

# CONSUMER'S PERCEPTION TOWARDS ONLINE SHOPPING

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**Abstract:** Online shopping is also known as E-shopping; it is the process of buying and selling of goods and services through internet. It has become very popular in present days, due increasing the usage of internet and smart phone users, internet has become major platform for E-commerce and online shopping. Without internet we can't possible to imagine E-Commerce. The consumers will buy various products like clothing, shoe, electronic items and services through online shopping according to their taste and preferences; it is a mode of zero channels of distribution means consumers will purchase the products directly from producers without any intermediaries or middlemen. It saves for lot of precious time, energy and also money.

This study is conducted with the objectives of analyzing and understating the consumer's perception towards online shopping, to understand various problems faced by consumers at the time of online shopping and also gives effective solutions to overcome such problems.

**Keywords:** Online shopping, E-shopping, E-Commerce, Perception, Preferences

## Introduction

In the era of globalization along with the development of e-commerce, many business organizations started their sales and marketing efforts for their products and services via internet. In simple words Online shopping is defined as purchasing product from Internet retailers as opposed to a shop or store or the act of purchasing products or services over the Internet. It is a form of electronic commerce which allows consumers to directly buy goods and services from a seller over the electronic media. Consumers discover a product of interest by visiting the website of the retailer directly or by searching among different vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers the process is called business to- consumer (B2C) online shopping.

Online shopping is one of the rapid growing things. It is considered as medium for transaction between sellers and buyers. Online shopping also includes supply chain management, marketing over internet, 24 x 7 timing, availability of variety of products and services etc.

Earlier food, cloth and shelter were called as basic need but now a day's one more need is added that is "internet". Due to transformation in telecommunication sector internet has changed the way consumers shop and buy goods and services. Both Indian companies as well as MNC's have started using the Internet with the purpose of reducing marketing costs and thereby lower the price of their products in order meet heavy competition in the market. Companies also use the Internet to bring communicates and spread information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to purchase the product online, but also to compare prices, quality; product features and after sale service facilities the will receive. The Internet provides a distinctive opportunity for companies to more efficiently reach present as well as potential customers.

Electronic commerce draws on technologies such as mobile commerce, supply chain management, online transaction processing, electronic data interchange, inventory management system, electronic fund transfer etc. E-commerce may take up some of the subsequent facilities such as B2B electronic data inter change, provide direct retail sale and marketing to customer, employ in launching of new products and services etc.

The main factor for development of E-shopping is due to change in lifestyle of the consumers and enlargement of online activity. All most all consumers grab online opportunities since different products get more discounts. Much above that, it saves time and gives total relief from the crowd.

The prominent online retailing companies in India are Flipkart, Amazon.com, Snap deal, Myntra and e-Bay etc. some important factors which influence consumer perceptions for online shopping are information, easy to use, satisfaction, security, proper utilization of available information to compare the different products and services.

## Review of Literature

**Kanwal Gurleen (2012)**<sup>1</sup> this paper focuses on the understanding of demographic profiles of adopters and non-adopters of online shopping. The following four factors were found to be significant Price Consciousness, Convenience and Variety, Easy Payment options and Challenges of Online Shopping. Most of the consumers prefer to buy some selected products online because they will

get heavy discounts in comparison to store purchases. Also, the consumer feels that there are good websites available which can be trusted for purchases. The only worry of consumers is regarding the trustworthiness of some websites, since they have to give their credit card details to shop online.

**D.R.M.Rajesh and G.Purushothaman (2013)<sup>2</sup>** studied E-shopping has become growing more popular, the main reason is convenience (and often lower prices). Usually in the holiday season, online shopping saves an individual the hassle of searching several stores and then waiting in long queues to buy a certain item. Internet is changing the way consumers shop and buy goods and services, and has quickly evolved into a global phenomenon. Numerous companies have started using the Internet with the purpose of cutting marketing costs, thereby minimizing the price of their products and services in order to face competition. No doubt the Internet has affect our lives deeply in which it plays a pre-eminent and unparalleled role. In addition to the tremendous potential of the E-commerce market, the Internet provides a distinctive opportunity for companies to more efficiently reach existing and potential customers.

**K.S. Silpa, P.U. Rajasree and Dr.P. Balasubramanian( 2016)<sup>3</sup>** This project was an attempt to study people perception towards online shopping. As result of survey the majority of people favor to do online shopping, even if they felt some difficulties. Majority of the people agree that in near future online shopping will be more on demand than offline shopping. Therefore, online marketing have a wider scope in the coming years. More people prefer cash on delivery than net banking. Greater part of respondents encourages other people to enter into e-shopping. Most of people do not shop online due to fear of quality of goods, afraid to give out their credit card details and also they find conventional methods more enjoyable. The fact that large number of people is getting attracted towards online shopping creates a basis for tremendous prospects for marketers of today and tomorrow.

