

ONLINE SHOPPING BEHAVIOR AMONG HIGHER EDUCATION STUDENTS WITH SPECIAL REFERENCE TO PALAKKAD, KERALA, INDIA

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ABSTRACT

Online shopping offers the customer a wide range of products and services wherein he is able to compare the price quoted by different suppliers and choose the best deal from it. Internet marketing is conceptually different from other marketing channels and internet promotes a one to one communication between the seller and the end user with round the clock customer service. The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Despite these motivational factors, there are various transaction and non-transaction issues involved such as internet users being uncomfortable while giving their credit card number, personal information, etc.. which act as deterrents. Online shopping is new, and it is at a nascent stage, and there are no hard-and-fast rules to live by. Consumers are slow in showing interest in online shopping. However, the future for internet shopping looks bright and promising.

Keywords: *Online shopping, Consumer attitude, Consumer behavior, Promotion strategies.*

1. INTRODUCTION

The world of internet practically can be considered as an endless market, where a consumer living in any country of the world can get into a contractual relation with a trader operating in any other country of the world. From this aspect a cross-border purchase is when the consumer buys goods from any web trader settled anywhere in the world outside his/her country of residence. Due to the differences in language and legislation environment, furthermore sometimes in commercial traditions it is particularly essential to consider whether to buy the selected product from a web store operated by a foreign trader.

The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Since the consumer does not have to go to the premises of the trader, and is not limited by the opening hours, he/she can place an order at all times. Such items can also be purchased that are not available in the surroundings of the consumer, thus the choice of goods is significantly broader, and furthermore the delivery can be requested not only to the place of residence but to the workplace, as well. The offers on the internet can be easily compared, therefore the consumer can buy the product with the most favorable conditions (price, quality, other discounts) tailored to the individuals needs.

Besides the advantages however, it is good to know that there may also be risks connecting to online shopping, since the conclusion of the contract is done without personal interaction, and the consumer sitting in front of a computer/screen tends not to think over or consider his/her intention of buying. The consumer being as a layman not a professional player of the deal is in a more defenseless situation. This is manifested in a twofold information deficit concerning on the one hand the product to be bought and on the other hand concerning the identity of the trader.

The consumer only has a limited amount of information concerning the product, which is provided by the trader on the website, moreover he/she cannot physically check or try the product, whether the actual characteristics are matching the stated ones referred to on the website or not, and its quality is the same as expected.

2. STATEMENT OF THE PROBLEM

Online purchasing of goods, both expensive and cheap, is prevalent to a much larger extent in recent years due to convenience, speedy transactions, saving time, attractive sales promotional offers, etc..Despite these motivational factors, there are various transactional and non- transactional issues involved such as internet users being uncomfortable while giving their credit card number, personal information, etc. which act as deterrents. Online shopping is new, and it is at a nascent stage, and there are no hard-and-fast rules to live by .Consumers are slow in showing interest in online shopping. However, the future for internet shopping looks bright and promising. Therefore, this study aims to examine the attitude of online shopper.

3. OBJECTIVES OF THE STUDY

The specific objectives of the study are

1. To identify the key factors influencing online shopping behavior of higher education students in Palakkad.
2. To analyze the satisfaction level among Higher Education students in Palakkad.
3. To study the role of education in students` attitude towards online shopping.

4. REVIEW OF LITERATURE

Review of research report is done to what research works have already been done on this and related topics or fields, the methodology adopted by them, the findings and conclusions, the listed scope for further research and so on. Below an attempt is made to review the available literature related to the topic of this research.

1. Amin.P.D and Amin.B.(2010) made an attempt to summarize the key findings from various research studies relating to gender based differences in case of online shopping activities .The stronger influence of perceived case of purchasing on both attitudes and online shopping intentions for female compared to males indicates that online shopping intentions and attitudes are sensitive to female perception, given a higher demand for the physical environment or a strong desire for the sensory pleasures associated with touching a product. Finally, the gendered nature of conventional buying emerged clearly- women prefer emotional and psychological involvement in the online and offline shopping process; whereas men focus on efficiency and convenience in obtaining shopping outcomes from actual product.

