

AN EMPIRICAL STUDY ON CONSUMERS PERCEPTION TOWARDS ONLINE SHOPPING

¹Ashwini.N, ²Manjula. R

^{1,2} Assistant professor, Jain College, Jayanagar Bangalore, India

Abstract: The paper aims at understanding the key motivators for consumers to search and shop online .It also investigates how different types of online buyers perceive website differently. The growing use of internet is providing a greater developing prospect for E- Marketers. With the growth of technology by making shopping more convenience from home and the factors that drive the consumers for discounts after sale services. The survey identifies the factors that influences online shopping through various market place. This research focuses on factors that the buyers keep in mind while shopping online. If E-marketers know the factors affecting online buyers behavior, and the relationships between these factors and the type of online buyers, and then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existent online customers.

Keywords: online shopping, E-Marketers, Motivators, Perception.

1. INTRODUCTION

Internet is changing the way consumer shop and buys goods and services has rapidly evolved into a global phenomenon many companies have started using the internet as the aim of cutting marketing costs their by reducing the price of the products and services in order to stay ahead in highly competitive markets .

Companies also use the internet to convey communicate and disseminate information to sell the product obtain the feedback and also to conduct satisfaction surveys with the customers.

Changing lifestyle strong income growth favorable demography are the drivers for the fast growth of this sector. Impact of factors like availability of favorable brands, social status, buying Behavior, influence of family, friends, over the organized and unorganized retail is also responsible to attract consumer towards E-retailing.

Consumer usage and buying of any product largely depend upon their perception about the product. Perception develops through how effectively product has been marketed. These days firms are putting their best efforts in marketing in order to get customer attention and positive impression on customer's mind .consumer perception is also identified by the color, shape, and taste of the product.

The birth and growth of Internet has been the biggest event of the century. E-commerce in India has come a long way from a timid beginning in the 1999-2000 to a period where one can sell and find all sorts of stuff from a high end product to a meager peanut online. 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 sweeping changes in the purchasing habits of the people. In the comfort of one's home, office or cyber cafe 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, video games, movie tickets, rail and air tickets. Ease,

simplicity, convenience and security are the key factors turning the users to buy online. E-commerce revenues in the country are projected to reach Rs 2,300 crore in the year 2009-10, growing at 95 per cent over 2007-08 (Source: **Internet and Mobile Association of India, IAMAI**). This pertains to the business-to-consumer (B2C) segment. It may be too early to do a comparison with the e-commerce scenes in countries such as the US where billions of 7 dollars are spent online but the business in India is growing exponentially every year, albeit from a smaller base, the total revenues have reached a respectful size. 1.1.0 Recent Developments.

The .number of users logging on to the Internet is growing by leaps and bounds. Online users typically start by using e-mail, gradually move on to browsing for news, information and entertainment, and finally graduate to shopping and conducting business online. Online sales have registered a huge jump and what was a concept five years ago is now beginning to hit the mainstream levels. Roughly 10 percent of the world's population more than 627 million people have shopped online at least once, in India it is just sprouted and beginning to perish. Internet is now going beyond the simple exchange of information to a shopping paradise. This medium is far bigger than expected, but many retailers and marketers are not using it to its full potential. Indian customers are increasingly getting comfortable with online shopping, and there is a higher acceptability for the concept. India has 25 million Internet users and more is now turning to online shopping. There has been an influx of online shopping sites in India with many companies hitching onto the Internet bandwagon. The revenues from online shopping are expected to more than double by 2011-2012. According to IAMAI, The online sales during the festival season had increased rapidly especially during Diwali and Ramzan which recorded a sales of Rs115 crore, a 117 per cent increase from the Rs53 crore in the year 2010-11. These figures clearly show that online shopping has truly come of age and consumers are keen to shop on the net. Effective customer communication on products plus reduced shipping costs and timely delivery has helped online marketers to seize a slice of the Rs 115 crore sales. Online shopping has become the latest trend among shoppers. Indians are becoming more comfortable with e-commerce. The consumer's attitude has been evolving towards online purchases. It has become increasingly positive over the years. The attitudes that drive people to shop online, such as convenience, price comparison and choice are improving tremendously in India. Though a miniscule amount in the global context, the Indian online shoppers' population would make its presence felt quite remarkably. The potential of the Indian e-market can be gauged from the fact that 16 percent of Indian consumers want to buy online in the next six months, making it the third most online-potential country after Korea (28 percent) and Australia (26 percent) (Source:IMRB).

