

A Study on Consumer Behaviour towards Online Shopping In Kolkata

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Abstract: Online shopping is the most recent phenomenon in the Indian online space. Men and women of all ages visit the e-commerce websites regularly and buy the necessities of life. The objective of the study is to understand the consumer awareness and preferences towards various products available online, to understand the frequency of online shopping and the amount spent on a single purchase and to understand the factors affecting online purchase and the choice of payment gateway.

The study is empirical in nature and cross-sectional research design was applied and the primary data was collected through a structured questionnaire. A sample size of 200 respondents was taken, who are at present living in Kolkata mainly in areas like Park street area, Russel street area and some parts of Bhawanipore area by applying judgemental and convenience sampling method.

This study analyses the various factors that affect the online shopping behaviour of the consumers by using Buyer Black Box Model which is like our mind processing various stimuli's it receives and helping it in coming to a conclusion. Here we had studied the attitude, behaviour and intentions shown by the consumers when they decide to buy products online by using Hierarchy of Effects Model. Moreover a separate gender-wise differentiation was made to know how Male and Female reacts to a particular category of product comprises of Apparels, Beauty products, Household items, Electronic Gadgets etc.

A preference measurement check was made to know the perception of consumer regarding the top e-commerce website i.e. FLIPKART, AMAZON, SNAPDEAL, JABONG, SHOPCLUES and others. The major reason behind their perception was based on various discounts, easy payment facilities, easy return facility, timely and express delivery.

"Reduced search cost", "Discounts" and "Ease of purchase" were the top three aspects that generally people look upon while purchasing online, and a thorough study was made among the people in Kolkata.

In future this study can be done among different demographic profile & in other cities.

Keywords: Awareness, Consumer Behaviour, Kolkata, Patterns and Preferences, Online Shopping.

I. Introduction

Online shopping are classified as distance contracts, which means that the trader (service provider, seller) and the consumer (natural person who is acting for purposes which are outside his trade, business or profession), in lack of their simultaneous and physical presence enter into contract not by meeting in person (e.g. in commercial premises, market, open-air market, via trade agent etc.), but only in an electronic way. The world of internet can be considered as an endless market, where a consumer living in any country can get into a contractual relation with a trader operating in any other country of the world. From this aspect a cross-border purchase is when the consumer buys goods from any web trader settled anywhere in the world outside his/her country of residence. Due to the differences in language and legislation environment, furthermore sometimes in commercial traditions it is particularly essential to consider whether to buy the selected product from a web store operated by a foreign trader. Consumers are mostly unaware as to what influences their purchase behaviour, and "Buyers Black Box" approach helps resolves this to a great extent. Different marketing stimuli (price, product, place etc.) and other factors (economic, demographic, technological etc.) enters the Buyer's Black Box (our mind) where buyers' decision making mechanism, which is influenced by buyer's characteristics, activates and finally it gets turned into a set of observable buyer responses where buyers' buying attitudes, preferences and their purchase behaviour plays the ultimate role. This black-box model can be considered as a tool which helps consumers make a decision regarding the choice of brands and buying sites depending on their spending capacity, purchase behaviour, etc. People generally consider "Ease of doing business", "Discounts", "Time efficiency" as the important factors while considering a purchase online. And the websites which influences all the customers with all the factors required always wins the heart of many and here "Flipkart" is the ultimate winner

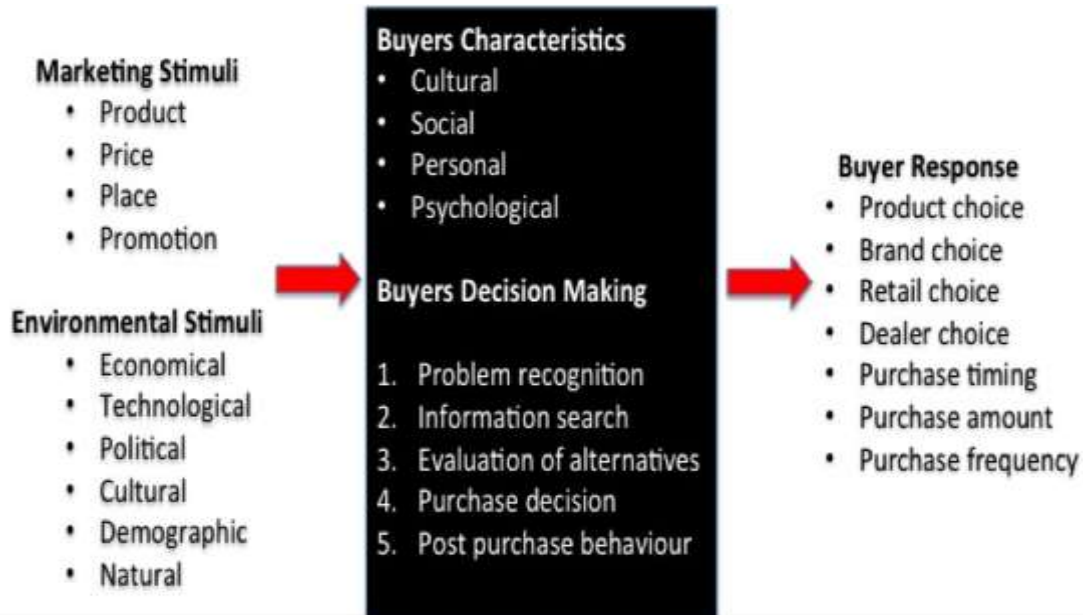


Fig. 1. Buyer's Black Box Model

1.1, Pros & Cons of online shopping

The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Since the consumer does not have to go to the premises of the trader, and is not limited by the opening hours, he/she can place an order at all times. Such items can also be purchased that are not available in the surroundings of the consumer, thus the choice of goods is significantly broader, and furthermore the delivery can be requested not only to the place of residence but to the workplace, as well. The various offer offered by online sites can be compared along with other sites as well to make a distinction regarding the purchase behaviour.