**K. Rama Mohana Rao and Chandra Sekhar Patro (2016)<sup>4</sup>** the study focuses on identifying and analyzing the various factors influencing the consumers' perception towards e-shopping on different products available in the online retail market. The findings of the study established the fact that consumer perception on e-shopping depends upon different factors which can be broadly identified as convenience, website design, delivery, price advantage, reliability, and responsiveness. According to the study, most of the respondents are satisfied with the current conditions. But there still have several indicators that are needed to be improved. Due to increase in e-shopping websites, the in-store shoppers need to attract the consumers with more attractive offers and quality products.

**Vidyashree.D.V, Alay.P, and Shobha.H.N (2018)<sup>5</sup>** examined that consumer's perception on online shopping varies from person to another and the perception is limited to a certain extent with the availability of the proper connectivity and the exposure to the online shopping has to be improved to make the customer satisfied. The perception of the consumer also has similarities and difference based on their personal characteristics usage based on their needs and demand. In the day to come online shopping has tremendous potential and more and more business are going to add online platform to offer extended retailer's shelves in the customers. However they have to build up the trust by offering value service to the customers to sustain in the long run.

### Statement of Problem

Online shopping has gained a more importance in today's marketing conditions. But same time increased the number of scams, fraudulent practices and cheating of consumers. Such cheating activities had created fear in the minds of customers and also negative impact in the attitude of consumers towards online shopping. The problem area of this survey is consumer's perception towards online shopping will determine the factors that influence customers to shop online and those factors will help the companies to formulate their marketing strategies towards online marketing.

### Objectives of the Study

- To know the consumers perception towards online shopping
- To know the type of products purchased by consumers through online shopping.
- To know the stimuli which contributes for buying behavior of consumers
- To find out the various issues, if any, faced by the consumer in online shopping.

### Scope of the Study

The scope of the study is restricted to shivamogga city. This study aims to examine the buying behavior and degree of satisfaction of consumers on online shopping.

### Research Methodology

Sample size of the study is 100 and convenience random sampling methods have been adopted to collect the primary data. In order to collect the primary data, questionnaire has designed for measure the behavior and degree of satisfaction of consumers'. The secondary data has collected from various journals, magazines and articles. The data has been examined with the objectives of the study. Conventional tools like descriptive tables and percentages has used for the purpose of analysis and interpretation.

### Limitation of the Study

- The sample size which is used in the study is only 100 due to time constraints.
- The time limit for the research was small to collect information for an in-depth study.

- Result of the study depends on respondent response
- The method of study was based on convenience random sampling. Therefore the reliability and accuracy of analyzed results are to be further studied.

### Analysis and Interpretation

#### Classification of the Respondents Based on Demographic variables

Table 1: Sample Profile

Demographic variables	Categories	Frequency	Percentage
Gender	Male	57	57%
	Female	43	43%
Age	20-30 years	42	42%
	30-40 years	25	25%
	40 -50 years	20	20%
	50 years above	13	13%
Marital status	Single	33	33%
	Married	67	67%
Education	SSLC or Below	11	11%
	PUC	18	18%
	Degree	29	29%
	Master Degree	32	32%
	Others	10	10%
Occupation	Student	13	13%
	Salaried	39	39%
	Professional	29	29%
	Businessman	19	19%
Income per month	0 -50,000	16	16%
	50,000 -1,00,000	48	48%
	1,00,000 -2,00,000	15	15%
		11	11%
	2,00,000 -3,00,000		
	3,00,000 -4,00,000	07	07%
	4,00,000 Above	03	03%

Source: Primary Data

**Classification of the Respondents Based on Products Purchase from online shopping**Table 2: *Goods Purchase from Online Shopping*

Particulars	Frequency	Percentage
Mobile	21	21%
Tickets	18	18%
Books	11	11%
Computer	08	08%
Television	06	06%
Footwear	15	15%
Computer	06	06%
Cosmetics	03	03%
Clothes	12	12%
<b>Total</b>	<b>100</b>	<b>100.0</b>

**Sources:** *Primary Data*

Online shopping has grown up largely due to more comfort it has over the regular shopping. From the buying mobile, television, and various products, various products and services available within our reach. Table-2 shows that 21 percent of the respondents buy mobiles through online and only few buy cosmetics, television, computer, and other products.

**Classification of the Respondents Based on Reasons for Online Shopping**Table 3: *Reasons for Online Shopping*

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Saves time	55	30	15	4	3	100
Save money	44	27	16	7	6	100
More efficient	45	35	11	6	5	100
home delivery	40	25	16	7	12	100
Quick shopping	48	33	7	5	3	100

**Sources:** *Primary Data*

Consumers are increasingly relying on the internet as a source of information on which they base their buying decision. Table-5 describes the justification for shopping online by the respondents. Out of 100 respondents, 55 percent of the respondents strongly agreed to save time in online and majority of the respondents strongly agreed over various reasons for online shopping.