2. Banerjee, Dutta, and Dasgupta.(2010) conducted a study on “customer`s attitude towards online shopping”. The study revealed that among the 202 respondents who shopped online, 89.1% were satisfied and 96.1% satisfied customers also intended to indulge in online shopping in the future. It could be concluded that the availability of extensive and current information was the most important factor which influenced Indian customers to shop online. The researcher also revealed that there was a significant association between online shopping and monthly family income, frequency of internet usage, and time spent per session on Internet usage.

3. Broekhuizen and Huizingh (2009) conduct a study on” Online purchase determinants: Is their effect moderated by direct experience.”The purpose of this paper is to examine the moderating influence of direct online shopping experience in an e-commerce context. Compared to the purchasers, the inquirers were more concerned with the perceived enjoyment, risk and price attractiveness offered by the website, while caring less about time/effort savings. Inquirers were negatively influenced by the price attractiveness of their chosen insurance, which indicates that they were less likely to use the website for future transactions if they were satisfied with their current price.

Guidelines for managers of websites for financial services about how to convert inquirers into buyers and improve the loyalty of online buyers. Draws upon insights from marketing, e-commerce and information systems to provide substantial support for the hypotheses regarding the moderating influence of direct online shopping experience

4. Torben Hansen, Jan Møller Jensen, (2009) conduct a study on “Shopping orientation and online clothing purchases: the role of gender and purchase situation ” This paper seeks to investigate shopping orientation and online clothing purchases across four different gender-related purchasing contexts. A conceptual model for understanding the impact of shopping orientation on consumer online clothing purchase is proposed and tested both in a general setting and across purchasing contexts. The results support the expected differences in men's and women's shopping orientations and willingness to purchase clothing online. On average, consumers indicate that reduced difficulty in selecting items is sorely needed when purchasing clothing online. However, when evaluated across different purchasing situations, perceived difficulty in selecting items is an important action barrier only for women. Less fun significantly affected online clothing purchases for men purchasing clothing for themselves, but not for women doing the same.

5. Miao Zhao, Ruby Roy, Dholakia (2009) The purpose of this paper is to address the following questions in the context of a transactional web site. How do web site attributes influence customer satisfaction? Will an increase in the performance of a specific attribute lead to increased satisfaction? The paper identifies several relationships between interactive web site attributes and customer satisfaction. At this stage of web development, no attribute emerges as a “must-be” attribute; one - dimensional or linear attributes are common but not the only category of interactive attributes. In addition, mixed and attractive attributes were also found. Moreover, the paper confirms that Kano categories shift over time and with usage experience. Different web site design strategies should be used depending on users' online experience and the various relationships between interactive web site attributes and customer satisfaction. No previous research has yet examined interactivity at the attribute level. Web site designers and managers have to make decisions regarding each attribute. Adopting the Kano methodology, widely used in other areas of research, this paper examines the relationships between attribute-level interactivity and customer satisfaction with a retail web site.

6. Lan Xia, Kent B. Monroe, (2009) The purpose of this paper is to study the effects of consumers' pre-purchase goals on their responses to price promotions. Consumers with a pre-purchase goal were found to be more attracted to the promotion than those without a goal. More importantly, pre-purchase goals interact with promotion characteristics and produce differential effects on willingness to buy. Consumers with a pre-purchase goal are more attracted to promotions emphasizing reduced losses while those without a goal responded more favorably toward promotions emphasizing gains. Moreover, consumers with and without a pre-purchase goal respond differently to various discount levels. Existing research on price promotions has not examined the influence of consumers' pre-purchase goals. This paper brings a new dimension to price promotion research. Understanding these variations in pre-purchase goals across consumers will help sellers design more effective promotion programs.

