

# CONSUMER BEHAVIOUR TOWARDS ONLINE SHOPPING WITH SPECIAL REFERENCE TO COIMBATORE CITY IN TAMIL NADU

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**Abstract :** The purpose of this study is to understand and evaluate the consumer behavior towards online shopping specially done in Coimbatore city. The source of data is primary data it's collected through structured questionnaire. The study finally concludes that in Coimbatore city online shopping is increasing tremendously. The factors which affect the consumer buying behavior are preference, risk and frequency of buying of online consumer buyers.

**Index Terms - Online shopping, Consumer buying behavior, Factors affecting buying behavior**

## I. INTRODUCTION

Online shopping behavior refers to the process of purchasing products or services via the Internet. The process consists of five steps similar to those associated with traditional shopping behavior (Liang and Lai 2000). Consumers use internet for different purposes like searching product features, prices or reviews, selecting the products through online, placing order and making payments and getting delivered that products by different means (Sinha, 2010). Studying the factors affecting online shopping behavior of a consumer is one of the most important research in e-commerce during these decades (Mohammadhossein Moshref javadi, 2012). The research or case studies of online consumer buying behavior is important because it helps to know about consumers demands, it helps to understand and analyze the whole concept of online shopping has altered in terms of consumer's purchasing or buying behaviors and the success of E-tailers is depending upon its quality, its branding image, its uniqueness and its popularity etc.

## ONLINE SHOPPING

Due to technological innovations, the traditional way of shopping has become insufficient for individuals. Individuals now prefer easy ways to reach brands and stores and it can be said that the Internet has fundamentally changed customer's notions of convenience, speed, price, product information and service. As a result, it has given marketers a whole new way to create value for customers and build relationships with them. E-commerce provides consumers more choices, more information and more ways to buy. Moreover, e-commerce will remain as a medium to sell products, services and content over the internet. As a result individuals can buy or sell anything, at anytime, from anywhere through online shopping.

## ONLINE SHOPPING AND CONSUMER BEHAVIOR

With the emergence of the Internet, Internet-based electronic commerce developed and this environment provide individuals to reach information about products and services easily. Moreover, commercial organizations have moved to incorporate the World Wide Web into their promotional campaigns, and by offering the facility of online purchasing and like many other innovations 'online shopping' has become a part of our lives. Furthermore, the Internet business have created more competitive environment, understanding features of online shoppers' behaviors have been more important. Moreover, it should be analyzed by online sellers that 'why some still prefer not to buy online'. Perceived characteristics of the web sale channel which include risk, advantage, online shopping experience, service quality, trust; second category is web site and product characteristics which are risk reduction measures, web site features and product characteristics; and the last category clarified by authors is consumer characteristics. Consumer characteristics are driven by various types of features such as Consumer shopping orientations, demographic variables, computer, internet knowledge and usage, consumer innovativeness and psychological variables.

## Research Questions

- What are the factors that affect the online consumer behavior when considering and making a purchase over the online?
- How do these factors influence the consumer behavior when purchasing online?
- What is the connection with the identified factors and consumer splitting up groups?

## OBJECTIVE OF THE STUDY

- To understand the buying behavior of the consumer towards online shopping in Coimbatore City.
- To evaluate the various factors that affecting online shopping behavior of selected respondents.
- To give suggestion for the consumer about the online shopping.

## II. RESEARCH METHODOLOGY

The nature of this study is descriptive because both primary and secondary data have been used. Primary data is collected from respondents and secondary data is collected from journals, books and websites.

## III. SAMPLING TECHNIQUE

In this study convenience sampling method is used. The source of the sample is limited to Coimbatore city. A structured questionnaire was used as the research instrument for this study. This structured questionnaire was prepared on the basis of objectives of the study.

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## V. SAMPLE SIZE

The sample size was 250 consumers of online shoppers and the study was conducted in Coimbatore city.

## VI. LIMITATION OF THE STUDY

This study is limited to Coimbatore city and sample size. A time constraint is also one of the limitations for this study.