Definitions of online shopping:

Online shopping (sometimes known as e-tail from "electronic retail" or e-shopping) is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are Alibaba, Amazon.com, and eBay.[source Wikipedia]

Objectives:

1. To know the consumer's perception towards online purchase .
2. To know the motives of online buying.
3. To know if the consumers have faced any problem in making online purchase.

Hypothesis:

H₀: There is no significant difference between Monthly income and frequency of shopping

H₁: There is a significant difference between Monthly income and frequency of shopping

Limitation of the study:

1. Due to time constraint the sample size was restricted to 40 respondents

2. SCOPE OF STUDY

The Study was conducted among the consumers who are aware about online shopping. It was a time of where business in the market was carried on in traditional methods. But today it is a high tech markets.

Today if you want to purchase any item from abroad. You can find their products and see the catalogue on internet. Internet enables you to shop throughout world from the comfort of your home. You can compare various product and choose which is more useful for you, approximately all world class brands and their products you have the facility to compare them, arrange according to price, size, category provides a new way of shopping. You get to identify the products, compare the prices and quality and view the products from different angles. Testimonials and reviews are the unique feature of shopping where you can share your experiences with other users/consumers. The most exciting aspect of internet shopping is that it is a 24x7 affair! And you're free to shop on your leisure hours and even holiday are useful for shopping for you. Your time is best valued here. You need not to go market so no tension of conveyance, pollution, traffic etc. The other dimension is that you directly purchase the items from original merchant in online shopping no mediator comes between you and merchant so it becomes cheaper to purchase item. Fewer mediators prices less

Advantages of online shopping:

1. Convenience. The convenience is the biggest perk. There are no lines to wait in or shop assistants to wait on to help you with your purchases and you can do your shopping in minutes. Online shops give us the opportunity to shop 24/7, and also reward us with a 'no pollution' shopping experience. There is no better place to buy informational products like e-books, which are available to you instantly, as soon as the payment goes through. Downloadable items purchased online eliminate the need for any kind of material goods at all, as well, which helps the environment!
2. Better prices. Cheap deals and better prices are available online, because products come to you direct from the manufacturer or seller without middleman being involved. Many online shops offer discount coupons and rebates as well.
3. More variety: The choices online are amazing. One can get several brands and products from different sellers all in one place. You can get in on the latest international trends without spending money on airfare. You can shop from retailers in other parts of the country, or even the world, all without being limited by geography. A far greater selection of colors and sizes than you will find locally are at your disposal.
4. You can send gifts more easily. Sending gifts to relatives and friends is easy, no matter where they are. Now, there is no need to make distance an excuse for not sending a gift on occasions like birthdays, weddings, anniversaries, Valentine's Day, Mother's Day, Father's Day, and so forth.
5. Fewer expenses. Many times, when we opt for conventional shopping, we tend to spend a lot more than planned. There are other outside expenses on things like eating out, transportation etc that could be stopped by online shopping.
6. Price comparisons. Comparing and researching products and their prices is so much easier online. Also, we have the ability to share information and reviews with other shoppers who have firsthand experience with a product or retailer.
7. No crowds. If you are like me, you hate crowds when you're shopping. Especially during festivals or special events, they can be such a huge headache. Also, it tends to be more chaotic when there are more crowds out and this sometimes makes us feel rush or hurried. Grumpy, annoying, and smelly people also annoy me when I'm out shopping. Plus, parking becomes a huge issue. All of these problems can be avoided when you shop online.
8. Less compulsive shopping. Often times when we're out shopping, we end up buying things compulsively that we don't really need. All because shop keepers pressure us or use their selling skills to compel us to make these purchases. Sometimes, we even compromise on our choices because of the lack of choices in those shops.
9. Buying old or unused items at lower prices. The marketplace on the Internet makes it much easier for us to buy old or unused things at rock bottom prices. Also, if we want to buy antiques, there's no better place to find great ones.
10. Discreet purchases are easier. Some things are better done in the privacy of your home. Online shops are best for discreet purchases for things like adult toys, sexy lingerie, and so on. This enables me to purchase undergarments and lingerie without embarrassment or any paranoia that there are several people watching me.

