

# Online Buying Behaviour of Shoppers in Sivakasi, Tamil Nadu

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**Abstract** - In modern days customer focus is more transferred towards online shopping; worldwide people order products from different regions and online retailers deliver their products to their homes, offices or wherever they want. The B2C (business to consumer) process has made it easy for consumers to select any product online from a retailer's website and have it delivered to the consumer within no time. The consumer does not need to consume his energy by going out to the stores and saves his time and cost of travelling. The shopping experience can range from delightful to terrible, based on a variety of factors including how the customer is treated, convenience, the type of goods being purchased, and mood.

**Keywords:** Consumer Shopping, Buying Behaviour .

## I. INTRODUCTION

Internet shopping is also known as online shopping. Online shopping is the process where consumers purchase products or services over the internet. It is a network of linked computers enabling millions of people to communicate and search for information as well as to sell and buy products. Online shopping is a recent phenomenon. The declining cost of PCs, the development of search engines and the consumers' growing interest in the internet have enabled online shopping to garner significant attention in recent years. Online shopping is becoming a well accepted way to purchase a wide range of products and services. It offers a new environment distinguished from the traditional ways of doing business. It allows shopping for required products without going to the store physically. Internet shopping is great because people are able to shop 24 hours a day without having to leave their home or work place.

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 the 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 website. Therefore, detailed product information and improved service attract more and more people changed their consumer behaviour from the traditional mode to more rely on the internet shopping. On the other hand, more companies have realized that the consumer behaviour transformation is unavoidable trend and thus change their

marketing strategy. As the recent researches have indicated that the internet shopping particularly in business to consumer has risen and online shopping become more popular too many people.

There are many reasons for such a rapid developing of internet shopping, which is mainly due to the benefits that internet provides. First of all, the internet offers different kinds 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 to evaluate between each sites to get the cheapest price for purchase. Furthermore, the internet can enhance consumer use product more efficiency 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 (Moon 2004). 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 increases 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.

Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular item.

Consumers can buy a huge variety of items from online stores and just about anything can be purchased from companies that provide their products online. Books, clothing, household appliances, toys, hardware, software and health insurance are just some of the hundreds of products consumers can buy from an online store.

Many people choose to shop online because of the convenience. For example, when a person shops at a brick

and mortar store, they have to drive to the store, find a parking place, and walk throughout the store until they locate the products they need. After finding the items they want to purchase, they may often need to stand in long lines at the cash register.

Buying behaviour is the decision processes and acts of people involved in buying and using products. Consumer buying behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behaviour, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual or a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors and is influenced by cultural trends as well as his social and societal environment.

By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

Consumer behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behaviour. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the consumer makes an estimate of the available money which he can spend. Lastly, the consumer analyzes the prevailing prices of commodities and takes the decision about the commodities he should consume. Meanwhile, there are various other factors influencing online purchases.

Consumers' buyer behaviour is influenced by four major factors, namely,

1. Cultural
2. Social
3. Personal and
4. Psychological.

These factors cause consumers to develop product and brand preferences. Although many of these factors cannot be directly controlled by marketers, understanding of their impact is essential as marketing mix strategies can be developed to appeal to the preferences of the target market.

A very important area for marketing firms is to determine the decision maker or the real customer in the purchase decision of products and services. The following are the different participants in any consumer buying decisions:

**Initiator:** Initiator is the person who first suggests the needs of the idea or the need for a particular product which should be bought for satisfying certain requirement.

**Influencer:** After the initiator has suggested the idea for a particular product, the influencer is the person who gives more information or gathers more information, which will influence the decision of the purchase.

**Decider:** The decider is the person who ultimately decides to buy a particular product depending upon the situation. He is generally the dominating member of the family or head of the family, who carries out the role.

**Buyer:** The decision has been made for certain goods, the buyer goes to purchase from the shop. The actual purchase made by the buyer will depend on the convenience of the family members or of the group and it may depend on the earning members or head of the family.

**User:** The user is generally one who actually consumes or uses of the product or service and he may or may not be the initiator, decider or buyer. For instance, parents purchase toys but the actual users are children.

For a successful consumer oriented market service provider should work as psychologist to procure consumers. Study of consumer buying behaviour is gate way to success in market.

