

A Study of the Behavior of Semi-Urban Youth Customers towards Online Shopping Through Online Shopping Applications

Prof. Vikram H. Shinde

Assistant Professor,

Department of Management Science,

Dr. Babasaheb Ambedkar Marathwada University, Sub-campus, Osmanabad

Vikrant007shinde@gmail.com

Abstract

Internet, as everyone can see now, a biggest revolution on the earth that has brought changes to almost all the fields where a human can reach. The revolution which has brought the world too close that actualized virtual communicating with a person residing on earths another edge is on the finger now. The use of internet which have changed the shape and face of business is easing the customers and the sellers in a very convenient way. has changed the traditional process of purchase by a vast. The result of such convenience is increase and speed business activities. Online shopping has now become the lifestyle of the people. The rural population in India also using it in a very large amount. The Indian rural and semi urban population which counts to 71% of the population is now well connected and used to online business. Hence the scope of business in India is developed by a huge amount. The activities like agricultural marketing, purchase of raw material, etc are also being practiced by the mean now days. In this way, the increase in online commerce have now reached to the threshold of villages and creating new opportunities for business. This study aims to know the behavior of some rural and semi urban consumers.

Key words: Semi-urban, rural, online shopping, e-commerce, buyer's behavior, purchase decision.

Introduction and Research methodology

Introduction

E-commerce in India has emerged as one of the option for various problems related to the country's economy. It has helped in creating many opportunities for employment and also has a role in infrastructure development of the country. This e-commerce or major part of it called as online shopping have changed the traditional and classical system of transaction in business and opened new doors for new ways of transacting. The development in the field of technology has gifted the internet technology and in effect the e-commerce or online shopping have been developed a part. Online shopping in urban areas and developed geographies can be welcomed easily but the use of same structure in rural and semi-urban geography leads to a great wonder. Having covered a major part of population Indian rural and semi-urban part has also showed very good signs in online shopping. And the result of this is before us. The Indian E-commerce market has developed by multiplications and the economy is increased many folds. The intention of this study is to find out regarding the same. How customers behavior from rural or semi-urban customer works in e-commerce is the prime question to study under this effort.

Objectives of the study:

- To study the online shopping market in India.
- To study various factors that influences the online shopping through Apps.

- To study customers behavior towards online shopping with the help of Apps.
- To study whether online shopping creates unnecessary needs for product.

Hypotheses:

- H_1 Cash on delivery is one of the features which attract more customers towards online shopping with the help of apps.
- H_2 Variety and ease of comparison is one of the reasons for attracting customers towards online shopping with the help of apps.
- H_3 Misuse of banking and personal details is major threat for online shopping through app.
- H_4 Online shopping boosts external stimuli to create unnecessary needs.

Significance of the study:

The business in any country needs to develop a day by day, which ultimately results in economic growth of that particular country. Same is regarding India. Indian business is also increasing in a very rapid way and one of the reasons for this speed is internet and e commerce which is bringing ease to business activity. Having a major part covered by rural population, India still manages to have a good share of online business in the world. Hence this study is important to know what the semi-urban population of the country thinks and feels about online shopping and e-business.

Research Method:

The survey method is used for this specific work. The behavior of the said sample is studied with the help of a survey which is carried out with help of a questionnaire. The behavior of customer is studied and described in this research, hence it can also be called as descriptive research

Tools of Data Collection:

Primary Data: primary data is collected from the said sample with the help of a structured questionnaire. Though the secondary data is used, major findings have been drafted from primary and secondary data both.

Secondary Data: The secondary data is collected by the articles, research papers, books and internet. The use of secondary data is made for creating a platform for the research and to shape the process of this research.

Questionnaire:

A systematic questionnaire is prepared to collect the related primary data. This questionnaire is divided in to two parts wise; personal information and study related information.

Sampling:

Data collection for this work is done on the base of stratified random sampling. At the first level, Tuljapur as a representative of semi-urban place is been selected. Then the samples are selected on the base of age groups. Youth are the major parts of the population which uses internet hence the data is collected by the respondents of the age group between 21 to 35. For choosing particular respondents the youths who uses internet and known about the online shopping have been selected.

Tools and Techniques of Data Analysis:

The data gathered by the questionnaire is analyzed and interpreted with the help of various quantitative techniques like average, percentage, etc. The hypotheses are tested with the help of chi square technique.

