

Factors influencing online shopping: Survey of consumers in Pune

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Abstract— Trust is not merely a word in India. If one has to do business, unless he has a product that you cannot do without, it is extremely tough for him to get you to buy his product. This happens because of their being a huge pool of people who manufacture and everyone wants a piece of the pie. Loyalty is something that companies really have to work towards to get business rolling. With all that nice stuff being said about the Indian ecommerce market, if we look closely the beginning was in the years 2000-2010 when all the companies were either taking the ecommerce route or eventually going to join the bandwagon. With an initial upward trend till 2010, things started to go downhill, with the customer reduction rate of 12.9% per year due to switching loyalties of its customers. In this study we will have a look at all the specific areas of concern of online consumers in the current context and relation of these concern's with loyalty of the consumer with the brand. This study was conducted with the focus on consumers in Pune city.

Keywords— customer loyalty, online shopping, e-commerce, e-consumer behaviour, Pune consumers

I. INTRODUCTION

In India with a population of about 1.33 billion and internet user close to the mark of 6 million there is a huge potential for e-commerce companies. If we look at the technological outlay as of 2017-18, we can't deny but say that it has been an amazing year. With the likes of Jio and Idea, amongst the others, have really stepped up the game as far as internet speeds are concerned, mainly in the metros and other II tier cities all over India. This evolution and the speed that we have never been seen before has shaped ecommerce in India and has given the people the mobility to make transactions anywhere with a lot of convenience.

The explosion in the use of the Internet has paved way for several path-breaking innovations. One of the most interesting and exciting aspects of this evolution is the emergence of electronic business (e-business) as a mainstream and viable alternative to more traditional methods of businesses being conducted today. E-business is defined as the process of using electronic technology to do business. It is the day and age of electronic business. Also the structure of the Web is rapidly evolving from a loose collection of Web sites

into organized market places. The phenomena of aggregation, portals, large enterprise sites, and business-to-business applications are resulting in centralized, virtual places, through which millions of visitors pass daily.

Earlier it was really easy for a big company or an MNC for that matter to just come in and sweep the whole market but India has been a lot tougher than that with the likes of startups being a huge challenge for bigger sharks such as [1] Amazon, Wal-Mart, etc. Since these companies had deeper pockets they could invest a lot more in to capturing a market and hold onto a longer time while bearing losses. There is so much of a blood bath that is happening in the Indian ecommerce market with companies like Flipkart making losses of 2,000 crore and Amazon lagging by just a few hundred crores behind at 1,723 crores. Snapdeal also made a loss of 1,328.01 crores.

These numbers are nothing but staggering. There are certain issues with the Indian ecommerce market and that had eventually come out. The honeymoon period was over and there was stiff competition from all ends and almost everybody was in the ecommerce space. More and more ecommerce companies were offering their services to the people of India. We were definitely seeing a boom in the number of these companies, visually. The choices became immense however there were issues with the way Indians were buying, rather not buying.

[2] Studies have shown that it is lot cheaper to service the old/existing customer than acquire a new one. This makes it important for businesses to build a large pool of loyal customer's. [18] Customer loyalty is all about consistently positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the product or services. To prompt customer loyalty you must build an emotional bond with your customers. This study intends to look at what do the customers want from the e-commerce companies for them to be loyal.

II REVIEW OF LITERATURE

Of the many articles, research papers and case studies available on this subject, a few relevant works have been mentioned below

[3] This research work handles the issue of shopping encounters in an online situation. Past investigations have effectively cantered around utilization encounters and buyer encounters on the web concentrating on 'perusing' and 'stream' on the web. This paper has analysed web based shopping encounters from three perspectives: the physical, ideological and logical measurements. As an exploratory research think about, a subjective research strategy was utilized (in France) with four centre gatherings – thirty-one purchasers who vary regarding age, sexual orientation and customer experience. The outcomes featured the three proposed facets and underline as centre issues online trust (or doubt), age and online social communications with companions. The allocation procedure of business sites is likewise considered

[4] This examination researches various components that sway purchaser's conduct amid online buy at any E-trade business website. In this paper creator has utilized Exploratory Factor Analysis to decide the factor

that put a critical effect on client purchasing conduct amidst online shopping process. Under this report creators has inspected 20 factors and endeavoured to discover their effect on purchasing conduct by the methods for a self-structured survey. Creator has inspected 200 potential online clients as for trust and advancement and their attitudes moreover, desires to shop online at explicit locales. We found that Customer benefits, fast monetary and shopping in a secured environment, Trend with innovation, Easy accessibility were demonstrating huge effect on buyer purchasing conduct.