3. LITERATURE REVIEW

1. Online Shopping, by any standard of logic, can no longer be considered a fad, or a niche for the few and by the selected few. Retailers of all types are expanding product - Scope of Online Shopping in the Indian e-tail Sphere offerings, offering free shipping, adding all sorts of different features, and are even experimenting with Social Media. Traditional retailers are also catching up with this trend, and are adding the online route for their customers to reach out to them.

To get some perspective, a recent Google study stated that Increasing Internet Penetration and growing preference for shopping online will drive the E-commerce market in India to USD 15 billion by 2016. From 8 million in 2012 to 35 million now, analysts say, the number of online shoppers is expected to grow almost three times to 100 million by 2016. Compared to the scenario a few years back, people are now buying everything from Apparel to Electronics to Cosmetics and Furniture from online stores. Of the 100 million online shoppers, about 40% are expected to be women, whose Tier-I counterparts are already outpacing men by 2X, shopping across categories like apparel, beauty and skincare, home furnishing, baby products and even, jewellery. Convenience, Variety and Discounts seemed to be the common denominator when online shoppers were asked where Online Shopping scored over its Traditional counterpart.

2. Interestingly, in a research conducted by Forrester Consulting, over 60 per cent respondents said buying online was directly correlated with social status. But how do these numbers add up for an Indian e-trailer? A study completed by PWC Global recently. It conducted a survey regarding the online shopper's preferences, in terms of expenditure, devices used and a lot more. Apart from giving a very obvious picture of the booming future of online shopping, it gave us a closer look at how online shoppers go about their online retail-therapies.

- 78% shop online at least once a month. Consider this number with the statistics presented earlier, and with the fact that it is "at least". With the quantum of shoppers and their reasonable regularity on the online platforms, this number should give a good idea of the immense scope that online shopping has in the future.
- 38% research brands on Social Media before making a buy. This is exactly why experts suggest having a positive and regular presence on such platforms is necessary.
- 79% like getting offers by Mobile phones. This is a big boost to those concentrating on m-commerce. Experts have, in fact, suggested that m-commerce is something everyone should consider seriously, because with the current rate at which the digitally-savvy shoppers are accepting all the innovations coming their way,
- 69% ready to pay extra for same day-delivery this shouldn't surprise any of us. With a sense of urgency that surrounds us in almost all aspects of our daily lives, this definitely is not a shocker. However, with such a value-proposition, one has to back it by solid logistics and on-ground support.
- 71% would use digital currency (if it's as convenient as the current payment options) With the current RBI Governor, Mr. Raghuram Rajan, saying Digital Currency in India is definitely a possibility in the coming years, this is definitely a good sign for all online retailers.

3. **Susan Rose, Neil Hair and Moira Clark (2011)** identified online purchase in particular continues to rise, as adoption and penetration levels of Internet technology continuously increase. By 2007, European Internet penetration stood at 43% of the population with a 31% usage growth year on year. In North America, penetration was at 71% of the population with 120% growth (Internet World Stats 2007). This is also evidenced by increasing levels of online sales, which in the US reached US\$128.1bn in 2007 and were projected to reach US\$165.9bn by 2009 (source: US Census Bureau 2009)

4. **K.Vaitheeswaran (2013)** examined the convenience of online shopping "With product getting standardized, specifications getting fixed and the concept of service getting eroded, the post-sale responsibility of the retailer has come down drastically. Hence customers go to stores to explore the product physically detail but by online at a cheaper rate. Heavy discounts of e-commerce firms are possible because of their no warehouse model."

