

A Study of Factors Affecting on Online Shopping Behaviour of Consumers in Meerut Urban Area

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Paper Code : JCT-O19-A

DOI : <https://doi.org/10.26703/JCT.v14i2-8>

Web Address : <http://www.jctindia.org/october2019/v14i2-8>

Archive : <https://ideas.repec.org/a/jct/journal/v14y2019i2p54-59.html>

<http://EconPapers.repec.org/RePEc:jct:journl:v:14:y:2019:i:2:p:54-59>

Similarity : 12 percent



How to Cite: Anubha (2019). A Study of Factors Affecting on Online Shopping Behavior of Consumers in Meerut Urban Area. *Journal of Commerce and Trade* (H. Agarwal, Ed.) 14 (2), 54-59.

<https://doi.org/10.26703/JCT.v14i2-8>.

Abstract

E-Commerce is exchange of information using network-based technologies. In the present high cost situation, e-Commerce can be used as a competitive strategy. It successfully includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services. On-line shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. Most of the companies are running their on-line portals to sell their products/services on-line. Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is still not in line with the global market. The major benefit of online shopping is the ability to 'compare the products and the prices' easily. Instead of running around to several different traditional stores and trying to remember or write down details such as prices and features, the shopper can simply open two or more browsers to easily compare more than one item. Additionally, there are several websites and online retailers which make comparison shopping even easier. These websites may even provide charts which compare features for similar products to enable the online shopper to make an accurate comparison of two or more items before making a purchase. The potential growth of online shopping has triggered the idea of conducting a study on online shopping in India. The present research paper has used Qualitative and Quantitative research methods to study the impact of Demographic factors of consumers on on-line shopping parameters like satisfaction with on-line shopping, future purchase intention, frequency of on-line shopping, numbers of items purchased, and overall spend on on-line shopping. The data was collected through Questionnaires from urban area of Meerut district. The results of study reveal that on-line shopping in India is significantly affected by various Demographic factors like age, gender, marital status, family size and income. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area. **Key words:** E-commerce, On-line shopping, Demographic factor, Age, Gender, occupation, Income.

Keywords: Demonetization, Startup, Make in India, Mudra Yojna, Unified Payment Interface (UPI), Unstructured Supplementary Service Data (USSD) and E-Commerce.

Classification- JEL: O17, P15

1. PRESENT SCENARIO OF RETAIL INDUSTRY IN INDIA

Indian retail sector has been growing rapidly with various factors effecting to its rise.

The few vital factors would be the increase in digitization, purchasing power of consumers, urbanization and rapidly changing lifestyle of the consumers. A sharp rise and improvement in the consumption pattern of Indians has been noted

that has resulted in the retail sector grow and the sector is expected to record a growth of \$1.3 trillion by 2020. There is a positive impact seen in the section of organized retail. At present the organized retail penetration is 7 percent and it's expected to reach 10 percent. Also the organized retail market is also going to grow and reach the level of 19 percent which is currently at the level of 9 percent, according to reports published. When closely observed, it's seen that there has been a great penetration of the bigger brands in smaller cities and people of India are able to enjoy the top MNC brands that previously were not in their reach. This can be directly linked to the increase in purchasing power of consumers. Superior customers experience has noted elevated intensity and the consumers are looking up to goods that a decade ago was not a part of their lifestyle. In years there have been many foreign brands which have understood the Indian market and have established firmly in the Indian market. They continue to flourish as the consumers are buying their products. This is a very good & positive sign which shows the changes occurring in retail industry. There are many factors contributing to the boom in this sector. Some of them are increased consumerism with the ability to afford luxury items. Even there is increase in the spending power of Indians. Indian's are travelling abroad and they are exposed to different cultures, their way of living, their style and thereby more brands. Worldwide retailers eye the Indian market because in our culture there is lots of give and take for marriages, festivals and other important events. Hence it's imperative for people to spend on gifts as a part and parcel of life irrespective of caste and creed and economic status. Foreign Direct Investment is another vital reason for increasing consumerism. With the liberalization of FDI, there will be a hike in investments pumped in by major companies. With this we can also see a positive change in the lifestyle of consumers. The taste and preferences of consumers in India has been changing. And this is bringing India, at par with the consumption pattern of the developed nations. Changes in Government policy have

attracted many international giants to look for a favorable chance of prosperity in Indian retail market. The ease in government norms regarding FDI has made India relish & enjoy the consumption pattern that is being followed across developed nations. Goods and Services Tax (GST) is another major step that has been taken in terms of retailing. This has impacted & given a boost to the foreign brands and they are keen in investing into Indian market. When there is one single framework applicable to a huge variety of investment procedure then the foreign brands are highly keen in making a penetration. Present scenario of Indian retail industry is the replica of the same. From unorganized retail there has been a transition to the organized retail that has streamlined the process. With this we can predict that the Indian retail industry is heading steadily towards a new era.

