

CUSTOMERS PREFERENCE TOWARDS ONLINE SHOPPING

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ABSTRACT

In the age of globalization electronic marketing is of a immense revolution. Over the last ten years most of the business organizations are implementing to this technology to market their several products. Online shopping offers an tremendously different shopping experience for people in developing nations like India. Convenience is one of the main reasons for going into online shopping. Large discounts and offers provided by the online sellers also appeal to numerous buyers. This study tries to discover the customer preference towards online shopping. The data is taken from 156 respondents using convenience sampling method who use online shopping facilities. The purpose of this study is to scrutinize the preference and attitudes of customers towards online shopping and the insights of male and female customers . The study also helps to determine the key factors that effect the buying behavior of customers. ANOVA, Descriptive analysis are applied to find out the customers' preference towards online shopping. The findings of this study indicates that Age, Gender, Income , Profession and Family structure are critical factors that influence online shopping.

Key words: Online shopping, Customer Preference, ANOVA, Descriptive Statistics

1 Introduction

Online shopping lets consumers to purchase goods directly from seller through Internet using any web browser. E-commerce, e-marketing, digital marketing are growing steadily in recent years as our Prime minister Mr.Narendra modi is aiming on digital India. Presently India is having more than 2 billion internet users and India is at the third position worldwide when it comes to internet users. Michale Aldrich invented online shopping in 1979. Online shopping is also known as e-web-store, e-shop, e-store, Internet shop, web-shop , web-store , e-shop, e-store, web-shop, web-store, online store, online storefront and virtual store. The popular online retailing companies in India are Flipkart, Amazon, e-bay, Myntra, Jabong, snapdeal, Alibaba and so on. The factors which impact customer preference towards online shopping are Information, Easy to use, Security, Satisfaction, Proper utilization of available information to compare the different products available in the market.

2 Statement of the problem

This study has been carried out on the title, “ A study on customer's preference towards online shopping” . The study talks about the various factors like security, website design, time convenience, comparability of products – to analyse what are all the factors influencing online shopping preference.

3 Review of literature

Thomson S.H.TEO¹ (2002) has underlined the aspects of online shopping and provides a better understanding of the potential of electronic commerce. He stated that security and trust issues are the major deterrents to online purchase. He also stated that to handle security concerns business could offer

cheque payment, payment on delivery terms, money back guarantees and monthly instalment schemes. **Gwo-gung Lee and Hui-Fen Lin Taiwan**² (2005) examined the relationship among e-service quality dimensions and overall service quality, customer satisfaction and purchase intentions. They found that online website design positively affects overall service quality and customer satisfaction. **Mohammed T.Nuseir**³, *et al* (2013) stated that lack of high quality and e-promotion restricts the consumer decision to purchase through Internet. **Nur ozer canarslan**⁴ (2013) stated that there is significant difference between the responses of the participants encountered during online shopping and also problems like issues about privacy and security, page loading and speed are not highly effective in encountering problems. **Renuka Sharma**⁵, *et al* (2014) explained the online buying behavior of consumers in India. They stated that huge Indian market through e-tail stores is replacing retail stores and e-commerce market has a great potential. **A.Meharai Banu**⁶, *et al* (2014) found that majority of the respondents prefer to purchase electronic products through online shopping. 90% of the respondents felt that delivery time is important, 81% of the respondents felt that security is very important and 53.3% agreed that online price is lower than actual price. **Dr. Amaravathi**⁷, *et al* (2015) explained the advancement in the area of e-shopping and the customer's preference towards e-shopping. He concluded that online shopping saves time and it is convenience for an array of consumers, especially for elderly and disabled consumer. **Dr.D.Anusya**⁸ stated that majority of the respondents choose online shopping for time saving, price, online delivery, security, door delivery, Guaranty schemes and discounts. She concluded that respondents shows dissatisfaction only in after sales service. **Mohammed Jamal Uddin ACMA and Tunaina Sulthana**⁹ (2015) stated that 56% of the respondents are below 25 years of age, 21% of the respondents are engaged in formal employment, 27% of respondents have monthly income of more than Rs.30,000 and 76% respondents buy for personal use in online shopping. He found that there is an overall positive reaction towards online shopping. **Upsana kanchan**¹⁰, *et al* (2015) stated that online shopping is gaining its popularity among people of young generation and high income group and educated people and only due to security concern people have hesitation in doing online.

4 Objectives of the study

- (i) To ascertain the most preferred website among the selected websites and the reasons for preferring them.
- (ii) To analyse the factors influencing the customer preference towards online shopping.