5. "India is among the fastest-growing markets and has been identified as one of the significant potential markets for the company,

"Muralikrishnan B., country manager at eBay's India explains that Indian consumers toward buying high margin products such as clothes and shoes as is the trend among eBay shoppers in the West rather than electronic gadgets and books, which are the most popular choices now but command lower profit margins and are less frequent purchases. He depicted that India's nascent e-commerce market, which till recently was largely limited to people buying train, flight and movie tickets, is in the middle of a surge as a younger, tech-savvy middle class increasingly takes to shopping online in a country seeing rapid growth in Internet usage.

6. Consulting firm Technopak predicts a \$70-billion annual market by 2020, up from \$600million now, which is just 0.05% of global online shopping. EBay itself estimates India's online shopping market in 2012 will grow close to 100%. "E-commerce: A boon for the current economic downturn"
7. First Data Corporation and ICICI Merchant Services, has laid down some facts that e-commerce market in India had clocked close to Rs 50,000 cores by the end of 2011. Even though there are less than 10 million internet users who are actually engaging in e-commerce activities, there are about 150 million internet users in India or around 75 million households that are ready for e-commerce. With entry and operational costs being comparatively low than the other countries like US, the second half of 2011 and the beginning of the current calendar have seen the launch of a good number of new e-commerce sites spanning across a variety of businesses – women's fashion, men's fashion, shoes, followed by accessories, groceries, sports, toys, home furnishings, jewellery, automotive, bicycles, electronics and electrical equipment etc.
8. "Gaurav Saraf, director of Epiphany Ventures says Online business takes shopping a step further by taking itself to the customer creating conveniences of shopping anywhere and at any time. In India, with the increasing propensity of social media, businesses have now begun to engage their customers on social networking portals such as Facebook. These are likely to be rapidly developing marketing channels for the future.
9. "Vijay Singh, CEO & MD of Aaramshop.com states that the concept of online grocery shopping creates the work-life balance in urban areas where the urban couples are busy in their work culture and cannot give time towards their daily life needs." It is a difficult venture and these challenges make investors more cautious while evaluating such initiatives" Singhal of SAIF Partners, explains that it is difficult for the investor to invest in these type of business where the market is extremely fragmented. a venture can only survive on repeat purchases and that's what one needs to target. If a company knows what it needs to stock, how much it needs to stock and where it needs to deliver, the business will become simpler to manage and run. The firm needs to find a strong value proposition and target market to survive the cut-throat competition the solution to the above problem stated can be that in order to survive in the market the business should target the satisfied consumer to create repeat purchases. Also inventory management should be applied to these organizations it will enable them to what it need to stock, how much it needs to stock and where it needs to deliver, this will allow to operates its business operation smoothly.
10. "Connecting the local kirana stores with the buyers while storing inventories on theCloud" Vijay Singh, CEO & MD of Aaramshop.com says that in order to reduce the cost to their business operation they applied the concept of cloud computing, where it connects the local kirana shops with the buyers. It enables the business to reduce the inventory cost as all the inventories are handled by the local vendor. "Create a work-life balance

