



A Study of Consumer Behaviour towards online shopping in Vadodara City

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ABSTRACT

The growing number of Internet user in India provides a bright prospect for online shopping. If E-marketers know the key factors affecting behaviour of customers and its relationship then they can formulate their marketing strategies to convert potential customers into loyal ones and retaining existing online customers. This research paper highlights on the consumer behaviours of people residing in the Vadodara City, their behaviour towards online shopping through e-commerce websites such as Amazon, Flipkart etc.

Internet has changed the way customers were purchasing goods at the same time looking at the digital revolution many of the companies shifted their business services online and making shopping easy and accessible to their finger tips at the same time providing customers more fancy discounts in order to survive in this highly competitive market.

Keywords: online trends in India, Consumer behaviour in Vadodara city,

Introduction.

The internet is being developed rapidly since last two decades, and with relevant digital economy that is driven by information technology also being developed worldwide. After a long term development of internet, which rapidly increased web users and highly speed internet connection, and some new technology also have been developed and used for web developing, those lead to firms can promote and enhance images of product and services through web site.

There are many reasons for such a rapid developing of internet shopping, which mainly due to the benefits that internet provides. First of all, the internet offers different kind of convenience to consumers. Obviously, consumers do not need go out looking for product information as the internet can help them to search from online sites, and it also helps evaluate between each sites to get the cheapest price for purchase. Furthermore, the internet can enhance consumer use product more efficiently and effectively than other channels to satisfy their needs. Through the different search engines, consumers save time to access to the consumption related information, and which information with mixture of images, sound, and very detailed text description to help consumer learning and choosing the most suitable product.

However, internet shopping has potential risks for the customers, such as payment safety, and after service. Due to the internet technology developed, internet payment recently becomes prevalent way for purchasing goods from the internet. Internet payment increase consumptive efficiency, at the same time, as its virtual property reduced internet security. After service is another way to stop customer shopping online. It is not like traditional retail, customer has risk that some after service should face to face serve, and especially in some complicated goods.

In last two years many e-commerce websites have come up and competing one another with striking deals like free shipping, coupons, free gifts, easy return policy, and many others. The latest data reveals that Flipkart, Amazon, Snapdeal, Paytm, Myntra, eBay, Jabong, Shopclues, Homeshop 18, and Infibeam are the top ten e-commerce websites in India. Flipkart is one of the biggest Ecommerce giant that arrived as the top among e-commerce websites in India.

OBJECTIVE

With an outlook to every marketing research it has been conducted for specific objective. It must have clear cut problem based on it. The objective must also be clearly defined. Therefore that research gets clear idea about their task. Thus it is almost important to define Research objective. The purpose of the research is to discover answers through the application of scientific procedures.

The main aim of the research is:

- To find out consumer behaviour towards online shopping in Vadodara city.

The secondary objectives of the research are

- To identify consumers perception towards online purchasing
- To identify consumers online buying behaviour
- To identify consumers preference towards different websites
- To identify consumers perception towards mode of payment.

PROBLEM STATEMENT

A research problem in general refers to some difficulty, which a researcher experience in the context of either a theoretical or practical situations and wants to obtain a solution for the same.

Online websites like flipkart, Amazon, irctc.in, myntra have become very popular and communication tool for networking, communication and business. People spends hours on online shopping websites doing search for particular products. Sellers are now becoming active about online shopping that how people are now shopping online and through which websites they are surfing and purchasing.

As of increasing numbers of online shopping from websites like Amazon, Flipkart, Myntra to look for increasing trend of online shopping in Vadodara city, we took this research topic: “ **A Study on Consumer Behaviour towards online shopping in Vadodara City.**”

Factors Influencing customers trust for online shopping through e comeerce websites

Online Shopping is a form of electronic commerce whereby customers directly buys goods or services from seller over the internet without any intermediary services.

