

CHANGING PARADIGMS OF CONSUMERS' BUYING BEHAVIOUR WITH RESPECT TO ONLINE SHOPPING IN INDIA

Dr.J.KAVITHA

Associate Professor,

Department of Management and Research,

Adaikalamatha College, Vallam, Thanjavur – 613403, Tamilnadu.

Abstract: In today's world, communication among consumers is prompt than ever before. Since more and more information is diffused through the internet and other channels, it is unavoidable that buyers in the present era are more informed and demanding. Online retailing takes place over the internet and allows consumers to directly buy goods or services from a seller over the internet as business-to-consumer (B2C) transaction. Simply put, the goods online for sale have emerged as a significant retail force. Online information obtained is more elaborate and adequate. Online shopping consumers benefit from comparing the product, price and features simultaneously. In the present scenario, one of the main trends is the use of online platforms as a preferred channel of the customer to choose or purchase products and services and customer satisfaction is understood as the ultimate reason for any consumer behaviour. More importantly, the extent to which customers are satisfied is directly related to attitudes toward online shopping or toward specific Internet stores. Therefore this study attempts to identify the factors influencing the buying decisions of the consumers relative to online shopping considering the area of study as Chennai in Tamil Nadu state.

Key words: Consumer buying decision, Online shopping, Consumer satisfaction

1.1 INTRODUCTION

Computers and communication have made us live a comfortable life and is responsible for fast changing behaviour. It has nevertheless impacted every educated person directly and illiterate persons indirectly. Communication medium has made a pivotal paradigm shift in reshaping business practices. Internet is drastically changing the paradigms of consumers shopping and buying of goods and services. Many retailers have started using the Internet with the aim of deduction of marketing costs, reducing the price of their products and services in order to remain ahead in the highly competitive retail markets. Marketers also use the Internet to convey, receive and disseminate information, to sell goods and services, to get feedbacks and also to know the level of satisfaction of consumers. Marketing on the Internet for the foreseeable future will remain principally about getting the right information to the customer at the right time and in the form that will enable the customer to move one step further along in the purchase consideration process. The emergence of the World Wide Web and related technologies has allowed businesses to transmit and receive data in an inexpensive, simple and easy manner. In recent years, online shopping has become popular; however, it will cater to the middle and upper class. In order to shop online, we must be able to have access to a computer, a bank account and debit card. Shopping has evolved with the growth of technology.

Against the backdrop of an accelerating modern retail market, India offers to be an attractive hub for domestic and international retailers seeking emerging markets. The online shopping market is a rapidly growing sector. In a country that has a large proportion of its working age population contributing to its lucrative consumer base and where people rely on metro cities for finding commodities with good quality and wide selection, online shopping offers a more varied, hassle-free and interesting shopping experience. There are several perks to an online shopping experience such as 24 hour shopping having rich product availability and taking the time to do comparisons, including having the ability to conduct online research on the products that one might like to buy. Unlike conventional shopping, the net savvy customer can get a detailed account of the specifications on a product through their website. Further, the hassle of packaging and posting gift can also be avoided. Added to this, several online shopping websites offer discounts, free shipping and price comparison checks on certain items to lure online shoppers. There are many career opportunities opening up in this sector.

1.2 SCOPE OF THE STUDY

The technology of internet is helpful to get the information easily for online retailing products. In the present scenario, communication among consumers is prompt than ever before. Since more and more information is diffused through the internet and other channels, it is unavoidable that buyers in the present era are more informed and demanding. Online retailing takes place over the internet and allows consumers to directly buy goods or services from a seller over the internet as business-to-consumer (B2C) transaction. Simply put, the goods online for sale have emerged as a significant retail force. Online information obtained is more elaborate and adequate. Online shopping consumers benefit from comparing the product, price and features simultaneously. In the present scenario, one of the main trends is the use of online platforms as a preferred channel of the customer to choose or purchase products and services and customer satisfaction is understood as the ultimate reason for any consumer behaviour. More importantly, the extent to which customers are satisfied is directly related to attitudes toward online shopping or toward specific Internet stores. Therefore this study attempts to identify the factors influencing the buying decisions of the consumers relative to online shopping considering the area of study as Chennai in Tamil Nadu state.

1.3 STATEMENT OF THE PROBLEM

Consumer behaviour has changed significantly in regard to the choice of what to buy, where, when and how, the evolution and changes in consumer habits are closely related to the appearance of new technologies and the way the consumer chooses to purchase. To get the things that will give them real satisfaction, they have to manage their incomes and expenditures better than they had been doing. They need to get as much as they can for their money. As consumers, they are now thinking consciously and critically of how the market serves their actual economic requirements. They need information and guidance to help them decide on the relative merits of different product and services. For offline customers, information about products/manufacturers carries a premium in the real world. Time and effort must be expended to form expectations about goods and services providers. For online customers, however, information about products/manufacturers is available in great detail almost instantaneously. The modern world has become a global village. In India, an Internet revolution is going on. Every day, the consumers purchase products through online channels. This study aims at finding out what are the attributes the consumers prefer while purchasing online and what leads to enhanced consumer satisfaction with all types of products.

1.4 OBJECTIVES OF THE STUDY

- To study the awareness level of online shopping among Indian consumers.
- To study the factors influencing consumer buying decision in online shopping.
- To analyze the impact of online shopping on satisfaction level of consumers.

1.5 METHODOLOGY AND SAMPLING

A descriptive study was undergone with Stratified Random Sampling procedure for selecting the samples from the huge population of the consumers in the city of Chennai. After testing its reliability, the revised questionnaire was administrated to a total of 600 respondents in

Chennai city, which were collected 200 from North Chennai, 200 from Central Chennai and the 200 from South Chennai. A total of 550 questionnaires were received. The questionnaires with incomplete responses were eliminated and the sample size was rounded off to 500. Hence the sample size of the study is 500 and all these 500 respondents have their experience in online shopping.

