



Online Shopping – a New Shopping Trend (an Opinion Study)

KEYWORDS

Online shopping, Internet, Online shopping player

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ABSTRACT *The internet offers direct links with customers and suppliers and facilitates transactions, process and information transfer. Online shopping has therefore emerged as a new shopping trend among the consumers due to the heavy work schedule among customers. With India becoming a large and globally renowned consumer economy, the standard of living among customers has considerably improved. The attraction of consumers especially the youth towards online shopping has resulted in more shoppers involved in online shopping during the past decade.*

A study is therefore made on online shopping identifying the way it is performed, customers preferences, problems faced and customers satisfaction.

Introduction

To survive in the midst of intense competition most of the companies are looking for unconventional ways of marketing. Internet is perhaps the best unconventional form of marketing that has been embraced by the companies. As the internet has been expanding it has become a popular marketing channel. Internet is an "anytime anywhere" medium that has given birth to entirely new business models and opened completely novel opportunities for global marketing. Recognition of the operational efficiency and effectiveness of the internet is increasingly driving managers in traditional companies to conduct transactions on the internet. Many companies have adopted internet for conducting business transactions and sharing business information with their customers and business partners predicted rightly that the internet is fast becoming an important channel for commerce in a range of business.

Internet offers organisations inexpensive and sophisticated tools for advertising, taking and placing orders, promoting their philosophies and communicating with their customers all over the world. The internet provides a marketplace where buyers and sellers conduct transactions directly, interactively, and in real time beyond the physical limitations of traditional brick and mortar retailers. Today almost all business uses the internet to provide information about the firm, their products or services on the offering, and advertise and sell their products or services. The internet offers a high degree of interaction and affords customers unprecedented benefits, from convenience to bargain prices. The ever increasing mainstream activity on the internet has opened up a whole new value of gaining customers.

Thousands of companies, particularly retailers, were drawn onto the internet by a fear that they would be left behind by online only competitors. Thus what started as a separate form of innovative retailing in the executive domain of new entrepreneurs has become part of a multichannel strategy for established retailers.

Studying attitudes is helpful in understanding the potential relationship between attitude and behaviour. Attitude that individuals consider important tend to show a strong relationship to behaviour. Marketers should be interested in their customer's attitude because attitude provides warnings of potential dissatisfaction among customers. Satisfied customers will become loyal to the company, given the facts that the marketers want to keep among customers. This is more important for e-customers as the customers are sceptical due to the element of high perceived risk and uncertainty

associated in an environment. Technological developments have transformed the internet into a main stream business medium, while at the same time, online customers are maturing and virtual marketers realise the importance for a professional and customer oriented approach. As access estimated worldwide, customers purchasing behaviours are changing drastically.

India had an estimated 45.3 million active internet users in 2010 according to the study conducted by Internet and Mobile Association of India (IAMAI). In India internet penetration is becoming more widespread because of a number of reasons. The primary reasons are bandwidth becoming readily available, low internet tariffs, and cheaper computer hardware. The growing usage of the most interactive medium, the internet, among Indians provides an opportunity for undertaking a fundamental research to understand the attitude of Indian customers towards online shopping. E-marketers in India can develop their online marketing strategies if they know what drives the customers toward online shopping.

Online shopping is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, eshop, e-store, Internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping centre. The process is called business-to-consumer (B2C) online shopping. When a business buys from another business it is called business-to-business (B2B) online shopping.

2.1 Objectives of the study

1. To study the way online shopping is done by customers
2. To study the customers preference towards online shopping
3. To identify the problems faced by customers in online shopping
4. To access the customer satisfaction towards online shopping

2.2 Hypothesis of the study

There is no association among the customers towards their satisfaction towards online shopping

2.3 Research Methodology

This is a scientific and analytical research study based on primary and secondary information. Primary data was collected by distributing questionnaire to customers involved in online shopping. Secondary data was collected from internet,

books, journals, newspapers etc. Non probability, random sample was adopted for the research.

A sample of 230 customers involved in online shopping was selected. After filtering the questionnaires not replied properly, a final 200 questionnaires were selected for the study. The faculty were mainly from Chennai. The data was stored in SPSS (Statistical package for social sciences) 15.0 version and the results are analysed and shown below.

