

**READINESS OF CUSTOMER FOR ONLINE SHOPPING:
AN INDIAN PERSPECTIVE**

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Abstract

In today's era where time is changing rapidly, in India service sector is witnessing exponential growth; The online marketing sector is ready to witness a bright future. The growth of online shopping has occurred in the context of greater familiarity with, and confidence in, the use of the internet across a range of activities. This reflects a substantial cultural change in how the community is conducting economic transactions. In this context an effort has been made in this research paper to check the readiness of Indian customer for online shopping. As India is a developing market for online shopping where the largest youth population offers a very vast market that could be tapped to earn unlimited profit in future

Key words: Online shopping, Indian customer, readiness.

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Introduction

Over the last few years the internet penetration in India has increased at a very rapid pace. The logistic infrastructure also has seen a tremendous improvement over the mail-order days of the Indian Postal Service. With the mushrooming of many private logistic services, the distribution and delivery channels may now be considered capable of meeting customer expectations of speed and timeliness of delivery. All this along with development of safe modes of payment for online transactions have resulted in large number of e-commerce sites being started to tap into this new market. E-commerce has been predicted to be a new driver of economic growth for developing countries.

With the rising acceptance of online shopping among the Indian consumers, online shopping can now be considered as a relevant alternative channel for retailing in India, thus making it an important part of the retail experience.

To be able to fully tap the potential of online shopping; a need was felt to know more about the consumers i.e. the e-shoppers. This study attempts to study the buying behavior of the Indian e-shopper in order to identify the factors that affect the online purchase decision, the drivers and the barriers.

Many advantages and some disadvantages of shopping online as compared to shopping at a conventional store have become apparent. Rapid and extensive display of information and ease of comparison between the attributes of different brands are some of the advantages. On the other hand, lack of personal service, inability to inspect or handle the product, and concern about delivery and exchange processes including giving out credit card numbers over the Internet have been realized as perceived disadvantages.

The internet has had an important transformative impact on the way in which businesses interact with consumers by facilitating the rapid transfer of information, reducing transactions costs associated with locating and purchasing supplies, and enabling more efficient production and delivery of goods and services. The growth of online shopping has occurred in the context of greater familiarity with, and confidence in, the use of the internet across a range of activities. The technologies designed to improve commercial transactions using the Internet have evolved as quickly.

Review of Literature

To support my study a similar research was conducted by Lina Zhou et. al, (Department of Information Systems, University of Maryland Baltimore County) In his research, he conducted an extensive survey of extant related studies and synthesized his findings into a reference model called OSAM (Online Shopping Acceptance Model) to explain consumer acceptance of online shopping. Their literature survey reveals that a myriad of factors have been examined in the context of online shopping and mixed results on those factors have been reported.

Hypothesis

It was hypothesized that the Indian customers are not ready for online shopping. It can also be said that there is no significant relation of online shopping in case of Indian consumers.

Research Methodology

Data Collection

In this research, the primary data was collected through self-constructive questionnaire which was administered on the selected sample by e-mails, or by posting a link on website and social networks.

Sample Size

The data collection was done from 400 Respondents. Out of them, 200 were male and 200 were female. Out of this 376 were complete valid responses. The age group of respondents was 18 and above. The respondents included students, housewives, retired people, professionals including teachers, software engineers, chartered accountants etc.

Locale of Study

The study was conducted covering a large geographical area with the greater focus on 2 Tier and 3- Tier cities like Jodhpur, Jaipur, Banglore, Ahemdabad, Mumbai, Hyderabad etc through web.

Tool /Technique used for Data Analysis

In order to check the readiness of Indian customers, Binomial test was applied. The binomial test is an exact test to compare the observed distribution to the expected distribution when there are only two categories. Binomial Distribution was used to identify the readiness or non readiness of Indian customers for the online shopping method and all the aspects of the online shopping approach such as payment options, delivery issues, product issues, etc. All the responses that were recorded were divided in two broad categories and binomial test was applied.

