



CONSUMER BEHAVIOUR TOWARDS ONLINE SHOPPING IN IRITTY THALUK, KERALA

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Abstract

Online transactions have become essential part of day to day life because of the fast growing nature of trade and industry. The purpose of the study is to know the factors that influence the consumer's attitudes and behaviours towards online shopping. Consumer's attitude towards online shopping refers to their psychological state in terms of making purchases over the Internet. Online buying behaviour process refers to the products purchased online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping. In order to gain competitive edge in the market, marketers need to know the consumer behaviour in the field of online shopping. So it is important to analyse and identify the factors which influence consumers to shop online in order to capture the demands of consumers. Other than the factors which influence consumers to shop online, online shopper's demography in terms of age, gender, income and education is equally important to define their strategies accordingly.

INTRODUCTION

When a person buys a product or a service over the internet, instead of going to a traditional brick-and-mortar store, it is called online shopping. Globally, an increasing number of people are buying over the Internet because it is more convenient. A person can purchase almost anything online starting with groceries and greeting cards to cell phones and ringtones for the cell phones, everything can be purchased online. While most people still find it convenient to buy their groceries from the neighborhood shop, many people are purchasing rail and air tickets over the Internet. In addition, people and corporates as well, are also purchasing a variety of services online such as a broking service or job search service.

While online shopping is still not very big in India, the numbers are growing every year. Online shopping became popular during the Internet boom in 1999-2000. Amazon.com, the online bookstore founded by Jeff Bezos, created history by becoming the first bookstore with a presence only on the Internet. Following the success of Amazon, many bookstores with a physical presence also created an online presence on the internet. Later, portals such as Yahoo.com and MSN.com also started online shopping channels where people could buy more than just books. Closer home, portals such as Indiatimes.com and Rediff.com came up with similar options for the Indian consumer.

One of the first known Web purchases took place in 1994. It was a pepperoni pizza with mushrooms and extra cheese from Pizza Hut, a somewhat appropriate purchase for the early days of the Internet. When Amazon came on the scene not long after, selling books online was a curious idea. After all, why would people buy a textbook online when they could go to a bookstore? But eventually, a revolutionary change in culture and group think took place. Buying things online was all about price and selection, says Ellen Davis, a vice president with the National Retail Federation. If you lived in a small town with just one bookstore and they didn't stock the novel you wanted, the Internet was a solution. The big sellers were "hard goods," those things you didn't have to touch, feel or smell in order to buy, such as books, computers and other electronics. Now, nothing is off limits. "As the Internet has evolved, it's become a channel where you can buy anything," Davis says. "You can buy fragrances something you would have normally thought you would need to go to a store and actually experience before you decided to buy."

As consumers are in direct touch with online companies therefore, products are directly delivered to consumer. Such direct contact between companies and consumers reduces the length of distribution channel leaving no or least scope for intermediaries. As a result it may save the time and cost for the consumers as well as companies.

LITERATURE REVIEW

In this part of the study, definition and citations from other authors of the dependent and independent variables in the similar area of research will be presented here.

Purchase Intention

From the study of Pan (2007, p.5), the author cited from Engel, Blackwell and Miniard (1990), that defines purchasing intention as a psychological process of decision-making. According to Pan (2007), "purchasing decision process" is when the relevant information is searched by the consumers that are motivated by the fulfillment of demands according to personal



experience and the external environment; then after accumulating a certain amount of information, they begin to evaluate and consider; and finally after comparison and judgments, they make the decision on certain products.

According to **Monsuwe, Delleart and Ruyter (2004)**, there are five external factors to understand consumer's intention to purchase in the internet which is the consumer personality, situational factors, product characteristics, previous online shopping experiences and the trust in online shopping. Consumer's trait includes their demographic factors such as age, income, gender and educational level will lead them to have the intention to shop online.

For age factor, consumers that are aged under 25 has more potential to shop in online because of their interest in using new technologies to search for product information and compare and evaluate alternatives (**Wood, 2002**). For educational level, higher educated consumers are more likely to use the internet for their shopping medium because they are more computer literate (**Burke, 2002**).

Product characteristic is also another factor that will influence the consumer's intention to purchase in the internet. Product characteristic can be tangible or intangible; standardized or customized. In an online context, lower tangibility of a product is caused by the lack of physical contact and assistance in the shopping process; consumer's intention to shop on the internet will be low when there is a need to seek advice from a salesperson regarding the considered product (**Monsuwe, et. al., 2004**). Products such as car, computers, perfume, perfume or lotion has the lower potential to be purchased by the consumer because it requires more personal knowledge and experience (**Elliot, et. al., 2000**).

