

# **A STUDY ON THE ONLINE SHOPPING HABITS AMONG THE CONSUMERS WITH SPECIAL REFERENCE TO THE VELLORE CITY**

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## **ABSTRACT**

*India is regarded as one of the largest developing country. With the advancement in technology, especially in the IT field, an Internet boom is around the corner with around 450-500 million user base being predicted, which will be the second largest in the world just behind China and in fact would be largest in terms of incremental growth. The Internet has revolutionized the mentality of users when it comes to their shopping habits and the means of satisfying their demands for their comfort. Online shopping is creating a lot of buzz all around these days and is gaining people's trust every day. India enjoys a significantly skewed online population where 75% of the population is below the age of 35 and hence targeting the audience is easier than in any other BRICS countries. It quite evident with the advent of E-Commerce the shopping industry has been revolutionized. This research paper is an attempt to understand the online shopping habits, trends and behavior of the consumers of the E-Retail market in Vellore city. The study also tries to analyze the motivators and risks in the psyches of the consumers while shopping online.*

**Keywords:** Online Shopping, Internet, Shopping Habits, E-Commerce.

## **INTRODUCTION:**

These days in the developed world, Online shopping is quite common than it was about five years ago. It is still gaining its market in the developing countries like India, comprising of 120 million of Internet population in contrast to the global 1 billion Internet users in 30 aspiring countries (Olivia Nottebohm et al. 2012). The Asia-Pacific regions comprise of maximum worldwide Internet audience (41%), followed by Europe (27%), North-America (14%), Middle East Africa (9%) and Latin America (9%) (ComScore, 2013). The online stores are generally being preferred these days because of the attractive deals consumers get instead of usual bricks-mortar-store.

Be that as it may, comfort gives off an impression of being a considerably greater fascination as uncovered in overviews on the grounds that most online customers locate the swarmed high road excessively upsetting giving an escape from the customary block shops to simple get to Internet shops. These virtual shops are data serious giving clients all the instructive substance identified with item or administrations like particulars, cost and highlight correlations, promotions, offers and rebates. The new age media i.e. the computerized media gives a chance to further substance, audits, sight and sound and intuitiveness. Web has developed as a capable media for data stream immediately affecting clients. In India, the Internet clients are expanding quickly prompting a major rivalry in online market. E-shops give the most recent items and administrations that too with appealing offers. A ton of time is spared by shopping on the web when contrasted with specifically heading off to the retail shop to purchase the coveted items or administrations.

The present study looks to inspect the e-shopping habits and the purchaser conduct in India. It plans to break down the degree of Internet utilization and web based shopping propensities. An endeavor is additionally made to recognize the main considerations affecting the web based purchasing inclinations. The study inspects the development, intrigue, inclination, conduct and different components influencing the e-shopping trends in India. The study also tries to simultaneously comprehend the preferences and the risks in the psyches of the purchasers while shopping online. The objectives of the current study are to find out the demographic pointers towards e-shopping habits and trends, to rank and understand the reasons why people preferred shopping online and finally to understand the perceptions of fear in the psyches of the users concerned with shopping online.

## **LITERATURE REVIEW:**

It was expressed that the expanding utilization of Internet made India as the third biggest Web populace all-inclusive containing around 73.9 million clients (ComScore Report, 2013). The review discoveries recommend that online retail in India is on a major ascent having gigantic development potential with around 60 percent of web clients going to internet shopping site. The significant players in the portion are Myntra, Flipkart and Jabong with others. The clients for the most part search for attire (21.0%), PC shopping (16%) and purchaser electronics (13%) with particular say of correlation shopping bookkeeping for very nearly 15% in online retail classes.

A study was conducted and three new market sections on the web innovation were classified as specific cyber buyers, cyber consumers and cyber surfers (Joseph, 2015). The author depicts cyber buyers as the experts who invest a decent arrangement of energy on the web, for the most part at their place of business. They regularly settle on complex acquiring choices on the premise of information, all inside a tight time span. The cyber consumers are the home PC clients wired up to business online administrations and the web. Ultimately, cyber surfers are the one who utilize online innovation to extend their points of view, test their capacities and for no particular reason. They are involved commonly more youthful populace and have a shorter ability to focus.