But, Besides the advantages however, it is good to know that there may also be risks connecting to online shopping, since there is no personal contact and the consumer sitting in front of a computer/screen tends not to think over or consider his/her intention of buying. The consumer being as a layman not a professional player of the deal is in a more defenceless situation. This is manifested in a twofold information deficit concerning on the one hand the product to be bought and on the other hand concerning the identity of the trader. The other risks involved for example buying medicines or food supplements online may entail health risks for consumers. It may happen that traders try to sell products endangering health and safety of consumers, which are withdrawn from the market or recalled from consumers, thus these products are illegally sold on the internet.

II. Objectives

The objectives of the study are:-

- First of all, to understand consumer awareness and preferences towards various products available online.
- Secondly, to understand the amount that people of Kolkata like to spend on a single purchase.
- Thirdly, to understand the factors affecting online purchase and choice of payment gateways.

III. Literature Review

Sinha and Uniyal (2005)[1] in the study explored that the Shopping environment refers to the landscape of shopping, changing as it did from the first departmental store to present-day malls to virtual shopping through the Internet. It has been found that shoppers behave differently depending on the type of shopping situations.

Richards Sarah (2005)[2] studied on Internet shopping by carrying out a worldwide Survey of 1001 adults. The Survey aimed to identify why people do or don't shop online, what they buy and how much they spend, if they have encounter any problems and what proportion of their shopping they intend to do online in the future. This study showed some interesting trend. Over six in ten people with internet access had shopped online over the previous 12 months. Convenience was a large motivating factor for people to shop online than prices. Most people shop once every two to three months, with men was being slightly more likely to do so than women. CDs, tapes and records were the most popular items to be purchased online, followed by DVDs, videos,

computer games, books and travel tickets. Fears over the security of websites were the main reason why some people with Internet access choose not to shop online.

Douglas, et al (2001)[3] conducted an empirical study to explore key aspects of consumer response towards shopping on the Internet. The major findings of study were: - convenience was not a major inducement in local Internet shopping, probably because of (its) geographical proximity. For instance "Pricing" was the major motivation behind online shopping. Product variety and product brand name were also important factors. Trust was a major concern for Internet shoppers.

Pooja Mordani (2008)[4] explored the study on investigation of consumer's perception towards internet based e-shopping and the study involved an experiment in which the respondents were asked to go through the online shopping process and relate their experiences. The study found that the positive experience with a website plays a vital role in forming consumers trust while shopping online and if consumers trust the website then they will perceive ease of use, perceive enjoyment and perceive the 89 website to be less risky which would finally culminate into an intention to transact with the website.

Amar Cheema and Purushottam Papatla (2009)[5] made an attempt to study the relative importance of online information versus offline information for internet purchase. The study found that relative importance of online information is higher for utilitarian products such as computer hardware and software than for hedonic products such as books, music and movies, the relative importance of online information decreases with increasing consumer internet experience and consumers' trust of online search engine information decreases with increasing internet experience.

Chih-Chien Wang (2009)[6] analyzed that knowledge is one important factor influencing the level of trust. The results revealed that knowledge is positively associated with trust and online shopping activities. In other words, people who know more about online shopping will trust and go shopping more online. Online retailing practice should make the public knowledgeable about online transaction security mechanisms to build users' trust in online shopping.

Ankur Kumar Rastogi (2010)[7] conducted the study on —a study on Indian online consumers and their buying behaviour and the study attempts to analyze the features related to the buying behaviour of online shoppers. Consumer buying behaviour in respect of online shopping was studied using different socio-economic variables. It also provides a support that helps researchers understand the drivers of consumers' attitude and goal to shop on the Internet, and consumers' perceptions regarding ease of use and usefulness. Conclusions derived from the analysis can be used as useful guide for market orientation. The outcomes of the study suggest that assessment of consumer buying behaviour can contribute to a better understanding of consumer buying behaviour in respect of online shopping.

A study has conducted by **Feng Zhu (2010)**[8], indicates that how product and consumer characteristics moderate the influence of online consumer reviews on product sales using data from the video game industry. The findings reveal that online reviews are more influential for less popular games and games whose players have greater Internet experience.

Prof. Ashish Bhatt (2014)[9] in article entitled "Consumer Attitude towards Online Shopping in Selected Regions of Gujarat" published in Journal of Marketing Management stated that online shopping is gaining popularity among people specially the younger generation but in today scenario to become equally popular among all age groups e-marketing will have to cover a longer distance. As per study mode of payment is depended upon income of the respondents. People from different age groups are doing online shopping regularly. The attitude of consumers is changing with the time. In a country like India, consumers are finding online shopping very comfortable because of many variables like cash on delivery, customization or personalization of the websites, home delivery etc

Prashant Singh(2014)[10] in his article "Consumer's Buying Behaviour towards Online Shopping A case study of Flipkart.Com user's in Lucknow City" published in Abhinav stated that future of e-retailers in India looking very bright. E-retailers give consumers the best way to save money and time through purchasing online within the range of budget. Flipkart.com offering some of the best prices and completely hassle-free shopping experience. The whole concept of online shopping has altered in terms of consumer's purchasing or buying behavior and the success of E-tailers in India is depending upon its popularity, its branding image, and its unique policies.

