

Consumer Tendency towards Online Retailing: A Case study of Surat City.

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ABSTRACT

This research is conducted in order to understand the various determinants of online shopping and purchase tendency of shoppers. An attempt is made to understand the parameters that consumers look forward while shopping online. As online shopping is getting more and more acceptability it would be important to know the consumer behavior towards online shopping. In this paper the perceptions of consumers regarding online shopping are studied and various barriers for online shopping are identified. The study is based on primary data. The sample area of the study is Surat city. Data collection is planned through Questionnaire and communicated through email and online survey software tool. After checking the validity and reliability of the questionnaire primary data is collected from the respondents. The results of their opinion through questionnaire are analyzed. The behavior of consumer towards customer-oriented facts and technology-oriented facts are discussed. To determine the causal-effect relationship between different variables, Chi-square test is used. Inference is drawn by using non-parametric technique like Mann Whitney U and Kruskal Wallis. Tables and charts have been used for data analysis and interpretation purpose.

1. Introduction

Online shopping is a form of electronic commerce which facilitates the customers to buy required products and services sold by a seller through internet with the use of Web Browser. Thus electronic retailing is buying and selling process with the help of internet. The seller either by subscribing website content or giving advertisement in different source of media provides information of his products or services which may further conclude to Business to Consumer - B2C or Business to Business – B2B sale transactions. This method is more feasible for consumers because they can visit the website of any of his known seller/retailer or searching through any search engine and thereafter can compare the products and services of different e-retailers, view the review of the prior consumers displayed and make decisions for buying. A typical online shop allows the shopper to browse different products and its features demonstration of the products, images, discounts, prices and related information delivery information and payment terms.

Customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers and smart phones.

1. Meaning of E-tailing

E-tailing is a concept of retailing electronically. As stated above shopping is done by customers of specific brands and items through electronic devices and internet and on the other side virtual shop is generated by using web-space which is used to show-case products and its features in best possible way. The customer selects the products and services with ease during his time and need and carts the same. The payment of these products can be done in various valid modes like credit card, debit card or other payment services as

mentioned by the shopping site to complete the deal. The physical product would be delivered to the address specified by the customer. The logistic strategy plays important role in success of the online retailer. Digital products are mailed to the customer through internet. Each day one finds a new addition to the ease and smart buying method in e-tailing world.

There are many online retailing companies operating and even new companies are entering into e-tailing.

2. Essentials of E-Retailing

There are certain essential requirements for an electronic retailing business to be successful. E-retailer should keep in mind these requirements and established proper set up well in advance before starting a business online. These requirements include

- Eye-catching B2C portal,
- Appropriate income set up,
- Secured payment mechanism,
- Attractive e-catalogue of products information,
- Strong strategy to penetrate in e-commerce market.
- Effective communication network online and offline
- Transaction processing methods
- Customer care
- Logistic

Right planning, keeping in mind the above requirements leads the e-retailing towards success and consumers on the other side would take advantage of internet and advance technology and enjoy shopping in his own way. Today shopping from virtual shops has really given a new perspective to shopping.

3. Review of literature

Rajasekar, Agarwal According to the authors, Growth of e-commerce depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. Most of the people it may be a company, organizations or communities have started being a part of e-commerce but still lots of challenges are to be faced before it would be a part of each individual lives in India for e.g. Challenge to establish consumer trust towards e-commerce and solve problems of cyber frauds .With the explosion of internet connectivity through mobile devices like Smartphone and tablets, millions of consumers are making decisions online and in this way enterprises can build the brand digitally and enhance productivity but government policies must ensure the cost effective methods/solutions.¹

Deshwal It is well recognized that mobile phones have immense potential of conducting financial transactions thus leading the financial growth with lot of convenience and much reduced cost. For inclusive growth, the benefits of mobile banking should reach to the common man at the remotest locations in the country. To make this possible government should also mane efforts so that mobile banking will spread its services in every corner of the country. Awareness of different services provided by banks through mobile banking is need of hour.²

Mohan Kumar Shiva Shanthi E-commerce has seen tremendous growth in the last decade. Most preferred payment modes like cash on delivery and better service quality will boost online sales. It is really exciting for Indian online retailers that today India is looked upon by the world as one of the largest future e-commerce business. Still there is a huge untapped and under tapped potential market to tap through customized services offerings. Since the usage of smart phones has been increasing day by day, it is an added advantage to both the marketer as well as to the customers in fulfilling their needs and requirements.³

Burmanand Aggrawal The review of literature gave deeper insights into the factors affecting buying behavior in ecommerce in India. Some of the factors mentioned in previous studies are ease of availability, ease of transportation of ordered goods, quality of goods, experience of the product before purchasing and post purchase customer service. There are several other aspects of it also still this review helped in developing an insight of factors affecting buying behavior on the basis of understanding of consumer's behavior in the e-commerce environment in India.⁴

