



ORIGINAL RESEARCH PAPER

Economics

A STUDY ON ONLINE SHOPPING BEHAVIOUR WITH SPECIAL REFERENCE TO ALAPPUZHA DISTRICT

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ABSTRACT Online shopping is a recent phenomenon in the field of e-business. The rise in the number of households possessing smart phones with high-speed internet access has led to widespread acceptance of e-commerce. The competition among e-vendors is getting intensified year by year, and all of them are adopting innovative and creative approaches to attract, satisfy, and retain customers. Accessibility and convenience are the key drivers for a major shift to online shopping. Due to ever increasing work pressure, multiple roles in life style, paucity of time, etc., consumers are on the lookout for such facilities that can suit their changing needs. The present study is an attempt to make an inquiry into the factors that determine the online buying behavior and suggestions to improve the online shopping experience.

INTRODUCTION

Over the last two decades, rising internet and mobile phone penetration has changed the way people communicate and do business. E-retail is a relatively novel concept and heavily leans on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. The proposition of online retailing to the customer is in offering an almost infinite variety of choices spread over an enormous geographical area. Firms cannot compete solely based on sheer volumes in this ever-evolving, information-symmetric, and globalized world of e-retailing. The realm of competition has shifted to ever-shortening delivery timeliness, both consistently and predictably. Negligible or zero delivery prices, doorstep delivery, traceability solutions, and convenient reverse logistics have become the most important elements of differentiation for providers. The conventional methods of reaching customers have been effectively substituted to a greater extent by online marketing processes. The customer acceptance of online retailing is growing rapidly throughout the world and more so in developed parts. The trends and estimates for the future indicate a clear shift to online marketing. E-retailing is a process of integration of all the company's processes, activities, and services toward the buying and selling of products and the exchange of information with the company's partners via computer networks and electronic technologies (Chong 2008). According to Rainer and Cegielski (2011), e-retailing is a process of buying, selling, transferring, or exchanging products, services, and/or information via computer networks, including the Internet. The terms such as e-marketing, e-tailing, e-business, or even e-commerce are also referred to as e-retailing in a broader sphere (Schneider, 2011).

Online shopping is an Internet application that has spread rapidly in developed countries, but whose progress has been markedly slower in developing countries, due to infrastructural (information technology hardware, Internet access) and cultural barriers (high uncertainty avoidance) (Nuseir et al., 2010). Chaffey (2009) referred to online shopping as buying a basket of commodities and its related services (e.g., delivery service) over the Internet. According to (Shergill and Chen (2005), the customers can be attracted to the shopping website depending on its commodity value, quality of service and customers' service, convenience, experience of using online shopping websites, and finally

payment security and privacy. These factors affect customers' behavior when shopping online. Commodities value includes product price, assortment, availability, and information. Online retailers must provide their customers with a huge range of the products; this plays an important role in increasing the probability of gaining customer satisfaction and meeting customer needs (Szymanski and Hise, 2000).

Moreover, website design, product quality, price comparison, product testimonials (online reviews), and product demonstrations must all be considered by online retailers as they enhance buying decisions (Rao and Patro, 2016). Quality of service (QoS) includes delivery time, delayed and damaged or lost items, quality of offered goods, and technology used for processing and delivering customers' orders. Customer service includes after-sale service, answering customers' inquiries and questions, and providing the customers with return and payment policies. Experience of using online shopping websites enhances the process of online shopping, and is related to personal skills in using shopping websites, which influence the customers' decision for shopping (Andam, 2003). Thus, online shopping websites' interfaces should be well-designed and easy to use, especially for customers who have a low experience in using these websites for shopping.