Upasana Kanchan , Naveen Kumar and Abhishek Gupta(2015)[11] in their article "A Study of Online purchase behaviour of Customers in India" Published in ICTACT Journal on Management Studies stated that

online shopping is gaining popularity among people of young generation. Higher income groups and educated people are purchasing more via e-retailing websites. People have hesitations in doing online shopping due to security concerns. At the same time people are resistant to change because of technological complexity in making online purchase. Companies involved in online retailing should focus on building trustworthy relationship between producers and customers.

IV. Research Methodology

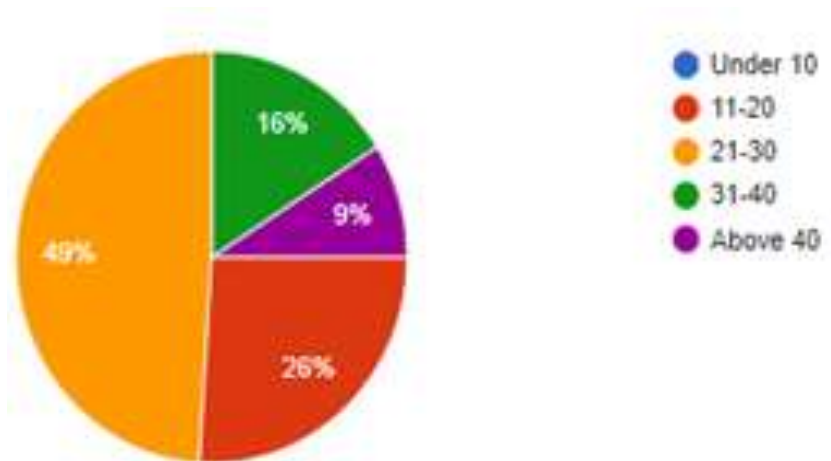
The type of study adopted is empirical in nature. Cross-sectional research design was applied. It's empirical in the sense that earlier this topic was researched and we have gone into details to find more insights into the topic by using a structured questionnaire.

The respondents consist mainly consists of people of Kolkata who are presently living in an around the areas of Park Street, Russel Street area and some parts of Bhawanipore. The sample size that is taken here for the study is 200 which comprises of both males and females of age ranging from under 10 years- above 40 years

Primary Data was collected by administering a Structured Questionnaire by applying convenience sampling method based on judgement. Secondary Data Collection was collected through the use of published journal, articles by authors who highlighted their views about this topic and reports published in the newspapers.

V. Data analysis

Information about the sample and basic preferences:



AGE(years) Fig 2(male)

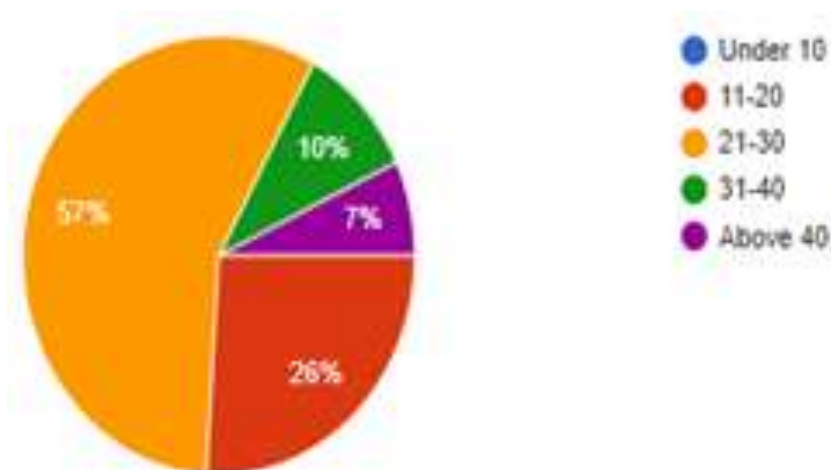
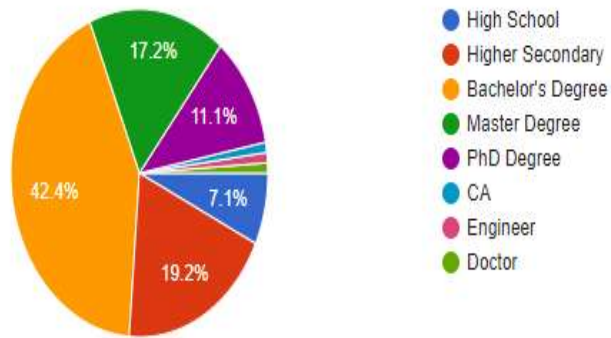


Fig 3(female)

5.1 Sample Age and Background: As our research was all about knowing the consumer behaviour so our 1st question shows the different age criteria of the people in Kolkata and it was found that more than 48% males in my research are the age of 21- and 57% of females are the age of 21-30 as well and it mainly comprises of the

residents in an around the area of Kolkata particularly Park Street area, Russel Street area and some parts of Bhawanipore as well.