Chaithralaxmi ,Shruthi.The future of E-Commerce is difficult to predict. There are various factors responsible for the growth of e-commerce. There are some of serious challenges to be faced by the e-commerce industry. In general, today's businesses must always strive to create the next best thing that consumers will want because consumers continue to desire their products, services etc. to continuously be better, faster, and cheaper. In this world of new technology, businesses need to accommodate to the new types of consumer needs and trends because it will prove to be vital to their business' success and survival. E-commerce is

continuously progressing and is becoming more and more important to businesses as technology continues to advance and is something that should be taken advantage of and implemented. However, just like anything else, e-commerce has its disadvantages including consumer uncertainties, but nothing that cannot be resolved or avoided by good decision-making and business practices. If the correct methods and practices are followed, a business will prosper in an e-commerce setting with much success and profitability.⁵

4. Significance of the Study

Today compared to other countries Indians are giving more time online. India has immense opportunities in Internet sector, e-commerce, internet advertising and Digital Marketing. It can also reach heights in Content development online. The aim of the study is to know interest level of citizens of Surat City towards online shopping. This study will be useful to know the factors which play important role in selecting internet as a place to shop varieties of goods and services. The study will also help to know which mode of payment is preferred by the people in Surat City.

5. Research Methodology

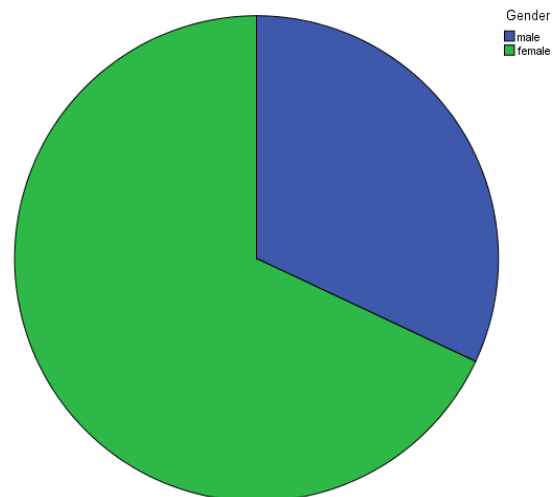
Objectives of the study

1. To study essentials of e-retailing in present scenario.
2. To study the gender-wise preference of respondents for shopping online.
3. To check reliance on online shopping by different group of people.
4. To study the source of payment preferred by consumers who shop online.

This study on consumer preference for online retailing is a descriptive research. Population of study is citizens of Surat city. Sample comprises of business professional, students, and other people who shopped online. Data collection is done through Questionnaires and communicated through email and online software tool. Questions were prepared using Nominal scale and ordinal scale as attributes studied were non-parametric.

6. Data Analysis and Interpretation

1. Comparison of Gender interest for shopping :-



From the above graph, it can be concluded that in gender comparison 68% females are interested in online shopping, while only 32% males are interested in online shopping.

Females are more interested in online shopping as compared to the males.

2. To check Gender-wise occupation, people in which occupation are more interested in online shopping :-

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Occupation	.266	122	.000	.800	122	.000

a. Lilliefors Significance Correction

From the normality table it is observed that data is not normal, so non-parametric test Krushkal-Wallis was applied.

Asymp. Sig. .937

a. Kruskal Wallis Test

b. Grouping Variable: Gender

H0: Gender wise occupations are identical

H1: Gender wise occupations are not identical

(i.e., At least one occupation is largest as compare to other)

From the kruskal-wallisTest , it is observed that p-value(0.937) is greater than $\alpha(0.05)$, so Gender wise occupations are identical, There is no difference between occupation category.

