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A STUDY ON BUYING BEHAVIOUR OF THE ONLINE SHOPPING CUSTOMERS

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ABSTRACT

In this era of technology, the deep penetration of internet has brought many changes in the lives of people. The www (World Wide Web) has created a new world and to a large extent change the attitude and behaviour of people all over the world. Online shopping is one of the aspects of the wide spread internet which influenced the life of common people. It brings a new dimension in the way people shopped. The study reveals that friends, T.V. advertisement, colleague are the important medium through which they became familiar about online shopping. 'Less time' and 'less price' are the important reasons for which they prefer online shopping. They seek variety and online shopping stores offer variety of products for which they prefer online shopping. Besides that hotel booking, ticketing over internet becomes a day to day practice now a days. This has tremendously changed the shopping behavior of people. A new customer group- 'Online shoppers' has emerged. Quality, time, style, variety are the important factors for this group of customer. It is important to study the behaviour of this new group of customers. In this paper an attempt is made to study the nature and behaviour of online shoppers in Guwahati city of the NER of India.

For this study, non- probability judgemental sampling method was adopted and the required data were collected through questionnaire. Data gathered were analyzed which reveals important information for business houses.

KEYWORDS: B2b, B2c, E- Commerce, Internet, Online Shopping

INTRODUCTION

With the advent of internet, many aspects of life have changed and the world has transformed into a small but global village. The rapid and deep penetration of internet has brought a sea change in almost every sphere of life, be it in the field of communication, education, business, politics or society as a whole. In other words, internet has created entirely a new world with an inherent dimension of global citizenship "netizen". The internet has brought a large impact on our society and on the way we live our daily lives.

In the area of business, internet has created a new philosophy in the form of B2B, B2C, online trading etc. Online shopping or online trading is a form of electronic commerce that allows consumers to directly buy goods or services from a seller over the internet using a web browser. It has facilitated the business world to flourish benefiting both the business houses and the consumers. It created new business opportunities with new business practices in a new environment.

Online business or online shopping has brought big changes in the opportunities and challenges for the business houses. From customers' perspective, the line of demarcation between local and global business firms and/or products has narrowed down where quality, value, time, convenience, style etc. matters a lot.

With online trading being made so readily available, people are becoming interested for it. In this investigation

attempts were made to study the nature and behaviour of the online shoppers in Guwahati city of Assam. Guwahati is the fastest growing city in the North Eastern Region (NER) of India. It is the gateway of the NER and the centre of educational and commercial activities. It is expected that this information will help the business community to identify the different aspects of online shopping in expanding their business.

Objectives

The objectives of this paper are-

- To analyze the nature and behaviour of the online shoppers; and

- To identify the factors which influence the online shoppers of Guwahati city in purchasing the products/ services.

REVIEW OF LITERATURE

More people than ever before in history are using the Web to shop for a wide variety of items, from houses to shoes to airplane tickets. However, this development needs some more understanding relating to the consumers' behaviour. Christy and Cheung (2003) proposed a research framework emphasizing on intention, adoption and continuance to analyze the online consumer behaviour in a systematic way. In a study, Shergill and Chen (2005) investigated how different types of online buyers perceived websites differently. They found that website design, website reliability/ fulfillment, website customer service and website security/ privacy were the four dominant factors which influenced consumer perceptions of online purchasing. They categorized online New Zealand buyers as trial, occasional, frequent and regular online buyers. They found that different types of buyers perceived the website factors differently but website security/ privacy issues were important to most of the online buyers.

Lodorfos*et.al* (2006) using the "Theory of Planned Behaviour" investigated the e- consumers' re-purchasing behaviour in the online commodities market comprising the CD, books, music, magazines and DVDs and found that consumers attitude towards post e- purchases significantly influenced their intent to re- purchase and that the consumers' experience with an e- brand significantly affected their beliefs regarding the importance of trust, security and convenience in online environment.