## II. STATEMENT OF THE PROBLEM

Many people are buying products or services through internet, due to time saving, convenience, price range, attractive package, availability of goods and so on. At the same time, the customers feel uncomfortable while giving account number, credit card number, personal information and unable to seeing the products personally. However now-a-days, online shopping method is moving very fast and also very familiar. In this context, the following questions arise with reference to online shoppers' buying behaviour in Sivakasi. 1) What is the level of awareness of online shoppers about consumer goods in Sivakasi? 2) What is their preference level for online shopping? 3) What is their level of satisfaction with online shopping? And such other related questions. The present study titled "Online buying behaviour of shoppers in Sivakasi" is an attempt to provide solution to the above questions.

## III. OBJECTIVES

1. To identify the awareness of respondents about online shopping in the study area.
2. To know the extent of internet usage of online shoppers in Sivakasi.
3. To find out the respondents' preference for online shopping.
4. To study the problems faced by online shoppers in Sivakasi.
5. To offer suggestions and give summary of findings.

## IV. METHODOLOGY

Research methodology is a way to systematically solve the research problem. It is necessary for the researches to know

the methodology of their studies. The present study depends upon both primary data and secondary data.

**Primary Data:**

The primary data were collected from the online shoppers with the aid of a structured questionnaire. The questionnaire was pre-tested for its finalization.

**Secondary Data:**

Secondary data is collected from published records, various journals, magazines, newspapers, books and websites.

## V. SAMPLE DESIGN

Concrete sampling frame did not exist for the online shoppers. Due to absence of sampling frame, non-random

sampling method was used. Snow-ball sampling method was used for the selection of required number of samples 160. Considering the time and resources, as well as the frame work of analysis, it is thought fit to have an adequate sample size of 160 sample online shoppers residing in Sivakasi.

## VI. STATISTICAL TOOLS

The collected data are analyzed with the help of SPSS. The following are the various statistical tools used by the researcher to analyze the data.

1. Percentage calculation
2. Chi-square test

## VII. RESULTS AND DISCUSSION

TABLE 1 SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

<b>Gender wise Classification of Respondents</b>			
S.No	Particulars	No. of Respondents	Percentage
1	Male	87	54.4
2	Female	73	45.6
<b>Age wise Classification of Respondents</b>			
1	Less than 25	88	55.0
2	26 to 30	47	29.4
3	31 to 35	16	10.0
4	Above 35	9	5.6
<b>Level of Education</b>			
1	HSC	33	20.6
2	Diploma	40	25.0
3	UG	38	23.8
4	PG	20	12.5
5	Professional course	29	18.1
<b>Marital Status of the Respondents</b>			
1	Married	67	41.9.
2	Unmarried	93	58.1
<b>Occupation of the Respondents</b>			
1	Self Employed	6	3.8
2	Employed	61	38.1
3	Student	42	26.2
4	Professional	30	18.8
5	Housewife	21	13.1
<b>Family Income of the Respondents</b>			
1	Below 10,000	35	21.9
2	10,001-15,000	79	49.4
3	15,001-20,000	24	15.0
4	20,001-25,000	11	6.9
5	Above 25,000	11	6.9

Source: Primary Data

From the above Table shows that majority of 54.4% of the respondents are male online shoppers. It is also a revelation that a majority 55.0% of the respondents are in the age group of less than 25 years. A sizable 25.0% of the respondents are Diploma holders. The majority of 38.1% of the respondents are employed. The majority of 58.1% of the respondents are Unmarried. The majority of 49.4% of the respondents are earn between Rs10001-15000.

TABLE 2 RESPONDENTS' USE OF INTERNET FOR SHOPPING

S.No	Particulars	Frequency	Percentage
1	Very often	20	12.5
2	Frequently	63	39.4
3	Sometimes	60	37.5
4	Rarely	17	10.6
	<b>Total</b>	<b>160</b>	<b>100</b>

Source: Primary Data

The Table 2 shows that a sizable 39.4% of the respondents are using it frequently for shopping. Figure 4.9 shows this event.

TABLE 3 AMOUNT SPEND FOR SHOPPING

S.No	Particulars(Rs)	Frequency	% to total
1	Less than 500	34	21.2
2	1,000-1,500	80	50.0
3	1,500-3,000	22	13.8
4	3,000-4,500	7	4.4
5	Above 4,500	17	10.6

Source: Primary Data

It is evident that a sizable 50.0% of the respondents spend Rs. 1,000-1,500 for the online shopping.

