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A STUDY ON CONSUMER PREFERENCE TOWARDS ONLINE SHOPPING WITH SPECIAL REFERENCE TO TRIVANDRUM CITY

DR SMITHA V P

Assistant Professor in Economics, HHMSPB NSS College for Women, Neeramankara.

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Abstract

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. The sale or purchase transaction is completed electronically and interactively in real-time such as in Amazon.com for new books. However in some cases, an intermediary may be present in a sale or purchase transaction such as the transactions on eBay.com. An online shop, e-shop, e-store, internet shop, web shop, webstore, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping centre. The process is called Business-to-Consumer (B2C) online shopping. This is the type of electronic commerce conducted by companies such as Amazon.com. When a business buys from another business it is called Business-to-Business (B2B) online shopping. A large percentage of electronic commerce is conducted entirely in electronic form for virtual items such as access to premium content on a website, but mostly electronic commerce involves the transportation of physical items in some way. Online retailers are sometimes known as e-tailers and online retail is sometimes known as e-tail.

Keywords

Electronic Data Interchange (EDI), Electronic Funds Transfer (EFT), Jabong, Voonik

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INTRODUCTION

The increase technology provides good opportunities to the seller to reach the customer in much faster, easier and in economic way. Online shopping is emerging very fast in recent years. Now a day the internet holds the attention of retail market. Millions and Millions of people shop online. In this contemporary world customer's loyalty depends upon the constituent ability to delivery quality, value, and satisfaction. However online shopping is easier for the people and lesser price than ordinary shopping. While making any purchase decision consumer should know the medium to purchase online shopping. Consumer also decided the channel for them which can be best suit to their need and wants and which can satisfy them. In this competitive world, how the consumer can decide the particular medium for their purchase of goods is very important to understand in a managerial point of view. The behavior of online shopping also known as online buying behaviour and internet shopping. Buying behavior means the purchase of good over internet using web browser. But rather than searching actively many times potential consumers are attracted by information about the product they want. They see many products online and choose the best one which suits him or her. Then they purchase that product and finally the transaction takes place and post sales service provided by online sites. Online shopping attitude and behavior are related to the consumer.

Online or e-shopping is a kind of electronic shopping which allow the consumer to purchase goods over the internet direct from the seller using a web browser. There are some alternatives means of online shopping those are follows webstore, e shop, estore, internet shop, online store. Mobile commerce or e-commerce is described as purchasing from the online retailer by the mobile optimized online sites or application (app).

Online shopping is invented by an English entrepreneur Michael Aldrich in 1979. Tim Berners lee is the one who created

the first World Wide Web purpose. There after many technological innovation emerged in 1944 like the online banking, the opening of online pizza shop by pizza hut, Netscape SSLv2 encryption standard for secure data transfer, and intershops first online shopping system. In 1994, the first secure transaction was over the web either by net market or internet shopping. Amazon was launched in 1995, it is the first online shopping sites of the world and after *ebay* was introduced in 1995. Today many countries do online shopping but still some countries are at the starting point of experiment of online shopping. In 1987, the merchant account was launched that help the software developers to sell their soft online easily. Swerg was the name of first software and oldest software that is still available. Future shop is a book for how new technology will change the way of shopping and what the customer buy. It was published in the year 1992. The book consists of the topic like what will happen in the future date of e-commerce and how the internet wills takes place in the society. In 1994 is the year of online commerce and yahoo is launched in this year. In 1995 approximately 12000 domain names were registered in the internet in 1998 Google entered the world of e-commerce and yahoo launched yahoo store online. The customer of online shopping should have internet and a valid method of payment in order to purchase the products from the internet. Amazon, flip kart, snap deal, myntra are the some example of successful online shopping sites that use less price of items and large stock to attract the consumer.

In general the population from high level of income and high level of learning are more favourable to do online shopping. The populations who are more knowledgeable and more explored to the internet are more in to online shopping. The increase technology creates a favourable attitude towards the consumer for online shopping.

STATEMENT OF PROBLEM

Online commerce has played a big role in many peoples live. According to Bruce Krulwich, electronic commerce stores Bargain finder which his organization created “An agent of change”. Online shopping has many advantages as to regular shopping. The most fundamental advantage is the convenience. Online shopping can be done at home and you do not have to worry about traffic congestion. Another advantages is the ‘discount the product are offered for discounts ‘. So the consumers preferred on line shopping rather than offline shopping or ordinary shopping. So consumers are beneficial by doing online purchase

RESEARCH OBJECTIVES

- To study the various factors which motivate a consumer towards online shopping.
- To understand the consumers awareness about online shopping.
- To study the problem faced by online customer.

HYPOTHESIS

The hypothesis framed for the project consumer perception towards online shopping is “online shopping is beneficial for the consumer”.

METHODOLOGY

The methodology used in the study as follows;

The primary and secondary data have been used for the study. The primary data has been collected by using well-structured schedule which has been personally administered and collected from a sample of 50 respondents who are residing in Trivandrum city were selected of the study of which 31 females and 19 males. After the collection of data through well- structured schedule editing was done carefully. Before the responses of people’s samples, tables were prepared. The data collected were analyzed and interpreted with the help of the tables and figures. The secondary data has been collected from books, journal and internet.

SCOPE OF THE RESEARCH

The consumers in today’s era have not only many stores choices, but they also have a wide variety of channels to choose from. With the start of numerous channels (e.g. Mobile commerce, e-commerce) and a continuous increase in the competition among channels, the understanding of what incites consumers to purchase from one channel rather than another becomes progressively important channel design and management. This study also contributed hypothetically and practically understanding of consumer behavior, particularly the online buying decision process. This study will give

the clear idea about the online shopping.

REVIEW OF LITERATURE

A literature review is selected analysis research which is relevant to your topic showing how it relates to your investigation. It explains and justifies how your investigations may help to answer some of the questions or gaps in this area of research.

A literature review is not straightforward summary of everything you have read on the topic and it is not a chronological description of what was discovered in your field.

According to Solomon (1998) in his study 'consumer behaviour is the process involved when an individual selects, purchases, uses, or disposes of products, services, ideas or experiences to satisfy needs and desires'.

Lepkowska – White and Rao (1999) preferred vendor characteristics, security of transaction, content for privacy and customer characteristics as factors influencing electronic exchange.

Donthu and Garcia (1999) proposed that risk aversion, innovativeness, brand consciousness, importance of convenience, variety seeking propensity and attitude toward direct marketing would influence online shopping behaviour.

Ernst and Young (2000) reported that internet users online because of good product selection, competitive price and ease of use, but were concerned about shipping costs, lack of opportunity to prior examine the products, as well as the confidentiality of credit and personal information.

According to **Sultan and Henrichs** (2000) 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 innovation.

Chiang and Roy (2003) focused on the consumer choice to shop on the internet and at the physical stores during the information acquisition period. A convenience sample of 34 students enrolled in an undergraduate marketing class to select the product for testing. Products were developed based on popularity of online shopping. The result shows that the consumer perceives shopping offline as inconvenient, online shopping intention was expected to be greater for such product the experience product.

Schiffman, Scherman and Long (2003) in his study researched that "yet individual attitudes do not, by themselves, influence one's intention or behaviour. Instead that intention or behaviour 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 of online shopping. Over time internet buyer once considered the innovator or early adopter has changed. While once young, professionals males with high educational levels, incomes, tolerance of risks, social status and lower dependence on the mass media or the need to patronize established retail channel.

According to **Goldsmith and Flynn** (2004) state that the home catalog is another traditional selling channel where people can shop at home because of the varieties of products offered in catalog. They can order through phone or mail. It's convenient except that they are not able to touch and feel products before purchasing.

A piece of study carried out by **Monuwe** (2004) collectively provided all the related literature reviews regarding the factors that drive consumers to shop online. As a further step this paper encompasses the literature review regarding advantages consumers' expectation and examines the perception of adopters of online purchases compared to internet users who preferred the traditional way of shopping.

Soopramanien and Robertson (2007) conducted a study in UK on acceptance and practice of online shopping. Their exploration shows that the online consumers choose different course of action based on the apparent beliefs. They found that, how socio demographic variables attitudes and beliefs towards internet shopping effect on the both decision to practice and use of online shopping channels. They categorized online buying behaviour as the one who purchase from online sites and the one who only browse online sites and purchases from the store.

Jarvelainen (2007) analyzed in her empirical study in Finland that there are many online information seekers who choose to stop the shopping process just before the finishing point of transaction. The reason behind this is intensely rooted in the internet based trust outcomes. The study focus on e-commerce background. The finding of this study shows that

constancy trust worthiness and usefulness as well as ease of the use of the system are essential while the first imprint of online seller is insignificant considering the behavioural intention.

According to **Koo et al (2008)** have conducted an empirical study, they examined the motivational effects of personal values on benefits, attributes and repatronage intention in the perspective of shopping online. The study concluded that the personal value of social affiliation and self-actualization serves as underlying beliefs in shopping, consumers online shopping motives. In addition of online store attributes are positively related to pre-patronage intention.

According to **Jayawardhena and Wright (2009)** focused the antecedent of online shoppers excitement, its consequences for behavioural intention are expressed by internet to return, and positive word of mouth communication. A conceptual model is developed based on the literature; instrument item scales to measures all constructs in the model were as informed by the literature and adapted from prior studies. They found that the convenience, involvement, attribute of the website and merchandizing all collectively influence shoppers excitement. E-shopper excitement leads to positive word of mouth and increase the intent to return. The limitation of the study was there is no differentiation is made between the types of goods that e-commerce purchased.

Vijay, Sai .T. and Balaji, M.S. (2009), revealed that consumers, all over the world, are increasingly shifting from the crowded store to the one click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of online shopping in India. A survey among 150 internet users including both user and nonusers of online shopping, was carried out to understand why some purchase only while other not. The result suggested that convenience and saving of time drive Indian consumer to shop online; while security and privacy concerns dissuade them from doing so.

Ramirez Nicolas (2010) state that "The internet has changed many facts of our daily lives: the way we relate and communicate with one another, how we interact with a bank, read newspaper or television watching. 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 powerful marketing tool. Whether inserted in printed media or posted through letter box, they attracted new customers were also offers at the time of purchase to promote consumer loyalty by encouraging repeat purchase at outlet.

Chaing and Dholkia(2014) carried out a study in which they examined the purpose the customer to purchase goods online during their shopping. Mainly there are 3 variables in their study those affect the consumer to purchase online. Those are accessibility features of the shopping sites, the type of products and their characteristics and the actual price of the product. The study revealed the accessibility and the convenience of the shopping sites creates the intention in the customer to purchase or not.

According to **Selvakumar (2014)** concentrated on consumers perception of the product sold online and the issues considered important to online shopping. This study was conducted among the online shoppers at Coimbatore. It is to analyses the impact of consumer opinion and attitude. Questionnaire was made to collect the data from the population; these questionnaires were given to college going students. The total sample size is 150 respondents. The finding of the study shows that improvement and accessibility influence the customer's intention to shop online.

According to the **Alina Babar (2014)** behaviour of the consumer regarding technology of internet is medium level and in other hand it should be free from physical and mental effort and even if online shopping not make any financial risk, there consumer attitude towards online shopping will be positive.

Alka kumawat and Tandon (2014) made study using questionnaire with 200 customers as a sample. The study revealed that the consumer are very satisfied toward online shopping because of the delivery system is working effectively therefore customer are doing shopping again and again.

Prashant sing (2014) made his study on consumers buying behavior on flip kart (INDIA) and found that any e tailor will be get success depend on fair policies, brand image and popularity.

Another piece of work from **Aklaq (2014)** concluded that the technology is accepting theories of consumer it is being researchers to know the demand from global online shopping.

According to **Ankit Goel (2014)** study found that services after sale provided by sellers (online shoppers) are quite excellent and what they assure makes buyers comfortable therefore online shopping getting more success.

HISTORY OF ONLINE SHOPPING

In 1990, Tim Berners-Lee created the first World Wide Web server and browser in UK. It opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza. During that same year, Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. Also in 1994, the German company Inter shop introduced its first online shopping system. In 1995, Amazon launched its online shopping site, and in 1996, eBay appeared.