**Classification of the Respondents Based on Factors Influencing Online Shopping**Table 4: *Factors Influencing Online Shopping*

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
It always easy to find good offer	30	43	13	7	7	100
Quality	35	35	22	4	3	100
Discount	50	37	6	5	2	100
Simple payment method	48	40	6	3	3	100
Unavailability of local region	35	48	8	6	5	100
Guarantee	37	45	6	5	1	100

Convenience	42	39	11	5	3	100
Better price	40	36	13	6	5	100
Less expenses	49	31	12	5	3	100
Comparison of prices	39	45	7	6	3	100
Buying old (or) unused stuff at low prices	35	41	11	7	6	100
More choice of products	50	40	6	3	1	100
Safety for your money	30	25	22	14	9	100
Reliable shopping	45	32	17	4	2	100

**Sources:** *Primary Data*

At present online consumers are more sophisticated than they were ten years ago, or even five years ago. They're not afraid to make a purchase online, but they will go out of their way to make sure they get value and are very concerned about privacy and security. After scrutinizing the table-4 it is found that the majority of the respondents were strongly agreed and agreed due to the factors that influence online shopping.

### Findings of the Study

- Out of 100 respondents 42% belong between the age group of 20 to 30 years.
- 57% of the respondents are male.
- 32% of the respondents have studied Master degree.
- 39% of the respondents are salaried.
- 48% of the respondents earn between 50,000 to 1,00,000 per month.
- Due to revolution in telecommunication sector no. of internet user increased in recent time
- Customer use internet not only to buy the products online but also to compare prices product features and after sales services
- The study shows that all respondents have done E-shopping but majority of them are satisfied with traditional shopping.
- Though E-shopping is very simple and convenient, still people prefer traditional shopping over online shopping.
- The study shows that customers prefer cash on delivery than online payment.
- Respondents prefer E-shopping as it saves time, money and there are variety of choices.
- Most of the respondents say online shopping helps them quick accessibility of wide variety of products
- Majority of customers have used online shopping and shown willingness to continue but very few of them have done online shopping earlier and not showing willingness to continue
- Following are the major limitations of online shopping in large scale
  - ❖ Customers want to see product in personal before buy.
  - ❖ Customers are having fear of receiving wrong or bad product and could not return
  - ❖ Customers are worried about giving credit card no.
- We can observe from the data that as there is awareness in the market there is an increase in the number of respondent in online shopping.
- There are certain parameters that motivates the user to shop online:
  - ❖ Website user friendliness.
  - ❖ Discounts and offers.
  - ❖ Cash on delivery.
  - ❖ Free shipping.
  - ❖ In online shopping Physical examination is the important issue.

### Suggestions

The following are the important suggestions made to improve the perception of the respondents towards online shopping:

1. The main factor motivate the respondents to buy products through online is 'more convenience and more discount' Therefore, the online retailers need to ensure that the online shopping process through their websites is made as simple and as cost effective as possible for consumers to shop online.
2. The online vendors sending samples to E-shoppers for physical examination of the product before purchase may be facilitated.
3. The e-retailers must introduce the concept of third-party insurance to strengthen the confidence and trust in online shopping.
4. The online retailers can outsource the payment processing work to companies providing secure e-payment solutions, so as to avoid the complexities and security issues relating to e-payment solutions.
5. Since security of the credit cards and debit cards is a major concern for many respondents, the e-sellers must give assurance for the security of the credit cards and personal information.
6. Online shopping sites should not break the trust of the public by providing poor quality goods. If trust element is assured there then online shopping will be preferred more.
7. Along with net banking facilities, cash on delivery scheme should also be provided, since people are more comfortable in the scheme.
8. Online shopping sites should be designed in such a way that they should provide all necessary details regarding the product clearly: including quality of the product, different varieties, mode of payment etc so that no confusion exists.
9. Provisions for replacing the damaged goods should be provided.
10. The deliveries of the goods should not be delayed. Accuracy in the delivery should be assured.
11. The goods will not be directly delivered to people staying in rural areas (far off) areas, so necessary arrangements should be done to overcome this problem.
12. There are many fraud websites that are not authentic. Safety measures are to be taken to control these.
13. The online shopping must provide a wide range of services and satisfies the customer by giving the detailed study on usage of products and educate them in driving maximum benefits from their products.

## Conclusion

A large number of studies have been conducted by various research scholars nationally to analyze the factors that may affect online buying perception and behavior of customers. Majority of online sites target the youth or younger generation of the economy as their customer because of technology friendliness.

As result of survey it was able to conclude that majority of people positive attitude to do online shopping, even if they felt some problems. Majority of the people agree that in near future online shopping will be more on demand than offline shopping. Therefore, online marketing have a wider scope in the coming years. More people prefer cash on delivery than net banking. Greater part of respondents encourages other people to enter into e-shopping. Most of people do not shop online due to fear of quality of goods, afraid to give out their credit card details and also they find conventional methods more enjoyable. The fact that large number of people is getting attracted towards online shopping creates a basis for tremendous prospects for marketers of today and tomorrow. It can be concluded that online shopping will take over as the prime marketing and selling channel in India in near future.

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