- Easy to find
- Products can be cheaper
- Save time and Energy
- Integrity
- Security and Privacy
- Usefull Information
- Convenince in use
- Web Design
- Mouth to mouth publicity
- Logistics and Supply chain
- Payment and Comission
- Market size

Challenges faced by Indian Consumers

- Speed of Internet
- Language Barrier
- Plastic Money
- Inefficent and delayed service
- Overpricing of products
- Return and exchange of goods

Measures to be taken to make it popular in India

- E Commerce awarness
- Varied payment options
- Awarness regarding security measure
- Highlight the benifit of shopping at home
- Make the prices more competitive
- Stress on special offers
- Emphasis on After sales service
- Cyber law due deligence in India

LITERATURE REVIEW

There are a number of research works have been done by researchers but only a few has been given, related to the paper.

Brown (1987) has suggested that the costs of a retail format refer to consumers'' costs. Consumers incur non-monetary costs - time, effort and psychological costs - as well as monetary costs. Savings in non-monetary costs are especially emphasized by non-store formats. Their appeal to consumers has been the ease and convenience of shopping, freed from location and other constraints.

According to Rao (1999), E-commerce offers increased market activity for retailers in the form of growing market access and information and decreased operating and procurement costs. The consumers can gain better prices due to the competition and also can enrich their knowledge on goods and services.

Zhang and von Dran (2000) have found that certain aesthetic elements of a web-site are considered as purchase motivators, while other aesthetic elements serve as hygienic factors (i.e., necessities) in purchase decisions from e-retailers. The colour and background images of web-page are also found to affect consumer choice.

Tractinsky and Rao (2001) have argued that computer users, particularly those who seek online substitutes to the physical shopping experience, would value aesthetic designs just like consumers of other commodities.

Ratchford et al. (2001) have told that through Internet, consumers can gather information about merchandise and they compare a product across suppliers at a low cost. They also can effectively analyze the offerings and easily locate a low price for a specified product.

Eroglu et al. (2001) have advocated that the most important thing in the traditional retailing is physical store setting. According to them, it is largely determined by the cost of real estate and the various physical objects required creating different sounds, aromas, colours and lighting.

Online constraints tend to be related to the screen resolution and the hardware that exists at the consumer end of the channel. The hedonic factors in designing the web-site interface can be enhanced with symbolic, nonverbal elements, which can be created by images, colours, fonts and videos and music. Zeithaml (2002) has defined that the success of e-tailing depends on the efficient web site design, effective shopping and prompt delivery. The other e-store services are delivery on real time, return and replacement process, period of filling out online orders form, speed of response time to e-customers' queries.

Kim and Lee (2002) have suggested that the design of e-store influences consumers' access to e-store. In the e-store, website design, design of product and service comparison and information, time to complete online order form, easy of searching product and service, screen layout, screen complexity, page composition, information retrieval methods, information display, use of colour and background, assistance to the user and speed of accessing the e-store are notable factors attracting e-customers.

Doolin (2004) has specifically pointed out that e-tailing is the sale of products and services to individual customers. According to him, the definition of e-tailing encompasses the sales of products or services online.

Rabinovich (2004) and Cao and Zhao (2004) have identified the challenges of e-tailing industry. This challenge begins with the response time of the web-server; moves to the amount of time the customer must wait until the order ships, and also includes the time the shipping process takes.

Delone and Reif (2004) have found that at present customers are more likely to continue shopping online when they have a greater experience of online shopping. It is also found that young adults have a more positive attitude towards online buying.

Lavie and Tractinsky (2004) have expressed the expressive aesthetics of web-sites that convey a sense of creativity and uniqueness. This type of aesthetics is likely to serve an important role when shopping for specialty goods. The expressive design is relevant to specialty goods because of their unique characteristics that emphasised the shopping experience.

Bauer et al., (2006) have compared the services of online retail service vs. traditional retail services. They have identified that the online retail services are broken into two rather distinct phases: the client interaction phase taking place online and the fulfilment phase taking place offline. They also have suggested that web-site quality is a matter of delivering both hedonic and utilitarian elements.

RESEARCH METHODOLOGY:

In this research we are aiming to find consumer behaviour towards online shopping through different websites in Vadodara city. Consumer perception towards different category of products their satisfaction after purchasing and services provided by different e-commerce giants after purchasing, mode of payment, age from teenagers to adults how age affects online shopping, customer satisfaction, their loyalty towards different websites.