India's online populace is ascending with a yearly pace of 31% with consideration of 17.6 million clients in the year 2012 (ComScore Report, 2013). India has turned into the third biggest country for Internet clients in 2013 after US and China expanding by 31% by March 2012 (The Hindu, August 24, 2013). 1.6% commitment of the Internet to India's GDP worth \$ 30 billion and a buyer surplus measuring \$ 9 billion. India included 15 million internet business clients. Online business development in India has additionally been specifically relative to Internet entrance in India (Nottebohm et al., 2012). The

Generation Y is more organized and interconnected (The Financial Express, March 2014). The report shows the discoveries by Paradox board constituted by watchmaker Titan to pick up knowledge into the Gen Y in India. The review uncovers that around 89 percent of the adolescent in India conducts online research before make any buy; around 74 percent has the ability to impact the buy choices in their circle. Gen Y is individualistic in nature containing 43 percent alone customers, and roughly 33% highlighted the significance of individual fulfillment for each buy choices. The fascinating thing to notice is that 90 percent customers give a dependable impart input to organizations after their use understanding.

A study was conducted on the affecting and limiting variables for internet shopping in China (Wang et al., 2008). The exploratory research analyzed an arrangement of components for both customary and web based shopping. The creator specified exchange chance, security concern, customer discernment and Internet encounter as the major affecting variables for web based shopping in China. The observation for hazard and complete nature of the Internet clients are observed to confine components for the new shopping pattern.

A study was aimed at understanding the online purchase behavior and online searches of generation Y (Valentine and Powers, 2013) that tried to find correlations between the online shopping behavior and the gender of the consumer. They tried to understand the differences in the type of products purchased by both genders online at the same time figure out reasons to reject a product online and instead look for the product in the usual retail market. It was found that the products searched and purchased online differed largely based on the gender and that both genders had reasons like no sense of touch or trial before purchase and inconvenience in return as some of the major reasons for not purchasing products online.

A research was undertaken to study the factors affecting the behavior of consumers while shopping online (Nagra & Gopal, 2013) that tried to deduce possible correlations between the demographic constraints of the consumer and their online shopping traits. It was found that the some of the demographic pointers like age, gender, marital status etc. did in fact have a correlation with the possession of the internet by the consumer which was related to their online shopping behavior that can include things like the purpose for browsing online shopping websites or the place they were surfing through these-shopping websites etc.

A study was conducted to evaluate and establish preliminary assessment tests to understand the characteristics of online shopping in Malaysia (Harn et al., 2006). Correlations between the demographic profile and current online shoppers were tried to be deduced. It was also tested if any of the current problems regarding online shopping had an impact on the number future users of the same. It was found that there was a strong correlation between online shopping and the Chinese ethnic group, university degree holder and credit card or cheque book holder. The study also shows that one of the major factor for the paradigm shift to online shopping was the cost of the products online being really reasonable when compared to usual retail shops due to the presence of cut throat competition between various e-retailers. The major risk in the psyche of the Malaysian people was found to be regarding their privacy being breached and hence having a few doubts in their mind related to this field.

A study was aimed at understanding and analyzing, thereby providing an overview of online shopping decision process (Katawetawaraks & Wang, 2011). Some of the major reasons which attracted the consumers to the online market were observed, at the same time a few reasons which brought a sense of risk and negativity with regards to the same were enlisted. Some of the major motivational reasons enlisted were convenience, product information, the availability of the range of products and the cost effectiveness that came along with shopping online while some of the risks enlisted were security, intangibility of online product, social contact and an overall dissatisfaction with shopping online. This study works as a great model to find out the order of the motivational reasons and risks related to online shopping to help us rank these for the ease of comparisons and making judgements on the same.

## **METHODOLOGY:**

The current study has used a well-defined and a structured questionnaire to collect the primary data for to find the reasons for online shopping. The sampling techniques is based on convenience sampling

technique for the selection of data in Vellore, Tamil Nadu. The total sample size of the study is 150, which included respondents of both the genders varying in age from around 18 years to about 50 years or so. The respondents were taken from varied occupation sectors with a wide range of salary to give an appropriate sample. Both primary and secondary data were collected and used for this study. The primary data was collected by means of personal interviews with the help of a structured questionnaire which was first pretested and then finalized for the actual study after a few modifications. The secondary data was collected from various journals, magazines, newspapers, books and reports. The questionnaire consisted of 3 main parts. The first part included questions about the demographic profile of the respondent along with a few practices the followed while shopping online. In the second and third part, the respondents were given 5 options for each statement. The 5 options were namely: Strongly Disagree (SD) - 1, Disagree (D) - 2, Neither Agree nor Disagree (NAND) - 3, Agree (A) - 4 and Strongly Agree (SA) - 5. The second part of the questionnaire included questions related to the reasons for preference of online shopping while the third part included the questions related to the risks the respondents felt while shopping online. Statistical tools like Frequency Distribution, Chi-Square tests and Weighted-Average Ranking were used to get conclusive results with the help of SPSS V20 and MS-Excel software. To check the validity of a model is reliability. The reliability is measured by using Cronbach's  $\alpha$  which is widely used in social science studies. The current study's Cronbach's  $\alpha$  is 0.78 which exceeds 0.6 and implies the reliability of the data (Hair et al., 2016). Also, KMO value is 0.66, from which the sample size can be inferred to be adequate and the research can be considered to be as a valid study on the topic of Online Shopping Habits among the Consumers of Vellore District, Tamil Nadu, providing appropriate results.

