

A STUDY OF ONLINE SHOPPING HABITS OF CONSUMERS IN INDIA

Kalpana Mathur*, Arti Sharma**

Abstract *India is on the verge of an Internet boom with a projected user base of 330 million to 370 million by 2015, which will be the second largest in the world, and the largest in terms of incremental growth (McKinsey & Company, 2012). The Internet has changed the way we consume products and our means of satisfying our demands for our comfort. The new buzz of online shopping is witnessing lot of changes and gaining people trust day by day. The major advantage that India enjoys is a significantly skewed online population of which 75% is younger and below 35 years of age as compared to any BRIC countries. The online retail market is less developed and requires deeper penetration and consumer engagement strategies(ComScore, 2013). This research paper is an attempt to examine the online shopping habits of consumers in India as it is evident that the shopping industry has been revolutionized with the advent of e commerce.*

Keywords: *Online Shopping, E-Retailing, Internet, Shopping Habits, E-Commerce.*

INTRODUCTION

Online shopping is quite common these days in the developed world than it was about five years ago and it is gaining its market in India comprising 120 million of Internet population in contrast to the global 1 billion Internet users in 30 aspiring countries (McKinsey & Company, 2012). Asia Pacific region hits for maximum worldwide Internet audience of 41% followed by Europe (27%), North America (14%), Middle East Africa (9%) and Latin America (9%) (ComScore, 2013). Consumers find the worldwide web a great place for bargain-hunting, with most goods available at lower prices than in a bricks-and-mortar store. But convenience appears to be an even bigger attraction as revealed in surveys because most online shoppers find the crowded high street too stressful providing an escape from the traditional brick shops to easy access Internet shops. These virtual shops are information intensive providing customers all the informational content related to product or services like specifications, cost and feature comparisons, advertisements, offers and discounts. The new age media i.e. the digital media provides an opportunity for deeper content, reviews, multimedia and interactivity. Internet has emerged as a powerful media for information flow having an immediate effect on users. In India, the Internet users are increasing rapidly leading to a big competition in online market. E-shops provide the latest products and services that too with attractive offers. A lot of time is saved by shopping online as compared to personally going to the retail shop to buy the desired products or services.

REVIEW OF LITERATURE

ComScore Report (2013) stated that the increasing consumption of Internet has made India as the third largest Internet population globally comprising about 73.9 million users. The study findings suggest that online retail in India is on a big rise having huge growth potential with about 60 percent of web users visiting online shopping website. The major players in the segment are Myntra, Flipkart and Jabong with others. The users mostly look for apparels (21.0%), computer shopping(16%) and consumer electronics(13%) with specific mention of comparison shopping accounting for almost 15% in online retail categories.

Joseph (2012) identified three new market segments of online technology namely cyberbuyers, cyberconsumers and cybersurfers. The author describes cyberbuyers as the professionals who spend a good deal of time online, mainly at their place of business. They often make complex purchasing decisions on the basis of data, all within a tight time frame. The cyberconsumers are the home computer users wired up to commercial online services and the internet. Lastly, cybersurfers are the one who use online technology to expand their horizons, challenge their abilities and for fun. They are comprised of typically younger population and possess a shorter attention span.

Presently, India's online population is rising with a yearly pace of 31% with inclusion of 17.6 million users in the year 2012(ComScore, 2013). India has become the third largest nation for Internet users in 2013 after US and China increasing by 31% by March 2012(The Hindu, August 24, 2013). The

* Prof & Head, Department of Management Studies, Faculty of Commerce and Management Studies, Jai Narain Vyas University, Jodhpur, Rajasthan, India. Email: profkmathur@gmail.com

** Junior Research Fellow, Dept of Management Studies, Faculty of Commerce and Management Studies, Jai Narain Vyas University, Jodhpur, Rajasthan, India. Email: artisharmah@gmail.com

McKinsey (2012) reported 1.6% contribution of the Internet to India's GDP worth \$ 30 billion and a consumer surplus amounting \$ 9 billion. India added 15 million e-commerce users. E-commerce growth in India has also been directly proportional to Internet penetration in India.

