

A STUDY ON IMPACT OF ONLINE SHOPPING ON CONSUMER BUYING BEHAVIOUR IN CHENNAI

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ABSTRACT

The allure of online shopping grows stronger each day, fueled by the ever-expanding reach of the World Wide Web, commonly referred to as www. Grasping the needs of customers in the realm of online retail has emerged as a formidable challenge for marketers. Particularly, deciphering consumer attitudes towards online shopping, enhancing the elements that encourage online purchases, and addressing the factors that sway consumers' decisions to shop online will empower marketers to secure a competitive advantage over their rivals.

A selection of 151 consumers from the illustrious city of Chennai has been meticulously chosen through a simple random sampling technique. Data has been gathered from primary sources, utilizing a thoughtfully crafted questionnaire and examining published materials. The amassed data is subjected to analysis through both qualitative and quantitative methods, Percentage analysis and Chi Square With The Assistance Of IBM SPSS Software

INTRODUCTION

Online shopping and online shopping stores have long been terms used to describe the practices that consumers have engaged in for many years. Historically, similar concepts would have been referred to as trading, bartering, or market exchanges. However, the advent of the internet has significantly broadened and enhanced the marketplace for a new generation of consumers. Online shopping refers to the purchasing of goods and services via the internet. The rapid growth and expansion of internet access over the past few decades have facilitated the rise of online shopping as a prevalent method of acquiring products and services. This study will examine the impact of online shopping on consumer buying behavior.

New technologies have fundamentally transformed traditional online shopping practices, establishing it as a contemporary form of retail. Online shopping enhances sales for businesses by allowing them to develop e-products and services that cater to the evolving needs of consumers. The primary objective of this study is to analyze consumer behavior in relation to online shopping. Technological advancements have also introduced innovative delivery systems that streamline the process of delivering purchased goods to customers. As a result, online shopping has become a common method of retail since the internet has taken center stage.

Online shopping is a form of electronic commerce in which consumers directly purchase goods or services from sellers online, bypassing intermediary services. Its popularity has surged, with many individuals now favoring online shopping over traditional methods. The convenience of selecting desired products using the internet, where everything is accessible at the click of a button, has simplified the shopping experience, thereby enhancing overall quality of life. Several factors contribute to the shift in consumer purchasing patterns towards online retail, including the ability to compare products based on price, color, size, and quality, which is one of the most significant advantages of online shopping. Moreover, online shopping offers a broader range of choices compared to traditional retail stores.

The process of purchasing products from online stores has become increasingly sophisticated. Businesses now offer customer care services that address inquiries, send follow-up emails after purchases, and provide assistance post-purchase. Consumers can also visit websites for clarification regarding product usage or performance. The impact of technology on online shopping has revolutionized the retail industry as a whole. Online shopping encompasses the electronic delivery of both new and traditional products and services to customers.

The introduction of 4G technology has significantly increased internet speeds, enhancing the speed of online browsing. Consumers can now explore various shopping sites simultaneously. Previously, slow internet speeds sometimes resulted in interrupted banking transactions, causing hesitance among consumers regarding online purchases. However, contemporary online banking is more secure, instilling a greater sense of safety and confidence in consumers when conducting transactions online.

LITERATURE REVIEW

Online shopping refers to the electronic commerce process of purchasing products or services directly from sellers via the Internet. The Internet-based or "Click and Order" business model has supplanted the traditional "Brick and Mortar" model. An increasing number of individuals are utilizing the web to shop for a diverse array of items, ranging from household goods to footwear and airline tickets. Consequently, consumers now have multiple options available to select their desired products and services while engaging with online platforms.

Huseynov and Yildirim (2014) highlighted that the absence of physical interaction is a significant barrier to online retail sales, alongside concerns regarding the privacy of personal information and the security of financial transactions conducted over the Internet.

Similarly, Demangeot and Broderick (2010) discovered that perceived ease of use does not significantly influence consumer behavior in this context; rather, security and privacy concerns play a more substantial role.

Chang, Cheung, and Lai (2005) examined various variables that drive online shopping behavior. Their research categorized these features into three main groups. The first category, perceived characteristics of the web sales channel, includes factors such as risk, online shopping experiences, advantages, service quality, and trust. The second category pertains to website and product features, encompassing risk reduction measures, site functionalities, and product attributes. The final group addresses consumer characteristics, which includes demographic variables, consumer shopping orientations, innovativeness, as well as knowledge and usage of computers and the Internet.

Conversely, Lee and Lin (2005) observed that while shopping enjoyment can enhance the intention of new customers to engage in online shopping, it does not significantly influence returning customers. In fact, online stores that implement value-added mechanisms in their search engines and provide customers with a compelling shopping experience may enhance overall shopping enjoyment.

OBJECTIVES OF THE STUDY

- To comprehend the effect of online shopping on consumer purchasing behavior.
- To examine the factors influencing consumer purchasing behavior and their impact on

RESEARCH METHODOLOGY

The research utilized a primary data collection approach to gather information from online surveys. Questionnaires were crafted and distributed to participants via their social media platforms for completion. The secondary data sources include journals, articles, research papers, and websites related to both online and offline education. The research sample consists of one hundred and fifty-one users, chosen solely based on convenience to align with the study's objectives. The sample area selected for this research is Chennai city, and data was gathered using a close-ended questionnaire sent through email. For data analysis, the chi-square test was employed to assess the dependency among various hypotheses formulated to meet the study's goals, alongside descriptive statistics. SPSS and Excel were the research tools utilized for data analysis.

