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Consumers Preference towards Online Shopping -A Study with Reference to Mumbai City

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Abstract: *The invention of Internet has surely been a boon to the mankind. Today consumers can shop any product from any part of the world, and even make comparison of products from different dealers including online and offline, before deciding on the purchase.*

Earlier the consumer had to depend on the traditional shops to procure goods for them at exorbitant prices, but now it can be purchased by the consumers themselves just through the click of buttons sitting at any convenient places, with the help of online sellers. This is the power of online shopping. It was necessary to study the customers preference towards online shopping and accordingly a Structured Questionnaire was prepared and administered to 110 respondents. A simple percentage method was used to analyse the data and test the hypothesis. It can be concluded through the research study that there is tremendous change in the preferences of consumers regarding online shopping, however, a significant majority still prefers personal shopping.

Keywords: *Online shopping, Consumers, Online sellers, Preference, E-Commerce*

I. INTRODUCTION

Online shopping is a form of electronic commerce which allows the consumers to directly buy goods and services from a seller over the internet using a web browser.

Online shopping was founded by Michael Aldrich in the year 1979, using videotex, a two-way message service. His system connected a modified domestic television to a real time transaction processing computer via a domestic telephone line.¹ There are number of companies providing online shopping facilities to the consumers. Some of the leading online companies are Amazon, Flipkart, Snapdeal, Jabong (Owned by Flipkart from 2016), Myntra (Owned by Flipkart from 2014), eBay, Nykaa etc.

TABLE I
Statistical Information Of Select Online Players

Online Players	Amazon	Flipkart	Snapdeal
Year of Establishment	July, 1994	October, 2007	February, 2010
Founders	Mr. Jeff Bezos	Mr. Sachin Bansal & Binny Bansal	Mr. Kunal Bahl & Rohit Bansal
Head-office	Seattle, Washington	Bengaluru, India	New Delhi, India
Annual Turnover	\$ 7.5 billion	\$6.2 billion	903 Crs
Category of products sold	Bookstore, MP3 downloads, audiobook downloads, video games, electronics, apparels, furniture, food, toys, jewellery, kindle e-readers, fire tablets, fire TV, and also world's largest cloud infrastructure service. ²	Electronics, fashion, home & furniture, TVs & Appliances, Toys and baby, Beauty and Personal care, Sports, Books and More, Grocery, Refurbished products, Recharges, Flights, hotels & bus ³	Over 30 million products across 800 plus diverse categories from 125000 regional, national & international brands. ⁴

¹ 1982 Videotex Communications, Collected Papers Aldrich Archive, University of Brighton December 1982 [1]

² <https://www.amazon.in>

³ <https://www.flipkart.com>

Online Shopping has changed the outlook of shopping, today the consumers are exposed to a larger market with the help of the web and are flooded with numerous options. Earlier consumers used to personally visit shops to make their purchases and now they can shop from the comfort of their homes.

For the purpose of this paper, online shopping refers to the shopping using smart phones, laptops, personal computers to make the purchase using various Apps. Consumers refers to individual whose who have exposure to internet and have experienced online shopping. Online sellers refer to the companies or the intermediaries who sell the goods and services to the consumers.

II. SHOPPING IN INDIA.

Shopping includes visiting shops to checkout various options available, compare the prices, and decide on the best option. In India, consumers prefers Manual shopping as it gives them opportunity to spend time together, and they can step out with their entire family and enjoy time with each other. Shopping was more of a family affair, it was normally done during festivals, birthdays, weddings etc. But now due to online shopping, it has become a home affair. People sit with their phones in hand, and make the purchases with click of fingers. Now the shopping is not limited to only birthdays, weddings, festivals etc. But now shopping is done when the customers find good offers or when there is any sale, for example Midnight sale, season end sale, etc. Online shopping plays a very fundamental role in today's Modern era, where the audience is huge and not confined to a limited area, unlike the era of Manual shopping.

III. OBJECTIVE OF THE STUDY

The main objective of the study is to study the preference of Consumers towards online shopping with reference to Mumbai city.

IV. RESEARCH HYPOTHESIS

The Hypothesis for the study is as follows:

- 1) H_0 : There is no significant preference by consumers between online shopping and personal shopping
- 2) H_1 : There is a significant preference by consumers between online shopping and personal shopping.