Result and Discussion

Preference of shopping from home

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Shop at home	Group 1	5.00	490	.67	.50	.000a
	Group 2	1.00	236	.33		
	Total		726	1.00		

Table 1 : Preference of shopping from home

Group 1 : Prefer online shopping

Group 2 : Do not Prefer online shopping

67% respondents agree that they can shop at home if they prefer online shopping, while 33% did not prefer this mode.

As the calculated p-value comes out to be 0.00 which is significantly lower than the p-value of 0.05, hence we conclude that there is a significant difference between those who prefer online shopping and those who do not.

The Indian customers realize the constraints of time and money involved in physical shopping from market. As the access to world wide web increases and trend of online shopping grows, there is significant difference between people who want to shop at home and those who do not which is proved by the fact that the null hypothesis is rejected that there is no difference between those people who want to shop online and those who do not.

It could be seen from the binomial statistical table above that respondents find it more effective to shop by online shopping service as they found ease to shop at home by this than the other processes.

Convenience of shopping

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Shop when wants	Group 1	5.00	624	.86	.50	.000a
	Group 2	1.00	100	.14		
	Total		724	1.00		

Table 2 : Convenience of shopping whenever wanted

Group 1: Agreed with the statement that they can shop whenever they want

Group 2: Disagreed with the statement that they can shop whenever they want

It was agreed by 86% respondents that they can shop whenever they want, if they prefer online shopping. 14% disagreed to the statement.

The calculated p-value comes out to be 0.00 which is significantly lower than the p-value of 0.00, hence the null hypothesis is rejected that there is no difference between people who want to shop whenever they want and those who do not. There is a marked difference who shop online as they can shop whenever they want and those who do not agree with the same statement.

Online shopping is a trend that is expanding fast. As India shifts to corporate culture with offices functioning according to the globalized clock, people may or may not have the time always to go out and shop. They need shopping preferences according to their suitability. Hence there is a significant difference.

It was found in statistical table that consumers found online shopping more effective as they can shop whenever they wants without any time limitation.

Avoidance of crowd

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Save from	Group 1	5.00	536	.75	.50	.000a

crowd	Group 2	1.00	180	.25		
	Total		716	1.00		

Table 3 : Avoidance of crowd through online shopping:

Group 1: Agreed with the statement that online shopping service save them from crowd

Group 2: Disagreed with the statement that online shopping service save them from crowd

It was found that 75% respondents agreed to the statement that online shopping service save them from crowd while it was disagreed by 25% respondents.

It was found that the calculated value of proportion comes out to be 0.00 which is significantly lower than the p value of 0.05. Hence, the null hypothesis is rejected that there is no significant difference between people who think that they shop online as they can save themselves from the crowd and those who do not agree with the statement.

The markets today are more crowded than ever. There also exists problems of parking, traffic jams etc. In these given set of circumstances, Indian population now realizes that shopping online would save them from the crowd and the problems related with it.

Respondents found it more effective to shop online as it save them from market crowd than other ways of shopping.

Availability of Detailed product information

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Detailed product information	Group 1	5.00	604	.84	.50	.000a
	Group 2	1.00	112	.16		
	Total		716	1.00		

Table 4: Availability of Detailed product information through online shopping

Group 1: Agreed with the statement that there is availability of detailed product information in online shopping

Group 2: Disagreed with the statement that there is availability of detailed product information in online shopping

84% respondents agreed that they can have detailed product information in online shopping as compare to 16% respondents who disagreed to it.

Detailed product information reassures the customers about the quality of products that they are going to purchase. Online shopping provides far more details than that can be obtained from physical shopping of the same. This is primarily because of the fact that a given shopkeeper has to deal with multiple customers at a given time and may not possibly be able to give a certain customer the same attention . There is also the lack of complete knowledge on part of Indian retailers. If we take the simple example of a purchase of a shoe. The details available on the world wide web would include size in Indian, European scales. There would also be detailed information about the raw material used like leather, synthetic material etc.