## VII. REVIEW OF LITERATURE

**Prasanth Singh (2015)**<sup>1</sup> stated that online shopping is the new trend. The new online shopping concept is great example of the revolution in India. He concluded that online shopping has altered in terms of consumers purchasing or buying behavior and also success of online shopping is based on the popularity, branding image and unique policies. Koufaris (2012) stated that there are different factors which come from information systems (technology acceptance model), marketing (consumer behavior) and psychology (flow and environmental psychology).

**Hermes (2000)** states that 72 percent of online consumers revealed that customer service are a major factor in online shopping satisfaction. If the customer service is not there customer will think that the organization is trying to hide something from them and not intending to solve the customers problem.

**Mohammad Hossein (2016)**<sup>2</sup> states that financial risks and non-delivery risk negatively affect attitude toward online shopping. He also states that domain specific innovativeness and subjective norms, attitude towards online shopping. A study was aimed at understanding the online purchase behavior and online searches of generation Y (Valentine and Powers, 2013) that tried to find correlations between the online shopping behavior and the gender of the consumer. They tried to understand the differences in the type of products purchased by both genders online at the same time figure out reasons to reject a product online and instead look for the product in the usual retail market. It was found that the products searched and purchased online differed largely based on the gender and that both genders had reasons like no sense of touch or trial before purchase and inconvenience in return as some of the major reasons for not purchasing products online.

A research was undertaken to study the factors affecting the behavior of consumers while shopping online (Nagra & Gopal, 2015) that tried to deduce possible correlations between the demographic constraints of the consumer and their online shopping traits. It was found that some of the demographic pointers like age, gender, marital status etc. did in fact have a correlation with the possession of the internet by the consumer which was related to their online shopping behavior that can include things like the purpose for browsing online shopping websites or the place they were surfing through these-shopping websites etc.

A study was conducted to evaluate and establish preliminary assessment tests to understand the characteristics of online shopping in Malaysia (Harn et al., 2016). Correlations between the demographic profile and current online shoppers were tried to be deduced. It was also tested if any of the current problems regarding online shopping had an impact on the number future users of the same. It was found that there was a strong correlation between online shopping and the Chinese ethnic group, university

degree holder and credit card or cheque book holder. The study also shows that one of the major factor for the paradigm shift to online shopping was the cost of the products online being really reasonable when compared to usual retail shops due to the presence of cut throat competition between various e-retailers.

The major risk in the psyche of the Malaysian people was found to be regarding their privacy being breached and hence having a few doubts in their mind related to this field.

A study was aimed at understanding and analyzing, thereby providing an overview of online shopping decision process (Katawetawaraks & Wang, 2015). Some of the major reasons which attracted the consumers to the online market were observed, at the same time a few reasons which brought a sense of risk and negativity with regards to the same were enlisted. Some of the major motivational reasons enlisted were convenience, product information, the availability of the range of products and the cost effectiveness that came along with shopping online while some of the risks enlisted were security, intangibility of online product, social contact and an overall dissatisfaction with shopping online. This study works as a great model to find out the order of the motivational reasons and risks related to online shopping to help us rank these for the ease of comparisons and making judgments on the same.

#### IV. DATA ANALYSIS AND INTERPRETATION

**Table 1.1**  
**Websites Already Visited**

Sl. No.	Online Shoppers	Number of Respondents	Percentage
1.	Amazon	50	20
2.	Flipkart	45	18
3.	Shopclues	40	16
4.	Jabong	30	12
5.	Homeshop	35	14
6.	Snapdeal	20	8
7.	Others	30	12
<b>Total</b>		<b>250</b>	<b>100</b>

**Source: Primary Data**

From the above table 1.1 it is observed that out of 250 respondents 20% of respondents use Amazon for online shopping, 18% use Flip kart, 16% use shop clues, 12% use Jabong, 14% use Homeshop, 8% use Snap deal, and 12% use other websites for online shopping.

**Table 1.2**

**Consumer's Belief in using Websites**

Sl. No.	Factors	Number of Respondents	Percentage
1.	Privacy	75	30
2.	Trust	60	24
3.	Security	65	26
4.	Attractiveness	50	20
<b>Total</b>		<b>250</b>	<b>100</b>

**Source: Primary Data**

From the above table 1.2 shows that out of 250 respondents 30% of consumers believe Privacy is most important for website user, 24% believe in trust, 26% for security and 20% for attractiveness for website user.

