

## **Consumer Attitude & Preferences towards Online Shopping**

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### **Abstract**

As the computer literacy is increasing day-by-day, the prospect of online marketing is also increasing. Since use of internet is independent of time and geographical boundaries in which millions of people are always online throughout the world hence, they all are potential customers in the online market. Seeing this vast customer market thousands of companies jumped in to the online business but it is important for the online shopping service providers to understand that Customer buying behavior is affected by numerous factors like age, gender, education, income, social class etc. therefore it is important to study, which factors influence online shopping behavior of customers.

The present study is conducted in the geographical boundary of Mumbai to know the attitude and preferences of the customers here towards online shopping. A sample of 200 customers from varied demographical characteristics like age, gender, income etc. A large portion of respondents were found to be using online shopping and attitude towards online shopping was significantly positive. The main factors for using online

shopping are fast and immediate transaction, independence of geographical boundaries and time, variety of choices etc. While testing relationship between attitude towards online shopping and respondents' demographic characteristics, no significant difference was found.

**Key Words:** Online Shopping, e-Retailing, Online shopping Behavior, e-Commerce

## **Introduction**

Internet has played a significant role in changing the way we live today. It has removed the barriers of time and geographical locations one can easily communicate from one part of earth with another person located in another part of the world. One can send e-mails, play games with other and can buy things from a location situated far away.

Due to global connectivity for sharing and delivering information internet has become a useful tool and platform for e-business. The operation and success of international online retail stores like amazone.com, ebay, allibaba.com etc. attracted many startups and established business to shift their business online. Internet shopping has been widely accepted as a way of purchasing products and services. It has become a more popular means in the Internet world (Bourlakis et al., 2008).

Online shopping is trend now-a-days that is growing day-by-day due to its various characteristics like its independence of time and geographical boundaries, easiness, availability of wide variety of alternatives, wide variety of choices etc. The pervasiveness of online shopping has lifted-up the interest of retailers to focus in this area especially of Generation-X.

As the computer literacy is increasing day-by-day, the prospect of online marketing is also increasing. Since use of internet is independent of time and geographical boundaries in which millions of people are always online throughout the world hence they all are potential customers in the online market. Seeing this vast customer market thousands of companies jumped in to the online business but it is important for the online shopping service providers to understand what consumer wants in this business environment. Customer buying behavior is affected by numerous factors like age, gender, education, income, social class etc. therefore it is important to study, which factors influence online shopping behavior of customers.

Due to technological innovations, the traditional way of shopping has become insufficient for individuals. Individuals now prefer easy ways to reach brands and stores and it can be said that that 'The Internet has fundamentally changed customer's notions of convenience, speed, price, product information and service. As a result, it has given marketers a whole new way to create value for customers and build relationships with them' (Kotler and Armstrong, 2012; 532).

E-commerce provides consumers more choices, more information and more ways to buy. Moreover, e-commerce will remain as a medium to sell products, services and content over the internet (Korper and Ellis, 2001; 1). As a result individuals can buy or sell anything, 'at anytime, from anywhere through online shopping' (Ko, et al., 2004; 20).

Online retailing has certain characteristics which have attracted entrepreneurs to do online business as well as consumers to shop from online retail stores. In-fact online shopping in India is still growing and still a large proportion of population in India believes in shopping from traditional retail stores and shops. Some consumers still feel uncomfortable to buy online. Lack of trust, for instance, seems to be the major reason that obstructs consumers to buy online. Also, consumers may have a need to examine and feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have negative influence on consumer decision to shop online therefore it is important to study the factors that influence online shopping behaviors.

Hence this study is conducted to determine the attitude of consumers towards online shopping and its relationship with various demographics variable among relatively young generation. The present study has been conducted to know which factors attract relatively younger generation towards online shopping stores.

### **Review of Literature**

A study by **Rakuten (2010)** found that 71 percent of Malaysian online shoppers tend to regret their online purchases, 48 percent were dissatisfied due to mismatched expectations, 29 percent were disappointed with the poor product quality and 30 percent of Malaysians failed to complete their online purchases. He stated that through learning to avoid the pitfall, online shopping experience could be more satisfying for Malaysian.