Statement Of The Problem

There are millions of people who are online at any time, and they are potential consumers in the online market. With the evolving field of shopping, the interest of provider is also increasing in studying what motivates consumers to shop online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping. In the Internet shopping market, since there is no face-to-face contact, analyzing and identifying factors that influence the consumer is vital. Being aware that consumers are performing a major role in marketing, finding out the factors and how they are essentially affecting the purchasing intentions are important. Analysing the process of shopping activities, how consumers decide and make purchases over the Internet, and what they buy need to be identified by online providers to satisfy and succeed in the competitive business environment. Some of the major factors influencing consumer behavior are culture, demography, social class, social status, references, group relations, family, income level and financial independence, age, gender, etc. These differences are seen

as more specific when they are considered between different consumer groups from different cities within a state. Previous research streams on online shopping behavior investigated the main factors influencing online shopping adoption. The present study is an attempt to make an inquiry into the factors that determine the online buying behavior and suggestions to improve the online shopping facility.

Objectives Of The Study

1. To enquire the reasons for choosing online buying behavior among the selected respondents
2. To suggest the measures to improve the online shopping facility

Methodology Of The Study

To pursue the objectives mentioned above, the data from primary and secondary sources was collected and analyzed. The secondary data and information are collected from various published sources. To study the consumers' online shopping behavior, primary data resources are used, and collecting data from the respondents who were regularly using online shopping. A sample of 100 respondents from Alappuzha district was included in the study. To collect primary data, one questionnaire covering all the variables has been prepared.

Findings Of The Study

In the study, 62 percent of respondents were males and only 38 percent were females. The age of the respondents reveals that 56 percent of the respondents were in the age group of 18–25 years. The majority of the respondents are graduates (62%).

Income played an important role in purchasing behaviour. Higher income groups will purchase more than lower income groups. In this study, 80 percent of people were in the APL category, and only 20 percent were in the BPL category. The majority of families were in a nuclear family structure (68 percentage) as compared to a joint family (32 percentage).

Every customer prefers convenience, speed, affordability, benefits, product information, variety and the ability to compare products while purchasing online. This isn't to say that traditional shopping methods don't have these features. However, as people's lifestyles have changed and with the emergence of high speed internet, the meaning of these traits has dramatically changed among customers. Individuals are finding it increasingly difficult to shop through traditional methods. Because of all of these concerns, as well as technology improvements, a new method of purchasing has emerged: internet shopping, sometimes known as electronic shopping. Customers' perceptions of ease, speed, pricing, product information, and services related to online shopping have all changed dramatically as a result of the Internet. In the form of online purchasing, the internet is presenting marketers with an altogether new way to create value for customers and build relationships with them.

Factor analysis is used to find out the major reasons given by the respondents. In the factor analysis, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity were performed. The generated score of KMO was 0.605 and highly significant. Bartlett's Test of Sphericity supported the appropriateness of using factor analysis to explore reasons for choosing an online shopping facility. The variables having communalities greater than 0.5 were regarded as significant and included in the analysis.

Table - 1 Kmo And Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.605
Bartlett's Test of Sphericity	Approx. Chi-Square	431.891
	Digress of freedom	45
	Significance	.000

The communalities for each variable were assessed to determine the amount of variance accounted for by the variable included in the factor rotation, and the results are shown in the table.

Table - 2 Communalities

Communalities	Initial	Extraction
Convenience	1.000	.876
Easy to buy	1.000	.653
Review is available.	1.000	.920
Timely response	1.000	.710
Discounts and offers	1.000	.810
More options	1.000	.775
Price comparison	1.000	.768
Cheap rate	1.000	.796
Time consuming	1.000	.735
Other reasons	1.000	.612

All the variables had values greater than .050, signifying a substantial portion of the variance accounted for by the factors. The table enlists the Eigen values, their relative explanatory powers, and factor loading for 10 linear components identified within the data set.

