

## An empirical study on online shopping preferences among the Huballi city consumers

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### Abstract

Online shopping denotes to the shopping behavior of consumer in an online store or a website used for online buying. The people who find it tranquil to use, beneficial and have pleasurable experience will accept online shopping to higher magnitude. Online shopping has experienced a swift growth during the recent years due to its unique advantages for both consumers as well as retailers, such as shopping at round the clock facilities, decreasing dependence to store visits, saving travel costs, increasing market area and offering a wide range of products. This study aims to identify the online shopping behavior attitudes and preferences. The data was elicited from over a hundred respondents and they were questioned on parameters such as convenience of online shopping, value for money, safer purchase, delivery etc. The study reveals that majority of customers do feel comfortable to buy online, customer's also prefer to buy high value goods online. Majority of customers also agree that online companies offer more varieties than physical companies.

**Keywords:** *Online shopping, store visits, attitude, preferences, delivery, convenience, website, internet shopping*

### Introduction

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Online shopping or e-shopping is a type of e-commerce platform which allows the consumers to buy goods or services using internet. It is also named as e-shop, online store, web-store and virtual shop. It has opened the doors to a consumer and entrepreneurs to enter into the new electronic business world. Consumers are now using the online shops to make purchase of goods and services in a convenient way. However, some consumers are not participating in online shopping due to lack of knowledge or experience of some problems occurred during online shopping. Online shopping refers to the shopping behavior of consumer in an online store or a website used for online purchasing purpose. Online shopping is the consumers shopping behavior to shop online. The people who find it easy to use, useful and enjoyable can accept online shopping. Online shopping has experienced a rapid growth during the recent years due to its unique advantages for both consumers and retailers, such as shopping at round the clock facilities, decreasing dependence to store visits, saving travel costs, increasing market area and offering a wide range of products. Online shopping is the consumers shopping behavior to shop online. Not only in urban area but also in villages also people love to do shop online. The convenience of online shopping is the main attraction of customers. Unique online payment system offers easy and safe purchasing from other individuals. Various demographic factors like age, income, gender, education background also affect the customer behavior. Earlier consumer used to pay with cash but now a day's number of payment options are available for like debit card, credit card, internet banking and cash on delivery also. These payment methods also make online shopping easy. There are various online promotional tools which attract most of the customers to shop online. In the era of internet technology, Wi-Fi services and smart-phone gadgets provides so much facility for the consumers to do shopping from anywhere.

### **Trends in Internet Shopping**

Online Shopping in India is in its nascent stages. However, more and more people are gaining confidence about purchasing products online. Consequently, online shopping trends are improving and promise a bright future. The internet has been around in India since quite some time now. However, e-commerce has picked up only recently. Shopping online is slowly growing up in India too. Ecommerce can be thought of as an activity wherein the customer uses the internet to order a product or service. In most circumstances, the transaction may happen online also. Online shopping places a heavy demand on the use of the internet. One major hurdle that online shopping faces is the security of transactions, since it is necessary for shoppers to submit their financial details on the web too. Currently, only a limited number of merchants are doing business online due to the problems related to technology. The major hurdles faced are low penetration of computers in India, lesser amount of credit or debit card holders, and many adverse taxation rules. Also, many internet users are reluctant to reveal their financial information online, which hampers the growth of the online business. Conversely, online shopping has a great potential to become big in India. Accordingly, many enterprises both big and small, are opening to the idea of having their B2B and B2C portals on the internet in a big way. The internet is also proving to a boon in disguise for many small and medium enterprises, which are joining hands with major Indian online portals to display their products and advertise their services.

### **Literature review**

**Parikh Darshan (2011)** in his thesis on “Customer acceptance of internet shopping in India: impact of shopping orientations, knowledge and security” opined that major demographic indicators like gender, age, marital status and income have been traditionally used in study of consumer behaviour and for segmenting the market, as reliable discriminators various shopping orientations have also emerged for classifying different types of shoppers based on their approach and intent to shopping activities. Also to

study the patronage researchers off late have tapped into shopping orientations behaviour among elderly consumers, catalog shoppers, out-shoppers and mall shoppers. The study conducted was aimed at contributing to the knowledge and understanding of consumer response to electronic modes of shopping by extending the shopping behaviour. In order to survive and more importantly to succeed online merchants should embrace and also actively pursue fundamental principles of good retailing that applies to any medium which is becoming surprisingly clear. However, based on the findings of the study it is expected that study of shopping orientations can certainly help electronic retailers identify and also understand those consumers who actually prefer to shop online and the reasons as to why they are shopping online. Further based on each segment's relative propensity to adopt and also use online shopping, orientation related to shopping can be used to segment customers and also formulate different strategies.

**Bashir (2013)** in his research study on consumer behaviour towards online shopping of electronics revealed that online shopping is getting quite popular among the young generation as they feel more comfortable, more importantly time saving and convenient. It was also analyzed from the survey that when a consumer makes a mind to purchase online electronic goods it was affected by multiple factors. Best price, convenience and time saving were the main crucial factors identified. Price factor was popular among people because online markets prices were lower as compared to that of physical markets. As part of the study it was also observed that people compare prices in online stores, review feedbacks and also give rating about products before making the final selection of product and ultimate decision.

**Sunita Guru (2013)** in their thesis entitled: A study of trust and perceived risk in Online Shopping ascertained that online shopping is predominantly driven by male, young, single and educated elites. Main tasks accomplished and types of sites visited using internet between both buyers, and non-buyers were almost same when it was analyzed with internet usage pattern in terms of average time spent, place of accessing internet. Majority of the online buyers ask for product return/money refund in case of dissatisfaction with the product. It is found that around 42% of the respondents were not sure whether they want to buy or not in the next 2/3 months. The three most important factors contributing to trust on online merchants were keep promises and commitments, will care for my welfare and when in problem will help me. Only significance difference between benevolence and qualification was found. No significance difference between income and ability, benevolence and integrity were found.