7. Xia Liu, Mengqiao He, Fang Gao, Peihong Xie, (2008) The purpose of this study is to identify factors that may influence Chinese customers' online shopping satisfaction, including those which are ignored by prior studies, from the perspective of total online shopping experience. In this paper, the authors propose a model of the satisfaction process in the e-commerce environment, identifying key constructs proposed by prior studies and developing hypotheses about which dimensions of online retailer constructs are significant predictors of online shopper satisfaction. The authors test the hypotheses through multiple regression analysis based on a survey of 1001 online customers. The analysis suggests that eight constructs – information quality, web site design, merchandise attributes, transaction capability, security/privacy, payment, delivery, and customer service are strongly predictive of online shopping customer satisfaction, while the effect of response time is not significant. This research contributes to the study of online shopping customer satisfaction by developing a model of the satisfaction process in the e-commerce environment, and identifying factors that may influence Chinese customers' online shopping satisfaction including those which are ignored by prior studies.

5. RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve research problem, various steps are adopted in study the problem along with the logic behind them.

5.1 QUESTIONNAIRE DESIGN

The questionnaire was prepared after gathering preliminary information about online shopping. The main focus was on the objective of the study, while preparing questionnaire. The questionnaire consists of two parts; personal data and consumption data. Closed-ended questionnaire were applied in this research. Personal data started from question number 1 to question number 8. All questions in personal data asked about age, marital status, living area, occupation, and income. In consumption part, it started from question number 9 to question number 25. This questionnaire was created to understand more about consumer attitude level of attitude towards online shopping.

5.2 SAMPLING PROCEDURE

The data for the study was gathered through a self structured questionnaire. Researchers like Vrechopoulos et al.(2001) explored that the youth are the main buyers who use the internet to buy product through online. So, as the universe of this study, researcher considered higher education students in palakkad who used internet for different purposes and were above the age of 18 years . A self administered questionnaire was prepared and distributed to 100 students of the selected institute. The information collected have been edited for reliability and consistency and then presented in a master table for analysis.

Data Source: The study is both descriptive and analytical in nature, and hence, both primary and secondary data were used for the study.

Data Processing and Framework of Analysis: The primary data was processed and analyzed using percentage analysis and descriptive statistics.

6. DATA ANALYSIS RESULTS AND DISCUSSION.

The survey results are organized as follows, in the first section, the demographic profile of the respondents is presented. The section presents the results of data analysis and conclude with expectation and perception of the respondents (Students studying higher institutes in Palakkad) in Kerala regarding Online Shopping.

Table 1 : Demographic Characteristics of Respondents

| Variables and Categories | N=100 | % |
|---|-------|------|
| Age | | |
| 18-30 Years | 100 | 100% |
| 31-50 Years | 0 | 0% |
| Gender | | |
| Male | 84 | 84% |
| Female | 16 | 16% |
| Marital Status | | |
| Single | 100 | 100% |
| Married | 0 | 0% |
| Educational Qualification (Pursuing) | | |
| Graduation | 44 | 44% |
| Post Graduation | 36 | 36% |
| Professional | 20 | 20% |
| Area of Residence | | |
| Urban | 40 | 40% |
| Rural | 24 | 24% |
| Semi urban | 36 | 36% |
| Income | | |
| No Income but Pocket Money | 76 | 76% |
| Less than 25000 | 16 | 16% |
| 25000-50000 | 8 | 8% |
| <i>Source: Primary Data</i> | | |

The table-1 exhibit demographics traits associated with the respondents considered for the purpose of this study. It can be observed from table-1 that a majority of the respondents were males (84%) and were aged between 18-30 years (100%). As expected, 100% of the respondents were single and 76% of the respondents have no income, but received pocket money. Majority of the respondents (44%) were pursuing graduation degree and only 20% were pursuing professional degree. A maximum of 76% of the respondents from Urban and Semi-urban area and 24% from rural area.

