A STUDY ON THE CUSTOMER'S BEHAVIOUR TOWARDS ONLINE SHOPPING IN BHOPAL

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ABSTRACT: In present era it has become one of   the popular approaches for business and customer to perform trade over the internet. Businesses have been coming up with creative ways to promote their product via online. This study titled "A Study on Customer Behaviour towards Online Shopping in Bhopal City" has been conducted to understand and analyze the conditions which affects customers' online purchase decisions and how these factors affects customer satisfaction. Descriptive Research Design has been used for this study. A well-defined questionnaire was designed to collect samples data across Bhopal City. This requires variety of respondents who already have experience of online purchasing , so convinced sampling technique was chosen. The questionnaire filled by a sample size of 100 respondents. After collecting the data, the data was classified and , tabulated . Necessary statistical tools such as Percentage Analysis and statistical tests   has been used to interpret the data. Results of this work may be useful to business mans, who are seeking options to expand their business into online shopping environment.

Keywords: Online Shopping, E-retailers, Customer Behaviour

I INTRODUCTION

 Now a days, online shopping is a fast growing phenomenon. With the rapid global growth of E - commerce, businesses are trying to take a competitive advantage by using internet to interact with customers (Demangeot and Broderick, 2007). i.e. consumer-purchases are mainly based on the appearance such as pictures, images, quality information, and video clips of the product, not on the actual experience (Brennan et al., 2008; Constantinides, 2004).

Sale of goods to end users is known as retail, . It can be describe as a firsthand transaction with the customer. Retailing can be defined as the buying and selling of not only goods but services also. It can also be defined as the delivery of goods and services to consumers at prices which are competitive and affordable. (Ms. Vidushi Handa, Mr.Navneet Grover) . As E-Commerce in India is booming now days. As per a study conducted by Google India, there were approximate 35 million online shoppers in India in 2016 and is expected that it will cross 100 million by the year 2018. With technology growth Broadband internet and mobile phones are accessible to large group of people fuelling this growth further.
Companies like Flipkart have already crossed billion dollar valuation. If anyone has a product to sell, this is perhaps the best time to start selling it through online.

Back ground of the Online Selling/ Marketing

A no. of companies like Amazon, snap deal, EBay, Homeshop18,flipkart and many more start selling online in India or in any other country for that involves various costs. It's important to find out first if anyone can make good profits after considering all those costs. The following important costs are mentioned below:

Cost - s – It would cost to transportation of the products to various parts of country . Normally shipping fee. cost ranges 5% to 15% of the product cost depending on the size and weight of the product.

 Cost- p – Depending on the type of product, to be sell, company needs to consider the packaging cost. On basis of different packing material cost varies . Calculate the total cost per product accordingly. Normally from 0.5% to 2% of the product cost.

Cost - pg -- : Online selling websites need a payment gateway. They may charge from 0.5% to 1.50% of the total transaction. There could be one time setup fee and recurring annual maintenance fees. Some times payment gateway providers had waived off these fees. The seller can negotiate the transaction fee if it has higher volume.

Cost- st -- Depending on the type of product, it might need to rent warehouse or some cold storage space for the products. Find out this cost as well.

 Cost – m – Like any other business, it also need to advertise about product as well as attractive offers provided by them (online market). It is a   investment , to   paid marketing channels. Number of company provides good platform to start with online ads and it also offers tools to calculate the costs.

 different costs involved in selling product online, profitability of a business can be find out as below

Profit = Selling price – (Sourcing Cost + Packing & Shipping + Transaction Fees + Marketing Cost + Variable Costs)

The profit margin is positive, it is good for a company to go ahead and start selling online. If it's very low or negative, it is better to think about minimising the costs.

Present business scenario has very tough competition it is a challenge for retailers. As an effective alternative online marketing/sale play an important role , which gives businessmen direct access to target customers. Online selling (e-retail) is a web-based interface between a retailer and its target customer for selling products and services on the web . These kinds of retailers are also known as e-market. Almost all big retailers are now electronically present on the World Wide Web. The online shopping environment has gone through various phases and today it is still developing in a much diversified way. It has become very popular in the areas of Garments , arts and handicrafts, books, car rentals, computers and electronics, cosmetics, financial services, gifts and novelties even grocery is available online now a days , . Some of the major advantages of online selling which makes it popular among the businessmen are: low investment cost, direct access

to target customers, quick return on investment . This kind of retail format helps the retailers to serve their customer quickly and more efficiently by offering them a detailed information of products and services.

