

Online Shopping Consumer Behavior in Kolkata, West Bengal A Case Study

Swarnendu Das

ILEAD - Institution of Leadership, Entrepreneurship and Development,
Kolkata

Abstract- In the era of digital marketing, online shopping is an emerging area of corporate dialogue in terms of survival and getting more market coverage. Every business house is giving special emphasis on online purchase rather than traditional retail store based purchase. Technological inventions all over the world have changed the perception of consumer behavior. Consumers are playing a significant function in online shopping. The present study empirically assessed the customer perception on online shopping behavior. This study attempted to examine to identify the effective factors and how these factors affecting and influencing the online behavior.

Keywords: Online shopping, Customer perceptions, online shopping issues and prospects, online shopping behavior

Introduction

Online shopping behavior (also called online buying behavior and Internet shopping/buying behavior) refers to the process of purchasing products or services via the Internet. The process consists of five steps similar to those associated with traditional shopping behavior (Liang and Lai, 2000). In the typical online shopping process, when potential consumers recognize a need for some merchandise or service, they go to the Internet and search for need-related information. However, rather than searching actively, at times potential consumers are attracted by information about products or services associated with the felt need. They then evaluate alternatives and choose the one that best fits their criteria for meeting the felt need. Finally, a transaction is conducted and post-sales services provided. Online shopping attitude refers to consumers' psychological state in terms of making purchases on the Internet (Li and Zhang, 2002). In some other countries, such as Iran, however business-to-consumer electronic commerce has been much below than anticipated proportion of total retail business due to its certain limitations (Sylke, Belanger, and Comunale, 2002). Also, E-commerce has become an irreplaceable marketing channel in business transactions.

Online stores and services are important sales channels in B2C transactions. Studying online shopping behavior of consumers has been one of the most important research agendas in e-commerce during the past decade (Chen, 2009). The research of online consumer behavior has been conducted in multiple disciplines including information systems, marketing, management science, psychology and social psychology, etc. (Hoffman and Novak, 1996; Koufaris, 2002; Gefen et al., 2003; Pavlou, 2003, 2006; Cheung et al.2005; Zhou et al, 2007).

Survey of Literature

Edwards, et al., (1998) revealed that Internet marketing can be associated with direct marketing, as online marketers have shortened the supply chain and reduced operating costs and commission charges. Social networks play an important role in driving consumers online and getting them to engage with brands (Forrester).

This would gain specific significance in light of facts such as India being ranked as Facebook's second largest audience after the US. PwC research of 2015 reported that an increase in e-commerce has slowed in U.S. retail foot traffic. In 2009 there were 35 billion visits, plus or minus. But by 2010, that figure had fallen to about 25 billion visits. By 2012, that number was even lower, to the low 20s billions of visits. In 2013, it had fallen to 17 billion. Digital natives shopped via phone more than the rest of sample in every category: daily, weekly, monthly, a few times a year, and once a year. Moreover, just 39% of digital natives said they never shop via their smart phone, while 56% of other age groups said they never shop via their smart phone. Credit cards (40%), debit cards (28%), cash (20%), and even payment by invoice (6%) all beat out mobile phones (3%) as the preferred method of payment to conclude a purchase.

Women may seem to be more rational shoppers than men (Eastlick and Feinberg, 1994) because the purchase decisions they more frequently make are better served by an optimizing rather than a minimizing strategy (Alreck & Settle, 2002). Sex differences in online behavior may depend on the kinds of products purchased as they do on contrasting information processing styles (Bhatnagar et al., 2000; Rodgers & Harris, 2003; Van Slyke et al., 2002)

Again, Lamoureux (1997) observed that On-line marketing offers more choices and flexibility and, at the same time, eliminates huge inventories, storage costs, utilities, space rental, etc. Together, rich data and wide product assortments would likely lead to consumer Satisfaction with online retailing (Szymanski and Hise,2000; Bauer et al., 2002).

The lower search costs traditionally associated with online shopping are thought to result in consumers buying better quality items. Top motivators for shopping online which include cash back guarantee, cash on delivery, fast delivery, substantial discounts compared to retail, and access to branded products, while barriers include inability to touch and try products before

purchase, fear of faulty products, apprehension of posting personal and financial details online and inability to bargain (TOI, 2013).

