



A Comparatative Study on the Use of Online Stores Among Urban and Rural Youth Netizens in Madurai District

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ABSTRACT

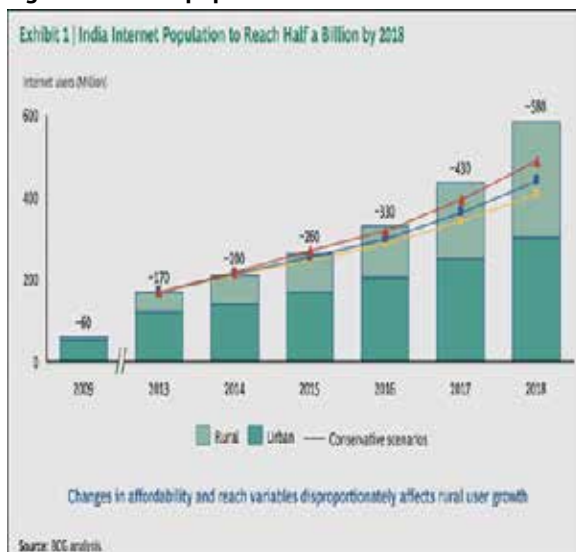
India is being one of the world's fastest growing e-commerce markets with the youngest population as new online shoppers. Semi-urban and Rural India is considered to be the next greatest destinations for e-retailers to expand their business in future. Increasing availability of wider range of products, changing lifestyle and fashion, easy access and risk taking ability drive India's young population to show more attitude towards online shopping. The study was conducted on the youngsters in Madurai district having the age group of 18-29 years of age. A sample size of 150 respondents was taken for the study. The questions were asked on the basis of rating the importance of the factors.

KEYWORDS : Online shopping, E-commerce, e- retailers, Youth attitude

INTRODUCTION

E-commerce or Electronic commerce is an integral part of e-business, in which transactions take place virtually via internet. Notably, India is being one of the world's fastest growing e-commerce markets with the youngest population as new online shoppers. Rapid advancement in digital technology has powered the e-commerce sector in the country to gain momentum in recent years. Thus, internet revolution has transformed rural India with 41 million active internet users as of 2013 [source: IMRB I-cube 2013, All India estimates, June 2013].

Figure-1 Internet population in India



Source: BCG analysis

The BCG report highlights that; surprisingly by 2018 rural internet population will touch 210 million whereas urban internet population will reach 300 million. As per Census of India 2011, nearly ¾ th of India's population resides in villages. Thereby, Semi-urban and Rural India is considered to be the next greatest destinations for e-retailers to expand their business in future. Still, e-commerce player's face a number hurdles to reach consumers beyond the cities due to lack of infrastructure development. E-commerce firms such as flipkart, snapdeal, shopclues etc are in working together with Dabbawallas, India post, kirana stores for creating new solutions in supply chain area.

According to ASSOCHAM report, the e-commerce market in India is estimated to be worth \$16 billion in 2013 and is expected to reach \$56 billion in 2023. The conversion of non-users of virtual shoppers to users is a threat to e-commerce players because of the negative mental make-up about shopping through internet.

The ASSOCHAM report on e-commerce market in India (2013-2023) result claims that 90% of online shoppers in India belong to the age group of 18-35 years. Increasing availability of wider range of products, changing lifestyle and fashion, easy access and risk taking ability drive India's young population to show more attitude towards online shopping. Hence, youth account for the largest set of active online shopping users.

REVIEW OF LITERATURE

(Ashish pant, 2014) states that attractive website design and content is not enough for a website to become successful. Hence, keeping in touch with customers, understanding their requirements and satisfying their expectations make them feel to be more valued. (Sajjid Nazir et.al 2012) has pointed out that price is the most important factor affecting the consumers directly for online shopping. The study also concluded that young generations are the active users of online shopping. (Zuroni Md Josh et.al 2012) The product perception, customer service and consumer risk factors influence consumer's attitude towards online shopping. The Demographic factors do not influence consumer's attitude in his topic "Factors Influencing Consumer's Attitude towards Ecommerce purchases through online shopping". (Mallika Shetty, 2014) focuses on the reasons behind the rural consumer who did not prefer e-shopping. The considerations are delayed delivery, chance of defective products, financial transactions security, no guarantee of quality, risk and misleading. Customs and beliefs play valuable role in the mindset of rural consumers. (Vaggelis Saprikis et.al 2010) have examined the expectations and perceptions of adopters and non-adopters of Greek university students in online shopping. The factors that hinder are security and privacy risks; need to physically examine the product. Whereas, lower prices, easement of online buying procedures, wide varieties of products are the factors that influence the purchase through online. (Zhaobin Chen et.al 2005) The influence of four website factors such as website design, web reliability, web security, web customer service on different types of online buyers i.e., trial, occasional, frequent, and regular in newzealand was studied. The ANOVA results indicate that website security/privacy with the lowest score has the critical influence on the purchasing mindset of online buyers. (Guo jun et.al 2011) Usability, security, privacy, after sales service, marketing mix and reputation are considered as the significant factors that could influence consumer's attitude towards online shopping. Online vendors have to concentrate on needs of the customers and marketing mix to build up good reputation. (Mubin, 2012) The study reveals that female participants are more concerned about financial and time risk perceptions than male participants. (Renuka Sharma et.al 2014) suggests that the youth segment in the age group of 18-25 years has a great potential for e-commerce market. The buying behavior of youth can be enhanced by focusing on various factors like after sales service, secured payment options, time delivery with better packaging of goods.

