analyze the features related to the buying behaviour of online shoppers. Consumer buying behaviour in respect of online shopping was studied using different socio-economic variables. It also provides a support that helps researchers understand the drivers of consumers' attitude and goal to shop on the Internet, and consumers' perceptions regarding ease of use and usefulness. Conclusions derived from the analysis can be used as useful guide for market orientation. The outcomes of the study suggest that assessment of consumer buying behaviour can contribute to a better understanding of consumer buying behaviour in respect of online shopping.

KEYWORDS : Buyer Behaviour, Consumer, Flipkart, etc

Introduction

When you buy a product or a service over the internet, instead of going to a traditional brick-and-mortar store, it is called online shopping. Globally, an increasing number of people are buying over the Internet because it is more convenient. India's online shopping registering a phenomenal 100 per cent annual growth, many retail chains and consumer durable companies are joining the Web bandwagon to tap the e-shopping market. The online shopping industry in India is fast catching on, not just in the larger metros but also in the smaller cities. At present the market is estimated at Rs.46,000 crore and is growing at 100 per cent per year. India has more than 100 million Internet users, out of which around half opt for online purchases and the number is growing every year. With such a large market size, companies, right from retail shops to consumer goods, are entering the Web space to attract potential customers. Even traditional retailers like Shoppers Stop, Westside and Pantaloons are looking at the online shopping space for growth. According to the Associated Chambers of Commerce and Industry of India (Assocham), the size of the online retail industry is expected to touch Rs.7,000 crore by 2015, up from Rs.2,000 crore now, at an annual growth rate of 35 per cent. According to industry leaders, portals offering daily deals and discount offers with good delivery services attract the largest number of online shoppers. The companies that provide daily deals or discount offers are doing brisk business. People are looking for value shopping that saves their money as well as time. The company's Synergy discount cards offer 15-90 per cent discounts on deals from about 2,000 dining, movie and retail chains in various cities - for movie tickets, dining, hospital bills or for shopping for local brands. According to Flipkart the customer behaviour is changing dramatically. People are not only using the Web to book air tickets and movie tickets but also do not hesitate in placing orders for mobiles, laptops and other consumer electronics and home appliances. Seeing this bold consumer behavior, more companies are collaborating with such daily deal and discount sites. All the top consumer electronics and home appliances companies are listed with us. In the growing competition space companies with good delivery services score points over others. Keeping in mind this growing potential, not just large brands but even general retail chains are upgrading their sites for ecommerce, making it more convenient for customers to place online purchase orders.

According to eBay, Indian online shoppers remain brandsavvy, even when they are shopping online. The eBay India Census has found that brands such as Sony, Nokia, Samsung, Apple and Reebok continue to top buyers' charts. Category-wise lifestyle products, such as cosmetics, jewellery, watches, fashion products and fitness equipment contribute over 45 per cent to eBay's sales in India. Indian online shopping industry has evolved over a period of time with innovations that have changed the rules of the game globally. Cash on delivery (COD) is one such example. In a country where credit card penetration is much lower than other developed markets and where e-commerce companies are still working hard to build trust among shoppers, introducing cash on delivery has been one of the key factors for the success of the segment. At present, COD is the preferred payment mode for close to 55-60% of all online transactions in the

fashion and lifestyle segment in India. COD is here to stay owing to its convenience and its cultural affinity and will be a major part of payment mechanisms for at least the next four to five years. Executing COD efficiently and painlessly for the customer is critical to the success of any e-commerce player in the country. Besides COD, e-commerce players need to focus on customer experience as a means to build trust and confidence. Customer experience encompasses every interaction a customer has with your service from placing an order to interacting with your customer service team, to the actual delivery experience. Providing a great delivery experience is one of the core aspects to delighting customers. This doesn't necessarily mean constantly pushing the frontier on faster deliveries. Being a day behind the fastest in the market isn't a big deal, but trust, consistency and reliability are more important. The more faith the customer has in your delivery service, the more likely he is to buy again. Delivering a good experience is critical not only to ensure repeat purchase from a customer, but also for building a good brand image and word-of-mouth publicity.