Kodandarama Setty (2013) stated that “We are facing some threat from online stores in these electronics categories, however, in the big market of consumer durables we are safe for now”. K.Vaitheeswaran (2013) examined the convenience of online shopping “With product getting standardized, specifications getting fixed and the concept of service getting eroded, the post sale responsibility of the retailer has come down drastically. Hence customers go to stores to explore the product physically detail but by online at a cheaper rate. Heavy discounts of e-commerce firms are possible because of their no warehouse model.”

Peterson et al. (1997) commented that it is an early stage in Internet development in terms of building an appropriate dedicated model of consumer buying behavior. Decision sequences will be influenced by the starting point of the consumer, the relevant market structures and the characteristics of the product in question. Consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior.

Kim and Benbasat (2003), identified four categories of trust: personal information, product quality and price, customer service, and store presence. Perceived risk has negative influence transaction intentions with Web retailers (Featherman et al, Pavlou, 2002). It has been observed that women view the chance to communicate with others to be among the greatest benefits of the Internet (Brunner and Bennett, 1997).

Jarvenpaa et al. (1999) suggested that reducing the risk associated with buying from an Internet store would increase the probability of a consumer purchasing from it. Bobbitt et al (2001) revealed that perceptions toward online shopping are not only affected by ease of use, usefulness, and enjoyment, but also by external factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

Electronic commerce is the sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks. (Mostaghel, 2006). Among the two categories of e-commerce, business to business e-commerce, identified by Gröblichhoff (2002), is electronic system through which companies are doing transactions and sharing information before and the service after transactions, with their customers and it is offering many number of applications for creating and achieving easier connections with distributors, resellers, suppliers and etc. Khiabani (2006) defines business to business as something that includes flow of goods from seller to manufacturers and retailers.

B2B communication symbolizes the larger segment of entire business activity. On the other hand, business to consumer e-commerce, according to Khiabani (2006) relates to any business which is offering goods and services to public, in this case consumers, over the internet for their personal usage. Based on his study simplified definition of B2C e-commerce is the transmission of goods or services from the seller to the end consumer. In both the cases, internet users can be internet shoppers or internet browsers (Forsythe and Shi, 2003).

Internet shoppers are the people who shop online whereas internet browsers are the people who just browse the internet other than shopping purpose. As Forsythe and Shi explain “Internet shopping has become the fastest growing use of the Internet; most online consumers, however, use information gathered online to make purchases offline”. This finding, thus, encourages understanding consumers’ attitude that influence them to make final purchasing behavior on virtual platform. An attitude, according to Solomon (2009), is defined as a general evaluation of a product or service formed over time. Consumer attitude is composed of beliefs about, feelings about and behavioral intentions toward some object – within the context of marketing, usually a brand or retail store (USC Marshall).

Objectives of the study

This study can be ascertained by the following Research objectives:

1. To discuss about online shopping in India
2. To identify pattern of products purchased by online consumers through online shopping.
3. To figure out the influencing factors of online shopping

Methodology

Data for the study undertaken has been collected from the primary source, which is again collected through pre-structured questionnaire. The questionnaires include information on their name, sex, age, country and occupation. Through convenience sampling method 120 respondents has been considered for this present study . Primary data were collected using a predetermined personally administered questionnaire. The questionnaire was designed to capture sample characteristics and the objectives.

Data Analysis:

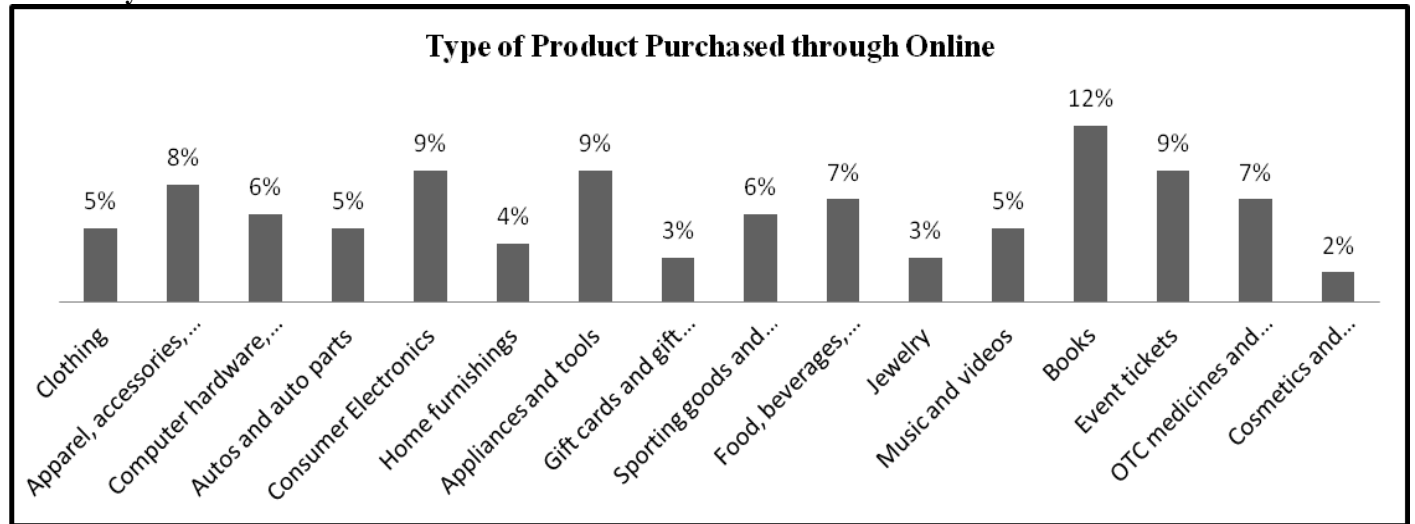


Fig: 1 Type of product purchased through online

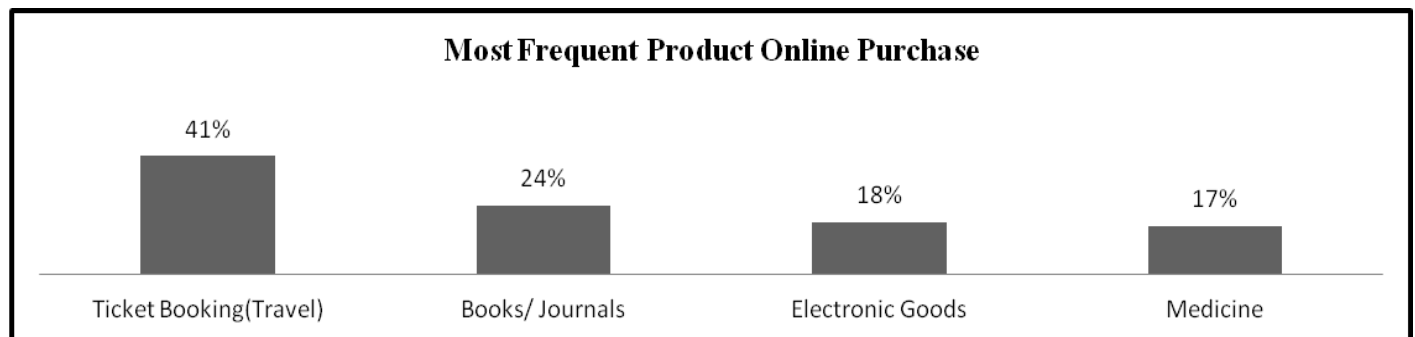


Fig:2 Most frequent product online purchase

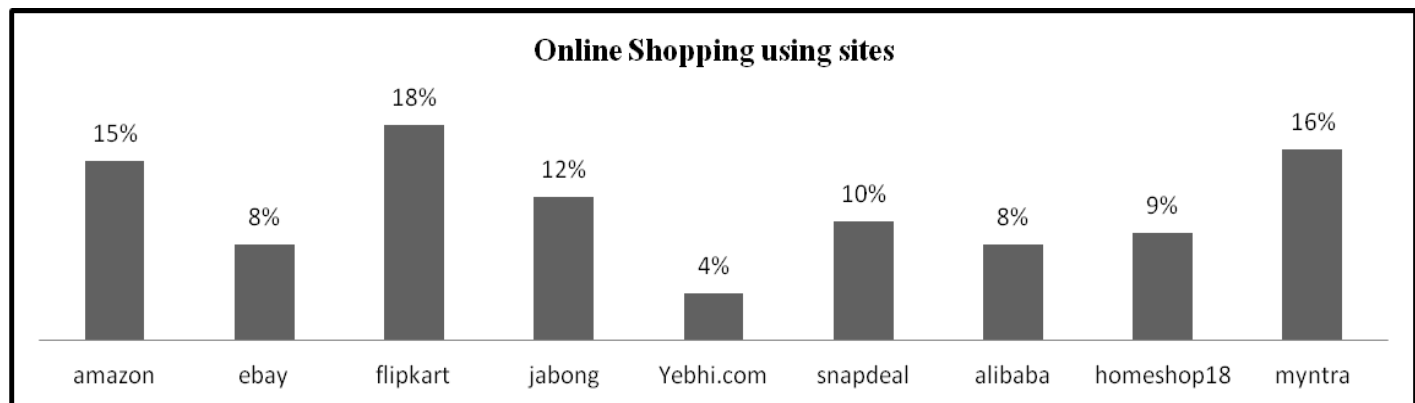