[5]Electronic business (web based business) contacts practically a wide range of items and administrations. The expanding volume of online exchanges online has raised purchaser worries about the information that has been given, what the organization really do with the data gathered and in the long run approach it. Security issues have been distinguished as something essential for shoppers. The impression of online exchange security is likewise turning into an increasingly essential concern. Besides, we need to know how buyer security and protection issues of purchasers effect on brand devotion, additionally be perceived how the job of brand trust as an intervening connection between shopper wellbeing and brand faithfulness, and connections between customer protection and brand reliability. This paper is a quantitative study strategy, with an end goal to build up an empirical model to test the impact of purchaser protection and security buyers on brand dependability. Sample size of 100 people groups, drawn from general society to the age of 15-64 years (working age) in the locale Sawangan-Depok. The outcomes demonstrate that the shopper security and buyer protection every influence brand reliability, and there is a mediator between in the affecting purchaser protection on brand steadfastness, it implies that the presence of brand trust will diminish the impact of customer security on brand dedication.

[6] This Research handles the issue of shopping encounters in an online domain. Past examinations have officially centred around utilization encounters and customer encounters on the web concentrating on 'perusing' and 'stream' on the web. This paper expects to inspect web based shopping encounters from three perspectives: the physical, ideological and realistic measurements. As an exploratory research think about, a subjective research technique was utilized (in France) with four centre gatherings – thirty-one buyers who contrast regarding age, sex and customer experience. The outcomes featured the three proposed measurements and underline as centre issues online trust (or question), age and online social cooperation's with companions. The apportionment procedure of business sites is likewise viewed as two general classifications of OSE under seven drivers and five particular social results of OSE rose up out of the examination. The two classes of OSE drivers, however novel, broadly fit into the current structures of OSE. The examination likewise shows that customers seize other customers' audits as a reasonable stage to take part in a wide scope of practices. The administrative ramifications of the discoveries are that notwithstanding giving prevalent shopping background through upgrading the drivers of OSE distinguished in this investigation, online retailers must work steadily to diminish occurrences prompting administration disappointments and expeditiously embrace administration recuperation activities at whatever point administration disappointment happens. Online retailers particularly those working in developing markets will in this manner profit by their administration recuperation ventures in the event that they proactively introduce forms that empower them to speedily and tastefully recoup fizzled administrations.

[7] Due to mechanical progression, the idea of upper hand is evading step by step business has been set apart with a high level of dynamism. In this monopolistic focused market each organization is having nearly a similar innovation and this has created a crowd of institutionalized items with distinction on just a single front for example the brand name, which can pull in individuals very effectively. This has brought about the idea of baiting the greatest clients by winding up increasingly creative. How much open organization can progress toward becoming to their requirements and yearnings? All these have driven the organizations to enrol their quality at each niche and corner and take the assistance of most recent of the innovation in this undertaking. The one such innovation is "Web based shopping". For this reason and making it advanced web based shopping stores show their projects not just on web site likewise on various TV slot. This paper is being composed keeping in view demeanour of ordinary citizens of India towards web based shopping. Situation, correlation with other piece of world, in India is especially extraordinary. Issues of proficiency, Aquitaine with web use, PC education assumes indispensable job in such manner. This paper is no place identified with field work or review it just reflect frame of mind of average folks as experienced in everyday life.