Table 2: Buying Behavior of Online Shoppers

| Variables and Categories | N=100 | % |
|---|-------|-----|
| Online Shopping Frequency | | |
| Once in a Month | 32 | 32% |
| Once in 2 Months | 24 | 24% |
| Once in 6 Months | 32 | 32% |
| Once in a year | 12 | 12% |
| No. of Years Since Shopping Through Online | | |
| Less than a year | 24 | 24% |
| 1-2 Years | 60 | 60% |
| 2-3 Years | 16 | 16% |
| Sources of Idea About Online Shopping | | |
| Referred by Friends/ /Colleague / Family member | 56 | 56% |
| Saw an Online Advertisement | 28 | 28% |
| Product Ratings | 16 | 16% |
| Sources Of Idea About Online Shopping Websites | | |
| With the Recommendation of Friends | 60 | 60% |
| Search Engine | 36 | 36% |
| Advertisement in the Press and Media | 4 | 4% |
| Motivating Factor of Online Shopping | | |
| Wide Variety of Products | 64 | 64% |
| Shop at any Time of the Day | 20 | 20% |
| No need to Travel to the shop | 16 | 16% |
| Mode of Online Payment | | |
| Cash on Delivery | 76 | 76% |
| Credit / Debit Cards | 20 | 20% |
| Bank Transfer | 4 | 4% |
| <i>Source : Primary Data</i> | | |

6.1 Respondents` Online Buying Behavior: The Online Shopping process consists of steps similar to those associated with traditional shopping behavior. Online shopping Behavior depends up on consumers` psychological state in terms of making or not making purchase on the net.

6.2 Shopping Frequency: With regards to online shopping frequency, the table-2 shows that majority of the respondents shop products frequently, 32% purchase product once in a month, 24% shop product once in two months and 32% shop once in six months, while only 16% shop product once in a year.

Table-2 also shows that a higher percentage of online shoppers (60%) had been shopping the products and services through online for 1-2 years. Only 32% percentage of online shoppers had been shopping product over internet for 2-3 years. The trend of online shopping present in India for many years, but it is only in the recent years that this trend of online shopping has been catching up.

6.3 Information seeking and Purchase Decision : As per Table-2 reveals that, majority of the respondents find information about online shopping from their friends, colleagues and family members and 28% get the idea through Online advertisements and only 16% get the information from other sources.

Majority of the respondents get the idea about shopping websites from their friends and through search engines. Only 2% of the respondents reach various shopping sites through the advertisements in press and media.

6.4 Motivating Factor: Majority of the respondents opines that availability of wide variety of products is one of the main motivating factor in online shopping. Other motivating factors are shopping can be done at any time of the day and no need to travel to shop.

6.5 Mode of Payment: As per Table-2, 76% of the respondents availed the facility of free home delivery and they made the payment at the time of delivery of the product. 40% of the respondents made payment through credit card and debit card.

Table-3, Respondents Attitude towards Online Shopping

| Respondents Attitude towards Online Shopping | Mean | SD |
|--|-------------|-----------|
| 1. Online shopping saves time | 1.96 | .39 |
| 2. Shopping can be done at any time | 1.71 | .51 |
| 3. Wide variety of products | 1.81 | .58 |
| 4. Accurate description about product | 2.10 | .90 |
| 5. Online shopping is as secure as traditional shopping | 3.15 | 1.65 |
| 6. Online shopping is risky | 3.76 | 1.56 |
| 7. Longtime is required for the delivery of product | 2.24 | 1.64 |
| 8. Necessity of having bank A/C or credit card create difficulty | 3.40 | 1.39 |
| 9. Risk of losing privacy | 1.95 | .53 |
| 10. Complex compared to traditional shopping | 3.75 | 1.63 |
| Note: Items are measured on 5 point scale where strongly agree =1 and strongly disagree =5 | | |
| Note: Mean =Average score and SD = Standard Deviation | | |
| Source : primary Data | | |

As per Table-3, the average mean attitude score for the statements 1-3 and 9 was less than 2, indicating respondents positive response towards these statements. Through these statements respondents agree that online shopping is save time of the consumers, it offers wide variety of products and accurate description about product. Also agree that consumers can shop product at any time of the day. As per statement 5 respondents opined that, online shopping is not as secure as traditional shopping. Respondents strongly disagree with the statements 6, 8 and 10. They opined that, online shopping is not risky, it is not complex when compared to traditional shopping and necessity of having bank A/c not create any kind of difficulty. In statement 7, respondents agree that long time is required for delivering the product. By agreeing with the statements 9, respondents feared that they loss their privacy.