The stated null hypothesis was that there is no difference between people who believe that they can get detailed information from online shopping and those who do not believe in the same.

As the calculated p-value comes out to be 0.00 which is significantly lower than the test proportion, hence the null hypothesis is rejected. There exists a significant proportion of people who believe that they can get more detailed information about products online.

It can be seen in statistical table that respondents can get detailed product information online when they shop online.

Broader variety of products

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Broader variety of products	Group 1	5.00	642	.90	.50	.000a
	Group 2	1.00	74	.10		
	Total		716	1.00		

Table 5 : Availability of Broader variety of products

Group 1: Agreed with statement that there is availability of broader selection through online shopping

Group 2: Disagreed with statement that there is availability of broader selection through online shopping

It was found in study that 90% respondents that there is broader variety of products in online shopping service while 10% disagreed to this.

The null hypothesis is that there is no difference between people who shop online as they get a broader base of selection and those who do not believe that they cannot get broader base of selection.

As the calculated p- value comes out to be 0.00 which is significantly lower than the test proportion, hence the null hypothesis stands rejected.

Availability of Broader selection of products means that the Indian customers have a wide array of choices available. This is more prominent in case of two tier cities where there are less number of retailers of branded goods. As the urbanization phenomenon sweeps India, people become more and more of the brands conscious, online shopping is definitely providing a broader selection prospects to the Indian customers.

It can be found from statistical tool that consumers get much broader selection of products online than other sources.

Price comparison

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Price comparison possibility	Group 1	5.00	666	.93	.50	.000a
	Group 2	1.00	50	.07		
	Total		716	1.00		

Table 6 : Price comparison possibility in online shopping

Group 1: Price comparison possibility in online shopping

Group 2: Price comparison possibility not present in online shopping

93% respondents agreed that in online shopping price comparison is possible of various companies producing same product while 7% respondents did not agreed to it.

A new distinctive feature that is price comparison is possible through it. This is because prices are checked and updated instantly through worldwide web. The instant and growing popularity of websites like carwaala.com and smartprice.com is owing to this factor. Price comparison provides value for money to the customer.

It was hypothesized that there is no difference between people who believe that online shopping gives the facility of price comparison and those who do not.

The calculated value comes out to be lesser than 0.05, hence the null hypothesis is rejected that there is no significant difference on account of price comparison.

It is found from binomial statistical tool that respondents found a price advantage when they shop online i.e. they found that online shopping gives facility of easy price comparison.

User/Expert review on Products

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
user/expert review on products	Group 1	5.00	634	.89	.50	.000a
	Group 2	1.00	82	.11		
	Total		716	1.00		

Table 7 : Access to User/Expert review on Products in online shopping

Group 1: Access to User/Expert review on Products in online shopping

Group 2: No Access to User/Expert review on Products in online shopping

It was found that 89% respondents found agreed on that they could have user/expert reviews on products in online shopping while 11% disagreed.

The calculated value comes out to be lesser than 0.05, hence the null hypothesis is rejected that there is no significant difference on account expert review.

There comes out to be a significant difference between those who consulted experts than to those who did not. The reviews written significantly affect the buying behavior of proposed customers of online shopping.

Majority of respondents found online shopping services more effective as they have user or expert reviews on each product in online shopping platform, which otherwise not available easily in other methods.

Availability of time

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
much time to decide	Group 1	5.00	598	.84	.50	.000a
	Group 2	1.00	114	.16		
	Total		712	1.00		

Table 8 : Availability of time in online shopping

Group 1 : Agreed with the statement that they have much more time to decide on buying a product while buying online

Group 2 : Disagreed with the statement that they have much more time to decide on buying a product while buying online

84% respondents agreed that they have much more time to decide on buying a product while buying online. 16% respondents disagreed to it.

