Research Paper   **Commerce**

Youth Perception Towards Online Shopping In Mumbai

* Sandeep Rajendra Sahu ** Shreekumar Menon

* Assistant Professor, Smt. M.M.K College Of Commerce & Economics, Bandra, Mumbai

** Assistant Professor, Smt. M.M.K College Of Commerce & Economics, Bandra, Mumbai

ABSTRACT

Online shopping is a growing area of technology. Establishing a store on the Internet, allows for retailers to expand their market and reach out to consumers who may not otherwise visit the physical store. The convenience of online shopping is the main attraction for the consumers. Unique online payment systems offer easy and safe purchasing from other individuals. The e-commerce market in India is estimated to grow to $24 billion by 2015 from $6.3 billion in 2011. Given the pace at this sector is growing and getting funded, this decade could well belong to the e-commerce industry in India. Young consumers are playing an important role in online shopping. The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers. This has created a need to understand how the young consumers in India perceive online purchases. In this regard, this research paper attempts to find out the perception of young consumers towards purchasing online in the Mumbai city.

Keywords : Internet, Online shopping, Shopping behavior, Young consumers

Introduction

Online shopping is a growing area of technology. Establishing a store on the Internet, allows for retailers to expand their market and reach out to consumers who may not otherwise visit the physical store. The convenience of online shopping is the main attraction for the consumers. Unique online payment systems offer easy and safe purchasing from other individuals. Many physical retail stores have expanded their market by using the Internet. By having both a virtual store and a physical store, companies get the best of both worlds. Stores that are marketing their products in both areas can take advantage of the high demand for online shopping availability. The ability to shop for products online gives consumers the option to purchase goods off of the Internet with the convenience of not even leaving his or her home.

Making purchases online means consumers will use virtual shopping carts. Online shopping makes picking out items a quick process. It makes picking out items so quick that consumers have the tendency place more items in their cart than they are capable of paying for. Consumers shopping online exhibit an odd behavior of abandoning their shopping carts instead of proceeding to checkout. This behavior would be very unlikely to see in a physical store. While physical shopping carts are used in actual stores with the intent of purchasing the product in the cart immediately, "retailers cannot assume that their website patrons use their carts to purchase a product immediately".

According to ACNielsen report (2010) on top online shopping trends in India conducted among Internet users in 55 markets. More than eight out of ten Indian online consumers plan to shop online in the next twelve months. More than a quarter indicate they spend upwards of 11 percent of their monthly shopping expenditure on online purchases.

71 percent Indians trust recommendations from family when making an online purchase decision, followed by recommendations from friends at 64 percent and online product reviews at 29 percent. Half the Indian consumers (50%) use social media sites to help them make online purchase decisions.

Online reviews and opinions are most important for Indians when buying Consumer Electronics (57%), Software (50%), and a Car (47%). More than four in ten Indians are more likely to share (post a review/ Tweet/ review) a negative product or service experience online than they were to share a positive experience.

In the next six months Indians are most likely to buy Books (41%), Airline ticket/reservations (40%), and Electronic equipment like TV, Camera, etc. (36%) online.

Objectives Of The Study

The study is carried with the following objectives

● To study and analyze key factors that influence online shopping behavior of youth in Mumbai city.

● To study perception of youth towards online shopping in Mumbai city.

Limitation Of Study

The study is limited to youth attitude towards online shopping in Mumbai.

Research Methodology

The study is mainly in descriptive in nature. Data for this study was gathered by primary data collection through consumer survey administered among students from two colleges in Mumbai city. Total 80 students were taken as sample for this study. The data for the study was gathered through the structured questionnaire. Statistical tools such as percentage method and charts are made use of.

Review Of Literature

According to ACNielsen (2007), more than 627 million people in the world have shopped online.

ACNielsen also reported that, across the globe, the most popular items purchased on the Internet are books (34%), followed by videos/DVDs/games (22%), airline tickets/reservations (21%) and clothing/accessories/shoes (20%).

Online shopping holds a great potential for youth marketers. According to Vrechopoulos et al.

(2001) young are the main buyers who used to buy products through online. Dholakia and

Uusitalo (2002) study examined the relationship between age and Internet shopping; found that

younger consumers reported more linen to the online shopping. Another study by Sorce et al.

(2005) found that younger consumers searched for more products online and they were more

likely to agree that online shopping was more convenient.

