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A STUDY ON FACTORS AFFECTING ONLINE SHOPPING BEHAVIOUR OF UNDERGRADUATE COLLEGE STUDENTS IN COIMBATORE

By

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A PROJECT REPORT

Submitted

In partial fulfillment of the requirements

for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

Kumaraguru College of Technology

(An autonomous institution affiliated to Anna University, Chennai)

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KCT
BUSINESS SCHOOL

BONAFIDE CERTIFICATE

Certified that this project report titled, "**A STUDY ON FACTORS AFFECTING ONLINE SHOPPING BEHAVIOUR OF UNDERGRADUATE COLLEGE STUDENTS IN COIMBATORE**" is the bonafide work of **Mr. SUGANTHAN.D (1120400091)** who carried out the project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

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CERTIFICATE

DECLARATION

I affirm that the project work titled "**A STUDY ON FACTORS AFFECTING ONLINE SHOPPING BEHAVIOUR OF UNDERGRADUATE COLLEGE STUDENTS IN COIMBATORE** " being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It is not a part of any other project work submitted for the award of any degree or diploma, either in this or any other university.

Signature of the Candidate

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ACKNOWLEDGEMENT

DECLARATION

ACKNOWLEDGEMENT

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SYNOPSIS

SYNOPSIS

The Internet as a global medium is quickly gaining interest and attractiveness as the most revolutionary marketing tool. It has also redefined the global nature of shopping and communications, as it is the perfect vehicle for online shopping. Online shopping convenience is mostly reflected in shorter time and less energy spent, including shipping cost reduction, less crowd and queues than real markets, unlimited time and space, which all increase convenience of shopping. The dramatic influence of online shopping on consumers and businesses is very slowly being accepted in India as an alternative shopping mode rather than visiting stores for certain products. However, convincing the consumers to shop online is still a challenging task for web retailers in India. The growth of Internet technology in India has enormous potential as to reduce the costs of product and service delivery. It extends geographical boundaries in bringing buyers and sellers together.

This study is conducted to identify factors influencing undergraduate students towards online shopping in Coimbatore. The study focused on seven independent variables namely website design, time, convenience, customer service, Trust, Price and shopping experience. A Five-point Likert Scale is applied to measure the influential factors on intention for online shopping. The study also provides key insights on preferences of customer towards online shopping.

INTRODUCTION

CHAPTER I

INTRODUCTION

1.1 ABOUT THE STUDY

Shopping online offers lots of benefits that one will not find shopping in a store or by mail. The Internet is always open — seven days a week, 24 hours a day — and bargains can be numerous online. With a click of a mouse, one can buy an airline ticket, book a hotel, send flowers to a friend or purchase favorite fashions. But sizing up your finds on the Internet is a little different from checking out items at the mall. Recent surveys have found that the number of people who shop online around the globe is increasing dramatically. The internet is like a gigantic shopping mall and all of us can be a part of it. Many consumers now a days like to shop online, because it is cheaper, easier and faster. People do not have to queue anymore at the store to pay for their items. There are no long lines, no crowded aisles, no traffic and people do not have to look for a parking space to go to store anymore. With internet, one can browse the site at your leisure, which is important for busy people.

In Online shopping, are three phases that people go through when they end up buying a purchase. In phase 1, people would just go on the internet to find general information about the product that they are searching for, where they just browse to find the general information about features, details, uses of the product that they want to buy and see what brand names are out there for it. In phase 2, once they have all of their information about the different features of the brands, they will compare the details from brand to brand or from model to model of the product that they are thinking about buying. Phase 3 is called the buying phase. It is where they actually make the purchase online.

Shopping online is fast and easy. Once the items or services have been chosen and placed in a virtual shopping cart, the customer proceeds to checkout, just like at a retail store. Most sites are easy to use as items are clearly displayed with accurate descriptions. It should be like that. Most shopping sites also have the looking for. By clicking on an item, one can get a close-up view and a more detailed description. The customer can also check their order status or history through their order status and make returns if necessary. After one has finished shopping, the merchandise should arrive in a couple of days when promised from the site one purchased. Express shipping, at extra cost to the customer, is attractive to last minute shoppers. Along with gift wrap and gift cards together with the merchandise also seem to be an important element for consumers. These extra conveniences enhance the online shopping experience. A site can also keep track of a specific shopper's sales history and send out the infamous newsletter type to promote their new items available on their store and also to keep reminding them about their existence. Online shopping is worthwhile to everyone. The seller enjoys extra opportunities for sales. The customers can browse the site at their leisure. A dynamic and convenient shopping site should be a popular and ultimate destination for online shoppers.

ONLINE SHOPPING IN INDIA:

According to India online landscape study (Juxt, 2010), the number of active Internet users in India stands at 65 million, recording a 28% rise from 51 million last year. The study also revealed that India has 61 million 'regular' users with 46 million urban and 52 The IUP Journal of Marketing Management, Vol. XI, No. 4, 2012 16 million rural users. "Four out of five Internet users 'shop' online, translating into a 50 million strong online consumer base. About 17 million of these 'online shoppers' (or 29% of all Internet users) also 'buy' online, recording a growth of 70% from 10 million last year. Online buyers of 'non-travel' products stand at 13.5 million, outnumbering 8.6 million travel buyers", the study quoted.

Google continues to dominate the online landscape, with Google, Gmail, Gtalk and YouTube being the most used websites for 19 distinct online activities (compared to 24 activities last year). Facebook emerges as the leader in six distinct verticals, including online games and professional networking. For the rest of the verticals, it is the 'specialized' players who lead or dominate user preferences like Naukri, IRCTC, eBay, 99Acres, MoneyControl, ShareKhan, Bharat Matrimony, Torentz, Songs.pk and ESPNStar. Online travel industry grew from 6,250 cr in 2007 to 14,953 in 2009.

E-Tailing comprises buying consumer items such as cameras, computers, home and kitchen appliances, flowers and toys and gifts online. This category grew from 978 cr in 2007 to 1,550 in 2009. At present, PCs, laptops, computer peripherals, accessories and storage contribute the most, 36% (560 cr), to e-tailing, followed by cameras and mobiles contributing 25% (389 cr). Personal items such as jewelry, apparels, cosmetics, shoes and watches contribute 19% (296 cr), whereas electronic items like TV, audio systems and other accessories account for 13% (203 cr). The balance 7% was contributed by home and kitchen appliances (4%) and other online buying (toys, gifts, flowers, etc.). Financial services market, estimated to be 1,540 cr, was expected to grow to 2,000 cr in the year 2010. Digital downloads as a category has increased from 238 cr in 2007 to 435 cr in 2009. Given the proliferation of mobile devices and the services available over the Internet, the growth rate is expected to be higher in the coming years.

India's eCommerce market is small but will grow Strongly

An increasing number of global companies are eyeing the rapidly growing eCommerce market in India as improvements in infrastructure are made and India's economy grows. As the world's 11th-largest economy (and fourth-largest emerging economy after BRIC peers China, Brazil, and Russia), India is starting to appear on eBusiness organizations' lists of key international markets.

While Internet penetration is low at just 10% of the overall population, the government is building infrastructure to improve and enable connectivity in metropolitan and rural areas. And with the 2001 census showing an estimated English-speaking population of 125 million, India currently appeals to global companies looking to sell online using their English-language websites.

Currently, shoppers in metropolitan India are driving eCommerce: These consumers are primarily buying travel, consumer electronics, and books online. And although spending per online buyer remains low, some 59% of online consumers in metropolitan India already make purchases online at least monthly.[5] Consumers in nonmetropolitan areas will also help fuel growth; unlike online consumers in cities, they are more likely to shop online for goods that are unavailable at local stores.

The eCommerce Market In India Is Poised For Rapid Growth

eCommerce revenues in India will increase by more than five times by 2016, jumping from US$1.6 billion in 2012 to US$8.8 billion in 2016 (see Figure 1). While US$8.8 billion is still less than other countries in Asia Pacific, such as China and Japan, India's CAGR is much higher than any other country that Forrester forecasts in the region. The following factors are influencing this growth:

- **Venture capitalists are bullish on eCommerce growth.** In 2011, venture capitalists invested US$177 million in eCommerce in India — more than recent estimates of eCommerce investment in Russia in 2011, for example. A partner at one of India's top early- and mid-stage venture funds noted that India's online population — which is largely upper and middle class — has moved well beyond the initial stage of online shopping. Another venture capital firm in India that is investing heavily in eCommerce stated that it is confident that consumers in both urban and nonurban areas are ready to shop online. Investment firms are also diversifying to include retail sectors that have faced challenges offline: Women's lingerie, for example, is expected to grow quickly online, where women can purchase anonymously.

