

“A STUDY ON CUSTOMER BEHAVIOUR TOWARDS ONLINE SHOPPING”



A report submitted to Department of Commerce, Higher And Technical Institute, Mizoram (HATIM) for the academic year 2022-23

Submitted by: CELINE. H. LALROHLUZUALI

Registration No.: 2107069

Prepared under the guidance and supervision of:

C. LALRINSANGI

Assistant Professor, Department of Commerce

Higher And Technical Institute, Mizoram (HATIM)

HIGHER AND TECHNICAL INSTITUTE, MIZORAM

PUKPUI, LUNGLEI – 796691

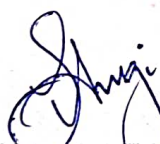


CERTIFICATE

This is to certify that the dissertation entitled “A Study on Customer Behaviour Towards Online Shopping” submitted to the Mizoram University for the award of the degree of Bachelor of Commerce, is a record of research work carried out by Celine. H. Lalrohluzuali, Roll No. 2123BCOM009, IV Semester B.Com. She has fulfilled all the requirements laid down in the regulations of Mizoram University. This dissertation is the result of her investigation into the subject. Neither the dissertation as a whole nor any part of it was ever submitted any other University for any degree.

Date: 8th May, 2023

Place: Lunglei, Mizoram


(C.LALRINSANGI)

Project Supervisor


HEAD
Department of Commerce
Higher And Technical Institute, Mizoram
Lunglei

(VANKHAWPUIMAWII PACHUAU)

Head, Department of Commerce


(VUANSANGA/VANCHHAWNG)

Principal, HATIM
Principal
Higher And Technical Institute, Mizoram
Lunglei

DECLARATION

I, Celine. H. Lalrohluzuali, hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form to anybody else, and that the dissertation has not been submitted by me for any research degree in any other university or institute. This is being submitted to the Mizoram University for the degree of Bachelor of Commerce.

Date: 4th May, 2023

Celine. H. Lalrohluzuali

Place: Lunglei, Mizoram

Student

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Thank you,

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CHAPTER I

INTRODUCTION

1.1 CONCEPTUAL FRAMEWORK

Internet is changing the way consumers shop and buy goods and services and has rapidly evolved into a global phenomenon. Many companies have started using the internet to cut marketing costs, thereby reducing the price of their products and services to communicate and disseminate information, to sell the products, to take feedback, and also to conduct satisfaction surveys with consumers. Consumers use the internet not only to buy the product online but also to compare prices, product features, and after-sales service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospects of online business.

In addition to the tremendous potential of the E-commerce market, the internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. Although most of the revenue of online transactions comes from business-to-business commerce, the practitioners of business-to-consumers commerce should not lose confidence. It has been more than a decade since business-to-consumer E-commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain and improve insight into consumer behaviour from different perspectives. Many of the studies have cost new emergent factors or assumptions which are based on the traditional models of consumer behaviour, and then examine their validity in the internet context.

ONLINE SHOPPING IN INDIA

The birth and growth of the internet have been the biggest event of the century. ECommerce in India has come a long way from a timid beginning in 1999-2000 to a period where one can sell and find all sorts of stuff from a high-end product to a large peanut online. Most corporations are using the internet to represent their product range and services so that it is accessible to the global market and to reach out to a larger range of their audience.

Computers and the internet have completely changed the way one handles day-to-day transactions; online shopping is one of them. The internet has brought about sweeping changes in the purchasing habits of people. In the comfort of one's home, office or cyber cafe or anywhere across the globe, one can log on and buy just about anything from apparel, books, Music, and jewellery to digital cameras, mobile phones, mp3 players, video games, movie tickets, rail, and air tickets. Ease, simplicity, convenience, and security are the key factors turning the user to buy online. There is a huge purchasing power of the youth population aged 18-40 in the urban area.

Consumer Behaviour in Online Market: Indian Context

Time Convenience

People feel that time convenience is an important ingredient which motivates them to buy online. It can be indicated that most people consider time convenience as a major reason for buying online. The next reason was place convenience as people could shop online from the convenience of their home or office.

Ease of Price Comparison

Most of the people feel that the online shopping offers place convenience. On ease of price comparison as people can compare the price across retail formats and certainly across all online retailers.

Variety

Selection of variety of material is also remarkable feature of online shopping. One can get several brands and product from different seller at one place. Latest international trends without spending money of airfare are easily available in online store.

Problems Faced by Customers While Shopping Online

1. **Product Quality:** This is the most common problem faced by customers who shop online regularly. The quality of the product is often not up to the mark with what is presented in the pictures. The checks on registration are poor and selling poor-quality in the name of brands is becoming increasingly common.
2. **Delivery Time is Not Clear:** So many times, the delivery time is not clearly stated in the order process. Often, consumers do not know when the product will be delivered. Consumers buy a product and the e-Commerce businesses do not even state the time

of delivery. Many a times, these orders take more time than expected to be delivered. Customers often complain that the delivery boys do not even call them before arriving to deliver the product. The best thing is to check with the website about the estimated time of arrival of a certain product before you place the order.

3. **Payment Preferences are Limited:** This is another common problem. A lot of times, consumers do not know how to make the payment if the debit cards they use are not available as an option. More so, customers are often stuck with the payment options when Cash on Delivery is not available. With online frauds picking up steam, most customers prefer paying cash on delivery as they are sharing their card details. This is a common complaint by many customers these days.
4. **Payment Confirmation Missing:** Another challenge is to find a payment gateway that is smooth. Sometimes when the customers are directed to the payment page, their money is deducted and suddenly, the page shuts off without any notice to the consumer. Then chasing the company for a refund is a different challenge altogether. Also, sometimes the website asks too many secret questions or too much info before the customer can make the payment. This too can increase the perceived inconvenience during the purchase and leads to an abandoned cart.
5. **The trouble with Hidden costs:** This is another common issue customer face even with leading e-commerce development companies. Online marketplaces do not tell customers the hidden costs on so many things. For instance, the customer is lured into buying something that says is cost at a certain price. Within minutes, they are paying a lot more to get the product delivered, tax charges, additional shipping, etc. This eventually leads the customer to pay a lot more than he or she had expected.
6. **Unclear Website Policies:** Many shopping websites do not even have clear and concise website policies for return and refund. Consumers get confused due to vague stipulations about a refund and return. When the policies section is not defined properly, sellers reject a consumer's claim to return or get a refund. This is among the biggest challenges that many customers face online. A lot of these websites have no clear outline on the warranty and guarantee of products.
7. **Problem of Plenty:** The online world provides too many options and it can be overwhelming for the customer to make a choice. The absence of support that most customers are used to in the in-store experience is missing and this can influence purchase decision.

CHANGING ATTITUDE TOWARDS ONLINE SHOPPING

“Awareness, Future Demand Focus for Emerging Markets & current issues” Malls springing up everywhere, and yet people are E-shopping! And not in small numbers either. Consumers are more rational nowadays and can get choices from the market. Awareness among consumers is spread through the internet. The number of internet users is increasing day by day which attracts people who have an option to buy online. It was never thought that Indians would go in for E-shopping in such a big way. Ticketing, travel bookings, and even books and movies seem fine to buy online. Knowing that in India sizes vary from brand to brand and quality is inconsistent, even of some electronic items, how is it that people are buying these items online? In India, there are some segments of people who have not yet tried purchasing over the internet.

1.2 LITERATURE REVIEW

Selvakumar(2014) The study focuses on consumer perception of the product being sold online and issues that are relevant for online buying. This research was carried out among online shoppers in Coimbatore, Tamil Nadu. This is to assess the impact of consumer perception and attitude. Data gathered from college students is sent. The findings of this study indicate that client intention to shop online is influenced by improvement and accessibility.

Lakshmanan (2016) Customer difficulties, a greater number of products with discounts, risk perception, and after-sales services are all elements that influence customer satisfaction with online shopping.