2. ONLINE RETAIL

Online retailers can increase their sales and profits faster than a brick and mortar establishment because selling online offers the advantage of being open twenty-four hours a day, seven days a week. As e-commerce and online shopping gains traction amongst consumers, these trends are only expected to become more significant. Selling online also allows retailers to sell their merchandise in any part of the world without additional expense. This means e-retailers can expand into global markets or target an extremely focused segment, such as selling burkas to Middle Eastern women. While the small retail store on Main Street would never dream of competing with a national chain retailer, a mom-and-pop shop may find itself on a more level playing field with its big-box competitors. The western culture has affected each and every aspect of our Indian Society. The life is becoming fast not only in metros but also in the normal cities. The number of nuclear families is increasing and both husband and wife are working, as they have less time to go to the market for purchasing every now and then. Some other reasons like these, say shortage of time, traffic jams, late working hours, versatility of plastic money and

above all the approach of internet at the door step of whosoever desires it. Online retailers have improved their service and consumers have found it convenient. There is been transformation in payment mode as well. From advance payment it is moved to cash on delivery (COD). Even in case of delivery pattern is changed. From fixed delivery timings it is moved on to convenient delivery timings at the choice of the customer. India has opened the doors for foreign direct investment in retail. Indian market is dominated by unorganized players but there is potential in the area of retail players as well. Entry of bigger players such as Big Bazaar, More etc to even in the rural areas is paved the way of growth in its sector. There is been rise in the increase of Indian middle class people due to rapid economic growth. Though the population of using Internet in India is low in terms of by and large percentage of total population but, in total numbers it is very high. This gives enormous opportunities for various ecommerce sites to get in touch with this segment. Market players have to be more positive, revolutionizing and pioneering in their approach and offering to make serious inroads. In the current market, bulk of online sales is in a range of items. This market in India needs to leap to the next level. In future, online shopping is bound to grow in a big way, given the growing youth population.

3. LITERATURE REVIEW

Sultan and Henrichs (2000) in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not.

The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

Priyanka Soni and Vijay Shrimali (2014) a study of consumer behavior towards online shopping in Udaipur review on the factor which highly influence online shopping are time, money, easier mode of shopping, schemes and offers given by the websites, clear product pictures and features specification. These factors are insist customer to shop again from online stores and affect the most their overall experience with the online shopping.

Anitha (2014) had undertaken a research about brand loyalty and brand preference of women in the choice of footwear in Coimbatore city. For this the researcher had surveyed among 100 women respondents belonging to Coimbatore city using convenience sampling. Various statistical tools like Pearson correlation and Garetts ranking technique were had been used to obtain the facts. The findings revealed that product quality plays a significant role in influencing consumers to be loyal customers. Additionally the overall findings of the study also that amongst others Coimbatore customers prefers brand name, product quality, price, promotion, store environment and service quality as relevant factors attribute to brand loyalty. All these factors showed positive relationship with brand loyalty except style which had no relationship.

Gazal Punyani et.al. (2015) study points out the reasons why shoppers, particularly young females, prefer e-shopping, the pros and cons of internet payment and the issues involved. The study also aims at looking into the various aspects of online shopping in modern day environment and identifying female customers' requirements from an online retailing store. As E-shopping has been largely integrated into our lives, there are many concerns in the e-commerce payment system such as payment security system, scams, shipping costs, etc. A successful web store is not

just a good looking website with dynamic technical features, listed in many search engines, but it is about building a relationship with customers and making money.

Shipra Agarwal & V.Bhuvnaswari (2016) has undergone a study on growing popularity of online shopping and its impact on the middle class consumers with reference to Uttarakhand, targeted 450 respondents out of which only 300 questionnaires were received and studied, simple charting, percentage analysis and pie diagrams are used. Percentage analysis and pie diagrams make the presentation simple and attractive; researcher has found there is a bright future of online shopping not only in Uttarakhand but in the whole of the country because the majority of population in India lies in middle class category ranging from lower middle class to upper middle class. People understand the benefit of easy and convenient shops which are open 24x7 and with the use of internet shoppers can shop anything, anywhere and anytime with safe payment option.

4. RESEARCH OBJECTIVES

To identify the Demographic variables have an impact on the buying behaviour of consumers while shopping for various products through online portal.

5 RESEARCH HYPOTHESES

H₀1: There is no relationship between gender and the level of satisfaction towards online shopping.

H₀2: There is no relationship between marital status and the level of satisfaction towards online shopping.

H₀3: There is no relationship between age and the level of satisfaction towards online shopping

H₀4: There is no relationship between educational qualification and the level of satisfaction towards online shopping.

H₀5: There is no relationship between occupation and the level of satisfaction towards online shopping.

6. RESEARCH METHODOLOGY

a) Methods of data collection: A combination of

Interview method and Questionnaire method is used to collect data from the respondents.

b) Sample Design: Under sample design the method of Random Sampling is been used to collect data from the respondents.

c) Sample Size: Sizes of 500 respondents are taken for the collection of the data from urban area of Meerut District.

d) Data Analysis and Interpretation: In data analysis and interpretation statistical method of "Chi-Square Test" is used to analyze the data.

