

# Study on the Impact of Online Shopping on Consumers Preference and Satisfaction in Indore City

ANKIT MALE

Department of Management, Dr. A. P. J. Abdul Kalam University, Indore  
\*Corresponding Author Email: ankit.male88@gmail.com

**Abstract** -This study titled “A Study on Customer Satisfaction towards Online Shopping in Indore City” has been undertaken to understand the factors influencing customers’ online shopping decisions and how these factors affect customer satisfaction. Descriptive Research Design has been used for this study. A well-structured questionnaire was designed and administered to collect samples across Indore. Due to the need for a variety of respondents who have had previous experience with online shopping, judgment sampling technique was chosen. The study has been undertaken with reference to a sample size of 105 respondents. After collecting the data, the data was classified, tabulated and codified. Necessary statistical tools such as Percentage Analysis and Chi Square tests have been used to interpret the data. The results of this study may be of great use to businesses which are looking to expand into or venture into the online shopping environment..

**Index Terms**— Consumers behavior, E –marketing, online Shopping.

## I. INTRODUCTION

### Online Shopping System

The prospect of online marketing is growing in India, with the increasing internet literacy. The customers indulging in online shopping consider many benefits. The trend of online shopping is increasing especially in the young generation. They prefer their shopping at home and get benefits of discounts, saving of fuel, time and energy. There will be a better scope in growth of online shopping in coming years. So, companies will plan or make some new marketing strategies especially for the online shopping customers. The trend of enlargement in online shopping is also increasing in the metropolitan and big cities. It has been also very successful in the various foreign countries.

According to The Economic Times, when you buy a product or a service over the internet, instead of going to a traditional brick-and-mortar store, it is called online shopping. Globally, an increasing number of people are buying over the Internet because it is more convenient. Online shopping is also very convenient and time saving way of shopping for customers. These days, the choice of products and brands is increasing at online shopping with market span of the companies at global level.

The social media and advertisement on internet will also increase the number of customers for online shopping. The exclusive benefit of online shopping customers is, it provides the 24 hours in a day shopping facility and it also provides anywhere shopping facility like home, office, etc with the help of internet facility. The discovery of their favorite brands and products is also easy on web compare to any store, shopping mall and exclusive showrooms. Now a days, the more involvement of companies in online shopping mode provides the various benefits to the customers like less cost, more discounts, fast delivery, better quality, combo offers, replacement facility, guarantee and warrantee of products, discount coupons on next purchase and many more. Shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. Shopping is one of the essential part of everyone life. We're using different types of shops to buy different kind of things every day. Today online shopping can divide our life into two parts: 1. Physical life 2. Virtual life

In Physical life: - we meet each other physically.

In virtual life: - we're using digital technologies (like internet) to meet each other. Today virtual life is also very true as customer real life,

An online shop evokes the physical analogy of buying products or services at a bricks and motor retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2C) online shopping. This is evident because of the increase in retailers now offering online store interfaces for consumers.

It is very easy step for customers shop His/her favorite items from a large number of online shopping sites available on the internet. Customer can perform an online shopping from their home comfort. Here is no need to go to the crowd supermarkets or shopping malls during festival seasons. Customer just needs a PC or a laptop and one necessary payment sending option to shop online.

### Online Shopping in India

It is a fact that a great online shopping revolution is expected in India in the coming years. There is a huge purchasing power in the youth of India. If we observe the number of internet users will be increasing at very high speed. In the

coming years, the number of internet users will be increasing at double speed with the effect, easy availability of personal computers, laptop, low cost of maintenance, less charges of internet usage. The main factor of increasing online shopping in India is the increasing cyber café facility, increasing number of computer operators and easy availability of internet and wifi facility to the population of India. The spending power of customers is also growing with the time especially middle class population has great spending powers. Many of them have started to depend on online shopping. So, Indians always prove that they can beat the world, when it comes to the figures of online shopping. More and more Indian customers are going for the online shopping and the frequency of online shopping customers is crossing the overall global averages.

