A Study of Customer Behaviour towards Online Shopping in Hyderabad

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ABSTRACT

Electronic commerce, commonly known as e-commerce, refers to the buying and selling of products or services over electronic systems such as internet and other computer networks. Internet is the growing media during the past decade. Especially, online shopping is a rapidly growing ecommerce area. Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home. An online shopping system is that permits a customer to submit online orders for items or services from a store that serves both walk-in customers and online customers. This study aims to establish a preliminary assessment, evaluation and understanding of the characteristics of online shopping. An effort has been made to investigate online consumer behaviour, in Kukatpally, Hyderabad which in turn provides E-marketers with a constructional frame work for their E-businesses' strategies.

The major objectives are
➢ To study attitude of consumers towards online shopping.
➢ To identify the issues faced by customers while online shopping.
➢ To identify the main factors that affect the online consumer when considering and making a purchase over the Internet.
➢ And also to find out which age group of people use frequently online shopping.

Keywords: e-commerce, Online shopping, Customer Buying Behaviour

INTRODUCTION

Internet is changing the way consumers shop and buy goods and services. Many companies have started using the Internet with an aim of cutting marketing costs, and thereby reducing the price of their products and services in order to stay high in competitive markets. Most of the companies use the Internet to convey and communicate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices of similar products, its features and after sale service facilities they will receive if they purchase the product from a particular store. The rapid growth of e-commerce in India over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to alter the way businesses reach their customers. The growth is expected to be led by increased consumer-led purchases in durables and electronics, apparels and accessories, besides traditional products such as books and audio-visuals. The birth and growth of Internet has been the biggest event of the century. Most corporations are using Internet to represent their product range and services so that it is accessible to the global market and to reach out to a larger range of their audience. Computers and the Internet have completely changed the way one handles day-to-day transactions; online shopping is one of them. The Internet has brought about many changes in the purchasing habits of the people. In the comfort of one's home, office or anywhere across the globe, one can log on and buy just about anything from apparel, books, music and diamond jewellery to digital cameras, mobile phones, MP3 players, movie tickets, rail and air tickets. Ease, simplicity, convenience and security are the key factors turning the users to buy online.

"Shopping online through smart phones is proving to be a game changer, and many of the industry leaders believe that e-commerce could contribute up to 70 per cent of their total revenues,". In India roughly 60-65 percent of the total e-commerce sales are being generated by mobile devices and tablets, increased by 50 percent than the last year and also likely to continue upwards. In 2015, 78 percent of shopping queries were made through mobile devices, compared to 46 percent in 2013.

Research objectives
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LITERATURE REVIEW
Weber, K. and Roehl, W. S. (1999), He conducted a study on those who search for purchase travel products through on-line with the age group of 26 to 55 years. The results on the basis of the study concerns about credit card security, evaluation of product quality, and privacy issues are the main problems faced while on-line purchase of travel products.

Corbitt, Thanasankit, and Yi (2003), He argue that information to make the purchase and to be able to make comparisons with alternative offers, plays an important role in the absence of sales staff and the inability to see the

product. The cost of accessing the Internet is also a factor for engaging in Internet activities. While low prices do not guarantee high penetration, this is an important factor for more widespread development of the Internet and consequently, of electronic commerce.

Venkoba Rao (2006), He carried out in his study consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior. The results of study of perceptions of 200 online purchasers in Hyderabad reveal trust, security, Internet speed, and responsiveness mainly affect online purchasers' behavior. In addition, demographic variables like gender, age and education are used.

Erden Tulin (2007), He made a study revealed that 80% of internet users go online to find health related information, 85% of Google users have made an online purchase in the past six months, approximately 20 million people are browsing new home listing each month and more than 70% of Google users have shown some interest in a financial service product. His research report helped the business owners, by posting some comprehensive status about online consumer behaviour.

Dinesh, Amit, and Raghav Rao (2008) His study compared online store rating with other e-store loyalty factors. It was found that the number of years on the web has the least impact on repurchase intention. This has significant implications for managers of online stores because it suggests that stores would attract more customers by having positive customer reviews. The amount of time the store has been in business does not seem to affect the repurchase intention of consumers. "Word of mouth" remains the most powerful customer acquisition tool and impact on the trust that the customers have.

