# International Research Journal of Management Science & Technology




**ISSN 2250 – 1959(0nline)**
**2348 – 9367 (Print)**

*An Internationally Indexed Peer Reviewed & Refereed Journal*

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# A Study Revealing CustomerDesire for Online Shopping: Pune Region

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*Abstract:*

*Markets are changing,subsequently the way of doing business is changing. For today's customer time management has become an important issue i.e. optimum utilization of time has become a basic need, accordingly marketers revolutionized the way of doing business. Retailing are shifting towards e-retailing, and business changed from physical visits to internet click. However, this does notremain same for all the customers, so it becomes important to know the type of customer which have adapted to this change. Pune is an IT city. IT profession are paid good packages, and spending power of these profession are abovean average people. However, these professions have limited time-frame. The present study focuses to identify whether these professionshas any preference for online shopping. Moreover, associal economic-status consumer behaves differently, the living style changes with the status, it is believed that the high socio-economic status customers are more techno savvy. The second objective was to understand these socio-economic statuses and their web base retailing. Primary data was collected from 60 respondents in Pune region. The observation was analyzed with the help of Chi-Square test, and Conjoint Analysis. The outcome of the study revealed that IT profession goes for online shopping in comparison any other professions. Furthermore, it was also understood that socio-economic status plays an important role for online shopping. Moreover, the study also revealed the most important attributes, they are socio-economic status and accessibility, for online purchases, whereas, time and distance comparatively arein minor.*

*Keywords: Internet, Consumer Preference, Social Economic Status, online shopping*

## Introduction:

In modern globalize scenario, quite a few innovative technologies, particularly the internet has been altering the ways of doing transactions in the market. E-retailing practices involve selling the products or services directly to the consumers who are the end users on the internet. In the Indian the retail market, e-retailing is highly information-intensive and thus makes it important to recognize new development in strategy to create value on the consumers. We live in a technological epoch and consumers are fueled by internet- induced potentials and an even increasing mood of resourcefulness. Actually E-retailing is seen to arise from the consolidation traditional retailing to e-retailing to create an outbreak of activities among the Indian market consumers. E-retailing emerges from the internet and web technology to facilitate the implementation of retailing. It focuses on

internet or web-based interaction between the Indian market and its highly oriented consumers. But also, above all, e-retailing allowed the consumers to a new kind of specialization. These specialization deals with specialized stores, product line, special classes of customers and sellers and other special e-stores too to satisfy the consumers so as to retain consumer royalty and enhance the profitability. E-retailing is evolved recently with the emergence of Information technology such as internet and web technologies (Siddique, & Sana,Rehman, 2011). However, the uses are not same for all the professions, they differ. In addition, the uses also differ as per the socio-economic status and thus make a different segment in shopping.

Perception of Consumer ‘s regarding shopping has been changed with the introduction of internet media. Retail industry has observed major revolution in the changing technology-oriented business scenario of 21st century in India. Internet facility has shrunk the entire World and the rules of retail marketing are changing dramatically with the introduction of Information Technology. The e-Retailing website is the front door of the online store that interacts between the e-retailer and consumers.

## Literature Review:

Laforet,Sylvie, & Li (2005)[1]investigated the market status for online/mobile banking in China, which has the potential to develop into a world-scale internet economy and requires examination.The demographic, attitudinal and behavioral characteristics of online and mobile bank users were examinedfrom six major Chinese cities. The results showed Chinese online and mobile bank users were predominantly males, not necessarily young and highly educated, in contrast with the electronic bank users in the West. The issue of security was found to be the most important factor that motivated Chinese consumer adoption of online banking. Main barriers to online banking were the perception of risks, computer and technological skills and Chinese traditional cash-carry banking culture. The barriers to mobile banking adoption were lack of awareness and understanding of the benefits provided by mobile banking. This study offers an insight into online/mobile banking in China, which has not previously been investigated. Distinct differences and common trends between Chinese and other countries were observed with clear indication of marketing strategy to be deployed by the service providers.

Sujana Adapa (2008), examines the adoption of internet shopping patterns exhibited by Indian women currently residing in India and Australia emphasizing on the prevailing cultural dimensions. A conceptual framework was developed based on the theoretical background which links intention to shop over internet and Hofstede’s cultural dimensions to adoption of internet shopping. To test the stated hypotheses, the proposed relationships between the variables were empirically verified. A web-based survey was employed by using online questionnaire to various newsgroups. The results of the study reveal that intention of internet shopping as measured with the *perceived attributes* significantly influences the actual adoption of internet shopping. With regard to the prevailing cultural dimensions in the country of origin (India), the results obtained were as expected and significantly influence the internet purchases. Whereas with regard to the prevailing cultural dimensions in the country of residence (Australia), most of the results obtained are as predicted except for the dimension masculinity versus femininity. The results obtained were promising for

internet marketers to formulate effective marketing strategies apart from venture capitalists and e-commerce business strategies.