EDUCATION DEGREE Fig. 4(male)

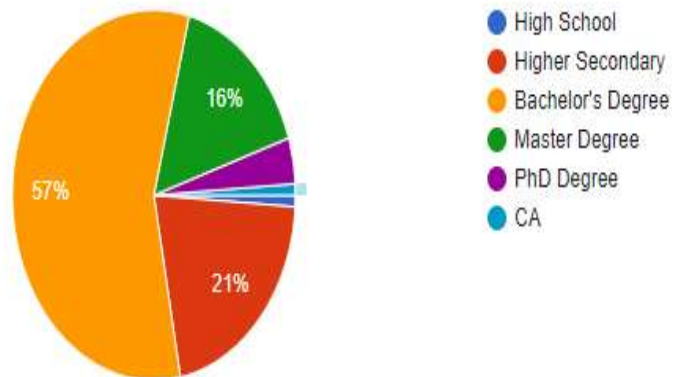
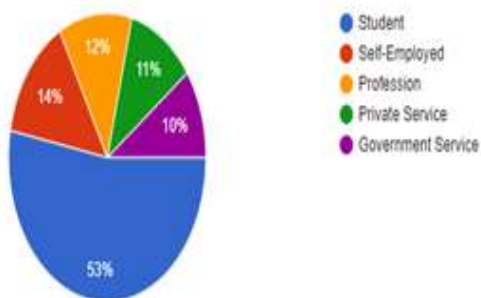


Fig. 5(female)

5.2 As our study is based mainly on demographic profile so this question was asked to know about the qualification of all the respondents and it was found that 42% of male have perused Bachelor's degree and 57% females have the same qualification.



OCCUPATION
Fig. 6(male)

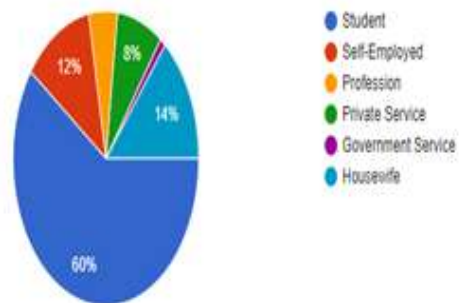
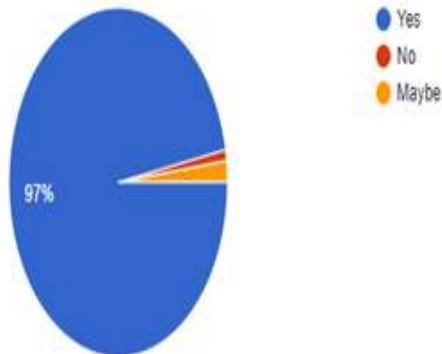


Fig. 7(female)

5.3 We can see here that majority of the respondents are students in our research but many housewives were also surveyed (approx 14% of the respondents) and we found out interesting facts and information regarding their behaviour towards online shopping.



USAGE OF INTERNET
Fig. 9 (female)

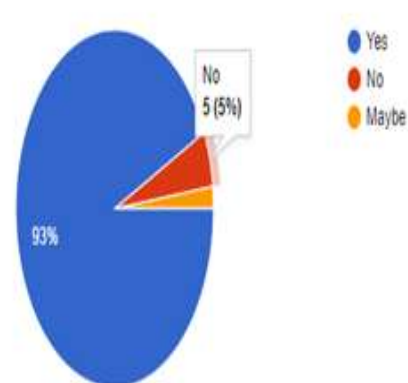
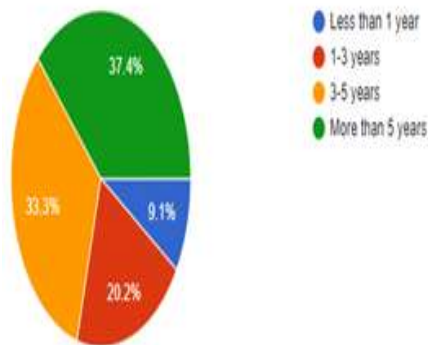


Fig. 8(male)

5.4 This question was asked as a matter of awareness to check whether people in Kolkata use internet or not. The results were quite obvious. But people living in the slum areas were also surveyed and more than 2% of male and 5% of females doesn't use internet in this fast changing city.



DURATION OF USING INTERNET (Years)
Fig. 10(male)

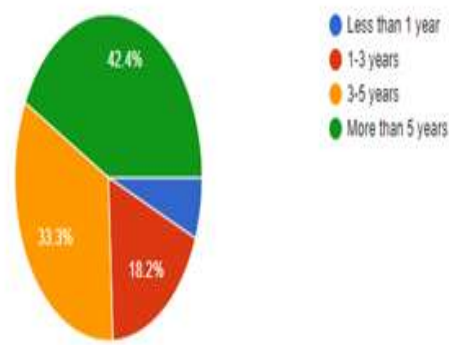


Fig.11(female)

5.5 This question was asked to understand the usage rate of Internet among the people in Kolkata and it was found that approx 40% of people use internet for more than 5 years now.

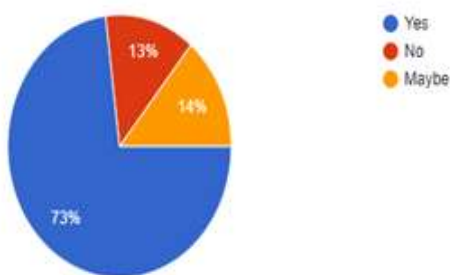


Fig. 12(male)

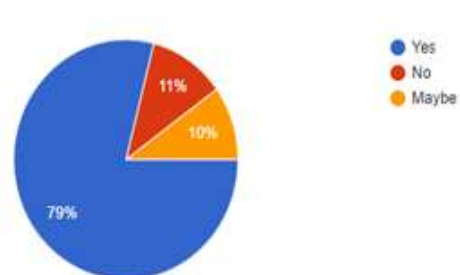
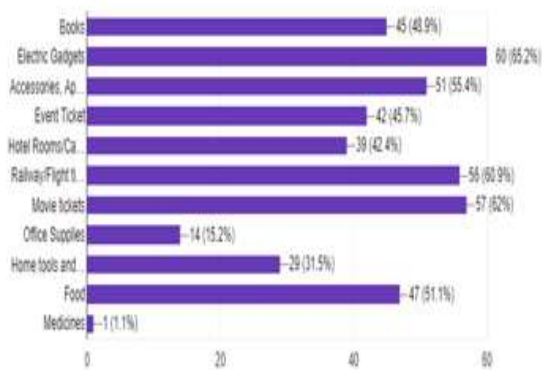


Fig.13(female)

ONLINE SHOPPING PATTERN OF MALE AND FEMALE.