**Pawan Kumar (2013)** in their research article entitled 'Electronic shopping: a paradigm shifts in buying behavior 'studied among Indian consumers and found that consumers have a perceived online shopping and have positive manner towards them while buying. This clearly authenticates and justifies the project growth of online shopping in a positive manner. This clearly justifies the project growth of online shopping in the country. However, the frequency of online shopping is relatively less in the country. Online shopping organizations can use the relevant variables and factors, identified from the study, to formulate their strategies and plans in the country. Better understandings of consumer online shopping behavior will help companies in getting more online consumers and increasing their e-business revenues. At the same time, as realized the benefits from E-commerce, consumers are more willing to make purchases online. With the popularity of Internet, the number of Internet users will continue to grow and more Internet users will become online consumers, even regular online buyers.

**Mohammad Hossein Moshref (2012)** in the study entitled "An Analysis of Factors Affecting on Online Shopping Behavior of Consumers ", examined that e-retailers should make their website safer and assure customers for delivery of their products. has Positive effect attitude toward online shopping on online shopping behavior of consumers indicate that considering attitude variables make a substantial

contribution in online shopping. Also, subjective norms have positive effect on shopping behavior. This means the more people suggest e-buying to each other, the more this buying method will be popular among people. This makes necessary the use of word of mouth marketing for retailers. Domain specific innovativeness has positive effect on online shopping behavior. This means that marketing specialists should target this society in their marketing strategy formulation for better effectiveness of their marketing program.

**Dr. Gagandeep Nagra & Dr. R Gopal (2013)** in the study entitled “An Study of Factors affecting on online shopping behavior of consumers” found that consumers’ response across different demographics factors shows that gender does impact Possession of internet and Frequency of online purchase of consumer’s occupation is a demographic variable which does not impact any of the variable under study. The overall results prove that the respondents have perceived online shopping in a positive manner. This clearly justifies the project growth of online shopping. The frequency of online shopping is relatively less in the country. Online shopping organizations can apply the relevant variables and factors, identified from the research, to create their strategies and tactics. The organizations can prioritize the consumer inherent and unequivocal requirements in online shopping environment. The results can also be used by various organizations to identify their target customer segments.

**Arika Riaz & Saravanan Raman (2014)** in the study ‘The Emerging Trend of Online Shopping: A Literature Review, explored, the internet has given rise to great potential for businesses through connecting globally. Shopping online has become the number one area with growing internet use. However, there is surely room for further research into the environment and experience of online shopping. Currently there is inadequate research based on ways to be successful in the business of online retailing. Therefore, in the future there is potential for further studies looking into methodology for online retail businesses. Researchers should also look into how this continuous growth of internet will affect consumers in the future generations and whether offline shopping will still remain relevant in the next few decades.

**Asmatara & Chadrnahauns (2015)** in the research paper: “Factors affecting online shopper’s behavior for electronic goods purchasing in Mumbai”: An empirical study analyzes factors affecting on online shopping behavior of consumers that might be one of the most important issues of e-commerce and marketing field. Retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. Perceived lack of secured transaction (financial risk), retailers should introduce a mechanism that would improve safety and privacy to motivate people to buy online.

**Chaitra Sharma (2015)** in their study on “Consumer Buying Behavior towards Online Shopping” analyzed the characteristics of buying behavior of online shoppers. Consumer buying behavior in respect of online shopping was studied using different socio-economic variables. There were two factors mainly influencing the consumers for decision making: Risk aversion and innovativeness. Highly risk adverse consumers need to be very certain about what they are buying. Whereas less risk adverse consumers can tolerate some risk and uncertainty in their purchases. The second variable, innovativeness, is a global measure which captures the degree to which consumers are willing to take chances and experiment with new ways of doing things.

## **Objectives, Scope and Research Methodology**

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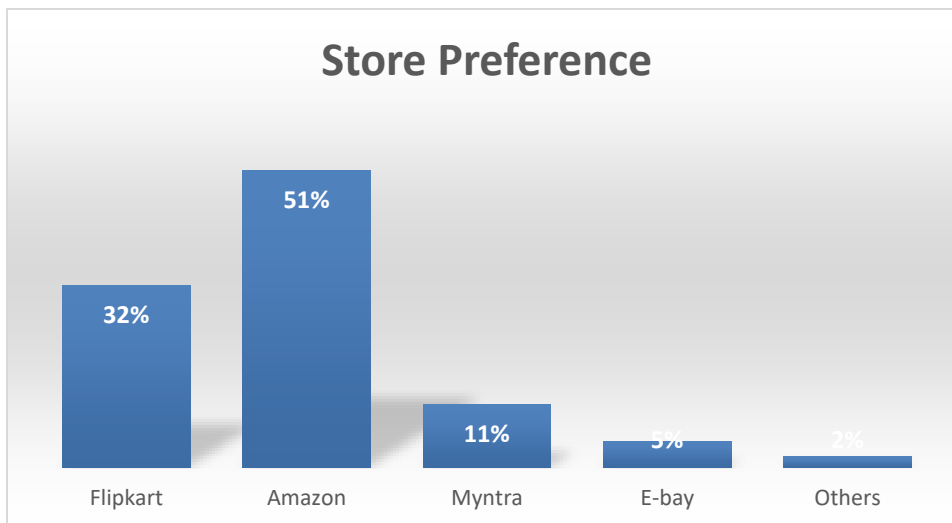
The purpose of the study was to understand the online shopping industry, customer attitudes towards online shopping and to analyze customer preferences for online purchases. Electronic Commerce is more than just buying and selling products online. It also includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services.