### **Consumer Behavior over Online Shopping**

Being aware that customers are performing a major role in marketing, finding out how the factors that are essentially affecting the purchasing intentions are important. Analyzing the process of shopping activities, how consumer decide and make purchasing over the Internet and what they buy need to be identified by online providers in order to satisfy and succeed in the competitive business environment. Customer behaviors are influenced by different factors such as culture, social class, references group relation, family, salary level and salary independency, age, gender etc. and so they show different customer behaviors. These differences are seen more specific when it is considered between two different consumer groups from different countries. Previous research streams on online shopping behavior, investigated main factors influencing online shopping adoption. However there has been limited number of studies on comparison two different countries. In this study, research has been made comparative online buying behaviors of consumers that are located two different countries which are United Kingdom and Turkey and studied on the findings of the research.

## **II. LITERATURE REVIEW**

Venkatesh (2000) reported that perceived convenience offered by Internet Vendors has a positive impact on consumers' attitude towards online shopping, as they perceive Internet as a medium that enhances the outcome of their shopping experience in an easy way. Online shopping holds a great potential for youth marketers. According to Vrechopoulos et al. (2001) youth are the main buyers who used to buy products through online. Dholakia and Uusitalo (2002) study examined the relationship between age and Internet shopping; found that younger consumers reported more linen to the online shopping. They also found that younger consumers searched for more products online and they were more likely to agree that online shopping was more convenient.

Benedict et al (2001) in his study on perceptions towards online shopping reveals that perceptions toward online shopping and intention to shop online 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.

This paper discusses the growth of online shopping and examines the relationship between consumer factors and attitude toward online shopping and then analyses the various factors that influence attitude toward online shopping (Upadhyay & Kaur, 2013). With the fast growing technology online shopping is emerging in India at a very faster rate. According to a new report, India saw a 128% growth in interest from consumers as compared to that of 2011 (Deepali, 2013). This paper studies the buying behavior of a consumer while making an electronic purchase of a deal and discount coupon, their preferences towards mode of payment and tendency to repurchase the same (Sharma & Khattri, 2013). This paper discusses the various motivators of online shopping (Gangeshwar, 2013). This study reveals that on-line Shopping in India is significantly affected by various Demographic factors like age, gender, marital status, family size and income (Nagra & Gopal, 2013). The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers (Zia Ul Haq, 2012). This paper studies the importance and growth of online shopping market in coming years and it also studies the impact of demographic factors of consumers on online shopping pattern (Dahiya Richa, 2012). This paper studies the consumer buying behavior in respect of online shopping (Ankur Kumar Rastogi, 2010). Due to technological advancement, the concept of competitive advantage is eluding day by day. Every company is having almost the same technology and this has generated a herd of standardized products with difference on only one front i.e. the brand name (Shweta Tanwar, 2009).

This paper studies that growth of online market is increasing very rapidly and study various factors that affects the consumer towards online shopping (Suresh & Shashikala, 2011). Some popular websites of online shopping.

**According to, Jayawardhena (2007)** in their study considered the purchasing orientation of potential buyers and assessed its impact on purchase behaviour, but found that individual orientation is independent of purchasing decision, which reinforces the views of Liu et al. (2008) and Sorce et al. (2005) that every stage of the purchasing decision making cycle may have impact on a potential buyer's decision to buy online or not. Demangeot and Broderick (2007) reported that "information search experiences affect the attitudes towards the site and its brands". In the Koo et al. (2008) study, which was conducted on 279 online customers in Korea, it was found that "32.5 per cent use the internet for news and information, 32.5 per cent for communication, 7.5 per cent use it for entertainment while 7.1 percent for online shopping".

**According to Gay et al. (2007), Yun and Good (2007), Lee and Lin (2005), Rajamma et al. (2007), Kim and Kim (2004), Ramus and Nielsen (2005), Ladson and Fraunholz (2005), Kramarae and Kramer (1995), Welch (1995), Rathmell et al. (1998), Johnstone (1999), Singh (2004), Smith & Chaffey (2002), and Canavan et al. (2007),:** consumer satisfaction and purchase decision on online shopping depends on few more issues. These are: e-store image, delivery and customer services, service quality and purchase behavior,

personalization, motivations for online purchase, trust, reliability, privacy, transaction and cost, incentive programmes, web-site design, online interactivity, merchandise motivation, assurance, convenience (or Hassle Reduction), pragmatic motivation, responsiveness, consumer risk assessment etc. Following from the above consideration, this research will find out the answers to the following specific question within a sample in Wrexham township, that are likely to formulate the findings of the research and from where attempts will be made to draw generalizations. Therefore in the context of consumer satisfaction in online shopping.

