A Study of Consumer Behavior towards online shopping: - An empirical study based on twin cities of Kalyan and Dombivili

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Abstract:-

In today's 21st century Internet is no longer a luxury it has become a necessity and is a part and parcel of our life. Today because of internet boom huge number of small sellers got a platform to show case their products and at the same time huge number of buyers also got a lot to compare. India is witnessing a huge increase in number of Internet users which has provided a new platform for increased number of new sellers. In this research paper 4 demographic criteria (Age, Income, Gender & Occupation) are taken in to consideration. The research was focused on 4 major variables Perceived risk, perceived usefulness, perceived happiness, perceived enjoyment. Sample size for research was taken as 140 from twin cities of Kalyan and Dombivili. A structured questionnaire was prepared covering the above said 4 variables and was further analyzed using percentage analysis and chi square test.

Keywords: - Online shopping, Risk, ease of use, enjoyment, happiness.

Introduction:-

E commerce can be defined as selling of goods and services over the Internet. Today online shopping is not a new phenomenon. It has become a part and parcel of our day to day life. Online shopping refers to buying behavior of an consumer in an online store or on a website for online purchase purpose. India had 60 million online shoppers in 2016. According to a report India's Digital Leap –The Multi Trillion Dollar opportunity predicted that Indian E commerce market will witness a penetration of 12% in the coming 9 years versus the current rate of only 2%[1].As of June 30 2017 India has an total Internet users of 46,21,24,989[2]. Huge data is available on Online shopping in world market. However A very less amount of data is available when it comes to Indian scenario of online shopping. Attitude of consumer

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[1] http://www.livemint.com/Industry/9iUxlQZ4iHwPiXRKscx3LK/Indias-ecommerce-market-to-grow-30-to-200-billion-by-202.html
[2] http://www.internetworldstats.com/top20.htm

towards online shopping is considered as the important factor when it comes to factors influencing online shopping. Hence it becomes extremely necessary to understand attitude of consumer towards online shopping at the same time look for future growth of online shopping. In this research paper extended technology model is used to study different variables that affect online shopping. Technology acceptance model is the first step for consumer acceptance of online shopping. Perceived ease of use (PEOU) and perceived usefulness (PU) are the 2 external variable of this model. In this paper technology acceptance model is extended by using perceived enjoyment (PE) and perceived risk (PR) as the other 2 factors. Perceived usefulness refers to perception of an individual when it comes to usage of technology for improving their work performance. Perceived ease of use refers to amount of efforts required by an individual in order to get used to new technology. Perceived enjoyment refers to feeling of a person that he will become happy if he uses new technology. Perceived risk refers to amount of risk consumer think he will have to face if he purchases certain products from certain retailer.

Literature Review:-

Theory of Technology Acceptance model (TAM) is one of the popular theories which is effectively used to understand online shopping behavior. Hence conceptual frame work for this study is based on this model. The theory is quite effectively used to explain behavior of an consumer in different environment affecting online shopping. Consumer attitude is directly affected by understanding what consumer feels about a system which mainly highlights perceived usefulness and ease of use as the 2 important factors. Based on this model an detailed model was developed which mainly consisted of external variable and internal variable. External variable include personality of my consumer, Look of the website in the minds of consumer, and the services offered by the retailer while internal variable include usefulness, ease and credibility of brand. Both these variable play an important role in shaping consumer attitude towards online shopping.

Online shopping:-

It means buying of goods and services over the Internet. TAM studied different variables that affect online shopping. The variables are Perceived Risk, Perceived usefulness,

perceived ease of use and perceived enjoyment. The effect of these variables on online shopping are elaborated as follows:-

Perceived Risk:-

It can be defined as losses suffered by consumer in search of better results. It is influenced more by willingness rather than special convenience. Li & Zhang (2002) mentioned in their research paper that perceived risk is an important element of consumer attitude when it comes to online shopping behavior. There are generally two elements of perceived risk which are associated with the process of online shopping: risk related to making the transaction online and risk related to the purchase of product or service. Liebermann & Stashevsky (2002) in their research paper found that there are two elements of perceived risk related to the online shopping. These are: theft of card online and safety of consumer's personal information. One can't completely eradicate perceived risk because there is no physical interaction but it can be changed by the association with transaction processes or consumer trust on online transactions.