The consumers also consider it a hassle when they faced difficulty to log in into the account, product information provided are limited and difficult to reach the online retailers by phone (**Oracle, 2011**). Online retailers need to design their website in such a way to make them user-friendly and actively manage the social media marketing to channel traffic to their online website.

A related study by IPSOS Open Thinking Exchange (2012) found that 56 percent of the respondents from 24 countries prefer to shop in a traditional store rather than an online store (Marketing Charts, 2012).

**Lakshmi. S (2016)**, in her paper titled “Consumer buying behavior towards online shopping” concluded that - Online shopping is getting popularity in the young generation such as students and professionals. Students usually prefer to buy goods from its original source and they mostly prefer online shopping. She identified the main Influencing factors to buy something online as, price, confidence, security, convenience, time, after sale service and discounted deals. The price factor exists because the prices are often lower through online shopping as compared with physical purchases in the market. Buy online can be of great benefit to the consumer in terms of convenience, saving time and money. Also, according to results, if there is a good consumers previous experience, if consumer is satisfied with products and services, and if there is risk at minimum level than he will buy more in the future, which means he will be loyal. Web design and delivery time are not important for consumers while doing online shopping purchases.

**Lester Wan** in his dissertation submitted in the University of London concluded that – The retail sector has been truly revolutionized by the advancement in information technology.

Pure-play online retailers have emerged and traditional bricks-and mortar shops have to alter their business models to keep pace with the trend. It was shown that there are still massive opportunities for organizations to seize higher market share through satisfying changing customer behaviour in online shopping. Further he revealed that the adoption of online shopping is affected by various constructs. Hong Kong consumers' actual online shopping behaviour was significantly influenced by their online shopping intention. He developed a robust regression model for predicting online shopping intention and attitude towards online shopping. Online shopping intention is highly affected by normative beliefs, attitude towards online shopping and the degree of consumers' task orientation.

**Hassliner A. et al. (2007)** has conducted research primarily to identify the main factors that student consumers take into consideration when purchasing books online. The authors concluded that the main factors that affect students behavior while purchasing books online are – price, trust and convenience. Factor price is the factor of highest concern for students and the factors trust and convenience had lower impact on them. The authors further segmented online shopping student customers in to three segments (a) high spenders (b) price easers and (c) bargain seekers

### **Research Gap**

The authors of this research papers found that there are only few studies conducted on online shopping behavior of consumers in Mumbai and it was also found that the understanding towards online shopping in Mumbai is still lacking. Thus, this research is primarily to examine factors that could influence online shopping behavior in Mumbai and how attitude toward online shopping varies with other factors.

### **Objectives of the Study**

The main objectives of the present study are as follows –

1. To know the attitude of consumers towards online shopping
2. To assess the level of satisfaction towards online shopping of consumer using online shopping
3. To identify the factor affecting consumer behavior towards online shopping
4. To establish relationship between attitude towards online shopping with demographic variables

### **Hypothesis of the Study**

**H<sub>01</sub>: Consumer is indifferent between online & offline (traditional) shopping**

**H<sub>02</sub>: There is non-significant association between use of online shopping and various demographic variables.**

### **Research Methodology**

**Sampling Unit:** as per the objective of the study sample of the study is taken from the people living in the geographical boundary of Mumbai division having age below up to 35 years.

### **Sample Selection and Sample Size**

A Sample of 200 persons belonging to younger generation of age up to 35 years was taken from Mumbai division City to know their attitude and preference towards online purchasing. Convenient method of sampling was adopted to collect data in a way that whoever is ready to fill the questionnaire is given questionnaire to be filled. Thus collected sample contain respondents form various age group, gender, educational background, profession and income groups. Hence the data collected is representative of all the strata of various demographic characteristics of population.

**Data Collection**

Both primary as well as secondary data were collected for the present research work. To collect primary data a self-designed structured questionnaire was use contacting various types of questions like dichotomous, Five point Likert Scale type questions etc. During preparation of questionnaire, a draft of self-designed questionnaire was given to field experts and their opinion was sought. On their recommendations questionnaire was modified and final version was prepared and used to fill the data from respondents.

Secondary sources of data were also used in the research work. The main sources of secondary data were – books, magazines, newspapers, reports and journals.

