CONSUMER PERSPECTIVE ON ONLINE SHOPPING WITH RESPECT TO INDIAN METROS

Dr. Priyanka Shah
Assistant Professor, Shri Chimanbhai Patel Institute of Management & Research

Dr. Anu Gupta
Assistant Professor, Shri Chimanbhai Patel Institute of Management & Research

E-Commerce has revolutionized the shopping world. Snapdeal, Flipkart, Amazon, Myntra.com are the main players for online shopping. Though online shopping is in vogue in western countries, it’s still not able to deepen its roots in India. The mindset of general Indian customer still believes in touching and feeling before purchasing. The paper studies in depth both negative and positive perspective of online shopping based on consumer perception. The paper also discusses the perceptual differences for various demographic variables in context of online purchase. The survey was conducted on 384 customers from metros and data was analyzed using S.P.S.S. software. Difference in consumer behavior for various demographic variables was also considered for study. Literature findings reveal females to be favorable prospect for online consumer as they consider positive aspect of online purchase like pricing, ease of shopping more as compared to negative aspect like security of data etc. The paper further underpins the various factors which affect consumer behavior for online purchase. Future scope of research relates to expanding the geographical area of research and further explaining the difference in consumer behavior between the various metro and non metro area.

KEY WORDS: Online shopping, consumer, negative perspective and positive perspective
LITERATURE REVIEW

Although extensive literature is available on e-commerce, but limited literature has been found discussing in depth, the consumer behavior towards online shopping with reference to Indian metro cities. Various literary work related to the topic has been discussed in this paper. A Hasslinger, S Hodzic, C Opazo (2008-02-01) studied consumer perception in context of online purchases. They identified three factors as prime most i.e. price, trust and convenience for online shopping among students. Besides this the research also identified three segments in context of online shopper’s i.e. high spenders, price erasers and bargain seekers. Harris Interactive (2009) highlighted arising transaction problem as the main hurdle faced by online shoppers. The survey sheds light on forces driving this accelerated online customer experience focus, including the down economy and increased consumer power due to experience-sharing via social media. The study was conducted for sectors like retail, insurance, travel and financial services.

Bikramjit Rishi (2010) did an empirical study on the motivators and decisional influencers of online shopping. The sample consisted of youth and highlighted reliability, accessibility and convenience as major motivating factors for online shopping. Reluctance and preference were identified as two prime most decisional factors influencing online shopping. Kamali and Loker (2002) argued that people hesitate in becoming buyers in cyberspace because of negative perception of safety, product quality, and retailer reliability while doing online shopping. Li, Luo, Le pkowaska -White and Russell highlighted that consumers require additional assurance that their financial data will be held in confidence before opting for online shopping. Other security issues that were identified by Mauldin and Arunachalam (2002) focus on retailer disclosures. Ogenyi Ejye Omar, Alan Hirst (2006) suggested that women generally show positive attitudes towards shopping online for apparel. Research paper suggested that online retailers should focus on making the experience of online shopping more accommodating and more user-friendly for females by highlighting on the positive features of online shopping ('convenience', 'usefulness', 'ease of use', and 'efficiency').

Ruiliang Yan, John Wang (2009) surveyed the effect of consumer online purchase costs on firm performances in online and traditional channel competition. Research proved that consumer online purchase costs always have a much more valuable impact on firm profits whenever the traditional retail transaction costs and the product web-fit change. Scott M. Smith, Chad R. Allred, William R. Swinyard (2008) proposes that online shopping is a discontinuous innovation whose adoption rate is influenced by several of Rogers' (2004) diffusion deterrents. A.M. Sakkthivel (2009) in their research paper aims to identify the impact of demographics on consumer buying behavior towards online purchase of different products based on the involvement and investment (High, Medium and Low). It attempts to unearth the impact of the demographics on online
purchase which is at present relatively limited. Hou, C Rego (2007) used cluster analysis and identified four types of online bidders in a private value auction, namely, goal-driven bidders, experiential bidders, focused bidders, and opportunistic bidders. The profile and performance of each group are also discussed.