Venkatesh (2008), His article analyzed the new trends in marketing and observed that several developments in technology have completely transformed the world and made life easier for people on the transactions of business and work. Notable among these is called "Internet and Online Marketing". In essence, this activity enables buyers and sellers of goods and services to get their task accomplished without the necessity to travel. In internet marketing, the users access the products of their choice but it is not possible to trace and test all aspects of the marketing campaign.

A study has conducted by Feng Zhu (2010), indicates that how product and consumer characteristics moderate the influence of online consumer reviews on product sales using data from the video game industry. His findings reveal that online reviews are more influential for less popular games and games whose players have greater Internet experience.

Methodology:
The study is based on the primary data collected through sample of female and male employees and the youth. Questionnaires have been constructed to understand the contribution of various components towards consumer behavior towards online shopping. The data has been collected through online survey along with demographic details of employees. Secondary data has been gathered from various sources such as books, journals and online resources. This work is a descriptive survey research design. The study was designed to elicit information from

respondents through survey. People were contacted for filling of questionnaire. However, 100 people responded by completing the questionnaire. The number of respondents varied from occupation to occupation. The questionnaire was sent by email and Whatsapp contacts in the form of google forms. Completed questionnaire were sent back through email and responses were updated in Google forms. Follow-up enquiries were made to enhance timely response by the employees. Primary data of the study is collected through a structured questionnaire. The relevant secondary data was collected through journals, magazines, newspapers, research articles. Hyderabad is a place where we can get a lot of different people. Since Hyderabad was technically developed, these days hyderabadians depends on e-commerce, so the responds residing in Hyderabad were taken for the study. The students from different colleges and employees from different areas were taken into study.

DATA ANALYSIS AND INTERPRETATION
1. **Age group**:

Table 1 age analysis

Age	Percentage of respondents
< 20	17.3
21-30	54.1
31-40	17.3
>40	11.2

2. **Gender:**

Table 2 gender analysis

Gender	Percentage of respondents
Male	42.9
Female	57.1

3. **Occupation:**

Table3 occupation analysis

Qualification	Percentage of respondents
Student	54.1
Business	9.2
Employee	21.4
Agriculture	2.5
Home maker	9.2

4. **Reason for choosing online shopping?**

Table 4

Reason	In percentage
Very convenience and time saving	35.7
Low price	28.6
Variety of products	27.6
You can buy the rare products here	8.2

5. **How important are the following factors in your decision to purchase goods from internet?**
VU (Very unimportant) U (Unimportant) N (Neither important nor unimportant) I(Important) VI (Very Important)

Table 5

Features	VU	U	N	I	VI
Delivery time	21	6	8	32	30
Reputation of the company	23	6	6	31	30
Guarantees and Warrantees	22	4	6	28	37
prices	24	4	2	37	31
Security	21	3	4	38	43
Special offers /discounts	20	6	12	27	32

6. Level of agreement to the following questions.

SA (Strongly agree) A (Agree) N (Neutral) D (Disagree) SD (Strongly Disagree)

Table 6

Features	SA	A	N	D	SD
Shopping online is risky	10	23	43	14	5
I prefer traditional shopping towards online shopping	8	31	38	19	4
I have to trust an e-retailer before making a purchase	18	43	23	12	2
While shopping online, I hesitate to give my credit card number	12	32	18	32	4

7. Which of the following products have you purchased online the most?

Table 7

Name of the product	No of respondents
Electronics	60
Cloths	51
Books	24
House hold	20
Gifts	23
Others	23

Table 8 gender * prices Crosstabulation

			prices					Total
			0	1	2	3	4	
Gender	0	Count	12	2	1	22	19	56
		Expected Count	13.1	1.7	1.1	22.3	17.7	56.0
		% within prices	52.2%	66.7%	50.0%	56.4%	61.3%	57.1%
	1	Count	11	1	1	17	12	42
		Expected Count	9.9	1.3	.9	16.7	13.3	42.0
		% within prices	47.8%	33.3%	50.0%	43.6%	38.7%	42.9%
Total		Count	23	3	2	39	31	98
		Expected Count	23.0	3.0	2.0	39.0	31.0	98.0
		% within prices	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 9 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.611[a]	4	.962
Likelihood Ratio	.614	4	.962
N of Valid Cases	98		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .86.

