STUDY ON THE IMPACT OF EXPERTISE OF ONLINE SHOPPING ON CONSUMERS' USAGE HABITS OF ONLINE SHOPPING WEBSITES

Atharva Nimbkar

ABSTRACT

The aim of this study is to investigate the Impact of Expertise of Online Shopping on Consumers’ usage Habits of Online Shopping Websites. India is on the verge of an Internet boom with a projected user base of 370 million to 410 million by 2017, which will be second largest in the world, and the largest in terms of incremental growth. The Internet has changed the way we consume products and our means of satisfying our demand for our comfort. The new buzz of online shopping is witnessing lot of changes and gaining people trust day by day. The major advantage that India enjoys is significantly skewed online population of which 75% younger and below 35 years of age as compared to any BRIC countries. The online retail market is less developed and requires deeper penetration and consumer engagement strategies. This research paper is an attempt to examine the online shopping has been revolutionized with the advent of e commerce.

INTRODUCTION

Online shopping is quite common these days in the developed world than it was about 5 years ago and it is gaining its market in India also comprising 120 million of Internet population in contrast to the global 1 billion Internet users in 30 aspiring countries. Asia Pacific region hits for maximum worldwide Internet audience followed by Europe, North America, Middle East Africa and Latin America. Consumers find the worldwide web a great place for bargain-hunting, with most goods available at lower prices than in a bricks and mortar store. But convenience appears to be an even bigger attraction as revealed in surveys because most online shoppers find the crowded high street too stressful providing an escape from the traditional brick shops to easy access Internet shops. These virtual shops are information intensive providing customers all the informational content related to product or services like specifications, cost and feature comparisons, advertisements, offers and discounts. The new age media i.e. the digital media provides an opportunity for deeper content, reviews, multimedia and interactivity. Internet has emerged as a powerful media for information flow having an immediate effect on users. In India, the Internet users are increasing rapidly leading to a big competition in online market. E-shops provide the latest products and services that too with attractive offers. A lot of time is saved by shopping online as compared to personally going to the retail shop to buy the desired products or services.
RESEARCH OBJECTIVE

Study on the impact of expertise of online shopping on consumers' usage habits of online shopping websites.

The proposed hypothesis were -
H1 - The proportion of consumers who shop weekly and have more than 5 years of online shopping experience is less than 15%
H2 - The proportion of consumers who have less than 2 years of online shopping experience and who prefer Amazon for accessories shopping is more than 25%
H3 - The average age of consumers who have 2-5 years of online shopping experience is less than 22 years
H4 - The average spends of consumers on flipkart who have 2-5 years of online shopping experience is less than Rs 1000
H5 - Frequency of shopping on Amazon is not independent of years of online shopping experience
H6 - The average spend on shopping on Amazon is not independent of years of online shopping experience
LITERATURE REVIEW

The increasing consumption of Internet has made India as the third largest Internet population globally comprising about 80 million users. The study findings suggest that online retail in India is on a big rise having huge growth potential with about 70% of web users visiting online shopping websites. The major players in the segment are Flipkart, Snapdeal, Amazon, Myntra, Jabong, Grofers and Big Basket with others. The users mostly look for apparels, gadgets, accessories, furniture, appliances, groceries and personal care with specific mention of comparison shopping accounting in online retail categories.

Joseph identified three new market segments of online technology namely cyber buyers, cyber consumers and cyber surfers. The author describes cyber buyers as the professionals who spend a good deal of time online, mainly at their place of business. They often make complex purchasing decisions on the basis of data, all within a tight time frame. The cyber consumers are the home computer users wired up to commercial online services and the internet. Lastly, cyber surfers are the one who use online technology to expand their horizons, challenge their abilities and for fun. They are comprised of typically younger population and possess a shorter attention span. Presently, India’s online population is rising with a yearly pace of 45% with inclusion of 30 million users in the year 2016. India has become the third largest nation for Internet users in 2015 after US and China increasing by 31% by March 2014. The McKinsey reported 1.6% contribution of the Internet to India’s GDP worth $35 billion and a consumer surplus amounting $15 billion. India added 25 million e-commerce users. E-commerce growth in India has also been directly proportional to Internet penetration in India. The Generation Y is more networked and interconnected. The report illustrates the findings by Paradox panel constituted by watchmaker Titan to gain an insight into the Gen Y in India. The study reveals that about 89 percent of the youth in India conducts online research prior to make any purchase; about 74 percent has the capability to influence the purchase decisions in their circle. Gen Y is individualistic in nature comprising 43 percent alone shoppers, and approximately one third highlighted the importance of personal satisfaction for every purchase decisions. The interesting thing to notice is that 90 percent consumers give a responsible share feedback with companies after their usage experience.

