

## ANALYSIS OF ONLINE BUYING BEHAVIOUR OF YOUNG CONSUMERS IN HIMACHAL PRADESH

DR. TANVI PATIYAL

Assistant Professor, Department of Commerce, MLSM College Sundernagar, Mandi, Himachal Pradesh

### Abstract

Internet has changed the way of shopping. Now consumers can go online for shopping and find a variety of products over there. Thus, this study made an attempt to find out association between age and factors namely product information, advertisement, price, service quality, product quality, communication and trust of consumers of Himachal Pradesh. A sample of 720 has been collected from district Kangra, Solan and Shimla. The study revealed that consumers of different age groups are highly concerned with product information, advertisement, price, service quality, communication and trust.

**Keywords:** Online shopping, cConsumers, Internet, Buying Behaviour, Himachal Pradesh.

### INTRODUCTION

The invention of the internet has created a paradigm shift of the traditional way of people shop. Now a customer can be active virtually at any time and place and can make purchase. The internet is a new medium at communication and number of internet users is increasing which also signifies that online purchasing is increasing. In online shopping process, potential customer recognize need for service or merchandise when they go to internet for information relating with that service or merchandise while searching, they are attached by a number of products which are fulfilling their need. Then they evaluate and compare the products and choose the best one. Finally, transaction is conducted and post sales services provided.<sup>15</sup>

Today India is one of the fastest growing e-commerce markets in Asia/Pacific along with China with 426 million internet users. According to the study of the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the digital commerce market in India is likely to cross \$50 billion by the end of 2018. Devices like smart phones, tablets and technologies like 3G, 4G, Wi-Fi and high speed broadband is helping the number of online customers. Increasing mobile and internet penetration, m-commerce sales, payment options, exciting discounts and the push towards the international market are the major drivers of this unprecedented growth.

The greater adoption of internet and smart phones is the biggest driver of e-commerce in India. The smart phone consists of 55% of the overall mobile phones market in the country. India's e-commerce largely depend on cash on delivery mode of payment as Indian consumers do not have trust in online transactions, limited adoption of credit/debit cards and other security concerns.<sup>10</sup> As on 2017, top 5 online companies in India are Flipkart, Amazon, Myntra, Paytm Mall and Sanpdeal.

In context of Himachal Pradesh, census 2011 shows that the total number of computer and internet users in Himachal Pradesh was 41,344 which were 2.8% of total household internet users. The major area of Himachal Pradesh is covered in villages and it has been noticed that internet penetration has been grown from 18% to 20.26% in December 2017. According to the report of IAMAI and Kantar IMRB, it has been noticed that the internet growth rate in rural India seems to be higher. The polices must focus on bridging the gap between urban and rural India as estimated population of urban India is 455 million out of which 295 million are using internet and estimated population of rural India is 918 million out of which 186 million are using internet, according to the census of 2011. Therefore, there are still 732 million potential users in rural India where efforts can be made to reach out.

The process of online shopping has also been changed which starts now from register, serarch behavior, and select products, add to cart, confirm order, payment, shipping order and ends with order received.

**Figure 1: Consumer Buying Process**



## REVIEW OF LITERATURE

**Degeratu et. al. (2000)** in their study measures the various factors influencing online and offline choices. In the study, factors like brand name, price and search

