

Preference for Online Shopping

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ABSTRACT

Online shopping is defined as the act of purchasing product or service on the internet. This research study aims to ascertain the level of satisfaction of customers on online purchase. It seeks to explore the reason for online purchase and the parameters customers look for in online purchase. The study is exploratory in nature and based on primary data. The study was conducted on students in NCR region. The results show that the major reasons for online purchase were convenience and saving in time. Also customers were satisfied from online purchase.

KEYWORDS

Online shopping, Payment mode, Purchase, Customer, Digital marketing

1. Introduction

Online shopping is defined as the act of purchasing product or service on the internet (online shopping, 2016). The notion that internet use has grown very fast in just a couple of years leads one to believe that internet commerce is expected to pick up in the near future there are several different types of e-commerce, the most prevalent being B2B (business-to-business), B2C (business-to-consumer) and C2C (consumer-to-consumer) e-commerce. Furthermore, mobile commerce, in the shape of buying and selling goods and content via mobile devices such as smartphones, is also on the rise. Current e-commerce statistics indicate that 40 percent of worldwide internet users have bought products or goods online via desktop, mobile, tablet or other online devices. This amounts to more than 1 billion online buyers and is projected to continuously grow. According to popular e-commerce market data, Amazon is said to be one of the leading e-commerce platforms worldwide. Asian competitors like Rakuten or Alibaba are also making its presence in the B2C e-commerce market. Online auction website eBay is the most popular example for C2C e-commerce and it is also providing a platform for merchants to sell their goods. Mobile commerce with increasing use of smart phone is growing and use of table is also picking up. In 2013, US mobile commerce revenue amounted to more than 38 billion US dollars. This type of e-commerce includes mobile media and content, retail services, travel purchases and various other services.

Digital payments are also closely connected to e-commerce. There are various alternative payment methods such as digital wallets. Online payment providers have seen increased adoption rates and rapid growth in the past few years. Ebay-owned PayPal is the current market leaders. It boast of more than 14 billion US dollars in mobile payment volume alone. Apart from convenience of digital payments, it also has available paid digital content like streaming music, online video subscriptions and apps. For example, global mobile app revenues are projected to surpass 30 billion US dollars in the coming year (statistics portal, 2016; Khaled, A. S et al., 2022; Almugari et al., 2022; Parveen et al., 2022; Al Maqtari et al., 2020).

Online shopping is defined as the process a customer takes to purchase a service or product over the internet. In another words, a consumer may at his or her leisure buy from the comfort of their own home products from an online store. In order to justify internet commerce and internet shopping taking off in the next few years, one must take a look at the potential shoppers of the future. Thus, numerous studies have been done on different types of shoppers and the environment factors affecting their shopping habits. The results of these studies predict whether or not one can expect a bright future for internet shopping.

1. Literature review

Studies have revealed that the typical Internet user of the twentieth century is found to be young, professional and affluent with higher levels of income and higher education (Palumbo and Herbig, 1998; Khaled, A. S et al., 2022; Almagari et al., 2022; Parveen et al., 2022; Al-Homaidi et al., 2020; Khaled, 2019; Al Maqtari et al., 2020). Such an individual value time more than money and therefore the working population and dual-income or single-parent households who face time constraints are better candidates to be targeted by non-store retailers (Burke, 1997; Salah et al., 2023; Al-Homaidi et al.,2021). Further studies have revealed that demographics and personality variables such as opinion leadership or risk averseness are also very important factors which influence internet purchase (Kwak et al., 2002; Khaled., 2020; Al-Homaidi., 2019; Khaled et al., 2020; Al-Homaidi et., 2021; Salah et al., 2023; Al-Homaidi et al.,2021).

Consumers who have been using Internet for a longer time and for a higher variety of services are considered to be more active users (Emmanouilides and Hammond, 2000). However opinion also differ (Bellman et al, 1999; Salah et al., 2023; Al-Homaidi et al.,2021). Consumers with high level of privacy and security are not online in online markets. (Kwak et al, 2002; Miyazaki and Fernandez, 2001; D. Khaled et al., 2021; Al Rawashdeh et al., 2021; Khaled et al., 2020). These educated individuals are more confident decisions makers and are much more found to be demanding and purchasing process from initiation to completion (Rao et al, 1998).

