

**AN ANALYSIS OF CONSUMER BEHAVIORS TOWARDS ONLINE
SHOPPING OF ELECTRONIC GOODS WITH SPECIAL
REFERENCE TO TRICHY AND SALEM CITY**

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ABSTRACT :

Online shopping provides a good example of the business revolution. E-commerce has made life simple and innovative of individuals and groups; consumer Behavior in online shopping is different from the physical market where he/she has access to see the product. The purpose of this research was to study the consumer behavior in online shopping of electronic goods especially in Trichy and Salem city of Tamil Nadu. The main research question inthesis is how consumers behave while shopping online. Primary data was collected through the questionnaire survey through face to face and personal contact to be involved in two major cities of Tamil Nadu. In this study Customer-oriented factors ‘time saving’, ‘product quality’, ‘product price’, ‘convenience’, ‘accessibility’, ‘shop anywhere and anytime’ are the main specific factors influence customers attitudes toward electronic product online shopping. The technology-oriented factors, ‘guaranteed quality’, ‘cash on delivery’, and ‘dis-counts and promotions are the main specific factors influence customers attitudes toward electronic product online shopping.

Keywords : Online shopping, Internet shopping, Attitude, Intention, Trust, Shopping experience, Service experience, Product quality.

1. Introduction Internet shopping is one of the widely and commonly used mediums for convenient shopping. It is in fact, a popular means of is shopping in the Internet community (Bourlakis et al., 2008). Online shopping is increasing day by day, whether it’s for clothes, electronics, or, even, pets. Many websites are opening every day just to cater to this rising demand for comfort and convenience. Online shopping is fast becoming the way to make all your purchases, whether you’re at home or in the office, or in a different country. This is especially true for developed countries, where every store has its own website that you can buy online from. Tricks of the trade like cash on delivery and special discounts on online purchases have been able to convey

people very easily. This trend to shop online from the comfort of your own couch has recently been taken up in the Asian region as well, especially in Pakistan and India. India seems to have adopted the trend much faster, with multiple fashion, furniture and food websites, along with venturing into the more commonly known companies, such as Amazon.in and Ebay.in.

For Pakistan, however, the conversion has been more difficult. As a rule, people don't even trust what has been put in front of them, and to expect them to buy something online and be satisfied with it is a little difficult to do. However, the youth of Pakistan is a lot more open minded and has slowly begun to embrace online shopping, even if it's just ordering food online. As a nation, and as individuals, we have been victims of so many scams, both online and on our phones that it is obvious that we would look at any online activity slightly suspiciously. This recent trend has led researchers to believe that the only factor that is causing the youth to turn towards online shopping isn't just their age. Other factors are also involved in making online shopping one of the fastest growing markets in Pakistan, as well as greatly helping the IT industry to flourish. These factors are what this study hopes to reveal.

BACKGROUND

CONSUMER BEHAVIOR

“Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society”. With the reference of above cite; Consumer behavior of every individual is different from other depending on buying choices which is influenced by buying habits and choices that are turn tampered by psychological and social drivers that affect purchase decision process. The decision making vary from person to person, place to place and focusing on the past experience of consumers; we can predict the future trends by bringing profitable products and services into the market. In this modern world, the popularity of interactive media like the World Wide Web is increasing day by day with rapid pace because of two main factors, those are:

- 1) Most of the companies are doing their business online and make their website as showroom of their product and services.
- 2) Fast increment of consumer segments due to increase needs and demand including online shopping as well.

E-COMMERCE/ONLINE SHOPPING

Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast. Internet provides new ways to promote business. Website becomes the essential part of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and

services in market.

Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget anywhere and anytime. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on.

CONSUMER BEHAVIOR OVER INTERNET

The Consumer Behavior Reports designed to give media, industry analysts, and merchants insight into online shopping trends, purchasing behavior, product pricing and market share.

According to consumer behavior report, of those 10 percent of online consumers who have purchased from their mobile phone, the majority (46.25 percent) indicated that they have used the mobile Internet to purchase digital content for their phone. Although some consumers have not moved beyond basic mobile personalization and casual gaming, some online consumers have made substantial purchases from their mobile phones, such as: consumer electronics (46.25%), Music, Software (11.25%), books (16.25%), and clothing (26.25%) (Consumer behavior report, April 2009).