**RESULTS:**

From table 1, 71% of the populace who favored web based shopping falls in the age gathering of 18 to 22, which delineates how the youthful era is more tech cordial and aren't reluctant to experiment with a more current way of shopping which may even incorporate shopping in view of what you see and no genuine feel. The table also depicts that around 81% of e-retail users are students as they are the more youthful ones, with a superior know how of innovation and the developing e-shopping market. We also get an idea about the frequency distribution of gender and the marital status of the respondents from the table 1. From table 2, Most of the respondent is using online shopping at home due to their convenience.

**Table 1: Demographic profile of the respondents**

		<b>Frequency</b>	<b>Percentage</b>
Age	18-22	106	70.7
	22-30	28	18.7
	30-40	10	6.7
	>40	6	4
Occupation	Student	121	80.7
	Employee	26	17.3
	Business	3	2
Gender	Male	106	70.7
	Female	44	29.3
Marital Status	Married	17	11.3
	Unmarried	133	88.7
	<b>Total</b>	<b>150</b>	<b>100</b>

**Table 2: Frequency distribution of place of browsing during E-shopping**

		Frequency	Percentage
Place of browsing	Home	32	88
	Office	10	6.7
	Travelling	8	5.3
	<b>Total</b>	<b>150</b>	<b>100</b>

For testing whether two variable are related, Chi-Square test is used. The hypothesis was declared to be accepted or rejected based on the Sig (P-value). If the Sig (P-value) was found to be greater than 0.05, the hypothesis was considered to be accepted else rejected.

**H1:** There is a relationship between the purpose of browsing through e-shopping websites and the age group of the respondent.

**Table 3: Cross-table between age and purpose of browsing through E-shopping websites**

		Main purpose while browsing through E-Shopping websites				
		Time Pass	Actual Shopping	See Trends	Product Information	Total
Age	18-22	12	69	17	8	106
	22-30	5	16	6	1	28
	30-40	1	1	2	6	10
	>40	0	0	1	5	6
<b>Total</b>		<b>18</b>	<b>86</b>	<b>26</b>	<b>20</b>	<b>150</b>

**Table 4: Chi-square output for table 3**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.518 <sup>a</sup>	9	0
Likelihood Ratio	41.165	9	0
Linear-by-Linear Association	24.656	1	0

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .72.

The Sig (p-value) is lesser than 0.05 as seen from table 4 and hence we can conclude that there actually exists a relationship between purpose of browsing through E-Shopping websites and the age group of the respondent. It is quite evident from table 3 that majority of the younger populace browsed through the websites when they genuinely had to shop online while the older age groups did so to maybe pass time or to in fact gain some product information for comparisons sake.

**H2:** There is a relationship between the various age groups and their place of browsing during E-Shopping.

**Table 5: Cross-table between age and place of browsing E-shopping websites**

		Place of browsing E-shopping websites			
		Home	Office	Travelling	Total
Age	18-22	97	4	5	106
	22-30	21	5	2	28
	30-40	9	0	1	10
	>40	5	1	0	6
<b>Total</b>		<b>132</b>	<b>10</b>	<b>8</b>	<b>150</b>

**Table 6: Chi-square test output for table 5**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.838 <sup>a</sup>	6	0.132
Likelihood Ratio	9.063	6	0.17
Linear-by-Linear Association	0.889	1	0.346
a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .32.			

The p-value is greater than 0.05 as seen from table 6 and hence we can conclude that irrespective of the age group, majority of the people preferred to browse at their home. This may be true because of a simple reason being that at home, people find it the most convenient and a stress free environment to pass their time and do some comparisons and then choose the best product according to their liking while shopping online.