The study examined customers' attitude towards online shopping without specifying a product category or service category. Therefore, future research studies should seek to predict shopper's attitude towards e-shopping within a specified product or service category. It might also be interesting to analyze in which situations consumers prefer the internet for shopping and in which situations they prefer offline retail stores. Future studies can explore the differences in consumers' attitudes and behavior regard to the choice in the online versus the offline environment. Data was elicited from over a 100 customers using nonprobability convenient sampling

**Data Analysis and Interpretation:**

**Online store Preference**

Options	percentage	no of respondents
Flipkart	32%	35
Amazon	51%	57
Myntra	11%	12
E-bay	5%	5
Others	2%	2
total		111

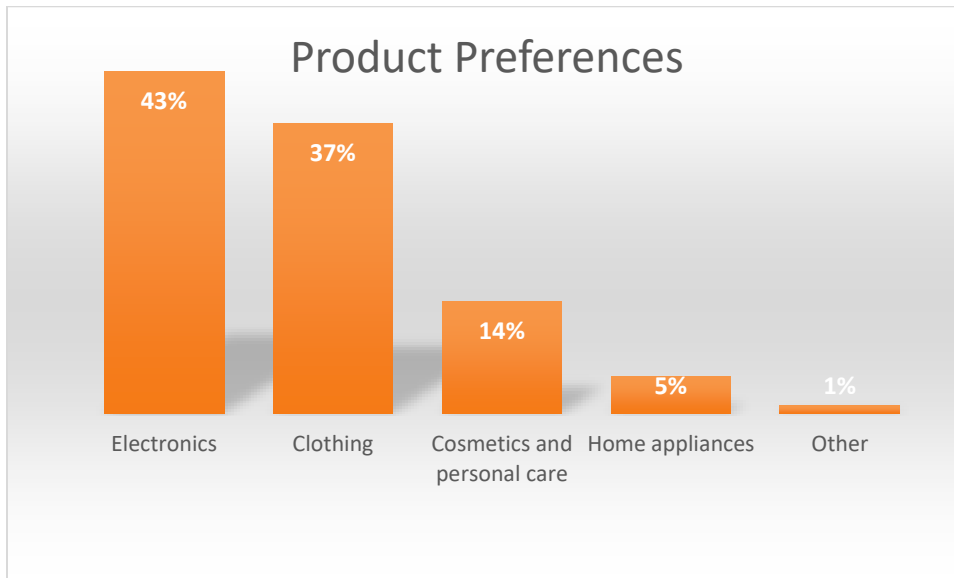


**Interpretation:**

From the above graph it is understood that 51% of people prefer amazon for shopping by this we can interpret that amazon website is meeting the customer expectation and people are satisfied with amazon online shopping. This also interprets that other websites should improve their quality of work and services through which the customers get attracted. Amazon shopping website must create more awareness about their products so that they can gain customer’s loyalty.

**Online product purchase preference**

Options	Percentages	No of respondents
Electronics	43%	46
Clothing	37%	39
Cosmetics and personal care	14%	15
Home appliances	5%	5
Other	1%	1
Total	100%	106

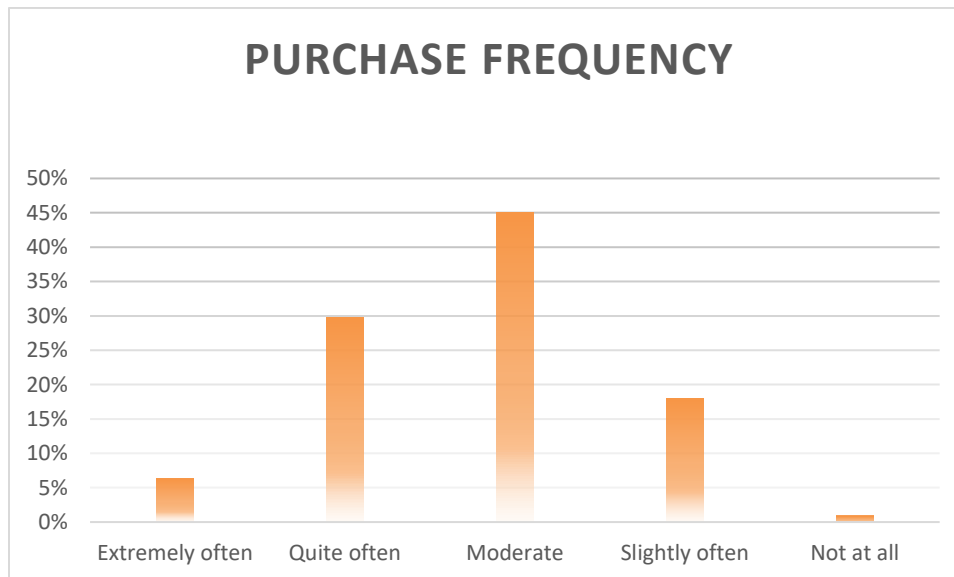


**Interpretation:**

From the above graph it is understood that 43% of people prefer buying electronic products online by this we can interpret that electronic products are more in demand and giving more satisfaction to people. Online shopping websites provides more satisfaction to the customers as it is more reliable, cheaper than the stores and they get discounts also. Thus, we can interpret that customers are happy buying electronic products online.

### Online purchase Frequency

Options	Percentage	No of respondents
Extremely often	6%	7
Quite often	30%	33
Moderate	45%	50
Slightly often	18%	20
Not at all	1%	1
Total	100%	111