Santhi(2017) For this study, a descriptive research design was employed. To gather samples from different areas of Tirupati Town, a well-designed questionnaire was created and distributed. With 120 respondents as the sample size, the study has been conducted.

Dr.V Vijayalakshmi & Dr.R.Lakshmi (2018) Due to their familiarity with technology and online shopping, the majority of children and young adults (ages 19 to 30) are particularly interested in making purchases online.

Sadekar, Naila Pereira, and Poonam Deshprabhu (2018) Their main objective was to identify the factors that influence people's preferences for online shopping. In this study, it was determined that comparability, money-saving ability, and personalised attention were the most crucial factors in determining how satisfied consumers were with their online shopping experiences.

Madasu Bhaskar Rao and M Mallika Rao (2018) identified the factors that influence consumer purchase behaviour in online retail settings. The exploratory factor analysis identified several aspects, including ease of use and comfort, security, utility, and time sufficiency, along with drawing coordinations and criticism, as the predictors of female customers' online purchase behaviour.

Pushpak Singhal(2018) The study is empirical in nature, and a cross-sectional research strategy was used. A structured questionnaire was used to gather the study's primary data. There were 200 respondents in the sample, all of whom are now residing in Kolkata.

Nachar(2019) discovered that the ease of use and efficiency of the e-commerce platform technology predicts customers' inclinations to embrace online buying.

Mothersbaugh et al. (2020) Customer behavior is the study of the psychological, behavioral, and emotional processes that affect people's decisions about what they consume, how much they consume, and how frequently they place orders for products and services.

1.3 RATIONALE OF THE PROJECT

Online retailing has witnessed unprecedented growth by offering distinct advantages to both retailers and consumers, such as round the clock shopping convenience, saving travel costs, wider target market; lower expenses and a broad range of services. Consumers have become dominant than ever before while making purchase decisions due to accessibility to a large number of products and services at a single place, easily 24 accessible information, a large number of retailers to choose from and a highly interactive communication platform between marketers and consumers. A busy lifestyle does not allow consumers to shop at traditional retail stores, and it makes online retailing a viable alternative of traditional retailing. There are large numbers of both online and offline retailing options for the consumers to shop from without a compelling reason to prefer one retailer over another.

India is no more a third world country, as it has been investing huge amount of money on infrastructure development and raising the living standard of its people. Internet infrastructure is also improving in India, and more and more people are joining the online world every day. With 462 million internet users and 55 million online shoppers, India indeed has the potential to become one of the major online retailing hot spots in the world. This unprecedented leap in the number of internet users has attracted many organisations and motivated them to market products and services online to Indian consumers. Online retailing has witnessed a phenomenal growth in the recent three to four years with improvements in internet infrastructure, wide-scale acceptability of online retailers and aggressive sales promotion activities undertaken by online retailers.

Online retailing is still a new phenomenon for a larger section of the population in India. In recent times, many things have taken place in Indian online retail space, many new retailers have joined the online world and many of them have perished, but still, marketers are highly optimistic about the prospects of online retailing in India. Research studies examining consumers' perceptions about online retailing are still at its infancy in India even after a decade of phenomenal growth, as most of the studies pertaining to online retailing have been conducted and available in the current 25 literature are from outside Indian context. Even significant numbers of studies have been carried out globally to explore consumers' online shopping behaviour. Furthermore, the researchers in India still lack an adequate understanding of how essential attributes like consumers' perception and demographics would influence online shoppers' behaviour. The current study focuses on identifying the factors affecting the perception of customers towards online retailing and association of consumers' demographics with online retailing, which would be of immense use for online marketers for promoting products and services. The current study would also provide useful insights regarding the perceived risks of customers about online shopping and assist marketers in taking key decisions about target online shoppers more effectively.

1.4 STATEMENT OF THE PROBLEM

Millions of individuals are online at any given time, and each one of them represents a potential customer for a business that offers online sales. Due to the internet's rapid technological growth, businesses who want to sell goods through their websites will need to constantly look for a competitive advantage. Understanding what the consumer desires and requires is extremely important because there are numerous prospective customers.

Analysis and identification of the variables that affect a consumer's decision to make an online purchase are crucial. Because the internet is a new medium, customers have new expectations. Because of this, online businesses need to be aware of the factors affecting online shoppers.

Since online retailing is a new retailing medium and online consumer behavior is diverse from traditional consumer behavior, one must identify what influences the online consumer. Analyzing the process that the online consumer goes through when deciding and making a purchase over the internet, shows some factors that consumers consider. These factors need to be identified and taken into account by online retailers to satisfy consumer demands and compete in the online market.

Although online consumers enjoy many benefits they are also prey for the online fraud in certain circumstances. The main disadvantage of online shopping is physical verification regarding the quality of the product is not available and cannot receive the product immediately. Buyers had to wait until the product arrives. Sometimes it is better to have an item instantly than keep waiting for it for many days.

1.5 OBJECTIVES OF THE PROJECT

1. To study the demography of the respondents.
2. To study the pattern and frequency of usage of online shopping.
3. To study the factor influencing customer's satisfaction towards online shopping.
4. To evaluate the impact of social media respect to online shopping.

1.6 RESEARCH METHODOLOGY

1.6.1 Data collection

The data were collected through different sources like journals, articles and also from the various website of the internet and questionnaire, which have been very helpful in understanding and meeting the objectives.

1.6.2 Sample size

Sample size denoted the number elements selected for the study. For this study, 86 respondents participate and share their opinions and experiences regarding the topic.

1.7 LIMITATIONS OF THE PROJECT

1. The findings of the study are applicable only in the selected study areas and cannot be generalised for other areas.
2. The respondents may not be very truthful to the questionnaire handed out to them and may reply with false information.
3. The study is conducted within a limited short time. Therefore, there is not enough time to cover more sample.

1.8 CHAPTER PLAN

These are the chapter plan for the study:

Chapter 1: INTRODUCTION

1.1 Conceptual Framework

1.2 Literature Review

1.3 Rationale of the Project

1.4 Statement of the Problem

1.5 Objectives of the Project

1.6 Research Methodology

1.7 Limitations of the Project

1.8 Chapter Plan

Chapter2: ANALYSIS AND INTERPRETATION OF DATA

Chapter3: RESULTS AND DISCUSSION

Chapter4: CONCLUSIONS AND SUGGESTIONS

APPENDIX

CHAPTER II

ANALYSIS AND INTERPRETATION OF DATA

This chapter contains the outcome reviewed of the 86 respondents who completed their questionnaire.

2.1 Respondents details

This section provides the important details of the respondents like their gender, age, their educational qualification and what is their main sources of income.

2.1.1 Gender of the respondents

Table 2.1.1 shows the gender of the respondents. The gender of the respondents is categorized into three, male, female and others.

Table 2.1.1 Gender of the respondents

Gender	Frequency	Percentage
Male	30	37%
Female	54	61%
Others	2	2%
Total	86	100%

Source: Field study

From the above table, we can see that out of the total respondents which is 86, there are 37% males, 61% females and 2% others.

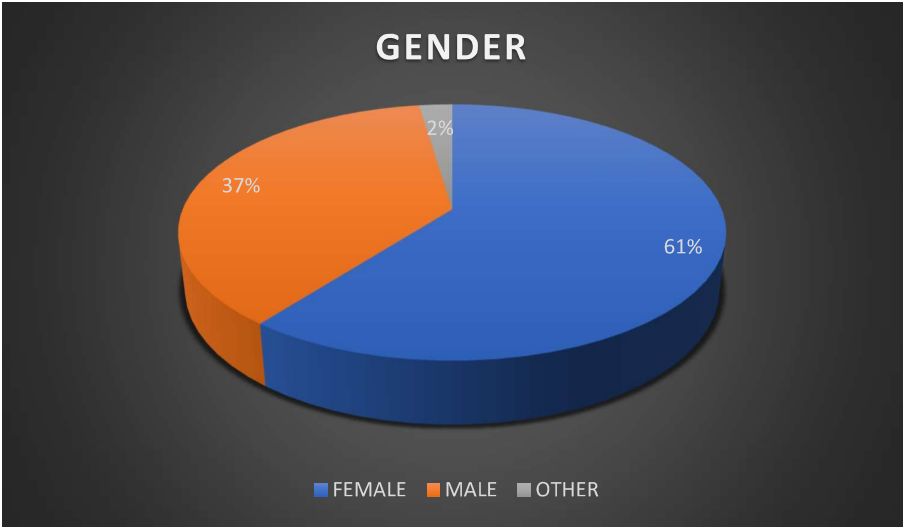


Figure 2.1.1 Gender of the respondents

2.1.2 Age of the respondents

Table 2.1.2 represents the age of the respondents.