Perceived usefulness:-

When it comes to online shopping it simply refers to thought process of consumer that when he purchases goods online he will get best quality goods and services. Bhattacherjee, (2001) in his research paper found that customer loves to purchase a product when that product is useful for him. Zhou L., Dai, L. and Zhang, D. (2007) in their study found that it is the customer mindset that when he purchases online their efficiency increases and this creates a positive change of mind for the entire buying process.

Perceived ease of Use:-

Davis (1989) gave a simple definition for ease of use he simply said the degree to which a person feels using a particular system will help in reducing his efforts. According to Selamat et al. (2009) easy technology is readily accepted by the consumers rather than difficult technology when it comes to online shopping. Usually consumers do not prefer to use complex technology for buying any product or service online. It is also to be understood that features and looks of a website play a major role in determining perceived ease of use in online shopping

Perceived enjoyment:-

Consumer not only shop for product, they collect lots of information about the products to shop online but at the same time they want fun, enjoyment, adventure etc. These types of shoppers are interested in shopping experience rather than the product itself. It is also to be noted that websites which offers more interactive shopping experience with more pictures and interactive options rather than just simple text websites.

Objectives of study:-

1. To study the demographic segmentation of buyers and its impact if any on online shopping activities.

2. To study the different factors affecting perception of shoppers shopping online.

Research Methodology:-

Data for Research is collected with help of primary data. A structured questionnaire is used to collect data. Sample size for the research was taken as 140. Data was further analyzed using percentage method and Chi square test.

Hypothesis:-

H0:- There is no association between perceived risk and qualification towards online shopping

H1:- There is association between perceived risk and qualification towards online shopping

H0:- There is no association between perceived enjoyment and Gender towards online shopping

H1:- There is association between perceived enjoyment and Gender towards online shopping

H0:- There is no association between perceived ease of use and Income towards online shopping

H1:- There is association between perceived ease of use and Income towards online shopping

H0:- There is no association between perceived usefulness and Age towards online shopping

H1:- There is association between perceived usefulness and Age towards online shopping