Individuals take time to have confidence for shop online shopping. Initially shoppers may restrict themselves to searching for information or using e-mail. As their confidence grows their use of the Internet for purchase is likely to increase with a move to higher value items and more frequent purchases as purchasing experience is satisfactory .

Even in rural part of our country online shopping is becoming a part of life. The reasons behind online shopping behavior is ,the number of smart phone users is rapidly increasing in India and with 4G services.

Indians are also using mobile devices for not only search and call but shopping as well.

Now, shoppers are purchasing online in order to save time and take advantage of their convenience instead of physically visiting a store (Dholakia & Uusitalo O 2002). Major online selling companies like Flipkart, Amazon, Snapdeal, are getting a big part of f their sale comes from small cities .

Very clear seen reason that no big company showrooms and malls are available in small cities so it is more easy to purchase branded item online rather going to metro city for purchasing .

II SCOPE/OBJECTIVES OF THE STUDY
Scope
In India, during last 5 years   , shoppers are using to the Internet for most of their purchases has resulted in more and more retailers providing online portal for customers to make purchases at the click of the mouse. Customers not only use the internet to make purchases but also to search for information about the product or service being purchased. Internet has changed the way of conducting business. Many businesses have started building up their strategies around the internet.

If Businessmen analyze and understand the factors that influences Indian customers' online behaviour, they can further plan their business strategies according to customer need and preferences.

This study deals with the customers' perceptions with the objectives:

The primary objective of this study is to identify and understand the factors affecting customer Buying behaviour with respect to in online shopping in India specially Bhopal . The other Objectives are:

❖ To identify features that customers expect/search at an online shopping Website .

❖ To identify product categories for which customers do online shopping and   product categories for which they still prefer traditional approach.

❖ To identify the different payment option .

❖ To identify product delivery time/Venue preferred by the customers.

❖ To identify season which is preferred by customers

Analyse how these factors influence customers Buying Behaviour .

Factors That may Affects Customers Buying Behaviour:

* Personal characteristics of a person influences the purchase decision process. Personal factors include age,
   gender,   occupation, income status, education, life style etc .
* Psychological characteristics of a person make customers to ask themselves, should they look a better price or
   should   they shop online more often and perception is one of the important factors that examine the security
   of the web site or   the quality of the product.
* Social characteristics of a person influence the online consumers have virtual communities, consisting of
   discussion   groups on a web site and family is one of this reference groups.
* Cultural characteristics of a person of the consumers set values and beliefs in the early ages therefore person's
   wants   and needs are driven by this base feature.

III   REVIEW OF LITERATURE
Lakshmi. S (2016) reveled that there are millions of people online any time and they all are a potential consumer in the online market. According to this study the most important thing for organizations is to understand what are consumer wants and needs in this competitive business environment. The study also reveals that customer buying behaviours are influenced by different factors such as surrounding culture environment , Financial class, family independency, social status level, age, gender etc. and so customer behaves differently .

Consumers who have long experience of Internet usage, educated and equipped with better sources have significantly higher probability of online shopping and are better candidates to be captured in the well-known concept of flow in the cyber world (Hoffman and Novak, 1996;). Those consumers using the Internet for a longer time from various locations and for a higher variety of services are considered to be more active users.

Zuroni and Goh (2012) studied the factors influencing online shopping. The main purpose of the study was to determine the factors influencing consumers' attitude towards e-commerce purchases.

According to Kotler & Keller (2009), a buyer goes through five stages while making a decision to purchase. These stages are best explainable when a buyer goes for buying costly items.

Analyse and find out pre-purchase intentions of consumers is the key to understand why they ultimately do or do not shop from the Web market. One stream of research under online consumer behaviour consists of studies that handle the variables influencing these intentions. Online shopping, referred as online retailing or e-tailing, growing every day in India. According to eBay India Census (2011) published

on September 28th 2011 at Bangalore, Online Shopping is mainstream & a nationwide phenomenon: India had over 3,311 e-commerce hubs across the country.

According to an article published in The Economic Times about an ASSOCHAM survey dated 1 August 2014 Delhiites tops in online shopping; shopping by smart phone and tablet in India increases by 15%:

One of the important cause why customers prefer online shopping for products is availability of the large variety of items in comparison to traditional shops in the market. The websites enables customers to search and compare products . Another important reason for the number of online shoppers increasing in multiple, is use of 24X7 shopping advantage with assured ,speedy home delivery of products. Shopping websites also provide discounts, offers , gifts to attract customers.