Alexandru M. Degeratu, Arvind Rangaswamy, Jianan Wu (2005) stipulated that whether there are systematic differences in consumer choice behavior between online and regular (offline) stores, and if there are differences, in understanding the reasons for these differences stipulated that whether there are systematic differences in consumer choice behavior between online and regular (offline) stores, and if there are differences, in understanding the reasons for these differences. Research focused specifically on assessing whether brand names have more impact on choices online or offline, and whether price and other search attributes have higher impact online or offline. C Park and Y Kim (2003) stipulated that is, consumer-purchases are mainly based on the cyberspace appearance such as pictures, images, quality information, and video clips of the product, not on the actual experience. Shopping at an online store is like shopping through a paper catalogue because both involve mail delivery of the purchases and in both cases customers cannot touch or smell the items. The information feature of a shopping site was validated to be an important factor determining consumers’ site loyalty and decision-making in terms of whether or not they will shop at the store. The paper highlighted the importance of product information quality and user interface design in the online shopping site development. Thus, it can be seen that though a lot of research has been done in field of online consumer behavior but still there lies a wide gap in exploring the factors leading to online purchase.

BACKGROUND OF THE STUDY

In the world of e-tailing, every company constantly struggles to find a niche market and maintain its presence. The market position can be maintained only by understanding the pulse of consumer. Research confirms of behavioral difference between online and traditional physical buying. The research therefore aims for identifying and getting insight into factors affecting online purchase of goods and service. The behavioral understanding furthers forms a base for formulating marketing strategy which further pens down for differentiation of one company from other in e-tailing corporate gamut.

PROBLEM STATEMENT

Though e-tailing is common phenomenon worldwide but still it is not able to grab its roots in India. Indian consumer still believes in the perception of touch and feels before purchasing. The problem therefore underlies in understanding the factors both in negative and positive perspective which affect the mindset of consumer before going for online shopping.
OBJECTIVES OF THE STUDY

- To study the factors affecting satisfaction level of customer with regard to online shopping
- To study the difference in consumer behavior towards online shopping with respect to demographic variables.

RESEARCH METHODOLOGY

Table 1: Research design

<table>
<thead>
<tr>
<th>Type Of Research</th>
<th>Descriptive Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope Of Research</td>
<td>Indian Metro cities (Chennai, New Delhi, Kolkata, Mumbai, Hyderabad, Bangalore)</td>
</tr>
<tr>
<td>Source Of Data</td>
<td>Primary Data, Secondary Data</td>
</tr>
<tr>
<td>Primary Data</td>
<td>Questionnaire</td>
</tr>
<tr>
<td>Secondary Data</td>
<td>Website and Journals</td>
</tr>
<tr>
<td>Sampling Unit</td>
<td>Customers age group 18 years and above</td>
</tr>
<tr>
<td>Sampling Size</td>
<td>384 customers</td>
</tr>
<tr>
<td>Sampling Procedure</td>
<td>Convenience Sampling</td>
</tr>
<tr>
<td>Research Instrument</td>
<td>Questionnaire</td>
</tr>
</tbody>
</table>

HYPOTHESIS

H1: There is a significant difference in consumer buying behavior towards online shopping with respect to different age groups

H2: There is a significant difference in consumer buying behavior towards online shopping with respect to different gender groups

H3: There is a significant difference in consumer buying behavior towards online shopping with respect to different occupation groups

H4: There is significant difference in consumer buying behavior towards online shopping with respect to different income groups

H5: There is a significant impact of product quality (PQ) on customer satisfaction (CS) in online shopping

H6: There is a significant impact of product range (PR) on customer satisfaction (CS) in online shopping

H7: There is a significant impact of pre sales variables (PRE) on customer satisfaction (CS) in online shopping

H8: There is a significant impact of post sales variables (PST) on customer satisfaction (CS) in online shopping

H9: There is a significant impact of technical assistance (TA) on customer satisfaction (CS) in online shopping
H10: There is a significant impact of complaint handling (CH) on customer satisfaction (CS) in online shopping

H11: There is a significant impact of on time delivery (OTD) on customer satisfaction (CS) in online shopping

H12: There is a significant impact of packaging (P) on customer satisfaction (CS) in online shopping