Consumer behavior in electronics environment is critical as compared to physical world and crucial understanding can be examined if the factors that affect the purchase decisions are ignored and unambiguous. Online consumers fear the opportunity to physically examine the product which is specifically regarded as influential factor in purchase decision. Therefore, consumer behavioral pattern in online shopping can be fundamentally different from traditional environment.

REVIEW OF LITERATURE

(Wang & Yang, 2010)⁽¹⁾, presents that, the electronic equipment takes a high percent of the individuals shopping. Compared with other goods, online shopping of electronic goods adds great convenience to the life of the people. Buying electronic gadgets online gives customers an opportunity to find a great variety of product online, and customers can review a wide selection of products and find special offers and discount with the best deals online. In the coming years, the development of online retailers is improving and promises a bright future. However, the tangible and intangible problems of electronic product online shopping still exist and the online store retailers lack the customer knowledge in some extent. Therefore, our intention is to explore customer behavior when purchasing electronic products through investigating the factors that can affect online shoppers' attitudes, intention and actual buying behavior. In this research, we offered the online retailers some suggestions to improve their sales and attract more customers.

According to (Burkolter & Kluge, 2011)⁽²⁾, online shopping entering in a consolidation phase,

so there is a need for research differentiating online consumer behavior for a range of product categories. Also, individual differences in online shopping need to be considered. Therefore, in this research a survey is conducted for nine different product categories for online information search and online shopping as well as socio-demographic and individual variables (shopping orientation, need for emotion, and fashion leadership) was conducted in Germany. Results showed significant differences in online information search as well as shopping regarding gender, status of employment, and education. Moreover, individual variables were differently related to online shopping behavior.

(Gao, 2012)⁽³⁾, presents that, Online seekers are the main sources of online shopping. Online shoppers always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer word-of-mouth.

According to (Kapoor, 2012)⁽⁴⁾, online decision making and online shopping phenomena are governed by a number of consumer acceptance and behavior characteristics and grounded in theoretical aspects of consumer decision making. There are number of factors that affect what we buy, when we buy, and why we buy. In reference to buying online, the factors that influence consumers are marketing efforts, socio-cultural influences, psychological factors, personal questions, post decision behavior, and experience.

(Chandra and Sinha, 2013)⁽⁵⁾, studied that, now days the new and latest type of retail shopping are online shopping. It has now been adopted all over the world including India. In many other countries this shopping method is still not as well known or accepted, and though the knowledge of online shopping in India is now beginning to increase rapidly. To analyze factors affecting on online shopping behavior of consumers that might be one of the most important issues of e-commerce and marketing field, this is the main objective of the study. It is a complicated socio-technical phenomenon and involves too many factors so that there is very limited knowledge about online consumer behavior.

RESEARCH OBJECTIVES

- To clarify and get insight into consumer behavior towards online shopping of electronic goods.
- To study the perceptions of adopters in respect of demographic profile.
- To study consumers' expectations of online stores.
- To analyze the consumers wants and needs.
- To find out factors that influences the consumers towards online shopping.
- To describe the distinctions between traditional consumer behavior and online consumer behavior.
- On the basis of conclusions and tools developed, it can be suggested/ used for effective

government and online purchase policy formulation with a view to overcome present scenario of stagnancy in sales and cultivate future demand for online shopping.

RESEARCH QUESTIONS

- How consumers behave while shopping online?
- What main factors affect the online consumer when considering and making a purchase over the internet?
- What kind of segments can be found within the identified consumers when purchasing electronic goods?
- What is the connection with the identified factors and consumer segment groups?

HYPOTHESIS

NULL HYPOTHESIS

Consumers responses towards online shopping of electronic goods of Trichy city are same as consumer's responses of Salem city.

ALTERNATIVE HYPOTHESIS

Consumers responses towards online shopping of electronic goods of Trichy city are not same as consumer's responses of Salem city.

RESEARCH METHODOLOGY

The main purpose of study was to study the consumer behavior that purchases electronic goods in Trichy and Salem city with the help of internet. Online consumer behavior is influenced by many factors when making online purchase. In order to provide good piece of work and build understanding in this subject we conducted initial research in literature on consumer behavior and e-commerce. We have reviewed those theories and related studies that had similar areas to focus and give particular attention to their consequences.

For this research it is decided to use questionnaire approach that would be filled by people in Trichy and Salem city especially those people who are in my circle and from the general public and encourage them to respond on this questionnaire in order to increase the response rate, the questionnaire is limited to two sheet of A4 paper.