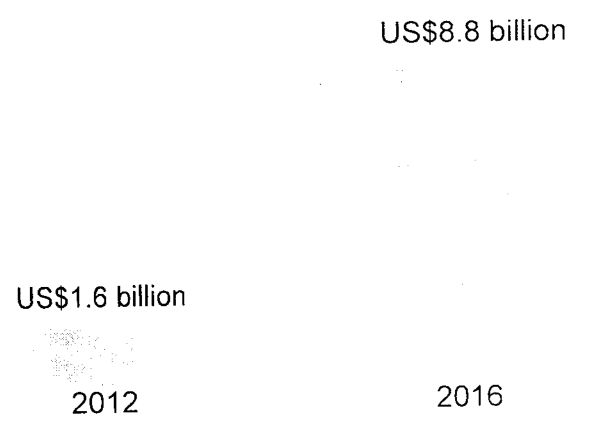
- **Online grocery shopping is starting to appeal to the upper- and middle-class consumer.** Grocery, traditionally a category that shifts online in the later stages of eCommerce development, has started to move online with the middle- and upper-class online shopper in metropolitan India. Revenues are small today but poised to grow: MyGrahak.com, for example, expects to have a turnover of US$179.1 million by 2015. The site currently has only 22,000 registered users, but sign-up rates are increasing by 25% per month. In 2012, the firm is focusing its efforts on raising more capital to double warehouse capacity and improve logistics.

- **Commerce is expanding into nonmetropolitan India.** eCommerce retailers in India are expanding their offerings to the online population outside metropolitan India and are investing heavily in the infrastructure to support these cities. Online apparel retailer Myntra. com is already seeing demand for its products outside metropolitan India: 50% of its sales are outside India's 10 biggest cities. To widen their reach, for example, multiple retailers are building warehouses outside central locations; testing shipping options that work in rural areas; offering payment options like cash on delivery (COD) that provide options for the unbanked; and subsequently marketing these to semi-urban and rural consumers. Additionally, retailers often view urban and rural users as having two distinct goals: Many of the former shop online because they have more money but can't access the products they want (such as unique or imported items), while many of the latter shop online for things they need (such as shoes) but can't access or can't access cheaply where they live.

- **Large retailers are looking to build an online presence.** Some brick-and-mortar retail operations are also recognizing the opportunity online in India. For example, Croma, one of India's largest consumer electronics stores, moved online to sell its full range of products. And global multibrand, multichannel retailers like Walmart that are currently restricted by India's foreign direct investment (FDI) laws are anxiously following developments to take advantage of opportunities as they arise.

- **Social media and mobile are helping accelerate eCommerce adoption.** The social and mobile trends that are prominent worldwide are joined in the past three months alone), India is ranked as Facebook's third-largest audience in the world after the US and Brazil. Social networks have not been major drivers of eCommerce transactions in other markets, yet these sites play an important role in driving consumers online and getting them to engage with brands. And in mobile, India has close to 1 billion wireless subscribers: As of May 2012, the Telecom Regulatory Authority of India reported more than 929 million wireless subscribers in the country. While 3G penetration today is estimated to be in the low single digits and users complain of low network speeds, mobile will be a key tool in helping users connect in a market where overall Internet penetration remains low.

Figure 1 Forecast: India Online Retail Revenues (B2C And C2C), 2012 And 2016



Source: Forrester Research Online Retail Forecast, 2011 To 2016 (Asia Pacific)

Source: Forrester Research, Inc.

Online Consumers In India Have Specific Demands

As the eCommerce market in India develops, so will its consumers. Retailers should be aware that:

- **Consumers expect the returns process to be seamless and** friendly. However, online shoppers have come to expect the option to return items purchased online, and retailers have made doing this convenient — at their own cost. One of the top online retailers in India, for example, has gone so far as to offer an at-home pickup service for returned goods. The cost is high, but the retailer considers this option necessary to develop consumer trust and confidence in the retailer. While such at-home pickup for returns is typical in other emerging markets, markets tend to shift from this labor-intensive, often inconvenient process to prepaid return labels as the eCommerce ecosystem develops.

- **Free door-to-door shipping is commonplace.** Like eCommerce retailers in other emerging markets such as Brazil, it is standard for eCommerce retailers in India to offer free, relatively quick delivery of online orders. HomeShop18, for example, offers free shipping for the majority of its items and delivers within five days. MyGrahak offers free 48-hour delivery, but it will deliver within 24 hours for an extra US$0.88. To compete in India's nascent eCommerce market, online retailers have little choice but to offer the same convenience and low cost that their local counterparts are offering, a situation that venture capitalists have identified as unsustainable in the long term. While retailers cite free shipping as an essential first step to drive customers to shop online and win customer loyalty, companies investing in the space must consider how long they can sustain this type of offering.

- **Consumers have been trained to expect low prices.** In addition to the challenges of offering free shipping, retailers also face hurdles in matching the highly discounted prices that leading online retailers have traditionally offered on their sites. New entrants have struggled to keep up: Upstart Taggle.com ceased operations in late 2011, for example, citing its unwillingness to engage in a price war with retailers selling below cost to gain customers.

Payment options and Fulfilment are the key to localization

In India, as in all other markets, payments and fulfilment are two of the areas that retailers must most heavily localize.

eBusinesses Must Offer A Variety Of Payment Types

In India, online payments present multiple challenges. Even those companies that offer a variety of localized payment methods can hit challenges with the infrastructure: Payment gateways, for example, are notorious for being inconsistent, with failure rates as high as 35%. However, retailers can take a series of steps to ensure they are offering the payment types that most appeal to consumers today. By doing so, these businesses position themselves to capitalize on growing online spending as infrastructure issues are addressed. eBusiness professionals must keep the following in mind:

- **Local partnerships are essential to localized payments.** As in most markets, credit and debit card payments dominate in India: 44% of online buyers cite having paid with a credit card, and 41% have paid with a debit card. Online bank transfers are also a common online payment method: In the past three months, 24% of online buyers in India used one to pay for a purchase made online. Local retailers offer the option to use a bank transfer with a long list of partner banks. These payment options are necessary to offer consumer convenience but will pose a challenge for non-Indian companies; there are government restrictions that keep non-local players from offering local payment solutions. Symantec, one of the top Western security software retailers in India, overcame that problem by linking its site to Flipkart.com, thereby giving customers without an international credit card the option to purchase with a localized payment.

- **In India, COD remains too big to ignore.** Local players in India offer a delivery, most commonly referred to as COD, is a popular option — with 23% of online shoppers in metropolitan India choosing to pay for online purchases with cash. COD is essential to reaching first-time shoppers who fear sharing their information over the Internet and shoppers who don't use widely accepted cards and banks. Myntra, for example, sees 60% of its transactions paid for with COD. While COD can be a great way to acquire new customers, return rates on these orders can be staggering. In India, venture capitalists report COD return rates of up to 25% in some categories. Indeed, COD return rates tend to be much higher than when a consumer pays online: The COO of a logistics company serving the Middle East and South Asia recently cited return rates seven times higher on purchases made via COD than via online payment methods.

- **COD can mean more than just cash on delivery.** To appeal to those who prefer to pay with cards, retailers in India have started to offer "card on delivery," also (and confusingly) known as COD. With this payment option, a courier brings a mobile point-of-sale (POS) machine to the shopper's door to accept payment. Online retailers in other emerging markets also offer such options: Amazon.com, for example, offers this option to online shoppers in China.

Logistics Are One Of The Largest Hurdles For eBusinesses In India

As in most emerging markets, the infrastructure to support eCommerce in India remains at the development stage. Deliveries to remote areas can require retailers to piece together multiple logistics partners. No full-service eCommerce solution provider exists for companies interested in outsourcing all parts of their offering in India. To overcome these challenges, retailers are coming up with solutions to problems as they arise:

- **Larger online retailers are building out in-house delivery** fulfilment issues with an in-house delivery department. In a move similar to online retailers in other emerging markets — for example, 360buy in China and Ozon in Russia — the retailer uses its own trucks and employees to fulfil orders to ensure customers receive superior service. While not an option for all companies, smaller retailers may ultimately be able to take advantage of the networks of big players: Russia's Ozon, for example, is starting to make its logistics network available to smaller eBusinesses for a fee.

- **Effective fulfillment solutions often require multiple couriers.** The lack of a wholly developed eCommerce ecosystem and underdeveloped towns require retailers to creatively fulfill an order. If a retailer's usual shipping method will not get a package to a customer, it will use more than one shipping method. While India Post, FedEx, and DHL International do deliver in India, our interviews revealed that online retailers frequently rely on couriers to deliver the last mile. For example, they send the package using FedEx or DHL to the nearest package distribution center and hire a local courier to pick up the package and deliver it to the customer's door, frequently on a bike. In rural areas, where even capturing a standard address for a consumer can be challenging, bike delivery is often the most convenient option.

Advantages of Online Shopping:

Internet has made our lives easier in more than one ways and has touched our routine life as well. If we analyze why people prefer buying products through online as compared to shopping from a traditional store, there are many advantages of online shopping:

• One can save time in terms of traveling to a shop or supermarket, circling the parking lot, looking for parking, standing in queue at the billing counter, loading the products and traveling back home.

- One can spend less time if they buy products online rather than visiting a nearby store because they are less likely to be side tracked and end up buying more than what they planned.

- If one lives on the top floor of building, he/she needs to carry the bags up and down a fight of stairs or elevators, Door-to-door delivery and online delivery would be better and it will take care of this problem for you.

- One can do this event in short time. So whether he/she has a busy day due to the regular schedule, job, school, kids, etc. that prohibits from visiting the shop, one can also choose to purchase product online.