Kedar Gavane, revealed that India has leap-frogged Brazil and Russia to become the fifth largest e-commerce market in the world, behind China, Japan, Germany and USA. As of December 2015, India had 50 million online retail visitors which is only 70% reach of e-commerce among online users while the worldwide average is around 80%. About 80% of India’s e-commerce users are below the age of 35. More number of transistors falls in the 35 – 44 age groups. The younger segment, which is anybody below the age of 35 are the dominant population in the Indian online space. Wang, Liu and Jun Cheng examined the influencing and restricting factors for online shopping in China. The exploratory research compares a set of factors for both traditional and online shopping. The author enumerated transaction risk, privacy concern, consumer cognition and Internet experience as the major influencing factors for online shopping in China. The perceptions for risk and comprehensive quality of the Internet users are found to be restricting factors for the new shopping trend.
RESEARCH METHODOLOGY

This research was Quantitative in nature and an initial exploratory search was carried out through internet based sources. An extensive literature review was also conducted. The primary data was collected through a survey in the city of Mumbai through E forms. The relevant secondary data have been collected from various journals, research papers, magazines, websites, newspapers, reports and books. The collected data were recorded, coded, tabulated and analysed with the help of statistical tools.

Selection of the sample units is based on easy availability and accessibility, thus it is non-probabilistic convenience sampling. The research contains responses from different age groups, gender, occupation and locality totaling to 282 in number.

Statistical tools were used for analysis of the primary data. The findings were tested through statistical tests such as

- Test of Proportion (P Test)
- Test of Mean (T Test)
- Test of Independence (Chi Square Test)

Charts for Sample profile:

Demographics

<table>
<thead>
<tr>
<th>Gender</th>
<th>Female, 105 (43%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs 5-10 lakhs 24%</td>
</tr>
<tr>
<td></td>
<td>Rs 15-20 lakhs 3%</td>
</tr>
<tr>
<td></td>
<td>Rs 10-15 lakhs 7%</td>
</tr>
</tbody>
</table>

| Age    | Above 40 years, |
|--------| 112 (46%) |
|        | 35-40 years, |
|        | 9, 9% |
|        | 30-35 years, |
|        | 17, 7% |
|        | 30-35 years, |
|        | 17, 7% |
|        | 30-35 years, |
|        | 17, 7% |

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Graduate, 120 (49%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Undergraduate, 34 (14%)</td>
</tr>
<tr>
<td></td>
<td>Professional, 31 (13%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years of Online Shopping Experience</th>
<th>Rs 5-10 lakhs 24%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None, 11 (5%)</td>
</tr>
<tr>
<td></td>
<td>More than 5 years, 39 (16%)</td>
</tr>
<tr>
<td></td>
<td>Less than 2 years, 67 (27%)</td>
</tr>
</tbody>
</table>
Above Rs 20 lakhs, 5
Rs 15-20 lakhs, 7,
Rs 10-15 lakhs, 16,
Less than Rs 5 lakhs,
Rs 5-10 lakhs, 59
24%
3%
7%

Annual Income

Occupation

Student, 68, 28%
Salaried, 118, 49%
Service, 1, 0%
Seafarer, 1, 0%
(Blank), 0, 0%
Professional, 24, 10%
Business, 23, 10%
Freelancing, 1, 0%
Homemaker, 6, 3%
Housewife, 17, 0%