Donald Rogan (2007) explains the relationship between consumer behavior and marketing strategy. He states that strategy is about increasing the probability and frequency of buyer behavior. Requirements for succeeding in doing this are to know the customer and understand the consumer's needs and wants. The expectation-confirmation model (Oliver 1980), on the other hand, focuses on the post-purchase behavior. It is a widely used model in the consumer behavior literature, particularly in explaining consumer satisfaction and repeat purchase. Satisfaction is the central notion of this model and it is formed by the gap between expectation and perceived performance.

The expectation-confirmation theory suggests that if the perceived performance meets one's expectation, confirmation is formed and consumers are satisfied. Bhattacharjee (2001) stated that satisfied users are more likely to continue the IS use. Thus, we point that adoption and continuance are connected to each other through several mediating and moderating factors such as trust and satisfaction

This led Andrew Mason in 2008 to launch "The Point", an online community to obtain best group deals. In the November of same year, famous "Groupon" was incorporated. Currently, Groupon is present in over 45 countries around the world since March 2010, and has received multi-million dollar bids from industry giants like Yahoo! and Google. All these advantages have triggered a rush among consumers to buy discount coupons and the rate of user growth is rising incessantly.

According to Sharma and Mittal (2009) in their study "Prospects of e-commerce in India", mentions that India is showing tremendous growth in the Ecommerce. Undoubtedly, with the population of millions of people, online shopping shows unlimited potential in India... Today E-commerce is a common word in Indian society and it has become an integral part of our daily life. There are websites providing a number of goods and services. Then there are those, which provide a specific product along with its allied services. Multi-product ecommerce-These Indian E-commerce portals provide goods and services in a variety of categories. To name a few: Apparel and accessories for men and women, Health and beauty products, Books and magazines, Computers and peripherals, Vehicles, Software, Consumer electronics, Household appliances, Jewelry, Audio/video, entertainment, goods, Gift articles, Real estate and services.

According to Kotler & Keller (2009), a buyer goes through five stages while making a decision to purchase. These stages are best explainable when a buyer goes for buying costly items, such as a house, a car, diamond jewellery etc. However,

in day- to- day purchase, consumers may not go through all these stages, since some commodities do not need information, and based on buyer's previous experience they will visit a store for the purchase. "problem recognition, information search, evaluation of alternatives, purchase decision, and purchase behaviour" (Kotler & Keller 2009).

In addition, many marketing activities (e.g. relationship marketing, marketing research, data mining, promotion/communications, supply chain management, sales and purchasing and after sales support) are now technology enabled due to the increasing expansion of online marketing via the Internet (O'Connor & Galvin, 2001). Companies are now using the Internet to build closer relationships with consumers and marketing partners. Besides competing in traditional marketplaces, they now have access to exciting new market spaces. Moreover, through the Internet, consumers can learn about design, order, and pay for products and services, without ever leaving home and then, through the wonders of express delivery, they can receive their purchases in short time. From virtual reality displays that test new products to online virtual stores that sell them, the technology explosion is affecting every aspect of marketing. The Internet has now become a truly global.

Ramírez Nicolas (2010) state that "The Internet has changed many facets of our daily lives: the way we relate and communicate with one another, how we interact with a bank, read newspapers or watch television. Even the way we buy and sell. These changes have occurred due to the constant flow of companies offering new business models and innovative formulae. Discount coupons have always been a powerful marketing tool. Whether inserted in printed media or posted through letter boxes, they attracted new customers and were also offered at the time of purchase to promote consumer loyalty by encouraging repeat purchases at outlets. In order to play the "high number game", there were many businesses which offered special discounts to a group of customers together.

### III. OBJECTIVE OF THE STUDY

- To study the key factors that influence customer for online shopping.
- To study the level of satisfaction of consumer for services which is offered by online sites in Indore?