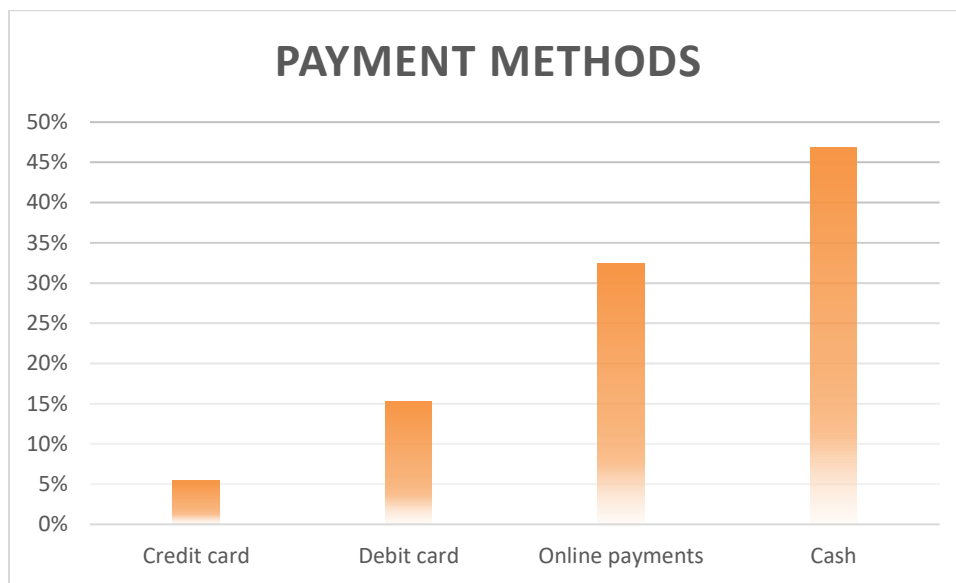


### Interpretation:

From the above graph it is understood that 45% of people shop moderately which means people prefer traditional shopping over online shopping and are not so comfortable buying online more. Online shopping must make more efforts to attract the customers so that they can shop online. Thus we can interpret that customers are not regularly shopping online.

### Online payment method preference

Option	Percentage	No of respondents
Credit card	5%	6
Debit card	15%	17
Online payments	32%	36
Cash	47%	52
Total	100%	111



#### Interpretation:

From the above graph it is understood that 47% of people prefer cash payments rather than online payments. It can be interpreted that people feel safe giving cash as there will not be any fraud, risk, personal details are not leaked and they can check the product then handover the cash to the seller. So the customers feel safe doing cash on delivery.



### Online shopping Comfort

Option	Percentage	No of respondents
Extremely comfortable	17%	19
Quite comfortable	42%	47
Moderate	34%	38
Slightly comfortable	5%	6
Not at all	1%	1
Total	100%	111

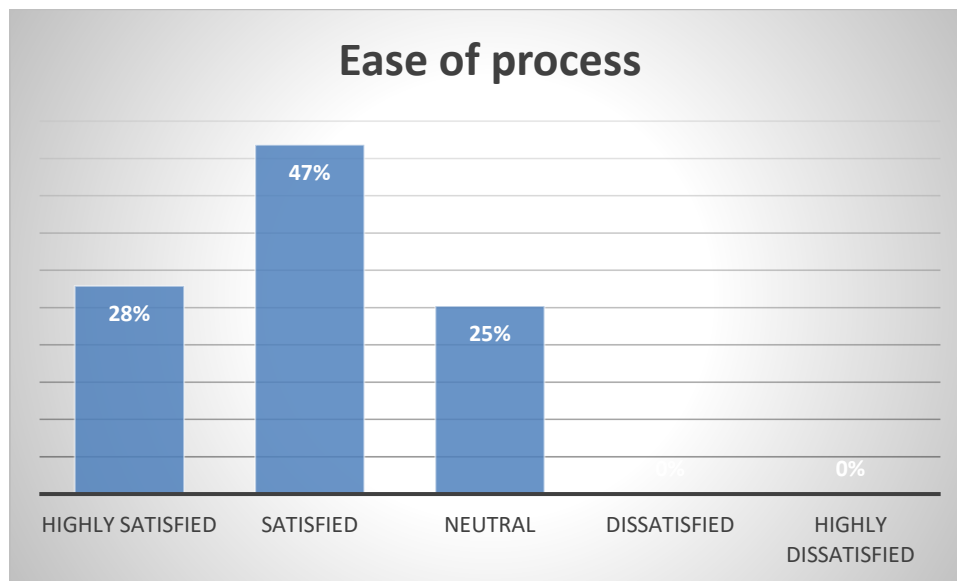


### Interpretation:

From the above graph it is understood that 42% of people are quite comfortable buying products online which means the online sites are providing them with variety of options and has gained trust of the customers. People do not hesitate to buy online now as they are aware of the online shopping and their products and services and even the technology is developed so much that the customers can sit anywhere put order and get delivered the products.

## Online Shopping Ease

Option	Percentage	No of respondents
Highly satisfied	28%	31
Satisfied	47%	52
Neutral	25%	28
Dissatisfied	0%	0
Highly dissatisfied	0%	0
Total	100%	111

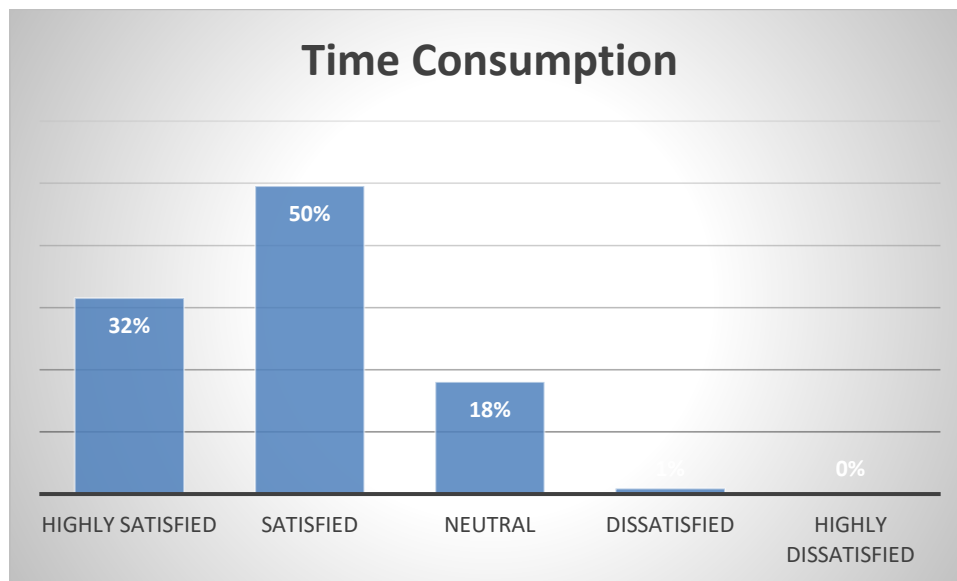


### Interpretation:

From the above table it is understood that 47% of people are satisfied with the ease of process of online shopping which means the online sites are providing good services, delivery, return policies to their customers. As online shopping saves time, can order products sitting in home as per their convenience there is no need for the customers to go out for shopping. So the customers are satisfied with the ease of process.

