A Study on Major Factors Affecting Online Shopping Behavior of Indian Consumers

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Abstract

This research study investigates the key factors that play a crucial role in influencing the buying behaviour of Indian Consumers towards online shopping. The internet has significantly changed the way people shop from traditional brick-and-mortar to click-and-mortar. For this purpose, primary and secondary data have been analyzed and used. A well-structured questionnaire has been exclusively designed to collect preliminary data from 200 online shoppers. Conclusions derived from this study reveal convenience, a massive variety of goods and services, lower prices, quick and easy product replacement, hassle-free refund facility, prompt delivery. And no sales pressure are the essential key factors that contribute to influence the buying behaviour of Indian consumers concerning online shopping. The findings of the study are relevant for e-commerce companies and e-marketers to understand the psychology and the buying behaviour of their actual and potential consumers in a better way and thus will help in formulating various marketing strategies accordingly to increase market share and consumer satisfaction as well.
Key Words: Indian Consumers, Consumer behaviour, Online shopping, Online shoppers, Buying behaviour.

1. Introduction

In the present era of digital technology, the internet has an essential part in everyone's life. The importance of the internet is overgrowing. It has switched the method of shopping of lots of people, particularly during the covid19 crisis, as people avoid crowds, touch outside things, and maintain social distance.

Most of the Indian consumers are price sensitive. Consumer behavior is understood by how various individuals, groups or organizations purchase, use and discard multiple goods and services and how consumers' perception, attitude, emotions, and experience influence their buying decisions.

Online shopping or Internet shopping is a term that has gained much importance in today's busy life of the masses. Online shopping is that mode of shopping where the shoppers purchase goods and services directly from the seller over the internet without any role of the middleman's services using a web browser.

In the current scenario, Indian consumers are changing their buying habits. They are moving from physical store shopping to online shopping mode. Besides, there are lots of shoppers also who avoid online shopping due to many reasons like they lack trust in online shopping mode in the form of wrong product or feel insecure in the matter of payment transactions. They also think that a product must be bought only after a touch and trial of the product. This study will help the e-commerce companies and e-marketers to understand the buying behavior of Indian online consumers in more depth. And identify the various marketing segments of consumers that will help formulate multiple marketing strategies accordingly to provide the best possible solution for achieving multiple marketing goals.

2. Literature Review

Sultan and Henrichs (2000) summarized in their research investigation that the consumer's readiness to and priority, the internet as his shopping means was also directly related to income, household size, and innovation.

Vijay Sai. T. & Balaji, M.S. (May 2009), analyzed that consumers worldwide are increasingly moving from crowded physical stores to the one-click online shopping mode. Despite the comfort perceived by online shoppers, internet shopping is still a long way to be the first shopping mode in India.

In their research work, Kim and park (2003) concluded, based on a sample collected and analyzed in the U.S., that consumers' positive views and readiness to search for pre-purchase information leads to a strong probability of doing **s**o online shopping. Thus, online shoppers must have the basic computer knowledge to place orders online. Hence, those consumers who don't have the necessary computer skills prefer to do shopping at traditional physical stores. **(Monsuwe, 2004)** because it will take less time at physical stores than in online shopping as per offline shoppers.

In their studies, Goldsmith and Flynn (2001) found that the home catalog is another conventional selling medium where people can do their shopping staying at home because of the wide variety of goods offered in the catalog. They can place their orders either by phone or by mail, except for the feature of the inability to touch and feel the product. This mode of shopping is also convenient and popular.

3. Objectives of the Study

This research study's main objective is to recognize the main factors that influence Indian consumers to shop online. For attaining the primary purpose, the following secondary objectives are pointed below-

1. To identify the various factors that restrain Indian consumers from shopping online.
2. To know about the consumer awareness and satisfaction level about internet shopping.
3. To determine the interrelationship between the various factors that influence online shoppers and consumer segment groups.
4. To explore the problems faced by Indian online shoppers.

4. Limitations of the Study

1. Extensive coverage of respondents was not feasible due to time and cost limitations.
2. This research study is limited to studying only significant factors that influence and impede Indian consumers from shopping online.
3. Furthermore, the focus of this study is limited to studying only selected products that are purchased frequently over the internet.

5. Methodology of Research

This research investigation is based on primary as well as secondary data. Preliminary data has been collected and analyzed using a convenient sampling method from 200 respondents across the country. For this purpose, a structured questionnaire has been exclusively designed for the survey understudy. Secondary data has been collected and analyzed from numerous reliable published sources like research papers, journals, and websites.