Table 1.3

## Preferred Method for Online Shopping

Sl. No.	Online shopping Methods	Number of Respondents	Percentage
1.	Re-tailing	125	50
2.	E-tailing	125	50
<b>Total</b>		<b>250</b>	<b>100</b>

Source: Primary Data

From the above table 1.3 declared that out of 250 respondents 50% prefer e-tailing and 50% prefer re-tailing for online shopping.

Table 1.4

## Best payment method for online shopping

Sl. No.	Payment Method	Number of Respondents	Percentage
1.	Debit or credit card	50	20
2.	Cash on delivery	200	80
3.	Cheque	-	-
4.	Postal draft	-	-
<b>Total</b>		<b>250</b>	<b>100</b>

Source: Primary Data

From the above table 1.4 it is observed that out of 250 respondents most of the respondents (i.e) 80% pay cash on delivery for online purchasing and 20% use debit or credit card for online purchasing

Table 1.5

## Frequently purchased item while online shopping

Sl. No.	Particulars	Number of Respondents	Percentage
1.	Books	40	16
2.	Toys	40	16
3.	Electronic appliances	75	30
4.	Magazines	15	6
5.	Home and kitchen appliances	80	32
<b>Total</b>		<b>250</b>	<b>100</b>

Source: Primary Data

From the above table 1.5 it is observed that out of 250 respondents 16% purchase books through online shopping, 16% purchase toys through online shopping, 6% magazines, 32% purchase Home & Kitchen appliances, 30% purchase electronic appliances

Table 1.6

## Best marketing approach to advertise online shopping

Sl. No.	Particulars	Number of Respondents	Percentage
1.	Bill boards	90	36
2.	Search engine	50	20
3.	Magazines	60	24
4.	News paper	40	16
5.	Others	10	4
<b>Total</b>		<b>250</b>	<b>100</b>

Source: Primary Data

From the above table 1.6 it is observed that out of 250 respondents 36% choose billboards to advertise online marketing, 20% choose search engines, 24% choose magazines, 16% choose newspaper and 4% choose other methods to advertise online shopping.

Table 1.7

## Preference of online shopping

Sl. No.	Preference	Strongly agree (%)	Agree (%)	Neither agree Nor disagree (%)	Disagree (%)	Strongly disagree (%)
1.	Mass variety of Products	23	67	10	-	-
2.	Attractive Prices	33	40	10	17	-
3.	Popularity	20	43	30	7	-
4.	Convenience	30	47	13	10	-
5.	Time Efficiency	33	47	13	7	-
6.	Cost	30	46	17	7	-
7.	Availability of product and services	13	44	40	3	-

Source: Primary Data

From the above table 1.7 it is observed that out of 250 respondents, 67% agree its preference in attractive prices for online shopping, 54% neither agree nor disagree its preference for its reliability, 40% agree its preference in mass variety and products, 43% agree its preference in popularity, 47% agree its preference in convenience, 46% agree its preference in cost, 47% agree its preference in time efficiency, 50% agree its preference in information, 44% agree its preference in availability of product and services.

**Table 1.8**  
**Buyers online shopping frequency**

Sl. No.	Frequency	Strongly agree (%)	Agree (%)	Neither agree nor disagree	Disagree (%)	Strongly disagree (%)
1.	Daily	-	-	10	60	30
2.	Weekly	-	-	14	63	23
3.	Monthly	10	33	20	37	-
4.	Annually	57	30	13	-	-

Source: Primary Data

From the above table 1.8 it is observed that out of 250 respondents 60% , 63% and 37% disagree in purchasing through online daily, weekly and monthly respectively, 57% strongly agree in purchasing through online annually

**Table 1.9**  
**Risk of online shopping**

Sl. No.	Risk	Strongly agree (%)	Agree (%)	Neither agree nor disagree (%)	Disagree (%)	Strongly disagree (%)
1.	Risk of credit cards transactions	33	33	17	17	-
2.	Risk of identity theft	20	30	23	20	7
3.	Risk of monetary transactions	27	30	27	16	-
4.	Risk of internet hackers	30	27	13	13	17
5.	Wastage of money	20	13	40	17	10
6.	Money deducted without booking	20	30	33	17	-
7.	Personal information is not safe	10	37	20	20	13
8.	Correct product may not get	37	20	43	-	-
9.	Quality of product may not good	20	43	27	-	10
10.	Malfunction of product may occur	17	40	40	3	-