Table 2.1.2 Age of the respondents

Age	Frequency	Percentage
18-22	54	63%
23-27	17	20%
28-32	8	9%
33-37	6	7%
38-45	1	1%
Total	86	100%

Source: Field study

Table 2.1.2 shows that the preponderance of online shoppers, i.e. 63 % belong to the age group of 18-22 years, followed by 20% of the respondents belonging to the age group of 23-27 years, 9% of respondents fall into the age group of 28-32 years and 7% into the age group of 33-37 years whereas the remaining respondents i.e. 1% belong to the age group of 38-45 years respectively. Thus, it is apparent from the table that preponderant online shoppers are youngsters having less than 30 years of age.

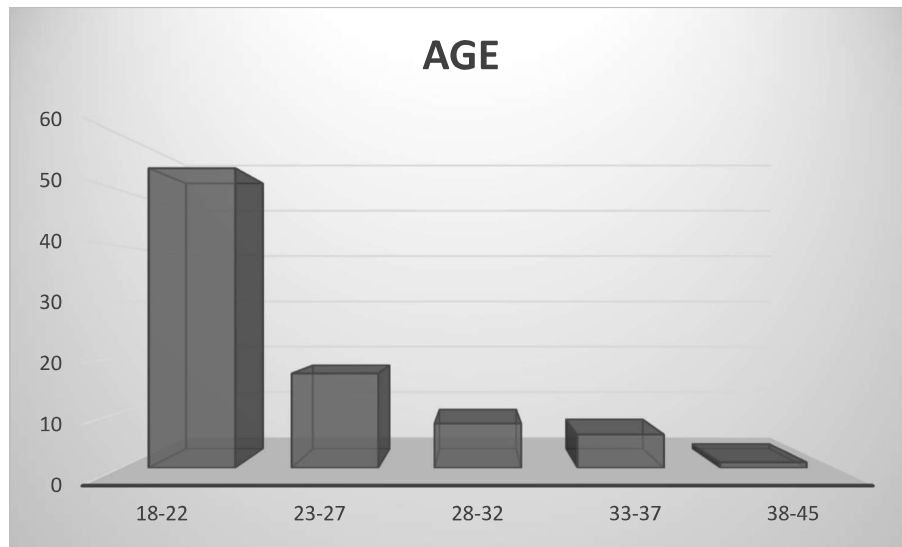


Figure2.1.2 Age of the respondents

2.1.3 Educational qualification of the respondents

Table 2.1.3 shows the educational qualification of the respondents.

Table 2.1.3 Educational qualification of the respondents

Educational qualification	Frequency	Percentage
HSLC	2	2%
HSSLC	28	33%
Under-Graduate	35	41%
Post-Graduate	21	24%
Total	86	100%

Source: Field study

It could be observed from table 2.1.3 that in terms of qualification, the majority of respondents (41%) are under-graduates followed by HSSLC (33%), post-graduates (24%) followed by the HSLC (2%). Thus, it is apparent from the table 5.4 that most of the online shoppers are under-graduates followed by HSSLC, post-graduates and HSLC in that order.

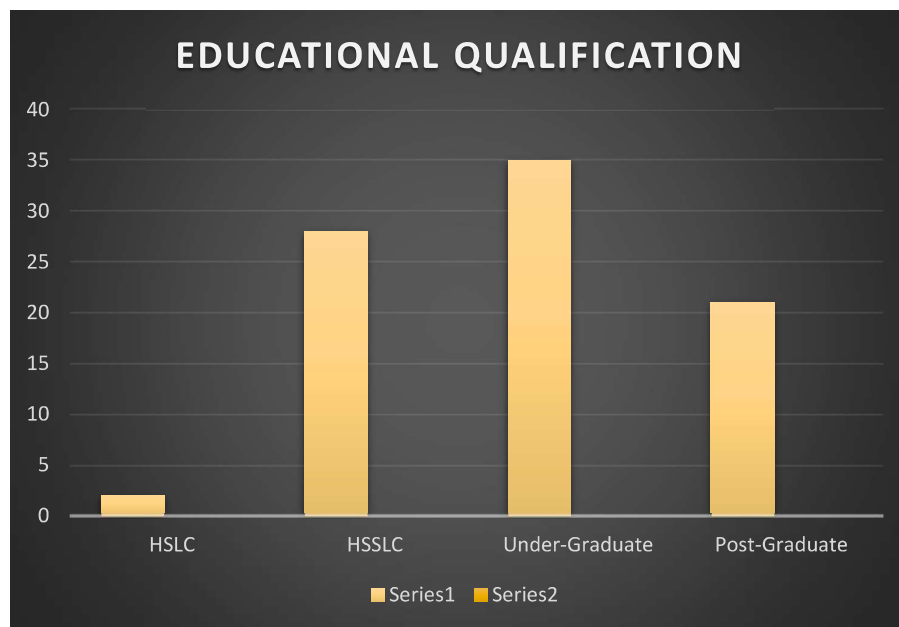


Figure 2.1.3 Educational qualification of the respondents

2.1.4 Occupation of the respondents

Table 2.1.4 represents the occupation of the respondents.

Table 2.1.4 Occupation of the respondents

Occupation	Frequency	Percentage
Students	31	36%
Office worker	20	23%
Private business / Self-employed	9	11%
Unemployed	26	30%
Total	86	100%

Source: Field study

Table 2.1.4 depicts the classification of respondents on the basis of their present engagement status. It is observed from the table that the majority of respondents, i.e. 36% are students followed by 30% respondents who are unemployed. It has also been observed that office worker constitutes 23% of total respondents, 11% respondents are working in a private business of self-employed. Thus, it can be deciphered from the table 5.5 that the majority of online shoppers are students followed by unemployed, office worker and private business/self-employed respectively.

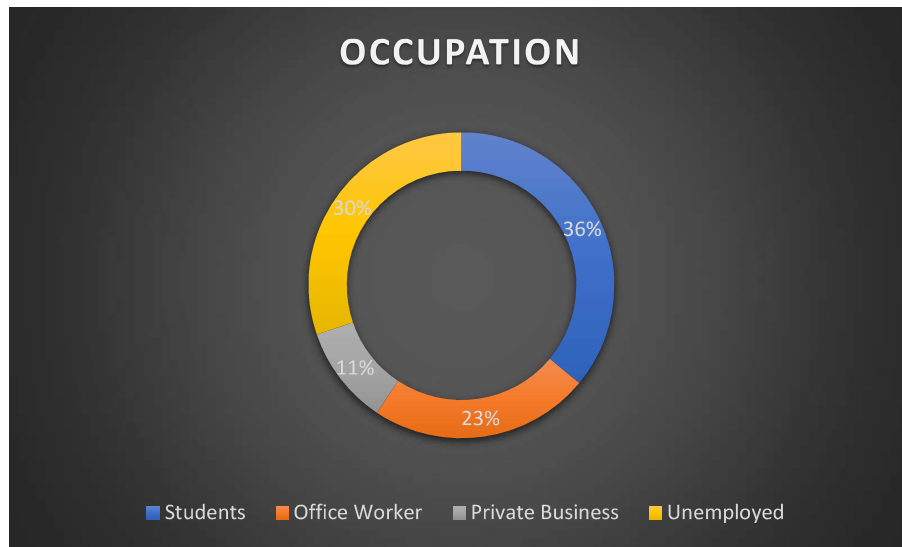


Figure 2.1.4 Occupation of the respondents

2.2 Pattern and frequency usage of online shopping

In this section, the researcher analyzed the pattern and frequency usage of online shopping of the respondents.