RESEARCH DESIGN:

Descriptive research design

Source of data:

The **primary data** is collected by survey only. The survey was done through a structured questionnaire which is in google form.

Secondary data: The source of secondary data is in journals, articles, research papers, online sites, websites and many more sources which are available on online or offline platform.

Sampling Frame:

Our sample frame will be limited to the Vadodara city (Gujarat State) in which we will include people with different age groups.

Sample Size:

The sample size will include minimum of 100 responses from people of different age group from Vadodara city.

Sample unit:

The age limit of respondents will be 20- 35(above)

Method of data collection:

Questionnaire

Sampling Technique:

Selection of respondents will be done by convenience sampling(non-probability)

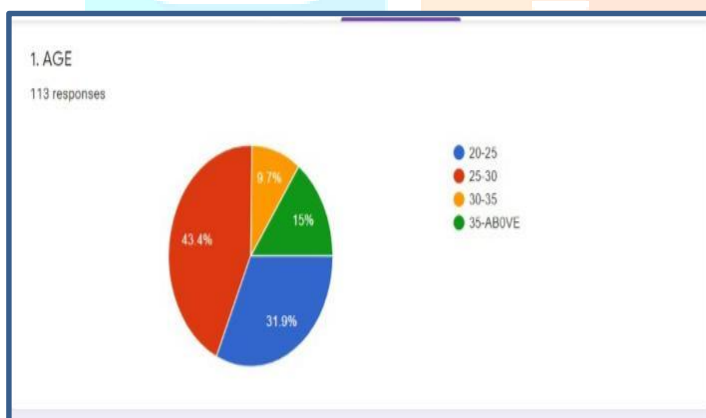
Statistical tools for analysis: Percentage method and graphical method have been used to analyze the data.

LIMITATIONS OF THE STUDY

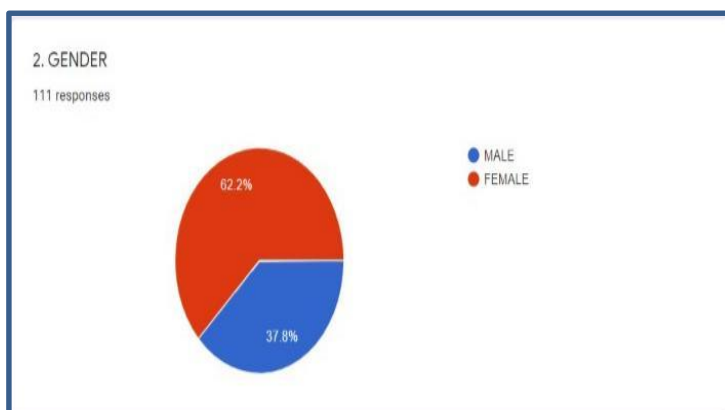
As with any research this study has limitations. All respondents that participated in the study are from one city(Vadodara). Therefore data produced from this study may not fully represent the general population throughout India.

FINDINGS**Data Analysis**

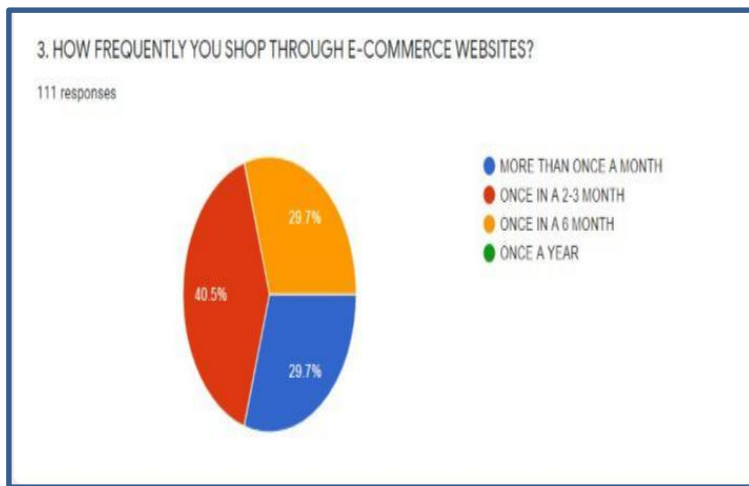
- Among all the 113 respondents 43.4% was of 25-30 age group, 31.9% was 20-25 age group, 15% were above 35 age group and 9.7% 30-35 age group.