H13: There is a significant impact of documentation (D) on customer satisfaction (CS) in online shopping

H14: There is a significant impact of information flow & accuracy (IFA) on customer satisfaction (CS) in online shopping

H15: There is a significant impact of speed of response (SR) on customer satisfaction (CS) in online shopping

DATA ANALYSIS

Table 2: Data analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statistical tool</th>
<th>Significance value</th>
<th>R2</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age and Consumer Buying Behavior</td>
<td>ANOVA</td>
<td>0.034</td>
<td>NA</td>
<td>Significant difference in consumer buying for various age groups.</td>
</tr>
<tr>
<td>Gender and Consumer Buying Behavior</td>
<td>Mann Whitney</td>
<td>0.027</td>
<td>NA</td>
<td>Significant difference in consumer buying for various gender groups</td>
</tr>
<tr>
<td>Occupation and Consumer Buying Behavior</td>
<td>ANOVA</td>
<td>.789</td>
<td>NA</td>
<td>No Significant difference in consumer buying for various occupation groups</td>
</tr>
<tr>
<td>Income and consumer buying behavior</td>
<td>ANOVA</td>
<td>.911</td>
<td>NA</td>
<td>No Significant difference in consumer buying for various income group</td>
</tr>
<tr>
<td>Product Quality and Customer satisfaction</td>
<td>Regression</td>
<td>0.002</td>
<td>0.64</td>
<td>Customer satisfaction is dependent on product quality</td>
</tr>
<tr>
<td>Product Range and Customer satisfaction</td>
<td>Regression</td>
<td>0.001</td>
<td>0.213</td>
<td>Customer satisfaction is dependent on product range</td>
</tr>
<tr>
<td>Pre sales variables on customer satisfaction</td>
<td>Regression</td>
<td>0.049</td>
<td>0.45</td>
<td>Customer satisfaction is dependent on pre sales variables</td>
</tr>
<tr>
<td>Post sales variables on customer satisfaction</td>
<td>Regression</td>
<td>0.015</td>
<td>0.78</td>
<td>Customer satisfaction is dependent on post sales variables.</td>
</tr>
<tr>
<td>Complaint handling and feedback</td>
<td>Regression</td>
<td>0.039</td>
<td>0.37</td>
<td>Customer satisfaction is dependent on complaint handling and feedback</td>
</tr>
</tbody>
</table>
FINDINGS

While undergoing further research it can be deduced that Different Age group is an important determinant for rating perception relating Consumer Buying behavior towards Online Shopping. A differential in consumer behavior is witnessed for various gender groups. No differentials are witnessed in consumer behavior for various income group and occupation group. Customer satisfaction is dependent on certain attribute like product quality, packaging, and speed of response, documentation, and product range and pre and post sales variables. Technical assistance and documentation process was found to have no impact on customer satisfaction. The aforesaid research therefore implies that companies going for online shopping should adopt a different strategy for different gender groups and age group. Besides this it can be said that various factors like product quality, product range, pre and post sales variables and speed of response, complaint handling, packaging, and product display all contribute to customer satisfaction. These findings are in congruence with literature review except for two factors namely technical assistance and documentation process.

CONCLUSION

From the above research it could be concluded that demographic variables like age and gender accounts for difference in consumer behavior. Attributes like product quality, product range, and speed of response, packaging, and security measures taken to maintain the secrecy of the data, pre and post sales variables had an impact on customer satisfaction during online survey. Therefore it could be recommended that company should take care of above mentioned factors before designing the promotion scheme to appeal to masses. These factors should also serve as a basis for strategic planning.
LIMITATIONS AND FUTURE SCOPE OF RESEARCH

The research is carried on sample size of 384 customers so generalization of the study is not possible. Research was done by using questionnaire as a tool therefore the possibility of biasness cannot be overruled. Future scope of research relates to carrying on research with broader consumer base. The future possibility of comparing the differential in consumer behavior for metro and non-metro could also be done. The list of factors affecting consumer satisfaction in online shopping can be broadened.

REFERENCES

- Kamali and Loker (2002), “study Internet retail sales represent a new and increasingly vital commercial milieu” Journal of Marketing Research 9 (May), 219.