Originally, electronic commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, allowing businesses to send commercial documents like purchase orders or invoices electronically. The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of e-commerce was the airline reservation system typified by Sabre in the USA and Travi.com in the UK. From the 1990s onwards, electronic commerce would additionally include enterprise resource planning systems (ERP), data mining and data warehousing.

In 1990, Tim Berners-Lee invented the World Wide Web web browser and transformed an academic telecommunication network into a world wide everyman everyday communication system called internet/www. Commercial enterprise on the Internet was strictly prohibited by NSF until 1995.2 Although the Internet became popular worldwide around 1994 with the adoption of Mosaic web browser, it took about five years to introduce security protocols and DSL allowing continual connection to the Internet. By the end of 2000, many European and American business companies offered their services through the World Wide Web. Since then people began to associate a word "e commerce" with the ability of purchasing various goods through the Internet using secure protocols and electronic payment services.

TIMELINE

1979 : Michael Aldrich invented online shopping in UK
1981 : Thomson Holidays, UK is first B2B online shopping

1982 : Minitel was introduced nationwide in France by France Telecom and used for online ordering.

1984 : Tesco is first B2C online shopping and Mrs Snowball, 72, is the first online home shopper

1985 : Nissan UK sells cars and finance with credit checking to customers online from dealers' lots.

1987 : Swreg, an online payment processor that is the best Paypal alternative for global businesses begins to provide software

1990 : Tim Berners-Lee writes the first web browser, World WideWeb, using a NeXT computer in UK.

1992 : Terry Brownell launches first fully graphical, iconic navigated Bulletin board system online shopping using Robo BOARD

1994 : Netscape, US Computer Services Company releases the Navigator browser in October under the code name Mozilla. Pizza Hut offers online ordering on its Web page. Netscape 1.0 is introduced in late 1994 SSL encryption that made transactions secure.

1995 : Jeff Bezos, CEO of Amazon Inc., USA launches Amazon.com and the first commercial-free 24 hour. Internet-only radio stations, Radio HK and Net Radio in US start broadcasting. eBay is founded by computer programmer Pierre Omidyar as Auction Web in US. 5

1998 : Electronic postal stamps for people residing in US can be purchased and downloaded for printing from the Web.

1998 : Alibaba Group is established in China. Alibaba Group is a family of Internet-based businesses which makes it easy for anyone to buy or sell online anywhere in the world

1999 : Business.com sold for US \$7.5 million to e-Companies, which was purchased in 1997 for US \$149,000. Business.com helps small-to-medium enterprises discover, compare and purchase products and services to run their businesses.

2000 :The dot-com bust.

2001 :Alibaba.com achieved profitability in December 2001.

2002 : eBay acquires PayPal for \$1.5 billion.⁴ PayPal is the faster, safer way to send money, make an online payment, receive money or set up a merchant account.

2003 :Amazon.com posts first yearly profit.

2004 : DHgate.com, China's first online b2b transaction platform, is established, forcing other b2b sites to move away from the "yellow pages" model.

2007 : Business.com acquired by R.H. Donnelley for \$345 million.⁶

2009 : Zappos.com, an online shoe and apparel store acquired by Amazon.com for \$928 million.⁷ Retail Convergence, operator of private sale website RueLaLa.com, acquired by GSI Commerce for \$180 million plus up to \$170 million in earn-out payments based on performance through 2012.⁸ GSI Commerce is an eBay company specializing in creating, developing and running online shopping sites for brick and mortar brands and retailers.

2010 : Group on reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites plans to go ahead with an IPO in mid-2011. Groupon, is a deal- of-the-day website that features discounted gift certificates or discount coupons usable at local or national companies.

2011 : US ecommerce and Online Retail sales projected to reach \$197 billion, an increase of 12 percent over 2010.¹⁰ Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for \$500 million in cash plus \$45 million in debt and other obligations.¹¹ GSI Commerce, a company specializing in creating, developing and running online shopping sites for brick and mortar businesses, acquired by eBay for \$2.4 billion.¹²

NEED FOR INTERNET SHOPPING

Few developments have altered India's lifestyle more quickly and more completely than the Internet. Online access has enabled people from all walks of life to bring entire libraries, entertainment venues, post offices and financial centres to a workplace, to a desktop or to a shirt pocket. The Internet's largest and most meaningful impact may very well be on the way consumers shop for everything from gifts, gadgets and groceries to clothing, cars, and cruises.

The ease and selection that the Internet provides to shoppers has changed the face of retailing. More and more, consumers visit a store's Web site to make their choices before travelling to the store itself; and in a rapidly swelling tide, many shoppers are bypassing the store altogether and ordering online directly from the Web sites of their favourite brands and outlets. Companies like Sephora, Sears and Crate & Barrel have increased the range and quantity of products available at their online stores and are sending online coupons and sale announcements via e-mail directly to their customers. Because online stores are open 24 hours a day, seven days a week, and their inventories are often more complete than those of their brick-and-mortar counterparts, the Internet makes it easy for shoppers to compare products within or between stores, to read product reviews from other customers, to access vendor return policies and to find warranty information.

CHARACTERISTICS OF ONLINE MARKETS

Online markets are dynamic. Online markets are part of the information and communications technology-intensive service sector which has exhibited an acceleration of labour productivity growth in many countries. A qualitative indication of the dynamic character of online markets is given by evidence of the range of experimentation in terms of business models, the rate of growth of successful platforms and the level of ongoing innovation and disruptive change in areas such as growth of mobile internet and devices and of the social web.

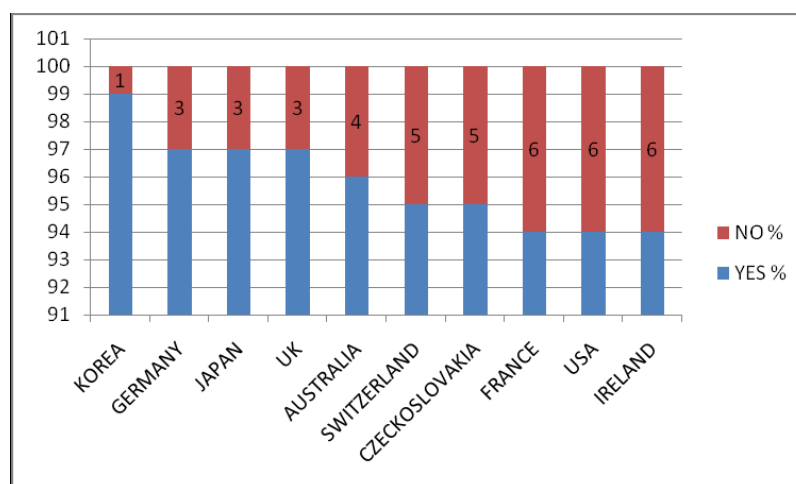
The dynamic character of online markets may result in greater risk of failure for some start-ups but spectacular success for others. Normal returns for the market as a whole may therefore correspond to ex post returns that are high for successful firms. Online markets are also very much information intensive. The very nature of many transactions places rich sources of information about consumers (and perhaps also other market participants) in conveniently digitized form, at the disposal of companies providing services such as search, payment and social network services. Collection of information about customers is not unique to online markets, but the scale under which it has become possible is unprecedented. The industry is undoubtedly very much alive to the value of information and is in process of implementing

strategies to acquire it and use it profitably. We believe the formulation of strategies for profiting from the information explosion is very much in its infancy and, therefore, this is one major respect in which the market is „dynamic“. As the quantity and quality of information companies have about their customers and about the customers of their competitors increases, there arises scope for provision of valuable new services but also for the exercise of market power. As purchase recommendations become well tailored to customers they become less like junk-mail and more like a personal shopping service. On the other hand, firms might be also able to use information to better price discriminate and extract surplus from customers, or to pre-empt putative rivals from entering a market. However, better informed consumers may also be more discriminating in their decisions, for example, in terms of price or quality. Major platforms such as Amazon, PayPal, eBay, support and enforce a system of buyer and seller reputations which facilitates many valuable trades which otherwise could only take place in face-to-face markets. Hence, here is a vehicle for consumers and SMEs to benefit from the control of information by major platforms. However, there is also a possibility that an intermediary certifies parties to a transaction and extracts a large share of surplus whilst only minimally improving information flows in the market¹⁵. Information will both create opportunities for adding value for customers and opportunities to extract value whilst adding little value if competition is limited. A general implication of the highly dynamic nature of online markets is that the body of economics literature developed within a paradigm of static market analysis may fail to account for some of the observed characteristics of online markets and may be a poor guide to judging the efficiency of observed behaviour. For example, innovation can make defining relevant product markets difficult because business executives and government officials alike may not yet know what the future products will be.

GLOBAL INTERNET SHOPPING SCENARIO

The rapidly increasing popularity of online shopping is a truly global phenomenon. Online shoppers can be found scattered across the globe, but the world's most avid Internet shoppers hail from South Korea – 99 percent of Internet users in South Korea have shopped online. German, UK and Japanese consumers come in a close second. US consumers are slightly more recalcitrant, clocking in at number eight. At the other end of the spectrum, the world's slowest adopters come from Egypt, where 67 percent of the online population have never made a purchase over the Internet, followed by Pakistan (60%) and the Philippines (55%).

Table 1: Table showing No. of Internet Users



GROWTH OF INTERNET SHOPPING IN INDIA

Just today released their annual ‘India Online 2011’ report which puts number of active Indian Internet users at 65 Million as compared to 51 Million last year. The report released by Juxt is based on land survey conducted among 201,839 individuals spread across all 4 regions of the country between April -Mid June 2011.

INTERESTING FINDINGS OF THE INDIAN ONLINE 2011 REPORT

28% growth in Internet users (From 51 Mln last year to 65 Mln this year). 10Internet reaches 29 million Indian households. 9 out of 10 home and office based online Indians log on to the net daily. Net surfing is among top 3 favourite“ indoor

entertainment” for 3 out of 4 of them. 9 out of 10 of them (86%) use social media sites! Home is the single largest place of access (58%), and the most preferred place of access (43%). 8 out of 10 mobile internet users are “dual” users, only mobile based usage a lowly 3% – 1.8 million users

INTERNET USERS 2010 - 2011 CHANGE FROM LAST YEAR URBAN

Internet using Households (millions) 15.21 18.27 3.06, Average Internet Users per Household 2.6 2.7 0.08

Internet using Individuals (millions) 39.56 48.96 9.4

RURAL

Internet using Households (millions) 8.5 10.88 2.38

Average Internet Users per Household 1.34 1.48 0.14

Internet using Individuals (millions) 11.39 16.1 4.71

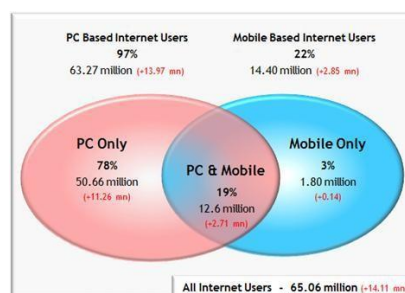
ALL INDIA

Internet using Households (millions) 23.71 29.15 5.44

Average Internet Users per Household 2.15 2.23 0.08, Internet using Individuals (millions) 50.95 65.06 14.11

INTERNET USERS	2010	2011	CHANGE FROM LAST YEAR
URBAN			
Internet using Households (millions)	15.21	18.27	3.06
Average Internet Users per Household	2.6	2.7	0.08
Internet using Individuals (millions)	39.56	48.96	9.4
RURAL			
Internet using Households (millions)	8.5	10.88	2.38
Average Internet Users per Household	1.34	1.48	0.14
Internet using Individuals (millions)	11.39	16.1	4.71
All India			
Internet using Households (millions)	23.71	29.15	5.44
Average Internet Users per Household	2.15	2.23	0.08
Internet using Individuals (millions)	50.95	65.06	14.11

As per the India Online Report by Juxt, In urban areas, there has been 9.40% increase in internet using households (individuals) and 4.71 % increase in internet using households (individuals) in rural areas in year 2011 as compared to year 2010. Overall at all India level, there has been 5.44% increase in internet using households and 28% growth in internet using households (individuals) in year 2011 as compared to year 2010-11.