Fig:3 Online shopping using sites

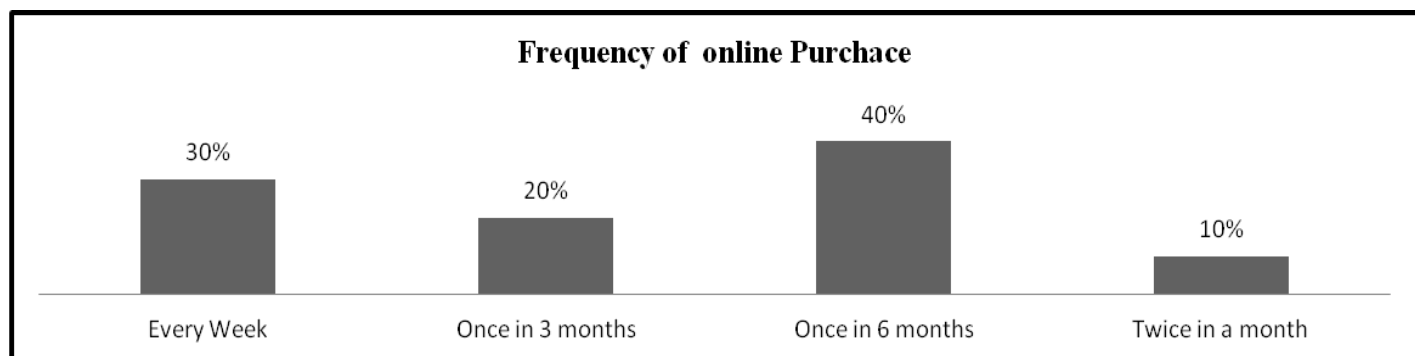


Fig:4 Frequency of online purchase

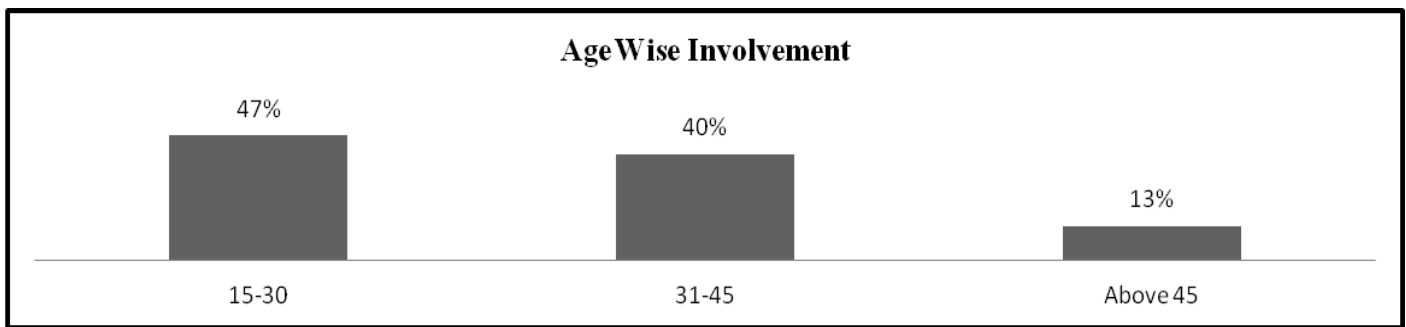


Fig:5 Age wise involvement in online shopping

Discussions and Findings:

Fig.1 depicts that type of product purchase through online. It has been found that books purchase is highest (12%) followed by appliance and tools (9%), Consumer electronics (9%), Event ticket (9%), Apparel (8%), Medicine (7%) etc. In case of most frequent product online purchase data reveals that ticket booking (41%) is highest followed by Books/Journal purchase (24%), Electronic Goods (18%), Medicine (17%). (See Fig. 2). In case of online shopping using websites Fig.3 depicts that Flipkart is highest (18%) followed by Myntra (16%), Amazon (15%), Jabong (12%), Snapdeal (10%), homeshop18 (9%), ebay and alibaba both are (8%), yebhi.com (4%). Figure 4 reveals that frequency of online purchase. It depicts that once in 6 months (40%) is highest, every week (30%), once in 3 months (20%) and twice in a month (10%). According to age wise online shopping involvement it has been found that youngsters are more involved in online shopping (47%) rather than elders.

Concluding Comments

Online shopping depends person to person and the online shopping perception is restricted to the availability of correct connectivity and the publicity to the online shopping. Pattern of the online consumer has similarities and difference based on their personal uniqueness. This present study depicts that the youngsters are much more attached to the online shopping rather than elder people. Because elders are not too much tech savvy. The above study revealed that four important factors viz. perceived risk, perceived enjoyment, Perceived Usefulness and Perceived User friendliness to be affecting the online buying behavior in West Bengal. Perceived risk indicates the lack of trust among consumers and many other reasons like that of chance of being cheated, inferior quality of products, non returnable policy etc which influence usefulness of online shopping. According to respondents it has been found that as online shopping is user-friendly then it too some extent it influence enjoyment of shopping those who are teenagers.

Online Shopping is time saving activity. The consumers those who are tech savvy of the buying procedures online which they feel are very easy. The only issue is trust factor for instance in some online shopping websites consumers have to put their credit card/debit card details to shop. Also in some the online purchases take a longer delivery time in shipments.

REFERENCES:

- Alreck, P., Settle, R. B. (2002). Gender effects on Internet, catalogue and store shopping. *The Journal of Database Marketing*, 9(2), 150-162.
- Bauer, H. H., Grether, M., Leach, M. (2002). Building customer relations over the Internet. *Industrial Marketing Management*, 31(2), 155-163.
- Bhatnagar, A., Misra, S., Rao, H. R. (2000). On risk, convenience, and Internet shopping behavior. *Communications of the ACM*, 43(11), 98-105.
- Bellman, S, Lohse, Gerald L. & Johnson, E. J. (1999). Predictors of Online Buying Behavior, *Communications of the ACM*, 42 (12), 32-38.
- Bobbitt, L.M. and Dabholkar, P.A. (2001), "Integrating attitudinal theories to understand and predict use of technologybased self-service: the internet as an illustration", *International Journal of Service Industry Management* , 12(5), 423- 50.
- Boughton S.B. (2005), Search engine Marketing, *Perspective in Business* , 2(1), 29-33 Brunner C, Bennett D. Technology and gender: differences in masculine and feminine views. *NAASP Bull* 1997;81(592),46-52.
- Edwards, N, S. Handcock, S., Mullen, J. (1997). "Electronic commerce: reality bytes", *Supply Management*, 3(8), 32-34.
- Eastlick, M. A., & Feinberg, R. A. (1994). Gender differences in mail catalog patronage motives. *Journal of Direct Marketing*, 8(2), 37-44.
- Featherman, M., and Pavlou P. (2002), Predicting e-services adoption: A perceived risk facets perspective. In J. DeGross (ed.). *Proceedings of the Eighth Americas Conference on Information Systems*. New York: ACM, 1034-1046.
- Jarvenpaa, S.L., and Tractinsky, N. (1999), Consumer trust in an Internet store: A cross-cultural validation, *Journal of Computer-Mediated Communication*, 5(2).
- Kim, D. and Benbasat, I. (2003). Trust-related arguments in internet stores: A framework for evaluations, *Journal of Electronic Commerce Research*, 4(2), 49-64.
- Lamoureux, T. (1997), IS goes shopping on the web, *Computerworld*, 31(46), 106.
- Rodgers, S., & Harris, M. A. (2003). Gender and e-commerce: an exploratory study. *Journal of advertising research*, 43(03), 322-329.

