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A STUDY OF INDIAN ONLINE CONSUMERS & THEIR BUYING BEHAVIOUR

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ABSTRACT

This study attempts to analyze the features related to the buying behaviour of online shoppers. Consumer buying behaviour in respect of online shopping was studied using different socio-economic variables. It also provides a support that helps researchers understand the drivers of consumers' attitude and goal to shop on the Internet, and consumers' perceptions regarding ease of use and usefulness. Conclusions derived from the analysis can be used as useful guide for market orientation. The outcomes of the study suggest that assessment of consumer buying behaviour can contribute to a better understanding of consumer buying behaviour in respect of online shopping.

Key words: Online shopping, Buying Behaviour, Consumers etc.

Introduction

Indian consumers as a whole spend about 55% of the total consumption expenditure on food items. According to a survey conducted by ORG, the expenditure on non-food items has recorded large growth that the expenditure on food items. Consumers decide whether, what, when, from whom, where and how much to buy. They can avail various mediums to buy the products. But currently we are living in the age of internet.

According to a study, "About 44 percent students use Internet in India and overall 72% of young people access Internet on regular basis. Due to the vast usage of Internet, the buying patterns have been changed. It has changed the way goods are purchased and sold, resulting to the exponential growth in the number of online shoppers. However, a lot of differences concerning online buying have been discovered due to the various consumers' characteristics and the types of provided products and services. Attitude toward online shopping and goal to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by other factors like consumer individuality, situational factors, product distinctiveness, previous online shopping understanding and faith in online shopping. Therefore, understanding who are the ones consuming and why they choose to use or keep away from the Internet as

a distribution channel, is a critical matter for both e-marketing managers and consumer thinkers. There are lots of companies which are providing the platform to consumers to buy the products through online. Online consumers tend to be better educated. Higher computer literacy makes internet shopping smarter. Their awareness about the internet also makes them better positioned to identify and take decision for products and services. By the internet, consumers find that they no longer have to accept fixed prices for the products and services and through the click of a few buttons the lowest priced, highest quality product can be found. The concept of online shopping developed gradually, after the launch of the World Wide Web. Charles Stack was the first person to create an online book store in 1992. Even Pizza Hut opened an online pizza shop, whereas eBay and Amazon took the concept of online shopping to an entirely new level. Online shopping began in full swing since the year 1996. Overall, 71 million users accessed Internet in year 2009, with 52 Million "active" users who accessed it at least once in a month.

Review of Literature Simon Rigby, Head of Direct Channels at Comet, says, "Our challenge is to meet the needs of the greatest number of shoppers. By undertaking research on a regular basis, we learn more about our customers' shopping needs and styles. This helps us to deliver all the necessary reassurances,

product ranges and services. We conducted this survey during our peak selling period as we are in the process of developing our range of online interactive services, such as Live Chat and CometTV.co.uk. Powerful multi media sales tools will soon become standard in the online shopping arena. In three years, you'll be just as likely to click and watch a product related video of your intended purchase on your computer before you buy - as you are to have an email address today." Research summarized by Emarketer (2005) showed that the Internet applied a bigger influence than for offline media for electronics compared to that clothing, beauty or home improvement as would be expected. Internet Marketing has changed the way people buy and sell good and service. It has added lot of convenience and easy to the whole process of buying. Internet buying prevalence is highest in the United States, where 93% of Internet users have bought on-line (Business Software Association, 2002), and it is growing rapidly in India as well (www.ebay.com).

Objectives of the study The main objective of the study is to discover the key factors that influence online buying behaviour of consumers in India.

Research Methodology Data Collection Methods

Both the primary and secondary data collection methods were considered. The primary data was

collected through a questionnaire designed exclusively for the study. Secondary data was taken from Research papers, Journals, Magazines and Websites.

Sample Design Samples were collected from consumers and buyers of online shopping in which the total sample size of respondents are 200.

Questionnaire Survey method was adopted for this study. For the purpose of the survey, a structured questionnaire was prepared and distributed to the consumers and buyers to study about their preference and satisfaction of online shoppers (online buyers).