Although Internet banking in Saudi Arabia was yet to be fully utilized as a value-adding tool to improve customer relationships and achieve cost advantages,Al-Somali, Gholami, & Clegg (2009) identified the factors that encourage customers to adopt online banking in Saudi Arabia. The research constructs were developed based on the technology acceptance model (TAM) and incorporated some extra important control variables. The model was empirically verified to examine the factors influencing the online banking adoption behavior of 400 customers. The results suggested that the quality of the Internet connection, the awareness of online banking and its benefits, the social influence and computer self-efficacy have significant effects on the perceived usefulness (PU) and perceived ease of use (PEOU) of online banking acceptance. Education, trust and resistance to change also have significant impact on the attitude towards the likelihood of adopting online banking. The implications of the findings were discussed and suggestions for future research were presented.

Moreover, Agarwala,Reeti, Rastogib, & Mehrotrac (2009) determinedthat the factors affecting customer perception and attitude towards and satisfaction with e-banking was an essential part of a bank's strategy formulation process in an emerging economy like India. To gain this understanding in respect of Indian customers, they conducted study on the respondents taken from northern part of India. The major findings depict that customers were influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking.

Hand et al. (2009) seeks to understand the triggers which influence the adoption (and the discontinuation) of online grocery shopping. Specifically, the research aims to establish the role of situational factors in the process of adoption. A two-step research process was employed. First, exploratory qualitative research was carried out, with the purpose of gaining an in-depth understanding of consumers' online grocery shopping behavior. This was followed by a large-scale quantitative survey extending the findings of the qualitative research and validating the role of situational factors in instigating the commencement (and discontinuation) of online grocery buying. Cluster analysis was used to segment consumers based on the importance of specific types of situations.Both qualitative and quantitative results establish the importance of situational factors, such as having a baby or developing health problems, as triggers for starting to buy groceries online. Many shoppers were found to discontinue online grocery shopping once the initial trigger had disappeared or they have experienced a problem with the service.While situational factors were beyond a marketer's control, they could be used as a basis for marketing communications content and target advertising, for instance, by magazines directed at new parents.The importance of situational factors as triggers for the adoption of online grocery shopping suggests an erratic adoption process, driven by circumstances rather than by a cognitive elaboration and decision. The adoption of online shopping was contingent and may be discontinued when the initiating circumstances change.

Mishra,Sita, & Mathew,Priya (2013) examines the behaviour of online consumer in India in terms of internet usage, perceived risks, and website attributes influencing online users. Further, they studied influence of perceived risks on intent to do online purchase in future. A structured questionnaire was administered to 600 online consumers using field and online survey mediums. Results show that Indian online users had high level of perceived risks, highest fear being related to the delivery of products purchased online. Information quality, product range and after online sales service are most preferred website attributes which influence Indian online users.

Kumar,S., & Verma,S.,S. (2014) effort to check the reality of e-retailing in India. The urban infrastructure or infrastructure of Metropolitan cities was much better than the rural one. The level of education, income, needs of the people and the platform which was required to catapult e-retailing is in consonance with urban infrastructure and its demographic aspirations. But with hinterlands of pan India, the stark difference comes out. Be it infrastructure or electricity or level of income, needs of the people and last but not the least education. Everywhere you see a stark difference.

Shafqatajaz (2015) commented that the electronic retailing (e-Tailing, e-Retailing, internet retailing etc.) is the model of selling of retail goods using electronic media, in particular, the internet. E-Retailing is a subset of e-commerce (Electronic Commerce). E-Retailing accounts for about 10% of the overall growth of e-Commerce market. The growth in the e-Retailing market is driven by the need to save time by urban India. It is estimated that 2.5 billion internet users, access to internet has played a significant role in growing the business markets. The Internet gives retailers an instrument for: broadening target markets, enhancing consumer relationships, extending product lines, improving cost efficiency, improving consumer communications, and delivering customized offers. Changing demographics (youthful India), changing lifestyles and exposure to the developed markets give a fillip to e-Retailing industry. One can buy anything from stereos to iPod ‘s without stepping out through internet media. E-Retailers serve 24 hours x 7 days in a hassle-free manner to consumers.

## Methodology:

Data was collected through primary research method with closed ended framed questionnaire. This data was analyzed with chi-square method and Conjoint Analysis Multi Factor Evaluation on interval scale.

## Objectives of the Study:

1. To analyseswhether high socio-economical customerprefers online purchasein comparison withlow socio-economical customers.
2. To examine the correlation between IT professions and preference for e-retailing.
3. To identifymost important factorsamongTime, Distance, Accessibility & SES that affects e-retailing purchases.