### IV. RESEARCH METHODOLOGY

To know and understand the consumer's perception and awareness about internet marketing/shopping. This will help to know the attitude & perception of consumers towards online shopping and what are the factors which shape the consumer's perception towards online shopping also want the key concerns from the point of view consumer while online shopping.

Determination of information needs & sources:- The following was the information required:-

- What's the consumer's attitude towards online shopping?
- What are the key concern areas for consumers while online shopping?

- Which factors shape the consumer's towards online shopping?

#### Research Design

A research design is arrangement of condition for collection and analysis of data in a manner that aims to combine relevance to the research purpose.

Exploratory research It should draw definitive conclusions only with extreme caution. Given its fundamental nature, exploratory research often concludes that a perceived problem does not actually exist. The objective of exploratory research is to gather preliminary information that will help define problems and suggest hypotheses.

Research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to the following; expressing casual connection between variables.

#### Sample Design

In this research, sample design will consist of 232 consumers who are doing online shopping in Indore and those who are still purchasing from retail outlets; because they will be in a better position to rate the services and can mention their problems which they ever faced during the process. This sample will not be restricted to any particular area, every segment will be considered for data collection.

#### Data Collection

**Field area:** - My field area is within INDORE region.

**Data collection:-** Data collection works are done by two ways.

1. Primary Data
2. Secondary Data

**Primary Data:-** Primary data are those data, which are collected for first time, taking a sample, representing a population. It is not published it is problem specific data collected by researcher and it is become secondary data for everybody, other than researcher it can be collected in five ways:

1. Observational research
2. Focus group research
3. Survey research
4. Behavioral data
5. Experimental research

**Secondary Data:-** Secondary Data are those data, which are already published. It may be useful for many other people than the researcher who published it.

**Data collection Method:-** I have selected survey method for collection of information. I have use Questionnaire as my research instrument.

#### Finding

The finding show that internet usage has increased over the years and it is leading to an increase in online shopping and also show the consumers attitude and perception towards online shopping.

Communication still forms the major activity among the large no. of online shoppers as 32% as regular online shopping use internet for communication as compared to shopping (10%). Online shopping affected demographics as it has been seen that more males are shopping online as compared women online shopping and there is a positive relationship between

education and incomes level with respect to the increased online shopping behavior.

The most important motivating factor, which influenced the online shopping, was convenience followed by time saving and price. Regular online shopper considered convenience as main motivating factor while buying and were less price sensitive. But online marketer should attempt to differentiate their product and services making the comparison easier. The marketers should bring to innovative ways so that the consumers can do more online shopping while taking the full advantage of rich information, easy access and continence of the internet.

One of the main concerns among the online shoppers was privacy and security. Another reason that hindered online shopping was touch the factor. The future of online shopping is bright especially in the categories of travels, books, electronic, gadgets, and gifts.

## V. CONCLUSION

- The most preferred product of online buying is travelling tickets and clothing remains the least preferred choice of online shoppers.
- Among the payment options, Payment on delivery through cash in the safest choice of payment, while credit card are next preferred choice, online bank transfer is least preference choice.
- Online shoppers seek for clear information about product and service, time saving, convenience, security and delivery on time are all important factor for online shopping. The offers with punch lines "Attractive offers" do not attract online shoppers.

## VI. REFERENCES

1. Philip Kotler and Keller Marketing Management 13th edition (2008) New Jersey Pearson Education Ltd.
2. Jarvenpaa, Tractinsky & Vitale, M. (2000)–Consumer trusts in Internet store, Information Technology and Management pp 45-71.
3. Burke R.R (2002) 'Technology and the customer Interface: What consumers want in the physical and virtual store'. Academy of Marketing Science journal vol.30 No.4 pp 411.
4. Gao & Xie (2008). An empirical study of online shopping customer satisfaction: A Holistic perspective. International Journal of Retail & Distribution Management 36(11), pp 919-940.
5. Shim Soyeon Mary, Ann Eastlick, Sherry Lotz, Patricia Warrington (2001) an online prepurchase intentions model. The role of intention to search. Journal of Retailing 77: 397-416.
6. Ladson, A. & Fraunholz, B. (2005). Facilitating online privacy on e-Commerce websites: Journal of Information, Communication and Ethics in Society, 3(2), pp 59 – 68.