[8] Customer steadfastness advancement in web based shopping: A coordination of e-administration quality model and duty trust hypothesis. The point of this examination is to investigate the determinants of subjective dedication in a web based shopping condition. The examination set up a hypothetical model by consolidating both e-administration quality model and duty trust hypothesis. An aggregate of 937 reactions were gathered structure Indian online customers by utilizing the mail review strategy. We evaluated estimation demonstrate and auxiliary model by utilizing SPSS and AMOS. Study results affirm that consumer loyalty, e-trust, responsibility, and subjective dedication were firmly affected by e-administration quality and saw esteem. Further, fulfilment had immediate and positive effect on both e-trust and responsibility however not on intellectual reliability. E-trust positively affected e-duty and intellectual unwaveringness. Ultimately e-responsibility impacted psychological reliability. In light of the current writing, there was a shortage of hypothetical comprehension of psychological dependability in a developing economy viewpoint. Hence, this research achieved the basic hypothetical gap by incorporating past examinations. We inspected the wonder of client devotion by incorporating e-administration quality model and duty trust hypothesis in business to customer web based business condition while considering e-service as an arbiter, featuring the inventiveness and commitment of the momentum research to the online buyer's loyalty writing.

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III RESEARCH METHODOLOGY

Variables: for the purpose of this research consumer loyalty has been identified as a dependent variable and independent variables are the attributes of an on-line vendor which are Delivery time, Reputation, Guarantees & Warrantees, Privacy, Description, Security, Prices.

H1: There exists a positive co-relation between Loyalty of a consumer and Attributes of an online vendor

Data was collected using snowball sampling method. Online questioner was circulated to 500 respondents of which 199 responded. These responses were recorded and analysed using statistical tools which are Mean, standard deviation and co-relation and regression method. The results of this analysis were used to test the hypothesis.

IV DATA REPRESENTATION AND ANALYSIS

Data related to demographic details and Online shopping preferences was collected and tabulated for analysis purpose

TABLE I: DEMOGRAPHIC DETAILS AND ONLINE BUYING BEHAVIOUR

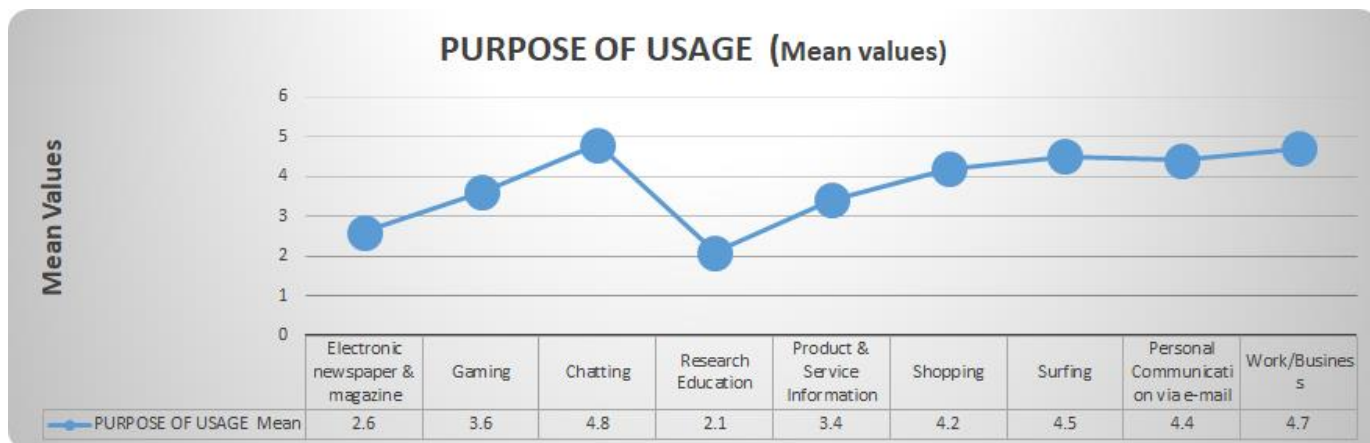
DEMOGRAPHIC DETAILS				ONLINE BUYING BEHAVIOUR			
Sr.No	Parameters	Frequency	Percentage	Sr.No	Parameters	Frequency	Percentage
1	Age			6	Daily Internet Usage		
	18-22 years	45	22.61		Less than 1 hour	96	48.24
	22-28 years	101	50.75		1-2 hours	11	5.53
	28-36 years	33	16.58		2-3 hours	14	7.04
	36 and above	20	10.05		3-4 hours	25	12.56
	Total	199	100.00		More than 4 hours	53	26.63
2	Gender				Total	199	100.00
	Gentleman	117	58.79	7	Pre-Shopping Internet Usage		
	Lady	79	39.70		Very often	135	67.84
	Choose not to disclose	3	1.51		Often	23	11.56
	Total	199	100.00		Sometimes	27	13.57
Sr.No	Parameters	Frequency	Percentage	Sr.No	Parameters	Frequency	Percentage