1.6 DATA ANALYSIS

The thirteen variables of purchase preference have to be reduced systematically to evolve into a meaningful predominant factor. The factor analysis applied for the consumer's response towards online shopping.

Table - 1
KMO and Bartlett's Test of consumer satisfaction towards online shopping

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.626
Bartlett's Test of Sphericity	Approx. Chi-Square	16739.737
	Degree of freedom	73
	Significant value	.000

Source: Output generated from SPSS 20

High value of KMO ($0.926 > .05$) indicates that factor analysis is useful for the present data. The significant value for Bartlett's test of Sphericity is 0.000 and is less than 0.05 which indicates that there exists significant relationships among the variables. The resultant value of KMO test and Bartlett's test indicates that the present data is useful for factor analysis.

Table – 2
Total variance explained for consumer satisfaction towards Online shopping

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.060	26.332	26.332	1.034	14.187	14.187
2	1.933	12.962	38.295	1.959	14.108	28.295
3	1.750	4.166	49.461	1.654	12.734	41.274
4	1.510	2.834	57.294	1.680	12.534	41.474
5	1.398	2.213	65.507	1.586	11.812	65.785
6	.271	1.507	73.014			
7	.196	1.089	79.103			
8	.148	.821	84.924			
9	.133	.741	96.665			
10	.111	.615	97.280			
11	.088	.489	97.769			
12	.084	.466	98.235			
13	.069	.383	98.618			

14	.067	.370	98.987			
15	.060	.332	99.319			
16	.054	.302	99.620			
17	.049	.272	99.893			
18	.019	.107	100.000			

Source: Output generated from SPSS 20

1.7 RESULTS AND DISCUSSIONS

The thirteen factors of consumer satisfaction towards online shopping with individual variances concludes that only five factors are possible to extract from the thirteen variables. Varimax with Kaiser Normalization Rotation is converged in 8 iterations and it is found that the first factor comprises three variables namely Efficiency, Power Saving and Comfortability. Therefore, this factor is suitably named as 'Product proximity'. The second factor comprises of Easy maintenance, After Sales Service and Marketability. Therefore, this factor is suitably named as 'Suitability'. The third factor comprises of Appreciation, Suitability for Use and Safety Usage. Therefore, this factor is named as 'Utility'. The fourth factor comprises of three factors suitably named as 'Value'. The fifth factor comprises of Simple and Innovative design, therefore this factor can be called as 'After purchase feeling'. On the basis of these classification it can be concluded that the important factors which are influencing the customers of online shopping are after purchase feeling, Suitability, Utility, Value and product proximity. Hence among all other attributes under consumer satisfaction towards online shopping buying behaviour, the above said factors are the most influencing variable. The identified mean for all the attributes of consumers' opinion about buying decision of consumers involved in online shopping in Chennai of Tamil Nadu state shows that out of the thirteen factors, the above said five factors are the most influencing variable for consumer satisfaction towards online shopping.

1.8 SUGGESTIONS

The consumers may take sufficient time for planning retailing online very carefully. They may avoid carelessness while purchasing their products. Once the products are purchased they must be put in use till they become obsolete or condemned. Trial purchase is not possible in the case of products. Hence careless or unplanned purchase of products will make the consumers unhappy. The consumers while buying the products online or offline may avoid sticking to one brand or to one dealer or shop. Due to the changing economic scenario in the globalization era and due to the improvement and advancement in science and technology new products with more utility values keep coming to the market. In order to attract the consumers the dealers also sell products of latest designs, models at an attractive price. Hence the buyers have to adapt themselves according to the changes that take place in the products.

1.9 CONCLUSION

In a consumption environment, a person chooses a product or a brand through online purchases, which seems to possess a maximum possibility of the definition or elaboration of his life style identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize the purchase preference, identify it through the products or brands chosen. It can be assumed that the individual's consumption behaviour can be predicted from an understanding of how the consumers represent their preference. The consumers have been given the opportunity to shop online. It makes the consumers become quality conscious, brand conscious perfection and choice oriented novelty and fashion conscious and recreation conscious while buying the products. Consumers have ample opportunities to evaluate the product about their availability, display of products made by the marketers, financial options, convenience, nature of maintenance and prestige.

REFERENCES

- Asokan and G.Hariharan "Profile and Perception of Retail Consumers – An Empirical Study in Palakkad District" – Indian Journal of Marketing. Volume No. XXXVIII NO.2. 2008.
- Aviv Shoham , Maja Makovec Brencic, 2003. Compulsive buying behaviour, Journal of Consumer Marketing, Vol.20, Issue:2, page:127-138.ISSN:0736-3761.
- Bateson, J.E.G. "Understanding Services Consumer Behavior." In C.A. Congram, (Ed.), The AMA Handbook of Marketing for the Service Industries, 135-150. New York: American Management Association, 1991.
- GoswamiShubham and MathurMeera (2011), "Retail goes online-An Indian perspective,"Journal of IJMT,Vol.19,Number 2.
- SrinivasanRaji,Finch T Austin(2005), "Strategic firm commitments and rewards for customer relationship management in online retailing,"Journal of marketing, 14.
- Szymanski M. David, Richard T.Hise (2004), "E-satisfaction: an initial examination,Journal of retailing,15.
- NazirSajid,TayyabArsalan, Javed Irum (2012), "How online shopping is affecting consumer buying behaviour in Pakistan," International journal of computer science,Vol.9,Issue 3,ISSN(Online):1694-0814.