5.6 Frequency of online purchase was the main concern to know in this survey and this question clearly tells us that more than 73% of people in male category and 79% in female category have purchased online and indeed they do it regularly. This shows that a great number of people always prefer shopping online. Upon further probing into this aspect, it is found that these peoples are mostly the ones who are living away from their homes in hostels or as paying guests. Lack of availability of proper home care and availability of necessities makes them purchase online.



TOP 3 PRODUCT CATEGORIERS PURCHASED ONLINE BY MALE AND FEMALE

Fig. 14 (male)

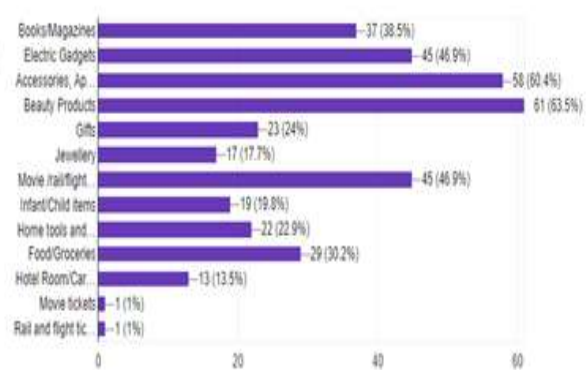


Fig. 15 (female)

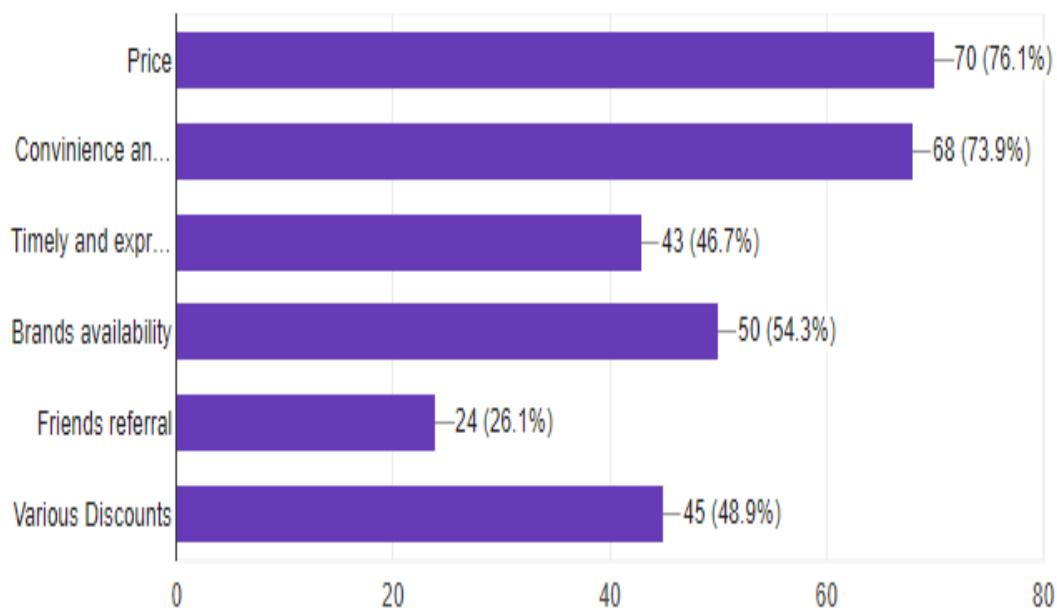
5.7 Top 3 choices: **Males**

- Electric Gadgets (65.2%)
- Movie Tickets (62%)
- Railway/Flight tickets (60.9%)

Females

- Beauty Products (63.5%)
- Accessories/Apparels (60.4%)
- Movie/Railway/Flight tickets (45.9%)

Difference in choices can be seen and as expected male category people generally look for Electronic Gadgets to a greater extent and females go for Beauty Products mainly Lakme products and Apparels too consisting of western wear, Indian wear etc.



REASONS FOR SHOPPING ONLINE

Fig. 16(MALE)

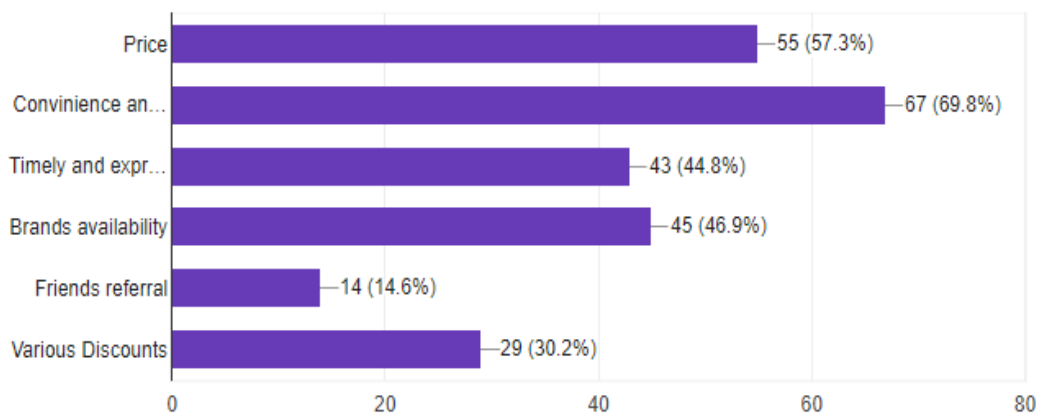
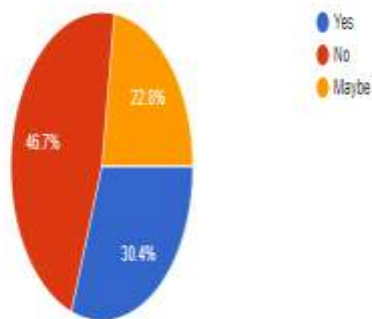