3	Education				Rarely	11	5.53
	High school diploma	50	25.13		Never	3	1.51
	Bachelor's degree	72	36.18		Total	199	100.00
	Master's degree	69	34.67	8	Internet Usage for Shopping		
	PhD Degree and other qualifications	8	4.02		Very often	123	61.81
	Total	199	100.00		Often	24	12.06
4	Occupation				Sometimes	34	17.09
	Student	101	50.75		Rarely	11	5.53
	Salaried Professional	58	29.15		Never	7	3.52
	Govt. Employee	6	3.02		Total	199	100.00
	Business	26	13.07	9	Experience in Internet usage		
	Others	8	4.02		Less than one year	5	2.51
	Total	199	100.00		1-2 years	8	4.02
5	Annual Income				2-3 years	80	40.20
	Less than 1 lac	6	3.02		More than 3 years	106	53.27
	>1-2 lacs	25	12.56		Total	199	100.00
	>2-5 lacs	34	17.09	10	Internet Proficiency		
	>5-8 lacs	97	48.74		Novice	36	18.09
	>8-12 lacs	20	10.05		Intermediate	59	29.65
	>12 lacs	17	8.54		Advanced	104	52.26
	Total	199	100.00		Total	199	100.00
				11	Average Shopping Value		
					100-200 INR	6	3.02
					>200-400 INR	12	6.03
					>400-1000 INR	144	72.36
					>1000 INR	37	18.59
					Total	199	100.00

As seen in TABLE 1, 73.36% of the respondents were in the age group of 18 to 28 years. Of this population about 60% of them were gentleman and 40% were ladies. 25.13% have completed their high school diploma, 70.85% of population has completed higher education. 50.75% of the participants in the survey is a student population, and rest of them are either salaried employees of government organizations or businessmen. 32.67% of the participants are earning less than 5 lacs INR per annum. 48.74 % earn between 5-8 lacs per annum and 18.58% earn > 18 lac INR per annum. 73.87% of the participants frequently use internet before shopping and rest rarely or never use internet for making the buying decision or buying online. 53.2 % have been using internet for more than 3 years and 52.3 percent say that their proficiency to use internet is at an advance level while the other 47.74 say that their proficiency to

use internet is at an intermediate or novice level. 72.36% say that they spend between INR 400 to 1000 for their purchase. 18.6% of the participants spend above INR 1000 on their online purchase and 9.05% spend INR 400 or less on their online purchase.

GRAPH 1: PURPOSE OF USAGE



As can be seen from Graph 1, maximum number of participants use internet for chatting, work/business, Communication, personal communication via-email, shopping and surfing, with the mean ranging from 4.8 to 4.2. Next in the line is gaming and looking for product information and service with mean ranging between 3.6 and 3.4. Minimum use of internet of the given activities is for reading Electronic newspaper/magazine and for research and educational activities with mean of 2.6 and 2.1 respectively.

TABLE II: ONLINE PRODUCT PURCHASE PREFERENCE

ONLINE PRODUCT PURCHASE PREFERENCE	
Product categories	Mean
Groceries	2.1
Fast Food	1.9
Cosmetics	1.9
Books	1.9
Toys	2
Furniture	2.2
Clothes	2.8
Electronics	1.4
Cinema/Concert/Theatre-Tickets	1.8
Travel Bookings	1.7
Jewellery	2.9

As can be seen from Table II, The participants were asked as to which of the product categories they would buy using Online shopping on 1.Desktop/laptop 2. Mobile phone 3.Brick & Mortar retail store. As can be seen from Table II maximum number of participants use internet on desktop / laptop for buying Groceries (mean 2.1),Fast Food(mean 1.9),Cosmetics(mean 1.9),Books(mean 1.9),Toys(mean 2),Furniture(mean 2.2). Customers are more inclined towards purchasing Travel tickets, Theatre tickets and electronic goods online (mean 1.8, 1.7 and 1.4 respectively). Mean for cloths is 2.8 which indicates that customers prefer to buy cloths in retail store however there exists a population who would buy it online. Mean for purchase of jewellery is 2.9 which indicate that the consumers would definitely buy jewellery from a brick and mortar retail store than buying it online.