- One can shop anytime and anything one wants at own convenience, 24 hours a day and 7 days a week. Even anyone can easily search any items using properly defined categories for each product on site. There are many online shopping sites offering different variety of products.

1.2 STATEMENT OF THE PROBLEM

The usage of Internet-aided services is highly increasing in India and technology has played a vital role in the development of modern era. It is observed that the number of Internet users is increasing in India at a steady rate. From a review of literature, it is perceived that no research had been done to understand the perception of people of undergraduate students towards online shopping. Hence, this study aims to explore the behaviour of UG students of Coimbatore city towards online shopping.

1.3 SCOPE OF THE STUDY

- ✓ This study focuses on identifying the online shopping behaviour of undergraduate students in Coimbatore.
- ✓ This research gives a broad framework of the customer preferences and an analysis of their buying behaviour towards online shopping.
- ✓ This study can be used as a reference in making changes in the current activities on online sites towards young shopping audience.

REVIEW OF LITERATURE

CHAPTER II

REVIEW OF LITERATURE

Gurvinder and Zhaobin (2005) found that website design, website reliability fulfillment, website customer service and website security/privacy are the four dominant factors which influence consumer perceptions of online purchasing. The four types of online New Zealand buyers—trial, occasional, frequent and regular—perceived the four website factors differently. This paper has been taken as a basis for this study and the scale constructed for the study was partially adapted from this paper.

Collier and Bienstock (2006) recommend a scale containing the formative indicators instead of the reflexive indicators. In this study, we followed Cheng's (2000) scale which is essentially Parvenpaa and Todd's scheme except for some adjustment on the indicators to reflect online bookstores" characteristics. Service quality has long been recognized as an important factor in forming consumers" attitudes, ntentions, and actions as poor service quality discourages any decision to buy (PZB 1985; Zeithaml, 1988 and Zeithaml, 1996).

Anders Hasslinger; Selma Hodzic; Claudio Opazo (2008-02-01) in their study they showed that developed into a new distribution channel and online transactions are rapidly increasing. This has created a need to understand how the consumer perceives online purchases. The purpose of this dissertation was to examine if there are any particular factors that influence the online consumer. Primary data was collected through a survey that was conducted on students at the University of Kristianstad. Price, Trust and Convenience were identified as important factors. Price was considered to be the most important factor for a majority of the students. Furthermore, three segments were identified, High Spenders, Price Easers and Bargain Seekers. Through these segments we found a variation of the different factors importance and established implications for online book stores.

Herna´ndez *et al.* (2011) in a study "Age, gender and income: do they really moderate online shopping behavior?" Analyzed whether individuals' socioeconomic characteristics – age, gender and income – influence their online shopping behavior. The individuals analyzed are experienced e-shoppers i.e. individuals who often make purchases on the internet. The results of their research show that socioeconomic variables moderate neither the influence of previous use of the internet nor the perceptions of e-commerce; in short, they do not condition the behavior of the experienced e-shopper.

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.

The definition of 'After-sales Service' is the delivery service for sending products to a customer after payment, technical support after sales, etc. (Cao and Gruca, 2004). Sparks and Legault (1993) summarized two types of services after the sale: anticipated services and unanticipated services. Anticipated services are those that the customer plans for, such as installation, training, written instructions, maintenance, and upgrading. The maintenance of the sold-out products such as repairs, returns, and replacements are the service that is categorized as unanticipated service (Sparks and Legault, 1993). Posselt and Gerstner (2005) assessed the impact of the pre-sale and post-sale stages on online satisfaction.

RESEARCH

METHODOLOGY

CHAPTER III

RESEARCH METHODOLOGY

3.1 TYPE OF RESEARCH

The type of research to be carried out for this purpose is **DESCRIPTIVE** in nature. Descriptive research includes survey and fact finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs, as it exists at present. In Business research, we quite often use the term EX POSTO FACTO research for descriptive research studies.

3.2 OBJECTIVES OF THE STUDY

The present study focuses on online shopping in the student sector in Coimbatore to explore its trends, prospects and challenges with the following objectives.,

- ✓ To determine the factors driving online shopping.
- ✓ To determine the online shopping behaviour of customers.
- ✓ To examine whether customers prefer online shopping to physical stores.

3.3 DATA AND SOURCES OF DATA

Data collection methods:

There are two methods of data collection such as,

- ✓ Primary data collection
- ✓ Secondary data collection

Primary data collection

It is to be noted that only under graduate college students in Coimbatore will be considered for data collection. Primary data collection is where the data is collected for the first time, it is also known as fresh data, data which are original in character. In this study,

Questionnaire will used as an instrument for collecting primary data from the respondents. The data is collected from UG college students in Coimbatore.

Secondary data collection

Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable than the primary data. In this study has been obtained through the internet and other articles.

3.4 TIME PERIOD COVERED: 12 Weeks

3.5 POPULATION & SAMPLE SIZE

SAMPLE SIZE: 221

An important decision that has to be taken in adopting a sampling technique is about the size of the sample. An online questionnaire was framed and sent to more than 500 students through E-mail and social networking sites. As a result, 240 questionnaires were registered out of which 19 questionnaires were incomplete and 221 had the complete data and is considered for the study.

3.6 SAMPLING TECHNIQUE

The sampling method used for this study is **Stratified sampling** method, A stratified sample is a mini-reproduction of the population. Before sampling, the population is divided into characteristics of importance for the research.

3.7 STATISTICAL TOOLS USED:

The data collected can be analysed with various methods used for the data analysis. The statistical tools used for the analysis are,

- ✓ Simple percentage analysis
- ✓ Weighted average method
- ✓ One way Anova

3.8 LIMITATIONS OF THE STUDY

- ✓ The study is limited only to Coimbatore city. So, the result may not be applicable to other geographical regions.
- ✓ The study is conducted within a short span of time.
- ✓ Among all students, only undergraduate students were considered for the study.
- ✓ Time factor on the customer's front acted as a barrier to get valuable insights on detailed consumer preferences towards online shopping.

ANALYSIS & INTERPRETATION

CHAPTER IV

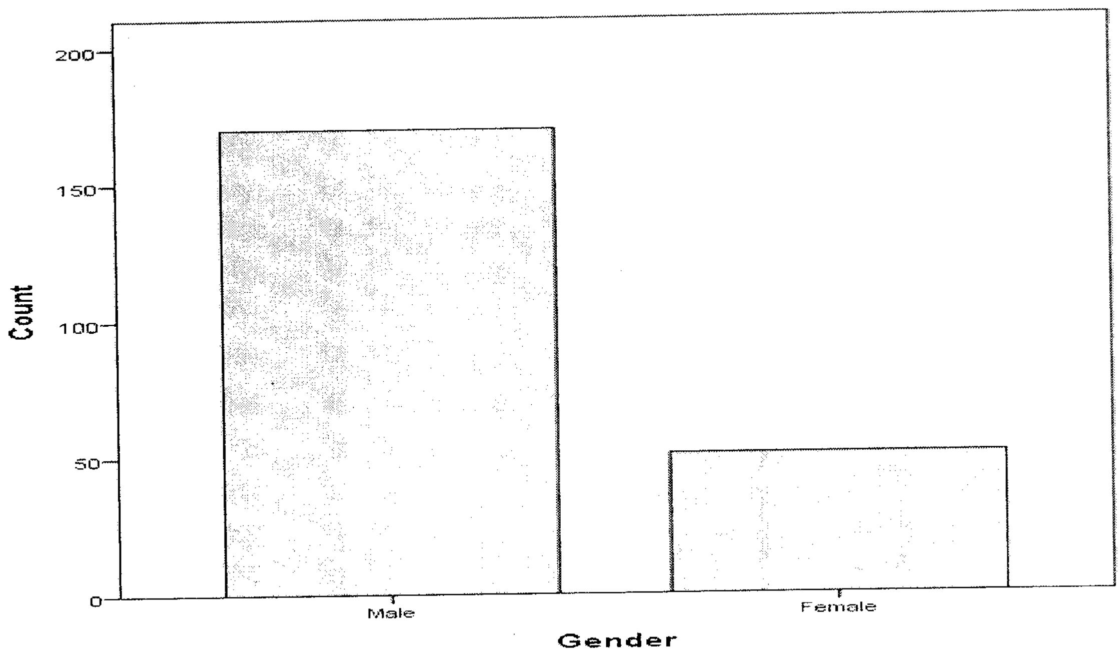
ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

TABLE 4.1 SHOWING GENDER OF RESPONDENTS

Particulars	No. of Respondents	Percentage %
Male	170	76.9
Female	51	23.1
Total	221	100