Online shopping has today become quite popular and has numerous advantages. In India, online shopping has been evolving fast and has the potential to grow exponentially in the times to come, as the internet penetration reaches far and wide across the rural area (Singla and Kumar, 2011). It has been argued that though Indians are traditionally conservative in their approach to shopping but due to modernization and fast paced life, dependence on e- shopping will increase.

RESEARCH METHODOLOGY

Data for the research study were collected through structured questionnaires. The sampling design adopted for the study was non- probability judgemental sampling (N=306). The sample satisfied the minimum condition required for the study like computer literate, access to computer and internet connection and experience in online shopping. The sample selected belonged to different age groups with the different levels of incomes and experienced in both online and offline shopping. This was done to tap the views of students, young professionals, and middle- aged and aged people on online shopping. In the study, altogether 350 questionnaires were distributed out of which 306 were received and found to be usable.

Pilot Survey

A pilot survey was conducted with 15 people to remove any shortcomings in the questionnaire.

RESULTS AND DISCUSSIONS

Respondent's Profile

The respondents were classified on the basis demographic factors *viz.*, gender, age, occupation, educational level and monthly income. The respondents' profile is presented in Table 1. Of the total respondents, 50.3% of were male while 49.7% were the female respondents. Out these respondents, 71.3 % belongs to the age groups of 25- 30 and 30- 35, who may be considered to be the most vibrant and actively engaged in the online shopping.

Table 1: Respondents Classification on the Basis of Age and Gender

Gender		Age (Years)					Total
		20-25	25-30	30-35	35-40	40 & Above	
Male	Number	16	42	64	14	18	154
	% of total	5.2	13.7	20.9	4.6	5.9	50.3
Female	Number	20	54	48	10	10	152
	% of total	6.5	17.6	19.0	3.3	3.3	49.7
Total	Number	36	56	122	24	28	306
	% of Total	11.8	31.8	39.9	7.8	9.2	100.0

Table 2: Occupation-Wise Classification of the Respondents

Occupation	Percentage
Student	10.5
Service	64.7
Housewife	17.0
Business	5.9
Retired person	2.0
Total	100.0

Occupation-wise classification of the respondents shows that 64.7% of the respondents were engaged in service; 17% were the housewives and 10.5% were the students. 5.9% were businessmen and 2% were retired people (Table 2).

Table 3: Classification of Respondents According to Qualification

Qualification	Number	Percentage
College going students	30	9.8
Bachelor's Degree holder	116	37.9
Master Degree holder	132	43.1
Ph.D. holder	28	9.2
Total	306	100.00

Table 3 shows that43.1% respondents were Master degree holders. 37.9 % were Bachelor degree holders, 9.8% were college going students and 9.2% were Ph. D degree holders.

In Table 4 the monthly income of the respondents are given. It was observed that more number of the respondents belonging to the lower income group was involved in online shopping. With the increase in monthly income, percentage of the online shoppers decreased.

Table 4: Respondents Monthly Income

Monthly Income Range (`)	Percentage
Up to10,000.00	33.3
10, 001- 20, 000	23.5
20, 001- 30, 000	18.3
30, 001- 40, 000	13.1
40, 000 & Above	11.8
Total	**100.0**

Source of Information

From marketing point of view, it is very important to inform the customers about online shopping, its advantages as well as the website address. Different advertisement media are available. The sources of information through which the customers were aware of the online shopping are presented in Table 5.

Table 5: Sources of Information about Online Shopping

Sources	Number	Percentage
Friends/family member	118	38.6
Hoardings	10	3.0
Colleague	54	17.6
T.V. Advertisement	70	22.9
Magazine Advertisement	12	3.9
Website Advertising	42	13.7
Total	**306**	**100.0**

It was observed that of the total number of respondents 38.6% came to know about internet shopping from their friends and family members, 22.9% through T.V. advertisement and 17.6% from their colleagues. Thus, friends and family members, T.V. advertisements and colleagues constituted the most important media through which consumers came to know about online shopping.

Online Shopping Experience and Frequency of Shopping

The shopping frequency of different online shoppers is presented in Table 6. It was found that 36.6% of the respondents were shopping online for the last 6 months; 33.3% for the last 1 year and 19.6% for 1 to 2 years and 10.5% for more than 2 years. Further, it was observed that majority of the respondents (66.7%) were casual online shoppers while 28.8% respondents were monthly online shoppers.