Consumer Behavior & Online Shopping

The study of consumer behavior is a tough still necessary task if someone wants to sustain in the market. The business today have become customer oriented and have reached to the doors of customers. This customization of business needs a deep and correct study of the customers. Hence marketing and business have realized the great value of knowing their customers or studying the customer behavior. The marketers are also studying this phenomenon as *Nair (2010)*¹ explains that the marketers are studying and found that a huge change have been occurred in the customer attitudes from few years back. To explain the consumer behavior, he further adds it is the study of how an individual decides on how to utilize and spent his or her resources on various items which are to be consumed. To explain the dynamism of consumer behavior *Peter, Jerry and Olson (2002)*² writes the thinking of a particular individual, feeling of a particular individual, actions an individual takes, targeted groups and a constantly changing society makes it dynamic.

One more question arises when someone wants to study the behavior of a particular customer and that is what influences a customer to take a buying action. *Kotler, Keller, Koshy and Jha (2009)*¹ stresses on the cultural, social and personnel factors which can influence a behavior more. According to them these are the major factors which can shape and influence a customer's mind towards a particular product. *Blackwell, Miniard and Engel (2005)*² also describe various factors which can affect and influence the behavior of a customer. They have divided these affecting factors in to two different dimensions as customer relected factors and organizational influences. In customers related factors they emphasize the role of culture, personality, life style, income, attitude, motivation, feelings, knowledge, civilization, family values and family, available resources, opinions of related people, past experience with the product where organizational influences they have given place for Brand, advertising, promotions, price, service, convenience, packaging, product features, word of mouth, retail display, quality, store ambience, loyalty programs.

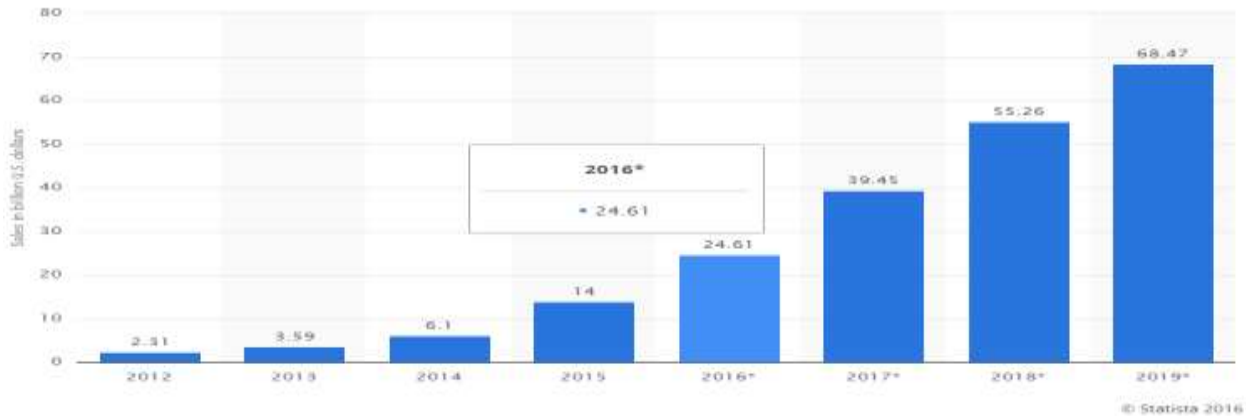
Talking about online shopping behavior of a particular customer *Li & Zhang (2002)*³ has attempted to define online consumer behavior as it is a type of a person's overall analysis and evaluation regarding a product with the help of internet. This behavior of a particular customer can be shaped by various dimensions it does in general consumer behavior. Explaining about the various affecting dimension of these behavior *Gozukara (2014)*⁴ differentiate between two categories as utilitarian motivations which includes the quality of merchandise, convenience, cost benefit, variety seeking, and time effectiveness at the other hand the hedonic motivations like fantasy, escapism, enjoyment and happiness etc.

In this way efforts have been taken to find and explain the behavior of a particular customer. These efforts have through the light on various aspects related to consumer behavior like what is it? What shapes it? What can change it? Etc.

