



A STUDY ON CUSTOMER PREFERENCE TOWARDS ONLINE SHOPPING WITH SPECIAL REFERENCE TO TIRUCHIRAPPALL DISTRICT

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Abstract: *Electronic commerce becomes one of the essential characteristics in the internet area. According to UCLA Center for communication policy (2001), online shopping has become the third most popular internet activity, immediately following e-mail Using/instant messaging and web browsing. It is even more popular than seeking out entertainment information and news, two commonly thought of activities when considering what internet users do when online. Of internet users, 48.9 percent made online purchase in 2001, with three-quarters of purchases indicating that they make 1-110 purchase per year. Hence this study made to know the customer preference towards online shopping in Tiruchirappalli District with sample respondents of 60. This research also aims to find out the key factors that influence online buying behaviour of consumers and to identify the determinants of online purchase intention among customers.*

Key Words: *Online Shopping, Customer preferences, Time saving, Security and Privacy*

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ONLINE SHOPPING INTRODUCTION:

Shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. An online shop evokes the physical analogy of buying products or services at a bricks and mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. This is evident because of the increase in retailers now offering online store interfaces for consumers. With the growth of new market footprint coverage opportunities for stores that can appropriately cater to offshore market demands and service requirements

STATEMENT OF THE PROBLEM

An increasing number and variety of firms and organizations are exploiting and creating business opportunities on the Internet statistics indicate the rapid growth in the field of virtual shopping. With this emerging field of shopping the interest of marketers is also increasing in studying what actually motivates consumers to shop online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping. As online shopping is a new medium so the consumer behavior in the field of online shopping 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. 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.

SCOPE OF THE RESEARCH:

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. The scope of the study is



confined only the Tiruchirappalli District with special reference to the customers those who are purchasing goods through online.

OBJECTIVES:

- To investigate how socio-demographic affect consumers preference towards online shopping.
- To discover the key factors that influence online buying behaviour of consumers.
- To identify the determinants of online purchase intention among customers.

METHODOLOGY

Sample size: This study has a sample of 60 respondents, which is selected at random to know the online shopping preference towards consumer.

Tools for Data Collection: Primary data and secondary data have been used. Primary data were collected through the structured questionnaire and the secondary data were collected from various Books, Journals, Articles, Newspapers, Magazines and Websites. The data collected were further analyzed by using statistical tools like percentages, T test and Chi-square test.

Period of the study: The data were collected for the month of December 2013-February 2014.

REVIEW OF LITERATURE:

- **Bhatnagar et al. (2000)** Suggest that shopping online is perceived to be quite risky. Perceived risk includes fear of technology use and information overload, feeling of uncertainty and confusion, feeling of insecurity when engaging in online transactions (e.g. credit card fraud). Because technology for secure transactions (e.g. online payment) is not yet mature, security and privacy are major issues that should be addressed satisfactorily in this medium.
- **Song and Zahedi (2001)** classify website quality elements into five categories according to their purpose: for promotion, service, informational influence, self-efficacy, and resources facilitation. These investigators find that each of the five significantly and positively reinforces the consumers. Perceptions in these factors, which in turn positively influence consumer online shopping attitudes and behavior.



- **Sita Mishra (2007)** Study examines “Consumers Attitude towards Online Shopping for clothing” examines the demographic characteristics of online consumers and their attitude towards online shopping behavior for clothing. This study is based on a sample of 200 internet users in NCR Delhi. The findings show that consumers have positive attitude towards online shopping but low attitude towards online purchase of clothes. The analysis shows that city and sex do not affect consumers’ attitude but age and income indicates a significant association. The issue of trust enjoys ability and trial policy seems to be major concerns for the consumers but convenience and technological advancement play a major role in online shopping.

DATA ANALYSIS AND INTERPRETATION:

Table 1: Demographic profile of the respondents

DEMOGRAPHICS	No of respondents	Percentage
AGE		
21 to 30	45	75
31 to 40	9	15
41 to 50	3	5
51 & above	3	5
GENDER		
Male	32	53.3
Female	28	46.7
EDUCATIONAL QUALIFICATION		
HSC	13	21.7
Under Graduate	18	30
Post Gradate	16	26.7
Professional	10	16.7
Diploma	3	5
OCCUPATION		
Private employee	28	46.7
Government employee	10	16.7
Business	7	11.7
Professional	6	10
Others	9	15
ANNUAL INCOME		
Rs.100001 to 200000	29	48.3
Rs.200001 to 300000	17	28.3
Rs.300001 to 400000	8	13.3
Rs.400001 & above	6	10



75% of the online shoppers are in the age group of 21 to 30, 53.3% of the respondents are Male, 30% of the respondents are graduates, 46.7% of the respondents have been working in a private concern and 48.3% of the respondents earn annual income ranging from 100001 to 200000.