Family type

Joint, 68, 28%
Living alone, 6, 2%
Nuclear, 163, 67%
Living with friends, 7, 3%
Hypothesis 1: Test of Proportions

Ho : The proportion of consumers who shop weekly and have more than 5 years of online shopping experience is greater than 15%
Ha : The proportion of consumers who shop weekly and have more than 5 years of online shopping experience is less than 15%

Ho : p > 15%
Ha : p < 15%

Test of Proportions
Left-tailed test
Confidence = 90%
Alpha = 10%
Probability = 10%

Critical Value (1.28)
Calculating the Observed value
x = 4
n = 39
p' = 10%
p = 15%
q = 85%
p' - p = (5)%
p . q = 13%
Sqrt (n) = 6.24

\[ p' - p \]
\[ \sqrt{p \cdot q} / n \]

Observed Value = (2.32)
P Value = 0.01
Alpha = 0.10
0.01 < 0.1, p-value < alpha

Observation:
We reject the null therefore we can say that the proportion of consumer who shop weekly & have more than 5 years of online shopping experience is less than 15%

Insights:
People with more than 5 years of online shopping experience finds it very easy and continent to shop or order online as they are very familiar with the website. Due to which they tend to order within short interval of time, even for their basic necessity product.
Hypothesis 2: Test of Proportions

Ho : The proportion of consumers who have less than 2 years of online shopping experience and who prefer Amazon for accessories shopping is less than 25%

Ha : The proportion of consumers who have less than 2 years of online shopping experience and who prefer Amazon for accessories shopping is more than 25%

Ho : p < 15%
Ha : p > 25%

Test of Proportions
Right-Tailed Test
Confidence = 90%
Alpha = 10%
Probability = 90%

Critical Value 1.28

Calculating the Observed value

\[
p' = 27% \\
p = 25% \\
q = 75% \\
p' - p = 2% \\
p, q = 19% \\
\text{Sqrt (n)} = 15.62
\]

\[
p' - p = \frac{\sqrt{p' \times q}}{n}
\]

Observed Value = 2.05
P Value = 0.98
Alpha = 0.10
0.98 > 0.10, p-value > alpha

Observation:
We accept the null therefore we can say that The proportion of consumers who have less than 2 years of online shopping experience and who prefer Amazon for accessories shopping is less than 25%

Insights:
Here we observed that very less % of people shop on Amazon for accessories it is because Amazon has very less variety in accessories as compared to other online shopping websites
Hypothesis 3: Test of Mean

Ho : The average age of consumers who have 2-5 years of online shopping experience is more than 22 years

Ha : The average age of consumers who have 2-5 years of online shopping experience is less than 22 years

Ho : $\mu > 22$
Ha : $\mu < 22$

Test of Proportions
Left-tailed test
Confidence = 0.90
Alpha = 0.10
Probability = 0.10

**Critical Value 1.28**
Calculating the Observed value

$X' = 25.32$
$\mu = 39$
$X' - \mu = 3.32$

$s = 20.47$
$n = 127$

$p' - p$
$sqrt(p*q)/n$

**Observed Value = 1.83**

P Value =
Alpha = 0.10
1.28 < 1.83, Critical Value < Observed Value

Observation:
We reject the null therefore we can say that The average age of consumers who have 2-5 years of online shopping experience is less than 22 years

Insights:
Young generation looks for latest trends, variety, fashion and discounts which is easily available online therefore they tend to start shopping online as compared to middle age group due to which people less than 22 years have 2-5 years of shopping experience
Hypothesis 4: Test of Mean

Ho : The average spent of consumers on flipkart who have 2-5 years of online shopping experience is more than Rs 1000

Ha : The average spent of consumers on flipkart who have 2-5 years of online shopping experience is less than Rs 1000

Ho :μ > 1000
Ha :μ < 1000
Test of Proportions
Left-tailed test
Confidence = 0.90
Alpha = 0.10
Probability = 0.10