7. HYPOTHESES TESTING

H₀1: There is no relationship between gender and the level of satisfaction towards online shopping.

In urban area of Meerut district, calculated chi-square value 10.3152 is more than table value 9.488 and the result is significant at 5 per cent level. Hence, null hypothesis (H₀1) is rejected and alternate hypothesis is accepted. It portrays that there is significant relationship between gender of respondents and their level of satisfaction towards online shopping in urban area of Meerut district. From the analysis, it is concluded that there is association between the gender of respondents and the level of satisfaction towards online shopping.

H₀2: There is no relationship between marital status and the level of satisfaction towards online shopping.

In urban area of Meerut district, calculated chi-square value 13.8134 is more than table value 9.488 and the result is significant at 5 per cent level. Hence, null hypothesis (H₀2) is rejected and alternate hypothesis is accepted. It portrays that there is significant relationship between marital status of respondents and their level of satisfaction towards online shopping in urban area of Meerut district. From the analysis, it is concluded that there is association between the marital status of respondents and the level of satisfaction towards online shopping.

H₀3: There is no relationship between age and the level of satisfaction towards online shopping.

It is observed that the calculated chi-square value for urban area of Meerut district 19.6499 is lesser than table value 26.296 and the result is not significant at 5 per cent. Hence, null hypothesis (H_0) is accepted and alternate hypothesis is rejected and it is inferred that there is no relationship between the age of respondents and their level of satisfaction towards online shopping. Therefore, it is proved that age could not influence the satisfaction of respondents.

H₀4: There is no relationship between educational qualification and the level of satisfaction towards online shopping.

It is observed that the calculated chi-square value for urban area of Meerut district **59.6124** is more than table value **43.77** and the result is significant at 5 per cent. Hence, null hypothesis (H_0) is rejected and alternate hypothesis is accepted and it is inferred that there is association (relationship) between the educational qualification of respondents and their level of satisfaction towards online shopping. Therefore, it is proved that educational qualification could influence the satisfaction of respondents.

H₀5: There is no relationship between occupation

Table - 1 : Gender and Level of Satisfaction towards Online Shopping (Chi-Square test)

District	Factor	Calculated value of χ^2	Degree of freedom	Table value	Remarks
Urban area of Meerut District	Gender	10.3152	4	9.488	Significant at 5% level

Table - 2 : Marital Status and Level of Satisfaction towards Online Shopping (Chi-Square test)

District	Factor	Calculated value of χ^2	Degree of freedom	Table value	Remarks
Urban area of Meerut District	Marital Status	13.8134	4	9.488	Significant at 5% level

Table - 3 : Age and Level of Satisfaction towards Online Shopping (Chi-Square test)

District	Factor	Calculated value of χ^2	Degree of freedom	Table value	Remarks
Urban area of Meerut District	Age	19.6499	16	26.296	Not Significant at 5% level

Table - 4 : Educational Qualification and Level of Satisfaction towards Online Shopping (Chi-Square test)

District	Factor	Calculated value of χ^2	Degree of freedom	Table value	Remarks
Urban area of Meerut District	Educational Qualification	59.6124	30	43.77	Significant at 5% level

Table - 5 : Occupation and Level of Satisfaction towards Online Shopping (Chi-Square test)

District	Factor	Calculated value of χ^2	Degree of freedom	Table value	Remarks
Urban area of Meerut District	Occupation	64.4276	30	43.77	Significant at 5% level

and the level of satisfaction towards online shopping.

It is observed that the calculated chi-square value for urban area of Meerut district **64.4276** is more than table value **43.77** and the result is significant at 5 per cent. Hence, null hypothesis (H_0) is rejected and alternate hypothesis is accepted and it is inferred that there is association (relationship) between the occupation of respondents and their level of satisfaction towards online shopping. Therefore, it is proved that occupation could influence the satisfaction of respondents.

8. CONCLUSION

The overall results prove that the respondents have perceived online shopping in a positive manner. This clearly justifies the project growth of online shopping. The frequency of online shopping is relatively less in the country. Online shopping organizations can apply the relevant variables and factors, identified from the

research to create their strategies and tactics. The organizations can prioritize the consumer inherent and unambiguous requirements in online shopping environment. The results can also be used by various organizations to identify their target customer segments.

9. SUGGESTIONS

The results of the study can be utilized by practitioners in relooking or revamping their strategies for online shopping. Companies should devise the policies and strategies to magnetize more number of people in this segment in future also. Online retailers should also look into the prospect of call centers which could guarantee that the customer get a chance to officially interact with the other party before the actual purchase. It includes the random sample of individuals from urban area of Meerut District. This study finds agreement amongst variety by including people of different age, income, occupation gender segments.

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