Online shopping in India

India as a market for entire world has always shown a great perspective and hope. The business giants are eager to enter in India from a period ago. The increasing population and their developing economic stability have a reason behind this. According to a report published in 11th of August, 2015 on Indo-Asian news service portal it was predicted that 2016 will be a great year of increase in online shoppers by 40 millions. It was also forecasted that the market would grow and reach at Rs. 54,304 Crores in 2016. Another report based on the study of Internet and Mobile Association of India (IAMAI) it was

predicted that the e-commerce is going to achieve the overall target of Rs. 2,11,005 Cr in 2016⁴ A deep analysis of this report is done by Mr. A. A. Nair in which he further adds the online shopping comes second after the online travelling which again a part of it. Another report on a web portal has again forecasted a very good sign of progress of this industry. It has been estimated by the study that in 2019 the sales of e-commerce are going to achieve the milestone of \$55.26 billion⁵. Further a graphical presentation of the sales of online business or e-commerce is also provided with the same study as follows.



Source: <http://www.statista.com/statistics/289770/india-retail-e-commerce-sales/>

This was regarding the various forecasting and reports of various organizations. The major players in this industry have also shown a great sign of increase of the industry. According to an article published on The Economic Times, Retail, Amazon India, one of the biggest e-commerce firms in India, is estimated the increase of sellers to 250% in one year. A companies which was started with 100 sellers have reaches to the number of 85,000 sellers in mere 3 years can see and show the growth prospectus of the Indian e-commerce.

Companies & Applications

A number of companies working in this industry have doing their business in India. The number of such companies is increasing a day by day. Various major companies are working under the heading of online shopping companies and also new entrants are also trying to establish with various new facilities. All most all the companies have tried to given ease to the customers by creating their own mobile applications. Mobile applications help customers to make shopping easy and also create a favor for company. Few of the companies and applications are;

Amazon.in	Homeshop18.com	Jabong.com
Flipkart.com	Snapdeal.com	Shopclues.com
Yepme.com	Myntra.com	Askmebazaar.com
Paytm.com	Shopping.rediff.com	Americanswan.com
Vistaprint.in	Trendin.com	Bluestone.com
Healthgenie.in	Lenskart.com	Wyo.in
Indiarush.com	Nykaa.com	Ebayinc.com
Naaptol.com	Infibeam.com	Shopping.indiatimes.com
Shimply.com	Pepperfry.com	Fabfurnish.com
Ezoneonline.in	Fashionara.com	Firstcry.com
Babyoye.com	Koovs.com	Fashionandyou.com
Shoppersstop.com	Grabmore.in	Basicslife.com

Biba.in	Indiangiftsportal.com	Shopnineteen.com
Ninecolours.com	FabAlley.com	BagItToday.com
Nearbuy.com		

Features of Mobile Applications.

- ✓ Variety
- ✓ Comparison with other competitor's product.
- ✓ Price is shown with product
- ✓ Visual presentation of the product (360 view)
- ✓ Multiple payment options.
- ✓ Discounts and offers.
- ✓ Availability of supporting and subsidiary products. (Exa: Mobile and covers, etc.)
- ✓ Easy and timely delivery of product.
- ✓ Replacement if don't suit to expectations, etc.

1. Discussions

Literature Review

A good quantity of research has been done on the same issue to know the actual behavior of a customer regarding the online purchase. The results and conclusions are varied as per place, time, and income level of the respondents. Here in this part the references of these efforts are being taken.

Kanchan, Kumar & Gupta⁸ (2007) in their research A Study of Online Purchase Behavior of Customers in India have analyzed the behavior of Indian customers towards online shopping. It was found that the gender, age differences, income and educational level has a positive correlation with the online shopping behavior. Whereas, the concern for security is one of the major negative aspects for online shopping.

Wang, Liu & Cheng⁹ (2008) in their research called Study on the Influencing Factors of Online Shopping have explained various factors which can influence on online shopping negatively and positively. According to this study, traditional shopping which may also called store shops can be influenced by traffic conditions, shops credibility, promotion, service quality, shopping environment, background and experience, etc. Whereas the major factors which can influence a customer in online shopping are web site visibility, online shops credibility, information comparison, payment privacy and security, interface, education level and experience of the customers, etc. One of the major factors, consumer's cognition, is also discussed here. According to this the habits of traditional shopping like touching, seeing and feeling the actual product before purchase is one of the major influencing factor for store shopping. A comprehensive description of risk perception of the customers is also given in this research. One of the main restrictive forces for online shopping is greater risk perception of the customer regarding online shopping. Inability of touch or feel before purchase, distrust of websites, fear of being deceived and financial insecurity are the major reasons of this risk perception. Thus this research has explored the major reasons of risk perception in online shopping. Lim & Ting¹⁰ (2012) have tried to analyze the online behavior of the customers with the help of gratification theory. It has been noted that the intention of the customers to shop online is determined by the attitude of them. The attitude of the customers depends on the Entertainment gratification and Information Gratification in online shopping. According to the research it was concluded that the EG and IG creates favorable environment for the online research in the mind of customers. At the other hand Web irritation can be the negative aspect for creating unfavorable mind of the customer regarding online shopping. In this way,

the gratification theory shows how one can use this factors to create a favorable environment for online purchase.