Data Analysis:-

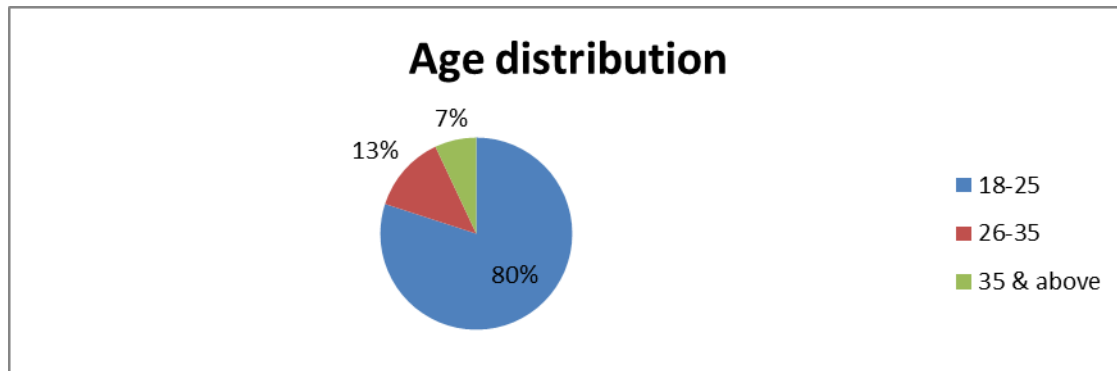**Figure1:- Age Distribution**

Figure 1:- It can be seen from the above pie chart 80% of the respondent belongs to the age group of 18-25 whereas the other 2 age group had a combined distribution of 20%
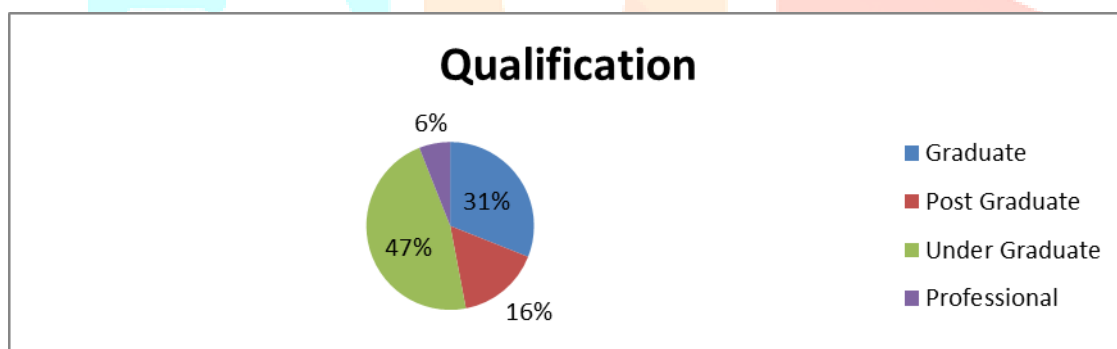
Figure2:- Qualification

Figure 2:- It can be seen from the above pie chart 31% of the respondents had maximum qualification of graduate while it can be seen that professionals consisted only 6% of the total respondents.
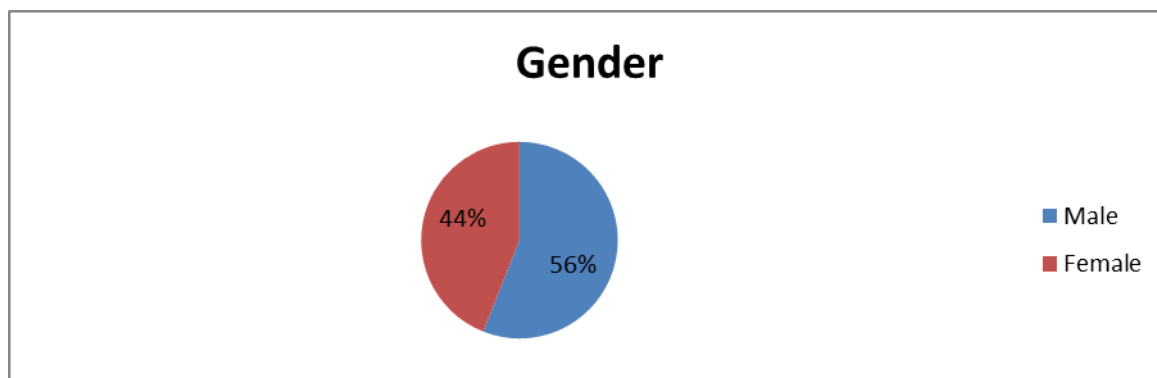
Figure 3:- Gender Classification