CHART 4.1 SHOWING GENDER OF RESPONDENTS



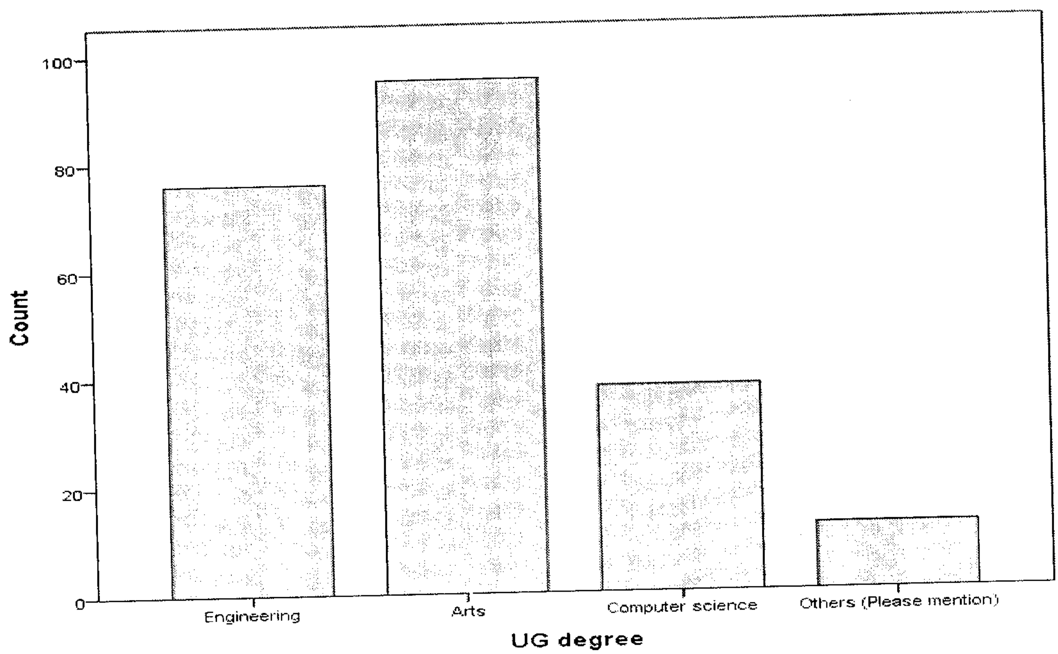
INTERPRETATION:

From the above table it can be interpreted that around 77% of the respondents were male and 23% of the respondents were female. Hence it can be inferred that, Most of the respondents, i.e., 77% respondents of the survey are male respondents.

TABLE 4.2 SHOWING UG DEGREE OF RESPONDENTS

Particulars	No. of Respondents	Percentage %
Engg	76	34.4
Arts	95	43.0
Computer science	38	17.2
Others	12	5.4
Total	221	100

CHART 4.2 SHOWING UG DEGREE OF RESPONDENTS



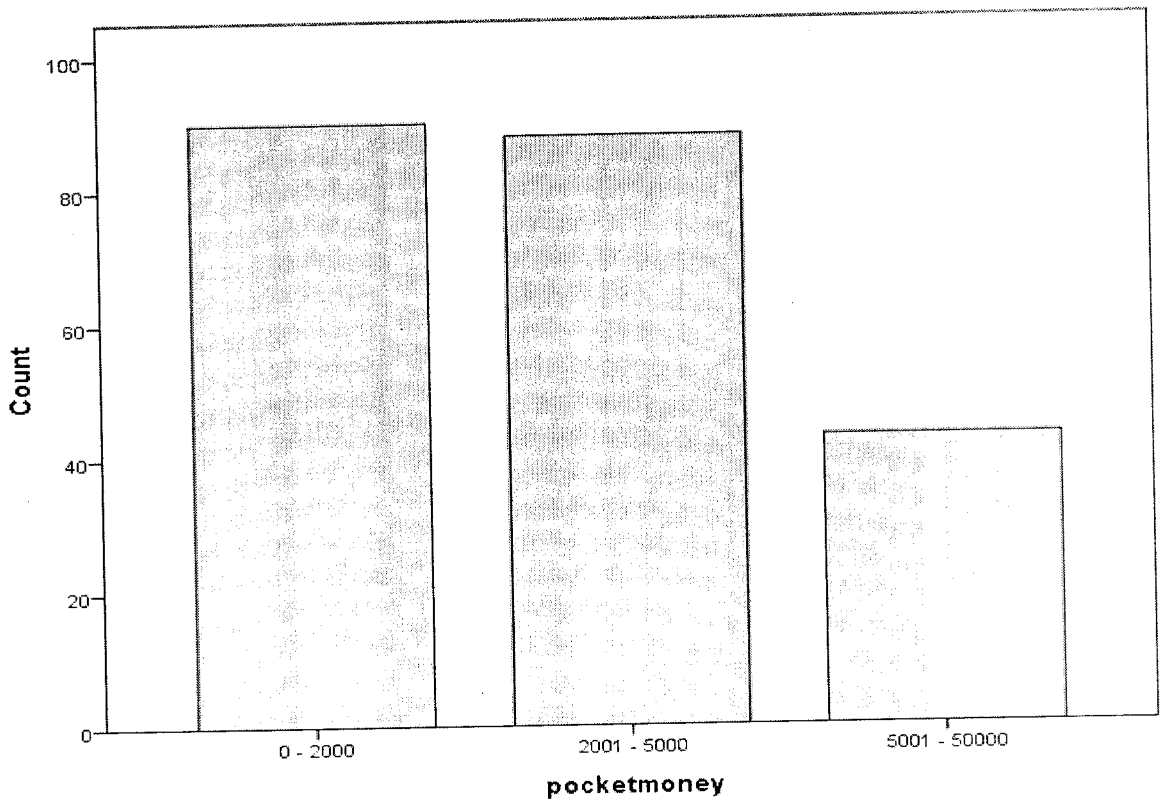
INTERPRETATION:

From the above table 4.2, it can be interpreted that 34.4 % of the respondents were having an arts degree, whereas 43 % had engineering, 17.2 % had computer science and 5.4 % had some other degree. Hence, it can be inferred that most of the respondents, i.e., 78 % of the respondents hold an engineering and arts degree.

TABLE 4.3 SHOWING POCKET MONEY OF RESPONDANTS

Particulars	No. of Respondents	Percentage %
Rs. 0 – 2000	90	40.7
Rs. 2001 – 5000	88	39.8
Rs. 5001 – 50000	43	19.5
Total	221	100

CHART 4.2 SHOWING POCKET MONEY OF RESPONDANTS



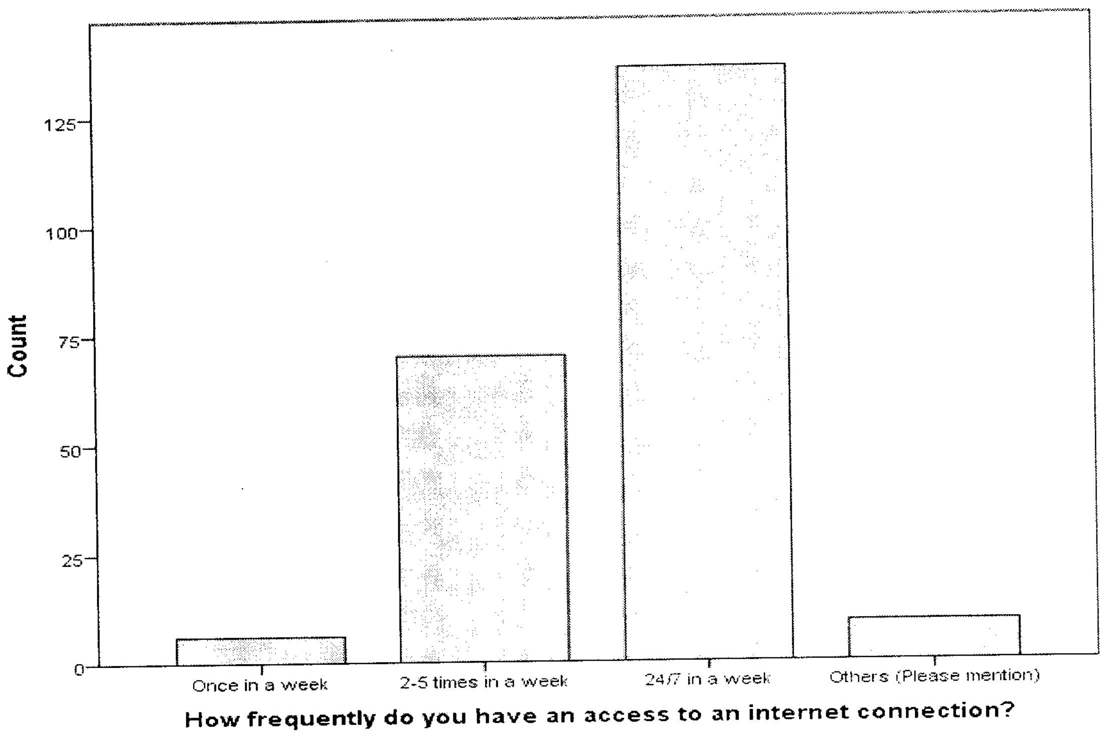
INTERPRETATION:

From the above table 4.3, it can be interpreted that 40.7 % of the students had pocket money ranging from Rs. 0 – 2000, 39.8 % of the students between Rs. 2001 – 5000 and 19.5 % of the students from Rs. 5001 – 50,000. Hence it can be inferred that most of the respondents i.e., around 80 % of the respondents had pocket money ranging less than Rs. 5000.

