

A STUDY OF ONLINE SHOPPING PATTERNS: IN REFERENCE TO INDORE CITY

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Abstract

In the last five years online shopping trends have increased in India. Two years before it was only in Metros but now it is very much common in the towns also. This is possible because of rapid development of network technology, electronic commerce and e-marketing etc. The number of Internet users is increasing day by day. People are adopting online shopping rapidly. The study will explore the pace at which internet shopping is growing and preference pattern of customers. The purpose of this study is to find out which category of customers are more influenced by online shopping and why? A survey of 105 customers from Indore is done. Demographical data is presented in frequency and percentage pattern. Hypotheses testing are done with Chi square Test. The result of the study reveals lot of difference in the shopping pattern and behavior of customers in Indore.

Keywords: online shopping, trends of shopping, network technology, electronic commerce, internet shopping, e-marketing.

I. INTRODUCTION

Online shopping means buying of goods or services through Internet, using either a computer or an Internet television. Although online purchasing still have a handful of customers but that number is increasing day by day. It can be because of so many advantages such as, shopping at round the clock facilities, decreasing dependence to store visits, saving travel costs, increasing market area, decreasing overhead expenses, Lot of variety and easy accessibility which is advantageous for both consumers and retailers. The benefits of shopping online also come with lot of risks and dangers that consumers must be aware of.

Online websites are gaining popularity, which allow consumers to sell and purchase to each other. Payment Systems are becoming easier, even cash payment can be done at the time of delivery. Customers with a virtual wallet for online global shopping, empowering a new segment of consumers to buy products and services on the web.

The main focus of the paper is not just to find out the impact of demographical factors on online shopping behavior, but also to find out awareness about online shopping, type of purchase and preference of the online customers.

II. LITERATURE REVIEW

Technological progress in the sphere of information and communication is encouraging the use and development of new shopping methods, leading to a rapid growth in non-store shopping as the individual can buy products/services without having to travel to retail outlets (Sharma and Sheth 2004). This growth in non-store shopping and new trends in technology have facilitated the introduction of electronic marketing and promise to provide new ways of impacting and serving consumers in the future (Balasubramanian, Peterson and Jarvenpaa 2002;). Practically all products/services can be purchased quickly, conveniently and without moving from home (Davison, Dorrington and McCoy 1982). Wireless Internet via mobile devices (WIMD) is leading the world into another spectrum of communications and means of conducting day-to-day business and life activities (Sivanad, 2004).

To understand why consumers choose to shop online one needs to address different consumer traits, such as personality characteristics and demographic factors (Dellaert et al, 2004). Demographic factors are mostly affecting the customers than the personality characteristic. Burke (2002) has identified four demographic factors that are relevant; age, gender, education and income. According to Dellaert et al. (2004), these four factors have a considerable moderating effect on the relationship between usefulness, ease of use, enjoyment and the attitude of the consumers towards online shopping. Gender is another factor that is relevant for attitudes among consumers to perform online shopping. In general, men do more shopping on internet than females. (Burke, 2002). Education is a third factor that is relevant in the relationship between the three basic determinates and the attitudes of the consumers to shop online (Dellaert et al, 2004). According to Lohse, Bellman and Johnson (2000), high-income households often correlates positive with possessions of computers and Internet access. They also correlate positively with consumers with higher level of education. Consumers with higher levels of income also intend to shop online to a larger extent than consumers with lower income (Lohse et al, 2000).

III. OBJECTIVES

1. To study the effect of age of the customers on the online shopping patterns in Indore.
2. To study the effect of gender of the customer on the online shopping patterns in Indore.
3. To study the effect of education of the customers on the online shopping patterns in Indore.
4. To study the effect of income of the customers on the online shopping patterns in Indore.

IV. HYPOTHESES

- Ho1.** There is no significant relationship between age of the customer and online shopping trends.
- Ho2.** There is no significant relationship between gender of the customer and online shopping trends.
- Ho3.** There is no significant relationship between education of the customer and online shopping trends.
- Ho4.** There is no significant relationship between income of the customer and online shopping trends.

V. RESEARCH METHODOLOGY

The primary data was collected from 105 customers of Indore. A questionnaire was developed to collect the data. Questionnaire was divided into two parts, section A consisted of four demographical questions (age, gender, education, income) of the customers. Section B consisted of 35 questions related to the trends of the online shopping of the customers. Questionnaires were distributed only to those people who do shopping through internet. Secondary data was also used for the research from books, journals, web sites, newspapers etc. The data analysis was done on the basis of frequency and percentage of the customers. The hypotheses were tested by applying Chi Square test.

VI. RESULT AND DISCUSSIONS

The survey was based on demographical factors. Four factors of gender, age, education and income were taken. The results are analyzed in frequency and percentage. The bar charts are also made to make the results more clear.