A Survey dated 25 December, 2017:says that The digital commerce market in India is expected to cross $50 billion mark by the end of 2018 on the back of growing Internet population and increased online shoppers from the current level of $ 38.5 billion, reveals the ASSOCHAM- Deloitte joint study.

 Turban et al. has provided a consumer behaviour model in E-Commerce environment. This model categorizes the factors that influence the customers' buying decisions into the following categories. 1.Independent Variables 2.Intervening or Moderating Variables 3.Decision Making Process 4.Dependent Variables

The products of various category that customers has intention to purchase online depend on the customer ion of risk taking capacity . Customers may take high degree of risk if the product is new, or product cost is low . Shiffman et al. in his book Consumer behaviour states that "Studies also found that perceptions of trust and risk were the major determinants' of consumers' attitudes toward shopping online and that trust reduced consumers' perceived risk in the electronic marketplace".

IV RESEARCH METHODOLOGY

The sample size selected for the study is 100 in the area of Bhopal. But the special focus is on the people who use internet and have some experience in online shopping.

 The study is based on questionnaire method; Both Primary data and secondary data have been used for this   study.

- Primary data has been collected from various customers in Bhopal .
- Secondary data have been collected from related journals, Magazines and textbooks.

Descriptive research design was employed in this study to describe customer expectations, influencing variables etc. In Bhopal town there are maximum people using online shopping sites for purchasing products. These customers constitute the study population. In this study 100 online shopping customers of Flipkart , Amazon and snap deal websites are considered. My research confined to top three online shopping companies constitutes the sample. Convenience sampling technique is used for data collection by administering a structured questionnaire to consumers who use online shopping. The questionnaire was circulated and was completed by the sample respondents.
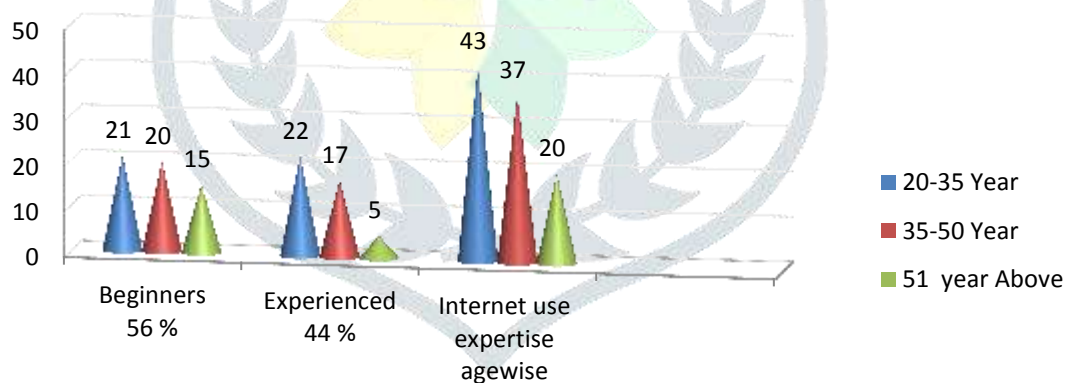
Analysis and Interpretation:

Table: 1 Internet use Expertise and age wise classification

Internet use Expertise	Age Group			Total (N=100)
	20-35	**36 -50**	**51 & Above**	
Beginner	21 (48.9)	20 (54)	15 (75)	56 (56%)
Experienced	22 (51.1)	17 (46)	05 (25)	44 (44%)
Total	43 (100%)	37 (100%)	20 (100%)	100 (100%)

Inference: Table No.1 describes the profile of the respondents towards Online shopping. Out of 100 customers who were taken for the study: it has been identified that most (56%) of the customers are beginners. While customers of age group 20-35 years, most (51.1%) are experienced .

Table: 2 Gender and the frequency of online shopping of sample respondents

Gender	Online shopping			Total (N=100)
	Frequently	sometimes	Rarely	
Male	19 (55.9)	16 (59.3)	25 (64.1)	60 (60)
Female	15 (44.1)	11 (40.7)	14 (35.9)	40 (40)
Total	34 (100%)	27 (100%)	39 (100%)	100 (100%)

Inference: Table No.2 describes the respondents towards Online shopping. Out of 100 customers who were taken for the study: it has been identified that most (60%) of the customers are male, (55.9%) do shopping frequently .. Therefore there is systematic association between gender and the no of online shopping. In our sample we do not consider respondents who never use online shopping.