2.2.1 Factors influencing the respondents to shop online

Table 2.2.1 shows what prompt the respondents to shop the desired products from different online shopping site.

Table 2.2.1 Factors influencing the respondents to shop online

Factor	Frequency	Percentage
Price	31	36%
Quality	27	31%
Brand	15	18%
Design	7	8%
Service	6	7%
Total	86	100%

Source: Field study

The above table shows the factor influence the customers to buy online. As we can see from the above table 36% out of the total respondents choose price for their reason to buy online. 31% for the quality, 18% for the brand, 8% for the design and 7% for the services it provides.



Figure2.2.1 Factors influencing the respondents to shop online

2.2.2 Frequency of online shopping by the respondents.

Table 2.2.2 shows how frequently the respondents spend their time in purchasing online.

Table 2.2.2 Frequency of online shopping

Time spend to shop online	Frequency	Percentage
Very often	13	15%
Often	27	31%
Sometimes	34	40%
Rarely	10	12%
Never	2	2%
Total	86	100%

Source: Field study

The above table shows the frequency usage rate of the respondents to shop online. 40% of the respondents shop online sometimes, followed by 31% often, 15% very often, 12% rarely and 2% never.

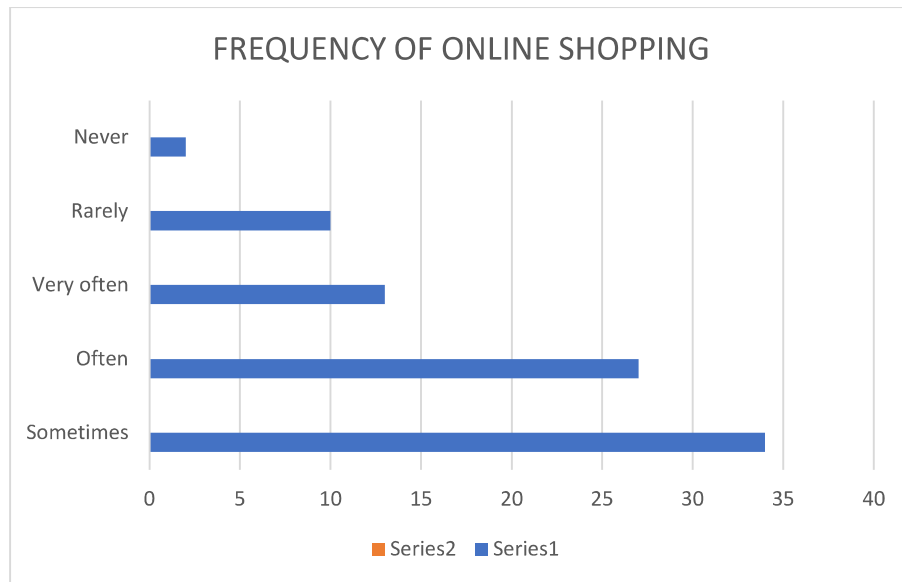


Figure 2.2.2 Frequency of online shopping

2.2.3 Preferred time of the respondents for online shopping

Table 2.2.3 shows the respondent's preferred time for online shopping.

Table 2.2.3 Preferred time for online shopping of the respondents

Preferred time to shop online	Frequency	Percentage
Any time/no preferred time	51	59%
Night	25	29%
Break hours	6	7%
Work hours	2	3%
Morning	1	1%
Evening	1	1%
Total	86	100%

Source: Field study

Table 2.2.3 represents the respondents preferred time to shop online. 59% of the respondents does not have a preferred time to shop. 29% preferred to shop online at night, followed by 7% during break hours, 3% work hours, and 1% during morning and evening.

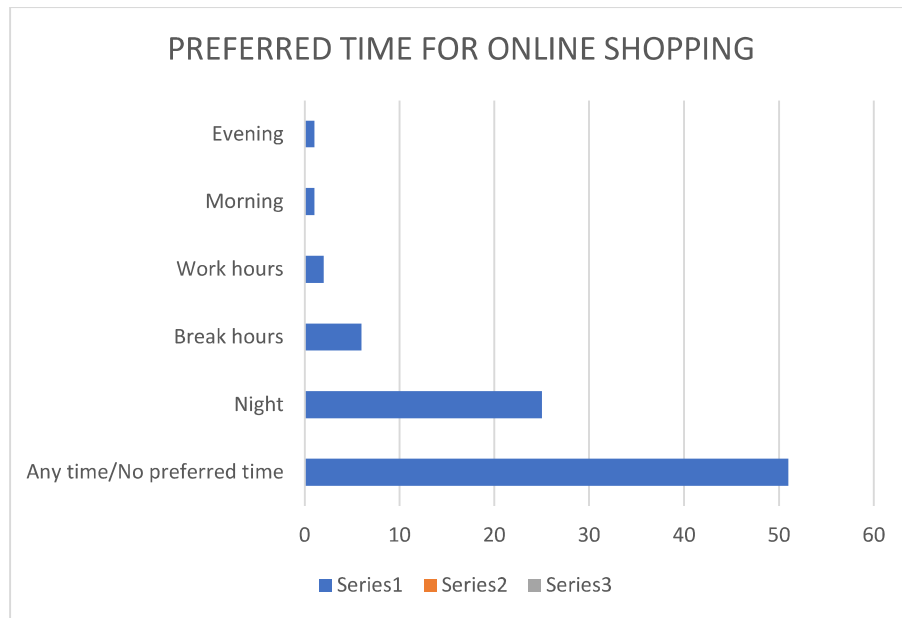


Figure 2.2.3 Preferred time for online shopping of the respondents

2.2.4 Time spend on the internet per day on an average by the respondents

Table 2.2.4 shows the time spend by the respondents on the internet per day.

Table 2.2.4 Time spend on the internet per day on average

Average time spend	Frequency	Percentage
Less than 1hour	8	9%
1-2hours	13	15%
2-5hours	30	35%
More than 5hours	35	41%
Total	89	100%

Source: Field study

Table 2.2.4 depicts the total number of hours spent per day for browsing the Internet by the respondents. The table elucidates that 41% of respondents are browsing the Internet more than 5hours per day, 35% of online shoppers are surf the Internet 2-5hours per day, 15% online shoppers are browsing the Internet for 1-2hours, and 9% respondents surf the Internet for less than 1 hour per day. Thus, it can be concluded that majority of the online shoppers browse the Internet for more than 5hours per day followed by online shoppers who spent 2-5hours per day on the Internet and some of them browse it for less than 1hour per day. Thus, it is clear that most of the respondents are active Internet surfers and they spent a significant amount of time on the Internet.

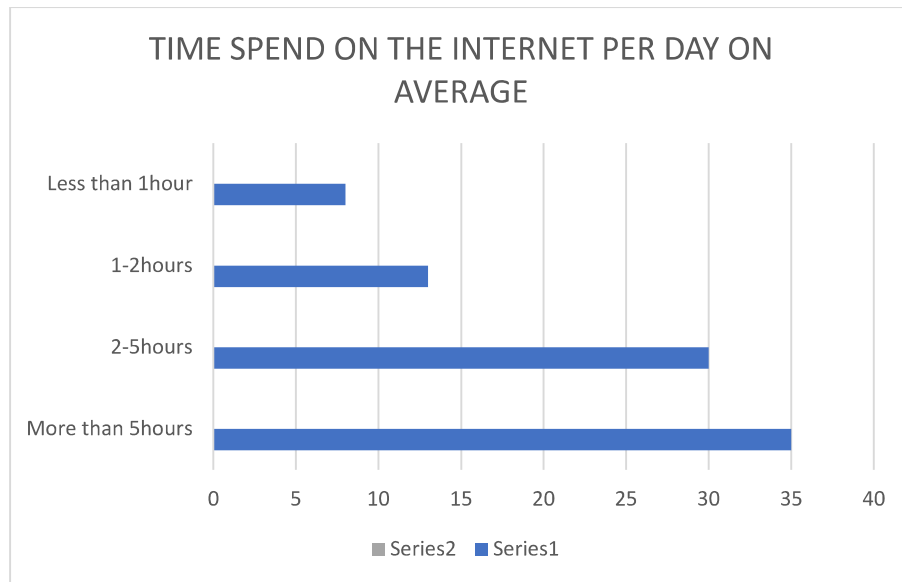


Figure 2.2.4 Time spend on the internet on average

2.2.5 Purchasing time of the respondents

Table 2.2.5 represents the time of purchase by the respondents on online shopping.