The Generation Y is more networked and interconnected (The Financial Express, April 2014). The report illustrates the findings by Paradox panel constituted by watchmaker Titan to gain an insight into the Gen Y in India. The study reveals that about 89 percent of the youth in India conducts online research prior to make any purchase; about 74 percent has the capability to influence the purchase decisions in their circle. Gen Y is individualistic in nature comprising 43 percent alone shoppers, and approximately one third highlighted the importance of personal satisfaction for every purchase decisions. The interesting thing to notice is that 90 percent consumers give a responsible share feedback with companies after their usage experience

Kedar Gavane (2013), ComScore's India Director revealed that India has leap-frogged Brazil and Russia to become the fifth largest e-commerce market in the world, behind China, Japan, Germany and USA. As of December 2012, India had 44 million online retail visitors which is only 62% reach of e-commerce among online users while the worldwide average is around 73%. about 75% of India's e-commerce users are below the age of 35. More number of transactors falls in the 35 – 44 age group. The younger segment, which is anybody below the age of 35 are the dominant population in the Indian online space.

Wang, Liu and Jun Cheng (2008) examined the influencing and restricting factors for online shopping in China. The exploratory research compares a set of factors for both traditional and online shopping. The author enumerated transaction risk, privacy concern, consumer cognition and Internet experience as the major influencing factors for online shopping in China. The perception for risk and comprehensive quality of the Internet users are found to be restricting factors for the new shopping trend.

STATEMENT OF THE PROBLEM

The present study seeks to examine the online shopping habits and the consumer behaviour in India. It aims to analyse the extent of Internet usage and online shopping habits. An attempt is also made to identify the major factors influencing the online buying habits. The study examines the growth, interest, habits, preference, behaviour and other factors affecting the e-shopping habits in India.

SCOPE OF THE STUDY

The present study has been made to analyse the urban consumers purchasing habits and their behaviour towards

e shopping. The study further tries to find out the choice, preference and trends of the urban consumer.

OBJECTIVES OF THE STUDY

1. To find out the consumer behavior and habits towards online shopping.
2. To know the reason for online shopping.
3. To examine the growth of online shopping in India.
4. To identify factors which determine the online shopping trends
5. To find out the demographic pointers towards e-shopping.

METHODOLOGY OF THE STUDY

The study is based on the primary data. The relevant secondary data have been collected from various journals, research papers, magazines, websites, newspapers, reports and books. The collected data were recorded, coded, tabulated and analyzed with the help of statistical tools.

SAMPLE DESIGN

A stratified random sampling method is used to collect data for the study. Since, the study is related to analysing the urban people, a sample of 100 respondents was chosen of different status viz., businessmen, professionals, students, employees etc.

STATISTICAL TOOLS

Various statistical tools are used in analysing primary and secondary data. To facilitate with the research results, tables, percentage, chi square test and ranking method tools are used. In order to economize the time and to ensure accuracy, MS Excel and SPSS were used for analysis.

LIMITATIONS OF THE STUDY

The study covers a time period of three months only. The research is based on the data collected from the metro cities. Most of the respondents may not give accurate data or information. The secondary data are gathered from standard text books and other records which might possess inherent limitations of exactness of statistics.

FINDINGS OF THE STUDY

According to the survey findings, the age distribution of respondents opting for 42% of online shopping falls in 26-30 age group. It clearly shows that youngsters are more aware of new genre purchasing options and are interested in e-shopping. Also, the table 1 illustrates the occupational

distribution of respondents as 38% of total respondents were IT professionals. Findings suggest that they are more indulged in online shopping owing to easy access to Internet connection at their offices or they are more aware of online facilities.

The result in Table 2 shows that the male respondents are more interested in online shopping than the female respondents. The result also illustrates that the marital status of the respondents who perform e-shopping of which majority of respondents belonged to the married group.

Table 3 shows the income distribution of respondents, where most of the respondents belong to higher income group. Having more income shows they might have computer and

Internet connection. It also mentions the place of browsing Internet. Here, most of the respondents were visiting shopping sites or doing online shopping at office, home and through their mobiles.

The survey findings in table 4 suggest that the occupational IT professionals group prefers e-shopping comprising up to 38% of sample population. This may be due to the fact that they are preoccupied with their programming and development work spending most of their time in front of the computer, preferably the Internet. Another reason would be that they are more aware of online facilities, advertisements, offers and other features.