### Time Consumption

Option	Percentage	No of respondents
Highly satisfied	32%	35
Satisfied	50%	55
Neutral	18%	20
Dissatisfied	1%	1
Highly dissatisfied	0%	0
Total		111



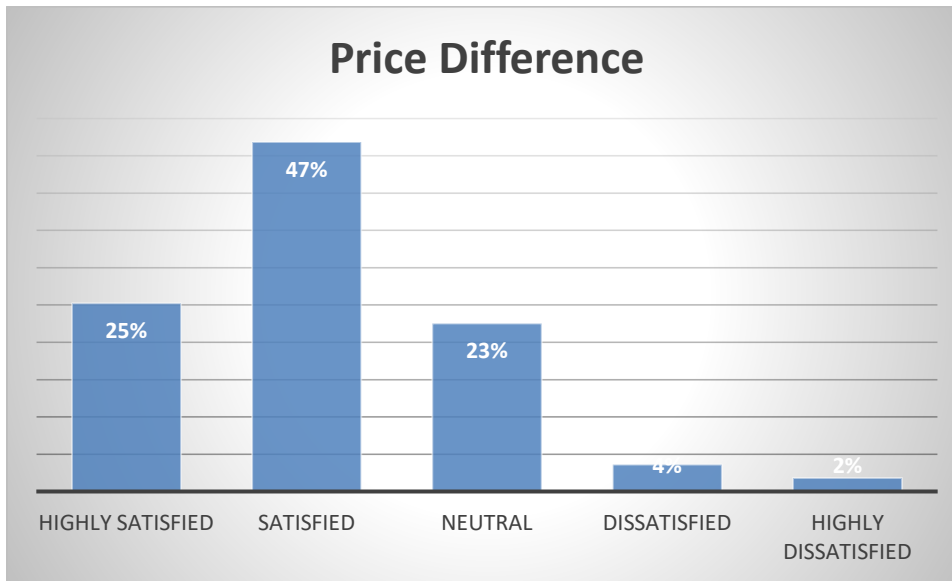
### Interpretation:

From the above table it is understood that 50% of people are satisfied as online shopping saves time and people can sit in their home and order products instead of going to stores and buying products. It is more useful for the people who are working and do not have time for shopping, so they can sit in their home and shop and can save time also.

### Price Comparison- Price difference

Options	Percentage	No of respondents
Highly satisfied	25%	28
Satisfied	47%	52

Neutral	23%	25
Dissatisfied	4%	4
Highly dissatisfied	2%	2
Total		111

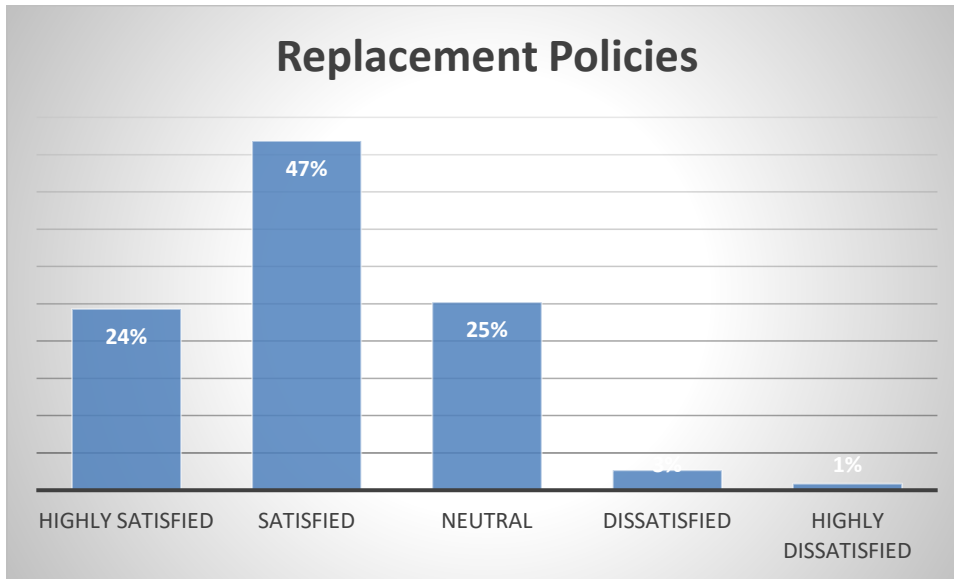


**Interpretation:**

From the above graph it is understood that 47% of people are satisfied with the price difference from the stores. It can be interpreted that most of the people believe that online shopping provides less price and provides discount whereas stores hardly gives discount. So there is a price difference between the online shopping and the stores. People are more attracted towards the discounts and hence it is interpreted that majority of them agree that there is price differentiation.