attributes have been used to measure the choices. **Liao et. al. (2001)** analysed the initial effects and relationships between consumer attitudes and internet-based e-shopping. Study revealed that life content of products, security, price, quality; IT education and internet usage have significant impact on the willingness of consumers of Singapore to shop on the internet. **Alsmadi (2002)** found that most of the consumers in Jordan are skillful and have knowledge in using the internet. They have positive attitude towards the promotion of companies' websites on the internet. However, the issue of security restricts the use of online shopping. **Andrews and Curim (2004)** revealed that online consumers are less price sensitive, prefer larger sizes, have strong loyalty, do more screening of products on the basis of brand name and have strong choice sets as compared to traditional supermarket consumers. **Lee and Lin (2005)** reveal that web site design, reliability, responsiveness and trust have impact on overall service quality and customer satisfaction which in turn have impact on purchase intentions. **Zhao and Kulkarni (2006)** revealed that customer profile information, online shop profile information and trust are the key factors on which customer's behaviour rests. **Zhou et. al. (2007)** the study found the following factors which have impact on the behaviour of consumers namely demographic factors, internet experience, normative belief, shopping orientation, shopping motivation, personal traits, online experience, psychological perception, and online shopping experience. **Dhawan (2008)** explained that online price includes both asking and hidden cost hence argued cost as an important factor while purchasing online. **Close and Kukar (2010)** revealed that Price motivated consumers have a highest frequency in placing products in their online cart. **Ling et. al. (2010)** discovered from the study that purchase intention, quality orientation, brand orientation, online trust and prior online purchase experience have positive relation with customer online purchase intention. **Wells et. al. (2011)** found from the study that web site quality have impact on product quality and online purchase intention. **Shen and DeMoss (2012)** in their study revealed that there is no difference in perceived product quality based on online product reviews. **Vegiayan et. al. (2013)** shows that purchase quality has the highest relationship as well as highest influence on the customer's satisfaction. **Goswami et. al. (2013)** concludes that online marketer should give more importance on price factor and after sales factor. **Sawant and Malviya (2014)** find out six factors that is web portal quality, web

portal ease of use, security and other policy, clear payment and delivery, pre and post sales services, trust on web portal which have a great impact on perception of youth. **Madni (2014)** concluded that social media has a positive impact on the behaviour of consumer in Pakistan. **Sharma et. al. (2014)** Study revealed that maximum number of consumers who do online shopping are youngsters who lies in age group of 18-25 years. By improving after sale services, providing secure payment options, timely deliver and better packaging can help in boosting the demand of products online. **Liukonyte et. al. (2015)** measure the effects of TV advertising in online shopping. Study revealed that action focus content increases the web traffic, information focus and emotion focus reduces the web traffic, but on the other hand, increases purchase which have positive impact on sales. **Gupta (2015)** Study revealed that consumers like to purchase from online shopping if only the price of the product is less than the offline market. They revealed that it is fairly important to go for e-shopping. **Diaz et. al. (2017)** revealed from the study that there is link between the use of technology and the behaviour. **Zhang et. al. (2018)** found that consumer product screening cost and decision making quality have significant influence on consumer loyalty whereas product screening cost is negatively associated with self reference and positively associated with deceptiveness and information overload.

### **NEED OF STUDY**

As pointed out in literature, there is a general feeling that businesses are coming up with e-marketing strategies because the internet has a deep impact on marketing. With reference to India, it has a long way to go in online marketing as India occupies 2<sup>nd</sup> position in using internet worldwide. This also paves a way toward online shopping. Consumers especially students have a positive attitude towards online shopping as they adopt new changes easily.

Online shopping consumer behaviour which helps in grabbing eyeball of money assists in identification and comprehension of the factors which influence the consumer to buy online. However, it also helps the marketing section of the companies in creating strategies which derive the consumers to buy online. Hence, the impact of these factors on behaviour of young consumers still needs to be harnessed

### **OBJECTIVES OF THE STUDY**

Following are the objectives of the present study: -

- To study demographic profile of consumers.
- To analyse influence of product information, advertisement and price over consumer online behaviour.

## METHODOLOGY

The scope of the study is limited to Himachal Pradesh. The study is carried out in Shimla, Kangra and Solan district of Himachal Pradesh. The students of universities, colleges and schools of these districts are taken as target consumers. Multistage and judgment sampling techniques have been used in the study. Population elements have been selected randomly from universities, colleges and schools. The sample for the study has been composed of 720 consumers, 240 each from Shimla, Kangra and Solan, who visit online stores for shopping. Structured questionnaire is used to collect primary data and analysed with the help of SPSS. For analysis percentage and ANOVA test is used.