**Table :3** Age and the frequency of online shopping of sample respondents

Online shopping	Age Group			Total (N=100)
	20-35	36 -50	51 & Above	
Frequently	19 (44.2)	11 (29.8)	4 (20)	34 (34)
sometimes	10 (23.3)	10 (27)	7 (35)	27 (27)
Rarely	14 (32.5)	16 (43.2)	9 (45)	39 (39)
Total	43 (100%)	37 (100%)	20 (100%)	100 (100%)

Inference: Table No.3 describes the relation in-between age and frequency of shopping . Out of 100 customers who were taken for the study: it has been identified that most (44.2%) of the customers do frequently shopping whose age group is 20-35 years, Therefore there is a relation between Age group and the no of online shopping

Table :4 Income and payment mode of sample respondents

Income levels.	Payment mode			Total (N=100)
	Cash On Delivery	Debit/credit card	Net Banking	
Less than2 lakh	5 (11.9)	2 (6.6)	2 (7.0)	9 (9)
2 – 5 Lakhs	12 (28.6)	3 (10.0)	5 (17.9)	20 (20)
5 – 10 Lakhs	12 (28.6)	12 (40.0)	7 (25.0)	31 (31)
More than 10 lakhs	13 (30.9)	13 (43.4)	14 (51.0)	40 (40)
Total	42	30	28	100
Chi-square		$\chi2 =$		

Inference: Table No.4 describes the respondents towards Online shopping. Out of 100 customers who were taken for
the study: it has been identified that most(40 %) of the customers whose income group is more than 10 lakh   years, do online shopping and prefer net banking as payment method while customers below 2 lakh income group prefer cod method for payments . therefore there is systematic association between annual income and payment option .
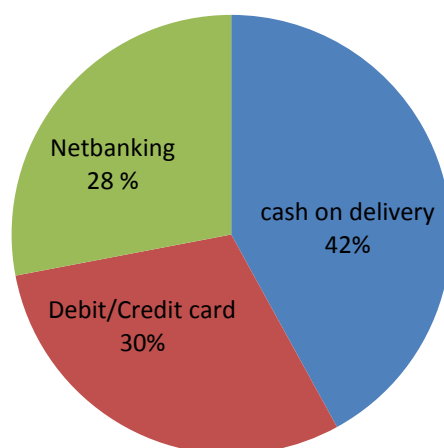
Prefered Payment mode

VI FINIDINGS AND ANALYSIS

Most of the sample respondents use the Internet for more than 6 hours per day for different age groups. The mostly people uses internet for   (as per percentage of responses) are: Chatting, Social Networking ,Browsing, Shopping, Banking, reservations ,. A large percentage of the respondents (85%) use the Internet for information search prior to making purchase decisions. The products that the respondents often purchase online (based on percentage of responses) are Train / Flight/ Movie Tickets, Books / CDs. Features of shopping portals that the respondents consider most important (based on percentage of responses) are: Payment Options, Product Variety / Availability, Speed & Quality of Delivery, . Most preferred payment options of the respondents are Cash on Delivery and Internet Banking. Factors that irritates customers the most (as per percentage of responses) while shopping online are failed transactions and insecure payment options. Most frequented shopping portals in India (based on percentage of responses) are; IRCTC, Flip kart and Amazon. Almost all the respondents (90%) agree that online shopping helps save time and is convenient. A good no of the respondents agree that it is easier to search for and compare products online. Maximum respondents believe that online shopping will supersede traditional shopping in near future . No of shopping online is having association with age and income group .every one expect better offers and discounts during online shopping when compared to what is offered at traditional stores.42% of the respondents hesitate to give out debit / credit card information because of privacy and security issues.

   Limitations:

☐The result of the study is based upon the views expressed by the respondents of Bhopal.

☐The statistical tools used to analyse the data have their own limitations.

☐All the limitations of primary data are applicable to this study.

VI CONCLUSIONS

The findings and results reflect the perceptions, preferences and factors influencing customer buying behaviour who are online shoppers in Bhopal City. The results indicate that the respondents are becoming more internet savvy every day. As they have more experience they are ready to buy high value products online as well specially electronic goods, they also ready to pay by cards. Businessmen associated to the online market need to reduce the customer related risks by making shopping websites easy to navigate, providing secure payment options, assuring speed and quality of delivery. It will increase to gain and maintain customer trust, . It is required to be educate the online buyers on the steps which are needed to be undertaken while making an online purchase. Apart of this ,branded item has better trust value to be purchase .An online buyer feedback can be come on online media and blogs can serve as advertising and marketing tools

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