Figure 3:- Above given pie chart shows us that 56% of the respondents are male while the rest are female.
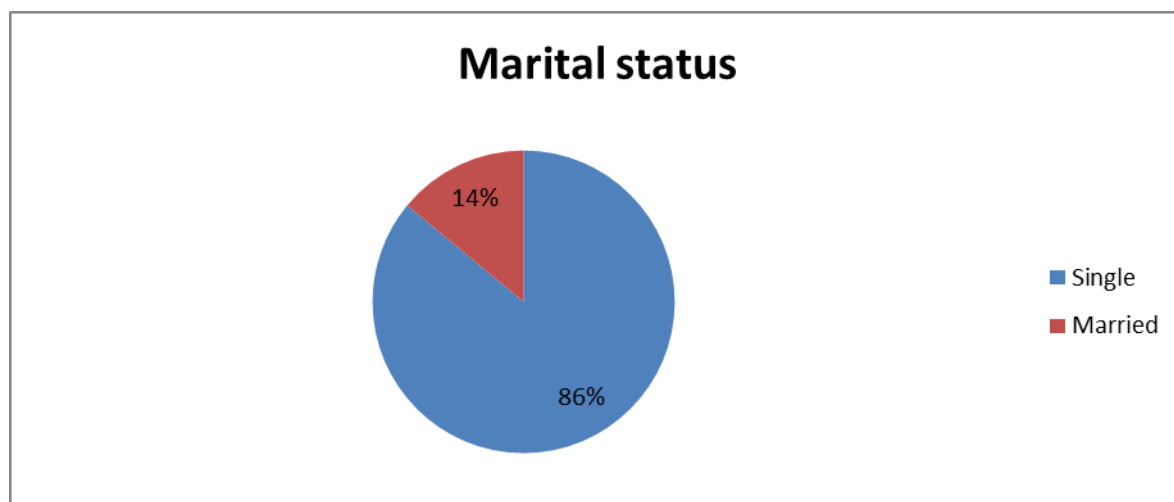
Figure 4:- Marital Status

Figure 4:- It can be seen from the above pie chart that 86 % of the respondents were unmarried while only 14% were married which shows us that single unmarried people are more inclined towards online shopping.
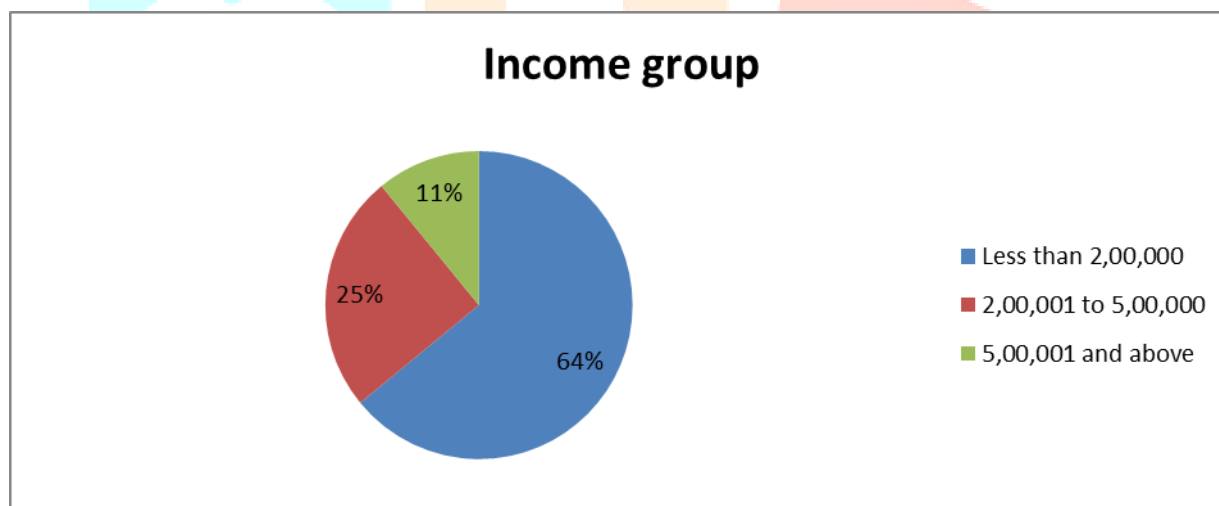
Figure 5:- Income Group

Figure5:- It can be observed from the pie diagram that almost 64% of the respondents were having income of less than 2,00,000 while almost 25% belonged to income group of 2,00,001 to 5,00,000.