Results of the research done on 'Online shopping –A new shopping trend'

3.1Way online shopping is done by customers

To study the way online shopping is done by customers the following modes are studied:

- Frequency of online shopping
- Mode of payment during online shopping
- Amount spent on online shopping at a time
- Time taken for the delivery of goods purchased through online
- Time taken to complete a single shopping transaction through online
- Sales promotional measures that attract the customers to online shopping
- Products bought through online shopping
- Favourite Online shopping player

The tables below shows the customers responses about the way they do online shopping

Table 3.1(a) Frequency of online shopping

| Frequency of Online shopping | No. of respondents | % |
|------------------------------|--------------------|-----|
| Weekly | 36 | 18 |
| Monthly | 124 | 62 |
| Yearly | 40 | 20 |
| Total | 200 | 100 |

Data source: Primary

From the above table it is seen that majority (62%) of the customers do online shopping on a monthly basis.

Table 3.1(b) Mode of payment during online shopping

| Mode of payment | No. of respondents | % |
|------------------|--------------------|-----|
| Cash on delivery | 48 | 24 |
| Credit card | 64 | 32 |
| Debit card | 80 | 40 |
| Online transfer | 8 | 4 |
| Total | 200 | 100 |

Data source: Primary

From the above table it is seen that most (40%) of the customers use Debit card as a mode of payment to do online shopping.

Table 3.1(c) Amount spent on online shopping at a time

| Amount spent (Rupees) | No. of respondents | % |
|------------------------|--------------------|-----|
| Below – 1000 | 50 | 25 |
| 1000 – 5000 | 72 | 36 |
| 5000 – 10000 | 48 | 24 |
| 10000 – above | 30 | 15 |
| Total | 200 | 100 |

Data source: Primary

From the above table it is seen that most (36%) of the customers spend around Rs. 1000 to Rs. 5000 on Online shopping.

Table 3.1(d) Time taken to complete a single shopping transaction through online

| Time | No. of respondents | % on the total |
|----------------------|--------------------|----------------|
| Less than 10 minutes | 84 | 42 |
| 15 – 30 minutes | 70 | 35 |
| 30 – 45 minutes | 32 | 16 |
| More than one hour | 14 | 7 |
| Total | 200 | 100 |

Data source: Primary

From the above table it is seen that most (35%) of the customers feel that to complete a single shopping transaction through online it takes 15-30 minutes.

Table 3.1(f) Sales promotional measures that attract the customers to online shopping

| Sales promotional measures | No. of respondents | % of Respondents |
|----------------------------------|--------------------|------------------|
| Special bundle offers | 140 | 70% |
| Cash discounts | 120 | 60% |
| Free gifts | 106 | 53% |
| Buy one get one free | 88 | 44% |
| Accessories for free | 48 | 24% |
| Free shipping for imported goods | 14 | 7% |
| Total | 200 | |

Data source: Primary

From the above table it is seen that most (70%) of the customers are attracted towards Special bundle offers while doing online shopping.

Table 3.1(e) Products bought through online shopping

| Products | No. of respondents | % |
|--------------------------------|--------------------|-----|
| Books | 134 | 67% |
| Computer software and hardware | 124 | 62% |
| Music/DVD | 116 | 58% |
| Electronic goods | 86 | 43% |
| Health equipments/medicine | 44 | 22% |
| Clothes | 28 | 14% |
| Total | 200 | |

Data source: Primary

From the above table it is seen that most (67%) of the customers purchase books through online shopping.

Table 3.1(f) Favourite Online shopping player

| Online shopping players | No. of respondents | % of Respondents |
|-------------------------|--------------------|------------------|
| Flip Kart | 90 | 45% |
| EBay | 66 | 33% |
| Jabong | 38 | 19% |
| Yebhi | 24 | 12% |
| Snap Deal | 20 | 10% |
| Infibeam | 12 | 6% |
| Let buy | 10 | 5% |
| Total | 200 | |

Data source: Primary

From the above table it is seen that most (45%) of the customers favourite Online player is Flip Kart.

