



A STUDY ON ONLINE CONSUMER BUYING BEHAVIOR IN FLIP KART PORTAL WITH SPECIAL REFERENCE TO GOBICHETTIPALAYAM TALUK, IN ERODE DISTRICT

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Abstract

Online shopping is a form of electronic commerce which allows consumers to directly purchase products or services from seller over the internet using web browser. Online shopping provides all type of goods to be available in the virtual world. It is just like a shop in the neighborhood, selling all type of goods but with some prominent differences. Here one can access these shops any time without stepping out of their home or office. It can be accessed any time, whether you are on the move or relaxing in your home or having a time out at your office. Here all the products are sold with all the necessary and prominent features. Potential customers can have a look at them, analyze what are the other similar online shopping outlets offered and can get the best deal out of it. Nowadays, the concept “DIC” i.e. double income couples are becoming all the more prominent in India. With the long working hours and increased distances to travel, they are not having enough time to devote their valuable time to shopping, as people don't feel like going out for buying their necessities after a very hectic day at office. They want to reserve it for other works like socializing, entertainment etc. Making use of this golden opportunity many online shopping portals are coming up quickly and getting it adapted to the growing and competitive demands of their valuable customer's by catering to their noble demands in an efficient manner. And their main target is covering all the different sections of society to the maximum extent. The only way to attract them is just a click away and that too by following that anytime and anywhere shopping (24X7) method. Moreover, this is located in the virtual world and can be accessed any time when you are watching your favorite TV show or having a coffee leisurely sitting at home itself. This is the simple concept of online shopping.

Key Terms: *Online Shopping, Double Income Couples, Socializing, Buying Behavior.*

Introduction

The act of purchasing products or services over the Internet is in the form of shopping. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday season, is it alleviates the need to wait in long queues or search from store to store for a particular item. In the past few years, a few retailing enterprises across India have shown significant changes in their business approach by successfully offering products and services through online basis. While, customers who have access to Internet reaps the benefit of this changing dynamics, the non-users of Internet still remain out of the realm of e-Commerce revolution that is just picking up in Indian market. Precisely, larger segments of the consumers fail to take advantage of the increased choice and cheaper prices that e-commerce can deliver due to the digital divide factor separating users and non-users of Internet in India. These circumstances require a better understanding of consumer experience with online shopping in India and the present study fills this research gap.

Consumer Buying Behavior

Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc.. And is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns are more efficient and more in line with the needs and ways of thinking of their target consumers a real asset to better meet the needs of its customers and increase sales.

Consumer Buying Behavior in Online Shopping

Consumer Buying behavior through online shopping have gained a great deal of attention in today's world. Consistent with the literature and models of attitudinal changes and behavior, it is believed that the consumer attitudes will affect their intention to shop online eventually wherever a transaction is made. Multi-dimensional construct that has been conceptualized in several different ways in the existing literature. First, it refers to the consumers. Acceptance of the Internet as a online shopping. Secondly, it refers to consumer attitudes towards specific Internet store (i.e., to what extent consumers think that



shopping at this store is appealing). These first two dimensions are negatively associated with the third, customers. Perceived risk

Features of Online Shopping

Any online shopping company will have the following features.

-) It is based on the concept of flexible time.
-) It can be accessed from anywhere.
-) One can evaluate many online shopping stores at a time.
-) Comparison can be made on real time basis.
-) There is provision for replacement of product if it is not as per the aspiration of the customer.
-) Casual shopping also is possible through online shopping.

Benefits of Online Shopping for Consumers

The potential customers are sure to reap the following benefits from these online companies as mentioned below.

-) It helps in easy identification of the products.
-) Products are often more inexpensive.
-) It saves time and energy.
-) Shopping through online gives access to a wider range of options.
-) It's easier to hunt for a great deal.
-) Customers are usually satisfied.
-) There is buyer protection.
-) It's easier to find rare products.
-) Online shopping ensures privacy.

Advantages of Online Shopping By an Individual Customer

In addition to the above mentioned points the potential customers are sure to feel the following advantages as an individual customer from these online shopping companies such as

-) Convenience
-) Better Prices
-) Variety
-) cheap
-) Comparison of Prices
-) Attracting large shopping consumers through gifts and discounts.

Introduction about Flip kart Company

Flip kart was founded in 2007 by Sachin and Binny Bansal, both alumni of the Indian Institute of Technology, Delhi. They worked for Amazon.com before quitting and founding their own company. They both were solid coders and wanted to open a portal that compared different e-commerce websites, but there were hardly any such sites in India and they decided to give birth to their own e-commerce venture - Flipkart.com. Thus was born Flip kart in Oct 2007 with an initial investment of 4 lacks (co-founders savings). It was never going to be easy since India had a bad past experiences with e-commerce trading. It was not an easy segment to break into, people were very particular in paying money for something which they had not seen and received. The trust was missing in the Indian customers. So what Flip kart had to do was to instill trust and faith in their customers. And they did exactly the same later. Initially they used word of mouth marketing to popularize their company.