Table 2: Preference regarding customer purchase goods through online shopping

Products	No. of respondents (n=60)	Percentage (n=100)
Groceries	4	6.7
Cosmetics	6	10.0
Books	10	16.7
Jewelry	5	8.3
Furniture	2	3.3
Clothes	12	20.0
Electronic products	17	28.3
Fitness equipments	4	6.7

28.3% majority of the respondents are preferred to purchase electronic products.

Table 3: Related to factors influencing decision making to opt online shopping

Factors influencing decision making to opt online shopping	Very unimportant	Unimportant	Neutral	Important	Very important
Delivery time after order placed	0	0	0	6 (10%)	54 (90%)
Reputation of the company	0	0	1(1.7%)	18 (30%)	41(68.3%)
Guarantees and Warrantees	0	0	3(5%)	16(26.7%)	41(68.3%)
Privacy of the customers information	0	1(1.7%)	8(13.3%)	21(35%)	30(50%)
Good description of products	0	0	3(5%)	18(30%)	39(65%)
Security	0	1(1.7%)	3(5%)	7(11.6%)	49(81.7%)
Price	0	0	5(8.3%)	13(21.7%)	42(70%)

From the above table it is clear that 90% of the respondents consider the delivery time is a very important factor to make decision for online purchase and 81.7% of the respondents look over the security factors provided by the online shoppers to make decision for making online purchase.

Table 4: Relating to factors influence customer preference towards online shopping

Factors influence customer preference towards online shopping	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Shopping through the internet saves time	0	0	7(11.7%)	32(53.3%)	21(35%)



Any time and any day shopping	0	0	5(8.3%)	26(43.3%)	29(48.4%)
Difficulty in purchasing Through online	5(8.3%)	27(45%)	14(23.3%)	11(18.3%)	3(5%)
Risk of online shopping	1(1.7%)	15(25%)	21(35%)	19(31.7%)	4(6.7%)
Online shopping eventually Supersede traditional shopping	0	9(15%)	14(23.3%)	30(50%)	7(11.7%)
Online price is Lower than actual price	0	7(11.7%)	9(15%)	32(53.3%)	12(20%)
Long time is required for Delivery of products	4(6.7%)	17(28.3%)	14(23.3%)	20(33.3%)	5(8.3%)
Description of products shown on the website are very accurate	2(3.3%)	1(1.7%)	17(28.3%)	34(56.7%)	6(10%)
Hesitate to give credit card number	3(5%)	13(21.7%)	9(15%)	28(46.7%)	7(11.7%)

56.7% of the respondents agree that description of products shown on the website by the online retailer are very accurate and this influence to make online purchase and 53.3% of the agreed that their precious time are saved to make shopping over the internet.

Table 5: Relating to Factors refraining/keeping you from shopping on the internet

Factors refraining/keeping you from shopping on the internet	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Difficulty in returning products	0	12(20%)	24(40%)	17(28.3%)	7(11.7%)
Risk on loss of privacy	0	8(13.3%)	29(48.3%)	22(36.7%)	1(1.7%)
Complex process compared to traditional shopping	1(1.7%)	17(28.3%)	14(23.3%)	21(35%)	7(11.7%)
Not being able to touch the products	4(6.7%)	20(33.3%)	13(21.7%)	17(28.3%)	6(10%)
Online shopping more expensive than sold in store	5(8.3%)	15(25%)	22(36.7%)	15(25%)	3(5%)
Bad experience towards online shopping	3(5%)	29(48.3%)	16(26.7%)	12(20%)	0

36.7% of the respondents hesitate to make online purchase for fear of risk of loss of privacy and 35% of the respondents feel that online shopping process is more complex when compared to traditional shopping.



Table 6: Overall Online Shopping Preferences

Particulars	No. of respondents (n=60)	Percentage (n=100)
Low	33	55.0
High	27	45.0
<i>Mean: 117.95 / Median: 114.50 / S.D.: 11.322 / Min.: 89 / Max.: 146</i>		

The overall online shopping preferences with reference to Tiruchirappalli district are low.