Table - 3 Rotated Component Matrix^a

Rotated Component Matrix ^a	Component			
	1	2	3	4
Convenience				.922
Easy to buy		.525		
Review is available	.872			
Timely response		.791		
Discounts and offers			.895	
More options	.848			
Price comparison			.810	
Low price	.657			
Time consuming		.690		
Other reasons		.771		
Eigen values	3.372	2.004	1.252	1.026
Variance	33.724	20.040	12.523	10.262
Cumulative	33.724	53.764	66.287	76.549

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

The rotation converged in 5 iterations.

For the sample respondents' factor 1 had significant loading for three components, namely reviews available in online shopping, more options, and a low price. These dimensions explained 33 percent of the variance. Factor two had significant loading for four components, namely easy to buy, timely response, time-consuming, and other reasons, and these dimensions described 20 percent of variance. Factor three had significant loading for two components, namely discounts and offers and price comparisons, and defined 12 percent of variance. Factor four had significant loading for one factor, which is convenience. These dimensions explained nearly 10 percent of the variance.

24 percent of the respondents purchased clothes, 14 percent purchased electronics items, 10 percent were interested in the purchase of bags and footwear, and only 8 percent purchased books. Another notable factor in the study is that 44 percent of respondents were interested in purchasing all the items through online mode. The majority of the respondents spent Rs.500-1000 (62 percent) for a single online purchase, followed by 22 percent above Rs.2000, and only 16 percent of respondents spent below Rs.500. It reveals the increasing spending habits of the respondents. The most favorite app for online purchases is Flipkart (74%), followed by Amazon (14%), Meesho (6%) and others (6%).

The findings of the study drive to the conclusion that the

online shoppers have a positive opinion on online retailing. However, there are certain areas wherein improvements are necessary to achieve higher quality perceptions of the online shoppers. The following are the measures suggested to improve the performance of online vendors and service providers.

Many respondents identify the communication gap in online shopping, stating that it is more or less one way. Many confusions exist, and the clarifications related to certain issues are not available. The respondents reveal that the facility in conventional shopping by way of direct interaction with salespersons to obtain specific inputs and clarifications related to the products is not available in e-shopping.

The existing web features of many e-retailer are not providing a live chat facility. It is suggested, therefore, that the e-retailers shall provide live chat facilities 24/7 for effective direct interaction. They can find an opportunity to answer the questions of the shoppers and also find an opportunity to close the sale in their favor.

The respondents made a remark that they are required to undergo a series of clicks from one web page to another to get the final shopping cart web page. They stated that it is a boring process to run around all the pages and at a cost to their personal time. The e-retailers should recognize this problem of the shoppers and facilitate quick movement to the final shopping cart web page by providing a choice to eliminate all other web pages.

As regards the information provided related to the product, the online shoppers are of the opinion that the limited view of product display is available on the website. A 360 degree view will be helpful to the consumers to have a total feel of the product. This kind of display will enhance the consumer's confidence in the product choice and reduce significantly cognitive dissonance. It is suggested therefore, that the e-retailers should provide a 360-degree view of the products as one of the features of the website.

After placing the orders online, the consumers may, at times, be required to wait for 3 to 4 days or more to get responses online from the vendors on various issues. Especially during festive seasons, when the consumers are under time pressure to have the products, they are getting into anxiety due to delayed responses from the vendors. Therefore, it is suggested that the e-retailers should ensure speedy response through the emails.

Many online vendors have presence in many countries. They are selling their products and services globally. If the consumer has a grievance against the vendor, they are facing problems in the settlement of their grievances due to the problems of legal jurisdiction. Due to the absence of stringent legal mechanisms, the consumers suspect the credibility of the new e-retailers. It is therefore necessary to have clarity on legal jurisdiction and penal code for mischievous e-vendors. Despite changes in technology and laws, India deals with settling territorial disputes by enacting the IT Act, 2000. This act has no specific legislation governing online transactions and IP issues in India. Therefore, formidable cyberlaw should be initiated, and there should be aggressive policies against the frauds of online retailers. Information security is yet another concern of the online consumers. The legal provisions should prevent the e-vendors using and sharing consumer information for any other purpose to others.

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