## ANALYSIS AND INTERPRETATION

### Demographic Profile of Consumers

**Table 1: Descriptive Statistical Analysis for demographic profile of consumers**

|   | Dimension             | Number | Percentage |
|---|-----------------------|--------|------------|
| Gender                                      | Male                  | 374    | 51.9       |
|   | Female                | 346    | 48.1       |
| Age   | Below 18              | 240    | 33.3       |
|   | 18-22                 | 197    | 27.4       |
|   | Above 22              | 283    | 39.3       |
| Education                                   | 10+2                  | 240    | 33.3       |
|   | Graduate              | 273    | 37.9       |
|   | Post Graduate         | 147    | 20.4       |
|   | Above PG              | 60     | 8.3        |
| Monthly House hold Income                   | Below 10000           | 31     | 4.3        |
|   | 10000-20000           | 176    | 24.4       |
|   | Above 20000           | 513    | 71.3       |
| Area  | Simla                 | 240    | 33.3       |
|   | Kangra                | 240    | 33.3       |
|   | Solan                 | 240    | 33.4       |
| Family Structure                            | Nuclear               | 459    | 63.8       |
|   | Extended Family       | 234    | 32.5       |
|   | JointFamily           | 27     | 3.8        |
| Distribution on the basis of using Internet | <u>Internet usage</u> | 720    | 100        |

Source: Data collect through questionnaire.

Table 1 defines the demographic profile of consumers' which reveals that majority of consumer group fall in age group of above 22 years i.e. 39.3%, another age group taken into study are below 18 yrs and 18-22 years. It has been found that male consumers are 374 as compared to female consumers. As far as education is concerned, majority of students who go for online shopping are graduates with the percentage of 37.9 followed by plus two students. Further, consumers who have monthly household income more than Rs. 20000 often go for online shopping. As far as area of study is concerned, 240 youngsters from Shimla, Kangra and Solan have taken. Study also reveals that consumers who live in nuclear family go for online shopping more frequently. And finally, it is discovered that all consumers use internet.

**The relationship of product information, advertisement, price, service quality, product quality, communication and trust with age of consumers.**

**H<sub>0</sub>: There is no difference between mean product information score of online consumers on the basis of age.**

**Table 2: ANOVA Results for Product Information Score on the Basis of Age**

|                | Sum of Squares | Df  | Mean Square | F     | Sig.  |
|----------------|----------------|-----|-------------|-------|-------|
| Between Groups | 161.770        | 2   | 80.885      | 7.445 | 0.001 |
| Within Groups  | 7789.395       | 717 | 10.864      |       |       |
| Total          | 7951.165       | 719 |             |       |       |

Table 2 shows value of F test is less than 0.05 which depicts that null hypothesis has been rejected. So, it can be said that there is significant difference between mean product information score of online consumers on the basis of age.

**H<sub>0</sub>: There is no difference between mean advertisement score of online consumers on the basis of age.**

**Table 3: ANOVA Results for Advertisement Score on the Basis of Age**

|                | Sum of Squares | Df  | Mean Square | F     | Sig.  |
|----------------|----------------|-----|-------------|-------|-------|
| Between Groups | 40.432         | 2   | 20.216      | 2.956 | 0.053 |
| Within Groups  | 4904.368       | 717 | 6.840       |       |       |
| Total          | 4944.800       | 719 |             |       |       |

Table 3 shows ANOVA the value of F test is greater than 0.05 which depicts that the difference between mean advertisement score of online consumers on the basis of age has not been found significant.

**H<sub>0</sub>: There is no difference between mean price score of online consumers on the basis of age.**

**Table 4: ANOVA Results for Price Score on the Basis of Age**

|                | Sum of Squares | Df  | Mean Square | F     | Sig.  |
|----------------|----------------|-----|-------------|-------|-------|
| Between Groups | 76.528         | 2   | 38.264      | 6.079 | 0.002 |
| Within Groups  | 4513.050       | 717 | 6.294       |       |       |
| Total          | 4589.578       | 719 |             |       |       |

Table 4 observed that difference between mean price score of online consumers on the basis of age has been found significant as value of F-test is less than 0.05.

**H<sub>0</sub>: There is no difference between mean service quality of online consumers on the basis of age.**

**Table 5: ANOVA Results for Service Quality Score on the Basis of Age**

|                | Sum of Squares | df  | Mean Square | F      | Sig.  |
|----------------|----------------|-----|-------------|--------|-------|
| Between Groups | 70.228         | 2   | 35.114      | 11.670 | 0.000 |
| Within Groups  | 2157.350       | 717 | 3.009       |        |       |
| Total          | 2227.578       | 719 |             |        |       |

On applying ANOVA test, the value of F test has been found significant which means that null hypothesis is rejected.