Table 1: Age Distribution and Occupation

Age Group	Frequency	Percent	Occupation	Frequency	Percent
15-20	8	8	Student	14	14
21-25	15	15	IT Professional	38	38
26-30	42	42	Businessmen	20	20
31-35	22	22	Service/Job	16	16
36 & Above	13	13	Others	12	12
Total	100	100	Total	100	100

Table 2: Gender & Marital Status

Gender	Frequency	Percent	Marital Status	Frequency	Percent
Male	61	61	Married	58	58
Female	39	39	Unmarried	42	42
Total	100	100	Total	100	100

Table 3: Income Group and Place/Mode of Browsing Internet

Income Group	Frequency	Percent	Place/Mode of Browsing	Frequency	Percent
10000-20000	13	13	At office	22	22
21000-30000	51	51	b. At home	11	11
31000-40000	15	15	c. Through Mobile	17	17
41000 & Above	21	21	d. Both a & b	13	13
Total	100	100	e. Both a & c	12	12
			f. All a,b& c	25	25
			Total	100	100

Table 4: Purpose of E-Shopping

Occupation	Time pass Browsing	Actual Shopping	To know about trends	For new Product Info	Total
Student	4	3	2	5	14
IT Professionals	4	15	11	8	38
Businessmen	6	11	1	2	20
Service/Jobs	7	5	2	2	16
Others	4	3	4	1	12
Total	25	37	20	18	100

Hypothesis H1

E-Shopping habits do not depend on the respondent's occupation.

Rule: If the table value of Chi Square test is less than the calculated Chi Square test, then reject the hypothesis, otherwise accept the hypothesis framed.

As seen in Table 5, the Chi Square test has resulted that the respondents' responses are supportive to the framed hypothesis at 5% significance level as the calculated value is less than the table value. This gives us a close look at the tendency of the people. One cannot expect respondents to visit shopping sites or perform online shopping for the particular purpose. This may be due to the psychology of the humans that when visiting any online shopping website, one can get attracted by the advertisements, offers or any other features.

Table 5: Chi Square Test

Calculated Chi Square	16.8795	Df	α
Table Value Chi Square	21.026	6	5%
No of Cases	100		

Table 6 shows that among the occupational groups, most of the respondents prefer visiting shopping websites at work place. IT professionals emerged as a leading segment in carrying out online purchasing composing 38% out of the total sample population owing to easy access to internet to themselves.

Table 6: Occupation of Respondents and the Place of Browsing Internet for Online Shopping

Occupation	At Home	At Job	During Travel	Total
Students	3	8	3	14
IT Professionals	14	11	13	38
Businessmen	8	5	7	20
Service/Job	3	10	3	16
Others	4	3	5	12
Total	32	37	31	100

Hypothesis H2

The place of browsing Internet for online shopping depends on the occupation of respondents

Rule: If the table value of Chi Square test is more than the calculated Chi Square test, then accept the hypothesis, otherwise reject the hypothesis framed.

On applying Chi Square test to Table 6, the calculated Chi Square (Table 7) is less than the table value of Chi Square at 5% significance level. Hence, the hypothesis so stated is accepted and there is a relationship between the occupation of respondents and the place of browsing Internet.

Table 7: Chi Square Test

Chi Square Test			
Calculated Chi Square	10.1652	Df	α
Table Value Chi Square	15.507	6	5%
No of Cases	100		

The data in Table 8 show that a large segment (57%) always searches for discount coupons while carrying out e-shopping. Among all the occupational groups, again IT professionals have scored high. It can be inferred from the above data that discount coupons act as a motivating factor for online shopping.

Table 8: Occupation of Respondents and Use of Discount Coupons

Occupation	Always Use	Neutral	Not aware	Total
Students	9	2	3	14
IT Professionals	25	10	3	38
Businessmen	5	6	5	20
Service/Job	11	7	2	16
Others	7	3	2	12
Total	57	28	15	100

Table 9: The Use of Discount Coupons Does Not Depend on the Occupation of the Respondents

Chi Square Test			
Calculated Chi Square	9.2351	Df	α
Table Value Chi Square	15.507	6	5%
No of Cases	100		

Hypothesis H3

The Chi Square test reveals that there is no significant relation between the occupation of respondents and the use of discount coupons for e-shopping.

Table 10 reveals that 61% of the total sample preferred cash on delivery (COD) option for e-shopping followed by credit cards (21%). Least preferred payment mode is through debit card.

Table 10: Income of the Respondents and the Mode of Payment for Online Shopping

Income Group	Debit Card	Credit Card	COD	Total
10000-20000	3	1	9	13
21000-30000	6	12	33	51
31000-40000	2	2	11	15
41000 & Above	7	6	8	21
Total	18	21	61	100

Hypothesis H4

The mode of payment in e-shopping does not depend on the income of respondents.

The Chi Square test applied on Table 11 states that the mode of payment is independent of occupation of respondents as cash on delivery is the most sought out payment option irrespective of income group of respondents.