Fig. 17(FEMALE)

5.8 The important factors which motivate the people of Kolkata to shop online can be justified from these graphs. According to the male category of Kolkata price, convenience and even brand availability are the top three reasons why they purchase online whereas considering the females they gave much importance to convenience for purchasing online. People look less for factors like discounts friends referrals etc.



COMPARISON OF PRODUCTS BETWEEN ONLINE AND OFFLINE STORES

Fig. 18(MALE)

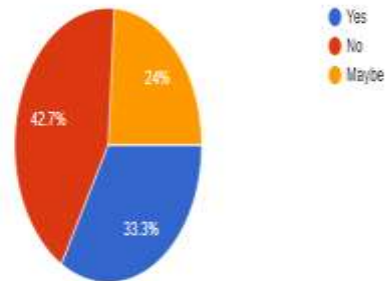
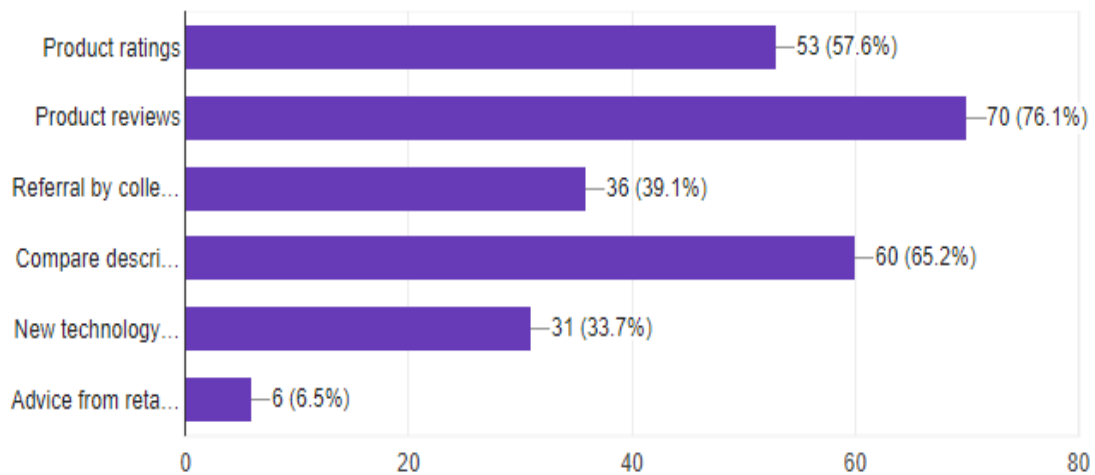


Fig. 19(FEMALE)

5.9 We wanted to understand the mindset of the consumers regarding their purchase behaviour. What surprised us the most is that people around 47% of male category and approx. 43% from the female category search the required products and ask for descriptions from a retail store before making the final purchase(through online or from a physical store)



CHARACTERISTICS OF THE PRODUCT WHICH PEOPLE LOOK WHILE PURCHASING ONLINE

Fig. 20(MALE)

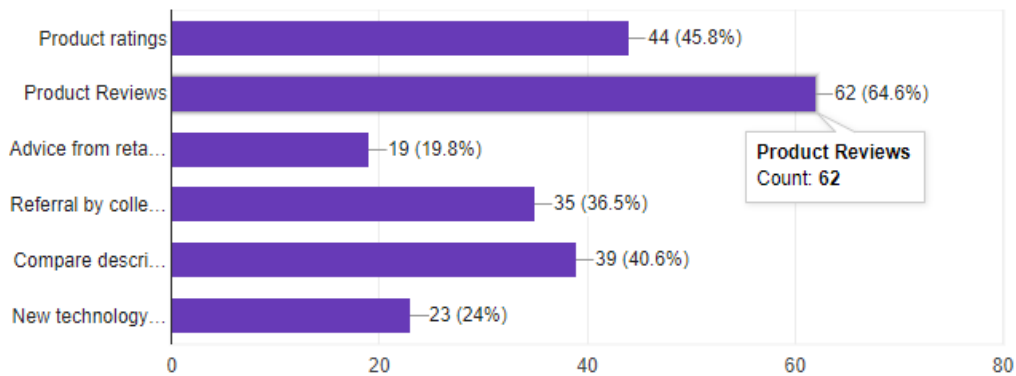


Fig. 21(FEMALE)

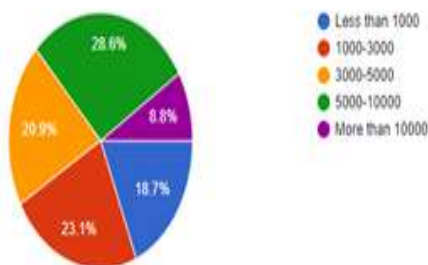
5.10 Important factors which help them to select a particular product online includes:-

Males

- Product Reviews (76%)
- Compare Description (65%)
- Product Ratings (58%)
-

Females

- * Product Reviews (65%)
- * Product Ratings (46%)
- * Compare Description (40.6%)



AMOUNT SPENT ON A SINGLE PURCHASE

Fig. 22 (MALE)