STATEMENT OF PROBLEM

For a business to thrive, it is essential to grasp the ever-changing dynamics of the market while simultaneously recognizing and fulfilling customer needs. Companies must comprehend their customers to enhance their success. This research seeks to explore consumer buying behavior in relation to online shopping and to evaluate the satisfaction levels of consumers regarding online shopping. Investigating the effects of online shopping can enable businesses to effectively leverage these opportunities, allowing them to stay ahead of their competitors.

LIMITATIONS OF THE STUDY

The research is constrained by several limitations. It has been conducted solely within the city of Chennai. The results of the survey rely on the premise that the participants provided accurate information. A number of respondents were hesitant to respond. Additionally, time posed another limitation. More comprehensive statistical analysis techniques, such as factor analysis, were not utilized due to the study's focus being restricted to validating the relationships among various variables.

DATA ANALYSIS AND INTERPRETATION

1.1 GENDER WISE CLASSIFICATION OF RESPONDENTS

GENDER	RESPONDENTS	PERCENTAGE
MALE	80	52.9
FEMALE	71	47.0
TOTAL	151	100

INTERPRETATION

Based on the preceding table, it can be observed that 47% of the participants identify as male, while 52.9% identify as female. The survey was carried out in the city of Chennai.

1.2 AGE WISE CLASSIFICATION OF RESPONDENTS

AGE GROUP	RESPONDENTS	PERCENTAGE
15-25	138	91.39
26-35	12	7.95
36-45	1	0.66
TOTAL	151	100

INTERPRETATION

The data presented in the table above indicates that there are 138 respondents aged 15 to 25, representing 91.39%, the highest percentage among the groups. The age group of 26 to 35 accounts for 7.95%, while those aged 36 to 45 make up 0.66%. This survey clearly shows that the younger generation has been actively involved in the research.

1.3 ONLINE SHOPPING DONE IN THE LAST ONE YEAR

PARTICULARS	RESPONDENTS	PERCENTAGE
FREQUENTLY	57	37.7
NEVER	2	1.3

OCCASIONALLY	82	54.3
ONCE	10	6.7
TOTAL	151	100

INTERPRETATION

According to the diagram above, 54.3% of respondents have engaged in online shopping occasionally over the past year, while 37.7% have shopped online most frequently during the same period.

1.4 MODE OF PAYMENT

PARTICULARS	RESPONDENTS	PERCENTAGE
CASH ON DELIVERY	114	75.50
CREDIT CARD	6	3.97
DEBIT CARD	11	7.28
MOBILE BANKING	20	13.25
TOTAL	151	100

INTERPRETATION

The table presented above illustrates the payment methods favored by the respondents. It is evident that the most popular choice is cash on delivery, representing 75.5% of the total respondents.

Credit card, mobile banking, and debit card are notably the least favored options among the participants.

1.5 MAIN BARRIERS THAT KEEP AWAY FROM ONLINE SHOPPING

PARTICULARS	RESPONDENTS	PERCENTAGE
HIGH SHIPPING COST	23	15.23
LOW TRUST LEVEL OF ONLINE STORE/BRAND	45	29.80

NONE	34	22.52
OTHER SECURITY REASONS	14	9.27

SAFETY OF PAYMENT	27	17.88
VALUE ADDED TAX	8	5.30
TOTAL	151	100

INTERPRETATION

In the survey, participants were inquired about the primary obstacles that deter consumers from engaging in online shopping. The graph illustrates that the predominant barrier preventing consumers from making online purchases is a lack of trust in the online store or brand.

1.6 PREFERRED ONLINE SHOPPING SITE

PARTICULARS	RESPONDENTS	PERCENTAGE
AMAZON	82	54.30
FLIPKART	45	29.80
MEESHO	15	9.93
MYNTRA	9	6
TOTAL	151	100

INTERPRETATION

This inquiry was posed to assess consumer preferences regarding different online shopping platforms. Among the respondents, Amazon emerged as the most favored online shopping destination.

This inquiry was posed to evaluate the satisfaction levels among the respondents. It has been observed that 45.7% of participants express satisfaction with online shopping. Meanwhile, 31.8% maintain a neutral stance regarding their satisfaction. A mere 1.3% of respondents report being highly dissatisfied with their online shopping experiences.

HYPOTHESIS TESTING

CHI SQUARE TEST: GENDER OF RESPONDENTS AND ONLINE SHOPPING

H₀ : There is no relationship between the gender of the respondents and online shopping

H₁ : There is a relationship between the gender of the respondents and online shopping

Gender		Ever had online shopping		Total
		NO	YES	
Female	Count	0	79	79
	Expected Count	1.0	78.0	79.0
Male	Count	2	70	72
	Expected Count	1.0	71.0	72.0
Count		2	149	151
Expected Count		2.0	149.0	151.0

CHI SQUARE TABLE

	Value	df	P-value
Pearson Chi-square	a 2.224	1	0.136

INTERPRETATION

Here the p value 0.136 exceeds the significance level of $\alpha=0.05$. Therefore, there is insufficient evidence to reject the null hypothesis. Consequently, we can conclude that

CONCLUSION

In the current landscape, online shopping is increasingly surpassing traditional retail shopping in popularity. A growing number of consumers are transitioning to online shopping and expressing high levels of satisfaction with their experiences. It is essential for customers to seek various features on the online shopping platforms they utilize, as these features significantly contribute to their overall satisfaction with purchasing products online.

Promoting awareness of safe and effective online shopping practices can help dispel many misconceptions and anxieties surrounding this mode of shopping. By reassuring potential buyers of the safety and security of online transactions, we can capture a larger audience.

Despite various considerations, a significant majority of individuals report satisfaction with online shopping and are likely to recommend it to others. Online shopping offers convenience and minimizes physical exertion, while also saving time for many consumers. The trend toward online purchasing is firmly established and continues to grow.

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