**Sampling Technique:** The primary data for the present study was collected using convenience sampling method. The data is collected in a way that whoever is ready to fill the questionnaire is given questionnaire to fill. Thus collected sample contained respondents form various age group, gender, educational background, profession and income groups. Thus the data collected is representative of all the strata of various demographic characteristics.

**Statistical tools and techniques used in analyzing the data** – Mean, Standard deviation, difference of means test and test of association etc statistical methods are used to analyze the collected data.

**Data Analysis Results**

**Table 1: Distribution of respondent according to various demographic variables**

Variable	Gender	N	%
Gender	Male	100	50.00
	Female	100	50.00
	<b>Total</b>	<b>200</b>	<b>100</b>
Age	<b>Age group</b>	<b>N</b>	<b>%</b>
	18-25 years	100	50.00

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	26-35 years	100	50.00
	<b>Total</b>	<b>200</b>	<b>100</b>
<b>Education</b>	Up to School level	37	18.50
	Graduate	73	36.50
	PG & Higher	78	39.00
	Others	12	6.00
	<b>Total</b>	<b>200</b>	<b>100</b>
<b>Occupation</b>	Professional	39	19.50
	Service	27	13.50
	Self Employee	29	14.50
	Others	105	52.50
	<b>Total</b>	<b>200</b>	<b>100</b>
<b>Income</b>	Below 10,000 Rs.	81	40.50
	Rs. 10,001 Rs. - 20,000 Rs.	35	17.50
	Rs. 20,001 Rs. - 30,000 Rs.	13	6.50
	Above Rs. 30,000	15	7.50
	No Response	56	28.00
	<b>Total</b>	<b>200</b>	<b>100</b>

Table 1 shows distribution of respondents according to various demographic variables. The sample taken consists of 50% male and 50% female respondents. Also according to age 50% respondents belong to age group of 18-25 years and rest 50% belong to age group of 26-35 years. As far as education is concerned 18.50% respondents were found to be educated up to school level, 36.50% were found to be educated up to graduate level, 39% were educated up to post graduation or higher and rest 6% were mixed of illiterate and other category which they did not revealed. According to occupation 19.50% were professionals, 13.50% were in services to various jobs in public or private sectors, 14.50% were self-employed and rest 52.50% were mix of house-wife, unemployed, students etc. Distribution according to income shows that 40.50% are having monthly income below Rs. 10,000, 17.50% were having income between Rs. 10,000 to Rs. 20000, 6.50% between Rs. 20,000 to Rs. 30,000 and 7.50% were found to have income above Rs. 30,000. Since the data is collected from younger generation hence average monthly income is not much high.

**Table 2: Do you shop online?**

<b>Response</b>	<b>N</b>	<b>%</b>
Yes	126	63.00
No	74	37.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

Table 2 shows distribution of respondents according to the response to question that whether they “do online shopping?” The distribution of data shows that a large proportion of total respondent (63%) were found to be using online shopping and 37% not using online shopping i.e. they are using traditional method of shopping from retail stores. Hence, in younger generation most of the customers adopted online shopping method of purchasing.

**Table 3: Online Shopping is better than store shopping?**

<b>Response</b>	<b>N</b>	<b>%</b>
Strongly Agree	9	7.14
Agree	79	62.70
Neutral	24	19.05

Disagree	14	11.11
Strongly Disagree	0	0.00
<b>Total</b>	<b>126</b>	<b>100.00</b>

When it was asked from those respondents who are using online shopping that- “Is online shopping better than offline (traditional retail store shopping?” almost 63% respondents agreed or strongly agreed that yes online shopping is definitely better than offline shopping. 19.05% were neutral i.e. not in condition to go either way. Only 11.11% made disagreement about this statement means they do not think that online shopping is better than offline shopping.

**Table 4: Top 5 categories of products purchased online**

<b>Product Category</b>	<b>N</b>	<b>%</b>	<b>Rank</b>
Clothing	103	51.50	1
Technology	75	37.50	2
Books	71	35.50	3
Jewellery/ Watches	68	34.00	4
Travel Tickets	58	29.00	5

Table 4 shows top 5 category of products younger generation purchase online. Maximum people like to purchase cloths online (51.50%), next they want to purchase technology like. Mobile phones, and other electronic gadgets (37.50%) nearly same proportion of respondents 35.50% purchase books online with third rank and near to this 34% youngster purchase jewellery or watches and on the fifth rank 29% people purchase travelling tickets online.