Sharma, R. Mehta, K. & Sharma, S.¹¹ (2014) have attempted to study the behavior of online shoppers in their research Understanding Online Shopping Behavior of Indian Shoppers. In this paper they have analyzed various reasons for favorability of online shopping. It was found that the convenience provided by the online shops for 24x7 has created a major impact for addicting the Indian customers. At the same time it was also found that the Indian market is still not developed at the total possibility. It shows future prospects. By improving the after sales services, payment security, timely delivery, etc. this scope can be achieved. The majority of the customers who are using online shopping are youths and hence the sale of related products is in boom. Fear for security is again a major reason for not going online in India.

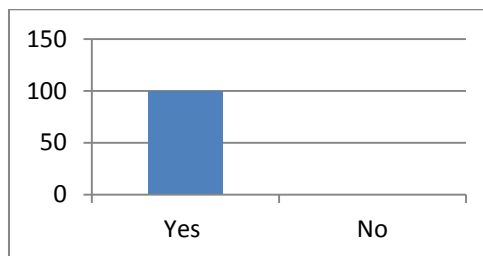
Kumar & Mann (2014) have attempted to find out the status and scope of online shopping in India. In their study they have found and concluded that because of the convenience, online shopping is getting popular in the country. The facility of comparing and finding great deals for purchase is one of the fascinating features of online shopping but at the same time this high level of convenience has also created an opportunity for cybercrimes and online scams. That is the reason why some customers are not ready to go with online shopping. The Indian online shopping market has great opportunity to increase the customers and also the online business.

In this way various efforts has been taken to analyze and study the behavior of online shoppers and many reasons have been found for the same.

Data analysis and interpretation

- Awareness of Online Shopping:

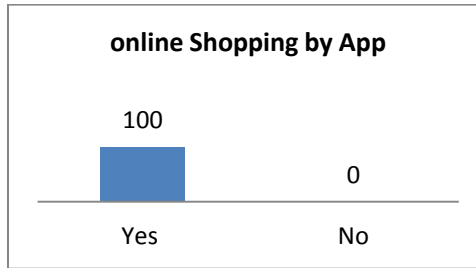
Yes	No
100	0



As the respondents selected on the bases that they should aware of online shopping, all the respondents are aware of online shopping.

- Awareness about online shopping with the help of Apps.

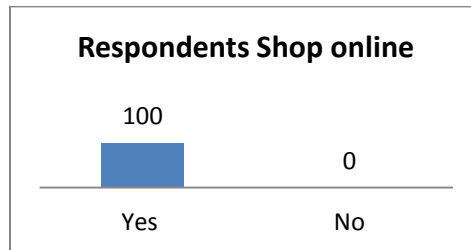
Yes	No
100	0



It can be seen from the graph that all the respondents have heard or they are aware about the applications of online shopping and its use.

- Respondents ever shop online.

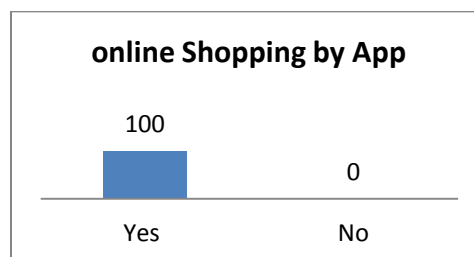
Yes	No
78	22
78%	22%



It can be seen with the help of graph that the 78% of the respondents have shopping online.

- Respondents who used Apps for shopping online.

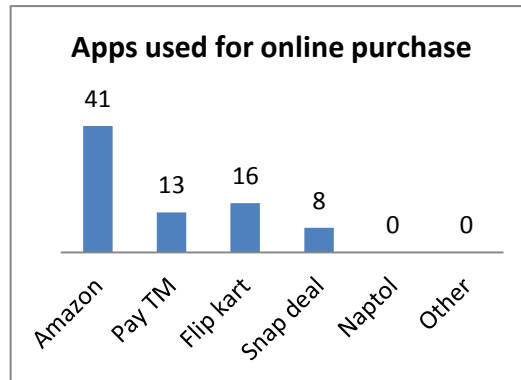
Yes	No
78	0
100%	0%



It can be seen that among respondents who have had shopping online, all of them have used any online shopping app for the purpose.