It was interesting to note that all online shoppers whether they shopped weekly, fortnightly, monthly or casually the frequency of shopping reduced as they became experienced in online shopping. As they became experienced with online shopping, they turned into casual online shoppers.

Table 6: Online Shopping Frequency

	Period		Online Shopping Frequency				Total
			Weekly	Fortnightly	Monthly	Casually	
Experience in online shopping	0-6 months	Number	4	6	18	84	112
		%of total	1.3	2.0	5.9	27.5	36.6
	1 year	Number	0	2	36	64	102
		% of total	0.0	7.0	11.8	20.9	33.3
	1-2 years	Number	2	0	22	36	60
		% of total	7.0	0.0	7.2	11.8	19.6
	More than	Number	0	0	12	20	32

	2 years	% of total	0.0	0.0	3.9	6.5	10.5
Total		**Number**	**6**	**8**	**88**	**204**	**306**
		% of Total	**2.0**	**2.6**	**28.8**	**66.7**	**100.0**

Factors Influencing Online Shopping

To find out the reasons that influenced the customers for online shopping the respondents were asked to indicate the most important reason for which they were interested in online shopping. It revealed that according to 30% of the respondents, the availability of varieties was the main reason for shopping online. Low price and less time consumption were the main reasons for 26.8% and 22.2% respondents respectively.

Table 7: Reasons for Choosing Online Shopping by the Respondents

Factor/Reason	Number	Percentage
Low price	82	26.8
Enhancement of status	26	8.5
Less time consuming	68	22.2
Availability of varieties	92	30.0
Product comparison	32	10.5
Relaxation	6	2.0
Total	**306**	**100.0**

Basis of Selection of Items

As online shopping offers a wide range of choices to the buyers, it is important to know the basis on which they select the items. It was found that according to 41.8% respondents the brand was the main base for selecting the items online. Next to it, price and style were the basis of selection for 31.4 % and 26.8% respondents respectively.

Table 8: Basis of Selection of Items in Online Shopping

Basis of Selection	Number	Percentage
Price	96	31.4
Brand	128	41.8
Style	82	26.8
Total	**206**	**100.0**

Category of Items/Services in Online Shopping

The respondents were asked to indicate what were the products/ services they mostly shop online. It was observed that for 30.1% respondents the preferred category for online shopping was apparel, for 18.3% respondents was the books and for 17.6% respondents the preferred items were the electronic goods (Table 9).

Table 9: Preferred Items for the Online Customers

Items	Number	Percentage
Apparel	96	31.1
Electronic items	54	17.6
Books	56	18.3
Personal & Health care products	28	9.2
Home & Kitchen	18	5.9
Children products & Clothing	18	5.9
Jewellery	6	2.0
Hotel Booking	12	3.9
Online Ticketing	22	7.2
Total	**306**	**100.0**

Quality Judgement

On the question of quality judgment of the items available online, the respondents replied that they judged the quality of the product on the basis of *brand* (39.9%)**,** while 30.1% respondents judged the quality of the products on the basis of price. 15.7% respondents relied on their own experience while 14.3% rely on the reference of their friends, colleague and family members (Table 10).

Table 10: Basis of Quality Judgment of Items in Online Shopping

Basis of Quality Judgment	Number	Percentage
Price	92	30.1
Brand	122	39.9
Experience	48	15.7
Reference of friends/colleagues/family members	44	14.3
Total	306	100.00

The respondents were asked how much they spend on an average in online shopping. The amount of money spent by the online shoppers is shown in Table 11. It was found that 39.2% of the respondents spent up to ` 1, 000, 24.2% respondents spent up to `. 500 and 20.3% shoppers spent up to `1, 500. A very small percentage of the respondents i.e. 5.2% and 11.1% respondents spent within the range of ` 1, 501 to 2, 000 and more than ` 2, 000.

