



CONSUMERS PERCEPTION TOWARDS ONLINE SHOPPING: A STUDY OF MAHABUBNAGAR DISTRICT IN TELANGANA STATE

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ABSTRACT:

Electronic commerce, commonly known as e-commerce, refers to the buying and selling of products or services over electronic systems such as the internet and other computer networks. Internet is the rapidest growing media during the past decade. Especially, online shopping is a rapidly growing ecommerce area. Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home. A successful web store is not just a good looking website with dynamic technical features, listed in many search engines. This study aims to study the theoretical back ground of the online shopping and to examine the customer's perception towards online shopping in Mahabubnagar city. An effort has been made to investigate online consumer behaviour, which in turn provides E-marketers with a constructional framework for fine-tuning their E-businesses' strategies.

KEYWORDS : Consumer Behaviour, Online Shopping, Mahabubnagar.

INTRODUCTION

Internet is changing the way consumers shop and buy goods and services and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. It has been more than a decade since business-to-consumer E commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace.

ONLINE SHOPPING AND E-COMMERCE IN INDIA

The rapid growth of e-commerce in India over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. The growth is expected to be led by increased consumer-led purchases in durables and electronics, apparels and accessories, besides traditional products such as books and audio-visuials. The birth and growth of Internet has been the biggest event of the century. E-commerce in India has come a long way from a timid beginning in the 1999-2000 to a period where one can sell and find all sorts of stuff from a high end product to a meager peanut online. Most corporations are using

Internet to represent their product range and services so that it is accessible to the global market and to reach out to a larger range of their audience. Computers and the Internet have completely changed the way one handles day-to-day transactions; online shopping is one of them. The Internet has brought about sweeping changes in the purchasing habits of the people. In the comfort of one's home, office or cyber cafe or anywhere across the globe, one can log on and buy just about anything from apparel, books, music and diamond jewellery to digital cameras, mobile phones, MP3 players, video games, movie tickets, rail and air tickets. Ease, simplicity, convenience and security are the key factors turning the users to buy online.

As per industry body Assocham. "India's e-commerce market was worth about USD 3.8 billion in 2009, it went up to USD 17 billion in 2014 and to USD 23 billion in 2015 and is expected to touch whopping USD 38 billion mark by 2016,". Increasing internet and mobile penetration, growing acceptability of online payments and favourable demographics has provided the ecommerce sector in India the unique opportunity to companies connect with their customers. There would be over a five to seven fold increase in revenue generated through e-commerce as compared to last year with all branded apparel, accessories, jewellery, gifts, footwear are available at a cheaper rates and delivered at the doorstep. The buying trends during 2016 will witness a significant upward movement due to aggressive online discounts, rising fuel price and wider and abundant choice will hit the e-commerce industry in 2016. Mobile commerce (m-commerce) is growing rapidly as a stable and secure supplement to the e-commerce industry.

"Shopping online through smart phones is proving to be a game changer, and industry leaders believe that m-commerce could contribute up to 70 per cent of their total revenues," the statement added. In India roughly 60-65 per cent of the total e-commerce sales are being generated by mobile devices and tablets, increased by 50 per cent than the last year and also likely to continue upwards, it added. In 2015, 78 per cent of shopping queries were made through mobile devices, compared to 46 per cent in 2013.

E-COMMERCE ACTIVITIES

The Internet has entered the mainstream consciousness over the past decade. This has happened primarily because the web has got a graphical interface and Internet has moved from governmental control to private hands. The activities which are happening on the Internet are email and instant messaging, general web surfing or browsing, reading news, hobby searches, entertainment searches, shopping and buying online, medical information searches, travel information searches, tracking credit cards, and playing games. Communication i.e. email, chat or instant message is the basic activity for which Internet is used. It is the single most important reason for people to go online. E-mail provides the opportunity to communicate more often with a much broader circle of people than one can reach by telephone or by mail in a convenient way. In India too email constitutes the major activity on the Internet. It was found that more elderly people are increasingly using email as compared to the younger generations.