Benefits of Purchasing through Flip kart

Customers can get some extra discount during festival season.

-) Moreover, they announce cash discounts from time to time. You can apply these cash discount coupons on your purchase items to buy it at discounted rates.
-) Can buy some newly launched mobiles only from Flip kart. You can't get it in retail mobile shops.
-) The payment which you make to Flip kart is through secured access mode so that there is no risk of your account being hacked.
-) Purchase some product for cash on delivery mode where you have to make payment when the product reaches at your doorstep.
-) Customers can also avail installments of some of the expensive products where the amount gets deducted from their bank account .



Research Reviews

Chen (2009) in his dissertation entitled “**Online consumer behavior: an empirical study based on theory of planned behavior**” extends theory of planned behavior (TPB) by including ten important antecedents as external beliefs to online consumer behavior. The results of data analysis confirm perceived ease of use (PEOU) and trust are essential antecedents in determining online consumer behavior through behavioral attitude and perceived behavioral control. The findings also indicate that cost reduction helps the consumer create positive attitude toward purchase. Further, the findings show the effects of two constructs of flow –concentration and telepresence, on consumers’ attitude. Concentration is positively related to attitude toward purchase, but telepresence likely decreases attitude due to the consumers’ possible nervousness or concern about uncertainty in the online environment.¹

Hawkins, Best, Coney and Mothered: (2007) the authors discussed “**Factors Affecting Consumer Buying Behavior**” for buying such as demographic and social influences (family and household), group influence, impact of advertising and internal influences (learning, perception, attitude etc.). The elucidated topics such as types of consumer decisions, purchase involvement and product involvement, emphasized on the information search process and various ways for providing relevant information to the consumers are recommended in this study. Emphasized on individual judgment and proposed that the ability of an individual to distinguish between similar stimuli is called sensory discrimination which could involve many variables related to individual preferences.² **Leslie Lazar and Schiffman (2006)** The authors suggested “**Consumer Buying Behavior as Individual Differs as from group**”. The family decision for a purchase decision is entirely different from individual decision making. The authors discussed various variables that affect consumer purchase decision. The focused on family life cycle and various needs of consumer during different life stages. The family decision making process as a group decision making is elaborated and it is recommended to segment the market according to family need hierarchy.³ **Hawkins, Best, Coney and Mothered: (2007)** the authors discussed “**Factors Affecting Consumer Buying Behavior**” for buying such as demographic and social influences (family depends a lot on the efficiency of the managers in delivering the promised⁴ product or services. The responsibility lies on the organizations to develop a culture, ethics, responsibility, value and quality services should be offered to achieve higher level of customer satisfaction. Dynamic consumer behavior is required to analyse various factors affecting consumer purchase decision directly or indirectly.¹⁰

Statement of the Problem

Basically it is important to investigate that the motivation behind consumer purchase is equally important to find about the consumers perception and behavior towards online buying because consumer perception towards purchasing online is a conspicuous factor affecting the actual buying behavior. One of the researchers is to work on factors that influence customers to buy online from Flipkart.com, and have decided to study four factors such as convenience, time saving, Website features, and security. However, customer’s willingness to purchase online could be affected by one’s individual needs and these needs can be called as Need for cognition. Taking these aspects into account, an empirical study was conducted to know about the consumer’s Buying behavior of online shopping in Flipkart.com. The purpose of this research is to understand on what parameters a consumer uses online shopping and also their preference and promotion factors to shop online for different products.

Scope of the Study

The topic chosen for this particular study is to analyze the consumer behavior towards online shopping on Flipkart.com. The sample size chosen was according to the convenience and the objectives of the study. To know about various aspects of Flipkart in market, the improvements needed in case of features and process, and the effect of factors on the buying behavior of online customers. The geographical area that this study covers is Gobichettipalayam. The purpose of this research is to understand on what parameters does consumers purchase online and also their preference and what motivates consumers to shop online for different products.

¹ *Business Research Methods*. 7th ed. Boston: McGraw-Hill/Irwin. | Kothari, C.R. (1990), *Research Methodology, Second revised – edition*, New Age international (P) Limited, Publishers, New Delhi. | Kotler, p. (2001), *Marketing Management*, Prentice-Hall, India. | Enhance, D.N. (1984), *Fundamentals of Statistics*, KitabMahal, New Delhi.