Chart 2: Chart showing PC-based and Mobile-based Internet users

From the above chart, we can come to know that 78% of the people use PC only, while 3% use mobile only and 19% of people use both PC and Mobile. Thus we can come to know that majority of the people use PC and access internet from them.

Table 2: Table showing % of users undertaking online activity

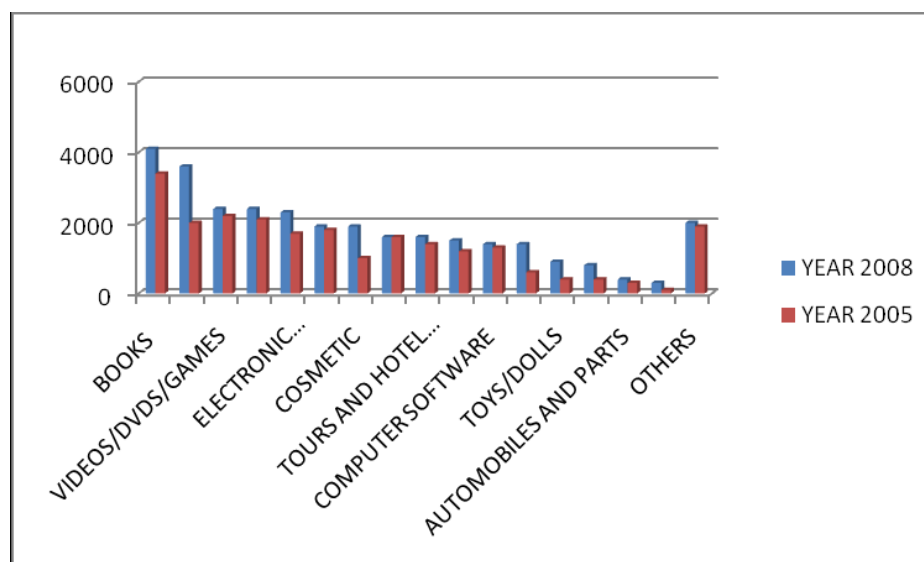
ONLINE ACTIVITY	% Internet Users Undertaking 2008	% Change from 2008
Emailing	95%	(+)1%
Search or buy non-travel products	76%	(+)32%
Web Info search (text, images)	74%	(+) 22%
Download music	69%	(-) 3%
Job Search	62%	(+)6%
Social networking	61%	(+)8%
Search or buy travel products	59%	(+) 25%
Instant messaging/chatting	57%	(+) 1%
PC to mobile SMS	54%	(-) 2 %
Pay bills online	51%	(+) 22%

Email is still the most popular activity on the internet, however, online search of products has picked up significantly making shopping the 2nd most popular activity online. This sure will be music for the hordes of ecommerce sites that have sprung up in recent times. Usage of Social Networking sites has also witnessed significant growth with 86% of all users visiting them! While activities like downloading screensavers / wallpapers, online trading in shares and watching videos showed the most decline in usage. Contrary to the expectation, usage of local language‘ content gained only marginally (+2%) to reach 29% Overall, it can be concluded that internet scene is rising in India significantly. Imagine, a time when we will have over 500 million internet users!

Categories of Products in Internet shopping

Consumers across the globe are increasingly swapping crowded stores for one click convenience, as online shopping becomes a safe and popular option. According to a recent global survey conducted by The Nielsen Company, over 85 percent of the world's online population has used the Internet to make a purchase, up 40 percent from two years ago, and more than half of Internet users are regular online shoppers, making online purchases at least once a month. The Nielsen survey, the largest survey of its kind on the topic of Internet shopping habits, was conducted from October to November 2007 and polled 26,312 Internet users in 48 markets from Europe, Asia Pacific, North America and the Middle East.

Chart 3: Chart showing categories of products purchased online



Source: Trends in Online Shopping, a Global Nielson Consumer Report, February 2010

When The Nielsen Company conducted its first survey into online shopping habits two years ago, only 10 percent of the world's online population (627 million) had made a purchase over the Internet. Within two years, this number has surged by approximately 40 percent – to a staggering 875 million. Internet consumers continue to be a well-read lot, thanks to the early adoption of online commerce by large booksellers, but the diversification of the online shopping environment has resulted in significant growth in other categories. Books are still the most popular purchases online, followed by Clothing/Accessories/Shoes, Videos / DVDs / Games, Airline Tickets and Electronic Equipment. Other significant growth categories were cosmetics/nutrition supplies and groceries, which jumped nine and eight percentage points respectively.

Drivers of Internet Shopping

Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home. Other establishments such as internet cafes and schools provide access as well. A visit to a conventional retail store requires travel and must take place during business hours. In the event of a problem with the item – it is not what the consumer ordered, or it is not what they expected – consumers are concerned with the ease with which they can return an item for the correct one or for a refund. Consumers may need to contact the retailer, visit the post office and pay return shipping, and then wait for a replacement or refund. Some online companies have more generous return policies to compensate for the traditional advantage of physical stores. For example, the online shoe retailer Zappos.com includes labels for free return shipping, and does not charge a restocking fee, even for returns which are not the result of merchant error. Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection (which might involve a test drive, fitting, or other experimentation). Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications. Some provide background information, advice, or how-to guides designed to help consumers decide which product to buy. Some stores even allow customers to comment or rate their items. There are also dedicated review sites that host user reviews for different products. Reviews and now blogs gives customers the option of shopping cheaper or anise purchases from all over the world without having to depend on local retailers. In a conventional retail store, clerks are generally available to answer questions. Some online stores have real-time chat features, but most rely on e-mail or phone calls to handle customer questions. One advantage of shopping online is being able to quickly seek out deals for items or services with many

different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores). Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service. Shipping costs (if applicable) reduce the price advantage of online merchandise, though depending on the jurisdiction, a lack of sales tax may compensate for this. Shipping a small number of items, especially from another country, is much more expensive than making the larger shipments bricks-and-mortar retailers order. Some retailers (especially those selling small, high-value items like electronics) offer free shipping on sufficiently large orders. Another major advantage for retailers is the ability to rapidly switch suppliers and vendors without disrupting users' shopping experience.

Problems in Internet Shopping

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud on the part of the merchant than in a physical store. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. With a warehouse instead of a retail storefront, merchants face less risk from physical theft. Secure Sockets Layer (SSL) encryption has generally solved the problem of credit card numbers being intercepted in transit between the consumer and the merchant. Identity theft is still a concern for consumers when hackers break into a merchant's web site and steal names, addresses and credit card numbers. A number of high-profile break-ins in the 2000s has prompted some U.S. states to require disclosure to consumers when this happens. Computer security has thus become a major concern for merchants and e-commerce service providers, who deploy countermeasures such as firewalls and anti-virus software to protect their networks. Phishing is another danger, where consumers are fooled into thinking they are dealing with a reputable retailer, when they have actually been manipulated into feeding private information to a system operated by a malicious party. Denial of service attacks are a minor risk for merchants, as are server and network outages. Quality seals can be placed on the Shop web page if it has undergone an independent assessment and meets all requirements of the company issuing the seal. The purpose of these seals is to increase the confidence of the online shoppers; the existence of many different seals, or seals unfamiliar to consumers, may foil this effort to a certain extent. A number of resources offer advice on how consumers can protect themselves when using online retailer services. These include: Sticking with known stores, or attempting to find independent consumer reviews of their experiences; also ensuring that there is comprehensive contact information on the website before using the service, and noting if the retailer has enrolled in industry oversight programs such as trust mark or trust seal. Before buying from a new company, evaluate the website by considering issues such as: the professionalism and user-friendliness of the site; whether or not the company lists a telephone number and/or street address along with e-contact information; whether a fair and reasonable refund and return policy is clearly stated; and whether there are hidden price inflators, such as excessive shipping and handling charges. Ensuring that the retailer has an acceptable privacy policy posted. For example note if the retailer does not explicitly state that it will not share private information with others without consent. Ensuring that the vendor address is protected with SSL (see above) when entering credit card information. If it does the address on the credit card information entry screen will start with "HTTPS". Using strong passwords, without personal information. Another option is a "pass phrase," which might be something along the lines: "I shop 4 good a buy!!" These are difficult to hack, and provides a variety of upper, lower, and special characters and could be site specific and easy to remember. Although the benefits of online shopping are considerable, when the process goes poorly it can create a thorny situation. A few problems that shoppers potentially face include identity theft, faulty products, and the accumulation of spyware. Whenever you purchase a product, you are going to be required to put in your credit card information and billing/shipping address. If the website is not secure a customer's information can be accessible to anyone who knows how to obtain it. Most large online corporations are inventing new ways to make fraud more difficult, however, the criminals are constantly responding to these developments with new ways to manipulate the system. Even though these efforts are making it easier to protect yourself online, it is a constant fight to maintain the lead. It is advisable to be aware of the most current technology and scams out there to fully protect yourself and your finances. One of the hardest areas to deal with in online shopping is the delivery of the products. Most companies offer shipping insurance in case the product is lost or damaged; however, if the buyer opts not to purchase insurance on their products, they are generally out of luck. Some shipping companies will offer refunds or compensation for the damage, but it is up to their discretion if this will happen. It is important to realize that once the product leaves the hands of the seller, they have no responsibility (provided the product is what the buyer ordered and is in the specified condition).

The lack of full disclosure with regards to the total cost of purchase is one of the concerns of online shopping. While it may be easy to compare the base price of an item online, it may not be easy to see the total cost up front as additional fees such as shipping are often not visible until the final step in the checkout process. The problem is especially evident with cross-border purchases, where the cost indicated at the final checkout screen may not include additional fees that must be paid upon delivery such as duties and brokerage. Some services such as the Canadian based Wishabi attempts to include estimates of these additional cost, but nevertheless, the lack of general full cost disclosure remains a concern. Privacy of personal information is a significant issue for some consumers. Different legal jurisdictions have different laws concerning consumer privacy, and different levels of enforcement. Many consumers wish to avoid spam and

telemarketing which could result from supplying contact information to an online merchant. In response, many merchants promise not to use consumer information for these purposes, or provide a mechanism to opt-out of such contacts.

Many websites keep track of consumers shopping habits in order to suggest items and other websites to view. Brick-and-mortar stores also collect consumer information. Some ask for address and phone number at checkout, though consumers may refuse to provide it. Many larger stores use the address information encoded on consumers' credit cards (often without their knowledge) to add them to a catalogue mailing list. This information is obviously not accessible to the merchant when paying in cash.

Payment options in Online Shopping

Online shoppers commonly use a credit card to make payments, however some systems enable users to create accounts and pay by alternative means, such as:

- ☐ Billing to mobile phones and landlines^{19 20}
- ☐ Cash on delivery (C.O.D., offered by very few online stores)
- ☐ Cheque
- ☐ Debit card
- ☐ Direct debit in some countries
- ☐ Electronic money of various types
- ☐ Gift cards
- ☐ Postal money order
- ☐ Wire transfer/delivery on payment

Some sites will not accept international credit cards, some require both the purchaser's billing address and shipping address to be in the same country in which site does its business, and still other sites allow customers from anywhere to send gifts anywhere. The financial part of a transaction might be processed in real time (for example, letting the consumer know their credit card was declined before they log off), or might be done later as part of the fulfillment process.

