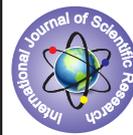


UNDERSTANDING BEHAVIOUR BY PROFILING ONLINE SHOPPERS BASED ON FREQUENCY OF SHOPPING



COMMERCE

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ABSTRACT

Online shopping has influenced society by allowing for a more convenient lifestyle. As a result, people from all over the world have benefitted from it, as it enabled for variety, quick service and reduced prices. The rise of such opportunities instantly led to greater curiosity among our society, attracting vast amounts of individuals to participate and at the same time, making online shopping the latest worldwide trend. The number of Internet users is constantly increasing, which is also significance that online purchasing is increasing rapidly. Since internet is the fast developing medium, the online retailers have to understand the importance of analyzing and identifying the factors influencing the customers when they decide to purchase on the internet is vital because the new virtual market will bring significant difference to the customers. Analyzing customer behaviour is not a new phenomenon. Many theories have been used for many years not only to understand the behaviour of customers but also to create a marketing strategy that will attract the customers efficiently.

1. Introduction

It is quite evident that over the past several years, Internet use has shown tremendous impact on our society, as we gradually learned to be more dependent upon its use for almost everything including shopping. Today, people from all over the world, count on Internet as a way to purchase necessary items. In general, online shopping has influenced society by allowing for a more convenient lifestyle. As a result, people from all over the world have benefitted from it, as it enabled for variety, quick service and reduced prices. The rise of such opportunities instantly led to greater curiosity among our society, attracting vast amounts of individuals to participate and at the same time, making online shopping the latest worldwide trend.

Retail success is no longer about physical shop fronts evident by the increase of retailers now offering online store interfaces for buyers. With the growth in online shopping comes a wealth of new market footprint coverage opportunities for stores that can appropriately cater to customer demands and service requirements. In this context, it is necessary to analyse the behaviour of online shoppers.

2. Literature Review

Bhatnagar, A., & Ghose, S. (2004) have applied latent class modeling approach to segment web shoppers, based on their purchase behavior across several product categories and profile the segments along the twin dimensions of demographics and benefits sought. It is learnt that benefits sought can provide more diagnostic information than mere descriptive demographic profiling. The study has some interesting findings that shed light on consumer perceptions and behavior with respect to online commerce.

Keng Kau, A., Tang, Y. E., & Ghose, S. (2003) in their paper develop a typology based upon motivations for shopping online. An analysis of these motives, including online convenience, physical store orientation (e.g., immediate possession and social contact), information use in planning and shopping, and variety seeking in the online shopping context, suggests the existence of four shopping types. These four types are labeled convenience shoppers, variety seekers, balanced buyers, and store-oriented shoppers.

Brengman, M., Geuens, M., Weijters, B., Smith, S. M., & Swinyard, W. R. (2005) conducted online surveys in the United States and Belgium to cross-culturally validate the Internet shopper lifestyle scale. Special attention was devoted to sample, construct, and measurement equivalence. In both countries, the same six basic dimensions were found to underlie the scale: Internet convenience, perceived

self-inefficacy, Internet logistics, Internet distrust, Internet offer, and Internet window-shopping. Four online shopping segments (tentative shoppers, suspicious learners, shopping lovers, and business users) and four online nonshopping segments (fearful browsers, positive technology muddlers, negative technology muddlers, and adventurous browsers) are profiled with regard to their Web-usage-related lifestyle, themes of Internet Usage, Internet attitude, psychographic, and demographic characteristics.

3. Objectives of the study

- (I) To categorise the respondents based on their frequency of shopping online.
- (ii) To analyse their purchase behaviour with respect to select product categories.
- (iii) To analysis their behaviour with respect to select shopping websites.
- (iv) To provide appropriate suggestions based on the study.

4. Research Methodology

Primary data was used for the study and it was collected by means of a structured questionnaire developed for the purpose from the consumers who have purchased products/services through online. For the purpose of this study, the data was collected from 150 respondents by using convenience sampling technique. The statistical tool used here was Cluster Analysis and Analysis of Variance (ANOVA).

5. Limitations of the study

The study is based on convenient sampling which is a type of non-random sampling. Hence the limitations of non-random sampling are applicable. The attitudes of the consumer may change from time to time. Hence the result of the project may be applicable for the present situation.

6. Hypotheses of the study

- (i) There is no significant difference in the purchase behaviour with respect to the product categories among the different categories of online shoppers
- (ii) There is no significant difference in the purchase behavior with respect to the online shopping websites among the different categories of online shoppers

7. Analysis and Interpretation

This section deals with analysis and interpretation of study on online shoppers' behaviour. Appropriate statistical tools were applied on the data collected from the samples and presented in the form of tables under various headings:

Profiling of Respondents Based on their Frequency of Shopping

The respondents were asked to describe their online shopping behaviour by means of an assessment given to them as a part of the questionnaire. This assessment of behaviour consisted of 23 statements that best describes their frequency of their online shopping. Cluster Analysis was applied to the responses which segmented the respondents into four clusters namely trial purchasers, occasional buyers, frequency buyers and regular buyers.