Data Analysis and Interpretation

After obtaining and analyzing the collected data, we have found following results:

Figure: 1: Major products available for online shopping

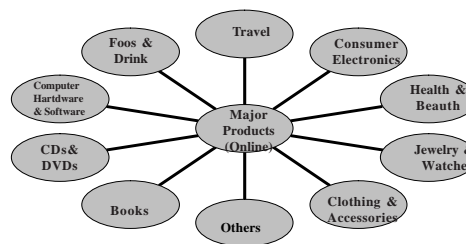


Table - I: Profile of the online buyers

Basic factors	Categorization	No. of Respondents	Percentage of Respondents
Age	Below 18 years	36	18 %
	19 – 30 years	54	27 %
	31 – 45 years	66	33 %
	Above 45 years	44	22 %
Profession	House Wife	22	11 %
	Employee	102	51 %
	Business	44	22 %
	Students	16	8 %
	Any other	16	8 %
Monthly Family Income (in Rs.)	Below 10,000	42	21 %
	10,001 – 20,000	98	49 %
	20,001 – 40,000	52	26 %
	Above 40,000	8	4 %
Sex	Male	146	73 %
	Female	54	27 %

Source: Primary data collected by researcher through questionnaire

Table - II: Awareness of Online Shoppers

Particulars	No. of Respondents	Percentage of Respondents
Having knowledge about online shopping	200	100 %
Not having knowledge about online shopping	***	***

Table - III: Availability of online informations about

Product & Servis	Particulars No. of Respondents	Percentage of Respondents
Excellent	108	54 %
Good	76	38 %
Average	14	7 %
Poor	2	1 %

Table - IV: Reasons for choosing online shopping

Particulars	No. of Respondents	Percentage of Respondents
Wide variety of products	46	23 %
Easy buying procedures	76	38 %
Lower prices	38	19 %
Various mode of payments	28	14 %
Others	12	6 %

Table - V: Frequency of online purchasing

Particulars	No. of Respondents	Percentage of Respondents
About once annually	24	12 %
2 - 5 purchases annually	92	46 %
6 -10 purchases annually	52	26 %
11 purchases and above annually	32	16 %

Findings of the Study

- Ratio of male consumers is very high in online shopping (73%)
- All the respondents are having 100% awareness about online shopping
- Income of respondents largely falls in the bracket of Rs. 10,001 to Rs. 20,000 (49%)
- Employees of various companies are purchasing more than others through online shopping (51%)
- Maximum numbers of respondents (38%) feel that online shopping is having easy buying procedures; others think that they can have wide variety of products, Lower price of the products, various modes of payments etc.
- Most of the respondents think that Availability of online informations about Product & Services is excellent (54%)
- Most of the respondents purchase the products 2 to 5 times annually (46%)
- Some

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Table - VI: Buying patterns of online shoppers

Particulars	No. of Respondents	Percentage of Respondents
Search online but buy and pay at stores	20	10 %
Search and buy online but pay in cash on delivery	122	61 %
Search, buy and pay online	58	29 %

Table - VII: Problems faced through online purchasing

Particulars Respondents	No. of Respondents	Percentage of Respondents
Problems faced with online shopping	46	23 %
Problems not faced with online shopping	154	77 %

Table - VIII: Recommendations to non online buyers for online shopping

Particulars	No. of Respondents	Percentage of Respondents
Recommended	178	89 %
Not Recommended	22	11 %

respondents are facing problems at the time of online buying (23%) • Maximum numbers of respondents are suggesting to non online buyers to be online buyers (89%) • Most of the respondents Search and buy online but pay in cash on delivery (61%)

Limitations of the study

The study has been conducted based on the data acquired from the online buyers of India only and the findings may not be applicable to other countries of the world because of socio-cultural differences. Sample size is very small.

Conclusion

This research shows that online shopping is having very bright future in India. Perception towards online shopping is getting better in India. With the use of internet, consumers can shop anywhere, anything and anytime with easy and safe payment options. Consumers can do comparison shopping between products, as well as, online stores.