Trends in Internet Shopping

Online Shopping in India is in its nascent stages. However, more and more people are gaining confidence about purchasing products online. Consequently, online shopping trends are improving and promise a bright future. The internet has been around in India since quite some time now. However, e-commerce has picked up only recently. Shopping online is slowly growing up in India too. However, due to the relatively slow penetration of the internet in many part of the country, online shopping is limited to only major metros in India. Let us inquire about online shopping trends in this part of the world. Ecommerce can be thought of as an activity wherein the customer uses the internet to order a product or service. In most circumstances, the transaction may happen online also. Online shopping places a heavy demand on the use of the internet. One major hurdle that online shopping faces is the security of transactions, since it is necessary for shoppers to submit their financial details on the web too. Currently, only a limited number of merchants are doing business online due to the problems related to technology. The major hurdles faced are low penetration of computers in India, lesser amount of credit or debit card holders, and many adverse taxation rules. Also, many internet users are reluctant to reveal their financial information online, which hampers the growth of the online business. Conversely, online shopping has a great potential to become big in India. According to Rayport & Jaworski in their book on e-commerce, ecommerce has

the potential of reaching \$100 billion in the year 2008.²¹ Accordingly, many enterprises both big and small, are opening to the idea of having their B2B and 20 B2C portals on the internet in a big way. The internet is also proving to a boon in

disguise for many small and medium enterprises, which are joining hands with major Indian online portals to display their products and advertise their services. Analysts predict that in the next 18-24 months, several national brands and retailers will have their online shops ready for B2B and B2C transactions. This indicates that the total number of merchants online would go up to nearly 50,000 and the total number of users would go up to around 50 million. Analysts also predict that the online shopping market could go up to nearly USD \$ 50 million. One way of looking at online shopping trends is examining the figures - air and rail tickets estimated at INR 30 crore (INR 300 million) are sold online in India every day. Already, a jewellery piece sells every five minutes, and a mobile handset every eight minutes, and a car every nine hours on the popular commodity site eBay.com. Another popular site Indiamart.com materialised business over INR 5,000 crore through leads generated by it. Today many Indians purchase goods like books, electronic gadgets, air and rail tickets, apparel, gifts, mobiles, computer peripherals, audio cassettes and CDs. There are more products which are capable of being sold over the internet.

Many people still locate information on the internet, but purchase their products offline at traditional stores. This means that people still are lacking in confidence to purchase products online. This trend can be countered by providing secure sites for transactions, and prompt customer service. Online shopping is truly catching on in India, traditional brick and mortar stores are also getting the hand of doing business online. The trends demonstrate that traditional stores will keep on doing sufficient business while the online stores increase their virtual presence on the internet.

Challenges in Internet Shopping

After the social media revolution, is e-commerce the next big thing in India? Online retailers have registered an average 18 per cent growth this year, but are they prepared to handle the influx of online shoppers? The year 2012 may come as a year of surprises to cynics of the industry who believe that online shopping cannot become an Indian reality. The argument that is often given is that buying behaviour of Indian consumers is non-virtual. The first report that showed data contrary to this argument was the Internet data released by IMRB and IAMAI. The report claimed that the number of Internet users has touched the 100-million mark and is likely to grow exponentially. The number of active Internet users has reached inflection point. But has this growth also translated into growth of online shoppers? Latest figures say so. A recent pan-India report released by com Score Inc. reveals that online shopping in India has touched a growth rate of 18 per cent and is only likely to grow further. The report found that nearly 60 per cent of citizens in India visited a retail site in November 2011, with the number of online shoppers increasing by 18 per cent in the past year'. To take advantage of this growing opportunity, retailers must ensure they are addressing the needs of potential customers, which include attractive pricing and the convenience of ordering online. The rapid growth of online coupon sites suggests that consumers in India are looking for deals, highlighting the need for online retailers to adopt effective marketing and pricing strategies for their goods. Online shopping initiatives are increasingly luring working professionals, women and children. What has added most to online shopping is household appliances and apparel goods. The data of online shoppers here does not take into account the users of mobile phones and public computers who bought products from mobile shopping applications or public computers. Therefore, actual e-commerce figures are likely to be higher. As more comprehensive digital data measurement techniques evolve, such studies are expected to shed light on the consumption pattern of online shoppers.

Online channels are playing an important role of connecting with consumers of unexplored markets. The journey of online spending that started with an increasing number of buyers of travel and holiday plans in the last decade has now extended to an increase in spends on household appliances and luxury products. While segments like apparel and luxury products have registered unprecedented growth in 2011, jewellery, electronic appliances and hardware products have shown promising growth trends as well. Indian consumers are showing greater appetite to transact online, fuelling the e-commerce boom. The report also found that coupon sites are rapidly gaining popularity, with 16.5 per cent of the Indian online population visiting the category in November 2011 – 27.2 million online users in India aged 15 and older accessed the retail category from a home or work computer, an increase of 18 per cent from the previous year, as consumers continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through active marketing campaigns.

Increase in shoppers of the coupon sites indicate that pricing is playing the role of catalyst in bringing more and more shoppers online. Many of these shoppers have shown affinity towards affordable online goods, which was priced lesser than the market price. Some of the largest retail subcategories revealed that coupons category was the largest with 7.6 million visitors as consumers rapidly adopt daily deal sites. Consumer electronics ranked next with 7.1 million visitors, growing at 12 per cent over the previous year, while 5.8 million online users visited comparison shopping sites, an increase of 25 per cent from the previous year.

However, this growth story is not devoid of challenges that the industry is confronted with, both global and local. As more global players enter the ecommerce space, lack of common taxation rules can also hinder growth in future. In the online shopping industry, especially, the need of the hour is a uniform goods and services tax (GST) across the country. Currently, inter-state movements of products often pose a problem, given the different taxation rates. This would need

to be resolved in order to extend the reach and improve the ecommerce experience.

On the local front, online shopping predominantly remains a practice of urban and middle class consumers. Though consumers in small towns have started using Internet actively, conversion from visitors to shoppers would take some time. Then there is logistical and supply constraint for retailers. While online shopping is expected to find some share in smaller Indian towns too, increasing supply of products and lack of logistics like warehouses can be a challenge for retailers. One of the bigger challenges being faced by the online shopping industry is a fragmented back-end. Greater attention from the government and private entities, more investment and the entry of serious players would be needed to create a better structure for payments and logistical infrastructure.

FUTURE OF INTERNET SHOPPING

People use the Internet to shop online for mobile phones, laptops and other consumer goods. If the Internet is anything to go by, India's technological and economic growth has moved into the top gear. With more India's online shopping registering a phenomenal 100 per cent annual growth, many retail chains and consumer durable companies are joining the Web bandwagon to tap the shopping market. The online shopping industry in India is fast catching on, not just in the larger metros but also in the smaller cities. At present the market is estimated at Rs.46,000 crore and is growing at 100 per cent per year.

According to Google, India has more than 100 million Internet users, out of which around half opt for online purchases and the number is growing every year. With such a large market size, companies, right from retail shops to consumer goods, are entering the Web space to attract potential customers. Even traditional retailers like Shoppers Stop, Westside and Pantaloons are looking at the online shopping space for growth. According to the Associated Chambers of Commerce and Industry of India (Assocham), the size of the online retail industry is expected to touch Rs.7,000 crore by 2015, up from Rs.2,000 crore now, at an annual growth rate of 35 per cent. According to industry leaders, portals offering daily deals and discount offers with good delivery services attract the largest number of online shoppers. The companies that provide daily deals or discount offers are doing brisk business. People are looking for value shopping that saves their money as well as time. The customer behaviour is changing dramatically. People are not only using the Web to book air tickets and movie tickets but also do not hesitate in placing orders for mobiles, laptops and other consumer electronics and home appliances. Seeing this bold consumer behavior, more companies are collaborating with such daily deal and discount sites. All the top consumer electronics and home appliances companies are listed with us. In the growing competition space companies with good delivery services score points over others. Keeping in mind this growing potential, not just large brands but even general retail chains are upgrading their sites for ecommerce, making it more convenient for customers to place online purchase orders. According to eBay,

Indian online shoppers remain brand savvy, even when they are shopping online. The eBay India Census has found that brands such as Sony, Nokia, Samsung, Apple and Reebok continue to top buyers' charts. Category-wise lifestyle products, such as cosmetics, jewellery, watches, fashion products and fitness equipment contribute over 45 per cent to eBay's sales in India. Thus it can be concluded that online shopping holds a great future ahead.

TOP ONLINE SHOPPING SITES IN INDIA

Online shopping sites in India are changing the way we buy products for our daily use. These online shopping websites not only provide better convenience but also offer great pricing and deals.

With an increase in the number of shopping sites day by day, it is getting tougher for the user to find the most reliable website to shop.

Best online shopping Marketplace

These market place can be your one-stop solutions for shopping needs. These online stores also contribute to major online sales in India.

FLIPKART:

Flip kart is top shopping site in India, with lakhs of products from thousands of vendors. Flip kart is an Indian company and first choice among Indian consumers.

Flip kart is India's biggest online store for mobiles, fashion (clothes/shoes), electronics, home appliances, books, jewellery, home furniture, beauty and personal and many more products.

AMAZON:

Amazon launched its operations in India in 2013 and one of the leading online shopping website in India. It's the place where you will find almost everything for your shopping needs. Many products on Amazon. India are also fulfilled by Amazon. In Amazon, can buy things such as mobiles, laptops, books, apparel, watches etc...

SNAP DEAL:

Snap deal is started as a deal web site in 2010, snap deal is also one of top India online e-commerce website. Snap deal is behind flip kart, Amazon but is best online shopping sites.

This Indian company was started by Kunal Bahl and Rohit Bansal in February 2010.

Snapdeal has headquarters in Gurugram.

SHOPCLUES:

Online shopping site in India to buy a wide range of mobiles, electronics, laptops, home appliances, fashion, shoes, home and kitchen products at the lower prices.

This store sells most of the products at lower prices but in terms of user trust, shopclues far behind the others. The company was founded in California's silicon valley in 2011.

MYNTRA:

Myntra is leading online shopping site for fashion and lifestyle in India. It offers a wide range of brands online. It sells shoes, clothing accessories and lifestyle for women and men.

JABONG

Jabong is a young and vibrant company that aims to provide online shopping for good quality branded products with 2000+brands and 200k+styles

Jabong caters to the fashion needs of men, women and kids across footwear, apparel, jewellery and accessories. Jabong follows both an inventory model and a managed market place model. In the inventory model, products are sourced from brands and stored in the jabong warehouse. In the managed market place model, jabong provides marketing, logistics and delivery.

VOONIK:

Voonik is online shopping site for women clothes, footwear, bags and jewellery in India. It offers a wide variety of products.

Voonik is a fashion market, place for women, with a focus on personalization. Voonik is India's first personal shopping app.

MAX FASHION:

Max fashion provides a wide range of Designer clothes, shoes, Bags, belts and accessories at affordable price in India. Max offers apparel, footwear and accessories for the entire family-women, men and children.

PAYTM:

Riding on back of the fastest growing eponymous payment app, paytm now ranks as a top online store. For those averse to using credit/debit cards and net banking, paytm offers the best solution. Buyers can pay through paytm app. Shoppers can download the app on their pc, laptop or mobile from this store, recharge for the required amount only and pay.

E Bay:

For customers looking for unique stuff E Bay offers great solutions. E Bay has some two million registered users. E Bay sells new stuff and facilities bidding on certain products too. It serves as channel for retailers in various parts in India to

connect with buyers across the country.

FACTORS AFFECTING ONLINE SHOPPING

Online shopping becomes relevant in the last decade. The kind of business online retailer are doing is profit enough that they are providing benefits to the consumer which off line shopping does not given to the consumer. These are the factors affecting online shopping.

(a) **Risk:** When customer buy products from online shopping they do not touch or feel the product in a physical sense. Hence we understand that lot of risk is involve while buying an online product whether it will reach us on proper time or not is also concern and also there may arise a risk of product size and colour as it may differ in real view or sense sometimes the product ordered is kind of damaged.

(b) **Convenience:** Online shopping is much more convenient than offline shopping. Instead of taking out your vehicle and visit shop to shop you can just sit at your home and do the shopping. It is convenient to sit at one place and shop the product of our choice without moving from place to place. Once you have decided on what you want to buy the payment process is seamless and the order is delivered to your place. Online shopping makes things more convenient. We can have a lot of choice over there in any kind of material we want to deal with that too with act any fear of dealing with any dealer of distributors. Online shopping is convenient in its real sense as it do not carry any dealing with issues of asking for wanted items or issues for desired kind of items which helps in avoiding the part of waiting, asking, questioning about the product.