Also pre-purchase intentions of consumers play a major role in understanding why customers ultimately shop online. One stream of research under online consumer behaviour consist of studies that handle the variables influencing these intentions. Studies have also focused on: transition security, vendor quality, price consideration, information and service quality, system quality, privacy and security risks, trust, shopping enjoyment, valence of online shopping experience, and perceived product quality. (Laio 2001; Saeed et al. 2003; Miyazaki and Fernandez, 2001; Chen and Duvinsky,,2003; ; Khaled, A. S et al., 2020; Khaled, A. S et al., 2023; Khaled et al., 2021).The lists of factors having a positive or negative impact on consumers' propensity to shop are similar to the consideration for purchase in offline environment. Factors like price sensitive, importance attributed to brand or the choice sets considered in online and offline environments can be significantly different from each other various factors like (Khaled, A. S et al., 2020; Khaled, A. S et al., 2023; Khaled et al., 2021; Andrews and currim, 2004).

Uncertainties about products and shopping processes, trustworthiness of the online seller, or the convenience and economic benefit the costs versus the benefits of online and offline shopping also influence online purchase decision (Teo et al., 2004; Al-Homaidi et al., 2020; Khaled, 2019). Moreover studies covering the full set of factors influencing consumers' pre-purchase intentions have still not been undertaken.

2. Research methodology:

The study is exploratory in nature. The objectives of the study were to

- a) To identify whether there is preference for online buying.
- b) To identify the reasons for online shopping.
- c) To identify parameters that customers look for in online shopping.
- d) To study the level of satisfaction of customer in online shopping.

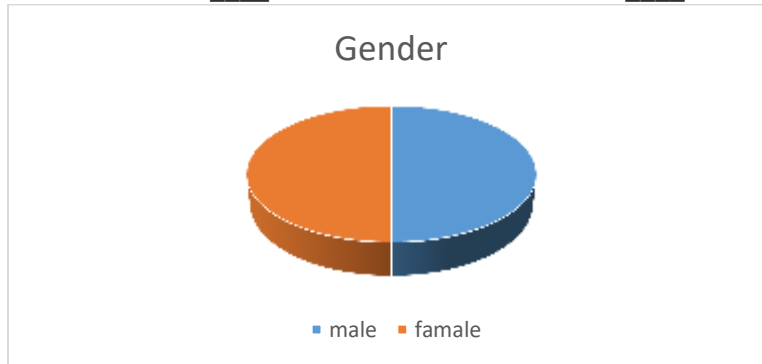
The study is based on primary data collected in Aligarh, NCR and Uttar Pradesh. Therefore the scope of the study is limited to these regions. The respondent were students studying in professional course of study.

3. Analysis and Discussion

4.1 Descriptive analysis

4.1.1 Demographic analysis

a) Gender: Male _____ Female _____

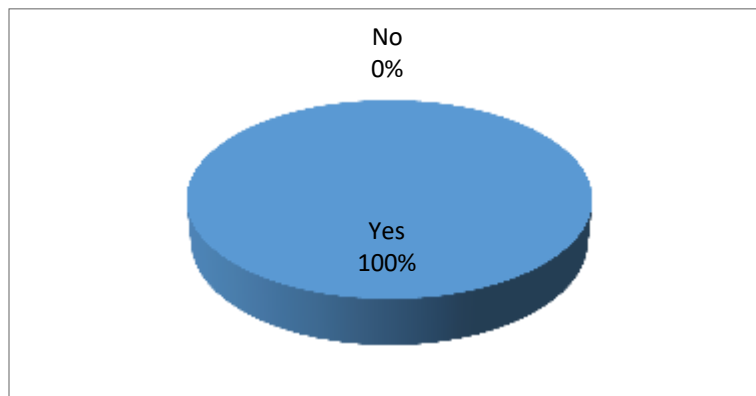


There are 75% male and 25% female in survey.

a) **Do you opt for online shopping?**

a) Yes

b) No



The above graph shows that all the respondents are opt for online shopping.

b) **What products do you shop online?**

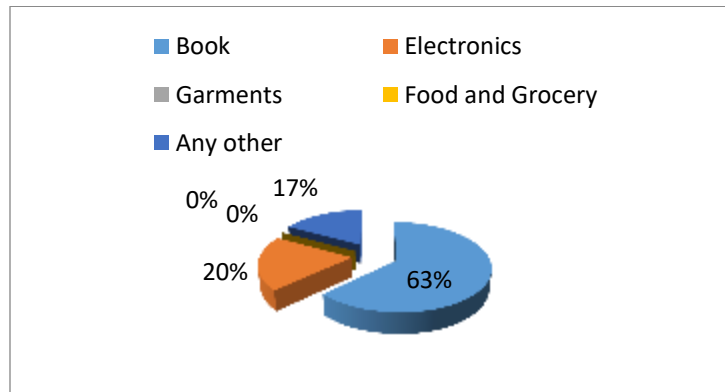
a) Book

b) Electronics

c) Garments.