This study is based on exploratory study but developed through exploratory study that's why research starts out with gaining knowledge regarding consumer behavior and then move towards online consumer behavior. With the help of this knowledge and theories it will identify those factors that are of importance when online consumer is making purchasing especially in Trichy and Salem city. Then this data used in order to find relationships, means between these variables.

SAMPLE

The factor that intended to examine can be applied to and investigated in Trichy and Salem city population that uses the internet and buys electronic goods. Since there is time and resource constraint that is why specific population had been approached in order to generalize the results includes 80 respondents. The questionnaire was mainly distributed in two cities but the major reliance was on the distribution through personal contacts. So 80 Respondents are studied for analysis and research.

NON PROBABILITY AND CONVENIENCE SAMPLING

Sample techniques can be divided into two broad categories of probabilities and non-probability sample. Probability sample (also commonly called random samples) are distinguished by the fact that each population element has a known, nonzero chance of being included in the sample. It is not necessary that the probabilities of selection be equal, only that one can specify the probability with each element of the population will be included in the sample. With non-probability samples, in contrast, there is no way of estimating the probability that any population element will be included in the sample, and thus there is no way of ensuring that the sample is representative of the population. All non-probability samples rely on personal judgment in the process. In this study, we employed non-probability sample technique since it seemed to be suitable as the questionnaire would take place in Trichy and Salem city. Also, as sampling frame is unknown, in other words, we do not have a complete list of the population who has online shopping electronic products experience. Hence, probability sampling cannot be applied to the study.

DATA COLLECTION

Data can be collected in different ways depending on if it is primary or secondary data it is to be collected. Primary data is collected especially to answer the purpose and research questions of the current study. This data must be gathered by the researcher of the study at hand and can be done by questionnaires. Secondary data is data that has been collected earlier, to fulfill the purpose of some other study. How primary and secondary data was collected to this study will be described in the two following sections.

PRIMARY DATA COLLECTION

Primary data can be collected through observation, interviews and questionnaires. For this data collection the decision was to use an interview questionnaire, meaning that face-to-face, personal contact with respondents should be involved. The questions are asked which are read out from the questionnaire, and recorded the responses by ticking appropriate boxes. We can encourage respondents to answer as fully as possible and check, as appropriate, that the question is correctly understood. However, collecting primary data is time consuming. It takes us several days from the

start-point of initial plan to the end-point in order to get results. So it is much longer than the time it takes to acquire secondary data. The other drawback of collecting primary data is the difficult to reach every target group. For us, it is impossible to find all the people to be involved in this research. In the first section of questionnaire demographic questions are used which are based on gender, age, income, education, etc.

In the second section of questionnaire Likert scales generally are used to assess attitudes. It also can be used to measure the extent to which participants agree or disagree with a particular statement, and are useful for questions where there may be no clear responses, such as “yes” or “no”. The scale could offer a five-item or seven-item scale to make the respondents to tick the appropriate point on the scale that matches most closely their feelings or attitudes. In this questionnaire, question 11 is Likert scales. However, Likert scale has its possible shortage. For example, scores on 5-point Likert scales are affected by some dogmatic respondents. Those people tend to choose extreme values or their favorable responses, such as ‘strongly agree’ and ‘neutral’. 5 point Likert scale is used for taking responses. The rating is based on 1 = strongly agree 2 = agree 3 = Neither Agree nor Disagree 4 = Disagree 5 = Strongly Disagree

SECONDARY DATA COLLECTION

For many research questions and objectives the main advantage of using secondary data is the enormous saving in resources, in particular time and money. Secondary data also provide me more time to think about theoretical aims and substantive issues. When searching for secondary data, we usually adopt several sources. For example, before we started writing the theoretical framework, we want to have a deeper understanding of the research problem and research background. In order to form the conceptual framework of this study, Several Marketing and Management Journals, for example, Journal of Business and Industrial Marketing, books and e-books, newspaper articles, internet websites, and standard thesis were also searched. These data bases supplied us with a great amount of secondary sources, which later developed into the foundation of our literature review. Several key words were used independently when searching for articles. Those are listed below:

- Online shopping
- Internet shopping
- Attitude · Intention
- Trust
- Shopping experience
- Service experience
- Product quality

DATA ANALYSIS

In this chapter presents all the empirical findings from this study. It mainly includes the

findings from primary data which was collected by conducting in a quantitative method of a questionnaire among 80 respondents of two cities. The chapter is divided according to the research questions, meanwhile it also make the findings according with the research model of online shopping behavior for electronic product. The first section illustrates the demographic of respondents which provide the general information about the respondents including their gender, age and monthly income. The second section presents the findings for the questions “how customers’ attitude towards online shopping electronic products does influences their intention of starting/continue to buy electronic product online”. The last section is a summary about the comparison between the theoretical studies with the findings.