**Online Replacement Policies**

Option	Percentage	No of respondents
Highly satisfied	24%	27
Satisfied	47%	52
Neutral	25%	28
Dissatisfied	3%	3
Highly dissatisfied	1%	1
Total		111

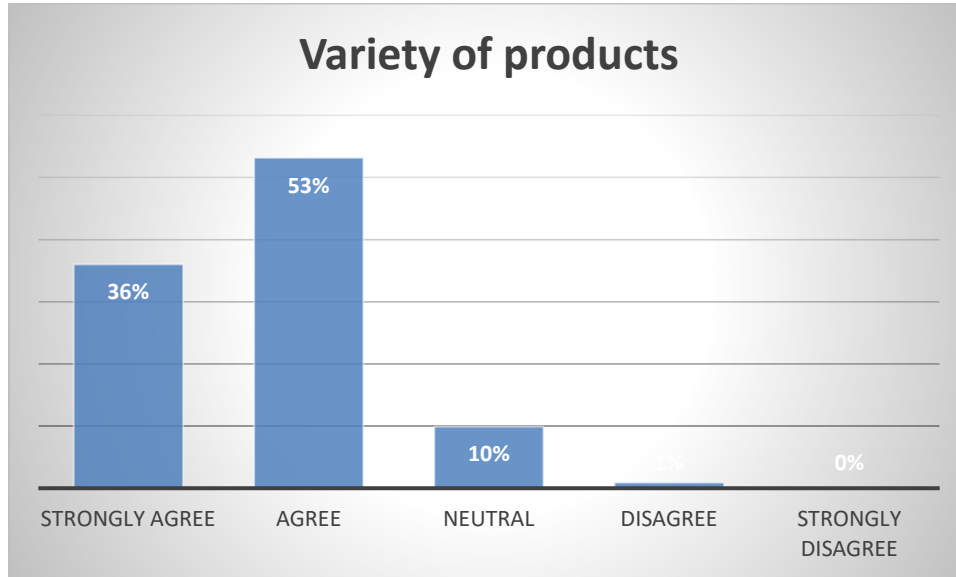


**Interpretation:**

From the above graph it is understood that 47% of people are satisfied with the replacement policies provided by the online shopping. If there is issue with the size or quality of the cloth or any other problem then that product can be replaced. It can be interpreted that the replacement policies provided to customers are good and people are happy and satisfied with the policies. This is a good indication for the online stores that the customers are happy by the services provided by them.

**Variety of products**

Option	Percentage	No of respondents
Strongly agree	36%	40
Agree	53%	59
Neutral	10%	11
Disagree	1%	1
Strongly disagree	0%	0
Total		111



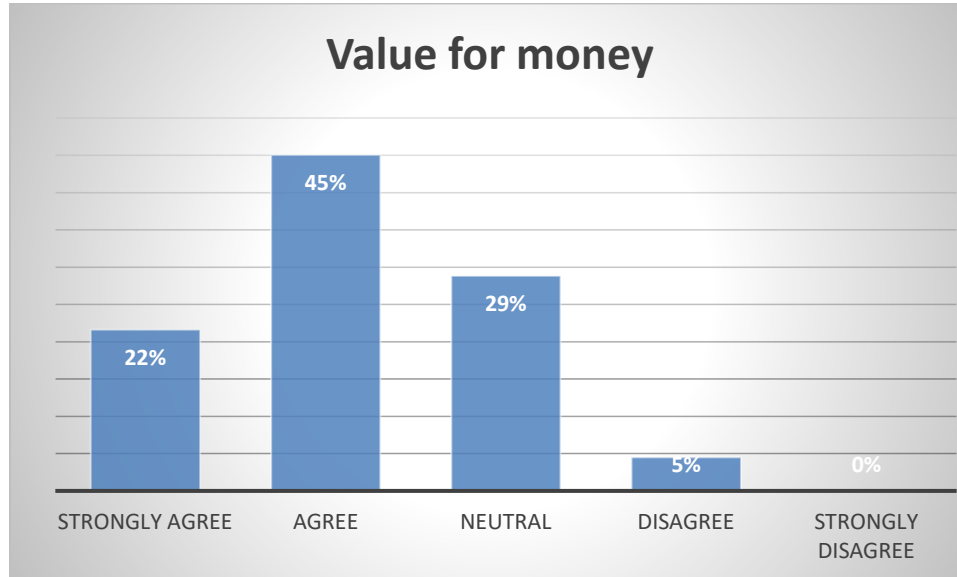
**Interpretation:**

From the above graph it is understood that 53% of people agree that online shopping provides variety of products. Online shopping provides variety in products like women wears such as kurta, jeans, skirts etc. Likewise, in men’s collection have variety such as jeans, traditional dress, casuals etc. and even for kid there is a variety in collections.

Thus, it is interpreted that customers are happy and agree to the above analysis made.

**Value for money**

Option	Percentage	No of respondents
Strongly agree	22%	24
Agree	45%	50
Neutral	29%	32
Disagree	5%	5
Strongly disagree	0%	0
Total		111

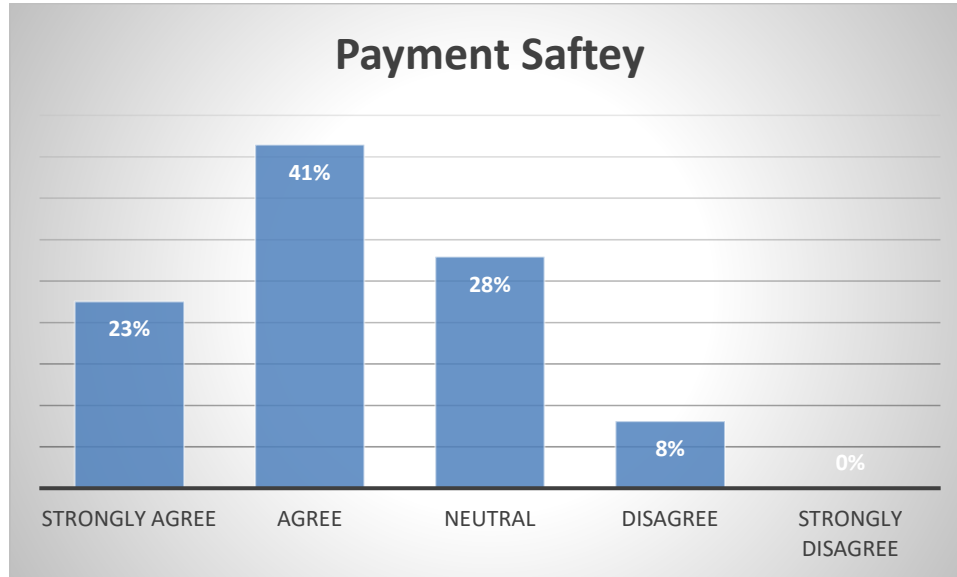


**Interpretation:**

From the above graph it is understood that 45% of people agree that online shopping provides more value for money. It is the responsibility of the online stores that they provide more value for money and ensure the customers about the product and its value, details of the product etc. It can be interpreted that people believe and are convinced that online shopping gives more value for money because of their products, prices, policies etc.