Test Statistics^{a,b}

	Occupation
Chi-Square	.006
Df	1

3. Gender-wise compare Occupation category with tendency of payment:-

Occupation * pay * Gender Crosstabulation

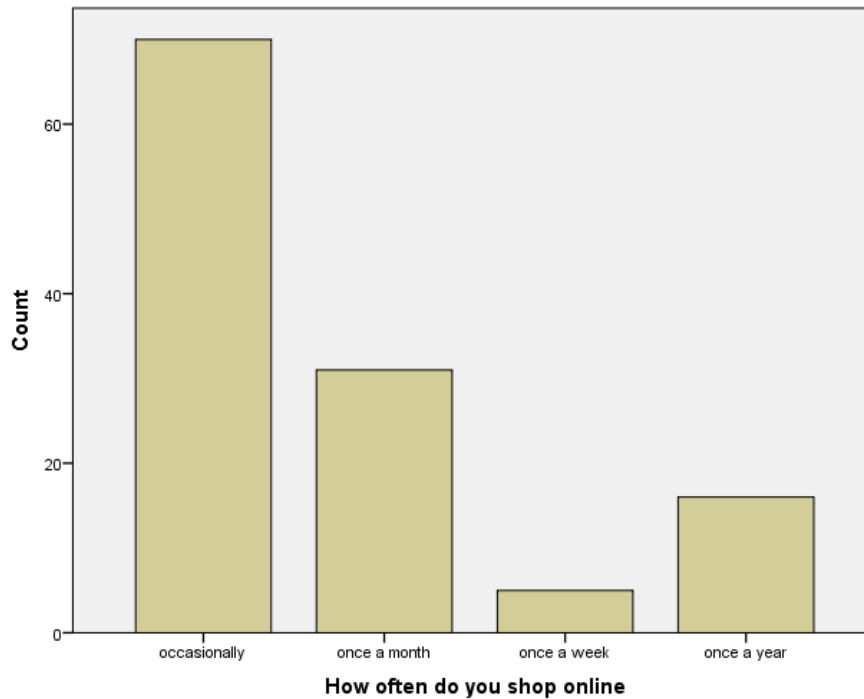
Gender				pay					Total	
				credit card	debit card	cash on delivery	paytm	other		
male	Occupation	student	Count	0	3	9		0	12	
			% within Occupation	0.0%	25.0%	75.0%		0.0%	100.0%	
	Business	Count	1	0	5		1	7		
		% within Occupation	14.3%	0.0%	71.4%		14.3%	100.0%		
	Salaried professional	Count	4	2	14		0	20		
		% within Occupation	20.0%	10.0%	70.0%		0.0%	100.0%		
	Total	Count	5	5	28		1	39		
		% within Occupation	12.8%	12.8%	71.8%		2.6%	100.0%		
	female	Occupation	student	Count	2	3	29	1	2	37
				% within Occupation	5.4%	8.1%	78.4%	2.7%	5.4%	100.0%
Business		Count	2	0	3	1	0	6		
		% within Occupation	33.3%	0.0%	50.0%	16.7%	0.0%	100.0%		
Salaried professional		Count	3	4	19	0	1	27		
		% within Occupation	11.1%	14.8%	70.4%	0.0%	3.7%	100.0%		
house maker		Count	0	1	12	0	0	13		
		% within Occupation	0.0%	7.7%	92.3%	0.0%	0.0%	100.0%		
Total		Count	7	8	63	2	3	83		
		% within Occupation	8.4%	9.6%	75.9%	2.4%	3.6%	100.0%		
Total	Occupation	student	Count	2	6	38	1	2	49	
			% within Occupation	4.1%	12.2%	77.6%	2.0%	4.1%	100.0%	
	Business	Count	3	0	8	1	1	13		
		% within Occupation	23.1%	0.0%	61.5%	7.7%	7.7%	100.0%		
	Salaried professional	Count	7	6	33	0	1	47		
		% within Occupation	14.9%	12.8%	70.2%	0.0%	2.1%	100.0%		
	house maker	Count	0	1	12	0	0	13		
		% within Occupation	0.0%	7.7%	92.3%	0.0%	0.0%	100.0%		
	Total	Count	12	13	91	2	4	122		
		% within Occupation	9.8%	10.7%	74.6%	1.6%	3.3%	100.0%		

From the above cross tabulation it is observed that majority of both male and female prefer to make payment of purchased goods by cash on delivery.

Male who are students, businessmen and salaried persons prefer cash on delivery for online shopping i.e.

75%, 71% and 70% respectively, while female who are in category of student (78%), business (50%), salaried (70%) and house maker (92%) prefer on cash on delivery.

4. Comparison between different time for online shopping:-



From the above graph it can be concluded that most of the respondents liked online shopping occasionally, majority people are not regular buyers online.

7. Conclusion

From the above study regarding tendency of consumers towards online shopping, conclusions can be drawn as below:

- Compared to men more women prefer to shop online.
- People’s occupation has no relation with preference towards online shopping. Gender wise occupations are identical; there is no difference between occupation categories.
- Study of tendency of payment reveals that both male and female prefer cash on delivery mode of payment for online purchases.

- There is no regularity in online purchase majority of respondents purchased occasionally that is, only when they are in need of any product and service or when there are heavy discounts offers.

Thus still e-retailers have lot to do so that more and more people are attracted to buy online. Indians are more engaged on internet but to win their online trust is a challenge. Efforts like robust branding, regularity in updating websites, unique and quality products, competitive pricing, quick delivery of goods, business ethics, social responsibility and marketing research are some key areas to work, which will help in generating higher levels of revenue.

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