Table 3.1(d) Time taken for the delivery of goods purchased through online

| Time taken for delivery of goods | No. of respondents | % on total |
|----------------------------------|--------------------|------------|
| Up to 3 days | 52 | 26 |
| Up to 1 week | 58 | 29 |
| Up to 1 month | 74 | 37 |
| More than 1 month | 16 | 8 |
| Total | 200 | 100 |

Data source: Primary

From the above table it is seen that most (37%) of the customers feel that it takes up to 1 month to deliver goods purchased through online shopping.

3.2 To study the customers preference towards online shopping

The preference towards online shopping is studied considering

- Reasons for preferring online shopping
- Reasons for preferring an online retailer

Table 3.2(a) Reasons for preferring online shopping

| Reasons | No. of respondents | % of Respondents |
|-------------------------------------|--------------------|------------------|
| Compare price/goods | 180 | 90% |
| Availability of product information | 166 | 83% |
| Shop from any where | 150 | 75% |
| Quality product | 144 | 72% |
| 24 x 7 access | 140 | 70% |
| Saves time due to home delivery | 134 | 67% |
| Special offers | 66 | 33% |
| More choice | 60 | 30% |
| Avoid crowds | 52 | 26% |
| Reasonable Price | 28 | 14% |
| Total | 200 | |

Data source: Primary

The main reason for customers to prefer online shopping are 'compare price/goods' followed by 'availability of product information' followed by 'shop from anywhere'.

Table 3.2(b) Reasons for preferring an online retailer

| Reasons | No. of respondents | % of Respondents |
|---|--------------------|------------------|
| Popularity of the site | 180 | 90% |
| Wider verity of goods at different prices | 168 | 84% |
| Safety in the mode of payment | 146 | 73% |
| Accuracy in delivery of goods | 126 | 63% |
| Easy transaction | 94 | 47% |
| Graphical appearance of website | 64 | 32% |
| Availability of the product | 52 | 26% |
| Total | 200 | |

Data source primary

The main reason for customers to prefer a particular online retailer is the 'popularity of the site', followed by 'wider verity of goods at different prices' followed by 'safety in the mode of payment'.

To identify the problems faced by customers in online shopping

The problems faced by customers in online shopping are shown in the below table

Table 3.3(a) Overall problems faced by customers in online shopping

| Problem | No. of respondents | % of Respondents |
|----------------------------------|--------------------|------------------|
| Security problem | 160 | 80% |
| Inability to examine the product | 140 | 70% |
| Late/non delivery of goods | 126 | 63% |
| Payment/repayment issues | 90 | 45% |
| Not up to the quality expected | 106 | 53% |
| Poor customer service | 86 | 43% |
| No bargain | 80 | 40% |
| Damaged or faulty goods | 70 | 35% |
| Total | 200 | |

Data source: Primary

The main problems faced by customers in online shopping is 'Security problem' followed by 'Inability to examine the product' followed by 'Late/non delivery of goods'.

To access the customer satisfaction towards online shopping.

The customers satisfaction towards online shopping is shown in the table below

Table 3.4(a) Customers satisfaction in online shopping (Chi square test for proportion)

| Rate of satisfaction | No. of respondents | % | Chi square value | P value |
|----------------------|--------------------|-----|------------------|---------|
| Low | 32 | 16 | 50.560 | 0.00** |
| Moderate | 56 | 28 | | |
| High | 112 | 56 | | |
| Total | 200 | 100 | | |

Note: ** denotes significance at 1% level *denotes significance at 5% level

Data source: Primary

Since the P value is less than 0.01, chi square test reveals there is significant proportion between the customer's satisfactions ranging from low satisfaction to high satisfaction. Hence concluded that majority of customers are highly satisfied with online shopping.

Summary and Conclusion

The customers who are involved in online shopping mostly use debit card for their online transactions and spend Rs.1000 to Rs.5000 in a single online transaction. They mostly do online shopping on a monthly basis and take 15-30 minutes for a single online transaction. They are attracted towards 'special bundle offers' and 'cash discounts' and 'purchase books' mostly on Online shopping with 'Flip Kart' being their favourite online shopper. Their preference to online shopping is because of 'the ability to compare price/goods' and the 'availability of product information'. However customers express their concerns problems relating to online security that prevents them from doing online shopping. So e-marketers should try their best to remove the security concerns from the minds of the customers by embedding adequate security features in their website and gain confidence of the customers.