TABLE 4.5 SHOWING ACCESS TO INTERNET OF RESPONDANTS

Particulars	No. of Respondents	Percentage %
Once in a week	6	2.7
2-5 times in a week	70	31.7
24/7 in a week	136	61.5
Others	9	4.1
Total '	221	. 100

CHART 4.5 SHOWING ACCESS TO INTERNET OF RESPONDANTS



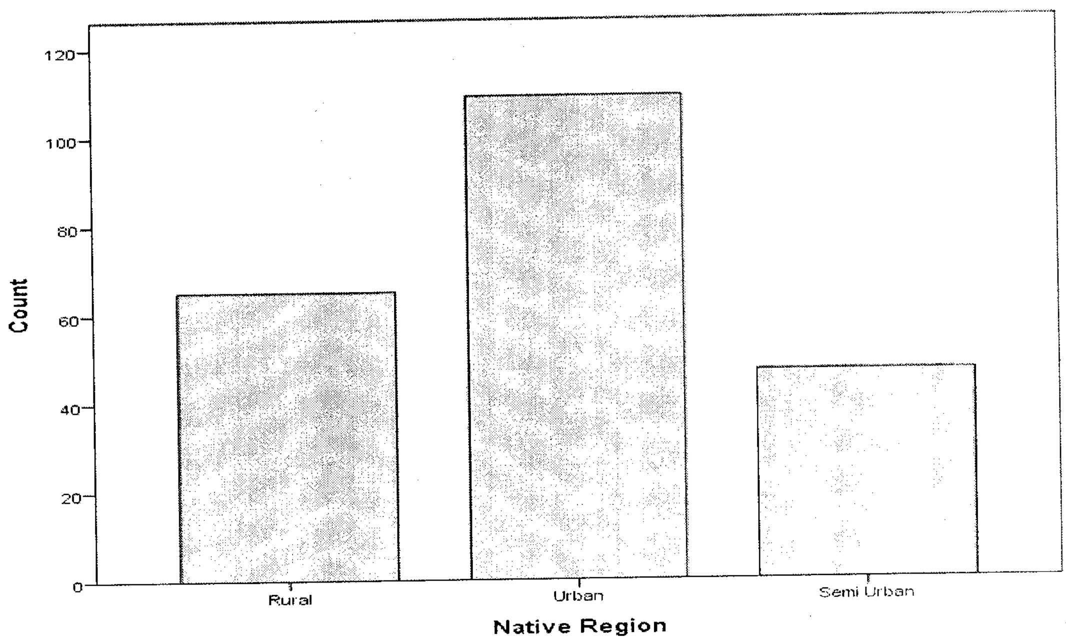
INTERPRETATION:

From the above table 4.5, it can be interpreted that 61.5 % of the respondents had access to internet connection 24/7 a week, 31.5 % were using it 2 – 5 times in a week, 2.7 % were using it once in a week, 4.1 % of the respondents had some other options. Hence, it can be inferred that most of the

TABLE 4.4 SHOWING NATIVE REGIONS OF RESPONDANTS

Particulars	No. of Respondents	Percentage %
Rural	65	29.4
Urban	109	49.3
Semi Urban	47	21.3
Total	221	100

CHART 4.2 SHOWING NATIVE REGIONS OF RESPONDANTS



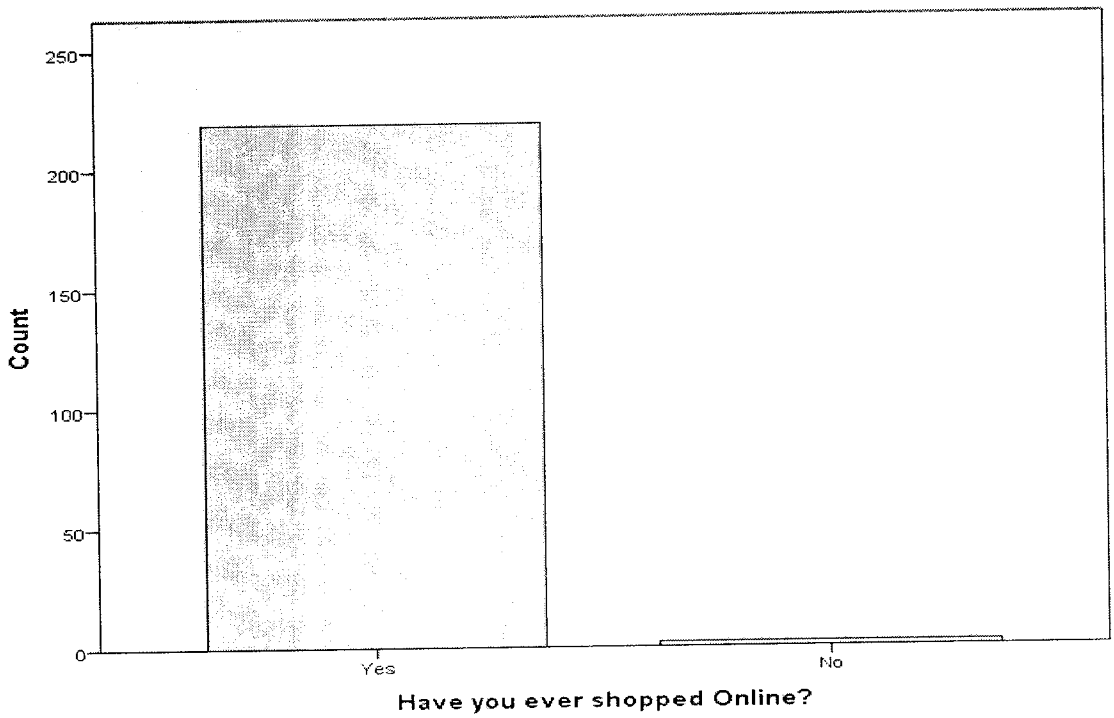
INTERPRETATION:

From the above table 4.4, it can be interpreted that 29.4 % of the respondents were from rural areas, 49.3 % were from urban areas and 21.3 % were from semi urban areas. Hence, it can be inferred that most of the respondents i.e., around 50 %were from developed urban areas.

TABLE 4.6 SHOWING RESPONDANTS ACCESS TO ONLINE SHOPPING

Particulars	No. of Respondents	Percentage %
Yes	219	99.1
No	2	0.9
Total	221	100

CHART 4.6 SHOWING RESPONDANTS ACCESS TO ONLINE SHOPPING



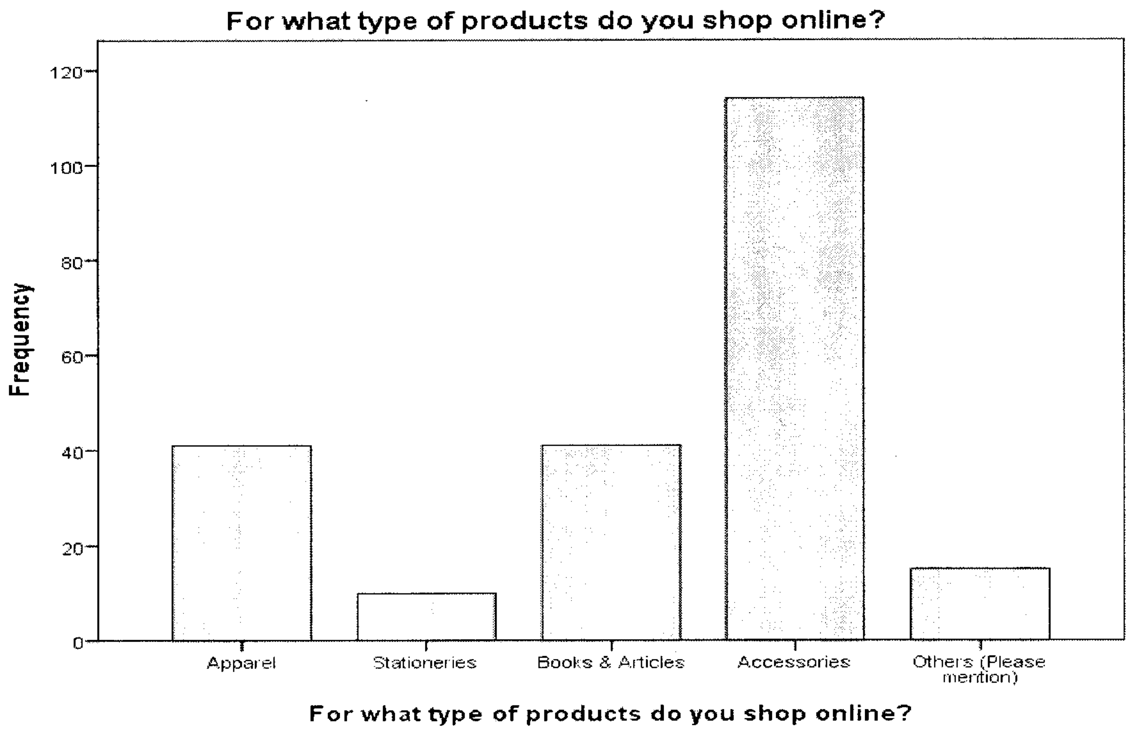
INTERPRETATION:

From the above table 4.6, it can be interpreted that 99.1 % of the respondents had shopped online and 0.9 % of the respondents have not shopped online. Hence, it can be inferred that all most of the respondents i.e., above 99 % of the respondents had access to online shopping.