Table 2.2.5 Purchasing time of the respondents

Purchasing time	Frequency	Percentage
When I need something	54	63%
When it is convenient for me	25	29%
Once a week	3	4%
Almost everyday	2	2%
Once a month	2	2%
Total	86	100%

Source: Field study

Table 2.2.5 depicts the average purchasing time of the respondents. 63% of the respondents purchase online when they need something. 29% purchase online when it is convenient for them, followed by 4% once a week, 2% almost every week and 2% once a month.

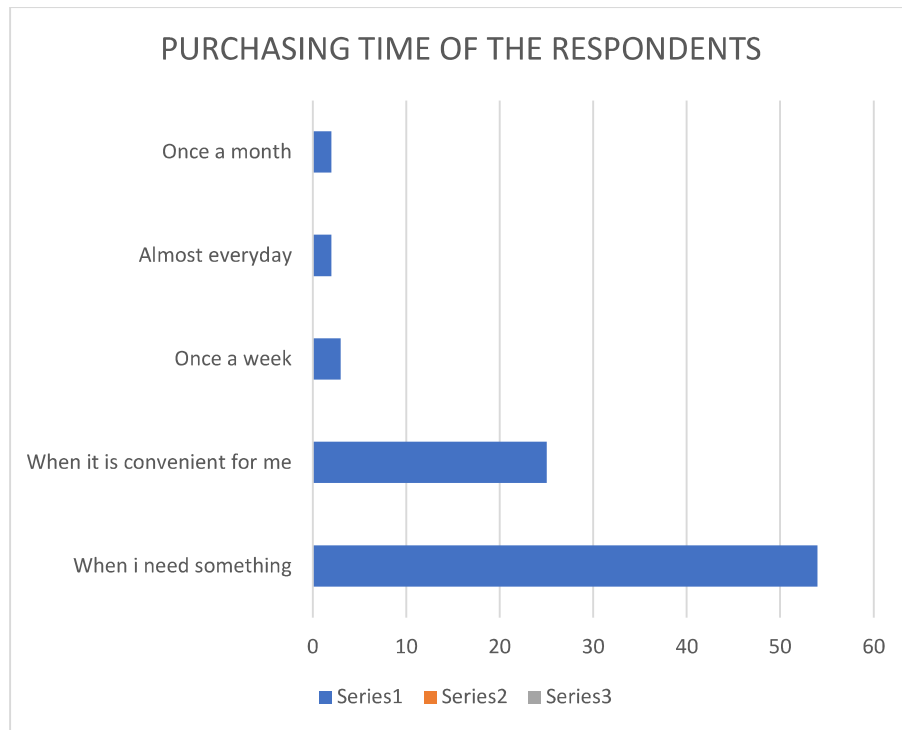


Figure 2.2.5 Purchasing time of the respondents

2.2.6 Buying pattern of the respondents

Table 2.2.6 shows the buying patterns of the respondents.

Table2.2.6 Buying patterns of the respondents

Buying pattern	Frequency	Percentage
Search online and buy online	76	88%
Search offline and buy online	5	6%
Search online and buy offline	4	5%
Search offline and buy offline	1	1%
Total	86	100%

Source: Field study

Table 2.2.6 depicts the buying patterns of the respondents. Majority of the respondents (88%) search online and buy online. 6% search offline and buy online, 5% search online and buy offline and 1% out of the total respondents search offline and buy offline.

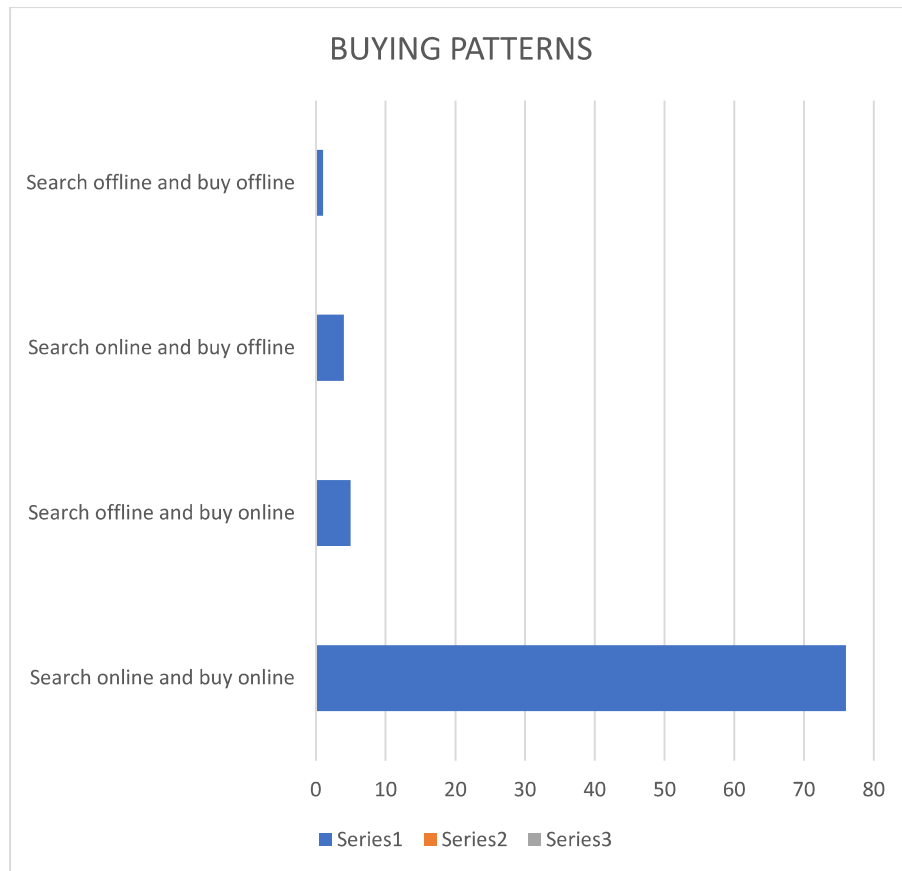


Figure 2.2.6 Buying patterns of the respondents

2.2.7 Place for the delivery of the products

Table 2.2.7 shows where the delivery of the product of the respondents is usually done.

Table 2.2.7 Delivery of the products

Place for delivery	Frequency	Percentage
At home	61	71%
At office/institution	15	17%
Through friends	5	6%
Collect from courier office	5	6%
Total	86	100%

Source: Field study

From the table shown above, 71% of the respondents choose their home for the place of the delivery of products followed by 17% at office/institution and 6% through friends and the other 6% is to collect from the courier office.