V. REVIEW OF LITERATURE

Vaghela, Pratiksindh (2014) in his paper discusses about the perception of customers towards online shopping and he also tries to discriminate this perception gender wise. For that purpose, he has selected 150 respondents through convenient sampling and through the help of structured questionnaire, he could find out that most of the customers perceived that online shopping is better than manual shopping and most of the customers were satisfied by online shopping. Later he also draws light into some of the negative factors of online shopping that customers face during online shopping that it takes more time for the goods to be delivered at their doorsteps and also, they face certain technical problems while making online purchases.

Sathya, P (2015) in her paper discusses that digital marketing is the avenue of electronic communication which is used by the marketers to endorse the goods and services towards the market place. Digital marketing has turned out to be a crucial part of approach for many companies. The supreme purpose of Digital marketing is concerned with customers and allows them to intermingle with the product by virtue of digital media. This paper concentrates on the magnitude of digital promotion for both customers and marketers. The Author has taken the help of 100 respondents to get the clear picture of the study.

Javed, Lubna (2013) in her paper discusses about how the consumers brand perception and purchasing decisions are influenced by different online marketing tools used across the industries such as word of mouth, online chat assistance and email advertising. The purpose of the study was to study the relationship between the different marketing tools and their effects on the brand perception and consumer purchasing decision. The study concluded with the result that word of mouth is preferred by majority of companies, it being the cheapest tool of online marketing, its followed by many companies effectively.

VI. LIMITATIONS OF THE STUDY

- A. The sample collected for the study is restricted to the geographical area of Mumbai city.
- B. Only three Online players Amazon, Flipkart & Snapdeal have been covered for the purpose of the study.

VII. SCOPE OF THE STUDY

The scope of the study includes both male and female consumers who has access to Internet and have experienced both personal and online shopping. The geographical scope includes the central location (Dadar – Mulund) and western location (Dadar- Borivali) of Mumbai city.

⁴ <https://www.snapdeal.com/>

VIII. RESEARCH METHODOLOGY

A. Sources of Data

Both primary as well as secondary sources of data have been used in this research paper. For the primary sources, Questionnaire has been administered to 110 respondents and the data collected has been suitably analysed to test the hypothesis. The secondary sources of data include the published research papers, e-books, online journals etc.

B. Sample

The sample has been collected from the geographical region of the city of Mumbai. Convenient sampling method is used to collect the information related to the study. Accordingly, responses from 110 consumers have been included in the study

IX. CONSUMERS PREFERENCE TOWARDS ONLINE SHOPPING

The invention of Internet has surely been a boon to the mankind. Today consumers can shop any product from any part of the world, and even make comparison of products from different dealers including online and offline, before deciding on the purchase.

Earlier the consumer had to depend on the traditional shops to procure goods for them at exorbitant prices, but now it can be purchased by the consumers themselves just through the click of buttons sitting at any convenient places, with the help of online sellers. This is the power of online shopping.

This is the era when companies are daily coming up with new products and innovative strategies, in order to increase their turnover and profits. markets have now come to the doorsteps of the consumers, this has become a reality due to the Internet access.

To connect the consumers with the sellers, there are the new intermediaries such as Amazon, Flipkart, Snapdeal etc. who sell the goods and services of the sellers as well as their own products to the interested consumers with the click of the button.

The role of these online companies is to provide their web page for the consumers to browse and select the products they are interested in buying from the comforts of their houses without personally visiting the shops.

Initially there was hesitation among the consumers due to lack of trust about the products sold through the web portals of online companies. But today with the changing times, the mindset of the people has changed and the concept of online shopping is now accepted. This can be seen from the increasing trend in the turnover of these companies.

In India, 72% of retail e-commerce sales was expected to come via mobile devices in 2017, second to China. It was estimated that the M-commerce sales in India with total US\$16bn in 2017, which is an increase of 61% of the previous year.⁵

X. RESEARCH FINDINGS

To study the preferences of consumers towards online shopping data was collected from 110 respondents and the analysis of the same is discussed below

A. Gender & Age

TABLE 2
GENDER AND AGE OF RESPONDENTS

	Male	%	Female	%	Total	%
18-25 years	37	52.86	33	47.14	70	63.63
26- 30 years	13	56.52	10	43.48	23	20.91
41- 40 years	07	50	07	50	14	12.73
40 years and above	Nil	Nil	03	100	03	2.73
Total	57	51.82	53	48.18	110	100

⁵ <https://www.ipc.be/en/knowledge-centre/e-commerce/articles/global-e-commerce-figures-2017>