² Hawkins, Roger J Best, Kenneth A Coney, Amit Mukherjee (2007). *Consumer Behavior*.

³ Schiffman L’Enon G., & Kanuk Leslie Lazare (2006). *Consumer Behavior*. Prentice Hall of India.

⁴ Karuk and Schiffman: (1998), “Positioning Alternative Perspectives of Consumer Behavior”, *Journal of Marketing management*, 14, pp. 3-



Objectives of the Study

1. To understand the preference of the online buying behavior of consumers.
2. To discover the key factors that influence online buying behavior of consumers in Erode district.
3. To give variable suggestions based on the findings for the problems faced by consumers through the online shopping.

Sources of Data Collection

Primary Data: Primary data was collected with the help of structured questionnaires which were designed in a manner that it could reveal the people's knowledge, belief, preference and satisfaction. A pilot study was conducted with 25 respondents and the questionnaires were administered to the selected online shopping who used both Amazon and eBay portals.

Secondary Data: Secondary data was collected through various records, reputed monthly journals, articles, magazines, study materials and websites.

Sampling Area of Study - Erode District

Erode District (previously known as periyar district) is a district in the western part (Kongu Nadu) of the state in Tamil Nadu. There are five Taluks in Erode District namely Gobichettipalayam, Sathyamangalam, Bhavani, Perundurai and Erode which consists of 44 town panchayats.

Sampling Size: The data have been collected to the researcher convenience 300 satisfied samples were random sampling selected in the following manner viz., Gobichettipalayam (199), Sathyamangalam (109), Bhavani (61), Perundurai (32), Erode (31). The present study is restricted to Gobichettipalayam Taluk in Erode District.

Research Approach

The primary data was collected through questionnaire method. All the respondents were asked to fill in the questionnaire themselves. The questionnaire contains both open ended and closed ended questions.

Sample Size and Procedure

The survey was based on survey method. The data had been collected through questionnaire. Around 300 samples based on the convenient sampling technique were taken as the sample size from Gobichettipalayam Taluk for this study. After the collection of primary data, they have been thoroughly verified, edited and coded.

Research Design: In this research the researcher has used both Descriptive and Analytical type of research for this study. The theoretical framework gives a clear picture as to what theories and models were used by the researchers to support their study.

Statistical Tools Used for Analysis: The collected primary data were fed in SPSS (20) (Statistical Package for Social Science). All the required sub tables were prepared on the basis of the requirements. For the purpose of detailed analysis the following tools have been used in this study.

-) Percentage
-) Chi-square

Results and Discussion

Table 1: Online Shopping Preference of the Respondents through Flipkart

| S.No | Independent | Particulars | Total | Per cent age |
|------|----------------------------------|----------------|-------|--------------|
| 1 | Gender | Male | 224 | 75 |
| | | Female | 76 | 25 |
| 2 | Age | Below 20 years | 101 | 34 |
| | | 21-30 years | 119 | 40 |
| | | 31-40 years | 57 | 19 |
| | | Above 40 years | 23 | 7 |
| 3 | Marital Status | Married | 51 | 17 |
| | | Unmarried | 249 | 83 |
| 4 | Educational Qualification | School | 21 | 7 |
| | | UG | 85 | 28 |
| | | PG | 107 | 36 |
| | | Professionals | 31 | 10 |
| | | Others | 56 | 19 |
| 5 | Occupation | Business | 42 | 14 |
| | | Profession | 27 | 9 |



| | | | | |
|---|---------------|--------------------------|-----|----|
| | | Employee | 72 | 24 |
| | | Others | 159 | 53 |
| 6 | Income | Below Rs.10,000 | 209 | 70 |
| | | Rs.10,001- Rs.15,000 | 33 | 11 |
| | | Rs.15,001 - Rs.20,000 | 24 | 8 |
| | | Above Rs.20,000 | 34 | 11 |

Source: Primary Data, F= Frequency, P= Percentage, N=300

Table 2: Preference of the Products through Flip kart Portal

| S.No | Preference of Shopping | Frequency | Per cent |
|------|------------------------|------------|------------|
| 1. | Apparels | 31 | 10 |
| 2. | Electronic goods | 127 | 42 |
| 3. | Books | 102 | 34 |
| 4. | Cosmetics | 24 | 8 |
| 5. | Others | 16 | 6 |
| | TOTAL | 300 | 100 |

Source: Primary Data

It is inferred from the above table that out of 300 online shopping respondents 42 Percent of them prefer purchasing Electronic goods .While 34 Per cent of the respondents prefer buying books through this portal. While the remaining is shared by cosmetics and the others category.