6. Data Analysis and Interpretation

The following data has been gathered and analyzed that the most demanded leading products that are available for online shopping is-

1. Apparels
2. Mobile phones
3. Consumer Electronics
4. Computer Hardware and Software
5. Food and Health supplements
6. Fashion Accessories
7. Books
8. Sports Goods and Subscriptions
9. Others

Table 1: Demographic Profile of Online Shoppers

Basic Factors/Elements	Categorization	Number of Respondents	Percentage of Respondents
Age	Under 25 years	40	20%
	25-35 years	56	28%
	35-45 years	72	36%

	Above 45 years	32	16%
Occupation	Business	30	15%
	Service holder	110	55%
	Home maker	22	11%
	Student	20	10%
	Other	18	9%
Personal Monthly Income	Less than 10,000	40	20%
	10,000-30,000	80	40%
	30,001-50,000	60	30%
	Above 50,000	20	10%
Gender	Male	130	65%
	Female	70	35%

Table 2: Awareness and Satisfaction Level Regarding Online Shopping

Particulars	Number of Respondents	Percentage of Respondents
Awareness regarding online shopping	200	100%
Unawareness regarding online shopping	***	***
Satisfaction level		
Highly satisfied	50	20%
Satisfied	130	65%
Not satisfied	10	5%
Can't say	20	10%

Table 3: Available Information Regarding

Products and services	Number of Respondents	Percentage of Respondents
Excellent	112	56%
Good	76	36%
Average	10	5%
Poor	2	1%

Table 4: Motivating Factors for Online Shopping

Factors	No. of Respondents	Percentage of Respondents
Convenience	80	40%
Huge variety of products and services	50	25%
Easy and hassle-free replacement and refund	30	15%

No sales pressure	20	10%
Easy mode of payment	10	5%
Other	10	5%

Table 5: Frequency of Online Shopping

Frequency	No. of Respondents	Percentage of Respondents
About once annually	24	12%
2-6 purchases annually	96	48%
7-10 purchases annually	44	22%
11 purchases and above annually	36	18%

Table 6: Website Preference

Website	No. of Respondents	Percentage of Respondents
Amazon	76	38%
Flipkart	64	32%
Snapdeal	16	8%
Myntra	32	16%
Ajio	8	4%
Other	4	2%

Table 7: Type of Goods Preferred

Type of Goods preferred	No. of Respondents	Percentage of Respondents
Clothing	80	40%
Mobile phones	30	15%
Electronic Appliances	24	10%
Beauty & Personal care	20	18%
Groceries	36	12%
Other	10	5%

Table 8: Problems Faced by Online Shoppers

Problem	No. of Respondents	Percentage of Respondents
Lack of trust	60	30%
Insecurity	96	48%
Delay jn delivery	24	12%
Other	20	10%

7. Findings of the Study

The following results were found-

1. It is investigated from the study that out of the total 200 respondents, 72(36%) shoppers fall into the age group of 35-45 years.
2. Most of the service holders, 110 shoppers (55%), prefer online shopping.

3. The income of respondents broadly falls under the bracket of 10000-30000.
4. The ratio of male respondents (65%) is higher than that of female respondents.
5. 100% of respondents are aware of online shopping.
6. 20% of respondents are delighted with the online mode of shopping. In comparison, 65% of respondents are not satisfied with their online shopping experience, and 10% of respondents couldn't say anything about their satisfaction level towards online shopping.
7. 56% of respondents said that the products are excellently described on the website.
8. Convenience(40%) is the main driving force that motivates shoppers to shop online. 25% (50) respondents feel that the large variety of products offered is critical for online shopping. At the same time, 15%(30) respondents say that easy replacement of goods and hassle-free refunds influence online shopping.
9. 48%(96) respondents frequently purchased 2-6 times annually.
10. 38%(76) of respondents prefer the Amazon website, followed by Flipkart 32%(64).
11. The main Problems faced during online shopping were Insecurity and privacy issues regarding payment transactions (48%) and lack of trust in product quality and originality (30%).

8. Conclusion and Recommendations

It is concluded from this research study that India has great potential for the growth and development of e-commerce. Internet shopping can be made more attractive and pleasing by adding more features and deals to persuade offline shoppers for online shopping. This area of research can be made more credible and more comprehensive by studying other factors in depth. The sample size can be increased to make the population under study more representative and get more accurate results. Online shopping has a vast scope of growth and development in India.

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