TABLE 4 RESPONDENTS' USAGE LEVEL OF INTERNET

S.No	Particulars	Frequency	% to total
1	Beginner	42	26.2
2	Intermediate	89	55.6
3	Expert	29	18.1
	<b>Total</b>	<b>160</b>	<b>100</b>

Source: Primary Data

It is clear from the above table that the majority of 55.6% of respondents are at intermediate level in internet usage

TABLE 5 RESPONDENTS' MODE OF PAYMENT IN ONLINE SHOPPING

S.No	Particulars	Frequency	% to total
1	Credit card	14	8.8
2	Debit card	26	16.2
3	Cash on delivery	87	54.4
4	Net banking	33	20.6
	<b>Total</b>	<b>160</b>	<b>100</b>

The above table shows that a majority of 54.4% of the respondents' use the cash on delivery as the payment mode.

### A. Hypothesis 1:

There is no association between the respondents' age and their awareness of online shopping. The following null hypothesis was tested by the chi-square analysis.

#### Analysis of Output

The calculated p value 0.001 is less than assumed value of 0.05. Hence, the null hypothesis is rejected. Therefore, there is an association between age group and awareness about online shopping. It indicates that due to advancement in computer technology in the study region, there is widespread awareness of online shopping.

### B. Hypothesis 2:

There is no significant relationship between educational level of the respondents and their usage of internet. The above null hypothesis was tested by the chi-square analysis.

#### Analysis of Output

The calculated p value 0.009 is less than assumed value of 0.05. Hence, the null hypothesis is rejected. Therefore, there is a significant relationship between educational level of the respondents and their usage of internet. In other words, a higher level of literacy would increase the internet use for online shopping.

### C. Hypothesis 3:

There is no relationship between the occupation of the respondents and their amount spent for online shopping. This is proved with the help of chi-square test.

#### Analysis of Output

As the calculated p-value 0.25 is found to be less than assumed significance level at 5 per cent, the null hypothesis is rejected. Therefore, there is a relationship between the occupation of the respondents and the amount spent for online shopping. The kind of occupation determines how much amount will be spending for online shopping.

### D. Hypothesis 4:

There is no relationship between the occupation of the respondents and their preference to do online shopping. This is proved with the help of chi-square test.

#### Analysis of Output

The calculated p-value 0.002 is found to be less than significance level of 5 per cent, the null hypothesis is rejected. Therefore, there is a relationship between the occupation of the respondents and their preference to make online shopping. As the kind of occupation determines one's income, higher the income, the more chance to go for online shopping.

## VIII. SUGGESTIONS

The survey has brought to light the several kinds of problems of online buyers such as the cost of purchase of product, low speed of internet, non delivery of product, need for the possession of debit/credit card, no money back, are the important problems in online purchases. It suggests for the due role of marketers to mitigate the above mentioned problems for the promotion of online sales.

The investigation discloses that the sizable number of respondents preferred the feature of low price of product as well as variety of goods followed by social networking integration, multiple payment gateways and product design in the online shopping sites. The features of credibility of transaction, secured checkout and customer friendliness are found to be less preferred features in their online shopping sites. Marketers of online shopping products are advised to pay attention on these features to improve them.

The execution of cluster analysis revealed that there are four clusters/groups of online shoppers; each group has its own distinct expectations. While the first group accords more importance to all the nine features of online purchase, namely convenience, more information, price range, variety, brand image, sales promotion and time saving. Respondents of second group accord more importance to the features of online purchase, namely security to control fraud. The third group gives more importance to the sales promotion method and time saving. Finally, the fourth group gives more importance to the features of price range, variety of products and privacy of transaction. It suggests for the marketers' paying attention on the expectation of these four clusters of respondents.

Another important finding is that about respondents' sources of pre-purchases decision. It came light that internet (46.9%), friends and relatives (37.5%), T.V (9.4%) and newspaper (4.4%) serve as the base for pre purchase decision of respondents while making online purchase. The marketers may well concern about their advertisements through these media of internet and T.V for making well known about their products to the online buyers.

## IX. CONCLUSION

The analysis reveals that certain features of online purchases credibility of transaction, secured checkout and customer friendliness are less preferred features in their online shopping sites. Marketers may pay attention on these functions to improve them. The survey has brought to surface several problems of online buyers. It is found that cost of purchase of product, low speed of internet, non delivery of product, need for the possession of debit/credit card, no money back. It suggests for the due role of marketers to mitigate the above mentioned problems for the promotion of online sales.

Performance of cluster analysis reveals the presence of four clusters/groups of online shoppers; each group has its own distinct expectations. It suggests for the marketers' paying attention on the expectation of these four clusters of respondents.

An important finding is that the internet, T.V and newspaper are the important sources of pre-purchase decision as well as awareness of online shopping of respondents. The marketers may well concern about these media for making well known about their products to the online buyers.

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