**H<sub>0</sub>: There is no difference between mean product qualities of online consumers on the basis of age.**

**Table 6: ANOVA Results for Product Quality Score on the Basis of Age**

|                | Sum of Squares | Df  | Mean Square | F     | Sig.  |
|----------------|----------------|-----|-------------|-------|-------|
| Between Groups | 30.573         | 2   | 15.286      | 2.458 | 0.086 |
| Within Groups  | 4459.815       | 717 | 6.220       |       |       |
| Total          | 4490.388       | 719 |             |       |       |

Table 6 analysed that there does not have significant difference between mean product quality score of online consumers on the basis of age as the value of F test has been found greater than 0.05.

**H<sub>0</sub>: There is no difference between mean communication score of online consumers on the basis of age.**

**Table 7: ANOVA Results for Communication Score on the Basis of Age**

|                | Sum of Squares | Df  | Mean Square | F     | Sig.  |
|----------------|----------------|-----|-------------|-------|-------|
| Between Groups | 26.578         | 2   | 13.289      | 3.230 | 0.040 |
| Within Groups  | 2949.753       | 717 | 4.114       |       |       |
| Total          | 2976.332       | 719 |             |       |       |

Table 7 shows that value has been found significant at 5 percent level of significance which means that there is significant difference between mean communication score of online consumers on the basis of age.

**H<sub>0</sub>: There is no difference between mean trust score of online consumers on the basis of age.**

**Table 8: ANOVA Results for Trust Score on the Basis of Age**

|                | Sum of Squares | Df  | Mean Square | F     | Sig.  |
|----------------|----------------|-----|-------------|-------|-------|
| Between Groups | 11.694         | 2   | 5.847       | 3.421 | 0.033 |
| Within Groups  | 1225.550       | 717 | 1.709       |       |       |
| Total          | 1237.244       | 719 |             |       |       |

Table 8 depicts that the value of F test has been found significant which depicts that there is significant difference between mean trust score of online consumers on the basis of age.

## **CONCLUSION**

The concept of online shopping is quite different from traditional shopping as buyers and sellers lack face to face interaction in online shopping. But, it is becoming popular day by day as usage of internet is increasing. People can shop 24\*7 and they can interact with sellers easily around the globe. Study concluded that every consumer is using the internet with skill. Here an attempt is made to find out the association between age and different factors like product information, advertisement, price, service quality, communication and trust. It has been observed that consumers of different age groups are highly concerned with product information, advertisement, price, service quality, communication and trust. All these factors have a great impact on online consumers as these factors motivates consumers towards adopting online shopping as a medium of shopping.