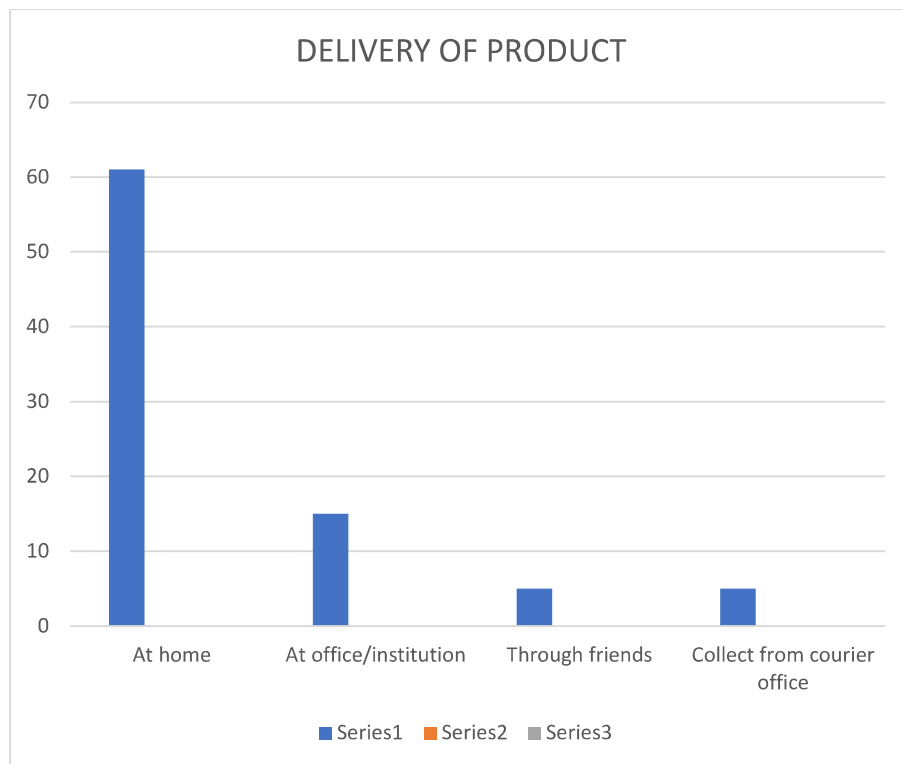


Figure 2.2.7 Delivery of the product

2.3 Satisfaction level of the respondents towards online shopping.

In order to ascertain the level of satisfaction of the customers towards online shopping, respondents were asked various questions to indicate their satisfaction or dissatisfaction with the online shopping on the scale ranging from Highly dissatisfied, Dissatisfied, Satisfied and Highly Satisfied.

2.3.1 Satisfaction level on online shopping

Table 2.3.1 shows the satisfaction level of the respondents on online shopping.

Table 2.3.1 Satisfaction level on online shopping

Satisfaction level	Highly satisfied	Satisfied	Dissatisfied	Highly dissatisfied
Time of delivery	5	74	7	0
Price of the product	2	80	3	1
Quality of the product	1	77	7	1
Purchasing process	2	78	6	0
Availability of the product	2	67	16	1
Offers(coupons/discount/buy 1 get 1 or more free)	15	48	23	0
Easy accessibility	10	73	2	1
User friendly	8	76	1	1
Website/app design	0	73	7	6
Product display	8	68	9	1
Availability of ample product to choose	0	67	16	3

Source: Field study

From the above table 2.3.1, we can see the satisfaction level of the respondents towards different factors in online shopping.

Time of delivery: Most of the respondents 84.04% are satisfied with the time of delivery.

Price of the product: Majority of the respondents 93.02% are satisfied with the price of the product.

Quality of the product: Out of the total respondents, 89.53% of them are satisfied with the quality of the product.

Purchasing process: Most of the respondents, 90.69% are satisfied with the purchasing process.

Availability of the product: Majority of the respondents 77.90% of the respondents are satisfied with the availability of the product in online shopping.

Offers (coupons/discount/buy 1 get 1 or more free): Out of the total 86 respondents, 55.81% are satisfied with the various offers in the online shopping site.

Easy accessibility: Most of the respondents i.e., 84.88% are satisfied with the accessibility of online shopping.

User friendly: Out of the total respondents, majority of them which is 88.37% voted for satisfied on user friendly.

Website/app design: Majority of the respondents, 84.88% are satisfied with the website/app design.

Product display: 79.06%, which is more than half of the respondents are satisfied with the product display.

Availability of ample product to choose: 77.90% of the respondents are satisfied with different products.



Figure 2.3.1 Satisfaction level on online shopping

2.4 How the respondents feel about an impact of social media on online shopping

In this section, the researcher analyzed the impact of social media on online shopping from the point of view of the respondents.

2.4.1 Impact of social media on online shopping

Table 2.4.1 shows how the respondents feel about the impact of social media on online shopping in different aspects.

Table 2.4.1 Impact of social media on online shopping

Different aspects	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Saves time	5	37	40	4	0
Social media provides new platform for online marketing	19	40	23	3	1
Social media provides new platform for advertisement	7	55	21	2	1
Providing entrepreneurship opportunities	11	46	26	2	1
Providing knowledge about trending products	7	50	27	1	1
Easy buying process	11	40	11	14	10

Source: Field study

The above table 2.4.1 shows the impact of social media on online shopping

Saves time: Most of the respondents, 46.51% choose neutral in terms of time saving.

Social media provides new platform for online marketing: 46.51% of the respondents agreed with social media being a platform for online shopping.

Social media provides new platform for advertisement: 63.95% of the respondents agreed with social media being a platform for advertisement.

Providing entrepreneurship opportunities: Most of the respondents, 53.48% agreed that online shopping provide entrepreneurship.

Providing knowledge about trending products: 58.13% of the respondents agreed that online shopping provide knowledge about trending products.

Easy buying process: 46.51% of the respondents agreed that social media provides easy buying process.

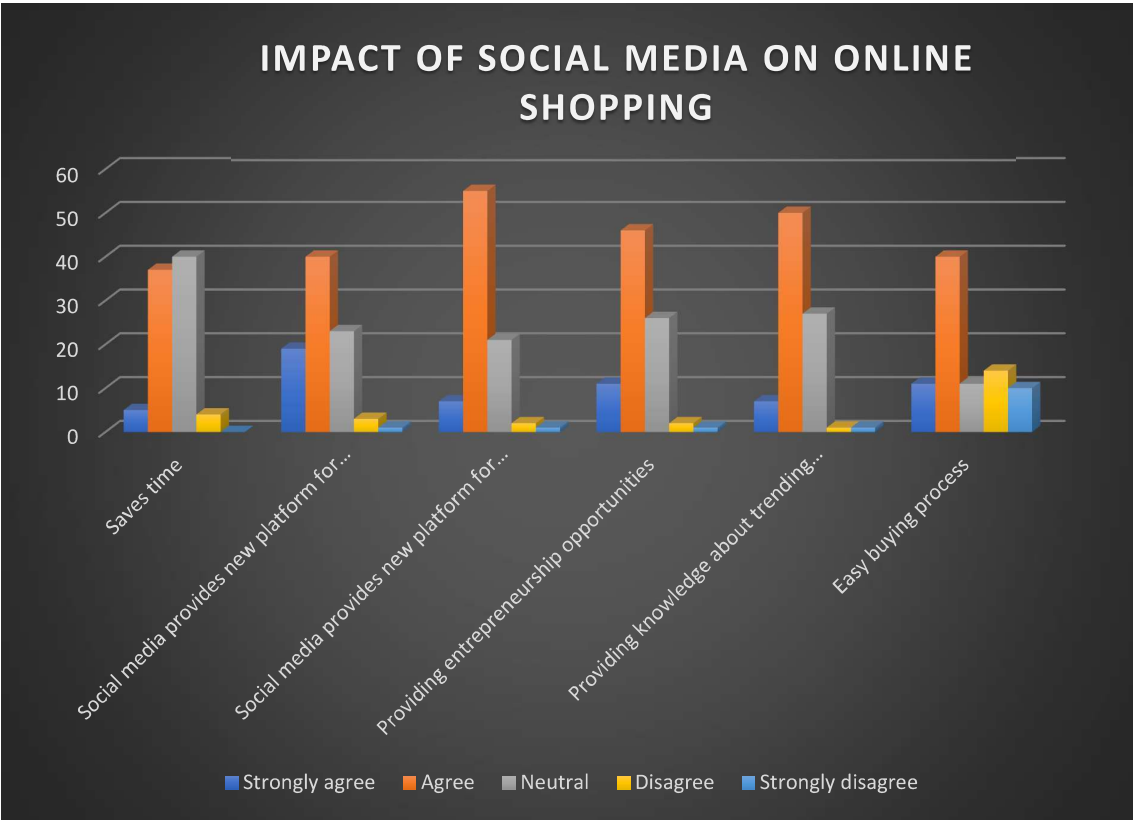


Figure 2.4.1 Impact of social media on online shopping

CHAPTER III

RESULTS AND DISCUSSIONS

MAJOR FINDINGS

This chapter finally highlights the findings of the study from the data collected from 86 respondents.