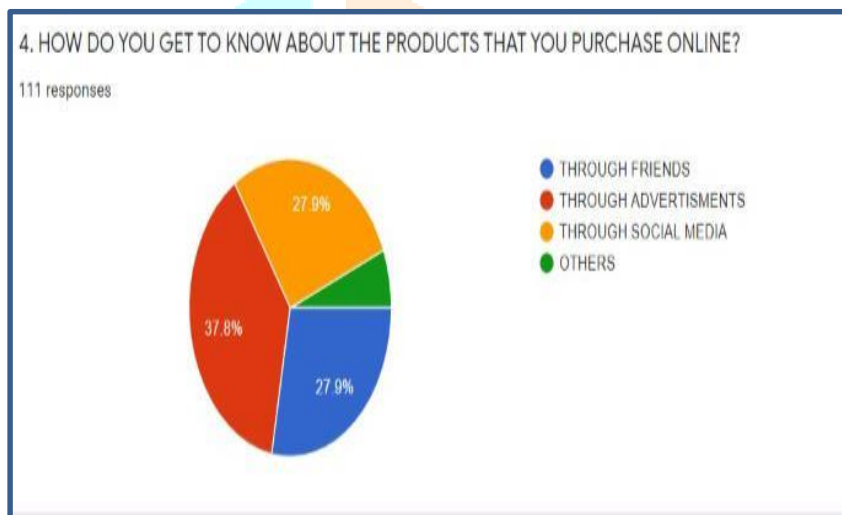
- Among all responses 62.2% were Female and 37.8% were Male



- Below Pie Chart shows how frequently people used to buy through E- Commerce websites.



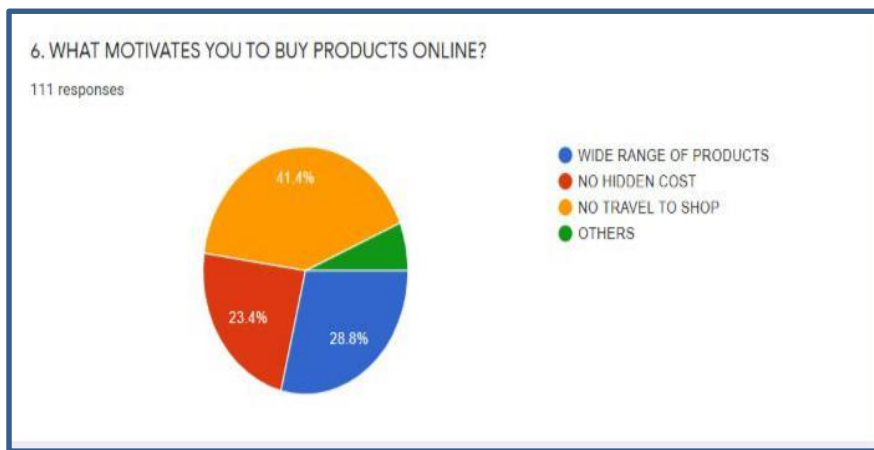
- How do people of Vadodara city get to know about the products that they purchased online and according to responses 37.8% respondents get to know through advertisements, 27.8% through friends and 27.9% through social media.



