



A STUDY ON DEMOGRAPHIC FACTORS OF SHOPPERS & IT'S IMPACT ON ONLINE SHOPPING

Dr. Kiran.G

Associate Professor

Welingkar Institute of management Development & Research

ABSTRACT

Majority of the companies are having their own on-line portals to sell their products/services online. On-line shopping has become the happening trend of E-Business. The concept of online shopping was a common activity outside India but in India from the time it started it is growing at a rapid speed, India is also considered to be the largest online consumer market, but still not in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. The current study has used both the Qualitative and Quantitative research methods to understand the impact of Demographic factors of consumers on on-line shopping, the study was conducted with the help of the structured Questionnaires. The results of study revealed that there is a significant relationship between the income level of the respondents and the monthly spending on online shopping and how ever the results were not significant in terms of gender, occupation and age of the respondents and the online shopping

KEYWORDS: online Shopping, customers, demographic, e-business

1. INTRODUCTION

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. The sale or purchase transaction is completed electronically and interactively in real-time such as in Amazon.com for new books. However, in some cases, an intermediary may be present in a sale or purchase transaction such as the transactions on eBay.com. An online shop, e-shop, e-store, internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping centre. The process is

called Business-to-Consumer (B2C) online shopping. This is the type of electronic commerce conducted by companies such as Amazon.com. When a business buys from another business it is called Business-to-Business (B2B) online shopping. A large percentage of electronic commerce is conducted entirely in electronic form for virtual items such as access to premium content on a website, but mostly electronic commerce involves the transportation of physical items in some way. Online retailers are sometimes known as e-tailers and online retail is sometimes known as e-tail. Almost all big retailers are now electronically present on the World Wide Web.

2. REVIEW OF LITERATURE

Grewal et al (2002), he made a comment in his study that the youngsters like the online shopping they feel excited to shop online since they are tech savvy and also have the accessibility to the smart phones with the internet connectivity they enjoy shopping online.

Brown and Reid (1997) observed that routine tasks like shopping for groceries have become easier for customers especially the house wives with kids who does not wish to go out who do not like crowds and driving the trolley around the store they sit back and do the online shopping at their home and the goods gets delivered to their door step.

Gehrt et al (2012) Most of the present literature research regarding the amount of money spent on the online shopping where it was found that there was no significant relationship between the income level of the respondents and their ability to shop online. The students at the college level exhibited the more amount spent towards the online shopping.

Bellman et al. (1999) mention, demographics are not so important in determining online purchasing potential. Whether the consumer has a wired lifestyle and the time constraints the person has been much more influential. Risk taking propensity is also a powerful factor.

Anastasi (2002) studied on the Role of demographic factors on online business: An empirical study and the study found that as the importance of online businesses increases, the demographic factors of the individuals should be considered accordingly in online business.

Mehta & Sivadas, (2005) reported that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

Maigan and Lukas (2007) studied on the consumer perception towards e-shopping. The study found that internet shopping involves more uncertainty and risk than traditional shopping. Consumers who are ready to take risk are more likely to do the online shopping and the youngsters seem to be the risk takers who involve in online shopping.

3. METHODOLOGY

RESEARCH GAP

Though there are many studies that have been conducted with respect to the online shopping, these research studies have shown some limitations in the sense that most of them looked into buying behaviour of the shoppers and the frequency of shopping, factors considered while shopping online and many other things but this research paper is an attempt to examine the relationship between the demographic factors of the customers and its impact on the online shopping.

OBJECTIVES OF THE STUDY

The Important objectives of the study are as follows:

- i. To understand the demographic profile of the online shoppers.
- ii. To understand the relationship between the demographic factors of the respondents and online shopping.

HYPOTHESIS

There is no significant relationship between the income level of the respondents and spending on online shopping.

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RESEARCH DESIGN

The sampling procedure used for the Study was convenience random sampling. The study was conducted with the help of using the structured questionnaire which consisted of five point Likert scale questions. The total sample size for the current study was 100 respondents out of which 98 responses were qualified for the study as 2 respondents had never done the online shopping.

DATA PRESENTATION AND ANALYSIS

The collected data has been prepared primarily through percentage for tabular and graphical presentation. Preparing the data for computer application, they were coded as per requirement. The data was analysed statistically using descriptive statistics which includes test like frequency distribution, Cross tabulation, Chi- Square Test and also correlation.

4. DATA ANALYSIS & INTERPRETATION**TABLE SHOWING THE DEMOGRAPHIC FACTORS OF THE RESPONDENTS OF THE STUDY**

AGE	No. of Respondents	Percentage
18-25 Years	16	16
25-35 years	48	49
35-45 years	28	27
45 years and above	6	6
TOTAL	98	100
GENDER	No. of Respondents	Percentage
Male	88	90
Female	10	10
TOTAL	98	100
OCCUPATION	No. of Respondents	Percentage
Student	14	14
House Wife	10	10
Employee	62	63
Business	8	8
Others	4	4
TOTAL	98	100
MONTHLY INCOME	No. of Respondents	Percentage
Less than 10,000	18	18
10,000-30,000	2	2
30,000-50,000	31	32
50,000-70,000	25	26
70,000 and above	22	4
TOTAL	98	100

Source: Field Study-Primary Data

The above table shows the majority of the respondents are 49% of them are falling under the age group of 25-35 years, majority of the respondents who have responded for the study are male constituting 90% followed by majority of the respondents 63% of them are having employees working in either private or government entities and lastly large number of the respondents that is 32% them are earning an income ranging between 30,000-50,000.