## Hypotheses:

$H_1$ High Socio-economic status customer prefer online purchases than Low soci-economic status customer.

$H_2$ IT profession customer prefers to online transactions.

## Limitation of the Study:

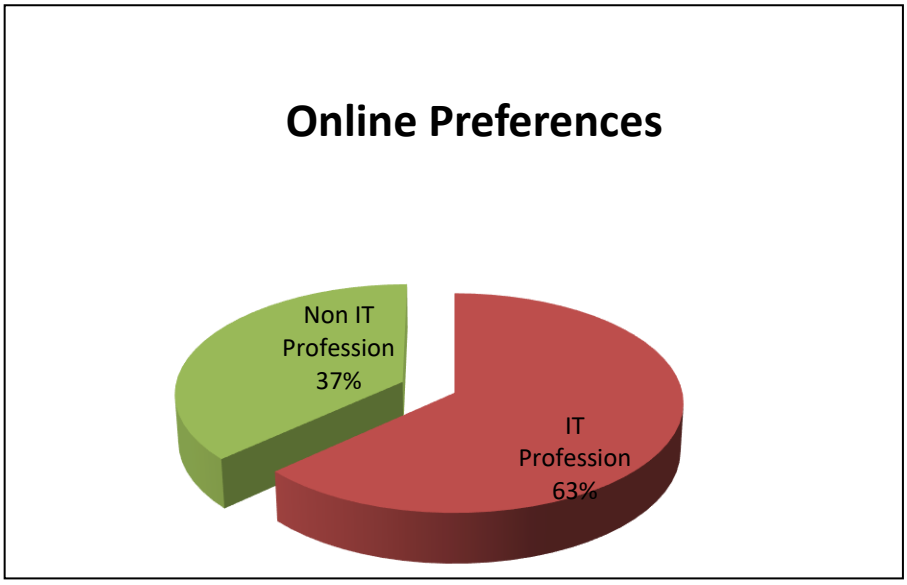
1. The study is restricted on one part of Pune city.
2. Only major and important parameter were considered during the study. However, these were considered only after pilot review.
3. Time was a constrain for this study.

## Analysis of the finding:

1. To analyses whether high socio-economical customer prefers online purchase in comparison with low socio-economical customers.

   $H_0$There are no relations between the mode of purchase and social economic status customer.

   $H_1$There are significant relations between the mode of purchase and social economic status customer.




Graph1: Online Preference

The data on 60 respondents under study of Entrepreneurs and Working Professions, itwas observed that 64% of the customer prefer online preferences, however these were less in case of low socio-economic status customer, which was 36%.

Further the relationship between the parameter was revealed by Chi-Square calculations.

| *Sr. No.* | O | E | O-E | $(O-E)^2/E$ |
|---|---|---|---|---|
| 1 | 21 | 17.60 | 3.4 | 0.66 |
| 2 | 11 | 14.40 | -3.4 | 0.80 |
| 3 | 12 | 15.40 | -3.4 | 0.75 |
| 4 | 16 | 12.60 | 3.40 | 0.92 |
| Total | | | | 3.13 |

Table 1 : Calculated value of $X^2$ of Customer Preference.

*The calculated value of $X^2$ is 3.13, which is less than the critical value 3.841 for 1DF (@5% level), therefore hypotheses $H_0$ can be rejected and alternate hypothesis$H_1$is accepted indicating that, there are significant relations between the mode of purchase and social economic status customer. Further the type of relation is evaluated with the observations.*

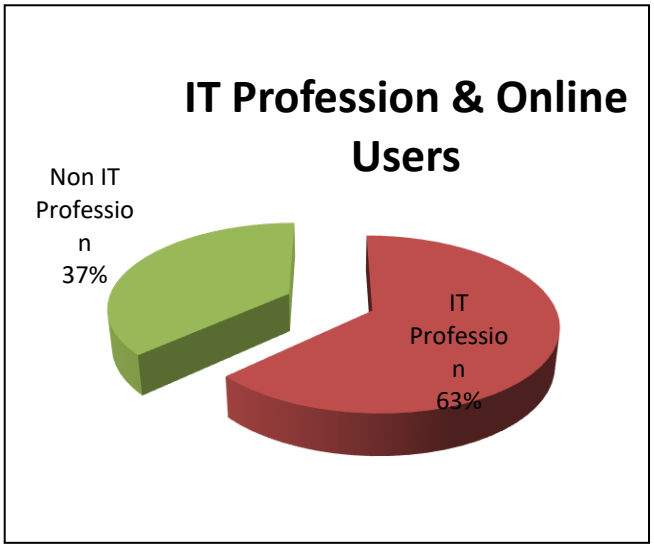
| Category | Prefer Purchases Online | Do not Prefer Online Purchase | Total |
|---|---|---|---|
| High Socio-Economic Status | 21 | 11 | 32 |
| Low Socio-Economic Status | 12 | 16 | 28 |
| *Total* | 33 | 27 | 60 |

*The table above depicts that greater number of respondents from high-socio economic status customer prefer online purchases, whereas this is low in case of low socio-economic status customer. Hence inference can be drawn by that high-socio economic status customer prefer online purchases rather than low-socio economic status customer.*

2. To examine the correlation between IT professions and preference for e-retailing.

$H_0$IT Profession are not major online users.