d) Food and grocery

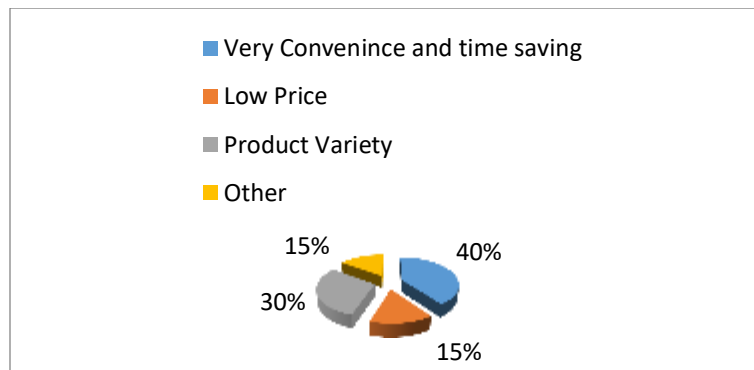
e) Any other



The above graph shows that the majority of the respondents buy books 63% online, 20% buy Electronics items and remaining 17% respondents buy other product from online shopping.

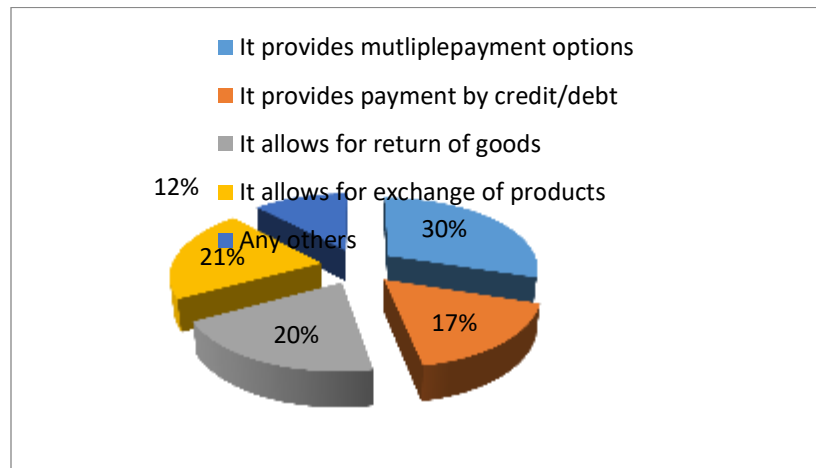
4.1.2 Questionnaire Items

- a) Why do you shop online?**
- a) Very convenience and time saving
 - b) Low price
 - c) Product variety
 - d) Other



The above graph show that majority of the respondents purchase online as it is very convenient and time saving, 15% have reason of low price, 30% have reason of product variety and remaining 15% respondents have other reasons.

- b) I opt for online shopping because:**
- a) It provides multiple payment options.
 - b) It provides payment by credit/ debit card.
 - c) It allows for return of goods.
 - d) It allows for exchange of products.
 - e) Any other.



The above graph shows that majority of the respondents opt for online shopping because it provides multiple payment options 17%, payment by credit/debit, 20%, allows for return of goods 21%, exchange of products and the remaining 12% other facilities.

4.2 Discussion

The study found that all students surveyed engaged in online purchase. The major items purchase were books (63 %), followed by electronic items (20 %). major reason quoted for online purchase was use of multiple option for payment (21 %), use of credit / debit card (14 %), provision for return of goods and also provision of exchange of goods. Further the preferred payment option used were COD, payment by credit /debit card. Consumers also opted for online purchase as prices offered on online sites is less as compared to price offered on brick and mortar store. Therefore price was a critical factor motivating them to purchase online as (60 %) strongly agreed while (35 %) agreed that price was a major factor.

4. Conclusion

The major conclusion of the study:

There is a preference for online purchase, and it has caught up very well among students. Major reason for online buying viz a viz offline were found to be convenience, time saving, availability of product variety and low price the other reasons were multiple payment options, return of goods and exchange of goods Electronic cash and cash on delivery were the most opted payment delivery mode. However debit cards are also a significant option. Price was a critical factor for online purchase. The study also concluded that majority of the respondents were satisfied by the product they purchase online.

It is recommended that as online sales is on a rise, organization should adopt to sell products online. Major products which could be sold are books and electronic goods where the touch and feel factor is not important. To increase acceptance among consumers, and increase level of satisfaction amongst

them, the organisations should offer multiple payment options and also have provision to return goods.

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