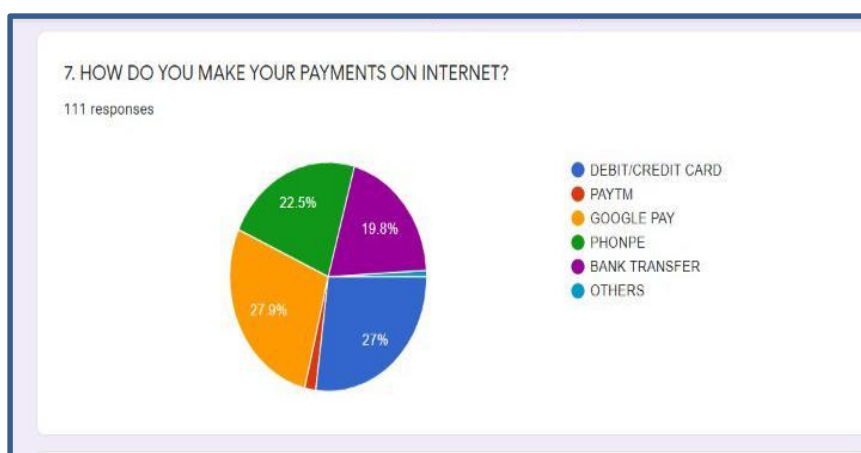
- According to the responses 38.7% respondents prefer Myntra for Cloths Shopping, 27% prefer Flipkart, 23.4% Amazon, 9.9% Snapdeal.



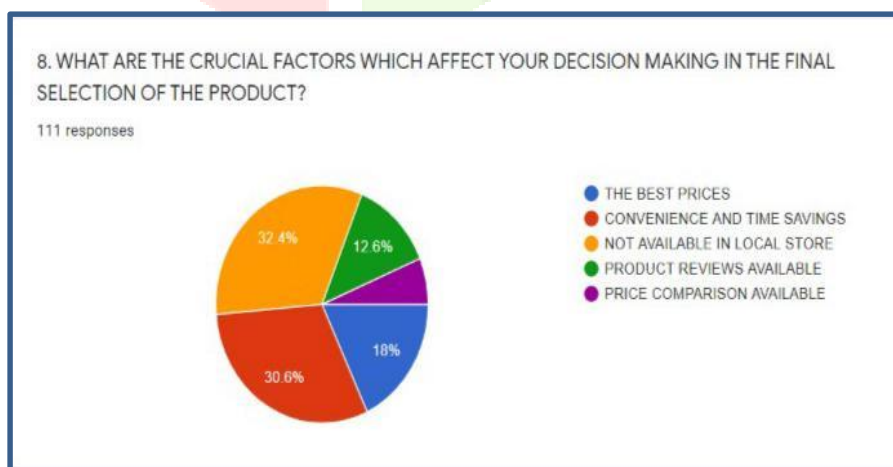
- What motivates people to buy product online and among all the responses 41.4% respondents admit that they save a lot of time and energy as they didn't need to travel to shop, 23.4% respondents say as there is no hidden cost they prefer shopping online, 28.8% respondents say that they have wide range of products and variety which helps them choose better product and deal.



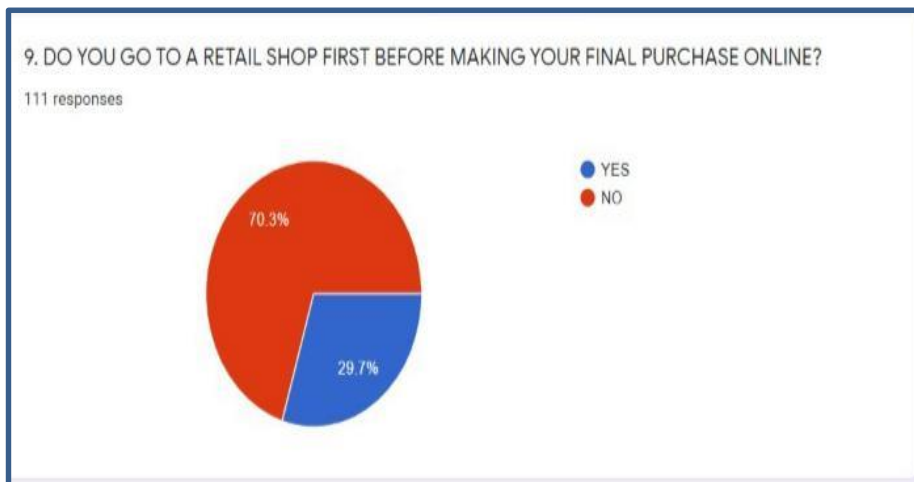
- Among all the responses 27.9% respondents prefer Google pay as their payment gateway, 22.5% use Phone pe, 27% use Debit/Credit card, 19.8% use Paytm.