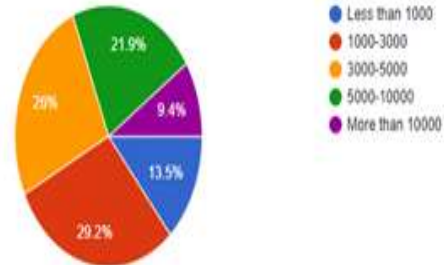
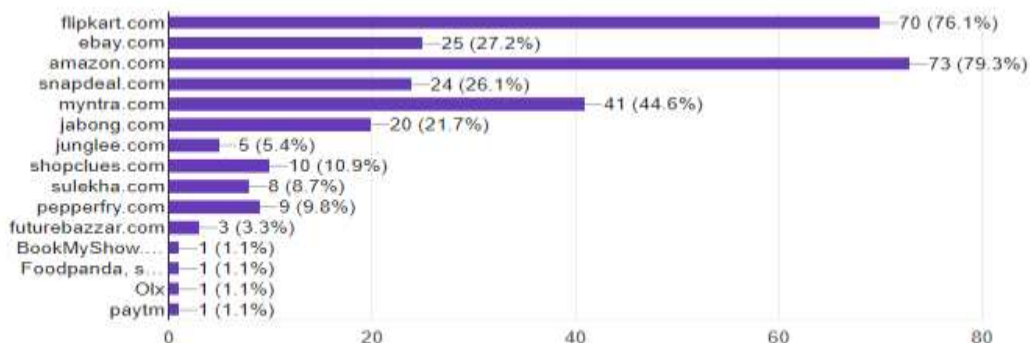


Fig. 23(FEMALE)

5.11 We asked this question to the respondents to know about the amount they wish to spend on a single purchase online and to our surprise male category wish to spend Rs.5000-10000 per purchase whereas females spend a bit less i.e. Rs. 1000-3000



FAVOURITE ONLINE SITES

Fig. 24(MALE)

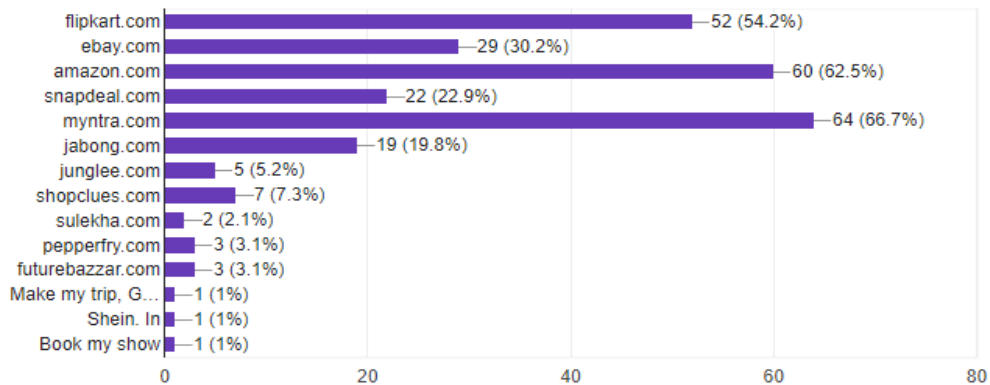
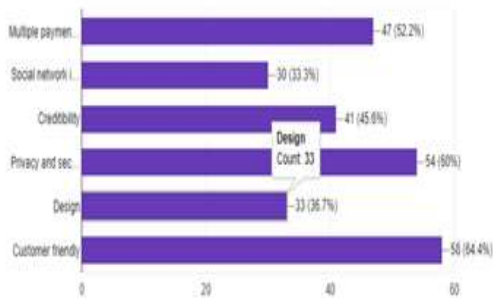


Fig. 25(FEMALE)

5.12 This question was asked to get a preliminary knowledge about the top online websites available and people's choice regarding the websites and it was found that people gave equal preferences to Flikart.com (76.1%), Amazon.com (73%) and Myntra.com (66.7%).



FEATURES NECESSARY FOR ONLINE SITES
Fig. 27(FEMALE)

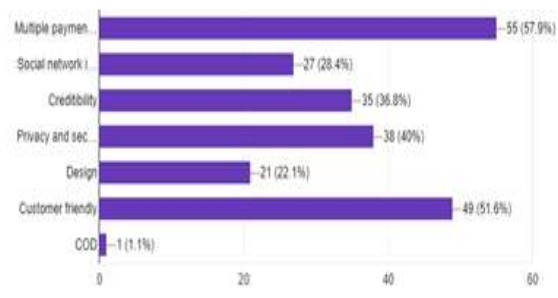
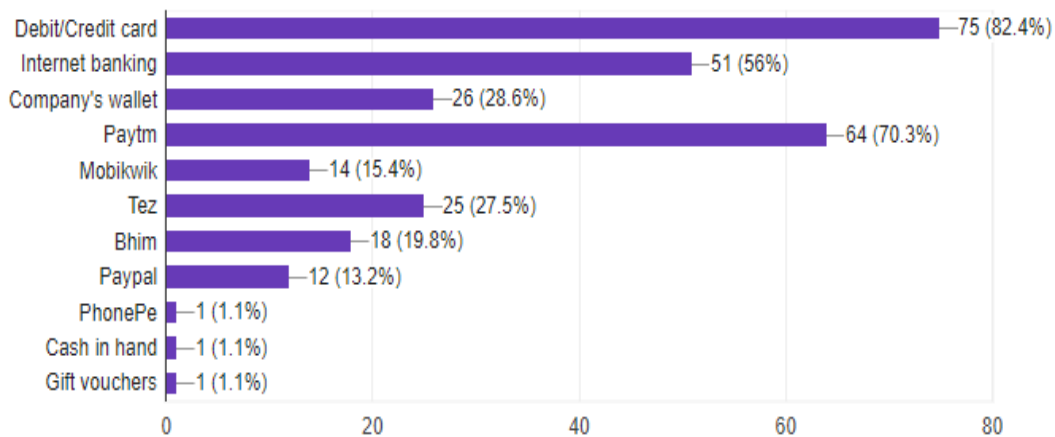


Fig. 26(MALE)

Fig. 27(FEMALE)

5.13 This question was asked to know what makes them give top preferences to Flipkart and other websites and it was found out that customer friendliness, multiple payment gateways, privacy and security are the main aspects that people consider apart from prices, availability, various brands while going online to purchase.