The given null hypothesis states that there is no difference between people who agreed that they have much more time to decide on buying a product while buying online and those who did not.

The null hypothesis stands rejected and there comes out to be a significant difference between the two thoughts.

Thus, it was found that consumers prefers online shopping because they can have much time to decide on purchasing decisions for products. Physically if one has to shop, one can visit, two or three stores, if they are situated at a distance. In contrast to this, one can look up more varieties in online shopping in the same given time. This is so because, in online shopping they save the travelling time, to and fro while purchasing online. The same time can be used to look at more varieties online.

Preference of Online Shopping on same price

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
prefer online shopping than from market	Group 1	5.00	406	.58	.50	.000a
	Group 2	1.00	298	.42		
	Total		704	1.00		

Table 9 : Preference of Online Shopping over Market Shopping on same price

Group 1 : Prefer Online Shopping than from Market

Group 2 : Do not Prefer Online Shopping than from Market

58% respondents agreed that they would prefer online shopping than market or window shopping whereas 42% disagreed to it.

As it is evident, that the calculated value is lesser than 0.00, which is far lesser than 0.05, hence the null hypothesis stands rejected. There is a significant difference between people who prefer online shopping than to those who do not.

This is mainly so because if the same product is available online and in the physical market, then purchasing it from online shopping would definitely save the costs of travelling and, hence money associated with it. It will also save time as we do not have to move physically from one store to another. It has already been discussed above that shopping online also provides a broader variety of products reviewed for better price comparisons. Hence, it was found that if the product has the same price both in shops and on the internet, consumers prefer to buy it online and not from retailer.

Impact of reference groups:

Impact of Family Members and Friends Opinion

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
impact of family	Group 1	5.00	630	.91	.50	.000a

members or friends opinion	Group 2	1.00	66	.09		
	Total		696	1.00		

Table 11 : Impact of Family Members and Friends Opinion in buying online

Group 1: There is impact of family members and friends in online buying

Group 2: There is no impact of family and friends in online buying

It was found that 91% respondents have an impact of family or friends in their purchasing behavior whereas 9% respondents disagreed to it.

It was hypothesized that there is no difference between people who agreed that there is an impact of family and friends and those who did not agree with the same.

The null hypothesis stands rejected and we conclude that there is a significant difference between people who believe that there is impact of family and friends and those who do not. Each and every individual is a part of society and social influence is also one of the most prominent factors that affect buying behavior. Positive response from others about online shopping may serve as a motivator for the same. In the study it was found in statistical analysis that the opinion of friend or family members influences purchasing decisions of the respondents as consumers.

The opinions of friends impact purchasing decisions of respondents when they buy online.

It is found that respondents found it more effective to shop online when they follow others i.e. they feel confident of using Internet for shopping after seeing someone else using it. There is thus, dissonance reducing buying behavior when one feels highly involved with less focus on brand differentiation in buying online through others' opinion.

It could be said that while taking decisions of higher purchase amount the opinion of family is significantly important to respondents.

Impact of Online Forums and Reviews

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
impact of online	Group 1	5.00	586	.85	.50	.000a
	Group 2	1.00	100	.15		

forums and reviews	Total		686	1.00		
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Table 12: Impact of Online Forums and Reviews on Online Shopping Decisions

Group 1: Impact of forums and reviews while buying online

Group 2: No impact of forums and reviews while buying online

85% respondents agreed that there is an impact of online forums and reviews in their purchasing and buying decisions.

It can be seen from the above table that online forums and reviews affect online purchase decisions of respondents more effectively. Large number of reviews is perceived as an indication of product popularity and hence increases the purchasing intention of consumers.

Summary

Thus it is evident from above analysis that there is increasing rapid awareness among Indians about online shopping. The research also proved that people are now accepting the electronic form of retail.

Hence, the hypothesis stands rejected as the Indian customers are not ready for online shopping.

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