3.1 Results of the study

3.1.1 Demographic factor

- Gender: From the study, we can see that majority of the respondents, 61% are female, 37% are male and 2% others.
- Age: The preponderance of online shoppers, i.e., 63% belong to the age group of 18-22 years, followed by 20% of the respondents belonging to the age group of 23-27 years, 9% of respondents fall into the age group of 28-32 years and 7% into the age group of 33-37 years whereas the remaining respondents i.e. 1% belong to the age group of 38-45 years respectively. Thus, it is apparent that preponderant online shoppers are youngsters having less than 30 years of age.
- Educational qualification: In terms of qualification, the majority of respondents (41%) are under-graduates followed by HSSLC (33%), post-graduates (24%) followed by the HSLC (2%). Thus, it is apparent that most of the online shoppers are under-graduates followed by HSSLC, post-graduates and HSLC in that order.
- Occupation: It is observed from that the majority of respondents, i.e. 36% are students followed by 30% respondents who are unemployed. It has also been observed that office worker constitutes 23% of total respondents, 11% respondents are working in a private business of self-employed. Thus, it can be deciphered the majority of online shoppers are students followed by unemployed, office worker and private business/self-employed respectively.

3.1.2 Pattern and frequency usage of online shopping

- Factors influencing the respondents to shop online: As we can see from the study 36% out of the total respondents choose price for their reason to buy online. 31% for the quality, 18% for the brand, 8% for the design and 7% for the services it provides.
- Frequency of online shopping by the respondents: The study shows the frequency usage rate of the respondents to shop online. 40% of the respondents shop online sometimes, followed by 31% often, 15% very often, 12% rarely and 2% never.
- Preferred time of the respondents for online shopping: The study shows the respondents preferred time to shop online. 59% of the respondents does not have a preferred time to shop. 29% preferred to shop online at night, followed by 7% during break hours, 3% work hours, and 1% during morning and evening.
- Time spend on the internet per day on an average by the respondents: The interpretation depicts the total number of hours spent per day for browsing the Internet by the respondents. The study elucidates that 41% of respondents are browsing the Internet more than 5hours per day, 35% of online shoppers are surf the Internet 2-5hours per day, 15% online shoppers are browsing the Internet for 1-2hours, and 9% respondents surf the Internet for less than 1 hour per day. Thus, it can be concluded that majority of the online shoppers browse the Internet for more than 5hours per day followed by online shoppers who spent 2-5hours per day on the Internet and some of them browse it for less than 1hour per day. Thus, it is clear that most of the respondents are active Internet surfers and they spent a significant amount of time on the Internet.
- Purchasing time of the respondents: The interpretation depicts the average purchasing time of the respondents. 63% of the respondents purchase online when they need something. 29% purchase online when it is convenient for them, followed by 4% once a week, 2% almost every week and 2% once a month.
- Buying pattern of the respondents: The interpretation depicts the buying patterns of the respondents. Majority of the respondents (88%) search online and buy online. 6% search offline and buy online, 5% search online and buy offline and 1% out of the total respondents search offline and buy offline.
- Place for the delivery of the products: From the study, 71% of the respondents choose their home for the place of the delivery of products followed by 17% at

office/institution and 6% through friends and the other 6% is to collect from the courier office.

3.1.3 Satisfaction level of the respondents towards online shopping

- Satisfaction level on online shopping: From the study, most of the respondents are satisfied with the given factors towards online shopping.

3.1.4 Impact of social media on online shopping

- The study indicates that 46.51% choose neutral in terms of in terms of time saving. Most of the respondents choose agree on the different aspects of social media being an impact on online shopping.

CHAPTER IV

CONCLUSIONS AND SUGGESTIONS

4.1 CONCLUSION

Admittedly, Internet is an anytime and anywhere medium and has become a part of virtual space. The Internet has facilitated smooth interaction between humans and machines. One of the breakthrough developments of communication technology is the innovation of Electronic Commerce by which the traditional methods of shopping (brick and mortar) transformed into the virtual form of shopping, which can be accessed anytime and anywhere. The fast emergence of the digital landscape and the changing pattern of consumption culture have forced the business executives and marketing professionals to study the perception, attitude, and behaviour of online shoppers in the virtual shopping environment for the formulation of segmented marketing strategies. In fact, understanding of online customers will help marketers to determine and design effective marketing mix strategies and online web-stores features so that it can provide more perceived value to online shoppers. Thus, online retailers can attract and retain more loyal customers. Against such backdrop, an attempt has been made through the present study to explore the dynamics of online buyer behaviour.

Overall, it can be concluded that consumers have exhibited favourable perception towards online shopping and affirmed adoption of online shopping. Consumers possess an adequate level of skills, ability, and resources to access online shopping stores. This study also revealed that majority of online shoppers are young, highly educated, dynamic, intensive, and proficient users of the Internet; online shoppers have a positive perception about online shopping but they infrequently purchase from online stores. The income level of online shoppers does not affect adoption of online retailing as online shoppers are found to be indulged in online shopping across all income groups. Shoppers feel online shopping moderately enjoyable and perceive that online shopping offers substantial utilitarian benefits. Majority of customers have curtailed their offline shopping due to online shopping.

The Perceived Convenience and Ease of Use, Perceived Customer Services, Price and Discounts Perception, Perceived Security, Perceived Delivery Services and Perceived Product Quality are the decisive factors that goad the perception of customers towards online shopping. Convenience and ease of use is the most significant perceived factor for the adoption of online shopping. Consumers consider online shopping moderately risky and perceive it as a considerable risk factor associated with online shopping. Risk perceptions associated with virtual shopping and deter shoppers from shopping online. The Perceived Quality and Financial Risk, Perceived Customer Service Risk, Perceived Delivery Risk, Perceived Privacy Risk and Perceived Convenience risk are the major risk concerns perceived by online shoppers from online shopping. Therefore, online retailers and customer supportive institutions should work together to banish such negative perception of online shoppers about online web stores which ultimately will create a congenial online shopping environment for consumers.

Thus, it can be conclude that The Perceived Convenience and Ease of Use, Perceived Customer Services, Price and Discounts Perception, Perceived Security, Perceived Delivery Services and Perceived Product Quality are the prominent factors which shape customers' perception towards online shopping, while The Perceived Quality and Financial Risk, Perceived Customer Service Risk, Perceived Delivery Risk, Perceived Privacy Risk and Perceived Convenience risk are the major risk factor which hinder the perception of customers towards online shopping.

This study concludes that the demographic profile of online shoppers has mixed impact in shaping the customers' perception towards online shopping. Online shoppers have a significant difference in their perception for the factor perceived convenience based on gender and marital status. While based on age, online shoppers have a significant difference in their perception for the factors such as perceived customer services, product quality and perceived security. The perception of online shoppers of different educational qualifications does not differ significantly.

Thus, it is concluded that the education level of the respondents does not exert significant impact on the perception of customers towards online shopping. However, there is a significant difference in the perception of customers for perceived convenience and perceived product quality based on occupation. Hence, it is concluded that the occupation of customers has an impact on the perception of online shoppers for convenience and product quality factor of online shopping. On the other hand, different income group online shoppers differ significantly for the factor perceived product quality of perception.