**Online payment attitude**

Option	Percentage	No of respondents
Strongly agree	23%	25
Agree	41%	46
Neutral	28%	31
Disagree	8%	9
Strongly disagree	0%	0
Total		111



**Interpretation:**

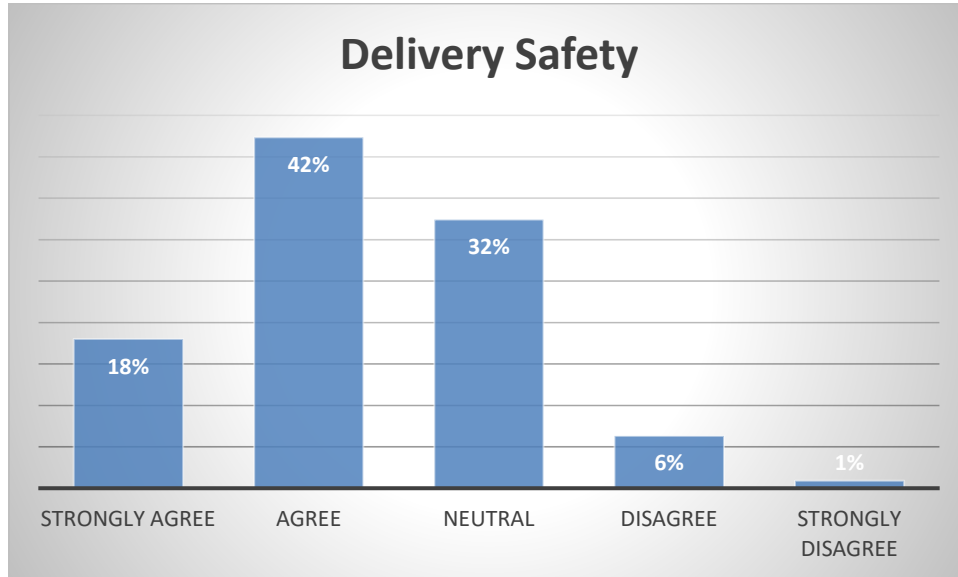
From the above graph it is understood that 41% of people feel safe for making payment online. It is a good indication for the online stores that people believe their policies make online payments without any fear.

It can be interpreted that people trust the online shopping and their payment policies, safety measures and maintaining confidentiality.

**Online delivery Safety**

Option	Percentage	No of respondents
Strongly agree	18%	20
Agree	42%	47
Neutral	32%	36
Disagree	6%	7
Strongly disagree	1%	1
Total		111





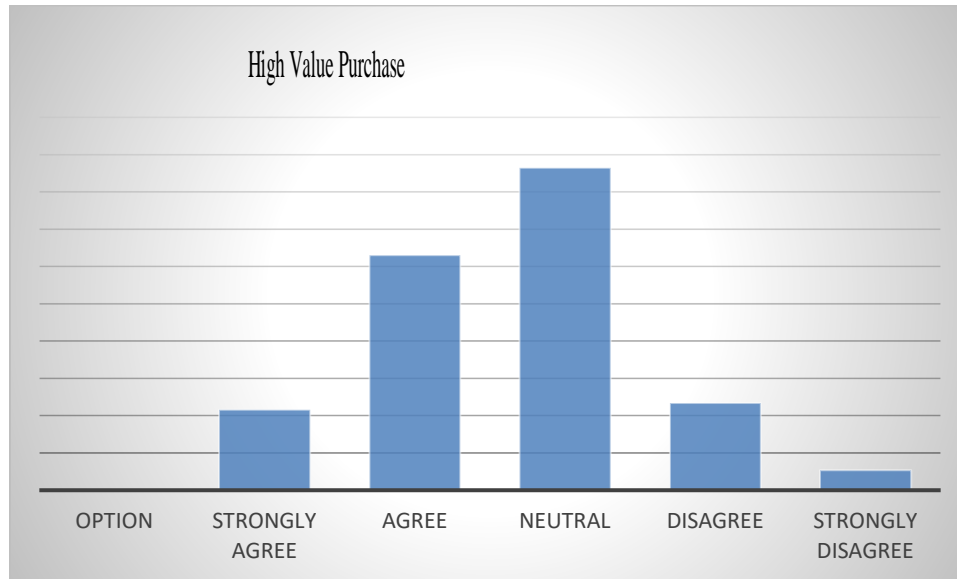
**Interpretation:**

From the above graph it can be understood that 42% of people agree that online shopping is safe because of the sellers loyalty towards the customers and even customer has faith in online shopping. Once the order is placed, there is a process for packing and shipping the products later the sellers deliver the products at the given address.

Thus, it is interpreted that majority of people agree that online shopping is safe.