Critical Value (1.30)
Calculating the Observed value
X’ = 2.83
μ = 1000
X’- μ = (997.17)
s = 126.79
n = 41

\[ p' - p \]
\[ \sqrt{p*q}/n \]

Observed Value = (50.36)

P Value =
Alpha = 0.10
(50.36) < 1.30,
Critical Value > Observed Value

Observation:
We accept the null therefore we can say that the average spent of consumers who have 2-5 years of online shopping experience is more than Rs 1000

Insights:
People tend to spent more if they are familiar with the websites. People spending more might be due to its ease of delivery, great discount and quality of product.
Hypothesis 5: Test of Independence

Ho: Frequency of shopping on Amazon is independent of years of online shopping experience
Ha: Frequency of shopping on Amazon is not independent of years of online shopping experience

<table>
<thead>
<tr>
<th>OBSERVED</th>
<th>Annually</th>
<th>Daily</th>
<th>Monthly</th>
<th>Never</th>
<th>Occasionally</th>
<th>Quarterly</th>
<th>Weekly</th>
<th>Total</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>6</td>
<td>2</td>
<td>30</td>
<td>7</td>
<td>19</td>
<td>30</td>
<td>21</td>
<td>115</td>
<td>50%</td>
</tr>
<tr>
<td>&lt;2 years</td>
<td>10</td>
<td>5</td>
<td>8</td>
<td>5</td>
<td>22</td>
<td>10</td>
<td>4</td>
<td>64</td>
<td>28%</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>4</td>
<td>3</td>
<td>13</td>
<td>1</td>
<td>9</td>
<td>5</td>
<td>4</td>
<td>39</td>
<td>17%</td>
</tr>
<tr>
<td>None</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>10</td>
<td>51</td>
<td>18</td>
<td>53</td>
<td>45</td>
<td>29</td>
<td>228</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPECTED</th>
<th>Annually</th>
<th>Daily</th>
<th>Monthly</th>
<th>Never</th>
<th>Occasionally</th>
<th>Quarterly</th>
<th>Weekly</th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>11.10</td>
<td>5.04</td>
<td>25.72</td>
<td>9.08</td>
<td>26.73</td>
<td>22.70</td>
<td>14.63</td>
<td>115.00</td>
<td></td>
</tr>
<tr>
<td>&lt;2 years</td>
<td>6.18</td>
<td>2.81</td>
<td>14.32</td>
<td>5.05</td>
<td>14.88</td>
<td>12.63</td>
<td>8.14</td>
<td>64.00</td>
<td></td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>3.76</td>
<td>1.71</td>
<td>8.72</td>
<td>3.08</td>
<td>9.07</td>
<td>7.70</td>
<td>4.96</td>
<td>39.00</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>0.96</td>
<td>0.44</td>
<td>2.24</td>
<td>0.79</td>
<td>2.32</td>
<td>1.97</td>
<td>1.27</td>
<td>10.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22.00</td>
<td>10.00</td>
<td>51.00</td>
<td>18.00</td>
<td>53.00</td>
<td>45.00</td>
<td>29.00</td>
<td>228</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(fo-fe)^2/fe</th>
<th>Annually</th>
<th>Daily</th>
<th>Monthly</th>
<th>Never</th>
<th>Occasionally</th>
<th>Quarterly</th>
<th>Weekly</th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>2.34</td>
<td>1.84</td>
<td>0.71</td>
<td>0.48</td>
<td>2.24</td>
<td>2.35</td>
<td>2.78</td>
<td>12.73</td>
<td></td>
</tr>
<tr>
<td>&lt;2 years</td>
<td>2.37</td>
<td>1.71</td>
<td>2.79</td>
<td>0.00</td>
<td>3.41</td>
<td>0.55</td>
<td>2.11</td>
<td>12.93</td>
<td></td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>0.01</td>
<td>0.97</td>
<td>2.10</td>
<td>1.40</td>
<td>0.00</td>
<td>0.95</td>
<td>0.19</td>
<td>5.62</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>1.11</td>
<td>0.44</td>
<td>2.24</td>
<td>22.46</td>
<td>0.20</td>
<td>1.97</td>
<td>1.27</td>
<td>29.68</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.83</td>
<td>4.96</td>
<td>7.83</td>
<td>24.34</td>
<td>5.84</td>
<td>5.82</td>
<td>6.34</td>
<td>60.96</td>
<td></td>
</tr>
</tbody>
</table>