The next part of the study was aimed at understanding the order of preference for shopping online by the respondents. This gave an in depth understanding about some of the reasons which people have for shopping online. The Weighted Average Rank technique was utilized here to first find the mean for each option and then rank these in the order of decreasing means values. The higher the mean value, the higher the preference was amongst the respondents.

**Table 7: Weighted Average Ranks for preferences for shopping online**

Reason	SD	D	NAND	A	SA	Mean	Rank
Convenience	1 (0.7%)	0 (0%)	4 (2.7%)	100 (66.7%)	45 (30%)	4.25	1
Ease of finding products	1 (0.7%)	4 (2.7%)	15 (10%)	85 (56.7%)	45 (30%)	4.13	3
Inclination towards finding something new	0 (0%)	5 (3.3%)	21 (14%)	87 (58%)	37 (24.7%)	4.04	4
Ease of comparison	0 (0%)	2 (1.3%)	13 (8.7%)	85 (56.7%)	50 (33.3%)	4.22	2
Offers	0 (0%)	4 (2.7%)	32 (21.3%)	71 (47.3)	43 (28.7%)	4.02	5
Can find products not available in stores	3 (2%)	9 (6.0%)	30 (20%)	76 (50.7%)	32 (21.3%)	3.83	6
No need to deal with salesmen	4 (2.7%)	33 (22%)	29 (19.3%)	55 (36.7%)	29 (19.3%)	3.48	10
Known for famous brand name	1 (0.7%)	8 (5.3%)	36 (24.0%)	79 (52.7%)	26 (17.3%)	3.81	7
Assurance of delivery on time	2 (1.3%)	12 (8.0%)	40 (26.7%)	76 (50.7%)	20 (13.3%)	3.67	9
Ease of product return and money refund	2 (1.3%)	19 (12.7%)	28 (18.7%)	64 (42.7%)	37 (24.7%)	3.77	8

Table 7 demonstrates the preferences of the respondents for shopping online. The main inclination is the convenience that internet shopping brings and consequently is emphatically concurred by majority of the population. Just sitting at home or even when on the move, travelling, shopping online happens on the fingertips of the consumers making convenience the highest factor for shopping online. The second preference is the simplicity of comparisons between the items which helps the purchasers compare the specifications of each item on various online retailers along with the price of the commodity that helps them pick the best according to them. The simplicity and the ease of finding items is taken after at third place followed by the chance of discovering something new while shopping on the web as the fourth

preference. Towards the end in ranking come reasons like the ease of product return and refund placed at the 8th position. This may be due to the fact that the consumers don't really have a good experience in the same and hence maybe the online retailers can look into this which would only attract more and more consumers if this aspect is improved. At the second last position comes the assurance of the delivery of product on time. This can be seen as a major reason why people in spite being hooked on to online shopping practice, still have their reservations about it as they don't really seem to be amused by the promises of products being delivered on time. Lastly comes the reason that the people don't need to deal with the salesmen. This being at the end only means that the consumer actually value the inputs of the salesmen who may actually be able to guide them in the right direction and hence the majority of the people don't find this as a reason for the shift to shopping online.

The research also tries to study the risks in the psyches of the users with regards to online shopping. In order to understand the same, again 5 choices were given to the respondents ranging from strongly disagree to strongly agree and weighted average rank technique was again utilized to rank these to give a clear understanding of the order of fear for each reason of risk in the minds of the consumers while shopping online.

