

# Factors Influencing Customers' Preference Towards Online Shopping with Special Reference to College Students

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## Abstract

E-commerce has shown tremendous growth in the past few years with the growing use of internet and information technology. This revolutionary growth in the field of e-commerce has led to the rise of online shopping. Based on the past studies, it was found that factors like innumerable growth of shopping sites, Easy to navigate, Convenience, Price, Range of products delivery, Packing, Payment options, User experience etc. influence the preference of the customers towards online shopping. The present study is aimed at studying the factors that influence the college students to shop through online. The researcher has collected the required primary data from 100 female respondent from the colleges located in Dindigul town by using a structured questionnaire. Convenient sampling method is adopted to select the sample. The secondary data have been collected from journals, magazines, newspapers and books. The collected data have been analysed with various statistical tools like Simple Percentage Analysis and Chi Square. The study is limited to 10 shopping sites which are popular in the industry  
Key words: Online shopping, Simple Percentage Analysis, Chi-square.

## 1. Introduction

The newest way of commerce is the one that can be performed over the internet. Even before the dawn of the internet era, technological innovations have always had a deep impact on business transaction. Of late, internet has proved to be a game changer for the entire business community. There has been a steady growth of internet penetration and the number of people using internet for performing business transaction. E-commerce has turned into a phenomenon across the globe [1]. With the emergence of e-commerce there has been a considerable increase in on line transaction especially, shopping has undergone a sea of change in India in the past few years. Online shopping is a form of electronic commerce which gives permission to consumers by using a computer program called web browser to directly buy goods or services from seller over the internet. Consumers find a product of interest by visiting the website of retailer directly or by searching among alternative vendors using a shopping search engine which displays the same products availability and pricing at different e-retailers. As of 2016, customer can shop online using a range of different computer and devices including smart phones. Despites its advantages of using online shopping consumers still not willing to do online shopping because of various factors such as the legitimacy of the websites, product quality, security and information privacy and also post purchase service and trust[2]. So the researcher made an attempt to analyse the factors influencing customers' preference towards online shopping

## 2. Review of literature

**Sathiya Bama M.V.and Raga Prabha.M(2016)**, found that demographic factors like Age, Gender, Occupation had association with Online buying behaviour and Amazon has got First rank followed by Flipkart and the tenth rank is occupied by India times [3]. **Silpa.K.S, et.al., (2016)** stated that quality of the product cannot be justified in online shopping that was the reason preventing non e-shoppers to not to purchase in online[4]. **Mahesh K.M. (2016)**, found that student community were the major e-shoppers. Most of the respondents used Flipkart. Delay in dispatching is the prime problem faced by e-shoppers, time saving and less effort in purchasing are two benefits derived from e-shopping [5]. **Ying san lim et.al.,(2016)** indicated that except Transaction cost, all the other three variables like Usability, Credibility, Service quality have significant positive influence on customer online website satisfaction[6]. **Narayan Swar(2016)** [7]. found that Shopping orientation, Trust, Prior online purchase experience, Ease of use, Price, Convenience, Effortless shopping, Perceived risk, Privacy and Security features etc., are the factors determining online shopping intentions in Indian context.

### 3, Objectives of the Study

- To know about the customers' awareness, preference towards online shopping and problems in online shopping.
- To analyse the factors influencing the customers to prefer online shopping.

### 4, Methodology

. It is an empirical study based on survey method. Primary data have been collected from 75 respondents who are using online shopping by using convenient sampling method. The secondary data were collected from internet and various journals. Simple percentage analysis and Chi square were used to analyse the collected data.

### 5, Hypothesis of the study

H<sub>0</sub>: There is no significant relationship between Age, education and Monthly family income and preference of the respondents towards online shopping.

### 6, Analysis and Interpretation of Data

Percentage analysis has been used to analyse the demographic profile of the customers, Respondent's behaviour regarding internet usage, awareness, sources of awareness, preference and product purchased through online.

#### I. Simple percentage analysis

**Table 1 Demographic Profile of the Respondents**

Factors	Options	No of Respondents	Percentage (%)
Age	18-20	39	52.0
	21-23	28	37.0
	Above 23	8	11.0
Education	Doing UG	53	71.0
	Doing PG	12	16.0
	Research Scholar	10	13.0
Monthly income	Below Rs.10,000	41	55.0
	Rs.10,000 - Rs.30,000	26	34.0
	Above Rs.30,000	8	11.0

From Table 1 it can be inferred that out of 75 respondents 52% are belong to the age group 18-20 years, 71% are doing UG degree and 55% of the respondents' monthly family income is below Rs.10,000

**Table 2 Respondents Behavior Regarding Internet Usage**

Factors	Options	No of Respondents	Percentage (%)
Internet behavior using	Less than 1 year	22	29.0
	1-2 years	28	37.0
	3-4 years	11	15.0
	More than 4 years	14	19.0
Frequency of using internet	2-3 days once	9	12.0
	Weekly	13	17.0
	Whenever need occurs	53	71.0
Device used	Computer	12	16.0
	Moblie phone	55	73.0
	Laptop	5	7.0
	Tab	3	4.0
Place	Internet Cafe	6	8.0
	Home	65	87.0
	Library	4	5.0