Gender Wise Online Shopping Patterns
Table-1 Presentation of the data for gender group

Group	Frequency	Percentage
Male	48	45.7
Female	57	54.3

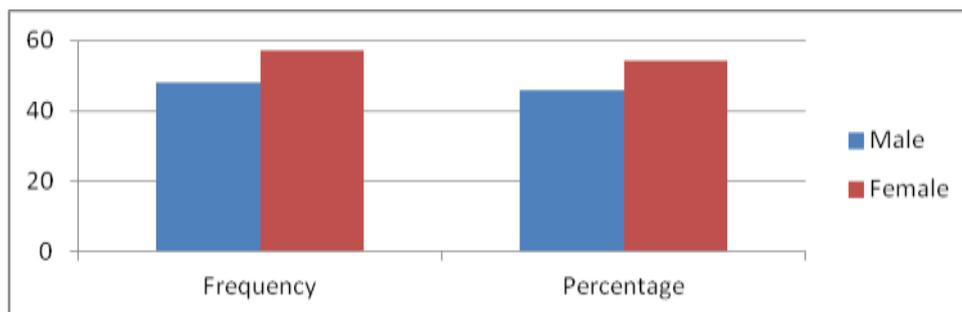


Figure 1: Graphical presentation of the data

Age Wise Online Shopping Patterns
Table-2 Presentation of the data for age groups

Group	Frequency	Percentage
Young - 16-25 years	40	38.2
Middle - 25-40 years	43	40.9
Seniors - 40-60 years	22	20.9

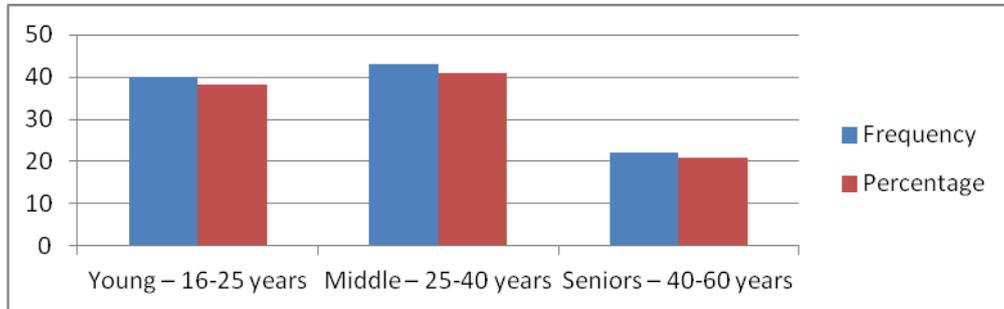


Figure -2 graphical presentations of the data

Education Wise Online Shopping Patterns

Table-3 Presentation of data for Education Group

Group	Frequency	Percentage
Professionals	45	42.8
Degree Holders	35	33.4
School pass	25	23.8

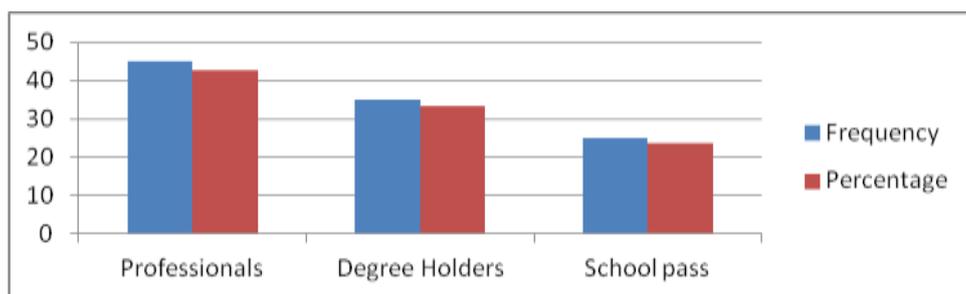


Figure-3 Graphical Presentation of the data

Income Wise Online Shopping Patterns

Table-4 Presentation of data for income group

Group (per annum)	Frequency	Percentage
High-20 lakhs and above	22	20.9
Medium- 8-20 lakhs	48	45.8
Low- below 8 lakhs	35	33.3