TABLE 4.7 SHOWING SHOPPING PRODUCTS OF RESPONDANTS

Particulars	No. of Respondents	Percentage %
Apparel	41	18.6
Stationeries	10	4.5
Books & Articles	41	18.6
Accessories	114	51.6
Others	15	6.7
Total	221	100

CHART 4.7 SHOWING SHOPPING PRODUCTS OF RESPONDANTS



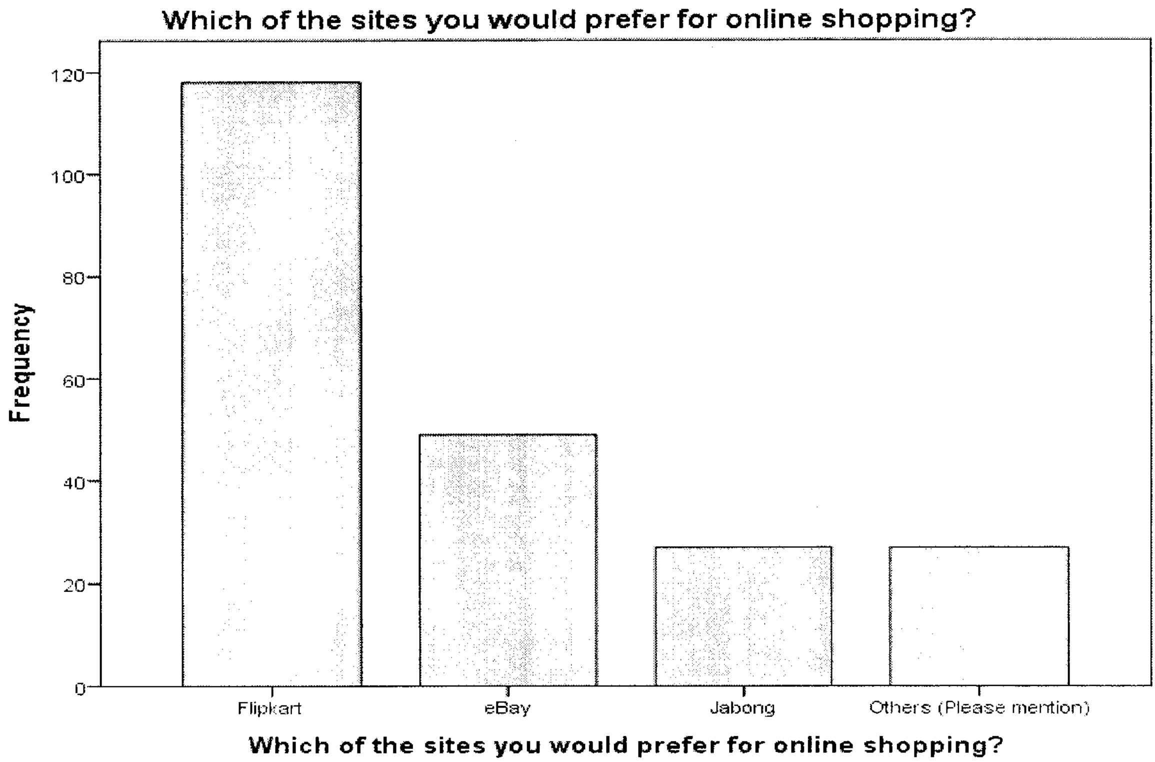
INTERPRETATION:

From the above table 4.7, it can be interpreted that 18.6 % of the respondents shopped online for Apparel, 4.5 % for stationeries, 18.6 % for books & articles, 51.6 % for accessories, 6.7 % for others. Hence, it can be inferred that most of the respondents i.e., above 50 % of the respondents shopped online for

TABLE 4.8 SHOWING SITE PREFERENCES OF RESPONDANTS

Particulars	No. of Respondents	Percentage %
Flipkart	118	53.4
Ebay	49	22.2
Jabong	27	12.2
Others	27	12.2
Total	221	100

CHART 4.8 SHOWING SITE PEFERENCES OF RESPONDANTS



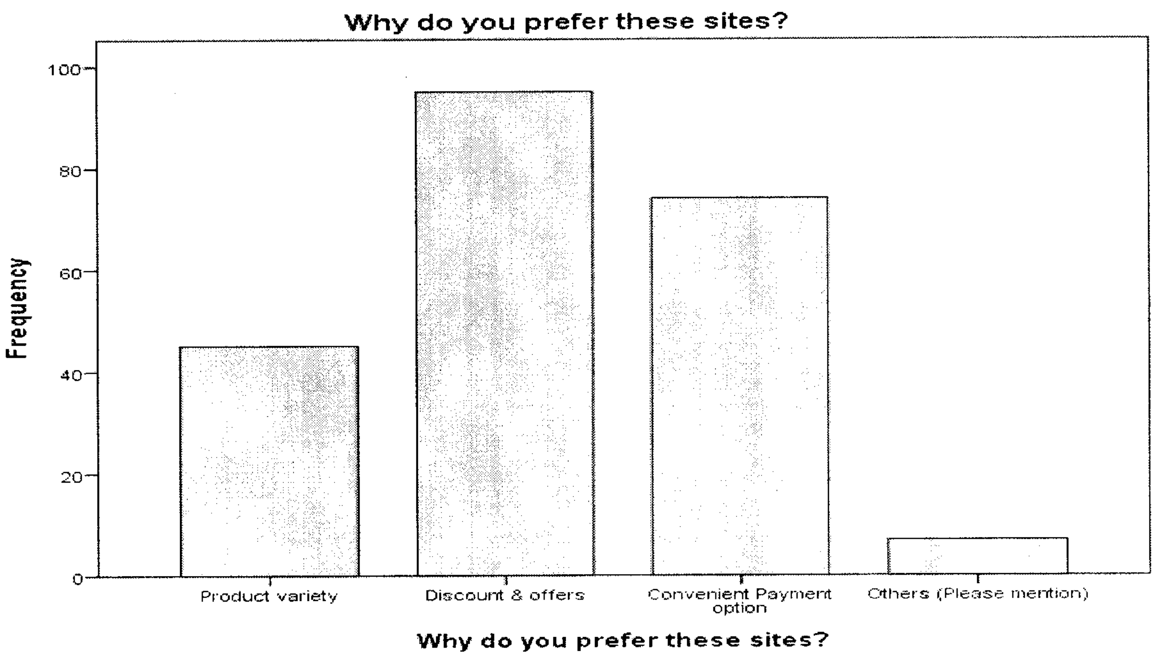
INTERPRETATION:

From the above table 4.8, it can be interpreted that 53.4 % of the respondents preferred Flipkart.com, 22.2 % preferred Ebay.com, 12.2 % preferred Jabong.com and 12.2 % preferred some other websites for online shopping. Hence, it can be interpreted that most of the respondents i.e., 53.4 % of the respondents preferred Flipkart.com.

TABLE 4.9 SHOWING WHY RESPONDANTS PREFER THESE SITES

Particulars	No. of Respondents	Percentage %
Product Variety	45	20.4
Discount Offers	95	43.0
Convenient payment options	74	33.4
Others	7	3.2
Total	221	100

CHART 4.9 SHOWING WHY RESPONDANTS PREFER THESE SITES



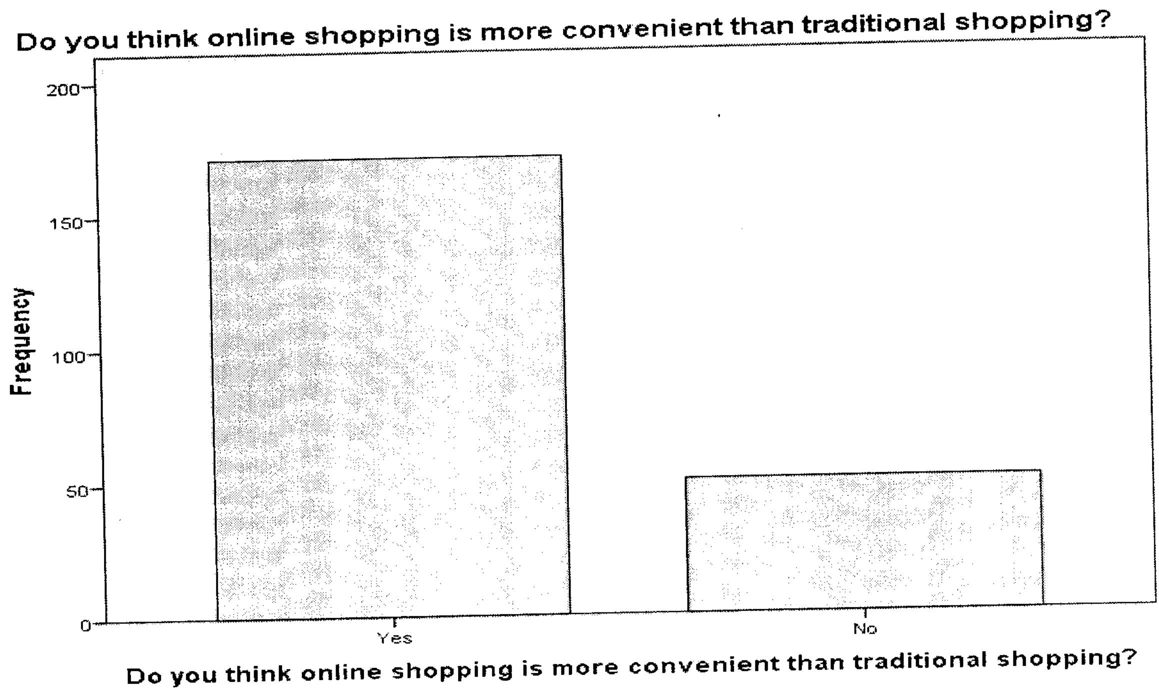
INTERPRETATION:

From the above table 4.9, it can be interpreted that 20.4 % of the respondents prefer online shops because of product variety, 43 % for discounts and offers, 33.4 % for convenient payment options and 3.2 % for some other reasons. Hence, it can be inferred that most of the respondents i.e., 43 % of the respondents preferred online shopping sites because of the attractive discounts and offers.