## REFERENCES

- Alsmadi, S. (2002). Consumer Attitudes Towards Online Shopping In Jordan: opportunities and challenges.
- Amazon India Reportedly closing in on Flipkart. The Economic Times. Retrieved on 22 March, 2018.
- Andrews, R. L., and Curim, I. S. (2004). Behavioural Difference between Consumers Attracted to Shopping Online versus Traditional Supermarkets: Implications for Enterprise design and Marketing Strategy. *Int. J. Internet Marketing and Advertising, Vol. 1* (No. 1), pp.38-61.
- Close, A. G., and Kukar-Kinney, M. (2010). Beyond Buying: Motivations Behind Consumers' Online Shopping Cart Use (May 30, 2009). *Journal of Business Research, Vol. 63* (No. 10), pp. 1-28.
- Dhawan, A. (2008). Motivation Factors for Online Buying: The Price Driver. AUT University, Auckland, New Zealand.
- Diaz, A., Gomez, M., and Molina, A. (2017). A Comparison of Online and Offline Consumer Behaviour: An Emperical study on a Cinema Shopping Context. *Journal of Retailing and Consumer services, Vol.38*, pp. 44-50.
- Goswami, A., Baruah, P., and Borah, S. (May 2013). Customer Satisfaction Towards Online Shopping with Special Reference to Teenage Group of Johrat Town. *Indian Journal of Research, Vol. 3* (Issue 4), pp. 239-241.
- Gupta, P. (2015). Comparative Study of Online and Offline Shopping: A Case Study of Rourkela in Odisha. Department of Humanities and social Sciences, National Institute of Technology, Rourkela, Odisha.
- Hasslinger, A., Hodzic, S., and Opazo, C. (2007). Consumer behaviour in online shopping. Department of Business Studies, Kristiansand University, Sweden.  
<http://www.assochem.org/newsdetail.php?id=6654> accessed on 31 January, 2018.  
<http://www.iamai.in/node/4990> Accessed on 27 March, 2018.
- Jaines, L.J., Scherer, W.C. and Scheufele, A.D. (2003). Exploring Motivation for Consumer Web Use and Their Implication for E-Commerce. *Journal of Consumer Marketing, Vol. 20* (Issue 2), pp. 90-108.
- Lee, G.-G., and Lin, H.-F. (2005). Customer Perception of E-service Quality in Online Shopping. *International Journal of Retail and Distribution Management, Vol. 33* (No. 2), pp. 161-176.
- Lee, J., Park, D.-H., and Han, I. (2011). The Different effects of Online Consumer Reviews on Consumers' Purchase Intentions Depending on Trust in Online Shopping Malls An Advertising Perspective. *Internet Research, Vol. 21* (No. 2), pp. 187-206.
- Liang T. and Lia H. (2000). Electronic Tore Design and Consumers Choice: An Empirical Study. *Proceedings of the 33<sup>rd</sup> Hawaii International Conference on System Sciences*.
- Liao, Z., and Cheung, M. T. (2001). Internet Based E-shopping and Consumer Attitudes: An Empirical Study. *Information and Management, Vol. 38*, pp. 299-306.
- Liaukonyte, J., Teixeira, T., and Wilbur, K. C. (2015). Television Advertising and Online Shopping. *Marketing Science, pp. 311-330*.
- Ling, K. C., Chai, L. T., and Piew, T. H. (2010). The Effects of Shopping Orientations, Online Trust and Prior Online Purchase Experience toward Customers' Online purchase Intention. *International Business Research, Vol. 3* (No. 3), pp. 63-76.
- Madni, G. R. (2014). Consumer Behavior and Effectiveness of Social Media. *Global Journal of Management and Business Research: E-Marketing, Vol. 14* (Issue 8), pp. 57-62.

- Sawant, C., and Malviya, S. (May 2014). Perception of Youth towards Online Shopping. *Altius Shodh Journal of Management and Commerce*, pp. 432-436.
- Sharma, R., Mehta, K., and Sharma, S. (2014). Understanding Online Shopping Behaviour of Indian Shoppers. *International Journal of Management and Business Studies*, Vol. 4 (Issue 3), pp. 9-18.
- Shen, Y., and DeMoss, M. (2012). The Effect of Quantitative Electronic Word of Mouth on Consumer Perceived product Quality. *International Journal Of Management And Marketing Research*, Vol. 5 (No. 2), pp 19-29.
- Vegiayan, K. D., and Ming, C. W. (2013). Online Shopping and Customer Satisfaction in Malaysia. *International Journal of Marketing Practices*, Vol. 1 (No. 1), pp. 43-51.
- Wells, J. D., Valacich, J. S., and Hess, T. H. (2011). What Signal are You Sending? How Website Quality Influences Perceptions of Product Quality and Purchase Intention. *MIS Quarterly*, Vol. 35 (No. 2), pp. 373-396.
- Xu, X., Munson, C., and Zeng, S. (2017). The Impact of E-Service Offerings on The Demand of Online Customers. *International Journal of Production Economics*, Vo. 184, pp.231-244.
- Zhao, F., and Kulkarni, S. S. (2006). Predicting Online Customer Shopping Behavior. *IRMA International Conference*, Vol. 1, pp. 846-849.
- Zhou, L., Dai, L., and Zhang. (2007). Online Shopping Acceptance Model- A Critical Survey of Consumer Factors in Online Shopping. *Journal of Electronic Commerce*, Vol. 8, Issue 1, pp. 41-62.
- Zhang, H., Zhao, L., and Gupta, S. (2018). The Role of Online Product Recommendations on Customer Decision Making and Loyalty in Social Shopping Communities. *International Journal of Information Management*, Vol. 38, pp. 150-166.