- Apps used by respondents.

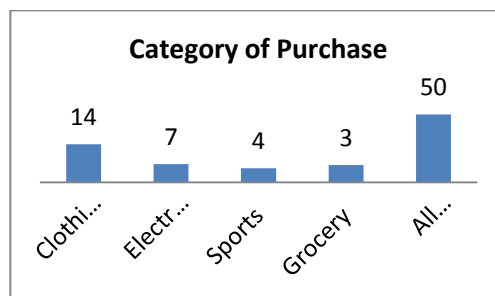
Amazon	Pay TM	Flip kart	Snap deal	Naptol	Other
41	13	16	8	0	0
52.56%	16.66%	20.50%	10.25%	0%	0%



According to the table and graph it can be seen that 52.56% of the respondents have used Amazon for online shopping. Whereas 16.66, 20.5 and 10.25 percent of the respondents have used Pay Tm, Flip Kart and Snap Deal respectively. Naptol is one of the Apps which are not in use yet among the respondents.

- Products type being shop online.

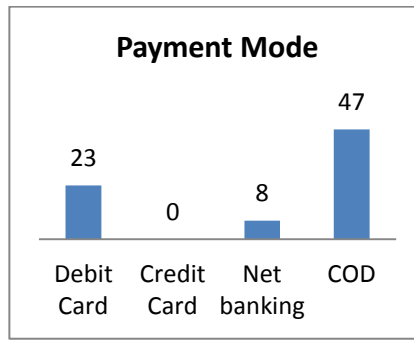
Clothing	Electronics	Sports	Grocery	All Above
14	7	4	3	50
17.94%	8.97%	5.12%	3.84%	64.10%



By seeing above table it can be said that the major category of product which is being purchased on online shopping Apps is clothing. Apart from which electronics, sports and grocery is also being purchased by Apps. 50 mean 64.10% of the respondents are used to purchase all types of products.

- Payment mode used.

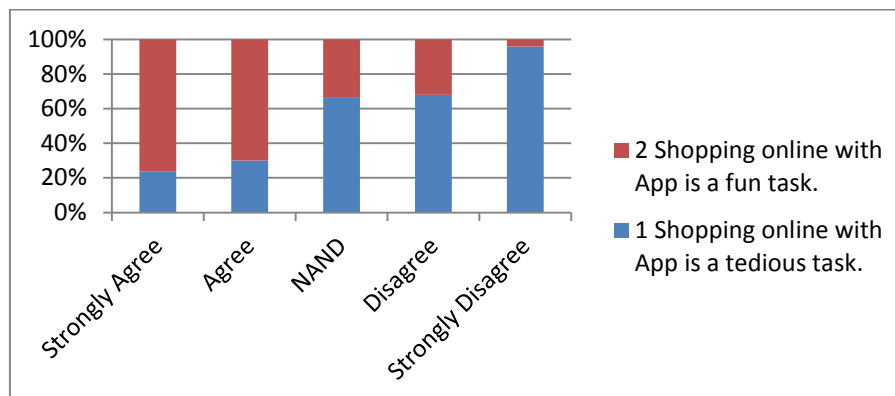
Debit Card	Credit Card	Net banking	COD
23	0	8	47
29.48%	0%	10.25%	60.25%



Cash on delivery is one of the most used payment mode as 60.25 % of the respondents use it followed by debit card (29.48%) and net banking (10.25%). Credit cards are not being used for online purchase in selected respondents.