- What are the crucial factors that affect people's decision while shopping online and making the final purchase and among all the responses 32.4% respondents choose online platform as the products are not available in local stores, 30.6% say that it is convenient and time saving, 18% respondents purchase as they are offered best prices compared to local stores, 12.6% respondents prefer online shopping as all the product reviews are available.



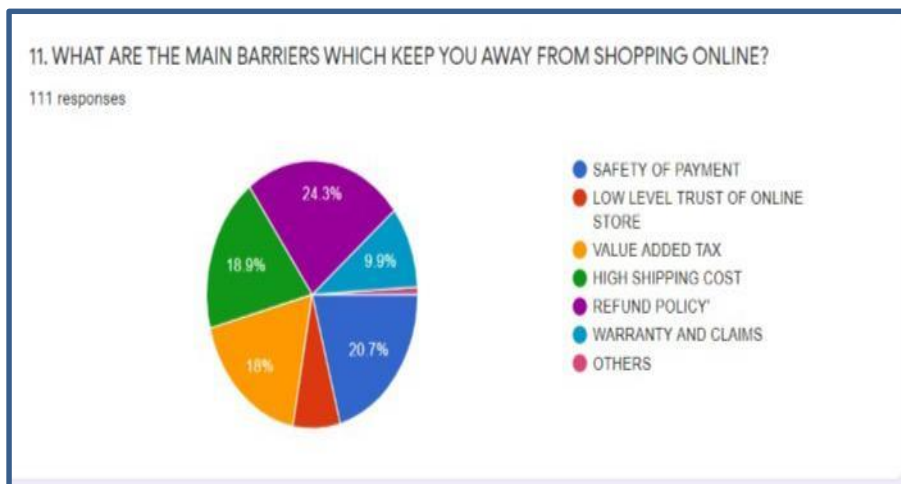
- Among all the responses 70.3% respondents visit retail shop before final purchase of product, while 29.7% respondents dont visit retail shop before the final purchase.



- What are the product categories that people purchase online and as per the responses 39.6% respondents purchase Clothes, 36.9% electronic products, 23.4% include other categories of products.



- What are the main barriers that keep people away from online shopping and among all the responses 24.3% is refund policy, 20.7% is safety of payment, 18.9% is high shipping cost, 18% is value added tax, 9.9% is warranty and claims of product after purchase.



- Among all the responses 54.5% respondents experience was Good after online shopping, 23.5% respondents experience was Average and 20.5% respondents experience was excellent after purchasing product online.



CONCLUSION

- On the basis of the present study and all the responses collected through Questionnaire concludes that people of Vadodara city are overall satisfied through online shopping compared to retail stores.
- Some of the barriers that affect consumer behaviour in online shopping is safety of payments, value added tax in some products, high shipping cost and warranty claims of products..
- The purchase pattern is observed mostly in 2 to 3 months which shows that consumer who are well aware of shopping mostly prefer shopping online in all the categories whether it be clothes, electronic products, grocery etc.
- Online shopping has come up as a boon for all type of consumers and it has something to offer everyone, despite of this fact that it is highly convenient and time saving and to certain it also cost cutting exercise as one need not step out of his/her home for doing shopping.
- The main area of concern is the limited internet usage and the language problem in rural areas but that has only been improving as India is tremendously moving towards digitalization and making internet available at each and every corner in India.
- As in Vadodara city people are moving towards online shopping compared to visiting retail shop, during this Pandemic and to protect themselves from COVID 19, people living in Vadodara city prefer to buy most of products from Amazon, flipkart, Myntra and avoid going out to protect themselves.
- Consumer are getting much more discounts, and variety of products and most importantly reviews by customers itself on apps and on youtube, so by summing up all these points we can conclude that people in Vadodara city make purchase much frequently through online shopping.

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