(c) **Anxiety:** People's anxiety of exploring the sites and experimenting over then is also a matter of concern. Sometimes people those who are not very known to any sites like flip kart, amazon or any sites they just feel like its although kind of activity over net and its complicated in there sense as they are not very fond of doing online shopping as it takes a time to even understand the product about its detail. This particular activity makes them irritated an anxious over any king of fatal, centers online shopping.

(d) **Quality:** The quality of product at online sites and offline stores very a lot and then this determines the frequency of online shopping. Quality also carries good affecting nature over any kind of shopping. As consumer or buyer want to have a good quality of product as they spent their huge sum of money. In general, qualities is a primary need over any kind of purchasing as it somewhat secure or give a good sense of buying or kind of guarantee about the product preferred.

(e) **Pricing policy:** Online retailer gets an internet advantage in pricing as they don't have to bear expenses like store rent, bills etc. They can pass their price directly to customer and generally offer a lower price to customer than offline shopping. Hence, determines the level of online shopping. Lower the price higher the mood to demand, higher the price lower the demand.

(f) **Online Trust:** It depends on customer perception whether they trust a particular site and its product and services. Hence, the frequency of online shopping also depends upon whether they trust a particular site or not. People are different in there nature and thoughts, some kind of people trust online dealing, some kind of people Trust online dealing, some kind of people are in fear of online dealing. Trust carry a lot of points examples – trust about the same product size quantity, weight and security etc.

(g) **Income:** The person whose income is more do more online shopping as compared to the person whose income is less. Income plays a major role of purchase online products. Higher income people prefers to purchase online more than ordinary shopping as it gives the reliability and convenient. Higher the income higher will the purchase.

(h) **Offers:** A part from offering products at lower price most online shopping come up with discount offers in association with brand etc. Online shopping always provide offers at all time and day. In every purchase we get some offers even if there is no festival or carnival. Offer carry a great influence in online shopping.

(i) **Variety:** The kind of variety that a customer gets online is hard to match any product purchased offline. The online retailer's stock products from entire major brand and a customer can find any product in their listing no matter how hard to find it is in the offline store. Variety in it itself is the foremost dealing factor which influence the market larger the variety of product in shop higher the selling and vice versa.

(j) **Available product and service:** Online shopping offer customers more benefit by providing more variety of goods and services that they can choose from. There are some goods customer can only find online.

AN EMPRICAL ANALYSIS ON CONSUMER PREFERENCE FOR ONLINE SHOPPING

Analysis of data is a general way that involves a number of closely related operations, which are performed, with the purpose of summarising the collected data, organising them. In such a manner that they answer the research questions. This chapter deals with the analysis and interpretation of the primary data. This well-structured schedule was used to collect primary data and these are collected by distributing it randomly among consumer in Trivandrum city. A sample

of 50 consumers is taken to study the consumer preference towards online shopping.

SOCIO-ECONOMIC CHARACTERISTIC OF CONSUMERS OF ONLINE SHOPPING

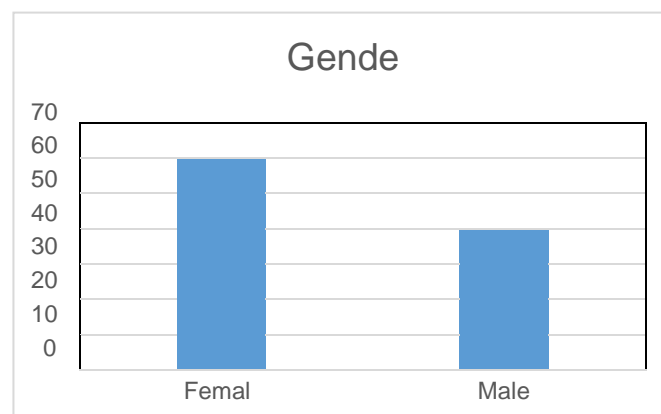
Gender of consumer

Gender is an important variable in given a situation which is affect by any consumer behaviour. Hence, the gender was investigated for this study. The distribution of gender of consumers for online shopping was analysed and the result are presented in the table 1

Table 1 Distributing consumer of online shopping by Gender

Gender	Number of Respondents	Percentage
Female	31	62
Male	19	38
Total	50	100

Source: Primary data.



62% of the consumers are females who prefer online shopping because they are have the better purchase decision. Only 38% of the consumer are males. It indicates that females prefer online purchase.

Table 2 Age of consumers

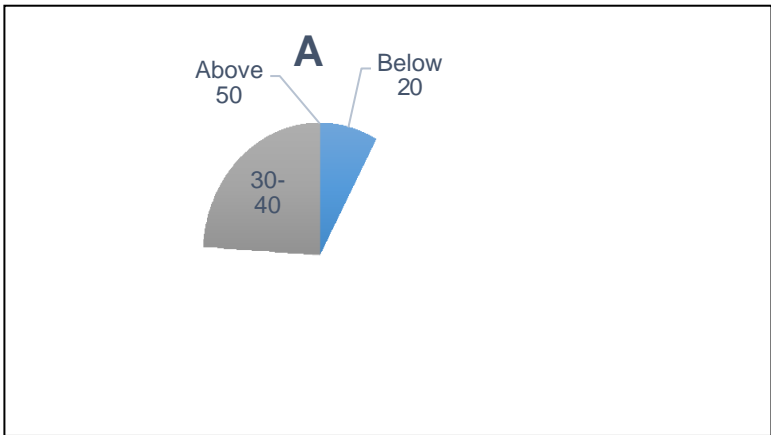
Age of the respondent is one of the important characteristics that helps to understand their purchase decision with online products. The distribution of age of consumers of online shopping was analysed and the results are presented in table 2.

Table 2 Distributing consumers of online shopping by Age

Age	Number of Respondent	Percentage

Below 20	4	8
20-30	34	68
30 -40	12	24
Above 50	Nil	Nil
Total	50	100

Source: Primary data.



The result indicate that 68% of the consumers of online products belong to the age group 20-30 years. (24%) followed by 30-40 only 8% of the consumers purchase from the online websites.

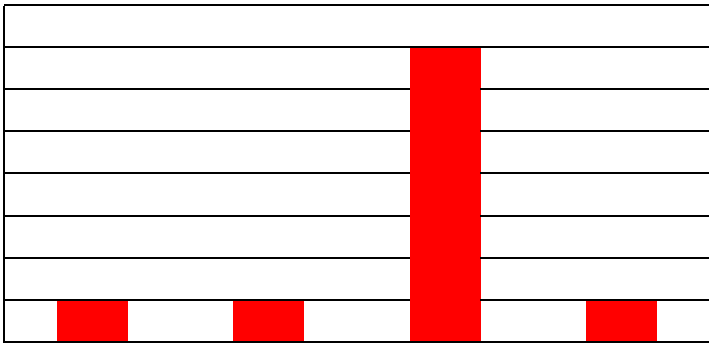
4.3 Educational Qualification of Consumer

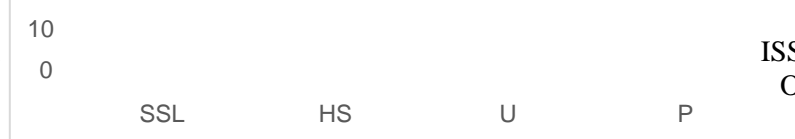
Education is one of the most important characteristics that might affect the person’s behaviour and the way of of looking and understanding any product. In a way, the response of an individual is likely to be determined by his educational status and therefore it becomes imperative to known the educational background of the respondents. The distribution of educational qualification of online shopping consumer analysed and result is presented below;

Table 3 Distribution of consumers of online shopping by educational qualification.

Education	Number of Respondents	Percentage
SSLC HSC UG PG	5	10
	5	10
	35	70
	5	10
Total	50	100

Source : Primary data





The above diagram shows the distribution of samples on the basis of educational status. 70% of the consumer purchase products from online shopping are graduates followed by HSC (10%), PG (10%) and SSLC (10%)

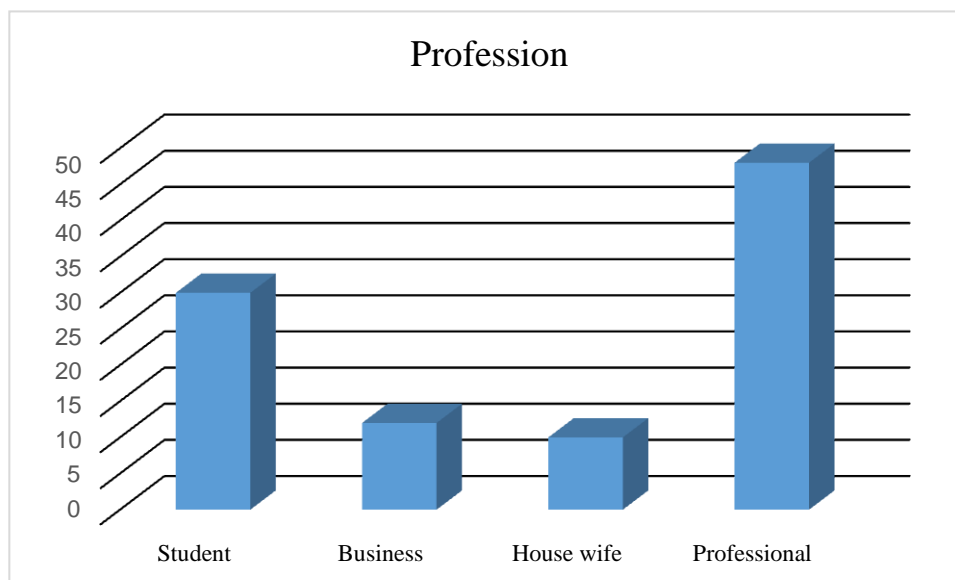
4.4 Profession of consumer

A person's profession determined the quality of life and income derived from it. Profession of an individual also socialise him or her in a particular fashion which in turn reflect his or her pattern of buying behaviour and his or her level of understanding of particular phenomenon. The distribution of profession of consumer of online shopping was analysed and the result are presented in table 4

Table 4 Distribution of consumer of online shopping be profession

Profession	Number of respondents	Percentage
Student	15	30
Business	6	12
Housewife	5	10
Professional	24	48
Total	50	100

Source: Primary data



From the diagram, it is clear that 48% of consumers are professional followed by student (30%).

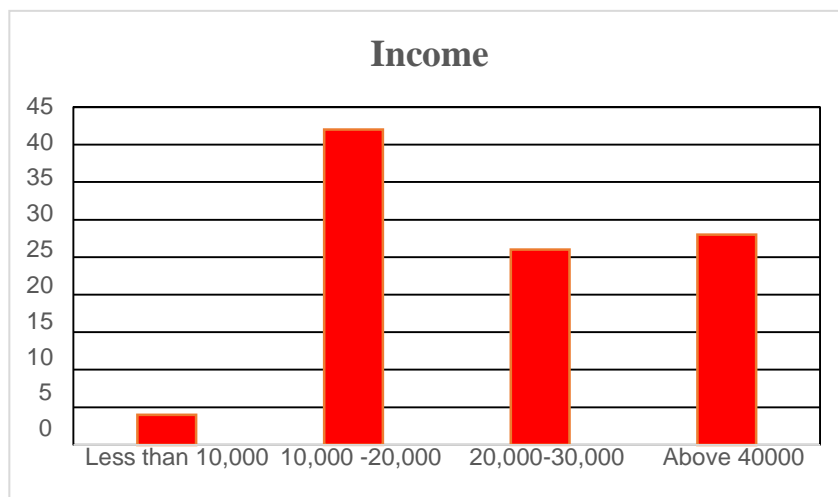
4.5 Monthly Income of Consumers

Income of a person plays an important role in shaping the economic condition of an individual which in turn is likely to bearing on the buying decision and product preference of a individual.