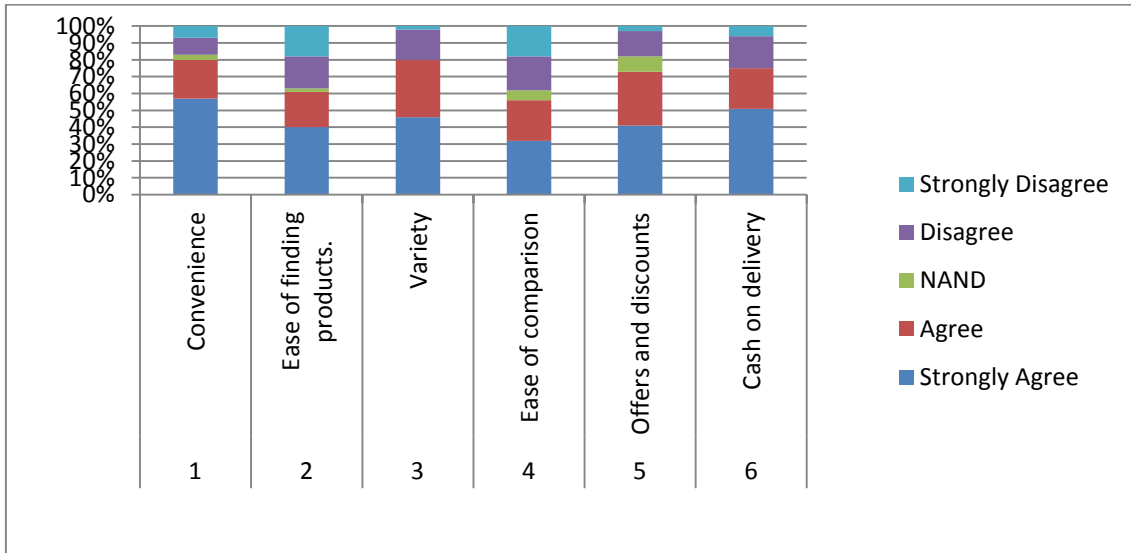
- Behavior towards shopping online with the help of App.

Sr. No.	Statement	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree
1	Shopping online with App is a tedious task.	21	3	2	51	23
2	Shopping online with App is a fun task.	67	7	1	24	1



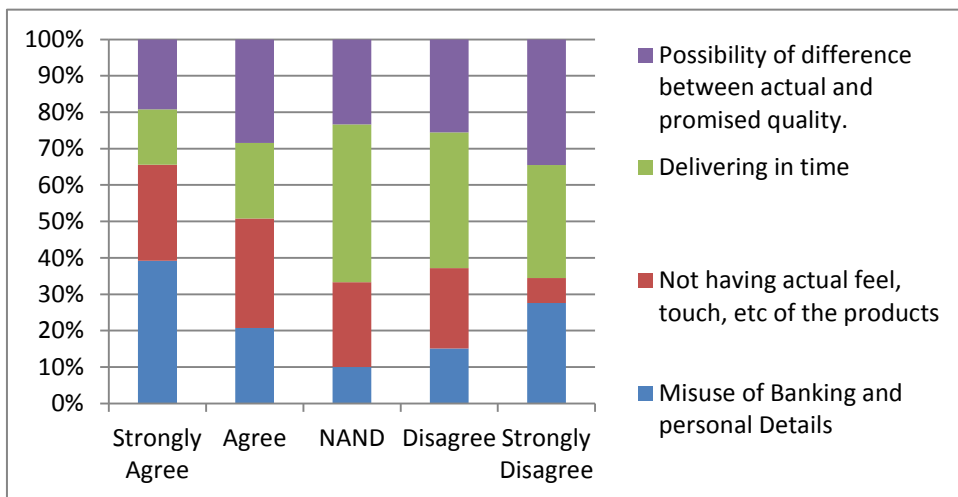
- Reasons for preferring online shopping with the help of App.

Sr. No.	Statement	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree
1	Convenience	57	23	3	10	7
2	Ease of finding products.	40	21	2	19	18
3	Variety	46	34	0	18	2
4	Ease of comparison	32	24	6	20	18
5	Offers and discounts	41	32	9	15	3
6	Cash on delivery	51	24	0	19	6

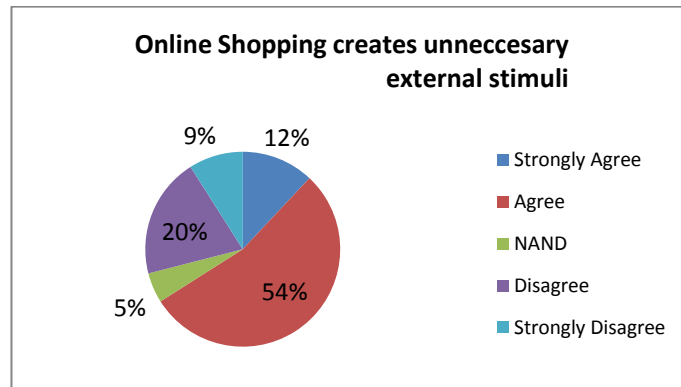


- Probable risks in online shopping with the help of App.