Another factor that influences the consumer's intention to purchase in online is the previous online shopping experiences. Consumers will continue to shop in the internet in the future is because they are satisfied with the online shopping experience and it was evaluated positively (**Shim, Eastlick, Lotz and Warrington, 2001**). Consumer's perceived risk will tend to reduce when they are satisfied from the shopping experiences (**Monsuwe, Delleart and Ruyter, 2004**).

The last factor that will influence consumer's intention purchase in online is the trust in online shopping. According to **Lee and Turban (2001)**, reasons that consumers choose not to shop online is because consumers lack of trust in online shopping. Attitude towards security transaction such as payment security, consumer information privacy, return policy, and product shipping guarantee predicts online purchasing intentions for apparels product (**Kim, et. al., 2003**). Similarly, consumer's trust towards online shopping is based on the level of security and privacy.

STATEMENT OF THE PROBLEM

“An increasing number and variety of firms and organizations are exploiting and creating business opportunities on the internet”, Liao and Cheung. Emergence of shopping through the internet increases the scope of studying what actually motivates consumers to shop online. In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of online shopping. So it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers. Hence the consumer behavior climate of Iritty Thaluk, Kerala is examined in this study.

SIGNIFICANCE OF THE STUDY

Consumer's attitude towards online shopping refers to their psychological state in terms of making purchases over the Internet. Online buying behaviour process refers to the products purchased online. The process of online buying behaviour consists of five steps and it is similar to traditional shopping behaviour. For instance, consumer recognize the need for buying some product (book), they refers to the internet to buy online and start to search for the information and look for all the alternatives and finally make a purchase which best fits to their needs. Before making final purchase consumers are bombarded by several factors which limits or influence consumers for the final decision.

Our problem area that is Consumers attitude towards online shopping will determine the attractive factors that influence consumers to shop online and those factors will help marketers to formulate their strategies towards online marketing respectively. As our area of research will be on IRITTY THALUK, Kerala and so our research thesis will not only be helpful for the marketers in general but specifically will be helpful for the marketers. Researchers will precede this work with primary data which will help them in covering the subject area in more diversified way.

SCOPE OF THE STUDY

Online transactions have become essential part of day to day life because of the fast growing nature of trade and industry.

The main theme of the study is to know the factors that influence the consumer's attitudes and behaviours towards online shopping. Researchers will also focus on how consumers form such attitudes with the help of models and who are truly the online shoppers. According to the online survey within few American students, Case, concluded that "Internet knowledge, income, and education level are especially powerful predictors of Internet purchases among university Students".

The study covers the consumer behavior towards online purchase in IRITTY THALUK, KERALA and knowing their knowledge about the online shopping and its various factors related to the current situations in the market and various issues raised in the online shopping.

OBJECTIVES

- To understand the behaviour of online shopping among people of Iritty Thaluk.
- To analyse the purchasing pattern of people of Iritty Thaluk
- To analyse the relationship between online shopping habits and income and occupation.
- To find out the motives behind online purchases.
- To understand the chances of frauds while online purchases.

RESEARCH METHODOLOGY

To carry out the study following research methodology will be adopted.

Universe: the universe of the present study consists of all the online shopping customers.

Area of Investigation: Iritty Thaluk, Kerala.

Sampling Size: 100 customers.

Sampling Method: Convenience Sampling.

Data Collection: The study is based on primary as well as secondary data. Primary data has been collected through questionnaire by direct personal interview and secondary data from published journal, magazines, various books and world wide web etc.

Data Analysis: The collected data are analyzed through statistical techniques like percentage Analysis, Ranking Method, Likert Scale and χ^2 – test.

DATA ANALYSIS AND INTERPRETATIONS

Table No. 1, Gender

Table No. 1 shows that male respondents are more interested to online shopping rather than females.

Gender	No of respondents	Percentage
Male	65	65
Female	35	35
Total	100	100

Table No. 2, Profession

Table No 2 shows that the respondents are having different occupations and all of them are keenly interested in online shopping.

Qualification	No of respondents	Percentage
STUDENTS	15	15
SELF OCCUPIED	12	12
PRIVATE SECTOR	23	23
GOVERNMENT SECTOR	28	28
PROFESSIONALS	17	17
OTHERS	05	05
Total	100	100

Table No. 3, Income

Table No 3 shows that respondents are with different income levels.