By using a sample of 214 online shoppers, Ranganthan and Ganapathy (2002) found four key dimensions of online shopping namely websites; information content, design, security and privacy. They concluded that, though all these dimensions have an impact on the purchase intention, security and privacy will have greater impact on the purchase intent of online buyers.

According to Kim and Lee (2002) the web site design describes the appeal of the user interface design presented to customer and customers are willing to visit more often and stay longer with attractive web sites.

In the research conducted by Vellido et al. [2000], nine factors associated with users' perception of online shopping were extracted. Among those factors the risk perception of users was demonstrated to be the main discriminator between people buying online and people not buying online. Other discriminating factors were; control over, and convenience of, the shopping process, affordability of merchandise, customer service and ease of use of the shopping site.

Lohse and Spiller [1998] used a regression model to predict store traffic and sales revenues, as a function of interface design features and store navigation features. The findings indicated that including additional products in the store and adding a FAQ section attracted more traffic. Providing a feedback section for customers will lead to higher sales. Finally, they found that improved product lists significantly affected sales.

In Koufaris et al. [2002]'s research, it was proposed that two types of information; non-value-added and value-added; should be used by search mechanisms in web-based stores. Jarvenpaa and Todd [1997] also found that the existence of value-added information at a commercial website can be an important incentive for people to shop online, and provides a key source of diversity. Finally, they suggested that specific information available to support consumer search, and multiple search, mechanisms with a positive challenge will increase shopping enjoyment.

Moneylife Digital Team (2011) reports that in November 2011, 27.2 million online users in India, aged 15 and older, accessed the retail category from a home or work computer, an increase of 18% from the previous year, as consumers continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through active marketing campaigns.

As per the survey conducted by the IAMAI and IMRB in the year 2007, the major triggers of e-commerce in India were:

● Saves time and efforts

● Convenience of shopping at home

● Wide variety / range of products are available

● Good discounts / lower prices

● Get detailed information of the product

● You can compare various models / brands

Analysis And Interpretation

Table 1: Demographic Characteristics of Sample Respondents

Demographics	Number of Respondents	Percentage
GENDER		
Male	46	57
Female	34	43
AGE		
Less than 18	01	01
18-20	51	64
Above 20	28	35
EDUCATIONAL QUALIFICATION		
Graduation	52	65
Post-Graduation	21	26
Professional	07	09
FAMILY MONTHLY INCOME		
Less than Rs 20000	06	07
Rs 21000-Rs 40000	35	44
Rs 41000-Rs 60000	31	39
Above Rs 60000	08	10
FAMILY NATURE		
Joint	18	22
Nuclear	62	78

The demographic characteristics of the respondents (Table 1) show that 64% of the respondents' belonged to the age category of 18-20 years, with 35% of the respondents falling in the above 20 years. It is further revealed that most of the respondents (57%) were males. As far as the income level is concerned, almost half of the respondents belonged to the income category Rs 41000-Rs 60000 and above that and more than three-fourth (78%) of the respondents' belonged to the nuclear family system.

Table & Chart 2: How Got to know about the online website for shopping?

	Responses	In %
Newspaper	32	40
Television	26	32
Hoardings	08	10
Friend	14	18
Total	**80**	**100**
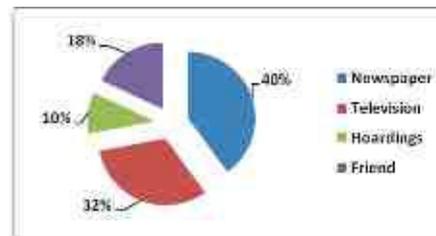
The above table and chart 2 shows how the respondents know about the online website for shopping. 40% of the respondents got to know from the advertisement in newspaper followed by 32% from television, 18% from friend and 10% from hoardings.

Table & Chart 3: Last time purchase made from the website

	Responses	In %
One week ago	13	16
One month ago	54	68
Six month ago	13	16
Total	**80**	**100**
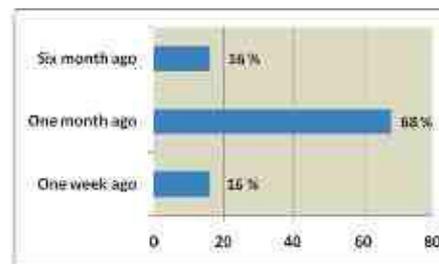
Regarding respondents purchasing made (table and chart 3) last time online, 68% say they purchased online about one month ago followed by 16% about one week ago and remaining 16% six month ago.