Table 11: Chi Square Test

Calculated Chi Square	8.893	Df	α
Table Value Chi Square	12.592	6	5%
No of Cases	100		

CONCLUSION

The major findings related to buying habits and behaviour was revealed from the study in e-shopping habits of Indian consumers in India. Shopping by visiting shops, malls or retail outlets is more time consuming. Hence, many people preferred to shop online. The online shopping habits are gaining quick market and are growing every year because of the increasing Internet usage of people and availability of Internet connections on mobile at cheaper rates. The present study also highlights that there is no significant relation between use of discount coupons and occupation. This implies that discount coupons are emerging as an attractive feature calling for more consumers to shop online. The study found that the preferred mode of payment for e-shopping is cash on delivery i.e. COD irrespective of respondents income group.

REFERENCES

- Balasubramanian, S., Konana, P., & Meron, N. M. (2003). Customer satisfaction in virtual environment: A study of online investing. *Management Science*, 49(7), 871-889.
- Bart, Y., Shankar, V., Sultan, F., & Urban, G. L. (2005). Are the drivers and role of online trust same for all web-

sites and consumers? A large-scale exploratory empirical study. *Journal of Marketing*, 69, 133-152.

- Chen, Y., & Barnes, S. (2007). Initial trust and online buyer behavior. *Industrial Management & Data Systems*, 107(1), 21-36.
- Chen, J. S.*, Ching, R. K. H., & Tsou, H. T. (2009). Multi-channels store image and the effects on purchase intention. *Service Industries Journal*, 29(9), 1215-1230 (SSCI, IF: 1.01).
- Chua, A. P. H., Khatibi, A., & Hish, I. (2006). E-commerce: A study on online shopping in Malaysia. *Journal of Social Science*, 13(3), 231-242.
- ComScore (2013). India Digital Future in Focus 2013: Key Insights & the Digital Trends Shaping the Indian Online Space, 22 August, 2013.
- Dann, S., & Dann, S. (2001). Strategic internet marketing. Australia: John Wiley & Sons.
- Engel, J. F. Blackwell, R. D., & Miniard, P. W. (1990). *Consumer Behavior*. (6th ed.). NY: Dryden Press.
- Flavian, C., & Guinaliu, M. (2006). Consumer trust, perceived security and privacy policy: Three basic elements of loyalty to a website. *Industrial Management Science*, 28, 725-737.
- Gavane, K. (2013 February 18). *Numbers and insights from comScore on the Indian ecommerce Industry*.
- Gefen, D. (2000). E-commerce: The role of familiarity and trust. *International Journal of Management Science*, 28, 725-737.
- Grewal, D., Iyer, G. R., & Levy, M. (2002). Internet retailing: enablers, limiters and market consequences. *Journal of Business Research*.
- Kwak, H., Zinkhan, G., Pan, Y., & Andras, T. (2008). Consumer communications, media use and purchase via the internet: A comparative, exploratory study. *Journal of International Consumer Marketing*, 20 (3/4), 55-68.
- Kumar, A., & Meenakshi, N. (2010). *Marketing Management*, Vikas Publication, New Delhi
- Lohse, G. L., Bellman, S., & Johnson, E. J. (2000). Consumer buying behavior on the internet: findings from panel data. *Journal of Interactive Marketing*, 14(1), 15-29.
- McKinsey & company. (2012). Online and upcoming: The internet's impact on India. *Technology, Media and Telecom practice*.
- Monuwe, T. P. Y., Dellaert, B. G. C., & Ruyter, K. D. What drives consumers to shop online? *A literature review, IJSIM*, 15(1), 102-121.
- Nielsen, Nielsen: *Word of mouth is the key to consumers' shopping decision*, (2010).
- Rastogi, A. K. (2011). Online shopping: A modern approach of buying. *Shodh*.

Reibstein, D. J. (1999). Who is buying on the Internet, 1999?" Working Paper, The Wharton School, University of Philadelphia, Philadelphia, PA

Samikshaaur Mulyankan, *International Referred Research Journal*, 2(2).

Shopping process more important than product to Gen Y: Research (2013, April 7). *The Financial Express*. Retrieved from <http://www.financialexpress.com/news/shopping-process-more-important-than-product-to-gen-y-research/1232400>

The Hindu, India is now world's third largest Internet user after U.S., China (2013, August 24), *Technology*, Retrieved from <http://www.thehindu.com/sci-tech/technology/internet/india-is-now-worlds-third-largest-internet-user-after-us-china/article5053115.ece>

Wang, N., Liu, D., & Cheng, J. (2008). Study on the Influencing Factors of

Online Shopping, *Proceedings of the 11th joint conference on Information Sciences*. Published by Atlantis Press.