Table No. 7: Chi-Square test on association between age of the Respondents and their opinion about overall Online Shopping Preferences

Research hypothesis: There is a significant association between age of the respondents and their opinion about overall online shopping preferences

Null hypothesis: There is no significant association between age of the respondents and their opinion about overall online shopping preferences

Statistical test : Chi-square test was used the above table

Age	overall online shopping preferences			Statistical inference
	Low (n=33)	High (n=27)	Total (n=60)	
21 to 30yrs	22(66.7%)	23(85.2%)	45(75%)	$\chi^2=5.589$ Df=3 $.133 > 0.05$ Not Significant
31 to 40yrs	5(15.2%)	4(14.8%)	9(15%)	
41 to 50yrs	3(9.1%)	0	3(5%)	
51yrs & above	3(9.1%)	0	3(5%)	

Findings: The above table reveals that there is no significant association between age of the respondents and their opinion about overall online shopping preferences. Hence, the calculated value greater than table value ($p > 0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

Table No. 8 Chi-Square Test on association between preferable products of the Respondents and their opinion about overall Online Shopping Preferences

Research hypothesis: There is a significant association between preferable products of the respondents and their opinion about overall online shopping preferences

Null hypothesis: There is no significant association between preferable products of the respondents and their opinion about overall online shopping preferences

Statistical test: Chi-square test was used



Type of product would prefer to purchase through online	Overall online shopping preferences			Statistical inference
	Low (n=33)	High (n=27)	Total (n=60)	
Groceries	4(12.1%)	0	4(6.7%)	$\chi^2=8.073$ Df=7 $.326 > 0.05$ Not Significant
Cosmetics	3(9.1%)	3(11.1%)	6(10%)	
Books	4(12.1%)	6(22.2%)	10(16.7%)	
Jewelry	1(3%)	4(14.8%)	5(8.3%)	
Furniture	1(3%)	1(3.7%)	2(3.3%)	
Clothes	8(24.2%)	4(14.8%)	12(20%)	
Electronic products	9(27.3%)	8(29.6%)	17(28.3%)	
Fitness equipments	3(9.1%)	1(3.7%)	4(6.7%)	

Findings: The above table reveals that there is no significant association between preferable products of the respondents and their opinion about overall online shopping preferences. Hence, the calculated value greater than table value ($p > 0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

Table no. 9 T-Test on Difference between Gender of the Respondents and their opinion about Overall Online Shopping Preferences

Research hypothesis: There is a significant difference between gender of the respondents and their opinion about overall online shopping preferences

Null hypothesis: There is no significant difference between gender of the respondents and their opinion about overall online shopping preferences

Statistical test : Student 't' test was used the above table

Overall online shopping preferences	Mean	S.D	Statistical inference
Male (n=32)	118.13	12.725	$T=.127$ Df=58 $.899 > 0.05$ Not Significant
Female (n=28)	117.75	9.702	

Findings: The above table reveals that there is no significant difference between gender of the respondents and their opinion about overall online shopping preferences. Hence, the calculated value greater than table value ($p > 0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

FINDINGS

- ❖ Majority (28.3%) of the respondents are preferred to purchase electronic products through online shopping.
- ❖ 90% of the respondents felt that delivery time is very important while purchasing through online.



- ❖ 68.3% of the respondents are said that reputation of the company is very important while making purchase decision through online.
- ❖ Most (65%) of the respondents said, it is very important that the company should give proper description about their product.
- ❖ Majority (81.7%) of the respondents are said that security is very important while purchase the product through online.
- ❖ 53.3% of the respondents are agreed that online shopping saves consumer's time
- ❖ 48.3% respondents are strongly agreed that online shopping enable to shop any day and anywhere.
- ❖ 50.0% majority of the respondents agreed that online shopping eventually superseded traditional shopping.
- ❖ 53.3% majority of the respondents agreed that online price is lower than the actual price.

SUGGESTIONS

- ❖ Consumers should be educated on online shopping procedures with proper steps to be following while online shopping.
- ❖ Transactions should be safe and proper security should be assured to the people making online purchases.
- ❖ Government should play a pivotal role in encouraging online shopping.
- ❖ E-marketers must give a thought to secure, time saving, information about product and services factors when they design their online product strategy.
- ❖ The study highlights that convenience, accessibility, scope, attraction, reliability, experience and clarity are the important factors considered by the online shopper.
- ❖ Usage of internet includes the consumer's purchase of product as well as the consumer intention to secure for product related information while experiencing the new technology.
- ❖ Banking should promote Debit card, Credit card facility in online shopping

CONCLUSION:

This study investigates the determinants that are responsible for choosing of the online purchasing portals by the consumers whenever they decide for purchasing products. Furthermore, the study was taken ahead with the conclusions drawn from the empirical



survey and developing innovations important for the online purchasing portals. The empirical results show that consumers preferred to accept on line purchasing portals for their purchases whenever they perceived that the determinants like product preference through the respective purchasing portals, variety options available in the portals and convenience of online shopping and in accordance to their preferences. 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.

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