

ONLINE SHOPPING TRENDS AND ITS EFFECTS ON CONSUMER BUYING BEHAVIOR: A CASE STUDY OF YOUNG GENERATION OF TAMIL NADU

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Abstract

The study investigates the relationship between factors affecting consumer buying behavior towards online shopping. Online shopping refers to the recent up surging trend of being able to buy what you need while sitting at home. The focus of the research is on the influence of five major variables that were derived from literature i.e. trust, time, product variety, convenience and privacy, on consumer buying behavior (dependent variable) to determine how consumer buying behavior is reflecting online shopping trends. The statistical analysis of the data has reflected that trust and convenience are greatly impactful on whether people choose to buy online or through brick and mortar stores, while privacy has a lesser influence of buying behavior.

Keywords : Online Shopping, Trust, Convenience, Privacy in Online Shopping, Online Shopping in Pakistan, Time, and Product Variety in Online Shopping.

INTRODUCTION

The term Internet is as a business tool for companies and individuals. Internet became a new mediator between companies and their customers. Today, the Internet is a public, cooperative and self-sustaining facility accessible to hundreds of millions of individuals worldwide. Nowadays; Internet accepted as a significant effective communications channel challenging with the traditional ones, such as Radio, Magazines, and TV. The Internet shop offers dissimilar ways of online communications with communication differences tools that need a better decision of their effect on customer communications.

The internet apparent capabilities involve directions for collecting information, purchasing a goods, or representation a service. Internet technology advancement allows for the expansion of online shopping options beyond traditional methods, which may be more time wasting. With a growing number of individuals turning towards the Internet and the world of e-commerce to shop,

enterprise, make payments, and carry out online banking, new technological advancements will have to come about to make these transactions secure. The growth of individuals are gravitating towards more exhaustive use of the Internet as technology convenience, information availability, and the capability to interact through the Internet increase and develop. Consumer behavior is the fundamental of doing each business. Moreover, businesses continue to establish an online presence, they are finding that some consumers are still reluctant to switch in that same direction.

- ***Problem Formulation***

Though there are many people ready to convert towards online shopping, there are still many people who aren't. This study is being conducted to figure out what are the reasons that caused to change consumer buying behavior so that they can buy online. It will be able to highlight areas that can be focused on by online shopping websites to make the transition easier and safer for the customers.

- ***Problem Statement***

To examine the consumer buying behavior and changes in online buying determined by the following five factors:

- Trust
- Convenience
- Time
- Product Variety
- Privacy

- ***Theoretical Framework***

Research Objectives

The aim of this study is to find out what factors are helping the transition towards online shopping.

Hypotheses

H1: A significant and positive relationship exists between trust towards website and consumer buying behavior towards online shopping.

H2: A significant and positive relationship exists between convenience and consumer buying behavior towards online shopping.

H3: A significant and positive relationship exists between saving time and consumer buying behavior towards online shopping.

H4: A significant and positive relationship exists between product variety online and consumer buying behavior towards online shopping.

H5: A significant and positive relationship exists between established sense of privacy and consumer buying behavior towards online shopping.

It is a rather interesting fact to notice that most of the respondents were female, with a percentage of 68.83%, while the age ranged from 21 to 23. Most people were in their undergraduate or bachelors program in one of the above mentioned departments.

Table 4.3

<i>Websites Visited</i>	<i>Frequency</i>	<i>Percent</i>
daraz.pk	61	15.84
just4girls.pk	42	10.90
homeshopping.pk	28	7.27
olx.com.pk	92	23.89
shopdaily.pk	18	4.68
symbios.pk	15	3.89
dealtoday.com	12	3.12
kaymu.pk	10	2.60
Facebook Page	51	13.25
shophive.com	8	2.10
Other	37	9.61
Total	374	97.15
Missing System	11	2.85
Total	385	100.00

One of the most visited websites, from a list that included well known online shopping websites such as Daraz.pk, Just4girls.pk, Homeshopping.pk, OLX.com.pk, Shopdaily.pk, Symbios.pk, Dealtoday.com, Kaymu.pk, Facebook Pages, and Shophive.com, was olx.com, closely followed by daraz.pk.

Table 4.3

<i>Product bought</i>	<i>Frequency</i>	<i>Percent</i>
Electronics	67	17.04
Makeup/Cosmetics	47	12.21
Clothes & Footwear	92	23.90
Auto Parts	9	2.34
Books	32	8.31
Software & Games	21	5.45
Discount Coupons	12	3.12
Jewelry & Hair Accessories	21	5.45
Bags & Wallets	27	7.01
Replicas	16	4.16
Other	14	4.00
Total	358	92.99
Missing System	27	7.01
Total	385	100.00

Another thing that was easily noticed was that among the product choices that were given, namely, Electronics (includes mobiles, computers and other electronics), Makeup and other cosmetics, Clothes and accessories (including footwear), Auto Parts (including LEDs and Speakers etc.), Books (Course or otherwise), Software, Coupons (for food or any other product), Jewelry & other accessories (including hair accessories), Bags, purses or wallets, Replicas of any designer item (includes clothes), the most purchased item was Clothes and Footwear.

These results enlighten us to the demographics of the online buying youth as well as tell us what websites are popular and what products are people most willing to purchase from online shopping websites.

Conclusion After conducting this research, certain results came to light. The most relevant factor(s) that seems to be affecting consumer buying behavior towards online shopping when it came to the younger generation seemed to be the trust factor. If they trusted the website, they were prone to buy more from it. Contrary to popular belief, however, the sense of privacy did not seem to affect the consumer behavior. People did not seem very worried about giving their personal data such as addresses online, provided that they could buy using the Cash on Delivery or CoD method for purchase. Convenience was another significant factor when it came to online shopping as people preferred to stay at home and shop as supposed to going out and browsing through stores.

Limitations & Suggestions Sample Limitation & Suggestion: This project was done on the

youth only situated in the business departments of Punjab University. It can be extended to include more departments, more institutes as well as more age groups. Higher diversity would be able to get a more rounded viewpoint and a better understanding of youth's perception towards online shopping. Most of the people who were randomly sampled were female. A higher male participation would be able to get a more well-rounded review of how people shop online. Also, the age groups can be tweaked quite easily to adjust more groups of people into the study.

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