From Table 2 it is clear that out of 75 respondents, 37% are using internet nearly 1-2 years, 71% are using internet whenever need occurs, 73% are connected through mobile phone and 87% are accessing internet at home

**Table 3 Respondents Online shopping Behaviour**

Factors	Options	No of Respondents	Percentage (%)
Evolution of online shopping	One year back	56	75.0
	2-3 years back	19	25.0
Online Shopping Frequency	2-3 days once	3	4.0
	Weekly	4	5.0
	Monthly	17	23.0
	Whenever need occurs	51	68.0
Purchased During last year	Only one time	18	24.0
	2-4 times	46	61.0
	5-10 times	8	11.0
	More than 10 times	3	4.0
Last purchase completed	Last week	11	15.0
	15 Days back	14	18.0
	1 Month back	11	15.0
	2-6 months back	39	52.0
Sources of Awareness	Online advertisement	42	56.0
	Friends	13	17.0
	TV advertisement	17	23.0
	News papers	3	4.0

It can be inferred from Table 3 that out of 75 respondents, 75% of the respondents start online shopping 1 year back, 68% of the respondents shop through online whenever need occurs, 61% of the respondents purchased through online 2-4 times during the last one year and 52% of the respondents have purchased 2-6 months back through online. 56% of the respondents got awareness of online shopping through online advertisement.

**Table 4 Respondents Awareness and preference regarding online shopping sites**

Awareness			Preference		
Options	No of Respondents	Percentage (%)	Options	No of Respondents	Percentage (%)
Flipkart	52	69.0	Flipkart	38	51.0
Amazon	48	64	Amazon	44	59.0
Snap deal	19	25.0	Snap deal	13	17.0
Shopclues	6	8.0	Shopclues	4	5.0
e-bay	2	3.0	e-bay	0	0
Home shop18	2	3.0	Home shop18	1	1.0
Big basket	0	0	Big basket	0	0
Myntra	7	9.0	Myntra	2	3.0
Pepperfry	4	5.0	Pepperfry	0	0
Jabong	0	0	Jabong	0	0

Table 4 shows that, out of 75 respondents, 69% of them are aware of Flipkart, 64% of the respondents are aware of Amazon and 25% of the respondents are aware of Snapdeal. Regarding preference, 59% of the respondents prefer Amazon and 51% of the respondents prefer Flipkart.

**Table 5 Responses Regarding Product shopped through online**

Product	No of Respondents	Percentage(%)
Womens' fashion	46	61.0
Electronic gadgets	20	21.0
Books /ebooks	14	19.0
Gifts	13	17.0
Railway tickets	11	15.0
Movie tickets	9	12.0
child items	7	9.0
Kitchen and home appliances	7	9.0
Toys and games	5	7.0
Computer accessories	5	7.0
Sports goods	5	7.0
Home furnishing	4	5.0
Mens' fashion	2	3.0
Food and groceries	2	3.0
CD videos /Movies	1	1.0

From Table 5 it can be revealed that out of 75 respondents, 61% of the respondents purchased Women's' fashion product, 21% of the respondents purchased electronic gadgets and 19% of the respondents purchased Books/eBooks through online shopping sites.

**Table 6 Factors influencing preference of the respondents towards online shopping**

Factors	No of respondents	Percentage
Return policy	44	59
Free Delivery options	42	56
Privacy and security policy	40	53
Save money	36	48
Low price	36	48
Saves time	33	44
Variety of offers	33	44
Post purchase problem solving solution	32	43
Delivery flexibility	30	40
Product review	29	39
Convenient store hours	17	23

It is clear from the Table 6, out of 75 respondents 59% of the respondents influenced by return policy provided in the site, 56% of the respondents influenced by free delivery option and 53% of the respondents influenced by Privacy and security policy of the Website.

## II. Chi Square Test

In order to analyse the null hypothesis that there is no significant relationship between Age, education and Monthly family income and preference of the respondents towards online shopping the researcher has used Chi square test and the results are as follows:

**Table 7**  
**Relationship between Demographic Profile and Preference towards Online Shopping**

Factor	Chi-square value	DF	P Value	Result
Age	65.475	52	0.099	Insignificant
Education	74.796	52	0.021	Significant
Monthly family income	1.125	52	0.000	Significant

From Table 7, it is clear that the Chi-square value of education 74.796(.021), monthly family income 1.125 (.000) of the respondents are significant at the level of 5%. So the hypothesis that there is no significant relationship between education, monthly family income and Preference of the respondents towards online shopping is rejected. The chi-square value of Age 65.475 (.099) of the respondents is insignificant at the level of 5%. So the hypothesis that there is no significant relationship between age and preference of the respondents towards online shopping is accepted.

## Conclusion

According to the results of the study, education and Monthly family income have significantly related to preference of the respondents towards online shopping. Despite online shopping become more popular in the digital world of business, the results of the study indicate that most of the respondents are not aware of the online shopping websites. It is recommended to online retailer and seller to develop their promotional measures to create awareness among consumer regarding online shopping sites. For local retailer, they should develop their own shopping sites to survive in the competitive digital environment.

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