Income	No of respondents	Percentage
Below 10,000	12	12
10000 - 20000	27	27
20000-30000	36	36
30000 - 50000	18	18
Above 50000	07	07
Total	100	100

Table No. 4, Various Reasons For Preferring Online Shopping

Table No. 4 shows that 42 per cent of the respondents were chosen online shopping because it's fast and convenient and 33 per cent of them chosen because of Cheaper Price and 25 per cent of them are of more variety of products.

Reasons	No of respondents	Percentage
Fast and convenient	42	42
Cheaper price	33	33
More varieties of product	25	25
Total	100	100

Table No. 5, Shopping Interval

Table No.5 shows that 6 per cent respondents do shop online twice a week or above, 4 per cent respondents do online shop weekly, 25 per cent of them once per two weeks, 39 per cent of them are monthly and 26 per cent of them are quarterly.

Interval	No of respondents	Percentage
Twice a week or above	6	6
Weekly	4	4
Once per two weeks	25	25
Monthly	39	39
Quarterly	26	26
Total	100	100

Table No. 6 Monthly Spending Habit

Table No. 6 shows that majority of respondents used to spend below Rs 5000

Spending habit	No of respondents	Percentage
Below 1000	32	32
2000-5000	43	43
5000-10000	18	18
Above 10000	7	7
Total	100	100

Table No. 7, Satisfaction With The Diversified Product Range

Satisfaction level	No of respondents	Percentage
Yes	78	78
No	22	22
Total	100	100

Table No 7 shows that 80 per cent of the respondents are satisfied with the variety of goods available in the online stores.

Table No 8, Customer's Satisfaction On After Sales Service

Table No 8 shows that 74 per cent of the respondents are satisfied with the after sales service.

Type	No of respondents	Percentage
Yes	74	74
No	26	26
Total	100	100

Table No 9,Quality of Goods

Table No 9 shows that on an average the quality of the goods is good.

Opinion	No of response	Mark
Very good	29	145
Good	38	152
Moderate	24	72
Bad	9	18
Very bad	0	0
Total	100	387
Average	187/100 = 3.87	

Table No.10,Selection of A Specific Product

Table No. 10 shows that most of the respondents are given first preference to Brands and Product ratings. The less preference is given for the references from colleagues.

	Ranks					Total Score	Average Score
	1	2	3	4	5		
Brand	42	27	18	13	0	398	3.98
Product rating	29	26	24	21	0	363	3.63
Product reviews	11	29	28	23	9	310	3.1
Advice from offline stores	18	18	23	17	24	289	2.89
Referred by colleague	0	0	7	26	67	140	1.4

Source: Field survey.

Table No 11,Advantage of Online Shopping

Table No 11 shows that majority of the respondents are getting the main advantage of discounts and wide variety of brand choice.

	Ranks						Total Score	Average Score
	1	2	3	4	5	6		
Discounts	48	25	12	13	2	0	504	5.04
Wide variety of brand choice	21	17	18	20	10	14	377	3.77
Time saving	9	19	17	21	15	19	329	3.29
Getting latest product information	5	13	28	15	23	16	314	3.14
24 hours accessibility	11	18	14	15	19	23	318	3.18
Having comparison shopping	6	8	11	16	31	28	258	2.58

Table No 12,Customers Knowledge On Terms And Conditions

Table No 12 shows that majority of the respondents doesn't have the knowledge about the terms and conditions of online transactions

Conditions	No of respondents	Percentage
Yes	28	28
No	72	72
Total	100	100

Source: Field Survey

Table No 13,Recommendation to Use Online Shopping

Table No 13 shows that 86 per cent of the students are recommending others to use online purchase from their personal experiences

Response	No of respondents	Percentage
Yes	86	86
No	14	14
Total	100	100

Source: Field Survey

Table No 14, Factors Affecting Final Purchasing Decision

Table No 14 shows that majority of the respondents are doing online purchase because it's best pricing and convenience and time saving.

	Ranks						Total Score	Average Score
	1	2	3	4	5	6		
The best pricing	36	25	18	14	4	3	466	4.66
Convenience and time saving	21	17	18	20	10	14	377	3.77
Unavailable in local store	14	19	17	18	15	17	348	3.48
Price comparison available	12	13	21	15	23	16	328	3.28
Product reviews available	11	18	14	16	19	22	320	3.2
Delivery option	6	8	12	17	29	28	261	2.61

Table No 15, Level of Security Ensured by the Online Transactions

Table No 15 shows that the opinion on level of security ensured by the online transaction is agree in nature.

Level	No of response	Marks
Strongly agree	0	0
Agree	48	192
Neutral	32	96
Disagree	20	40
Strongly disagree	0	0
Total	100	328
Average	328/100 = 3.28	

Source: Field Survey.