Sr. No.	Statement	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree
1	Misuse of Banking and personal Details	49	27	3	13	8
2	Not having actual feel, touch, etc of the products	33	39	7	19	2
3	Delivering in time	19	27	13	32	9
4	Possibility of difference between actual and promised quality.	24	37	7	22	10



- At the time of surfing on online shopping, external stimuli create unnecessary needs



When it was asked whether online shopping creates external need stimuli a majority of 54% of the respondents were agree to the statement and 12% were strongly agree to it. The respondents who are disagreeing or strongly disagree with this statement are 20% and 9% respectively. And 5% of the respondents were neither agree to statement nor disagree.

Hypotheses Testing

- Cash on delivery is one of the features which attract more customers towards online shopping with the help of apps.

Statement	Freq.	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Total
Cash on delivery	f_o	51	24	0	19	6	100
	f_e	20	20	20	20	20	

- ✓ $\chi^2 = 78.7$
- ✓ $Df = 04$
- ✓ Significant level at 0.05 = 9.488
- ✓ Significant level at 0.01 = 13.277

Calculated value of χ^2 is 78.7 which marginally exceeds on both the level of significant hence The hypothesis is *accepted*.

- Variety and ease of comparison is one of the reasons for attracting customers towards online shopping with the help of apps.

Statement	Freq.	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Total
Variety	f_o	46	34	0	18	2	100
	f_e	20	20	20	20	20	
Ease of comparison	f_o	32	24	6	20	18	100
	f_e	20	20	20	20	20	

- ✓ $\chi^2 = 98$
- ✓ $Df = 04$

- ✓ Significant level at 0.05 = 9.488
- ✓ Significant level at 0.01 = 13.277

Calculated value of X^2 is 98 which marginally exceeds on both the level of significant hence

The hypothesis is *accepted*.

- Misuse of banking and personal details is major threat for online shopping through app.

Statement	Freq.	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Total
Misuse of Banking and personal Details	f_o	49	27	3	13	8	100
	f_e	20	20	20	20	20	

- ✓ $x^2 = 68.6$
- ✓ Df = 04
- ✓ Significant level at 0.05 = 9.488
- ✓ Significant level at 0.01 = 13.277

Calculated value of X^2 is 68.6 which marginally exceeds on both the level of significant hence

The hypothesis is *accepted*.

- Online shopping boosts external stimuli to create unnecessary needs.

Statement	Freq.	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree	Total
At the time of surfing on online shopping, external stimuli create unnecessary needs	f_o	12	54	5	20	9	100
	f_e	20	20	20	20	20	

- ✓ $x^2 = 77.8$
- ✓ Df = 04
- ✓ Significant level at 0.05 = 9.488
- ✓ Significant level at 0.01 = 13.277

Calculated value of X^2 is 77.8 which marginally exceeds on both the level of significant hence

The hypothesis is *accepted*.

2. Major Findings & Conclusions

After studying the all the facts and theories, following findings were drawn;

- ✓ It was found that the gender, age differences, income and educational level has correlation with the online shopping behavior. According to these aspects the behavior of a particular individual can be different.

- ✓ Factors are different in both type of purchases as regarded online and on store purchase. In on-store purchase actual feel, touch, etc. of a products can be positive factor for purchase which is not available in online purchase.
- ✓ The attitude of the customers depends on the Entertainment gratification and Information Gratification in online shopping. The EG and IG creates favorable environment for the online research in the mind of customers. At the other hand Web irritation can be the negative aspect for creating unfavorable mind of the customer regarding online shopping.
- ✓ 24x7 convenience is one of the major features which attract online shopping.
- ✓ Majority of respondents who shop online uses online shopping Apps.
- ✓ Amazon, Flip kart and Pay TM are the most used Apps in the sample area.
- ✓ Cash on Delivery is very famous and most used mode of payment followed by debit cards. Credit cards are not yet in use for the purpose in the sample area.
- ✓ Variety and ease of comparison are major reason for favorability for online shopping.
- ✓ Misuse of banking and personal details are the major fears faced by the customers regarding online shopping.
- ✓ The concern for security is one of the major negative aspects for online shopping.
- ✓ Online Shopping boosts external stimuli for purchase decision.

According to the above findings it can be concluded that online shopping business in India is increasing a day by day. The main reasons for increased business is ease of access, comparison, cash on delivery, variety, are the reasons which saves time and creates convenience for customers. Fear for misuse of information, fear for money loss, fear for not getting promised products are some of the reasons for not using online shopping in India. Though the online business is developing, it is not developed as the possibility because of above explained reasons. If a proper action taken to reduce above fears and proper legal provisions are made, the number of customers can be increased at a lot. Finally one can say that everyone likes to save time, money and efforts but not on the cost of gullied.