14. Shim, J.P., Shin, Yong, B. & Nottingham, Linda (2002). Retailer Web Site Influence on Customer Shopping: Exploratory Study on Key Factors of Customer Satisfaction, *Journal of the Association of Information Systems*, 31 (3), 53-76.
15. Szymanski, D. M., & Hise, R. T. (2000). E - satisfaction: an initial examination. *Journal of retailing*,76(3), 309-322.
16. Teo, Thompson S.H. (2002). Attitude toward online shopping and the Internet, *Behavior and Information Technology*,21 (4), pp. 259-271.
17. Ali, Pervaiz; Sankaran, Sudha,(2011) "Online Shopping Customer Satisfaction and Loyalty in Norway", Published by LAP Lambert Academic Publishing
18. Chen, Q., Clifford, S.J. and Wells, W.(2000), "Attitude Toward the Site: New Information", *Journal of Advertising Research*, 42(2): 33-45.
19. Charlesworth, and Rita Esen , "Online marketing - a customer – led approach", Oxford University Press Inc, New York, 2007,pp.16
20. Chuleeporn Changchit, "Consumer Perceptions Of Online Shopping", *Issues in Information Systems*, Volume VII, No. 2, 2006 pp.177-181.
21. Gurinder S Shergill,Zhaobin Chen, (2005)"Web based Shopping: Consumers' Attitudes towards online shopping in New Zealand",*Journal of Electronic Commerce Research*,6(2), 80
22. Guo Jun,Noor Ismawati Jaafar,(2011) "A study on consumersAttitude towards Online Shopping in
23. China",*International Journal Of Business and SocialScience*,2(22), 122-123
24. Kodandarama Setty(2013), CMD of Vivek Ltd,Deccan Chronical,
25. K.Vaitheesewaran,CEO of Indiaplaza.com,Deccan Chronical,29 jan, 2013 Maximilian Teltzrow,Bertolt Meyer,Hans-Joachim Lenz, "Multi Channel Consumer Perceptions",*Journal of Electronic Commerce Research*,8 (1),2007,pp 19
27. Peterson, R.A., Balasubramanian, S. and Bronnenberg, B. J. (1997)."Exploring the implications of the Internet for consumer marketing", *Journal of the Academy of Marketing Science*, 25(4): 329-346,
28. Philip Kotler (2002) 'Winning on the Web', Web Metrics paper, Richard Gay, Allen
29. Ray N, Ghosh D (2014): "Internet Service Quality (I-SQ) Dimensions and their Impact on Consumer Satisfaction: Case from Banking Industry, *Asian Journal of Research In Banking and Finance*,4(8), 212-221
30. Ray, N. , (2017) "Expectation and Perception of Internet Banking Service Quality of Select Indian Private and Public Sector Banks:." *Online Banking Security Measures and Data Protection*, 58-68
31. Ray, N.(2016) "Impact of Internet Service Quality (IS-QUAL) on Client Satisfaction:." *Handbook of Research on Promotional Strategies and Consumer Influence in the Service Sector*, 371-88
32. Ray, N, and Bhattacharya. A (2016) "Examination of Service Quality Gaps: Evidence from State Bank of India." *Management and Industrial Engineering Green and Lean Management*, , 139-48
33. Ray, N., Sen, K., & Ghosh T N (2016). Examination Of Internet Banking Customer Perception Of Service Quality: Evidence From Banking Industry, In Ray N (Ed) *Business Infrastructure for Sustainability in Developing Economies*, IGI-Global ,USA
34. Ray,N.(2016). Impact of Internet Service Quality (IS-QUAL) on Client Satisfaction : Case From Indian Banking Services, In Singh,U., Kumar R., Ray, N. (Eds) *Hand Book of Research on Promotional Strategies and Consumer Influence in The Service Sector*, IGI-Global ,USA
35. Shim, S., Eastlick, M. E., Lotz, S. L., & Warrington, P. (2001). An online pre-purchase intentions model: The role of intention to search. *Journal of Retailing*, 77(3), 397-216. 1.
36. Tonita Perea y Monsuwe', Benedict G.C. Dellaert andKo de Ruyter "What drives consumers to shop Online? A literature review",*International Journal of ServiceIndustry Management*,Vol. 15 No.1,2004,pp.102
37. Vaggelis Saprikis, Adamantia Chouliara and Maro Vlachopoulou, "Perceptions towards Online Shopping:Analyzing the Greek University Students' Attitude", *IBIMA Publishing Communications of the IBIMA*, Vol. 2010 (2010), Article ID 854516,pp. 2