PAYMENT GATEWAY USED TO PAY ONLINE
Fig.28 (MALE)

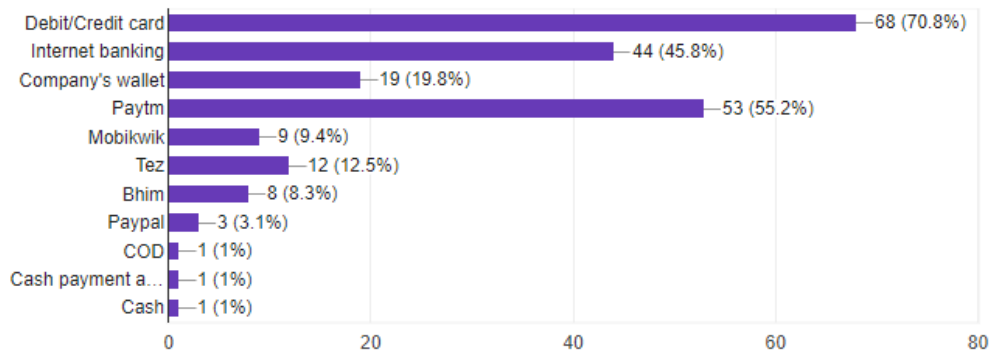


Fig.29(FEMALE)

5.14 Finally it was required to question them the most important thing that is the payment gateway they use to pay online, to check whether people trust this websites and pay later that is after they receive the delivery or they pay at the time of order and to our surprise it was found that people always prefer to pay before the delivery through Debit/Credit card, PayTm and even other wallets as well. This indicates that people doesn't depend on COD etc.

VI. Results

This research is on the Consumer Behaviour regarding Online Shopping in Kolkata. This research proved very interesting and un-surfaced certain interesting behaviour pattern among the people of Kolkata. The first step was conducting a survey to know the consumers awareness about online shopping and the factors which provokes them to select the particular product from an online site. The respondents were segregated based on gender and an understanding about their purchasing behaviour was sought. They were also asked about their frequency of online purchase, preferences regarding their choice of particular product, and overall spend on a single product. Our research work was restricted to the people in Kolkata.

Functional parameters like price, convenience and brand availability are the top three reasons for males to shop online while the females gave much preference to convenience for purchasing online which has overruled the main reason which we might have opted for i.e. discounts. Both the groups gave less preference to various discounts available in these platforms. Nevertheless, discounts is one the important factors to go online. Comparing the category of goods people look for in Kolkata, males mainly focussed on Electronic gadgets, Movie tickets and Railway/Flight tickets while the females opted for Beauty products, Accessories/Apparels, and Movie/Railway/Flight tickets.

Keeping these factors to one side, people generally look for product reviews, product ratings in higher percentage while deciding to purchase online. Generally men and boys spend 5000-10000 for a single purchase with preferred website i.e. amazon.com and flipkart.com but considering women and girls they spent only 1000-3000 for a purchase from myntra.com and even amazon.com as well.

VII. Discussion & conclusion

Richards Sarah (2005) focussed in his study as to what people buy and he even segregate his study on men and women and found out that men being slightly more likely to do shopping of CDs, tapes and records were the most popular items to be purchased online, followed by DVDs, videos, computer games, books and travel tickets and women look for beauty products, apparels etc and it even matches with our study as one of the question we asked was about to know the products which people actually buy online and we found out almost the same result like him.

An interesting finding which contradicts our results from the findings of **Douglas, et al (2001)** is that she mentioned that convenience was not a major inducement in local Internet shopping, probably because of (its) geographical proximity. But our respondents mainly focussed on the convenience factor and said that staying at home and placing the order for the essentials is much easier and helpful then going to a market and search for the necessary items.

People generally look for convenience and fast delivery for purchasing online. Mostly people ask many of the retail stores before making the final purchase. Debit/Credit card Internet Banking are the most preferred portals for paying online. Bhim, Tez are the newly launched portals which are less preferred by everyone.

7.1. Limitation of the study

Although our work generates important findings to know the consumer behaviour about online shopping in Kolkata, there is much that remains to be done, In other words, Even though our report is a

thorough analysis of the data collected and sample size chosen, we can nevertheless confirm that there are some limitations of this study. Although the present study has yielded some preliminary findings, its design is not without flaws. A number of caveats need to be noted regarding the present study.

7.2. Scope for further research

Research should be done on a higher platform with more sample size. Due to time constraints my research work limited on 100 samples (each of male and female). It would be more revealing and more insights can be found out if a bigger sample size is taken.

The geographical area captured in this research was limited to Kolkata only. In future greater geographical area can be captured to know about more cities and towns, to know the choice and preferences of other people so that the research gives a better result.

In future people of different age group shall also get included in the study to give it a different perspective; the study can be segregated based on different demographic profile.

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