5 Hypothesis

H₀: There is no significant difference between Age, Gender, Marital status, Religion, Area of residence, and Family structure, and Online shopping preferences.

6 Methodology

This study is an empirical study based on survey conducted from 156 respondents selected by using convenient sampling. Primary data have been collected from the respondents by using a well structured questionnaire and secondary data have been collected through Magazines, Journals, Newspapers and Internet.

7 Analysis and Interpretation of data

The Statistical Package for the Social Sciences (SPSS) software 16 was used to analyze the data for this study.

Table 1
Reliability Analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.622	25

The Cronbach's alpha value is calculated to check the reliability of the instrument which is used to collect the data. Here, Cronbach alpha value is 0.622 which is enough to ensure the reliability level of the questionnaire.

Table 2
Preference of Websites by the Respondents

		Responses		Percent of Cases
		N	Percent	
websites_preferred	Flipkart	56	22.6%	37.8%
	Amazon	116	46.8%	78.4%
	Snapdeal	46	18.5%	31.1%
	E-Bay	22	8.9%	14.9%
	Others	8	3.2%	5.4%
Total		248	100.0%	167.6%
a. Dichotomy group tabulated at value 1.				

From the above Table, it is identified that Amazon is the most preferred website by the respondents for online shopping.

Table 3

Factors Influencing the Customer Preference Towards Online Shopping (Descriptive Statistics)			
	N	Mean	Std. Deviation
on-time delivery by shopping online	156	4.09	.953
Easy to order in online shopping	156	4.55	.593
Detail information is available while shopping online	156	4.24	.626
I can buy the products anytime 24 hours a day while shopping online	156	3.69	.899
It is easy to choose and make comparison with other products while shopping online	156	4.35	.659
Can find products that are not available in the stores	156	3.90	.888
No need to deal with sales people	156	3.88	.894
Easy of product return and money refund	156	4.29	.645
Offers and discounts	156	3.99	.957
Inclination towards trying something new	156	3.69	1.057
Known or famous brand name	156	4.33	.656
Online shopping saves customer's time	156	4.18	.677

Payment made easier in online shopping	156	4.29	.559
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From the above table, we can say that “Easy to order in online shopping” is in first place in the parameters which motivates the customers to prefer online shopping since its mean value is high compared with others.

Table 4

ANOVA- Relationship between socio-economic factor and preference of the customers in online shopping						
		N	Mean	Std. Deviation	F	Sig
Age	below 30 years	126	4.3458	1.05963	.379	.539
	31 to 40 years	30	4.2190	.78042		
Gender	Male	70	3.8469	.23901	33.9135	.000
	Female	86	4.7076	1.21691		
Marital status	Married	62	4.2627	.58542	.346	.557
	Un married	94	4.3602	1.21435		
Religion	Hindu	132	4.3842	1.05576	1.672	.191
	Muslim	8	4.0000	0.00000		
	Christian	16	3.9643	.77460		
Residence	Rural	56	3.7551	.43392	28.712	.000
	Urban	30	4.0429	.15193		
	Semi-urban	70	4.8939	1.22859		
Family type	Nuclear	102	4.5574	1.14348	17.799	.000
	Joint	54	3.8757	.43286		

From the above table it is concluded that there is no impact in age group, all categories of age group preferring online shopping in same way. There is no difference among age category. With regarding to gender there is a difference among male and female respondents. Female respondents have high preference than compared to male respondents. From the above table, it is inferred that there is no difference regarding marital status. There is a difference of opinion regarding customer who are residing in rural, urban and semi-urban areas. Semi-urban customers are preferring online shopping more than compared to rural and urban customers. With regarding to family type there is a difference of preference regarding nuclear family and joint family. Nuclear family have high preference than compared to joint family.

8. Findings

From the above study it is found that:

- All categories of age group preferring online shopping in same manner.

- Female respondents are preferring online shopping than male respondents.
- Semi-urban customers are preferring online more than compared to rural and urban customers.
- Nuclear family have high preference than compared to joint family.

9. Conclusion

In the midpoint of technological improvements people mostly prefer online shopping to traditional shopping. Online shopping has come to be most popular and is extremely convenient. Though it is convenient there are various factors like price, quality of the products, comparison of quality and price between products, mode of payment, security which customers' look before online shopping. The online retailers must be conscious of these factors to be successful and keep hold of the customers. Online shopping is growing tremendously in a positive manner.

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