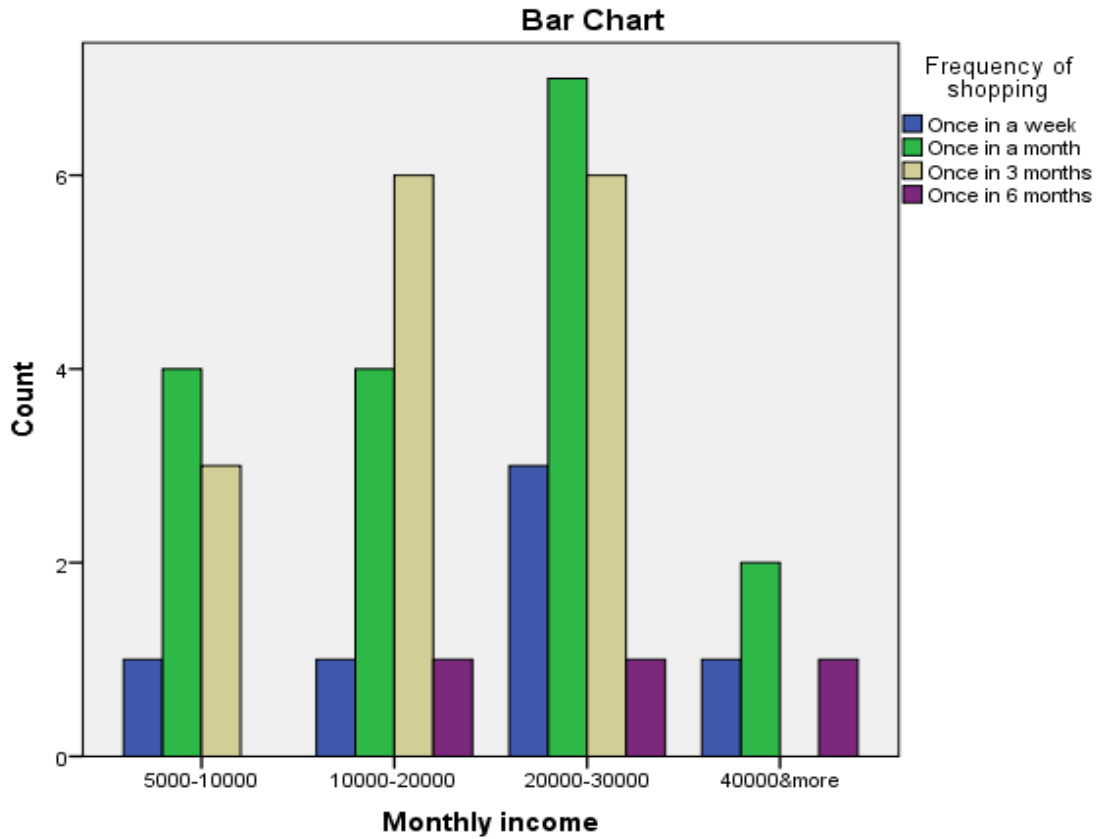
4. DATA ANALYSIS

1. Relationship between monthly income and frequency of shopping

Monthly income * Frequency of shopping Cross tabulation

Count

		Frequency of shopping				Total
		Once in a week	Once in a month	Once in 3 months	Once in 6 months	
Monthly income	5000-10000	1	4	3	0	8
	10000-20000	1	4	6	1	12
	20000-30000	3	7	6	1	17
	40000&more	1	2	0	1	4
Total		6	17	15	3	41



Interface: there is a significance relationship between monthly income and frequency of purchase made by the sample.

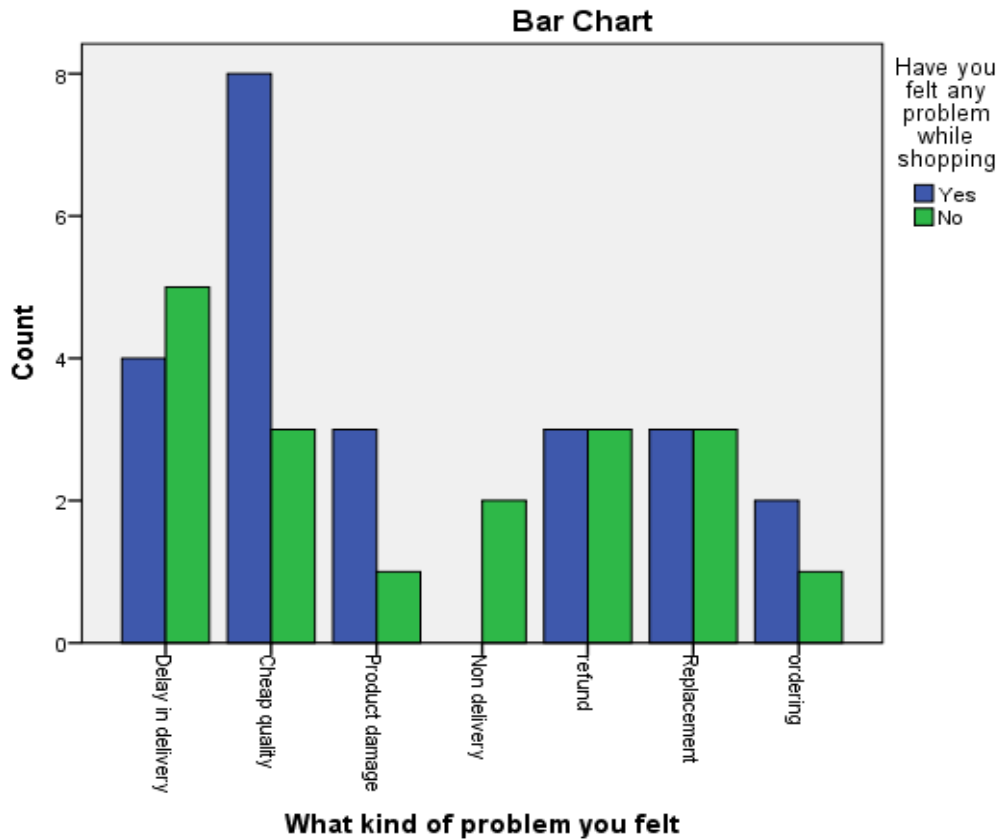
2. What Kind of problem people face.