Table 10 age * traditional shopping Cross tabulation

			Traditional shopping					Total
			0	1	2	3	4	
0		Count	1	3	8	4	1	17
		Expected Count	1.4	5.4	6.6	3.3	.3	17.0
		% within traditional shopping	12.5%	9.7%	21.1%	21.1%	50.0%	17.3%
1		Count	5	15	20	12	1	53
		Expected Count	4.3	16.8	20.6	10.3	1.1	53.0
		% within traditional shopping	62.5%	48.4%	52.6%	63.2%	50.0%	54.1%
2		Count	0	7	9	1	0	17
		Expected Count	1.4	5.4	6.6	3.3	.3	17.0
		% within traditional shopping	0.0%	22.6%	23.7%	5.3%	0.0%	17.3%
3		Count	2	6	1	2	0	11
		Expected Count	.9	3.5	4.3	2.1	.2	11.0
		% within traditional shopping	25.0%	19.4%	2.6%	10.5%	0.0%	11.2%
Total		Count	8	31	38	19	2	98
		Expected Count	8.0	31.0	38.0	19.0	2.0	98.0
		% within traditional shopping	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 11 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.055[a]	12	.297
Likelihood Ratio	16.689	12	.162
N of Valid Cases	98		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .22.

MAJOR FINDINGS

This study is majorly conducted to understand the consumer behaviour towards online shopping in some areas of Hyderabad.

Major findings of the study are:
- ➢ It is found that consumer attitude is based on trust, price and convenience factor and also shopping is done by most of the youth rather than business or employee.
- ➢ The biggest problem while buying things online is that there is no guarantee of a products quality and there is a lack of security. Some of them have faced digital payment failure also.
- ➢ The main factors affecting consumer behaviour are trust, price and convenience.
- ➢ It is found that 21-30 age group of people use frequently and more online shopping.
- ➢ It is observed that 35.7 percent of the people use online shopping because it is very convenient and time saving.
- ➢ It is observed that when decision is made to purchase through online security plays a very important role rather than special offers, guarantees and warrantees.
- ➢ It is observed that many of the respondents shop electronics rather than books,household and gifts.
- ➢ There is a significant relation between gender and price while making online shopping is found through spss analysis.
- ➢ There is also a significant relation between age and traditional shopping while making online purchase.

SUGGESTIONS

- ➢ Consumer attitude will be based on security level, price, attraction special offers, guarantees /warrantees. All these must be considered in order to grab most of the consumers.
- ➢ Security is to be maintained while doing online shopping. There should be a fare marketing. Only selected item should be delivered to right person at right place. Some methods are to be more updated and more security while doing online payment methods.
- ➢ See that price, trust and convenience doesn't affect consumers so that online shopping can be increased and extended
- ➢ Online marketers should try to remove customers' perceptions that internet is an unsafe and unreliable marketplace, If the process of shopping online is very easy and if it attracts with a good quality not only

youth(21-30) prefer but also employees and home makers also prefer it.

Limitations

A few limitations of this study should be considered when interpreting the study's results and developing future research to extend and expand its scope. However the findings of this study do provide directions for future research.

CONCLUSION

In the past, consumers had sufficient time to visit shopping centers, searching for various products. Many consumers prefer bargaining and decide the purchases after physical examination of the commodities.

The entire process can range from a few hours to weeks depending on the product, quantity, quality and source of purchase. Today there is radical change in the entire scenario. Everything in today's world is Internet oriented like Electronic Data Interchange, E-Mail, E-Business and E-Commerce. E-Commerce is exchange of information using network-based technologies. In the present high cost situation, e-Commerce can be used as a competitive strategy.

It successfully includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services. Online shopping is a vast growing technology. If it is properly utilized with assured safety and security for the transactions, it will thrive into a highly competitive and dynamic environment. In future, online shopping is bound to grow in a big way.

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