Table & Chart 4: Last time, what items have been purchased from the website

	Responses	In %
Books/ Magazine	38	48
Electronic Gadgets	21	26
Videos/DVD/ Games	06	07
Clothe/Acce ssories/Shoes	03	04
Any Other (Specify)	12	15
Total	**80**	**100**
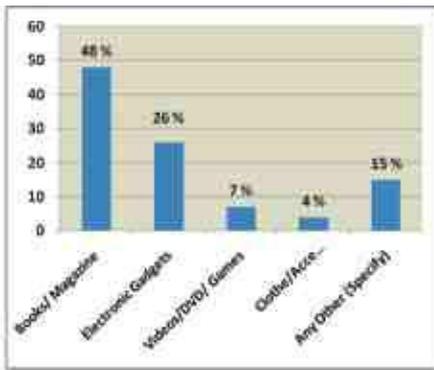
From the table and chart 4, we can understand respondents' preference of purchasing different products online. 48% preferred to buy books/magazine online, 26% purchased electronic gadgets, 7% preferred to buy videos/dvds/games, 4% bought clothe/Accessories/shoes and remaining 15% bought beauty products, sports goods, railway tickets etc.

Table & Chart 5: Method of Payment for online shopping

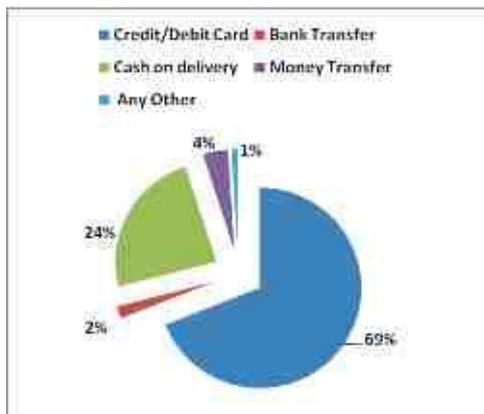|	Responses	In %
Credit/Debit Card	55	69
Bank Transfer	02	02
Cash on delivery	19	24
Money Transfer	03	04
Any Other	01	01
Total	**80**	**100**

Table and chart 5 shows the respondents methods of payment for online shopping. 69% of respondents preferred to pay by credit/debit card, 24% preferred to pay cash on delivery, 4% of respondents paid by money transfer, 2% by bank transfer and remaining 1% of respondents by other method.

Table & Chart 6: In future, will website be your first choice for shopping?

	Responses	In %
Yes	72	90
No	05	06
Can't say	03	04
Total	**80**	**100**
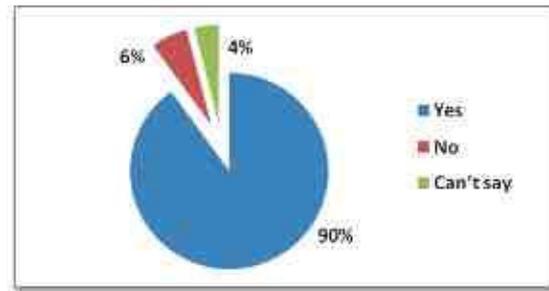
The above table and chart 6 show respondents' choice for shopping in future. 90% of respondents say that they will prefer to buy online in future also, 6% will not buy online in future and 4% of respondents' are not sure whether they will continue buying online or not.

Table & Chart 7: Opinion about the procedures of purchasing online

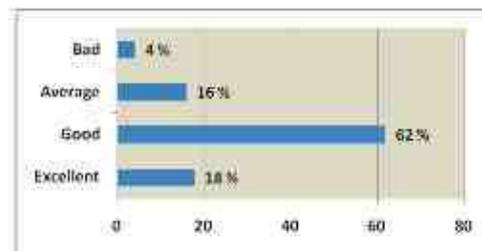|	Responses	In %
Excellent	14	18
Good	50	62
Average	13	16
Bad	03	04
Total	**80**	**100**

Table and chart 7 shows that 62% and 18% of respondents' say the procedures of purchasing online was good and excellent respectively followed by 16% felt average and remaining 4% bad.

Table & Chart 8: Look of the online shopping website appeals to me

	Responses	In %
Strongly agree	22	28
Agree	46	58
Neutral	08	10
Disagree	02	02
Strongly disagree	02	02
Total	80	100.00
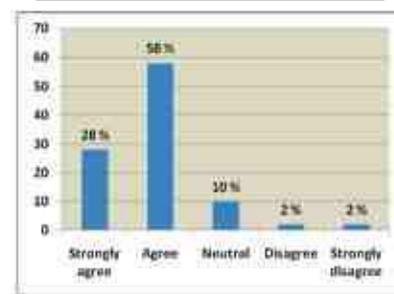
From the above table and chart 8, we can understand 86% of respondents' say that the look of the online shopping website appealed to them, 10% are neutral and it didn't appeal to 4%.