Table 1:- Perceived Risk in online shopping

Qualification	Definitely agree	Agree	Disagree	Definitely Disagree	Total
Graduate	3	29	9	2	43
Post Graduate	1	12	5	4	22

Under Graduate	10	47	8	2	67
Professional	2	3	1	2	8
Total	16	91	23	10	140

Data was analyzed using chi square test chi square for the data was 16.10. Degree of freedom was 9. Table value was 0.056. Hence the null hypothesis is rejected and alternate hypothesis is accepted which a state there is association between perceived risk and qualification towards online shopping

Table 2:- Perceived enjoyment in online shopping

Gender	Definitely agree	Agree	Disagree	Definitely Disagree	Total
Male	9	48	11	10	78
Female	6	32	9	15	62
Total	15	80	20	25	140

Data was analyzed using chi square test chi square for the data was 3.21. Degree of freedom was 3. Table value was found as 0.360. Hence the null hypothesis is rejected and Alternate hypothesis is accepted which states that There is association between perceived enjoyment and Gender towards online shopping

Table 3:- Perceived ease of use in online shopping

Income	Definitely agree	Agree	Disagree	Definitely Disagree	Total
Less Than 2,00,000	8	91	2	0	101
2,00,001 to 5,00,000	16	9	1	0	27
5,00,000 and above	6	1	3	2	12
Total	30	100	6	2	140

Data was analyzed using chi square test chi square for the data was 83.0 Degree of freedom was 6. Table value was found as 0.000. Hence the null hypothesis is rejected and Alternate hypothesis is accepted which states that There is association between perceived ease of use and Income towards online shopping.

Table 4:- Perceived usefulness in online shopping

Age	Definitely agree	Agree	Disagree	Definitely Disagree	Total
18-25	26	77	0	9	112
26-35	9	6	2	1	18
35 & Above	2	4	3	1	10
Total	37	87	5	11	140

Data was analyzed using chi square test chi square for the data was 35.0 Degree of freedom was found as 6. Table value was found as 0.000. Hence the null hypothesis is rejected and Alternate hypothesis is accepted which states that There is association between perceived usefulness and Age towards online shopping

Limitation of study:-

Even though objectives of study were achieved but still there are certain limitation which needs to be worked out:-

1. Research is restricted to a small geographical area of Kalyan and Dombivili.

2. Research is limited to quite a few variables due to shortage of time.

3. Answers of the respondents have to be assumed true.

Findings:-

1. 75 % of the graduates found that they found risk element when it comes to buying of goods online.

2. 73 % of males found shopping experience online enjoyable while at the same time 61 % of the females too found online shopping enjoyable

3. 98% of the respondents who had income less than 2,00,000 found it quite easy to use online shopping at the same time 92% of respondents from the second income group too were of the opinion that it is easy to buy goods online.

4. 92% of the respondent belonging to age group 18-25 found online shopping quite useful at the same time 83 % from the age group 26-35 had the same views

Suggestions:-

1. Young age group people are more attracted towards online shopping but same cannot be said for people in old age group hence efforts needs to be taken to attract this age group towards online shopping by making the process of shopping simple and easy

2. Security is still a big concern and people still not find completely safe using their cards to make online payment. It is quite necessary to work on security feature so that more people will use card payment and reduce the burden on cash on delivery

3. Highly educated professionals should be attracted towards online shopping by coming up with different genuine offers and high quality products

4.Married people needs to be motivated to buy more products online by coming up with offers which can attract both spouses to do shopping together

Conclusion:-

It is been observed that all the alternate framed hypothesis were selected which showed that perceived risk, ease of use, happiness and usefulness have a association when it comes to age, gender, income and qualification of respondents. Online shopping is going to grow by leaps and bounds in coming future and definitely consumer will slowly and steadily get more attracted towards online shopping. It is very much necessary to ensure penetration of internet is more and quick as it will create more easy access to offline shoppers to go online.

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