Table 5 Income of the Respondent

Income	Number of Respondents	Percentage
Less than 10,000	2	4
10,000-20,000	21	42
20,000 – 30,000	13	26
Above 40000	14	28
Total	50	100

Source: Primary data

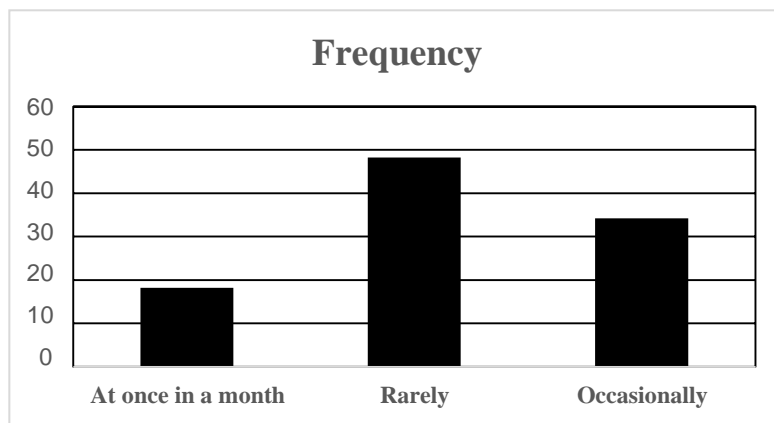


The result shows that 42% of the consumers of online shopping belong to the income group 10,000-20,000 followed by above 40,000 (28%) 26% of consumer belong to the income group 20,000-30,000. Only 4% of consumers are below income group 10,000.

Table 6 Frequency of product purchased from online shopping sites by the respondents.

Frequency	Number of Respondents	Percentage
Once in a week	Nil 9	Nil 18
At once in a month Rarely	24	48
Occasionally	17	34
Total	50	100

Source: Primary data

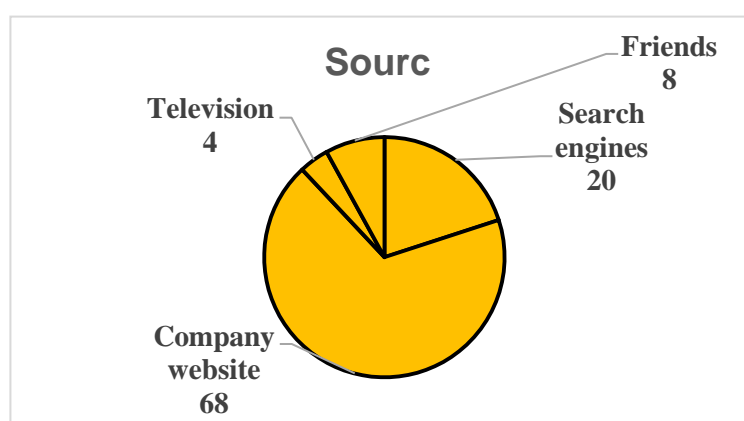


Recent study shows that due to increasing need of society and time constraint has led most of population switch to online shopping. 48% of the respondents to buy product rarely. 18% of respondents do online shopping at once in a month due to income availability 34% of the respondents were purchased online products occasionally.

Table 7 Source of information about online products

Source	Number of Respondents	Percentage
Search Engines	10	20
Company websites	34	68
Friends	2	4
Television	4	8
Total	50	100

Source Primary data

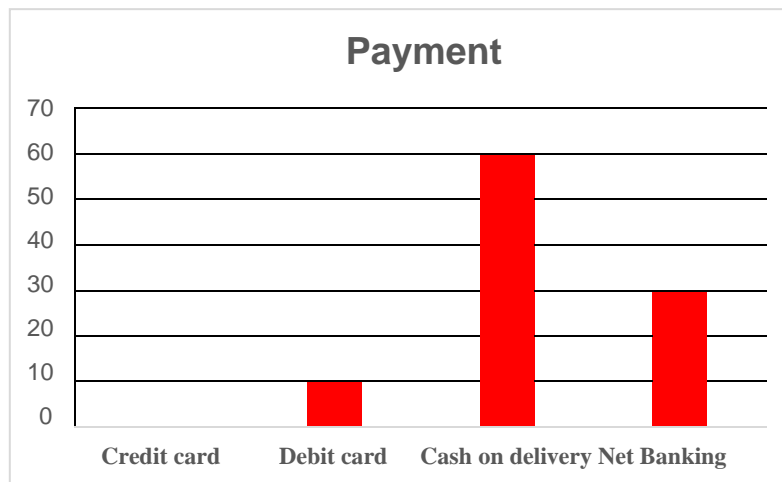


68% of the respondents are buy the online products through company websites. Only 20% in the respondents are buy through search engines and followed by friends (8%) and television (4%).

Table 8 payment mode adopted by respondents of online shopping

Payment Mode	Number of Respondents	Percentage
Credit card	Nil	0
Debit card	5	10
Cash on Delivery	30	60
Net Banking	15	30
Total	50	100

Source: Primary data



The above diagram shows that the majority of respondents that is 60% use cash on delivery option to buy products, 30% use banking, and followed by debit card (10%)

Table 9 kinds of goods purchased from Internet.

Goods	Number of Respondent	Percentage
Electronic goods	16	32
Kitchenware/bags/footwear	8	16
Clothes	22	44
Magazines	4	8
Total	50	100



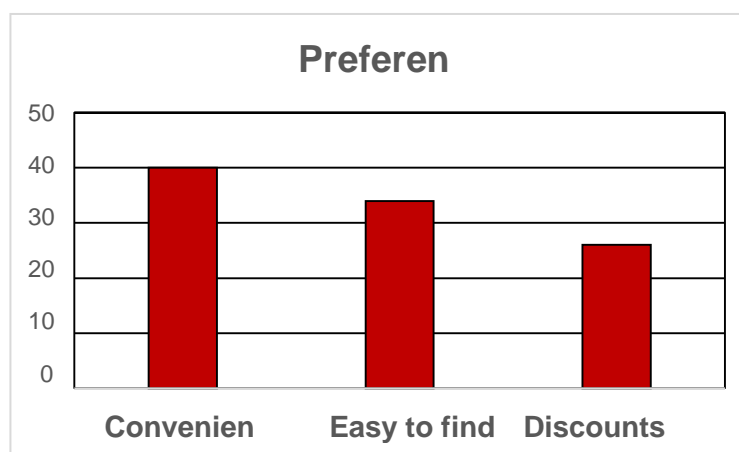
Source: Primary data

Above diagram shows that consumers mostly purchase electronic goods (38%) because of the variety of options of the consumers get to choose and that to at reasonable price. So there is a demand for electronic goods in online sites. Next comes the clothes items purchase with 36% of the total demand. These sites provide these items at factory output price and also provide a warranty over the item. The next demand comes from kitchen wear/bags/food wear (20%), and followed by books (6%)

Table 10 Type of advertisement mostly attracts to purchase online.

Preference	Number of respondents	Percentage
Convenience	20	40
Easy to find Discount	17	34
Adds	13	26
Total	50	100

Source : Primary data



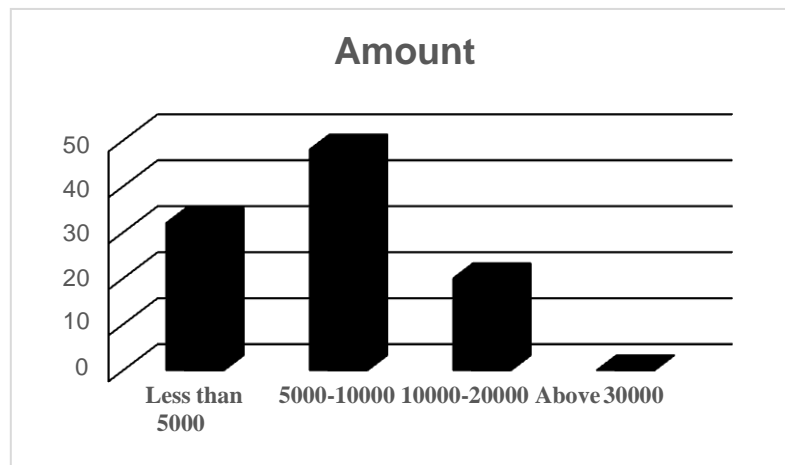
Advertisement play an important role for making a site, a brand in the market. Moreover, advertisements attract its customer towards them to make income. The main advertisement for preferring the online shopping is due to convenience 40% followed by easy to find (34%) and Discount adds (26%)

Table 11 Approximate amount to be spent on online purchase

Amount	Number of Respondents	Percentage
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Less than 5000	16	32
5000-10,000	24	48
10,000-20000	10	20
Above 30000	Nil	Nil
Total	50	100

Source : Primary data

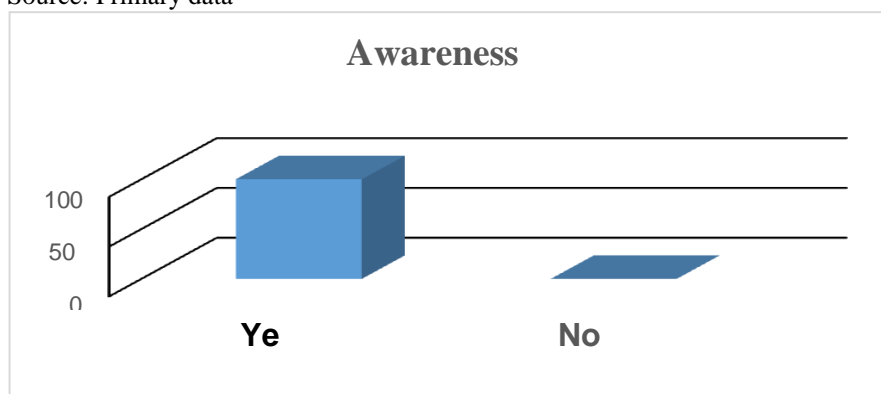


The approximate amount willing to spend on a purchase from online sites by majority respondent that 48% is around 5000-10000. 32% of consumer are purchase by spending less than 5000 followed by 10,000 – 20000 (20%)

Table 12 Awareness of online products

Awareness	Number of respondents	Percentage
Yes	50	100
No	Nil	Nil
Total	50	100%

Source: Primary data

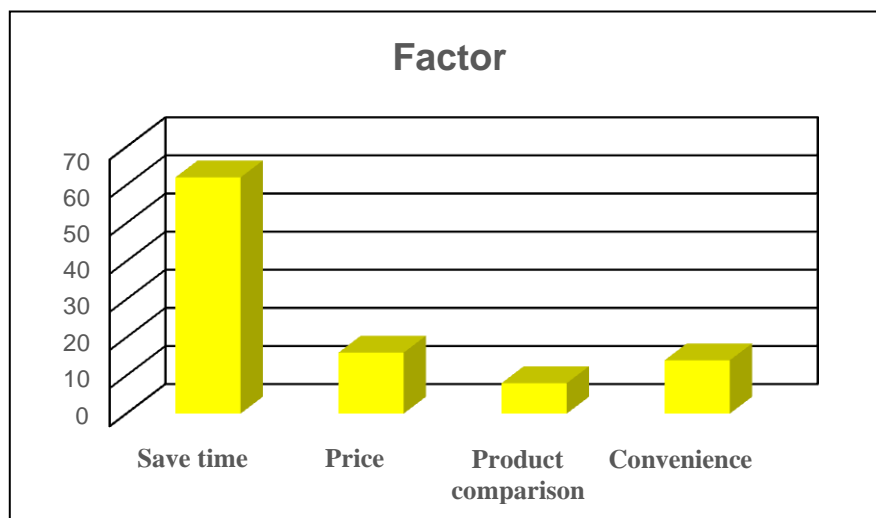


This diagram indicates that 100% of consumer are aware about online products.