REVIEW OF LITERATURE

Solomon (1998)¹ studied the Consumer behaviour and said that it is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention and conduct in light of the online buying practice.

Lepkowska-White, and Rao (1999)² studied vendor characteristics, security of transactions, content for privacy and customer characteristics as factors influencing electronic exchange. Donthu and Garcia (1999) proposed that risk aversion, innovativeness, brand consciousness, price consciousness, importance of convenience, variety-seeking propensity, impulsiveness, attitude toward adverting, attitude toward shopping, and attitude toward direct marketing would influence online shopping behavior.

Schiffman, Scherman, & Long (2003)³ in his study researched that "yet individual attitudes do not, by themselves, influence one's intention and/or behavior. Instead that intention or behavior is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this

case online buying. Over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels (Ernst & Young, 2001; Mahajan, Muller & Bass, 1990)

Sultan and Henrichs (2000)⁴ in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness. Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the oneclick online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

Bengtsson (2007)⁵ stated that adopting the Internet for advanced marketing operations opens up challenging opportunities for firms of all sizes. However, such adoption might destroy investments in present market channels and thus has the characteristics of radical innovation. The results of analysis show that composition of factors on which firms base their decision to adopt advanced Internet-based marketing operations varies significantly with firm size.

According to Xia and Monroe (2009)⁶, consumers will save in monetary when there are price promotions on specific products. In an online context, consumers are more likely to depend on the price cues to determine the quality of a product which are presented in the web site because they cannot see or touch the actual product (Jiang and Rosenbloom, 2005).

Chin ting (2010)⁷ stated that few school or educational studies have simultaneously explored both internet marketing and organizational commitment, and of those that have, only direct effects were examined. This study clarifies the relationship between school organizations internet marketing and teachers organizational commitment by examining the mediating role of teachers job involvement and job satisfaction.

NEED FOR THE STUDY

There were many studies has conducted on consumer behaviour in various areas with reference to difference products. Whereas there were no study was carried out on customer's behaviour towards online products in Mahabubnagar district in Telangana state. Mahabubnagar district is a back word district which is suffering with low literacy and unemployment. Therefore, there is a need to study the Mahabubnagar district people perception towards online shopping. The present study is observed the e-commerce in India and it is also examined the association between demographic profile of the respondents and online shopping.

OBJECTIVES OF THE STUDY

- To study the background of online shopping and e-Commerce in India.
- To study the association between the respondents demographic profile and use of online shopping.

HYPOTHESES

1. There is no significant association between income of the respondents and use of online shopping in Mahabubnagar district.
2. There is no significant association between education of the respondents and use of online shopping in Mahabubnagar district.
3. There is no significant difference between rural and urban areas in use of online shopping in Mahabubnagar district.

SCOPE OF THE STUDY

The scope of the present study is restricted to identify the respondent’s perception towards online shopping in Mahabubnagar District only. It is further extended the background of e-commerce and online market at Indian level.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data. The *secondary data* has collected from the Journals, various websites, etc. whereas the *primary data* has collected directly from the respondents who belong to urban and rural areas using structured questionnaire method. The sample size of the study is 100 respondents which include 50 from rural and 50 from urban areas and ‘*convenience sampling*’ technique has adopted to select the samples. The rural respondents were selected from *Siddayapalli village*, Mahabubnagar Dist. Telangana state whereas the urban respondents were selected from *Mahabubnagar city*. The primary data which was collected from rural and urban respondents has tested using various statistical tools like mean, standard deviation, Chi-square and ANOVA to get the results in a scientific way.

DATA ANALYSIS

Table-1 sows the respondent’s opinion towards use of on-line shopping in Mahabubnagr District. As per the results, it is observed that 96% (48) of rural respondents were not preferred the online shopping whereas 4% of them were buying the products through online products. Regarding urban, it is observed that majority of respondents 58% were not interested with use of on line shopping and 42% of respondents were used the online shopping. Overall, 77% of the respondents were not used online shopping mode in Mahabubnagr district.