Table & Chart 9: Would you recommend website for shopping to your friends?

	Responses	In %
Yes	73	91
No	05	06
Can't Say	02	03
Total	**80**	**100**
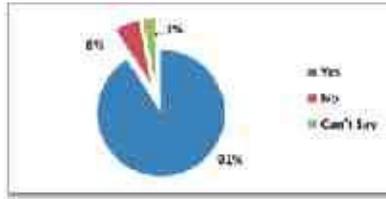
The above table and chart 9 show respondents' recommendation to their friends about the website. 91% will recommend to their friends, 6% say no and remaining 3% not sure about this.

Table & Chart 10: How satisfied are you after using the product?

	Responses	In %
Very satisfied	50	62
Satisfied	19	24
Somewhat satisfied	08	10
Dissatisfied	03	04
Total	**80**	**100**
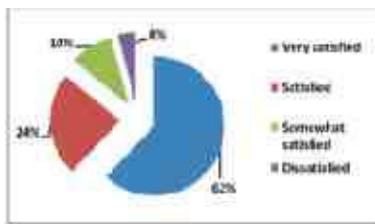
Most of the respondents' (86%) (from the above table and chart 10) are satisfied by using the product after online shopping, 10% somewhat satisfied and 3% of respondents' dissatisfied.

Table & Chart 11: Are respondents' finding the online shopping secure?

	Responses	In %
Yes	59	74
Somewhat	18	22
No	03	04
Total	**80**	**100**
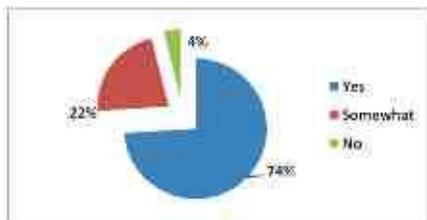
The above table and chart 11 show respondents' finding the online shopping secure or not. 59% of respondents' felt secure, 22% felt somewhat secure and remaining 4% felt not secure.

Table & Chart 12: How do you find the quality of the product?

	Responses	In %
Excellent	22	28
Good	45	56
Normal	10	12
Bad	03	04
Terrible	00	00
Total	**80**	**100**
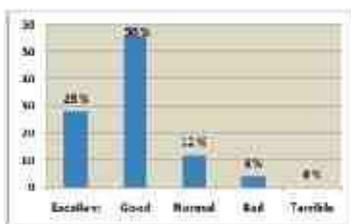
It can be inferred from the above table and chart 12 that 56% and 28% of respondents' found the quality of the product purchasing online good and excellent respectively, 12% say they found the quality was normal and remaining 4% of respondents' found quality was bad.

FINDINGS OF THE STUDY

● 64% of the respondents' belonged to the age category of 18-20 years. 57% of the respondents were males.

● Almost half of the respondents belonged to the income category Rs 41000-Rs 60000 and above that. 78% of the respondents' belonged to the nuclear family system.

● 40% of the respondents got to know from the advertisement in newspaper followed by 32% from television, 18% from friend and 10% from hoardings.

● 68% say they last purchased online about one month ago followed by 16% about one week ago and remaining 16% six month ago.

● 48% preferred to buy books/magazine online, 26% purchased electronic gadgets, 7% preferred to buy videos/dvds/games, 4% bought clothe/Accessories/shoes and remaining 15% bought beauty products, sports goods, railway tickets etc.

● 69% of respondents preferred to pay by credit/debit card for online shopping, 24% preferred to pay cash on delivery, 4% of respondents paid by money transfer, 2% by bank transfer and remaining 1% of respondents by other method.

● 90% of respondents say that they will prefer to buy online in future also, 6% will not buy online in future and 4% of respondents' are not sure whether they will continue buying online or not.

● 62% and 18% of respondents' say the procedures of purchasing online was good and excellent respectively followed by 16% felt average and remaining 4% say the procedures of purchasing online was bad.

● 86% of respondents' say that the look of the online shopping website appealed to them. 10% of them are neutral and 4% of them didn't appealed to them.

● 91% of respondents' say they will recommend to their friends about the website for shopping, 6% say no and remaining 3% are not sure about this.