Table 13 Factors that Motivate for online shopping

Factors	Number of respondents	Percentage
Save time	31	62
Price	8	16
Product comparison	4	8
Convenience	7	14
Total	50	100

Source: Primary data

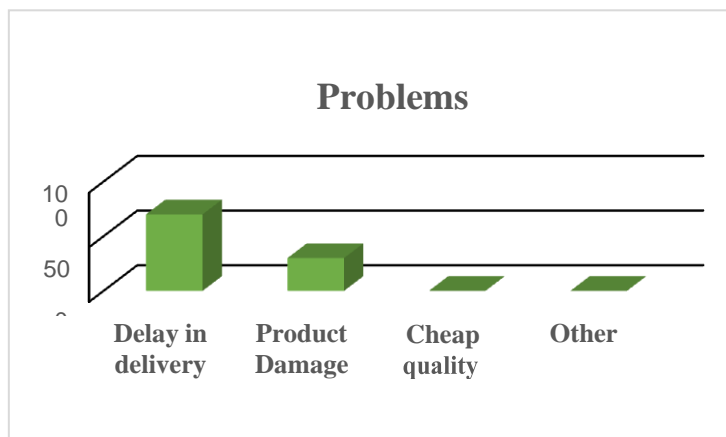


The study showed that 62% of the respondents are done their shopping for save time. While 16% of the shopping had been done for whom price was the main orientation for shopping online. Other factors are product comparison (8%) and convenience (14%).

Table 14 Problems faced during online shopping.

Problems	Number of respondents	Percentage
Delay in delivery	35	70
Product damage	15	30
Cheap quality	Nil	Nil
Other	Nil	Nil
Total	50	100

Source : Primary data.

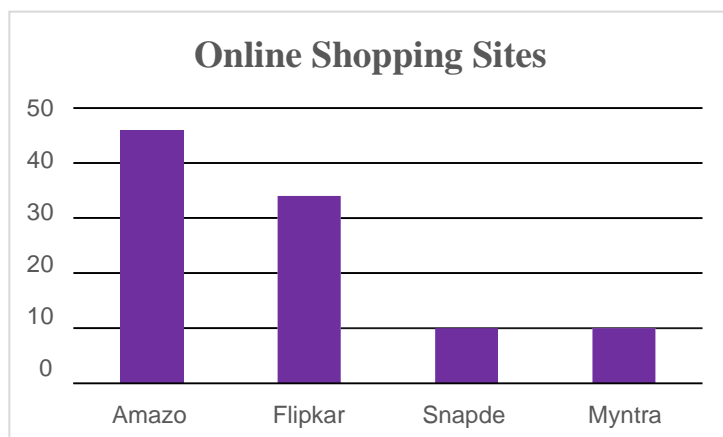


The study indicates that most of consumers are facing problems are delay in delivery (70%) and followed by product damage (30%)

Table 15 Favorable online shopping sites

Online Shopping Site	Number of respondents	Percentage
Amazon	23	46
Flipkart	7	34
Snap deal	5	10
Myntra	5	10
Total	50	100

Source: Primary data



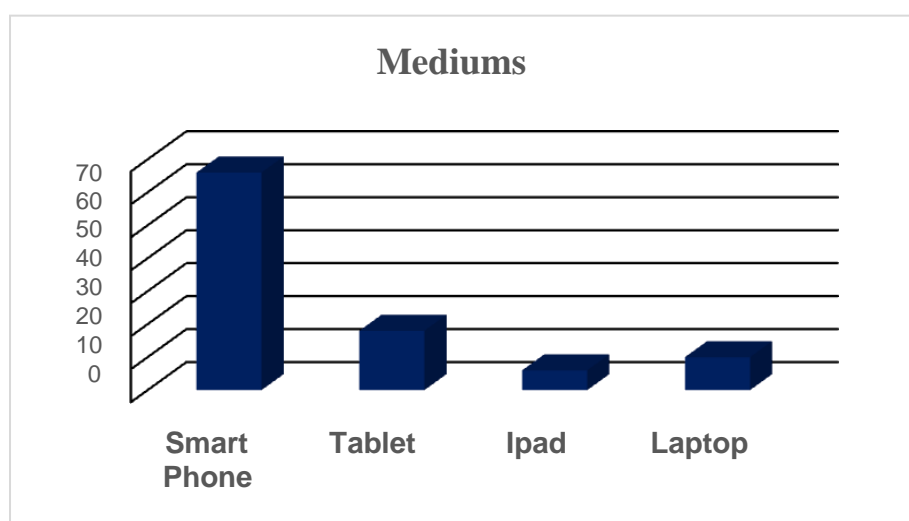
The diagram shows that 46% of online shoppers are purchasing their products from amazon followed by Flip kart 34%, Snap deal (10%) and Myntra (10%)

Table 16 Medium preferred for online shopping.

Mediums	Number of Respondents	Percentage

Smartphone	33	66
Tablet	9	18
IPad	3	6
Laptop	5	10
Total	50	100

Source : Primarydata



The study indicates that most preferred medium for online shopping is smart phone (66%) followed by tablet (18%), laptop (10%) and IPad (6%)

Table 17 Satisfaction level of consumers of online shopping

Levels of Satisfaction	Number of respondents	Percentage
Satisfied	43	86
Very much satisfied Not satisfied	7	14
	Nil	
Total	50	100

Source : Primary data

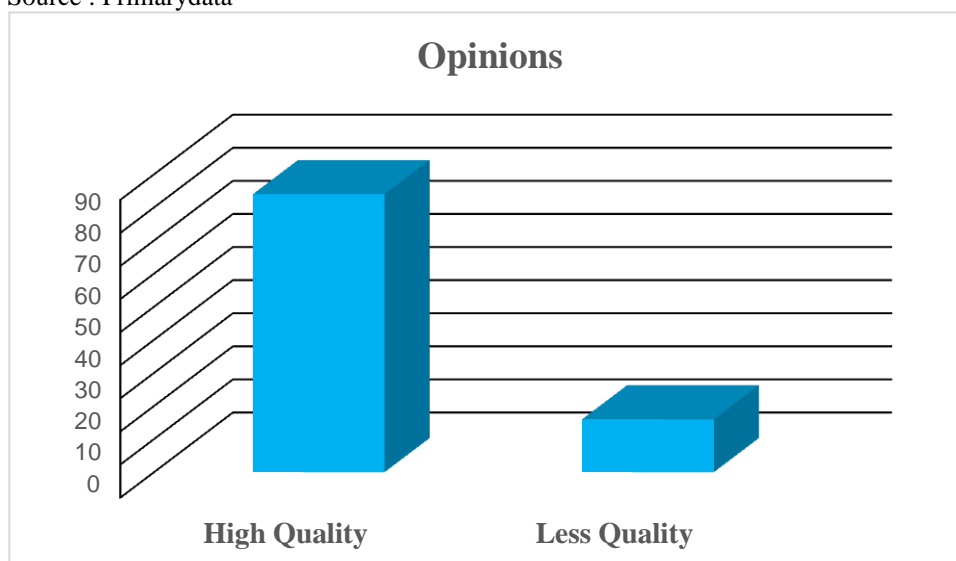


The study shows that the most of respondents are satisfied by online shopping sites (86%) and followed by very much satisfaction (14%)

Table 18 opinion regarding online products

Opinions	Number of respondents	Percentage
High quality	42	84
Less quality	8	16
Total	50	100

Source : Primarydata

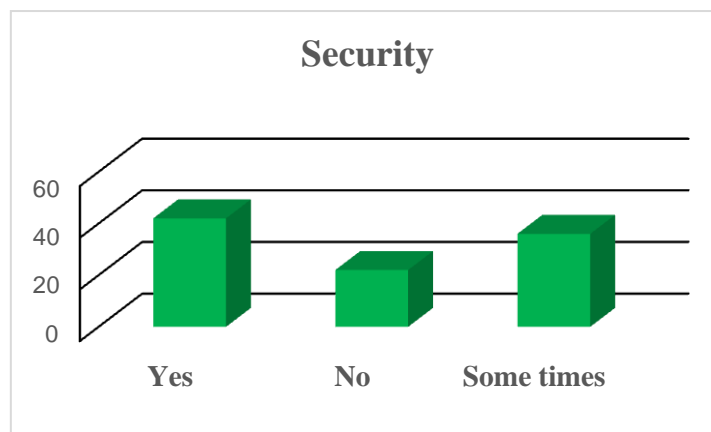


84% of the respondents are of opinion that the online products are high quality and followed by less quality 16%.

Table 19 Does online shopping is as secure as traditional shopping.

Security	Number of Respondents	Percentages
Yes No Sometimes	21	42
	11	22
	18	36
Total	50	100

Source : Primary data

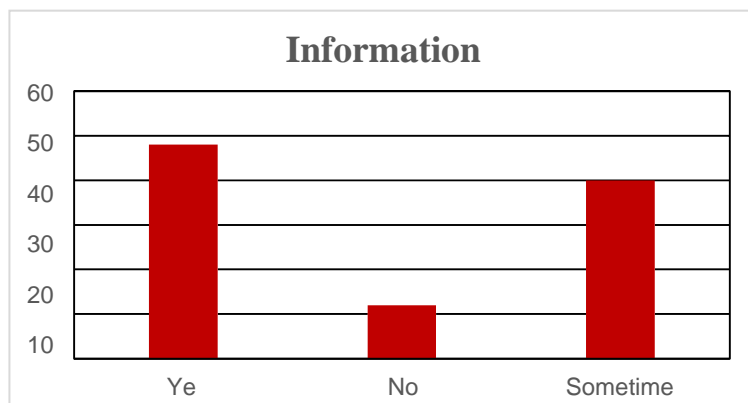


The diagram shows that the consumer of online shopping is a secure as traditional shopping 42%. While 36% believe some time think its secure sometime it is compared to traditional thinking and followed by consumer think online shopping is as secure as traditional shopping (22%)

Table 20 Is website providing the sufficient information

Information	Number of respondent	Percentage
Yes No Sometimes	24	48%
	6	12
	20	40
Total	50	100

Source : Primary data

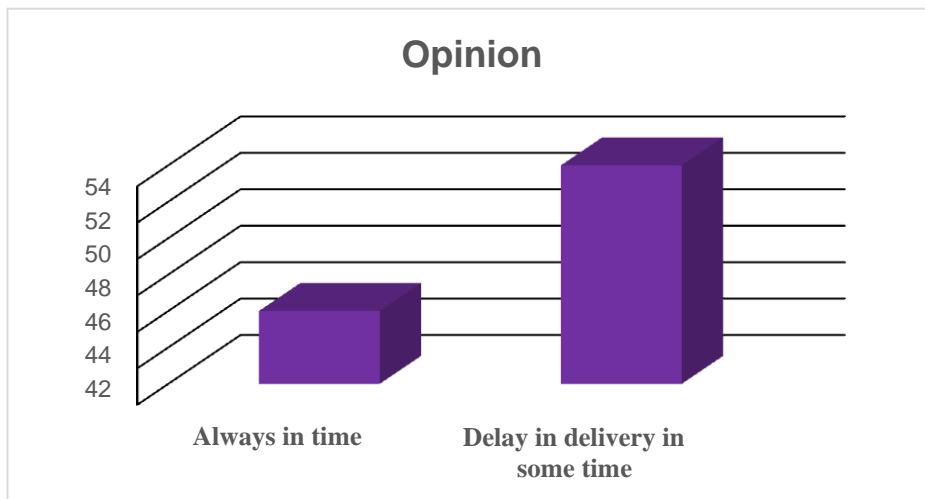


Every product which is available for purchased on a particular site gives well-informed information about it along with pictures to attract are seen that information needed its provided which make the product administered user friendly and a customer can buy product only to 40% of consumer said that it provide information sometime.

Table 21 Opinion Regarding the Delivery of product

Opinion	Number of respondents	Percentages
Always in time	23	46%
Delay in delivery in sometime	27	54%
Total	50	100

Source : Primary data

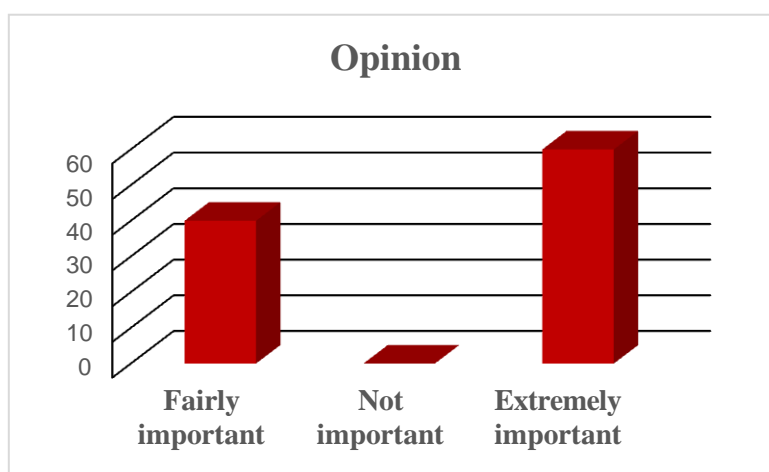


54% of respondents are of opinion regarding the delivery of product is mainly due to delay in delivery in some time. 46% of the respondents are of opinion that the always in time.