$H_1$ IT profession are more online users.




Graph 2: Profession &Online user

The data from 60 respondents under study of IT and Non-IT profession indicates that, 63% of the IT profession do go for online and 37% of the responding profession do not use online services.

| *Sr. No.* | O | E | O-E | $(O-E)^2/E$ |
|---|---|---|---|---|
| 1 | 24 | 20.90 | 3.1 | 0.46 |
| 2 | 9 | 12.10 | -3.1 | 0.79 |
| 3 | 14 | 17.10 | -3.1 | 0.56 |
| 4 | 13 | 9.90 | 3.10 | 0.97 |
| Total | | | | 2.79 |

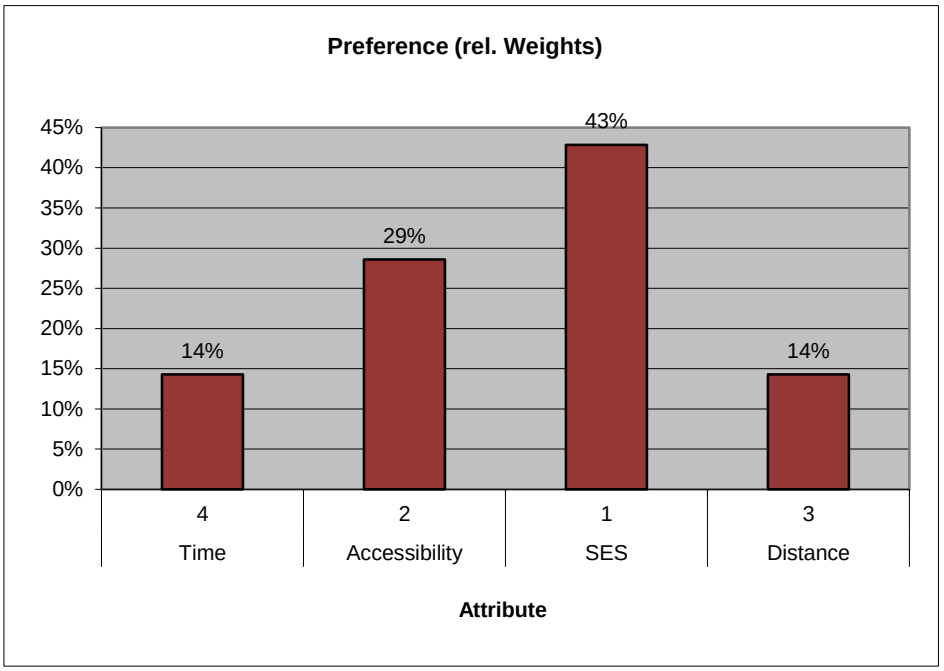
Table 2 : Calculated value of $X^2$ of IT Professions.

*The calculated value of $X^2$ is less than critical value (3.841 for 1DF @5% level), therefore hypotheses $H_1$ is accepted which proves that IT profession are more online users.*

**3.** To identify most important factors among Time, Distance, Accessibility & SES that affects e-retailing purchases**.**

| **Result** | Time | Accessibility | SES | Distance |
|---|---|---|---|---|
| **rank** | 4 | 2 | 1 | 3 |
| **part-worth** | -0.5 | 1 | 1.5 | -0.5 |
| **preference** | **14%** | **29%** | **43%** | **14%** |

Table 4 : Calculated Values of Preferences




Graph4 : Online Preferences

*The calculated value through Conjoint Analysis shows that attributes that play an important role for e-retailing preference as per ranking are SES, Accessibility, Time& then Distance.*

## Conclusion:

The study revealed that respondents from Pune city, majority of them were from IT professions, as Pune being an IT hub. These persons are continuously busy with their jobs and does not find ample time for their livelihood. These professions shop online products and shop their majority of the items through online shopping. The companies like Amazon, Flipkart, Big Bazar, Food Panda, etc. do understand their problems and make the life easy for them, whereas people from other profession are less online users and shop their commodities either visiting mall or through retail shops. Apart from them social-economics status people also plays a major role in online uses. People with high socio-economic status do prefer to buy online as their status symbol, moreover, uses internet for all the purposes. It was also proved that among all the attributes SES is the major to buy online products, followed by accessibility and then time and distance being the secondary parameter.

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