Table No 16, Victims Suffered Financial Loss or Any Fraudulent Activities in Online Activity

Table No 16 shows that 79 per cent of them are not suffered any financial loss or been a victim of financial fraud as a result of their online activity.

Victims	No of respondents	Percentage
Yes	21	21
No	79	79
Total	100	100

Table No 17, Delivery of Goods on Right Time

Table No 17 shows that 56 per cent of the delivery of goods take place on right time.

Type	No of respondents	Percentage
Yes	76	76
No	24	24
Total	100	100

RELATIONSHIP BETWEEN ONLINE SHOPPING HABITS AND DIFFERENT ATTRIBUTES

² – test is used analysing the independence of online shopping habits and different attributes.

Table No 18

HYPOTHESIS	Level of Significance	Degree of freedom	Table Value	Calculated Value	Interpretation
H0: Occupation and online shopping habits are independent H1: Occupation and online shopping habits are dependent.	0.05	20	31.41	13.18	Here Calculated value is less than table value. Thus we accept the null hypothesis that Occupation and online shopping habits are independent.

H0: Income and online shopping habits are independent H1: Income and online shopping habits are dependent.	0.05	16	26.296	04.86	Here Calculated value is less than table value. Thus we accept the null hypothesis that Occupation and online shopping habits are independent.
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FINDINGS

- At the time of survey comparatively higher number of female said that they don't have shopping experience through online.
- The best reason for preferring online shopping is fast and convenient.
- Respondents are satisfied with the variety of goods.
- Majority of respondents are not satisfied with the after sales service.
- Most of the customers are not aware about the terms and conditions.
- Higher number of respondents recommend others to use online shopping.
- Respondents do online purchase by referring various related web sites.
- Majority of the respondents have a fear on level of security ensured in online transactions.
- Majority of the respondents are not a victim of any threats in online purchase.
- Majority of the respondents says that delivery of goods takes place on right time.
- Quality of the goods provided by the seller is good
- Majority of the respondents are getting the main advantage of discounts and wide variety of brand choice.
- Majority of the respondents are doing online purchase because it's best pricing and convenience and time saving.
- Shopping habits of respondents are independent to their income level and profession.

LIMITATIONS

- Some of the respondents were not co-operative.
- The study was undertaken only for a particular period

There are number of factors that affect the behaviour of online consumers in Iritty Thaluk, Kerala. But in this research, main focus is to study the behaviour of the consumers in the process of purchasing from online stores. There are many theories and models that identify the consumer. This research is limiting itself on the scenario to identify consumer's behaviour variables in the buying process of goods in Iritty Thaluk, Kerala. Consumer behaviour would be changed according to kinds of products and services. Therefore different factors have different importance in the eye of consumer based on quality and kinds of products. Therefore, this research limits itself only to consumer behaviour in online shopping of products.

CONCLUSION

This study was carried out to determine the consumer behaviour in Iritty Thaluk, Kerala towards online shopping. Online shopping is increasing in rural areas but acceleration of online shopping is not as rapid as compared to other urban areas. Study revealed that online shopping is mostly influenced by social network/circles and personal experience. Consumers are doing online shopping because of convenience and time saving. "Search as recreation" mind set in is studied under experimental online shopping behaviour.

The survey questionnaire was prepared and distributed among personal contacts and received 100 responses. From the survey it is observed that online shopping is more popular among the males in Iritty.

The online shopping is getting popular among the people as they feel it is more comfortable, economical, Time saving and convenient. It is analysed that when a consumer determines to purchase online he or she is influenced by multiple factors. The main crucial identified factors are brands, time saving, best price and convenience. The best price factor is popular among people because generally in online markets price are lower as against the physical markets. People compare prices in online stores and then review all feedbacks and rating about product before making the final selection of product and decision.

The main barrier in the process of online shopping is the safety issue. People are afraid to share their personal information on internet.



SUGGESTIONS

This study was accomplished to determine the consumer behaviour in Iritty Thaluk, Kerala. Online shopping is increasing in Iritty Thaluk, Kerala but acceleration of online shopping is not as rapid as compared to other urban areas. So some of the suggestions made on the basis of the research are:-

- The main barrier in the process of online shopping is the safety issue and low level of trust on online store therefore sellers have to make proper strategy to increase consumer level of trust on them.
- The research clearly shows the male domination in the online purchase and the females are comparatively less because of several reasons so the marketers have to take necessary steps to motivate them to stand shoulder to shoulder with the men.
- The consumer behaviour of a person is determined by various factors so the online sellers have to make a strategy to come down from urban areas to rural areas too by introducing various strategies.

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