Table 22 Opinion Regarding the accessing shopping websites

Opinion	Number of respondents	Percentage
Fairly Important Not Important Extreme Important	20 Nil 30	40 60%
Total	50	100

Source : Primary data

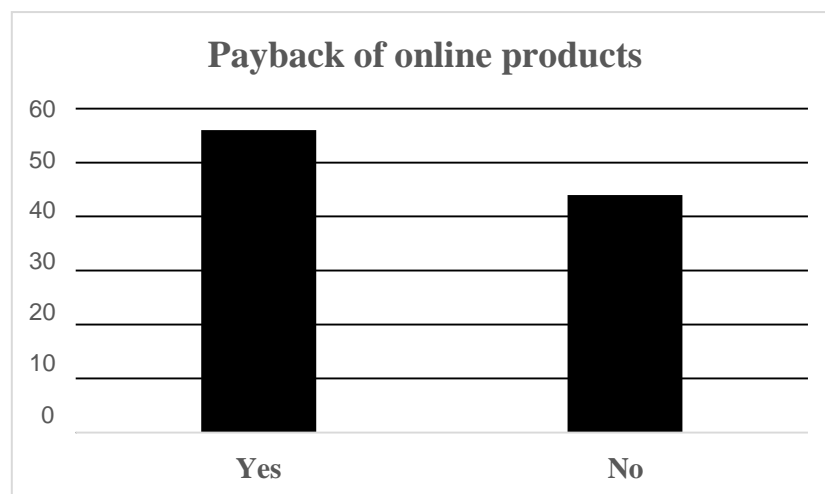


60% of the respondents were of opinion that accessing shopping websites is fairly important 40% of consumers are of opinion that it's a fairly important.

Table 23 payback on purchased good

Payback of online products	Number of respondents	Percentages
Yes	28	56
No	22	44
Total	50	100

Source : Primary data



56% of the consumer are of opinion that payback for online products followed by consumer are of opinion that there is no payback for the online products.

Table 24 preference regarding the product and service Provided by on line shopping providers.

Preference regarding service by online shopping	Number of respondents	Percentage
Excellent	20	40
Good	30	60
Average	Nil	Nil
Poor	Nil	Nil
Total	50	100

Source : Primary data

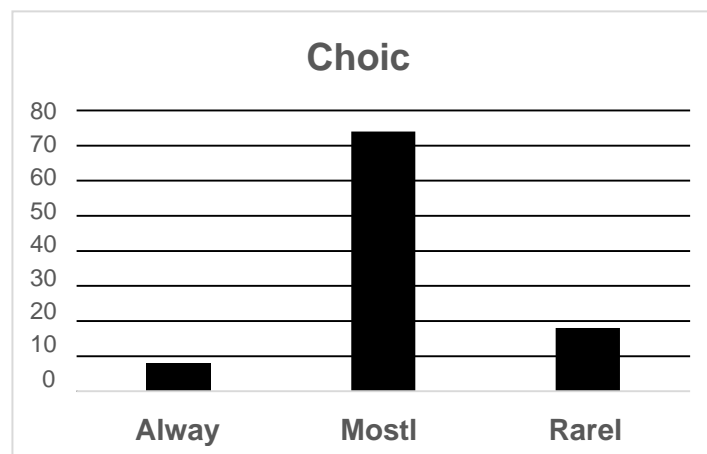


60% of the consumer are of opinion regarding the product and services provided as good followed by excellent 40%.

Table 25 Response Regarding the choice of product of online shopping

Choices	No: of Respondents	Percentage
Always	4	8
Mostly	37	74
Rarely	9	18
Total	50	100

Source : Primarydata

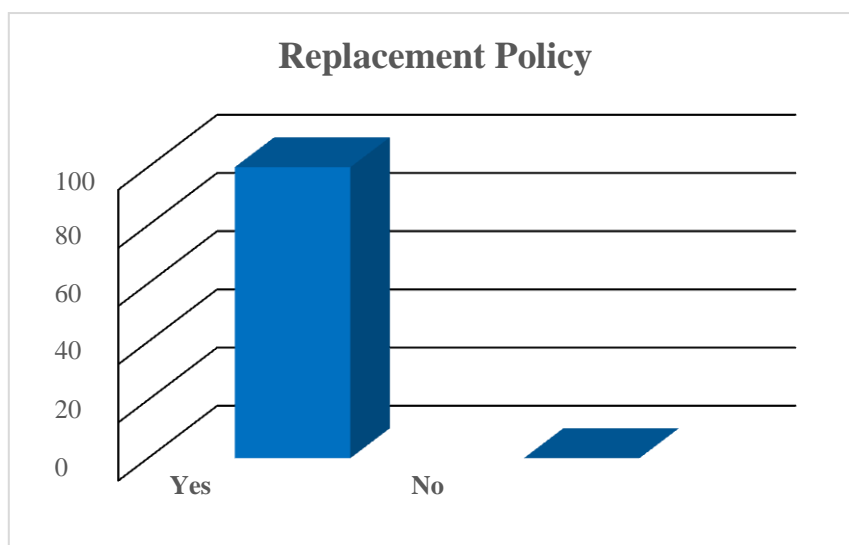


37% of the consumers are response regarding the product of online shopping are considered to be 'Mostly' followed rarely (18%) and always(8%)

Table 26 is online websites ensure replacement policy for defective products

Replacement policy	Number of Respondents	Percentage
Yes	50	100
No	Nil	Nil
Total	50	

Source : Primary data

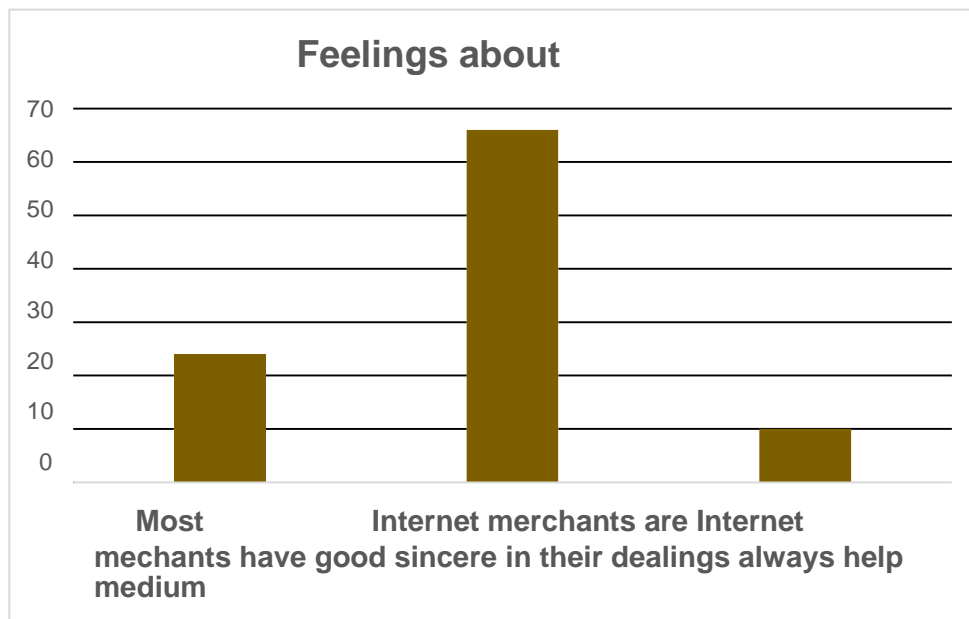


100% of respondents of opinion that online website ensure replacement defective police for the products

Table 27 feeling about the online shopping Merchants

Feelings about Merchants	Number of Respondent	Percentage
Most Internet Merchants have good reputation Internet	12	24
Merchants are sincere in their dealings	33	66
Internet merchant will always help medium	5	10
Total	50	100

Source : Primary data



SUMMARY OF FINDINGS SUGGESTION AND CONCLUSION

- Females are always conscious about online shopping than males.
- Age wise distribution summarized that majority of the respondents are belonging to age group 20-30 and this reveals that youth generation are purchasing online products.
- 70% of the consumers purchasing online products are graduates.
- Majority of the respondents are belonging to professional followed by students.
- Majority of the respondents of online shopping belong in to income 10,000-20,000 (42%) followed by above 40,000 (28%)
- 48% of the respondents do buy online products rarely followed by respondents purchased online products occasionally.
- Majority of respondents were purchase online products by using the company websites.
- Majority of respondents that is 60% use cash on delivery option to buy online products.
- 44% of the consumers buy online products that is 'clothes' followed by 'electronic goods'.
- The main advertisement for preferring the online shopping is due to convenience (40%) following by easy to find (34%)
- Respondents are willing to spend on a purchase from online sites that is 48% around 5000-10000.
- 100% of online customers are aware of online products.
- Majority of the respondents motivating factor is save time (62%) followed by price (16%)

- 70% of the respondents were of opinion that the major problem is faced during online shopping is delay in delivery (70%)
- 66% of respondents choose smart phone as the medium for online shopping.
- 86% of respondents are satisfied during online shopping.
- Majority of respondents are of opinion that online products are highly quality.
- 42% of the customers are of opinion that online shopping is as secure as traditional shopping.
- 48% of consumers are seen that information needed its provided which make the product administered user friendly and a customer can buy product only 40% of consumers said that it provide information sometime.
- 54% of the customer are of opinion that it delay in delivery in sometime.
- Majority of the customer's opinion that extremely important for accessing the shopping websites.
- 56% of respondents are of opinion that payback on purchase goods.
- 60% of respondents are opinion that preference regarding the product and service provide as good.
- 74% of the consumer regarded it is mostly response regarding the choice of product of online shopping.
- 66% of the customers are of opinion that internet merchants are sincere in their dealings.

SUGGESTIONS

- (1) India has a strong Research and Development capability so companies should innovate rapidly to take care of the security issues.
- (2) Most of the Indian still like to see the product before buying, efforts should be made to change this mind set of the people by making them aware of benefits of online shopping.
- (3) Merchants should provide goods and services that offer the right value for money.

There should be transparency in policies (returns, privacy, shipping etc.) insurance against fraud and a good after sales services should be provided to consumers making it enjoyable experience.

- (4) Consumers today demand a better, more efficient to compare and buy products online.

Innovative service should be provided to the consumers so that they can compare products, which are available online using their mobile phones.

- (5) Online retailers should also look into the prospect of call centers which would guarantee that the consumer get a chance to officially interact with the other party before the actual purchase.
- (6) Convenience and time saving are the main reason to shop online. Therefore business to consumers sites should be designed in such a way that consumers spend less time in finding information they are looking for delays in searching or loading a webpage might turn the consumers to other sites which have faster download and display times.

CONCLUSION

The study was conducted to examine the awareness of online shopping behaviour of individuals, to study various factors which motivated a consumer towards online shopping and various problem faced during online shopping. This research focus on consumer preference towards online shopping in Trivandrum City. The factors influencing their purchase decision are beneficial for individual such as save time, price, product comparison, convenience. The problem faced by the online customer that is delay in delivery, product damage, cheap quality etc.

Consumer in the selected areas, prefer online shopping and have a typical behaviour of buying. Consumers are beneficial through online shopping because variety of options for the consumers to choose and that to at a reasonable price and sometime even less price than market.

E-commerce is one of the biggest things that have taken the business by storm. It is creating an entire in new economy which has a huge potential and is fundamentally changing the way business are done. It is believe that electronic commerce will become huge industry in the coming years and online shopping is now becoming a significant part of consumer's daily life to meet their never ending requirements in a convenient way.

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