**High Value Purchase**

Option	Percentage	No of respondents
Strongly agree	11%	12
Agree	32%	35
Neutral	43%	48
Disagree	12%	13
Strongly disagree	3%	3
Total		111

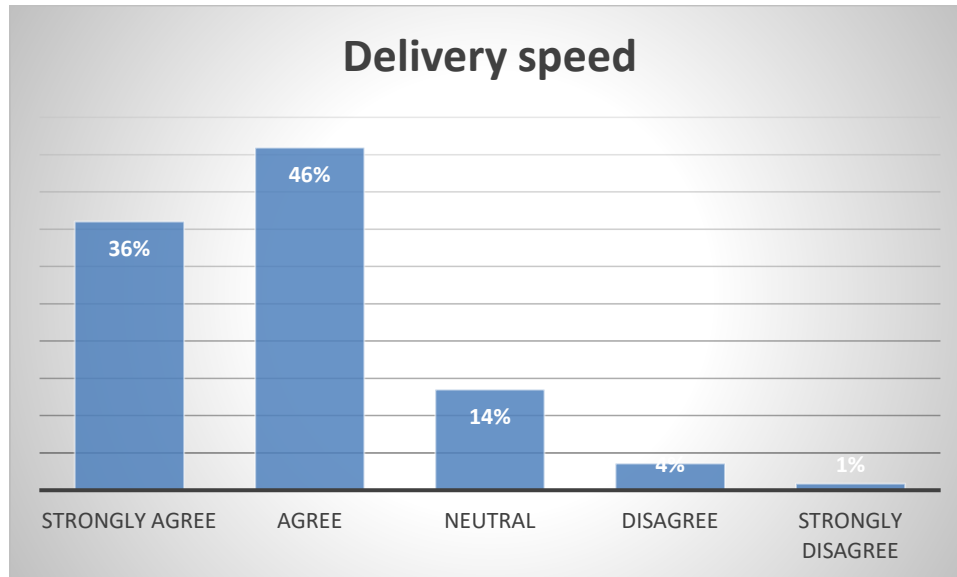


**Interpretation:**

From the above graph it is understood that 43% of people are neutral. Online stores are providing good products so the customers do not fear buying high value products. During end of season sales online stores provide discounts and coupons as compared to offline stores Which tends customer to buy high value products at a cheaper price and satisfy their wants whereas some people feel unsafe because they have that fear in them about the products good quality, product’s guarantee provided by the online shopping.

**Online delivery speed**

Option	Percentage	No of respondents
Strongly agree	36%	40
Agree	46%	51
Neutral	14%	15
Disagree	4%	4
Strongly disagree	1%	1
Total		111



### Interpretation:

From the above graph it is understood that 46% of people agree that delivery should be fast. If the delivery of the product is speed, then the customer tends to buy online very often and this improves the customer satisfaction. If the delivery is delayed there is a possibility that customers may not shop online again.

Thus, it is interpreted that majority of the people agree that the delivery of product should be fast.

### Findings of the study:

It is observed that 43% of customers prefer electronic items compared to other products, it indicates that electronic items sold are preferred more satisfying the customer's expectation. 37% of people purchase clothes as they feel that clothes purchased online are better than offline. It is found that 14% of people purchase cosmetics and personal care products however customer agree that good quality and new variety of products are sold in this category. Finally mere 5% of people prefer home appliances. It is found that 59% of customers don't have any fear buying products online because the customers trust online policies, services, payment methods and feel secure that the company will not leak their personal information and keep them safe. Whereas, 49% of people fear may be because of the payment method as there may be frauds and risks while paying online.

It is also understood that 47% of people prefer cash on delivery payment as there is no risk and fraud, 32% of people prefer online payment as it will become easy and they need not search for the cash when the product is delivered. It is found that 50% of people agree that online stores provide wider options than offline stores. Customers are satisfied and happy that online stores are providing the different types of clothes and other products. Striking observation is that only 11% of people strongly agree that buying high value products is safe as these people are happy with the service provided and are satisfied with the products. 32% of people agree to the point that products delivered are in good and safe condition and feel comfortable to buy high value products.

It is observed that 24% are highly satisfied with the replacement policies and 47% of people are satisfied. Around 23% of customers are neutral as they are not fully convinced about the replacement policy additionally 4% are dissatisfied with replacement policy may be they have not received good products after replacement also. So it's the responsibility of online stores to provide good policy. It is understood that 22% of people strongly agree that online stores provide more value for money compared to offline stores. Just 5% of respondents totally disagree that online provides more value for money they opine that they are not getting good products as compared to money spent by them for that product.

### **Conclusion and further directions:**

Due to fast and rapid moving lifestyle, online shopping off late has been drastically growing in India. Also more so with developed internet penetration as well as increasing adoption of devices like tablets, smartphones and laptops with access to internet services and shift in buying behaviour among consumers has significantly contributed to rapid growth of online consumer base. Majority of customers shop online and are also quite satisfied with use of online products, as many opine that online shopping experience provides ease of process, saves more time, wider options and also price of product is less compared to other offline stores. Hence, customers are attracted more towards online shopping and are also satisfied with offers when they buy in online stores.

Electronic products are more in demand and giving more satisfaction to people and study further concludes that majority of customers buy electronic products. As people are provided with larger discounts and products are cheaper when compared with offline stores as they get better discounts. People are satisfied with the wider options provided by the online shopping. Through this we can interpret that people are comfortable and convinced that online shopping provides wider options that stores. Online stores bring variety of products, and provide discounts so that the customers get attracted and shop online.

The ease of process of online shopping which means the online sites are providing good services, delivery, return policies to their customers. As online shopping saves time, can order products sitting in home as per their convenience there is no need for the customers to go out for shopping. So, the customers are satisfied with the ease of process. Online stores are providing good products so the customers do not fear buying high value products. During end of season sales online stores provide discounts and coupons as compared to offline stores which tends customer to buy high value products at a cheaper price and satisfy their wants whereas some people feel unsafe because they have that fear in them about the products good quality, product's guarantee provided by the online shopping. Online shopping provides more value for money. It is the responsibility of the online stores that they provide more value for money and ensure the customers about the product and its value, details of the product etc. Online shopping gives more value for money because of their products, price, policies etc.

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