DEMOGRAPHY OF RESPONDENTS

The questionnaire involves two major divisions, one part is general information of respondents, and the other part is specific questions regarding customers’ attitude, intention and different influencing factors of online shopping electronic product. There are four questions in the general information part, which separately are city type, gender, age, monthly income and major. All of these demographics information need to be offered by the respondents and the aim is to give a clear picture to the readers about the respondents’ general information.

<i>City</i>	<i>Frequency</i>	<i>Percentage</i>
Trichy	48	60
Salem	32	40
Total	80	100

Figure 1: Number of customers in two different cities

The following figure shows that 60% customers belong to Trichy city and 40% customers are from Salem city.

<i>Gender</i>	<i>Frequency</i>	<i>Percentage</i>
Female	29	36.25
Male	51	63.75
Total	80	100

Figure 2: Gender analysis

From the above table and figure, we can easily analyze that majority of the respondents are male in the survey as compared to females, we have 36% of males and 64% percentage of females have participated in this survey.

Table 3: Age Analysis

<i>Age Distribution</i>	<i>Frequency</i>	<i>Percentage</i>
15-26	16	20.00
27-36	35	43.75
37-46	19	23.75
47 & above	10	12.50
Grand Total	80	100.00

Figure 3: Age wise Analysis

From the figure named as age wise analysis, it is clear that in this survey we have 35 frequencies in the age of 27-36 with percentage 44% which is the highest percentage among other age distribution. In age distribution of 37-46 we have 24% and 20% fall in 15-26 age and rest 12% fall in more than 47 years old respondents. The questionnaire responses mainly show the young generation which is actively part of the research.

Table 4: Education Analysis

<i>Education Background</i>	<i>Frequency</i>	<i>Percentage</i>
Matriculation or below	0	0.00
Intermediate	13	16.25
Bachelors	27	33.75
Masters or Above	40	50.00
Grand Total	80	100.00

Figure 4: Educational Background of respondents

The highest frequency 50 % among the respondents falls under the category of Master’s or above level of studies followed by the 34% who has the Bachelor’s degree. A very nominal percentage of almost 16 % categorized in the intermediate level of studies.

Table 5: Income Distribution among respondents

<i>Income Distribution</i>	<i>Frequency</i>	<i>Percentage</i>
Less than Rs20,000	10	12.50
20,000 - 40,000	19	23.75
40,000 - 60,000	32	40.00
More than Rs60,000	19	23.75
Grand Total	80	100.00

Figure 5: Income Distribution Among respondents

From the survey it was analyzed that the highest frequency 40% in income distribution falls under 40,000-60,000pm and 23.75% fall under 20,000-40,000 and more than 60,000pm smallest frequency 12.50% falls under less than 20,000.

Table 6: Frequently shop online

<i>How frequently do you shop online?</i>	<i>Frequency</i>	<i>Percentage</i>
Never	0	0.00
at least once a week	9	11.25
at least once a month	16	20.00
at least once in six month	21	26.25
at least once a year	34	42.50
Grand Total	80	100.00

Figure 6: Analysis of frequently shop online

Majority of the 42.50% of respondents have bought online at least once a year, 26.25% of respondents have bought things online once in six month, 20% respondents bought online things once in a month and 11.25percentage lies under the category of respondents who buy at least once a week. It is clear from the data that majority of the people in Trichy and Salem buying things online at least once a year.

Table 7: Buy online products segmentations

<i>Products segmentations</i>	<i>Frequency</i>	<i>Percentage</i>
Books	13	16.25
Electronics Product	37	46.25
Clothes	21	26.25
Music, Software	9	11.25
Grand Total	80	100.00

Figure 7: Product Segmentation

From the above chart, total 80 respondents who had made online purchasing out of which 37 respondents bought electronic products. It is the highest frequency of 46.25% followed by clothes products of 26.25%. Books are bought by 16.25%. Music and software are bought by 11.25% of consumers who are buying online.

Table 8: Do you like to purchase electronic goods via E-Shopping?