Table 1: Category of Online Shoppers

| Category | Frequency | Percent |
|------------------|------------|--------------|
| Trial Purchaser | 32 | 21.3 |
| Occasional Buyer | 67 | 44.7 |
| Frequent Buyer | 34 | 22.7 |
| Regular Buyer | 17 | 11.3 |
| Total | 150 | 100.0 |

From the above table, it is evident that in 32 (21.3 %) of the respondents were trial purchasers, 67 (44.7%) of them were occasional buyers, 34 (22.7%) were frequent buyers and 17 (11.3%) of them were regular buyers as far as their online shopping behavior is concerned. It could be interpreted that maximum percentage of the respondents were occasional buyers of online shopping.

Purchase Behaviour with respect to select Product Categories

In order to study the differences in the behaviour of the online shoppers regarding the select product categories among the four categories of respondents based on their online buying behavior namely trial purchasers, occasional buyers, frequent buyers and regular buyers, analysis of variance (ANOVA) was performed. The dependent variable was their behavior with respect to the product categories and the independent variables were the category of online shoppers. The following hypothesis was framed for the purpose:

H₀₁: There is no significant difference in the purchase behaviour with respect to the product categories among the different categories of online shoppers

significant differences among the four categories of online shoppers in their purchase behavior with respect to these product categories.

Purchase Behaviour with respect to select Shopping Websites

In order to study the differences in the behaviour of the online shoppers regarding the select online shopping websites among the four categories of respondents based on their online buying behavior namely trial purchasers, occasional buyers, frequent buyers and regular buyers, analysis of variance (ANOVA) was performed. The dependent variable was their behavior with respect to the shopping websites and the independent variables were the category of online shoppers. The following hypothesis was framed for this purpose:

H₀₂: There is no significant difference in the purchase behavior with respect to the online shopping websites among the different categories of online shoppers

Table 3: Behaviour with respect to Online Shopping Websites among the different categories of Online Shoppers - ANOVA

| Analysis of Variance among the Product Categories | | Sum of Squares | df | Mean Square | F | Sig. |
|---|----------------|----------------|-----|-------------|-------|-------|
| Amazon | Between Groups | 5.281 | 3 | 1.760 | 3.052 | .031* |
| | Within Groups | 84.219 | 146 | .577 | | |
| | Total | 89.500 | 149 | | | |
| Ebay | Between Groups | .271 | 3 | .090 | .325 | .807 |
| | Within Groups | 40.589 | 146 | .278 | | |
| | Total | 40.860 | 149 | | | |

| | | | | | | |
|----------|----------------|--------|-----|-------|-------|-------|
| Flipkart | Between Groups | 1.915 | 3 | .638 | 1.314 | .272 |
| | Within Groups | 70.918 | 146 | .486 | | |
| | Total | 72.833 | 149 | | | |
| Snapdeal | Between Groups | 5.622 | 3 | 1.874 | 2.932 | .036* |
| | Within Groups | 93.318 | 146 | .639 | | |
| | Total | 98.940 | 149 | | | |

It could be observed from the table that all the f values for Amazon and Snapdeal were found to be significant at 5% level of significance and hence the hypothesis is rejected. This showed that there were significant differences among the four categories of online shoppers in their purchase behavior with respect to these shopping websites.

8. Findings

The important findings of the present study are summarized below:

- Nearly 45% of the respondents were occasional online shoppers.
- The profiling of the respondents did not make any significant difference in the purchase behaviour of specific product categories except books, electronics and furniture and furnishings.
- The segmentation of the respondents showed significant difference in the purchase behaviour with respect to Amazon and Snapdeal.

9. Suggestions

Online marketers may try to increase the frequency of shopping of the existing consumers by offering more promotional offers, discounts and deals. In order to transform the trial purchasers, occasional buyers into frequent and regular buyers, online marketers may also think of strategies which offer products of regular use for the consumers via online shopping.

The specific product categories and online shopping website that exhibit significant differences with the category of online shoppers, are likely to play a key role in profiling and segmenting consumers. The marketers should consider these aspects which framing their strategies for product planning, pricing, distribution and promotion

10. Conclusion

Online shopping has become the order of the day and because of this the number of online shopping websites are increasing and the existing sites are trying to woo the customers by offering unique offers. The findings of this study will help online retailers to better understand the psychology of consumers and also to develop better strategize their business.

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