What kind of problem you felt * Have you felt any problem while shopping Cross tabulation.		Have you felt any problem while shopping		
		Yes	No	Total
What kind of problem you felt	Delay in delivery	4	5	9
	Cheap quality	8	3	11
	Product damage	3	1	4
	Non delivery	0	2	2
	Refund	3	3	6
	Replacement	3	3	6
	ordering	2	1	3
Total	23	18	41	

Interface: from the above chart the problems faced by the customer are where most of them says problems in sense of cheap quality of products

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.575	9	0.782
Likelihood Ratio	6.903	9	0.647
Linear-by-Linear Association	0.082	1	0.775
No of Valid Cases	41		



5. FINDINGS

1. Online consumer concerns about lack of opportunity to examine the products prior to purchase are regarded as specific factor affecting the online buying decision.
2. Customer use internet not only to buy the products online but also to compare prices product features and after sales services
3. Most of the respondents say online shopping helps them quick accessibility of wide variety of products
4. Cash on delivery and easy replacement are one of the advantage of online shopping.

6. CONCLUSION

Online shopping enables the customers to buy from any part of the world at any time providing better opportunity and also benefits like cash on delivery, easy replacement, convenience, fast refund, time saving and secured Delivery of the product, confidentiality, etc. the site enables them to browse before they shop, and to research the product so they have more confidence in what they are buying. The site offers greater exposure and increased sales.

REFERENCES

- [1] ACNielsen (2007), Perception towards online shopping .An empirical study of Indian Consumer, Abhinav National Monthly Referred Journal Of Research In Commerce & Management.3(1), 202 2. Berry, L. L. (1995). Relationship marketing of service: Growing Interest, emerging perspective,
- [2] Dr.Gagandeep Nagra, Dr.RGopal(2013) Journal of the Academy of Marketing Science,23(4), 236245-.A study of Factors Affecting Online Shopping Behavior of Consumers ,International Journal of Scientific and Research Publications (IJSRP), .www.abhinavjournal.com/images/Commerce_&_Management/Sep12/2.pdf.
www.ijsrp.org/research-paper-0613.php?Rp=P181300 www.studymode.com/essays/attitude-of-indian-consumers-towards-online.
- [3] Industry Management Oliver, R. L. (1980) .AltiusShodh Journal of Management & Commerce. [Http://www.studymode.com/essays/Consumer-Behaviour-256093.html](http://www.studymode.com/essays/Consumer-Behaviour-256093.html) A Cognitive Model for the Antecedents and Consequences of Satisfaction, Journal of Marketing Research, 17, 460-469
- [4] Ramírez Nicolas (2010),Title, Asian Journal of management and research 3(2), 396- 405
- [5] Sharma and Mittal (2009).Prospects of e-commerce in India, Asian Journal of management and research. 3(2) ,396-408
- [6] Solomon (1998).A study of factors affecting online shopping behavior of consumers, International Journal of Scientific and Research Publications 3(6) ,201-212
- [7] Internet and Mobile Association of India, IAMAI).
- [8] WWW.GOOGLE SCHOLAR
- [9] www.wikipedia.com
- [10] www.google drive
- [11] Emerald scholar