TABLE III: CORRELATIONS WITH LOYALTY

CORRELATIONS WITH LOYALTY									
		Delivery time	Reputation	Guarantee & Warrantee	Privacy	Description	Security	Prices	Loyalty
Delivery time	Pearson Correlation	1	.665**	.656**	.632**	.554**	.572**	.537**	.414**
	Sig. (2-tailed)		0	0	0	0	0	0	0
	N	195	195	192	193	194	194	195	194
Reputation	Pearson Correlation	.665**	1	.738**	.751**	.623**	.694**	.643**	.474**
	Sig. (2-tailed)	0		0	0	0	0	0	0
	N	195	197	194	195	196	196	197	196
Guarantees & Warrantees	Pearson Correlation	.656**	.738**	1	.667**	.690**	.635**	.689**	.429**
	Sig. (2-tailed)	0	0		0	0	0	0	0
	N	192	194	194	192	193	194	194	193
Privacy	Pearson Correlation	.632**	.751**	.667**	1	.734**	.813**	.625**	.391**
	Sig. (2-tailed)	0	0	0		0	0	0	0
	N	193	195	192	195	195	194	195	194
Description	Pearson Correlation	.554**	.623**	.690**	.734**	1	.726**	.690**	.415**
	Sig. (2-tailed)	0	0	0	0		0	0	0
	N	194	196	193	195	196	195	196	195
Security	Pearson Correlation	.572**	.694**	.635**	.813**	.726**	1	.671**	.438**
	Sig. (2-tailed)	0	0	0	0	0		0	0
	N	194	196	194	194	195	196	196	195
Prices	Pearson Correlation	.537**	.643**	.689**	.625**	.690**	.671**	1	.431**
	Sig. (2-tailed)	0	0	0	0	0	0		0
	N	195	197	194	195	196	196	197	196
Loyalty	Pearson Correlation	.414**	.474**	.429**	.391**	.415**	.438**	.431**	1
	Sig. (2-tailed)	0	0	0	0	0	0	0	
	N	194	196	193	194	195	195	196	196

** . Correlation is significant at the 0.01 level (2-tailed).

As can be seen form Table III, correlation between Loyalty and delivery time is 41.4%, with reputation is 47.4%, Grantees & warrantee is 42.9%, Privacy is 39.1%, description of the product is 41.5%, security is 43.8% and with Prices it is 43.1%

Thus hypothesis H1 has been accepted. There exists a strong correlation between loyalty and reputation of the brand, followed by security, guarantee & warrantee a delivery time in the given order.

Thus if the brand takes care of maintaining its reputation the customer is more likely to buy online with that brand. The possible reason for security having lowest co-relation of all the parameters is that if reputation is taken care of security is assumed to be strong.

V CONCLUSIONS

Findings suggest that maximum number of participants use internet for chatting, work/business, Communication, personal communication via-email, shopping and surfing, Next in the line is gaming and looking for product information and service. Minimum use of internet of the given activities is for reading Electronic newspaper/ magazine and for research and educational activities.

Based on the study done to understand the buying preferences of an online consumer it can be concluded that. Customers are comfortable buying products belonging to the categories like Groceries, Fast Food Cosmetics Books, Toys and Furniture using online shopping on desktop/laptop. Customers are more inclined towards purchasing Travel tickets, Theatre tickets and electronic goods online using mobile phones. As far as clothes are concerned data indicates that customers prefer to buy cloths in retail store however there exists a population who would buy it online. Regarding purchase of jewelry data indicates that the consumers would definitely buy jewelry from a brick and mortar retail store than buying it online.

Brand loyalty is influenced by a consumer perceptions about the reputation of the brand. Brand loyalty also been influenced by consumers' perceptions of the Delivery time Guarantees & Warrantees, Privacy, Description of the product, Security and Prices.

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