**Table 8: Weighted Average Ranks for Risks in the psyches of the users**

Reason	SD	D	NAND	A	SA	Mean	Rank
No possibility for 'touch, feel or see' actual product to assess quality	2 (1.3%)	12 (8.0%)	30 (20%)	71 (47.3%)	35 (23.3%)	3.8333	1
Suffering from back ache problem due to long online shopping hours	24 (16%)	56 (37.3%)	47 (31.3%)	21 (14%)	2 (1.3%)	2.4733	14
Fear of misuse of credit card	4 (2.7%)	23 (15.3%)	46 (30.7%)	68 (45.3%)	9 (6%)	3.3667	6
Fear of social isolation and losing social contacts	15 (10%)	58 (38.7%)	34 (22.7%)	36 (24%)	7 (4.7%)	2.7467	11
Fear of on time delivery after payment	8 (5.3%)	29 (19.3%)	46 (30.7%)	57 (38%)	10 (6.7%)	3.2133	8
Fear of developing eyestrain problem	14 (9.3%)	40 (26.7%)	43 (28.7%)	49 (32.7%)	4 (2.7%)	2.9267	10
Doubt about the performance of the product or brand as expected	9 (6.0%)	17 (11.3%)	28 (18.7%)	84 (56.0%)	12 (8.0%)	3.4867	4
Fear of experiencing unnecessary tension due to shopping online	11 (7.3%)	41 (27.3%)	44 (29.3%)	45 (30.0%)	9 (6%)	3	9
Fear of personal info being sold or rented without consent	8 (5.3%)	23 (15.3%)	35 (23.3%)	72 (48%)	12 (8.0%)	3.38	5
Fear that delivered product will not match those described on website	4 (2.7%)	9 (6%)	31 (20.7%)	80 (53.3%)	26 (17.3%)	3.7667	2
Fear of choosing poor product/service	7 (4.7%)	20 (13.3%)	20 (13.3%)	83 (55.3%)	20 (13.3%)	3.5933	3
Worry that friends would think that I am trying to show off by purchasing online	32 (21.3%)	43 (28.7%)	39 (26%)	31 (20.7%)	5 (3.3%)	2.56	13
Uncomfortable feeling on thought of purchasing online	20 (13.3%)	46 (30.7%)	45 (30%)	35 (23.3%)	4 (2.7%)	2.7133	12
Bodily discomfort due to poor fitting while purchasing apparels	10 (6.7%)	23 (15.3%)	38 (25.3%)	63 (42%)	16 (10.7%)	3.3467	7

Table 8 gives a detailed idea about the reasons which produce a level of fear in the psyches of the consumers of E-Retail market and even ranks them in an order. It can be observed that the biggest fear quite clearly is the risk of not having a physical touch and feel of the product being bought online which may produce some doubts regarding the quality, material and maybe even the authenticity of the product being bought which leads to the fear of the product being ordered online and the one getting delivered not matching. These both then combined together give rise to the fear of choosing a poor product while shopping online. Next in line comes the risk of bad performance of the product or brand in lieu to the expectations while shopping online. The risk of personal details and credit/debit card details being leaked into the hands of bad people online are the next in line of the fears. In the end of the ranking of fears come reasons like uncomfortable thoughts of shopping online which clearly indicate that a large sect of people are ready for the shift to new ventures of shopping online and that they don't find it uneasy but rather convenient to do so. This is followed by people fearing being tagged as a "show off" for purchasing goods online by their peers which only depicts that in this modern era, majority of the people do not think a lot about their perceptions in the minds of others and also it may even mean that there already exists a large population of people who may be shopping online and hence it wouldn't be anything new if the respondent did so. Last in the ranking comes the fear of suffering from back pain due to excessive hours of sitting in front of the PC for shopping online. The fact that only a very few people agree with this is because now majority of the E-Retailers have got their apps for mobiles phones and hence a lot of people just surf through these on their phones or laptops in a more comfortable posture making online shopping really very convenient and a thing of the present and a great venture for future.

#### **DISCUSSION:**

The real discoveries identified with propensities and conduct while shopping online was uncovered in the research on the customers in India. Shopping by going to shops, malls or retail outlets is tedious. Consequently, many individuals liked to shop on the web. It can be seen from the research that the major cause for a large shift to shopping online is because of the convenience that it has brought. It has made comparisons among the products really easy which gives the consumer a good idea about the product specifications and price before buying it online. The web based shopping habits are increasing snappy market and are developing each year on account of the expanding Internet utilization of individuals and accessibility of Internet facilities at much affordable rates. The study also helped in basing the theory that age group indeed has an association with the purpose of visiting E-Shopping websites as it can be seen that majority of the younger population are the ones who actually shop online while the elderly people used these for comparisons sake and product information. The study also showed that there is no relation between the various age groups and their place of browsing the e-retail websites as a lot of people preferred to do so at home mainly because of the convenience. The study also inferred that there is a relationship between the various age groups and their usage of discount coupons and the various age groups and their modes of payment as it can be seen that the younger population almost always looked for discount coupons while shopping online as it saves them money for their already tight budgets and preferred to pay by cash on delivery as it gives a sort of confirmation about the product while the older generation preferred to pay by debit or credit cards as it these are more portable to them and that they didn't really bother about the discount coupons as they don't have such a big constraint of money that they can spend. The study further ranks in order the risks in the minds of the consumers while shopping online and it is found that the major fear while shopping online are concerned with the fact that the consumer will not be able to have any physical touch or feel of the product before buying it online which raise doubts about its quality in the psyches of the consumers. In totality, this research has attempted to discover some relationships between the demographic constraints and online shopping habits along with understanding the reasons for the preference of shopping online and the risks in the psyches of the people related to the same.



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