OBJECTIVES OF THE STUDY

To access the factors that influences the use of web stores among urban and rural youths in Madurai district.

RESEARCH METHODOLOGY OF THE STUDY
DATA COLLECTION METHODS

The research is Descriptive in nature. The study was conducted on the youngsters having the age group of 18-29 years of age. The collection of primary data was done with a self administered formulated questionnaire .The questionnaire is made up of three parts

- Personal Information section which includes demographic variables.
- Factors influencing the online shoppers.
- Variables that lead to skeptical thinking about online shopping.
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The questions were asked on the basis of rating the importance of the factors.

The secondary data was collected from website, e-journals, newspaper and books.

SAMPLE SIZE AND SAMPLING TECHNIQUE

The population of the study includes young internet users among urban and rural areas of Madurai district. A sample size of 150 respondents was taken for the study. The respondents were selected using convenience sampling technique, a type of non-probability sampling.

DATA ANALYSIS AND INTERPRETATION

Table 1
Demographic profile of respondents

Variables	Classification	Number of Respondents
Gender	Male	88
	Female	55
Age	18-20 yrs	30
	21-23 yrs	35
	24-26 yrs	37
	27-29 yrs	41
Area	Urban	70
	Rural	73
Occupation	Student	41
	Self Employed	26
	Salaried	53
	House wife	23

The above table shows that majority of the respondents are male in gender classification. The total numbers of reliable responses obtained was 143, out of which 49% of the data were being collected from the urban youths and 51% of the respondents are urban youngsters. Most of the respondents belong to salaried (29%) and student (37%) in occupation category.

The table 2 and 3 represents the motivating and demotivating factors influencing the attitude of customers purchasing through online stores and the level of importance for each factor is being rated by the respondents, ranging from Not at all important (1) to Extremely important (5).

Table 2
Motivating factors of online shoppers

Motivating Factors	Level of Importance					
		1	2	3	4	5
Convenience of Shopping	Urban	-	8	7	13	42
	Rural	7	8	5	17	36
Range and price of products	Urban	12	14	30	5	9
	Rural	6	4	10	8	45

Mode of Payment	Urban	5	10	15	16	24
	Rural	2	4	16	12	39
Timely Delivery System	Urban	-	5	2	12	51
	Rural	4	5	2	19	43
Discount, offers, Deals	Urban	16	23	11	7	13
	Rural	10	8	13	27	15
Post sales service	Urban	4	11	5	32	18
	Rural	8	19	25	10	11

Source: Primary Data

The table 2 exhibits that 60% of the urban shoppers and 49% of the rural online shoppers prefer purchasing through online stores as they feel painless and comfortableness in shopping from their home. The rural customers are more attracted towards the range and price of the products than the urban customers. As indicated in this table, both the rural and urban virtual shoppers are more concerned about the payment system. The frequency distribution for the timely delivery system factor shows that 73% of the urban respondents and 59% of the rural respondents sense the importance of the delivery on time. Most of the urban consumers experience the importance of discounts and offers being offered by the online retailers. The respondents view regarding the post sales service factor is, 79% of the urban youths are worried about replacement policy, warranties etc and only 63% of the rural youths to some extent mind about the service after sales.

Table 3
Demotivating factors of online shoppers

Demotivating Factors		Level of Importance				
		1	2	3	4	5
Touch and feel factor	Urban	-	6	7	25	32
	Rural	6	9	17	18	23
Net connectivity	Urban	15	23	12	11	9
	Rural	-	7	6	21	39
Security and Privacy risks	Urban	-	13	7	9	41
	Rural	8	5	6	17	37

Source: Primary Data

The table reveals that most of the urban and rural young customers consider that touching and feeling the quality, shape, size, design etc of the product is disappointing while purchasing products in market space. The data visibly shows that 82% of the rural respondents are facing internet connectivity problems due lack of telecom infrastructure in remote areas and, very least urban respondents face the net connectivity problem. However, the data also clearly illustrates that the young online shoppers in urban and rural areas distrust about online payment transactions as the risks in making payments through credit card and debit card is high.

CONCLUSION

The intention of the research work was to present a picture that the ease of shopping, range and price of products, timely delivery system, touch and feel factor, net connectivity and security risks in payment are the factors which influence the rural customer's attitude towards online shopping. The uprising Smartphone usages have paved the way for e-commerce players to penetrate in to rural markets but the internet infrastructure and fear of online payments is still a threat for e-retailers to make a way into rural markets.

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