TABLE SHOWING THE CHI-SQUARE RESULT OF THE RELATIONSHIP BETWEEN AGE AND ONLINE**SHOPPING**

FACTORS	Pearson Chi Square Asymp. Sig Value	Result
Online Shopping Save time	.347	NS
Shopping online when price is low	.087	NS
Monthly spending on online shopping	.008	S

Source: SPSS output

***NS-Not Significant, S-significant**

The above table shows the chi-square test results which was executed to see the relationship between age of the respondents and the factors related to online shopping Such as online shopping save time where the P value .347 is > than the table value of .05, shopping when the price is low where the P value .087 is > than the table value of .05 and last monthly spending on online shopping .008 which is > than the table value of .05 hence there is no significant relationship between the age of the respondents and the online shopping at 5% level of significance.

TABLE SHOWING THE CHI-SQUARE RESULT OF THE RELATIONSHIP BETWEEN OCCUPATION AND**ONLINE SHOPPING**

FACTORS	Pearson Chi Square Asymp. Sig Value	Result
Online Shopping Save time	.085	NS
Shopping online when price is low	.003	S
Monthly spending on online shopping	.001	S

Source: SPSS output

***NS-Not Significant, S-significant**

The above table shows the chi-square test results which was executed to see the relationship between occupation of the respondents and the factors related to online shopping Such as online shopping save time where the P value .085 is > than the table value of .05, shopping when the price is low where the P value .003 is < than the table value of .05 and last monthly spending on online shopping .001 which is < than the table value of .05 hence there is no significant relationship between the occupation of the respondents and the online shopping at 5% level of significance.

**TABLE SHOWING THE CHI-SQUARE RESULT OF THE RELATIONSHIP BETWEEN INCOME AND
ONLINE SHOPPING**

FACTORS	Pearson Chi Square Asymp. Sig Value	Result
Online Shopping Save time	.000	S
Shopping online when price is low	.001	S
Monthly spending on online shopping	.000	S

Source: SPSS output

*NS-Not Significant, S-significant

The above table shows the chi-square test results which was executed to see the relationship between income of the respondents and the factors related to online shopping Such as online shopping save time where the P value .000 is < than the table value of .05, shopping when the price is low where the P value .001 is < than the table value of .05 and last monthly spending on online shopping .000 which is < than the table value of .05 hence there is is significant relationship between the occupation of the respondents and the online shopping at 5% level of significance.

**CROSSTABULATION BETWEEN THE INCOME OF THE RESPONDENTS AND THE MONTHLY
SPENDING ON THE ONLINE SHOPPING**

		Count			Total	
		on an average how much you spend on online shopping				
		Less than 10,000	10,000- 20,000	20,000- 30,000		
Income	Less than 10000	18	0	0	18	
	10,000-30,000	2	0	0	2	
	30,000-60,000	31	0	0	31	
	60,000 - 70,000	4	8	13	25	
	70,000 and above	0	8	14	22	
Total		55	16	27	98	

Source: SPSS output

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	84.384 ^a	8	.000
Likelihood Ratio	112.414	8	0
Linear-by-Linear Association	52.02	1	0
N of Valid Cases	98		

a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is .33.

Source: SPSS output

The above cross tabulation and the chi square results where the critical value .000 is lesser than the table value of .05 hence it is inferred that there is a significant relationship between the income level of the respondents and online shopping at 5% level of significance hence the null hypothesis is being rejected and the alternative hypothesis is being accepted.

**TABLE SHOWING THE CHI-SQUARE RESULT OF THE RELATIONSHIP BETWEEN GENDER AND
ONLINE SHOPPING**

FACTORS	Pearson Chi Square Asymp. Sig Value	Result
Online Shopping Save time	.002	S
Shopping online when price is low	.000	S
Monthly spending on online shopping	.290	S

Source: SPSS output

***NS-Not Significant, S-significant**

The above table shows the chi-square test results which was executed to see the relationship between gender of the respondents and the factors related to online shopping Such as online shopping save time where the P value .002 is < than the table value of .05, shopping when the price is low where the P value .000 is < than the table value of .05 and last monthly spending on online shopping .290 which is > than the table value of .05 hence there is no significant relationship between the gender of the respondents and the online shopping at 5% level of significance.

SUMMARY OF FINDINGS AND DISCUSSION

The online shopping is not restricted only to certain age group and the same was also reflected in the study that the online shopping is been done across all the age group customers and there was no significant relationship between the age of the respondents and the online shopping. Irrespective of different occupation the respondents are in they still continue to do the online shopping, from the study it significant that different respondents engaged in different occupations like students, house wives, employed and even the business class people everybody does the online shopping. The study showed a very significant relationship between the income level of the respondents and the monthly spending on online shopping, higher the income showed the higher spending on the online shopping and how ever the results were not significant in terms of gender of the respondents and the online shopping so it was evident that irrespective of any gender they belong to they still do the online shopping.

CONCLUSION

Online shopping in India from the time it started it is growing at a rapid speed, India is also considered to be the largest online consumer market, but still not in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. The study revealed that irrespective of different demographic background the customers belong to, in terms of age, gender and occupation they still would like to go for the online shopping which is a clear indication that in a very short span of time the entire nation would go online for their shopping needs and it is also a caution to the marketers that they should improve on their new channel called as online to reach out the customers very effectively, since all the age group people, customers engaged in different occupation and also the different gender are going online, so the reachability of the customers and also the segmentation would become easy for the marketers if they adopt the internet marketing effectively and a day would come in future where there won't be any brick and mortar store which will be completely replaced by the online shopping portals. This study is an alarming indication for the markets to gear up and improve upon their marketing activities through online.

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