Table 3: Age and Overall Shopping Experience of Flip kart respondents

| Age | Strongly Disagree | Disagree | Agree | Strongly Agree |
|----------------|-------------------|-----------|------------|----------------|
| Below 20 years | 14(4.67%) | 12(4.00%) | 74(24.67%) | 17(5.67%) |
| 21 – 30 years | 10(3.33%) | 14(4.67%) | 94(31.33%) | 32(10.67%) |
| 31 – 40 years | 2(0.66%) | 0(0.0%) | 23(7.67%) | 1(0.33%) |
| Above 40 years | 2(0.66%) | 1(0.33%) | 3(1.00%) | 1(0.33%) |

² Test = 8.521, p Value 0.000

Source: Primary Data

The table above shows that the calculated value (8.521) of chi-square test is less than the table value (16.919), thus the null hypothesis is accepted. Hence, age of the respondents does not have influence of the overall shopping experience. From the above table it is divulged that 31.33 per cent of the respondents fall below 20 years while 24.67 per cent of the respondents belong to 21-30 years category and the remaining 7.67 per cent belong to the age group of 31-40 years and finally the last 1 per cent is covered by the respondents who are above 40 years of age.

Table 4: Table Showing the Level of Agreement of Online Shopping preference of Flip kart Customers

| Level of agreement | Time | Advantage Over Internet | Price | Quick | Variety | Merchant's Reaction | Exchange Facility | Preference | Overall shopping experience |
|--------------------------|--------------|-------------------------|-------------|--------------|------------|---------------------|-------------------|--------------|-----------------------------|
| Strongly Disagree | 22 7.3% | 37 12.3% | 28 9.3% | 47 15.7% | 21 7% | 38 12.7% | 72 24% | 29 9.7% | 38 12.7% |
| Disagree | 21 7% | 29 9.7% | 63 21% | 78 26% | 57 19% | 107 35.7% | 70 23.3% | 88 29.3% | 31 10.3% |
| Agree | 172 57.3% | 154 51.3% | 135 45% | 152 50.7% | 141 47% | 134 44.7% | 124 41.3% | 152 50.6% | 183 61% |
| Strongly Agree | 85 28.3% | 80 26.7% | 74 24.7% | 23 7.7% | 81 27% | 21 7% | 34 11.3% | 31 10.3% | 48 16% |

Source: Primary data

From the above table it is inferred around 57 per cent of the customers agree that time is an deciding factor for their online purchase, while 7 per cent of the respondents do not give much importance to time Nearly 51 per cent (half) of the respondents feel the importance of using internet ,while 9 per cent of the respondents are not aware of using internet for online shopping.45 per cent of respondents feel that price is one of the major factor.50 per cent of the respondents agree that online shopping is done very fastly while 7 percentage of those respondents feel that this is not the only deciding factor .47



per cent of the respondents think that variety plays an important role in purchasing products based on variety. While 7 per cent think that variety is not the major deciding factor. The other factors like merchant's reaction, exchange facility, preference and the overall shopping preference has been discussed clearly in the table.

Findings

-) Majority of the respondents to the age group 21-30 years.
-) Majority of the respondents are male.
-) Majority of the respondents are single.
-) Majority of the respondents are Post graduates.
-) Majority of the respondents have some other source of income.
-) Majority of the respondents are less than Rs 10,000.
-) Majority of the respondents agree that online shopping on the internet saves time.
-) Majority of the respondents agree that it is a great advantage to shop anytime through online shopping.
-) Majority of the respondents agree that online purchase will be done only if the prices are lower than the market price.
-) Majority of the respondents agree that the product delivery is quick.
-) Majority of the respondents agree that variety of products is available in online shopping.
-) Majority of the respondents agree that the merchant reaction to the customer's needs and wants
-) Majority of the respondents replied that online shopping merchants provide refund or exchange facility.
-) Majority of the respondents expressed that price is the most influencing factor to purchase any product in online shopping
-) Maximum number of respondents ranked the factor "brand" for making a purchase decision.

Suggestions

-) Most of the people other than students are not having awareness about online shopping, the websites merchant should take steps to create awareness among the public.
-) The online seller has to take maximum to take effort to offer the products with competitive price because the price of the product plays a big role in purchase decision.
-) The online shopping website must be made known to consumers through different methods of advertisement.

Conclusion

The internet is "any time. Anywhere" media and the expanding power of the internet through forth a new generation of interaction platform between humans and computers. The current technological development with respect to the internet has given rise to a new marketing system. The study brought to the fact that most of the online shoppers are students and educated people who have apposite perception towards online shopping. Risk perceptions, particularly concerns about security, are deterring many people from shopping online.

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