Table 1: Use of on-line shopping

Area		Yes	No	Total
Areas	Rural	2	48	50
	Urban	21	29	50
Total		23	77	100

Source: Primary Data

Table-1 (a) shows the difference between the rural and urban respondents among the usage of online shopping in Mahabubnagar dist. As per the results, p value 0.01 is below the standard vale .05 at 5% level of significant. Hence, the null hypothesis is rejected. Therefore, it is concluded that there is a significant difference between the rural and urban areas in the usage of online shopping in Mahabubnagar dist.

Table 1 (a): Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.000 ^a	1	.014

Source: Primary Data

Table-2 shows the association between the income and use of online commerce among the identified respondents in Mahabubnagar dist. of Telangana state. As per the results, the ‘p’ value .00 is below the standard value 0.05 at 5% level of significant. Therefore, the null hypothesis is **rejected**. Hence, it is concluded that there is a significant association between the income of the respondents and use online shopping in Mahabubnagar dist.

Table 2: ANOVA

	Sum of square	Df	Mean square	F	Sig.
Between groups	2.526	8	1.132	5.664	.000 ^b
Within groups	19.723	92	.200		
Total	22.249	100			

- a. dependent variable (use of online shopping)
- b. predictors (constant) income

Table-3 shows the association between the education and use of online commerce among the identified respondents in Mahabubnagar dist. of Telangana state. As per the results, the ‘p’ value .00 is below the standard value 0.05 at 5% level of significant. Therefore, the null hypothesis is **rejected**. Hence, it is concluded that there is a significant association between the education of the respondents and use online shopping in Mahabubnagar dist.

Table 3: ANOVA

	Sum of square	Df	Mean square	F	Sig.
Between groups	1.018	4	1.001	4.804	.000 ^b
Within groups	21.714	96	.258		
Total	22.732	100			

- a. dependent variable (use of online shopping)
- b. predictors (constant) education

Table-4 shows the association between the occupation and use of online commerce among the identified respondents in Mahabubnagar dist. of Telangana state. As per the results, the ‘p’ value .00 is below the standard value 0.05 at 5% level of significant. Therefore, the null hypothesis is **rejected**. Hence, it is concluded that there is a significant association between the occupation of the respondents and use online shopping in Mahabubnagar dist.

Table 4: ANOVA: Association between occupation and use of e commerce

	Sum of Squares	Df	Mean Square	F	Sig.
Between Group	133.369	98	1.361	14.241	.000
With in Gropu	19.381	1	19.381		
Total	152.750	99			

- a. dependent variable (use of online shopping)
- b. predictors (constant) occupation

FINDINGS AND CONCLUSIONS

- The study found that there is a difference between the rural and urban respondents about the use of online shopping in Mahabubnagar District of Telangana state’. It is observed that 2% of rural respondents were used online shopping whereas the same is only 21% in respect of rural respondents. Based on the results, it is concluded that on line shopping is not popular in Mahabubnagar dist.
- It is identified that there is an association between the respondent’s education level and use of online shopping. As we discussed above, use of online shopping involves the use of latest technology. Therefore uneducated and undeveloped rural or urban people were not able to use. Whereas urban respondents were well educated and developed in all aspects compared to rural.
- It is identified that there is an association between the income’s level and use of online shopping. As we discussed above, use of online shopping involves the use of latest technology and more income. Therefore uneducated and undeveloped rural or urban people were not able to use due to low income.

Whereas urban respondents were well equipped with digital payments. So that urban people can use the online shopping.

- It is identified that there is an association between the respondent's occupation and use of online shopping. As we discussed above, use of online shopping involves the use of latest technology. Majority of the respondents in urban areas were business people and rural respondents were students.

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