**Source: Primary Data**

From the above tables 1.9 it is observed that out of 250 respondents 33% strongly agree that there is risk in credit card transaction for online shopping, 30% agree there is risk in identity theft, 33% agree there is risk of monetary transactions, 30% strongly agree there is risk in internet hackers, 40% neither agree nor disagree in risk in wastage of money, 33% neither agree nor disagree there is risk in money deduction without booking, 37% agree there is risk in safety of personal information, 43% neither agree nor disagree there is risk in correct product may not get, 43% agree there is risk in quality of goods, 40% agree in risk of malfunction of products.

**Table 1.10****Consumers rating on online shopping**

Sl. No.	Particulars	Number of Respondents	Percentage
1.	Good	80	32
2.	Very good	100	40
3.	Excellent	50	20
4.	Bad	20	8
	<b>Total</b>	<b>250</b>	<b>100</b>

**Source: Primary Data**

From the above table 1.10 it is observed that out of 250 respondent's 32% rate online shopping as good, 40% rate as very good, 20% rate as excellent for online shopping and 8% rate as bad for online shopping.

**Table 1.11****ANOVA Results of online shopping buying Behaviors****Ho: There is no significant difference between Income and Buying behavior of the respondents towards online shopping**

Source of Variation	SS	df	MS	F	F crit
Between Groups	5.599457	2	2.799729	12.86	3.23*
Within Groups	7.183297	248	0.217676		
Total	12.78275	250			

**\*Significance at 5 per cent level**

From the above table 1.11 it is observed that the calculated F value is 12.86. The F table value of  $df_1=2$ ,  $df_2=33$  and  $\alpha=5$  per cent level of significance is 3.23. Since calculated value of F is greater than its critical value. Hence, the null hypothesis is rejected which concluded that there is a significant difference among the online shopping buying Behaviors during the study period. Therefore, it is inferred that the online buying behavior of the respondents varies from respondents to another respondents and some factor behavioral variance are influenced and Consumer purchasing behavior depends on the cost and revenues.

**V. FINDINGS**

From the above study it is found that:

- The number of users of online shopping is increasing day by day. Mostly the age group from 18-25 are the frequent user's of online shopping and most of the females are very much interested in online shopping.
- 50% of consumers prefer online shopping (i.e.) e-tailing and the rest prefer re-tailing.
- 30% of the online shoppers prefer flip cart for online shopping and 23.33% followed by e-bay.
- 67% of online buyers think security is most important for website users and 93% use cash on delivery for online shopping.
- 63% of online shoppers buy books through online shopping and followed by apparels.

- 47% prefer billboards for advertising online shopping and 36% followed by newspaper.
- Mainly 67% of consumers prefer online shopping for its preference followed by information provided about the products, convenience and time efficiency.
- It is also found that 57% of consumers choose online shopping annually rather than monthly and weekly.
- Consumers also think that there is risk in online shopping. 43% of consumers think that the quality of the product which they buy through online may not be good, 40% of consumers think that wastage of money and also malfunction of the product may occur in cases.
- The online buying behavior of the respondents varies from respondents to another respondents and some factor behavioral variance are influenced and Consumer purchasing behavior depends on the cost and revenues.

## VI. CONCLUSION

Consumer purchases through online are affected by various factors. The main influencing factors have been identified as cost and Revenue. The Cost factor exists because prices are often lower on Internet stores compared to physical stores due to lower costs. Purchasing through online can get benefit in terms of convenience and discount. It is also convenient to shop on various online shopping portals with different collection, from the anywhere. Trust is evidently needed since the consumer must share detailed personal and financial information when purchasing through online. In Coimbatore city most of the people used Amazon for online shopping and also online shopping had become a trend for this generation. Cost and Revenue aspects are the dominating factors influencing online shopping consumers.

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