Thus, the findings of the study reveal that the demographics of online shoppers have a partial effect on the development of customers' perception towards online shopping. As a matter of fact, traditional retail shopping cannot be replaced by online shopping. However, thoughtful improvements of websites incorporating sufficient privacy and security features will gain respect and trust so that more customers will adopt online shopping. The future of E-Commerce in India will depend on the consistent upgradation of infrastructure and connectivity, so also implementation a stringent legal framework for resolving disputes. Once these issues are resolved, E-Commerce in the country will take off.

4.2 SUGGESTIONS

The modern concept of shopping, i.e., online shopping has gained the interest of retail organisations, financial institutions, service providers, government and even customers because of its unique characteristics. Online shopping has various advantages to customers as well as to society such as; 24x7 availability, anywhere accessibility, convenience, and comparability etc. Despite numerous advantages, online shopping still has some negative aspect such as delivery challenges, after-sales services issues, security, and privacy issues that are to be overcome. Based on the findings of the study, the following suggestions have been made to the policymakers and marketers to attract more online customers.

- Online retailers primarily focus on time and money-saving aspect of online shoppers. On the contrary, they should disseminate information related to the usefulness and

benefits of online shopping like anytime, anywhere shopping facility, more extensive choice, and quick comparisons of products to the prospective buyers at large in order to attract more buyers towards online retailing.

- Online marketers should focus on the arousal of emotions and excitement of consumers during online shopping. Websites should be designed in such a manner that it can arouse positive emotions and excitement among consumers through enhanced product examination and interactive online shopping experiences with the help of advanced visual effect and graphics.
- A well-designed website interface system may reduce consumers' cost of searching and time required for information processing. Online retailers should provide a secure as well as accessible website, which will facilitate easy navigation between web pages and not confuse online shoppers.
- Online shopping should be pleasurable and more satisfying for online shoppers. It will be possible if retailer's websites will be fast, uncluttered and easy-to-navigate. In addition to that, ease of navigation for complicated web pages used in portals and online shopping sites should be taken into consideration.
- Since shopping is still a touch - feel - hear experience, online retailers should create such an environment as it is in a physical store by creating novel web designs and portals, sophisticated web atmosphere, e-mail updates and live interaction over the Internet.
- Online retailers should provide a wide range of merchandise at the web store, and use high-quality packaging and wrapping to keep the quality of the product intact. Online sellers should also avoid selling harmful/dangerous, fake, and counterfeit products.
- Indian online retail stores do not have standardised designs and product catalogues in comparison to foreign online retailers. Therefore, virtual mall owners should improve their product catalogues.
- Shopping malls have become a source of entertainment or mini-amusement centre, which appeals to the social motives of offline shoppers. Hence, E-Tailers should also try to make their online stores more entertaining and appealing to the hedonic dimension of e-shopping by using up-to-date technology, such as 3D animation and video clips. By doing so, they can motivate consumers to spend more time on surfing the store, which may lead to more purchases.

- The locally manufactured product should be available on online shopping portals by online vendors so that customers can be emotionally attached to these online web stores.
- Scepticism about security and privacy of online web portals has become one of the vital issues in virtual shopping environment. This aspect has demeaned the confidence of online shoppers and adversely affected their repurchase intention. Therefore, online retailers must improve the security features of their online shopping websites by adopting secure payment protocol and protecting consumers' data from any unauthorised access.
- Online web stores should adopt intelligible privacy policies and unambiguously assure consumers about the information required by online retailers.
- Consumers should be assured of the safety of their personal or financial information through providing claims like, the information provided by consumers will be kept strictly confidential and will not be shared to any third party without the prior consent of consumers.
- It is suggested that online web stores should give utmost importance to cybersecurity more particularly transaction-related security. They should conduct a regular assessment of their cyber security system to ensure the integrity of their websites and to keep away hackers getting into sites and causing loss of trade secrets and proprietary information.
- Online retailers must address the risk perceived by consumers during online shopping, as it may hinder consumers from visiting online shopping websites. Online retailers should offer the liberal return and replacement policies for defective or disliked products, to avert product performance risk perceived by the consumers.
- Online retail stores should provide order tracking system and send order status notification about delays, cancellations etc.
- Online retailers should take feedback from the customers and confirm the delivery of product through mail or call by verifying the details such as courier reference number and date of delivery etc. after the order has been delivered.
- E-tailers must mention shipping and delivery terms and conditions on the website prominently in a comprehensive way rather than giving it in a place where it cannot be noticed easily. Because the reliability and responsiveness of the delivery system

is the key success factor for any online business, and this will catalyse the repurchase intention of customers.

- Sometimes toll-free numbers and online customer care executives do not respond or cannot be accessed. Online marketers should try their best to ward off such problem.
- An effective complaint handling option should be given on all online shopping portals which links to a standard registry of compliant registration so that consumers can write their complaints, queries, or suggestions.
- The product returning policy of online retailers is another significant drawback of online shopping. Online retailers should focus on this issue and develop an efficient product return and replacement mechanism. Apart from this, they should also guide the customers on the returning procedure of the product. It will create a good website reputation and enhance repurchase intention of the online shoppers.
- Online retailers should develop websites in regional languages, which will help them to acquire new regional customers and to increase the online purchasers.
- Consumers are to be provided with necessary information about online security measures adopted by e-tailers. Awareness should be created among online shoppers to use secured and trusted payment systems.
- Online marketers should target consumers by offering personalised services through profiling the consumers based on their preference, Internet habits and shopping patterns.
- Online retailers should pay attention to the customer satisfaction as it influences the repurchase intention of consumers.
- Marketers should focus on providing a rewarding experience to online shoppers through loyalty programs and post-purchase satisfaction surveys. Online retailers should send feedback response forms through email or SMS to assess consumers' satisfaction level with services offered by them and should allocate proper corporate resources to drive positive satisfaction through the flawless shopping experience.
- Usually, all the persons who visit online shopping website do not buy products online. Thus, the online marketers should undertake a detail assessment of this type of prospects and sincere efforts should be made to convert such prospects into actual buyers.

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APPENDIX

I am Celine. H. Lalrohluzuali studying 4th Semester B. COM on Higher and Technical Institute Mizoram. My topic is on the “Customer behaviour towards online shopping”.

The aim of this research is to know more about how customers are impact or influence by online shopping.

I would be grateful for your cooperation in participating in the research.

The information obtained will be kept strictly confidential and will be used for research purposes only.

Respondent's Details

- 1) Gender:
- 2) Age:
- 3) Educational Qualification:
- 4) Occupation:

Part I

- 1) What prompts you to shop the desired product from online shopping site?
a) Brand b) Price c) Quality d) Design e) Service
- 2) How often do you purchase online?
a) Very often b) Often c) Sometimes d) Rarely e) Never
- 3) What is your preferred time for online shopping?
a) Morning b) Work hours c) Break hours d) Evening e) Night f) Any time/No preferred time
- 4) How much time did you spend on the internet per day, on an average?
a) Less than 1hour b) 1-2hours c) 2-5hours d) More than 5hours
- 5) How often do you purchase online?
a) Almost everyday b) Once a week c) Once a month d) when it is convenient for me e) when i need something

6) What are your usual buying patterns of online shopping?

a) Search offline and buy online b) Search online and buy online c) Search online and buy offline

7) How the delivery of the product is done usually?

a) At office/Institution b) At home c) Through friends d) Collect from Courier Office

Part II

1. In terms of Online Shopping

SI. No	Facilities	Highly satisfied	satisfied	dissatisfied	Highly dissatisfied
1.	Time of delivery				
2	Price of the product				
3	Quality of the product				
4	Purchasing process				
5	Availability of product				

Part III

1. Impact of social media on online shopping

1= Strongly Agree 2 = Agree 3 = Neutral 4= Disagree 5= Strongly Disagree

	1	2	3	4	5
1) Social media provides new platform for online marketing					
2) Social media provides a better platform for advertisement					
3) Providing entrepreneurship opportunities					
4) Easy buying process					
5) Providing knowledge about trending products					