Review of literature

The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education (Palumbo and Herbig, 1998). They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers (Burke, 1997). Actually, both demographics and personality variables such as opinion leadership or risk aversiveness are very important factors that are considered in studies trying to determine the antecedents of Internet purchases (Kwak et al., 2002). Confirmatory work shows that income and purchasing power have consistently been found to affect consumers' propensity to shift from brick-and-mortar to virtual shops (Co-mor, 2000). Internet usage history and intensity also affect online shopping potential. Consumers with longer histories of Internet usage, educated and equipped with better skills and perceptions of the Web environment have significantly higher intensities of online shopping experiences and are better candidates to be captured in the well-known concept of flow in the cyber world (Sisk, 2000; Hoffman and Novak, 1996; Liao and Cheung, 2001). Those consumers using the Internet for a longer time from various locations and for a higher variety of services are considered to be more active users (Emmanouilides and Hammond, 2000). As Bellman et al. (1999) mention, demographics are not so important in determining online purchasing potential. Whether the consumer has a wired lifestyle and the time constraints the person has are much more influential. Risk taking propensity is also a powerful factor. E-shoppers have higher risk taking tendencies. Consumers with high levels of privacy and security concerns have lower purchasing rates in online markets but they balance this characteristic with their quest for making use of the information advantage of the environment (Kwak et al., 2002; Miyazaki and Fernandez, 2001). These educated individuals, as more confident decision makers, are much more demanding and have greater control over the purchasing process from initiation to completion (Rao et al., 1998).

Research Methodology

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated. A methodology is therefore shaped by the perspective the researcher chooses to approach the study.

Objectives of the study

The main objective of the study is to discover the key factors that influence online buying behaviour of consumers in India.

Research design

A research design is a framework or blue print for conducting the research project. It details the procedures necessary for obtaining the information need to structure and/or solve research problems. The research design lays the foundation for conducting the project. The descriptive research design is being used to study the formulated problem.

Method of data collection

Data are distinct pieces of information, usually formatted in a special way. Data may be obtained either from the primary source or the secondary source. Primary data is a type of information that is obtained directly from first-hand sources by means of surveys, observation or experimentation. Secondary data is the data that have been already collected by and readily available from other sources. Both the primary and secondary sources of data were used in this study.

Sample Design

Samples were collected from consumers and buyers of online shopping in which the total sample size of respondents was 200.

Questionnaire

Survey method was adopted for this study . For the purpose of the survey , a structured questionnaire was prepared and distributed to the consumers and buyers to study about their preference and satisfaction of online shoppers.

Data analysis & Interpretation

After obtaining and analyzing the collected data, we have found following results:- Ratio of male consumers is very high in online shopping (73%). All the respondents are having 100% awareness about online shopping. Income of respondents largely falls in the bracket of Rs. 10,001 to Rs. 20,000 (49%) Employees of various companies are purchasing more than others through online shopping (51%). Maximum numbers of respondents (38%) feel that online shopping is having easy buying procedures; others think that they can have wide variety of products, Lower price of the products, various modes of

payments etc. Most of the respondents think that A availability of online information's about Product & Services is excellent (54%). Most of the respondents purchase the products 2 to 5 times annually (46%).

Factors	Category	Number of Respondents	% of Respondents
Age	Below 18 yrs	36	18%
	19-30 yrs	54	27%
	31-45 yrs	66	33%
	Above 45 yrs	44	22%
Profession	Employee	102	51%
	Housewife	22	11%
	Business	44	22%
	Students	16	8%
	others	16	8%
Sex	Male	146	73%
	Female	54	27%
Income	Below 10000	42	21%
	10001-20000	98	49%
	20001-40000	52	26%
	Above 40000	8	4%

Source: Primary data collected by researcher through questionnaire.

Some respondents are facing problems at the time of online buying (23%). Maximum numbers of respondents are suggesting to non online buyers to be online buyers (89%). Most of the respondents Search and buy online but pay in cash on delivery (61%).

Limitations of the study

The study has been conducted based on the data acquired from the online buyers of India only and the findings may not be applicable to other countries of the world because of socio-cultural differences. Sample size was very small.

Conclusion

This research shows that online shopping is having very bright future in India. Perception towards online shopping is getting better in India. With the use of internet, consumers can shop anywhere, anything and anytime with easy and safe payment options. Consumers can do comparison shopping between products, as well as, online stores.

REFERENCES

Kothari, C.R. (1990), Research Methodology, Second revised – edition, New Age international (P) Limited, Publishers, New Delhi. | Cooper, D.R. and Schindler, P.S. 2001. Business Research Methods. 7th ed. Boston:McGraw-Hill/Irwin. | Kotler, p. (2001), Marketing Management, Prentice-Hall, India. | Avadhani V.A. (1 999), Marketing of financial services and markets, Himalaya Publishing House, Delhi. | Elhance, D.N. (1984), Fundamentals of Statistics, Kitab Mahal, New Delhi. | Nargundkar, R., Marketing Research : text & cases, Tata McGraw Hill Publishing Co., New Delhi, 2002. | Ramlal, P. & Barbhuiya , Ahmed Shamim, Consumerism and Retailing in India, Business Analyst- Journal of Management Studies, Vol. 1,2007, pp. 105-116. | Voyce, Malcolm, Shopping malls in India new social dividing practices, Economic and Political Weekly, Vol.XVII, 2007, pp. 2055-2062. | Teel, J.E., "Selected Determinants of Consumers Satisfaction and Complaint Reports", Journal of Marketing Research, Vol. 20, No. 1: 21-28, 1983. |