<i>Do you like to purchase electronic goods via E-Shopping?</i>	<i>Frequency</i>	<i>Percentage</i>
Yes	54	67.50
No	26	32.50
Grand Total	80	100.00

Figure 8: Purchase electronic goods via E-shopping

This question was asked to judge whether consumer like to purchase electronic goods via e-shopping or not. It is analyzed that 67.50 % of respondents like to purchase goods via e-shopping while 32.50 % of them don't like to purchase goods online.

Table 9: On an average, how much time (per week) do you spend while surfing the Net?

<i>How much time (per week) do you spend while surfing the Net?</i>	<i>Frequenc y</i>	<i>Percentag e</i>
0 - 3 Hours	15	18.75
3 - 7 Hours	23	28.75
7 - 11 Hours	20	25.00
11 - 16 Hours	13	16.25
Greater than 16 Hours	9	11.25
Grand Total	80	100.00

Figure 9: How much time (per week) do you spend while surfing the Net?

It was asked in survey questionnaire that how much time (per week) you spend while surfing the net. As per response, 28.75% people say that they spend 3 - 7 hours per week on net surfing and 25% of respondents say they spend 7 - 11 hours per week while 18.75% respondents spend 0-3 hours and 11.25% greater than 16 hours, It can be easily analyzed from sample of data that majority of the people spend 3 - 7 hours (per week) on net surfing.

Table 10: What is the average amount that you spend per purchase while shopping online?

<i>Average amount that spend on per purchase while shopping online?</i>	<i>Frequency</i>	<i>Percentage</i>
Less than Rs 1000	7	8.75
Rs 1000- Rs.5000	17	21.25
Rs 5000-Rs 10,000	21	26.25
Rs 10,000-Rs 15,000	25	31.25
More than Rs 15,000	10	12.50
Grand Total	80	100.00

Figure 10: Average amount that spend on per purchase while shopping online?

From the above chart, total 40 respondents who had made online purchasing out of which 31.25% respondents spend Rs10,000-15,000 on per purchase. It is the highest frequency followed by Rs5000-10,000 spend by 26.25% of respondents. 21.25% respondents spend Rs1000-5000, 12.50% and 8.75% respondents spend more than Rs15,000 and less than Rs1000 respectively.

ONLINE SHOPPING ATTITUDE

- H0: Consumers responses towards online shopping of electronic goods of Trichy city are same as consumer’s responses of Salem city.
- H1: Consumers responses towards online shopping of electronic goods of Trichycity are not same as consumer’s responses of Salem city.

FINDINGS

Customer-oriented factors ‘time saving’, ‘product quality’, ‘product price’, ‘convenience’, ‘accessibility’, ‘shop anywhere and anytime’ are the main specific factors influence customers attitudes toward electronic product online shopping. The technology-oriented factors, ‘guaranteed quality’, ‘cash on delivery’, and ‘discounts and promotions are the main specific factors influence customers attitudes toward electronic product online shopping. The attitude towards online shopping is different in Trichy and Salem city.

CONCLUSIONS

With the blooming of online shopping activities, the electronic product online market takes a high percent of individuals shopping on it. Understand the customers’ online shopping behavior for electronic product field, improving the important specific factors influencing the electronic product online shopping in two different cities will help the online retailers become more competitive. Therefore, this study is to investigate the specific factors affecting customers’ online shopping attitude to electronic product in two different cities. I believed that the findings can offer the online

electronic product retailers a detailed picture about how to make effective efforts on specific factors to lead the customers to have positive attitudes toward electronic product online shopping and form strong buying intention toward electronic product.

LIMITATIONS

· This study is mainly focuses on the behavior of the consumers in the process of purchasing from online stores. · This study is limiting itself on the scenario to identify consumer behavior variables in the buying process of electronic goods. · This study limits itself only to consumer behavior in online shopping of electronic goods. · This study was concentrated on online shopping behavior, but narrowed down to a specific electronic product field; however, there is lack for the electronic product online shopping research. Thus, we utilized the limited sources to support our research.

SUGGESTIONS

- Study in other states of India. So that it explore understanding of consumer behaviour towards online shopping in other regions in India too.
- This study is related to online shopping, but it specified to electronic product field, even if the further research will be focused on other fields, it also can take this study as a basis.
- Study in other countries where online shopping are equally popular and have equal market shares, gives feasible area for a comparative study.
- The further research should take wider places and more general samples.

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