3. References

- Nair S.R. Consumer Behavior in Indian Perspective, 2nd edition, Himalaya Publication House, 2010, Mumbai.
- J Paul Peter, Jerry C. Olson, Consumer Behavior and Marketing Strategy, McGraw Hill Irwin, 6th edition. New York, 2002.
- Philip Kotler, Kevin Lane Keller, Abraham Koshy, Mithileshwar Jha, Marketing Management: A South Asian Perspective, Pearson, Thirteenth Edition. 2009.
- Roger D. Blackwell, Poul W. Miniard, James F. Engel, Consumer Behavior, Ninth Edition, p. 7, Bangalore, 2005.
- Li, N., Zhang, P. (2002). Consumer online shopping attitude and behavior: An assessment of research. Information system proceedings of English Americas Conference.
- Gozukara, E., Ozyer, Y., Kocoglu, I. (2014). The Moderating Effects of Perceived Use and Perceived Risk in Online Shopping. Journal of Global Strategic Management. Vol. 16.
- <http://yourstory.com/2016/06/e-commerce-iamai-211005cr-2016-study/>
- <http://www.statista.com/statistics/289770/india-retail-e-commerce-sales/>
- <http://economictimes.indiatimes.com/industry/services/retail/amazon-india-sees-250-annual-growth-in-sellers/articleshow/52798363.cms>
- Kanchan, U. Kumar, N. & Gupta, A. (2007). A Study Of Online Purchase Behaviour Of Customers In India.

- Wang, N. Liu, D. & Cheng, J. (2008). Study on the Influencing Factors of Online Shopping. Proceedings of 11th Joint Conference on Information Sciences. Atlantis Press. 2008.
- Lim, W.M. & Ding, D.H. (2012). E-shopping: An Analysis of the Uses and Gratifications Theory. Journal of Modern Applied Sciences, Vol. 6, Issue 5; May 2012. Published by Canadian Center of Science and Education. May 1, 2012.
- Dr. Sharma, R. Dr. Mehta, K & Sharma, S. (2014). Understanding Online Shopping Behavior of Indian Shoppers. IJMBS, Vol. 4, Issue 3. July-Sep, ISSN : 2231-2463.
- Kumar, S. & Maan, S. (2014). Status and Scope of Online Shopping: An Interactive Analysis through Literature Review. International Journal of Advance Research in Computer Science and Management Studies, Volume 2, Issue 12, December 2014, ISSN: 2327782 .

4. Annexure

Questionnaire

A STUDY OF THE BEHAVIOR OF SEMI-URBAN YOUTH CUSTOMERS TOWARDS SHOPPING THROUGH ONLINE SHOPPING APPLICATIONS

Personal Information:

Name of the Respondents : _____

Age : _____

Education : _____

Occupation : _____

Information about the Study:

1. Are you aware about online shopping?
Yes No
2. Are you aware about various online shopping apps?
Yes No
3. Have you ever shop online?
Yes No
4. Have you ever shop online with the help of App?
Yes No
5. Which of the following App you use for shopping online?
Amazon Pay TM Flip kart
Snap deal Naaptol Other
6. What type of products you like to shop online?
Clothing Electronics Sports
Grocery All
7. Which payment mode you use most of the time?
Debit card Credit card

Net banking [] Cash on Delivery []

8. Behavior towards shopping online with the help of App.

Sr. No.	Statement	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree
1	Shopping online with App is a tedious task.					
2	Shopping online with App is a fun task.					

9. Reasons for preferring online shopping with the help of App.

Sr. No.	Statement	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree
1	Convenience					
2	Ease of finding products.					
3	Variety					
4	Ease of comparison					
5	Offers and discounts					
6	Cash on delivery					

10. Probable risks in online shopping with the help of App.

Sr. No.	Statement	Strongly Agree	Agree	NAND	Disagree	Strongly Disagree
1	Misuse of Banking and personal Details					
2	Not having actual feel, touch, etc of the products					
3	Delivering in time					
4	Possibility of difference between actual and promised quality.					

11. At the time of surfing on online shopping, external stimuli create unnecessary needs.

- a. Strongly Agree []
- b. Agree []
- c. NAND []
- d. Disagree []
- e. Strongly Disagree []