Table 11: Amount of Money Spent in Online Shopping

Range of Amount Spent(``)	Number	Percentage
100-500	74	24.2
501-10000	120	39.2
1001-1500	62	20.3
1501-2000	16	5.2
2001 & above	34	11.1
Total	306	100.0

Factors for Liking and Disliking the Online Shopping

The respondents were asked what they liked the most about online shopping. Majority of the respondents (27.54%) said that they liked online shopping because of ease in ordering the products, while 24.8% responded that it was the 'variety' for which they liked to shop online. According to 15.7% respondents 'home delivery facility' was the factor for liking online shopping and to 10.5% respondents the 'easy payment procedure' was the factor for liking online shopping (Table12).

Table 12: Factors for Liking the Online Shopping

Factor	Number	Percentage
Ease in ordering	84	27.5
Variety	76	24.8
Discount/offer	18	5.9
Return Policy	4	1.3
Easy payment procedure	32	10.5
Ease in price comparison	14	4.6
Home delivery facility	48	15.7
Anywhere any time shopping	30	9.8
Total	306	100.0

At the same time respondents were asked what they disliked the most about online shopping. Majority of the

respondents i.e. 61.4% stated that the products cannot be touched/ trialed. 12.4% indicated 'faulty return policy'; while 11.1 % of respondents stated 'high price' and the same number stated 'after sales service' were the factors for disliking online shopping (Table 13).

Table 13: Factors for Disliking the Online Shopping

Factor	Number	Percentage
High price	34	11.1
Product can't be touched/trialed	188	61.4
Unsafe	12	3.9
Faulty return policy	38	12.4
After sale service	34	11.1
Total	**206**	**100.0**

So far as payment in online shopping is concerned, data in table 13 indicate that most of the respondents (71.2%) opted for cash on delivery facility whereas 15.7% paid through internet banking facility. A very small percentage of the respondents paid by credit card (7.8%) and debit card/ Visa or master card (5.2%)

Table 14: Mode of Payment in Online Shopping

Mode	Number	Percentage
Cash on delivery	218	71.2
Credit card	24	7.8
Internet Banking	48	15.7
Debit card/Visa/Master card	16	5.2
Total	**306**	**100.0**

CONCLUSIONS

The study reveals that friends, family members, T.V. advertisements and colleague are the three important advertisement media through which business can reach the prospective online buyers. The study indicated that online shoppers are variety seeking buyers and prefer to compare the products. Online shopping stores enjoy the advantage of displaying variety of products as compared to traditional retail stores. The respondents also indicated 'low price' and 'less time' as two other reasons for shopping online. It reveals that online shoppers are variety lovers but at the same time they are also cautious about price and time that they spent for shopping. It is obvious that online shopping consumes less time as compared to shopping in other retail stores.

Though the respondents indicated 'low price' as a reason for them to shop online, however, they do not compromise on price while selecting the products online. The study reveals that in selecting the products most of the buyers emphasized on the brand. Next to it, price and style of the products are two major considerations. Therefore, branding of products is essential for online stores along with effective pricing strategy and latest fashionable items. In online marketing the marketer can offers variety of products and the buyers can also navigate among the products. However, judging the quality of the online items is a critical decision. On this front the study reveals that majority of the online buyers (39.9%) judge the quality of the products on the basis of brand. Some buyers consider price as a quality indicator for the products.

The experienced buyers rely on their own experience and some others depend on reference of friends and colleagues etc. According to the study majority of the buyers on an average spent`. 1, 000 in online shopping. The study indicated that ease in ordering the products, availability of variety, home delivery facility and easy payment procedure are

the main factors for liking online shopping. However, the greatest disadvantage of online shopping as indicated by the study is that products cannot be touched or trialed at the time of purchase.

So far as payment options are concerned, online shopping offers different payment options like, cash on delivery or payment through internet banking or payment by debit card or credit card etc. But majority of the buyers preferred cash on delivery facility. It was observed that apparel is the mostly preferred item by the buyers. Next to it is the books and then electronic items. Personal and health care and online ticketing are the two emerging segments in which customers are increasingly using online stores.

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