TABLE 4.10 SHOWING TRADITIONAL SHOPPING IS BETTER THAN ONLINE SHOPPING

Particulars	No. of Respondents	Percentage %
Yes	171	77.4
No	50	22.6
Total	221	100

CHART 4.10 SHOWING TRADITIONAL SHOPPING IS BETTER THAN ONLINE SHOPPING



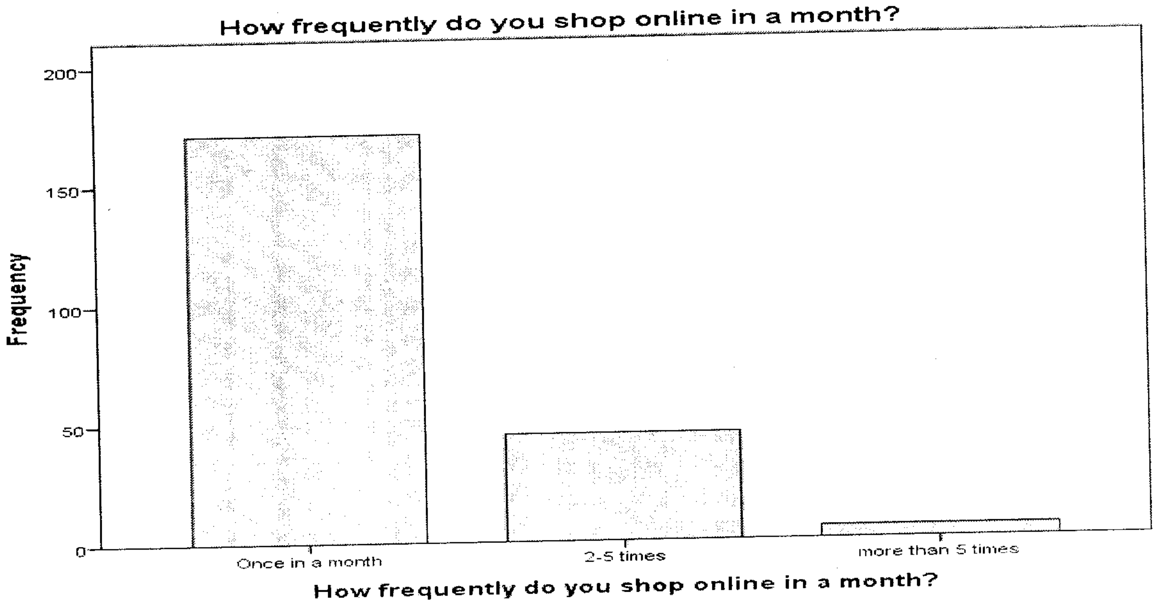
INTERPRETATION:

From the above table 4.10, it can be interpreted that 77.4 % of the respondents feel traditional shopping is better whereas only 22.6 % of the respondents feel online shopping is better. Hence, it can be inferred that most of the respondents, i.e., 77 % of the respondents feel that traditional shopping is better than online shopping.

TABLE 4.11 SHOWING FREQUENCY OF ONLINE SHOPPING OF RESPONDANTS

Particulars	No. of Respondents	Percentage %
Once in a month	171	77.4
2 – 5 times	45	20.3
More than 5 times	5	2.3
Total	221	100

CHART 4.11 SHOWING FREQUENCY OF ONLINE SHOPPING OF RESPONDANTS



INTERPRETATION:

From the above table 4.11, it can be interpreted that 77.4 % of the respondents shop online only once in a month, 20.3 % shop 2 – 5 times a month and 2.3 % shop online more than 5 times a month. Hence, it can be inferred that most of the respondents i.e., 78 % of the respondents shop online only once in a month.

TABLE 4.12 SHOWING WEIGHTED AVERAGE

S.NO	PARTICULARS	MEAN SCORE	AVG MEAN SCORE
1	**WEBSITE DESIGN & TIME**		
	Product search consumes less time	3.72	3.73
	Product checkout takes less time	3.63	
	Overall shopping consumes less time	3.76	
	OS delivers goods on time	3.68	
	Easy navigation & design is a key for repeat purchase	3.72	
	Customized view of products is important in a site	3.90	
2	**CONVENIENCE**		
	Availability of large variety of products	3.81	3.74
	Making payment is easier	4.01	
	Free of carrying money all the time	3.98	
	All products displayed are available in stock	3.20	
	Special products are available	3.70	
	OS eases physical stress	3.77	
3	**CUSTOMER SERVICE & TRUST**		
	Good service after sale	3.85	3.93
	Websites are user friendly & guide about the product	4.19	
	Quick response to complaints	3.72	
	Product return and money back	3.70	
	Online shopping is reliable	4.17	
	Identity and data are not disclosed to others	3.95	
4	**PRICE & SHOPPING EXPERIENCE**		
	OS offers products at lesser price	3.56	3.31
	OS charge extra for home delivery	3.16	
	OS carry discount all the time	3.09	
	OS provide quality products & service for what you pay	3.42	
	Environment of the OS is not good	2.85	
	OS provide a lot of additional features	3.52	
	Buy based on customer past reviews	3.57	
	Traditional shopping is better than		

INTERPRETATION:

From the above weighted average table, we can infer that most of the respondents agree that the factors such as Website design & time, Convenience, Customer service and trust, Price & shopping experience influence the buying behaviour in online shopping.

ANOVA:

H_{01} - There is no significant difference between demographic factors of people in choosing online shops based on website design and time taken.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	3.183	21	.152	.837	.672
	Within Groups	36.048	199	.181		
	Total	39.231	220			
UG degree	Between Groups	10.534	21	.502	.663	.866
	Within Groups	150.579	199	.757		
	Total	161.113	220			
Pocket money	Between Groups	6.659	21	.317	.542	.950
	Within Groups	116.345	199	.585		
	Total	123.005	220			
Native Region	Between Groups	8.481	21	.404	.788	.733
	Within Groups	102.053	199	.513		
	Total	110.534	220			

Since, the significant values are greater than 0.05, we accept the null hypothesis(H_0) and reject the alternate hypothesis (Ha).

INTERPRETATION:

As a result of the above test, it can be interpreted that there is no significant difference between demographic factors of people in choosing online shops based on website design and time taken.

H$_{02}$ - There is no significant difference between demographic factors of people in choosing online shops based on convenience.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	2.477	19	.130	.713	.803
	Within Groups	36.754	201	.183		
	Total	39.231	220			
UG degree	Between Groups	10.526	19	.554	.739	.775
	Within Groups	150.587	201	.749		
	Total	161.113	220			
Pocket money	Between Groups	12.389	19	.652	1.185	.273
	Within Groups	110.616	201	.550		
	Total	123.005	220			
Native Region	Between Groups	11.300	19	.595	1.205	.256
	Within Groups	99.234	201	.494		
	Total	110.534	220			

Since, the significant values are greater than 0.05, we accept the null hypothesis(H$_0$).

INTERPRETATION:

As a result of the above test, it can be interpreted that there is no significant difference between demographic factors of people in choosing online shops based on convenience.

H_{03} - There is no significant difference between demographic factors of people in choosing online shops based on customer service and trust.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	4.368	24	.182	1.023	.439
	Within Groups	34.863	196	.178		
	Total	39.231	220			
UG degree	Between Groups	19.260	24	.803	1.109	.337
	Within Groups	141.853	196	.724		
	Total	161.113	220			
pocketmoney	Between Groups	15.784	24	.658	1.202	.244
	Within Groups	107.221	196	.547		
	Total	123.005	220			
Native Region	Between Groups	15.039	24	.627	1.286	.177
	Within Groups	95.495	196	.487		
	Total	110.534	220			

Since, the significant values are greater than 0.05, we accept the null hypothesis (H_0).

INTERPRETATION:

As a result of the above test, it can be interpreted that there is no significant difference between demographic factors of people in choosing online shops based on customer service and trust.

