A Study on Buying Behaviour Customer Satisfaction towards Online Shopping

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INTRODUCTION

E-commerce is selling of goods and services via electronic media to facilitate exchange of detailed information between buyers and sellers. Online shopping has become an integral part of business. Online shopping refers to the shopping behaviour of consumer in an online store or a website used for online purchasing purpose (Monsuwe et al. 2004).

The Indian e-commerce market is estimated to be Rs. 50,000 crore, witnessing a rapid growth rate and has increased by 500% since 2007. With the advent of 21st century, the world has entered in an “e-generation” era. Internet technologies have revolutionized communication across the world and transformed the world into a global village. According to internet world stats India stood at the 3rd rank with 137 million users till June 30, 2012 (source: www.internetworldstats.com). A large body of research is available on the online shopping in the world. However, there is still a need for closer examination on the online shopping as it is still at the early stage of development in India, little is known about consumers’ attitude towards adopting this new shopping channel and factors that influence their attitude (Aque, Sadeghzadeh, & Khatibi, 2006). The consumers’ attitude towards online shopping is known as the main factors that affects e-shopping potential (Shwu-In, 2003). Therefore, understanding consumer attitudes towards e-shopping helps marketing managers to foresee the e-shopping rate and assess the future expansion of online commerce.

E-business has come to play an important role in the world trade scenario. E-business gives the opportunity to open its portal in the global market and become a part of the global business community. The most important feature of e-business is that it helps businesses move on to international scene at minimal cost, with maximum efficiency. E-business has achieved unprecedented levels of success as business models, which have not been enjoyed by any other business models. In this context a study is felt necessary to find out the customers perception towards online marketing.

Significance of the study:

E-commerce has emerged as the boundary less trade medium in the era of globalization. But the adoption and usage of e-commerce is dependent on the Internet users in the country. At present nearly 40% of the population are accessing internet in the country and it is expected to increase in the near future, which will be a great boon to online marketing. In this background a study is felt necessary to know about the customer’s perception towards purchase of goods and service through online.

Review of Literature

Bucklin & Gupta (1999) did a scanner data analysis is the most widely adopted method for decision making in consumer proportions and pricing. It is used by practitioners and academicians in gauging both trade as well as consumer response to promotions, measure promotional elasticity and price gaps for promoted and competing brands, direct, indirect, short-term and long-term effects on advertising, product assortment, Stock Keeping Unit optimization, distribution and retail management.

Taylor (2001) found that with packaged goods, prior purchase frequency is a significant predictor of coupon redemption. Coupon redeemers were almost seven and a half times more likely to make a repeat purchase during the post promotion period compared to non-redeemers and subsequent purchase timing was not influenced by coupon redemption.

Gilbert &Jackaria (2002) investigated on consumer response based on four different promotional deals most commonly used in British supermarkets, including coupons, price discounts, samples and so-called ‘buy-one-get-one-free’. They found that only price discount promotions proved...
to be statistically significant on reported buying behaviour.

Objectives of the study:

The study has been conducted keeping in mind these objectives.

- To analyze the customers perception on online trading.
- To identify the emerging trends in e-marketing.

Research Methodology:

The research has been based on the primary data collected from 200 respondents in Coimbatore city who have purchased the products and services through online mode. The data has collected with help of a well structured questionnaire and the statistical tools such as percentage analysis and chi-square test have been applied to analyze the data.

Analysis and Findings:

Percentage analysis:

- Majority of the respondents were male, coming under the age group of 20-30 years employed in a private concern, having a family size of 4 members consisting of 2 earning members in their family and their family monthly income is between Rs.10,000-Rs.50,000. Majority of the respondents were married.
- Majority 72.5% of the respondents were aware of the availability of durable goods through online, 78.5% of the respondents were aware of the payment of expenses such as income tax, house tax, telephone bill through online and 83.5% of the respondents were aware about online purchase through advertisement in news papers and magazines.
- Majority of the respondents have 1-2 years of experience in purchasing of goods through online and they own a computer at home through which they make the online purchase by way of credit card payment.
- Majority of the respondents feel that online purchase system is good and they have neutral opinion towards online purchase system as compared with traditional purchase system.
- Majority of the respondents have not preferred online for buying their products and services as they find it difficult to know about the quality of the products to be purchased as physical verification is not possible.

Chi-square test:

The chi-square test shows the significant relationship between the personal factors and the respondents frequency of purchase through online.

Hypothesis:

There is no significant relationship between the demographic variables of the respondents and their existing practices towards purchase of products through online.

### Table No.1

<table>
<thead>
<tr>
<th>S.No</th>
<th>Demographic Variables</th>
<th>Chi-square Value</th>
<th>Table Value</th>
<th>Significant/Not Significant</th>
<th>Accepted/Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>0.794</td>
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</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>14.796</td>
<td>21.026</td>
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<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Marital Status</td>
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<tr>
<td>4</td>
<td>Educational qualification</td>
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<td>21.026</td>
<td>Significant</td>
<td>Rejected</td>
</tr>
<tr>
<td>5</td>
<td>Occupational Status</td>
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<td>21.026</td>
<td>Not significant</td>
<td>Accepted</td>
</tr>
<tr>
<td>6</td>
<td>Family size</td>
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<td>12.592</td>
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<td>Rejected</td>
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<tr>
<td>7</td>
<td>Earning members</td>
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<td>16.919</td>
<td>Significant</td>
<td>Rejected</td>
</tr>
<tr>
<td>8</td>
<td>Monthly income</td>
<td>19.430</td>
<td>16.919</td>
<td>Significant</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Computed primary data

The demographic variables such as age, gender, marital status and occupational status have no significant influence on the respondent’s frequency of purchase through online system and the personal factors such as educational qualification, respondents family size, number of...
earning members in their family and their family monthly income are significantly influencing the respondents frequency of purchase through online system.

Recommendations:

- Online purchase in India is at the initial stage and most of the general public are scared to purchase the products through online hence, awareness has to be created among the public through advertisements.
- The common crime in cyberspace is the stealing of credit card information. People use the stolen credit card information to purchase the products and service at the expense of others. This leads to loss for credit card companies, credit card holders and various other organizations and hence awareness should be created and laws should the strengthened.

Conclusion:

In this present information era, technology has into the new dimension of marketing the products and services. Due to this information explosion, interaction between the company and the customers has taken a new shape by surpassing the actual face to face communication with all consumers. It has made possible for the producers to interact with their consumers on an individual basis and add personal touch to their products. The use of information technology and the emergence of more educated and demanding customers, the interaction between consumers and company are fruitful in the value creating process. With regard to online shopping still more awareness has to be created among the general public. The future generations are highly aware about the uses of internet, thus online shopping will certainly prove to be fruitful in the hands of future customers. Overall, the research concludes by stating that, there is a tremendous scope for online marketing in all the sectors, which can be used properly by the Indian companies to achieve their goals.

References