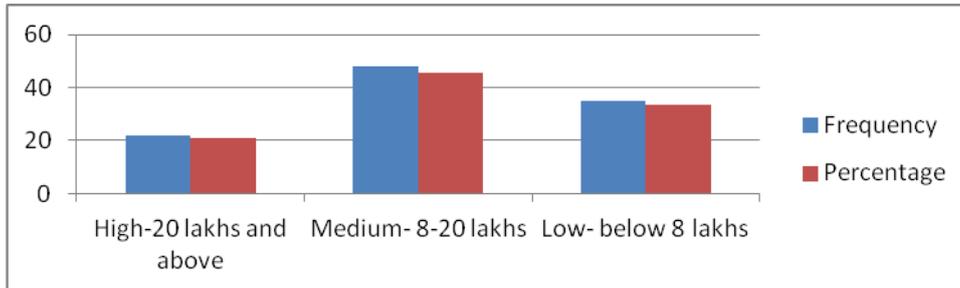


Figure- 4 Graphical presentation of the data

Table 5: Customers Behavior towards the Online Purchase

Factors	Options	Frequency	Percentage
Awareness about online shopping	Advertisements	45	42.86%
	Friends & Relatives	27	25.71%
	Existing Customers	24	22.86%
	Other sources	9	8.57%
Frequency of Purchase	Occasionally	54	51.43%
	Frequently	12	11.43%
	Once in a month	33	31.43%
	Very rare	6	5.71%
Use of website / App	Flipkart	37	35%
	Amazon	48	45.71%
	Snapdeal	16	15.24%
	Other websites	4	3.8%

Purchase of product	General	23	21.9%
	Electrical & Electronics	29	27.6%
	Sports	8	7.6%
	Personnel	45	42.9%
Factors of preference to purchase	Reasonable Price	22	21.0%
	Quality	11	10.5%
	Image/brand	44	41.9%
	Service /time saving	28	26.7%

Customers are aware of Online shopping mostly by advertisements on Television (42.8%) and also in newspapers (23%), Young customers know about the schemes and discounts from friends and relatives (25.7%). Most of the respondents do shopping once a month. Amazon is the most common site through which purchasing is done and flipkart is on second number. Personal items like shoes, bags, clothing, and watches are preferred for online shopping and then electronic items like mobile phones, camera, iron, mixer juicer etc. Image and brand is the main reason for online shopping.

Table 6: Hypotheses Testing with chi square test

Hypothesis	Sig Level	Result of chi square test
Ho1. There is no significant relationship between age of the customer and online shopping trends.	.000	significant
Ho2. There is no significant relationship between gender of the customer and online shopping trends.	.295	insignificant
Ho3. There is no significant relationship between education of the customer and online shopping trends.	.004	significant
Ho4. There is no significant relationship between income of the customer and online shopping trends	.124	insignificant

- **Ho1 is rejected that means** There is a significant relationship between age of the customer and online shopping trends. Age wise distribution of the data was analyzed , young customers are more attracted towards online brands. They want to purchase every trendy and fashionable thing from online brands like Shoes, clothes, accessories, mobiles etc. Middle age group customers are also purchasing online but there priority to choose this method is altogether different from young people. Senior groups purchasing online is almost negligible, they generally prefer traditional methods of shopping.
- **Ho2 is accepted that means** There is no significant relationship between gender of the customer and online shopping trends. The gender group was divided into two groups: Male and Female. It was found that male customers are more aware of the online shopping brands and processes. They do more of online shopping which includes flight tickets, movie tickets, railway tickets, shoes, accessories, watches, mobile phones etc. Female's trend is different but they are also very active in online shopping.
- **Ho3 is rejected that means** There is a significant relationship between education of the customer and online shopping trends. Highly qualified and professional people do more of internet shopping. They rely more on these products. Degree holders mean people who are graduate pass and are doing business or small jobs. These people use online shopping also but mostly for business purpose or for their relatives and friends. School pass customers are those who have passed 10th or 12th standard but are adults are included in this group. They are not much aware of online shopping.
- **Ho4 is accepted that means** There is no significant relationship between income of the customer and online shopping trends. The income group has taken High income customers as people who are earning above 20 lakhs . This group of people is very much aware of online shopping and does that also but still they are not the highest users. The middle income group people do more of internet shopping and low income group are also doing lot of online shopping. The items purchased and there cost and price can be different but all income group are using online shopping. The customers earning below 5 lakhs per annum are not included in the survey because it will be difficult to maintain online shopping for them.

VII. CONCLUSION

The survey has come to, lot of important conclusions about the four demographical factors taken for research. Customer's perception towards online shopping is changing day by day. This can be because of the following probable reasons - access more of internet, time limitation, Credit Card holders, more purchasing power, quick decision makers. Young people have adopted online shopping more because they want to be called trendy, smart, and stylish in the society, want to try new and different things. They are more influenced by their friends also. The discounts on the websites also attract the young customers. The senior group of people likes to go for traditional shopping because they are not used to this new technology.

The education level definitely affects the use of online shopping. The highly educated people don't have time and interest for shopping. They do shopping for their necessity and for that they feel non store channels for shopping are more comfortable. The less educated class of society is

obviously not using much of internet technology that is why it is directly affecting their purchasing power.

The income groups are directly correlated with the purchasing power and frequency to buy. The lower income group lack behind in both the factors and also they are not interested in buying the brand products. Middle income group people do lot of purchasing on line because they want to avail the discounts and on the same time want to use branded products. High income group people do online shopping but at the same time they do shopping from exclusive show rooms to show their individuality.

So we can say that online shopping is gaining popularity but it will be used by a limited set of people. The traditional way of shopping will also not lose its charm.

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