**Attitude of People towards online shopping**

Respondents were asked to give their opinion / rating on various aspects of online shopping like security, technology effects, ease, variety etc. In total 15 statements were given to rate. On the basis of rating given respondents’ attitude towards online shopping in determined and were categorized in to five categories given in the table 5.



**Table 5: Attitude of online shoppers towards online shopping**

Attitude	N	%
Highly Negative	0	0.00
Negative	0	0.00
Neutral	4	3.17
Positive	72	57.14
Highly Positive	50	39.68
<b>Total</b>	<b>126</b>	<b>100.00</b>

From the table it can be observed that almost all the respondents (96.82%) who are using online shopping having highly positive or positive attitude and remaining 3.17% were neutral i.e. no one has negative attitude towards online shopping.

**Table 6: Test Result**

N	Mean	SD	Z	Result
126	3.94	0.48	22.07	***
*** = p < 0.001				

The attitude towards online shopping was further tested statistically assuming the general population has neutral attitude i.e. customers are indifferent between pros and cons of online shopping, but the test result (Table 6) shows that customers attitude towards online shopping is significantly positive, hence the hypothesis that “Customer is indifferent between online & offline (traditional shopping) is rejected and it is concluded that Online shopping customers’ attitude towards online shopping is significantly positive.

**Relationship between use of online shopping and demographic variables**

**Table 7: Use of Online Shopping and Demographic**

Variable	Gender	%#	$\chi^2$	df	Result
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Gender	Male	77.17	5.01	1	*
	Female	62.11			
Age	18-25 years	73.63	1.41	1	NS
	26-35 years	65.36			
<b>Education</b>	Up to school	69.70	3.87	3	NS
	Graduate	70.83			
	PG or Higher	70.83			
	Other	25.00			
<b>Occupation</b>	Professionals	64.86	8.65	3	*
	Service	73.08			
	Self-Employed	48.00			
	Other	77.08			
Income	Up to Rs. 10,000	66.67	5.75	3	NS
	Rs. 10,001 - Rs. 20,000	78.13			
	Rs. 20,001 - Rs. 30,000	91.67			
	Above Rs. 30,000	53.85			
<b>#: Use of online shopping (% respondents)</b>					

Table 7 shows five test results of test of association between various demographic variables and use of online shopping. The test result shows that use of online shopping has significant association with gender ( $\chi^2 = 5.01$ ,  $p < 0.05$ ) and occupation ( $\chi^2 = 8.65$ ,  $p < 0.05$ ) i.e. as far as gender is concerned the proportion of male is significantly high as compared to female in using online shopping and in case of occupation the proportion of self-employers in using online shopping significantly low as compared to respondents who are in other professions. On the other and non-significant association of use of online shopping with age ( $\chi^2 = 1.41$ ,  $p > 0.05$ ), education ( $\chi^2 = 3.87$ ,  $p > 0.05$ ) and income ( $\chi^2 = 5.75$ ,  $p > 0.05$ ) was found. Hence, our second hypothesis is partially accepted (in case of age, education and income) and partially rejected (in case of gender and education).

### Conclusion

A survey of shoppers was conducted to know their attitude towards online shopping. A sample of 200 shoppers of age up to 35 years from various gender, profession and income groups was taken from Mumbai division. Maximum youngsters were found to be using online shopping. These youngsters mainly buy cloths, electronic gadgets, books, jewellery / watches etc. while they purchase online. They also majorly use online platform to buy travel tickets. Thus attitude of these youngsters towards online shopping was found to be positive and significantly high above the assumed neutral level. Association between various demographic variables and use of online shopping was also tested. Test results showed that age, education and income is not significantly associated with use of internet for online shopping, which means respondents of all age group, all income groups and all educational background use internet for online shopping. But as far as gender is concerned male are found to be in significantly high proportions in using internet for online shopping and in case of occupation self-employed are less use online shopping to purchase products.

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