H_{04} - There is no significant difference between demographic factors of people in choosing online shops based on Price and shopping experience.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	3.358	19	.177	.987	.478
	Within Groups	35.819	200	.179		
	Total	39.177	219			
UG degree	Between Groups	20.456	19	1.077	1.531	.078
	Within Groups	140.653	200	.703		
	Total	161.109	219			
pocketmoney	Between Groups	12.510	19	.658	1.192	.267
	Within Groups	110.449	200	.552		
	Total	122.959	219			
Native Region	Between Groups	8.581	19	.452	.886	.601
	Within Groups	101.946	200	.510		
	Total	110.527	219			

Since, the significant values are greater than 0.05, we accept the null hypothesis(H_0).

INTERPRETATION:

As a result of the above test, it can be interpreted that there is no significant difference between demographic factors of people in choosing online shops based on Price and shopping experience.

FINDINGS, SUGGESTIONS AND CONCLUSION

CHAPTER - V

5.1 FINDINGS

- ✓ Most of the respondents, i.e., 77% respondents of the survey are male.
- ✓ Most of the respondents, i.e., 78 % of the respondents hold engineering and arts degree.
- ✓ Most of the respondents i.e., around 80 % of the respondents had pocket money ranging less than Rs. 5000.
- ✓ Most of the respondents i.e., around 50 %were from developed urban areas.
- ✓ Most of the respondents i.e., 60 % have continued access to internet connection in a week.
- ✓ Most of the respondents i.e., above 99 % of the respondents had access to online shopping.
- ✓ Most of the respondents i.e., above 50 % of the respondents shopped online for Accessories.
- ✓ Most of the respondents i.e., 53.4 % of the respondents preferred Flipkart.com.
- ✓ Most of the respondents i.e., 43 % of the respondents preferred online shopping sites because of the attractive discounts and offers.
- ✓ Most of the respondents, i.e., 77 % of the respondents feel that traditional shopping is better than online shopping
- ✓ Most of the respondents i.e., 78 % of the respondents shop online only once in a month.
- ✓ Most of the respondents, i.e., around 72 % of the respondents agree that product search consumes less time.
- ✓ Most of the respondents, i.e., around 65 % of the respondents agree that product checkout takes less time.
- ✓ Most of the respondents, i.e., around 70 % of the respondents agree that online shopping takes less time.
- ✓ Most of the respondents, i.e., around 65 % of the respondents agree that online shopping delivers goods on time.

- ✓ Most of the respondents, i.e., around 55 % of the respondents agree that easy navigation & design of the site is a key to repeat purchase.
- ✓ Most of the respondents, i.e., around 73 % of the respondents agree that customized view of products is important in a site.
- ✓ Most of the respondents, i.e., around 75 % of the respondents agree that availability of large variety of products is important in a site.
- ✓ Most of the respondents, i.e., around 80 % of the respondents agree that making payment is easier in a site.
- ✓ Most of the respondents, i.e., around 80 % of the respondents agree that online shopping is free of carrying money all the time.
- ✓ Most of the respondents, i.e., around 60 % of the respondents are either neutral or disagree that all products displayed are available in stock.
- ✓ Most of the respondents, i.e., around 55 % of the respondents agree that special products are available in a site.
- ✓ Most of the respondents, i.e., around 70 % of the respondents agree that online shopping eases physical stress.
- ✓ Most of the respondents, i.e., around 75 % of the respondents agree that online shopping has good customer service after sale.
- ✓ Most of the respondents, i.e., around 80 % of the respondents agree that websites are user friendly and guide about the product.
- ✓ Most of the respondents, i.e., around 68 % of the respondents agree that there are quick responses for complaints.
- ✓ Most of the respondents, i.e., around 65 % of the respondents agree that online sites accept product returns and pay the money back.
- ✓ Most of the respondents, i.e., around 80 % of the respondents agree that online shopping is reliable.
- ✓ Most of the respondents, i.e., around 75 % of the respondents agree that their identity and data are not disclosed to others.
- ✓ Most of the respondents, i.e., around 62 % of the respondents agree that online shops offer products at lesser price.
- ✓ Most of the respondents, i.e., around 62 % of the respondents agree

- ✓ Most of the respondents, i.e., around 60 % of the respondents are either neutral or disagree that online shops carry discount all the time.
- ✓ Most of the respondents, i.e., around 53 % of the respondents agree that online shops provide quality products and service for what you buy.
- ✓ Most of the respondents, i.e., around 70 % of the respondents are either neutral or disagree that environment of the online store is not good.
- ✓ Most of the respondents, i.e., around 57 % of the respondents agree that online site provide a lot of additional features.
- ✓ Most of the respondents, i.e., around 60 % of the respondents agree that they buy from online stores based on customer's past reviews.
- ✓ Most of the respondents, i.e., around 75 % of the respondents are either neutral or agree that traditional shopping is better than online shopping.
- ✓ From the One way ANOVA, it is understood that there is no significant difference in demographic variables of people and choosing an online store based on website design & time, convenience, Customer service and trust, Price and shopping experience.

5.2 SUGGESTIONS

- ✓ From the study, it was found that most of the respondents had pocket money less than 5000 whereas preferring accessories to buy online, hence online shopping websites could give more attention in providing a variety of accessories to customers.
- ✓ It was also observed that customers preferred online shopping destinations because of attractive offers and discounts, hence a continued effort of giving more discounts & offers would help the online shops to favour more sale.
- ✓ It was also observed that people still preferred traditional shopping than online shopping, hence it is evident that the people aren't comfortable with online shopping, hence online shops should take more efforts to increase promotions and other activities to encourage people to do online shopping.
- ✓ From the weighted average table, it is observed that people rely on the factors mentioned for choosing an online shopping destination, hence the online shops should focus on enhancing such factors to influence people in online shopping.
- ✓ From the anova table, it is observed that there is no difference in demography of people towards choosing an online shop based on the influencing factors, hence online shops can formulate general strategies to influence people towards online shopping.

5.3 CONCLUSION

As a result of this study, it is found out that demographic factors had no influence over customers preference towards online shopping and hence online shopping sites can formulate common strategies for young population to shop online. It was also found out that most of the students had preference towards accessories in buying online, hence online shopping sites can focus on more offers and discounts on accessories to attract students. It is also evident that people also rely on certain factors such as website design, convenience, price, trust...etc for shopping online. Hence, Online shopping site should focus on enhancing such factors to promote online shopping behaviour. It can be concluded that Online shopping sites should concentrate more in promotions and creating awareness towards young audience for future.

5.4 SCOPE FOR FURTHUR STUDY

This study acts as a pointer for further research on Consumer Behaviour related to Online shopping and how online shopping sites can be tuned for increased effectiveness to attract customers and promote online buying behaviour.

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BIBLIOGRAPHY

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APPENDIX

APPENDIX

ONLINE SHOPPING BEHAVIOUR AMONG UNDERGRADUATE COLLEGE STUDENTS IN COIMBATORE: A FACTOR ANALYSIS APPROACH

QUESTIONNAIRE

1. Name
2. Gender
   a) Male b) Female
3. UG degree
   a) Engineering b) Arts c) computer science d) others (Please mention) ………………..
4. Pocket money ………………
   a) Rs. 0 – 2000 b) Rs. 2001 – 5000 c) Rs. 5001 - 50000
5. Native region
   a) Rural b) Urban c) Semi- Urban
6. How frequently do you have access to an internet connection?
   a) Once in a week b) 2-5 times in a weekc) 24/7 d) Others (Please mention) ……………………..

Attitude towards online shopping:

1. Have you ever shopped online?
   a) Yes b) No
2. For what type of product do you shop online?
   a) Apparel b) Stationeries c) Books & articles d) Accessories
   e) others…………. (Please mention)
3. Which of these websites you would prefer for online shopping?
   a) Flipkart.com b) eBay. in c) Jabong.com d) Others (Please mention)…………….
4. Why do you prefer these sites?
   a) Product variety b) discounts & offers c) convenient payment optiond) Others (please mention) …………………………….
5. Do you think online shopping is more convenient than traditional shopping?
   a) Yes b) No
6. How frequently do u shop online in a month?

WEBSITE DESIGN &TIME					
	Strongly disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
Product search consumes less time					
Checkout takes less time					
Overall online shopping takes less time					
Online shopping delivers goods on time					
Easy navigation & design of the site is key to repeat purchase					
Customized view of products is important for me in a site					

CONVIENIENCE					
	Strongly disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
Availability of large Variety of products					
Making Payment is easier					
Free of carrying money all the time					
All Products displayed are available in stock					
Special products are available					

Online shopping eases physical stress					
CUSTOMER SERVICE AND TRUST					
	Strongly disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
Online Shopping has Good customer service after sale					
Websites are user friendly & guide about the product					
They respond quickly to complaints					
Damaged or unperforming products are taken back while returning the money					
Online shopping is reliable					
My identity and data are not disclosed to others					

PRICE & SHOPPING EXPERIANCE					
	Strongly disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
Online shops offer products at a lesser price					
They charge extra money for home delivery service					

Online shops carry discounts all the time					
Online shops provide quality product & service for what you pay					
Environment of the online store is not good					
Website provides a lot of additional features					
I buy from online sellers based on customer's past reviews					
Traditional shopping is better than online shopping					