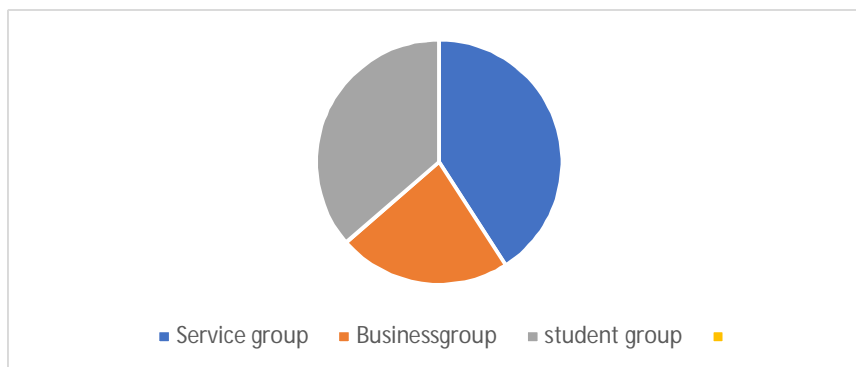


Figure 1: Category of the Respondents

From the above, table 2 and figure 1 showing the age, gender and occupation of the respondents, the online companies can accordingly devise marketing strategies to reach out to the target audience.

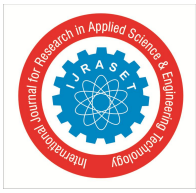
- 1) Accessibility to Internet almost 100 present of the respondents had accessibility to Internet. The medium of exposure was Smart phones (Approx. 90%) and remaining accessed internet through their laptops and computers. This shows that the online companies can focus more on introducing user friendly applications on smart phones to increase their reach, as the current audience prefers the phones more than the laptops and personal computers.
- 2) Majority of the respondents (86.4%) of the sample were familiar with the online shopping and 88.2% had an experience of shopping online It is necessary for the companies to expand their reach, devise strategies to maintain and increase their credibilities, so that trust issues can be resolved.
- 3) 55.5% of the sample size have trust worthiness regarding online shopping, 34.5% were doubtful regarding the same, and 10% of the respondents were sure that they don't trust online shopping. To gain the trust of the doubtful consumers, the Companies can conduct awareness campaigns and educate the consumers of the benefits of online shopping, create transparent policies to remove the doubts of the consumers regarding online shopping.
- 4) The frequency of shopping through online was 34.5% shopped in 6 months, and 36.4% shopped monthly, remaining of them belonged to the weekly, fort night and yearly group. the online companies have to attract the attention of the customers and have consumer friendly policies, which may encourage customers to indulgence in online shopping regularly.
- 5) The samples responded that 42.7% of them were shopping through online websites from 1 to 2 years and 27.3% started shopping through online only less than a year. Remaining 19.1% from 3 to 5 years and 10.9% were shopping through online for more than 5 years. This information implies the growing popularity of online shopping among consumers.
- 6) The preferred online shopping website among the respondents were Amazon (84%), followed by Flipkart (59.1%), Snapdeal (14.5%), Myntra (21.8%). Some respondents preferred more than one online player, however the data shows that Amazon is preferred. Amazon provides varieties of products under one roof, prices are reasonable, they provide more discounts and offers. Hence, it is a preferred site for online shopping among consumers.
- 7) The preferred mode of shopping among the respondents was personal shopping (58.2%) and online shopping (41.8%). Even with the growing popularity of online shopping, consumers still prefer personal shopping as can be seen from the responses.

XI. OBSERVATION

The above analysis of data shows that:

- A. The online companies should focus more on introducing user friendly applications on smart phones to increase their reach, as the current audience prefers the phones more than the laptops and personal computers.
- B. Companies have to look for more transparent policies to remove the doubts of the consumers regarding online shopping.
- C. The online companies have to attract the attention of the customers so that they use online shopping regularly.
- D. The companies should expand their reach, through devising strategies that maintain and increase their credibilities so that trust issues can be resolved.

Hence, we can say that the Hypothesis (H_0) is rejected and H_1 is accepted. i.e., There is a significant preference by consumers towards personal shopping than online shopping.



XII. CONCLUSION

“A brand is no longer what we tell the consumer it is - it is what consumers tell each other it is.”

There is a very slight difference between the preference of the consumers among online shopping and personal. It is a sign that now there is introduction of change among the consumers regarding online shopping. Their mindset is changing towards online shopping and soon there will be a boom on the demand for online shopping as it offers benefits such as 24*7 accessibility, reasonable prices, attractive prices and offers, flexibility, easy return and exchange, time saving, brand loyalty etc.

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