● Most of the respondents' (86%) are satisfied by online shopping, 10% somewhat satisfied and remaining 3% of respondents' dissatisfied.

● 59% of respondents' found the online shopping secure, 22% felt somewhat secure and remaining 4% felt not secure.

● 56% and 28% of respondents' found the quality of the product purchasing online good and excellent respectively, 12% say they found the quality was normal and remaining 4% of respondents' found quality was bad.

Conclusions And Recommendations

On- line shopping is extremely popular and convenient mode of shopping, utilized mostly by the "Net- Generation", although it has become extremely popular over the last decade it has its own share of problems like:

● Consumers exhibit different buying behaviors when shopping online than when they are shopping in a physical store. Retailers need to study consumer behavior closely in order to make it more consumers friendly, profitable and successful.

● Another potential problem that can arise from online shopping is addiction. The convenience of online shopping that can be seen as very beneficial, can also lead to an unhealthy shopping addiction, causing more than financial damage to the consumers.

● The key to success lies in not only attracting the youth but audience from all age categories to make online shopping more appealing.

● It can be observed that consumer is not keen to buy very expensive consumer durable online this area need to be attended by marketers.

● Online shopping need to be popularized through innovative schemes and value offers so that more people buy products frequently online.

The measures that could be taken by marketers to attract more youth shoppers to online shopping would be to

● Make it easy for customers to find your website by using a combination of online and offline marketing tactics.

● Promote sales of products exclusively by online websites and Emails.

● Use email campaigns to attract new customers and draw previous customers back to your website.

● Reassuring product quality and reliability by offering free trails and Demos fort Consumers.

● Employing innovative marketing schemes such as free samples, Discount offers and bargain price offers online.

● Go where your customers are; these days that includes social networks. Companies are experimenting with Face book ads and check-in coupons, offering promotions on their Face book walls, and tweeting time-limited deals to their followers.

REFERENCES

ACNielsen (2010), 'Nielsen report on top online shopping trends in India' (www.indiasocial.in/nielsen-global-online-shopping-report/) viewed on 25th May 2011. | ACNielsen (2007) 'Seek and You Shall Buy, Entertainment and Travel', (http://www2.acnielsen.com/news/20051019.html) viewed 18 January 2009. | Vrechopoulos, A.P. Siomkos, G.f and Doukindis, G.I. (2001) 'Internet shopping adoption by Greek consumers', European Journal of Innovation Management, Vol. 4, No. 3, pp. 142-152. | Dholakia, R., Uusitalo, O. (2002) 'Switching to electronic stores: consumer characteristics and the perception of shopping benefits", International Journal of Retail & Distribution Management, Vol. 30, No. 10, pp. 459-69. | Sorce, P., Perotti, V. and Widrick, S. (2005) 'Attitude and age differences in online buying', International Journal of Retail & Distribution Management, Vol. 33, No. 2, pp. 122-132. | Ranganthan, C. and Ganapathy, S. (2002) 'Key dimensions of business-to-consumer Web sites', Information and Management, Vol. 39, pp. 457-465. | Kim, J. and Lee, J. (2002) 'Critical design factors for successful e-commerce systems', Behaviour and Information Technology, Vol. 21, No. 3, pp. 185-189.| Vellido, A., Lisboa, P.J.G. and Meehan, K. (2000), "Quantitative characterization and prediction of on-line purchasing behavior: A latent variable approach", International Journal of Electronic Commerce, Vol. 4, No. 4: 83-104. | Lohse, G.L. and Spiller, P. (1998), "Electronic shopping: How do customer interfaces produce sales on the Internet?" Communications of the ACM, Vol. 41, No. 7: 81-87. | Koufaris, M., Kambil, A. and LaBarbera, P.A. (2002), "Consumer Behavior in Web-Based Commerce: An Empirical Study", International Journal of Electronic Commerce, Vol. 6, No. 2: 115-138. | Jarvenpaa, S.L. and Todd, P.A. (1997), "Consumer Reactions to Electronic Shopping on the World Wide Web", International Journal of Electronic Commerce, Vol. 1, No. 2: 59-88. | Moneylife Digital Team (2011), (http://www.moneylife.in/article/online-shopping-grows-18-in-india-in-last-12-months/22363.html) (viewed on 21st Jan 2012). | IAMAI and IMRB (2007), (http://www.pluggd.in/indian-travel-industry/india-business-report-e-commerce-industry-to-touch-9210-crore-online-classifieds-820-online-travel-7000-crores-741/) viewed on 21st Jan 2012. |