The result of the analysis imply that Perceived risk, internet trait, Attitudinal traits and convenience are the four dominant factors which influenced the decision of higher education students in Palakkad to shop online youngsters are technologically brilliant, efficient in surfing the net and enjoy internet browsing for fun and information. While online they use their computer capabilities for number of activities such as conducting research, obtaining news, job searches communicating via e-mail, etc. The element of risk in terms of delivery of products, safety in payment through credit card, doubt in quality of product delivered, fear of misusing personal information and non returnable policy of goods etc. influenced young decision to purchase product online. Further the findings of this study implies that convenience have a positive impact on attitude towards online shopping. Online consumers are motivated by price consciousness and convenience. Therefore, online retailers are made as simple and as inexpensive as possible for customer to shop online.

6.7 Relationship between factors influencing online shopping and educational qualification of the respondents.

Hypothesis: There is no significant relationship between educational qualification of the respondents and factors influencing online shopping.

Table-4, Educational Qualification of the Respondents and Factors influencing Online Shopping

| Factors | Educational Qualification | | | Total |
|-------------------------|---------------------------|-----------------|---------------|-------|
| | Graduation | Post Graduation | Professionals | |
| Easy Payment | 4 | 2 | 2 | 8 |
| No need to travel | 5 | 6 | 2 | 13 |
| Shop at any time | 11 | 10 | 6 | 27 |
| Access to global brand | 6 | 6 | 6 | 18 |
| Wide variety of product | 18 | 12 | 4 | 34 |
| Total | 44 | 36 | 20 | 100 |
| Source: Primary data | | | | |

| Chi- square | D f | Significant value | Significant/not significant |
|-------------|-----|-------------------|-----------------------------|
| 5.0521 | 12 | .751997 | Not significant |

Table-4 and 5 depict the relationship between Educational Qualification of the respondents and factors influencing Online Shopping. For a majority of the graduates and post graduates, "wide variety of products" was the major factor for influencing online shopping. Majority of professionals, Shop at any time and access to global brand are the major factors influencing online shopping. Table-5 states that at the 5% level of significance, the chi-square value (.751997) is not significant. Therefore, educational qualification of the respondents and factors influencing online shopping are independent.

7. Suggestions

- * The government should compel the online shopping sites to detail their privacy for conflict resolution.
- * Online security is found to be major issue influencing the future diffusion of online shopping. The fear of purchasing online by using a credit would be reduced if the companies and different banks collaborate, and the banks maintain online accounts directly.
- * As the complexities and security issues surrounding e- payments increase, online retailers can outsource the payment processing work to companies providing secure e- payment solutions.
- * To boost the confidence of the existing and new online shoppers, government should provide adequate legal frame work to ensure stringent measures are taken against people who indulge in online fraud.
- * Government should provide affordable and high speed internet access to the people across the country.
- * Online marketers should use innovative and reachable sales promotion strategies to attract customers towards online shopping.
- * Online marketers should take conscious efforts to reduce the complexities of online shopping.
- * Online sellers should use techniques such as money back guarantee, better after sales service, replacement of damaged products, 24*7 customer complaint receiving cell etc. to boost confidence in the mind of consumers.

8. CONCLUSION

Online shopping is becoming increasingly popular for a variety of reasons. The study brought to therefore that online shoppers are young, highly educated, active, intensive, and are expert users of the internet; they have a strong positive perception towards online shopping and generally spend a very low amount on online shopping. The findings of this research have confirmed that the perceived marketing mix and perceived reputation could impact on the consumers' attitude of adopting online shopping. Through the findings of this research, online retailers could

better realize online consumers' expectations and the determinants of consumers' behavior. By understanding the key drivers that could impact on online consumers' attitude towards online shopping, online retailers would be able to formulate and implement their e-business strategy efficiently and effectively and possess stronger competitive advantage. The largest driving factor for online shopping is convenience. For example, online vendors should pay more attention to applying the marketing mix of high product quality, lower price, discount, free delivery fee, or free gift and do their best to build, enhance, and maintain their good reputation.

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BIOGRAPHIES



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