Chi Squared Test
Alpha = 0.1
Probability = 0.1
Critical value = 25.99
F observed = 60.96
P value = 0.00
Alpha = 0.1
0.00 < 0.1, P value < Alpha

25.99   60.96
Observation:
We failed to accept the null therefore we can say that frequency of shopping on Amazon is dependent of years of online shopping experience.

Insights:
Peoples' frequency for shopping on Amazon is dependent on the overall shopping experience. It is also dependent upon an individual needs and wants people with more need tend to buy more on particular website if their shopping experience was good on their previous purchases.
Hypothesis 6: Test of Independence

Ho: The average spend on shopping on Amazon is independent of years of online shopping experience

Ha: The average spend on shopping on Amazon is not independent of years of online shopping experience

<table>
<thead>
<tr>
<th></th>
<th>&lt;than 1000</th>
<th>&gt;than 5000</th>
<th>1000–2000</th>
<th>2000–3000</th>
<th>3000–4000</th>
<th>4000–5000</th>
<th>Zero</th>
<th>Total</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2–5 years</td>
<td>16</td>
<td>17</td>
<td>46</td>
<td>15</td>
<td>11</td>
<td>5</td>
<td>7</td>
<td>117</td>
<td>52%</td>
</tr>
<tr>
<td>&lt;2 years</td>
<td>15</td>
<td>6</td>
<td>21</td>
<td>5</td>
<td>0</td>
<td>6</td>
<td>9</td>
<td>62</td>
<td>27%</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>6</td>
<td>13</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>38</td>
<td>17%</td>
</tr>
<tr>
<td>None</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>36</td>
<td>74</td>
<td>25</td>
<td>15</td>
<td>13</td>
<td>23</td>
<td>227</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>&lt;than 1000</th>
<th>&gt;than 5000</th>
<th>1000–2000</th>
<th>2000–3000</th>
<th>3000–4000</th>
<th>4000–5000</th>
<th>Zero</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2–5 years</td>
<td>21.13</td>
<td>18.56</td>
<td>38.14</td>
<td>12.89</td>
<td>7.73</td>
<td>6.70</td>
<td>11.85</td>
<td>117</td>
</tr>
<tr>
<td>&lt;2 years</td>
<td>11.20</td>
<td>9.83</td>
<td>20.21</td>
<td>6.83</td>
<td>4.10</td>
<td>3.55</td>
<td>6.28</td>
<td>62</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>6.86</td>
<td>6.03</td>
<td>12.39</td>
<td>4.19</td>
<td>2.51</td>
<td>2.18</td>
<td>3.85</td>
<td>38</td>
</tr>
<tr>
<td>None</td>
<td>1.81</td>
<td>1.59</td>
<td>3.26</td>
<td>1.10</td>
<td>0.66</td>
<td>0.57</td>
<td>1.01</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>36</td>
<td>74</td>
<td>25</td>
<td>15</td>
<td>13</td>
<td>23</td>
<td>227</td>
</tr>
</tbody>
</table>

Chi Squared Test
Alpha = 0.1
Probability = 0.1
Critical value = 34.81

F observed = 54.67
P value = 0.00
Alpha = 0.1
0.00 < 0.1, P value < Alpha
Observation:
We failed to accept the null therefore we can say that the average spent on shopping on Amazon is not independent of years of online shopping experience

Insights:
People can opt for multiple products in the same portals that make people connected to the websites. People with more experience have high satisfaction level compared to people with less experience. This satisfaction makes them purchase more.
CONCLUSION

The major findings related to buying habits and behaviour was revealed from the study in e-shopping habits consumers in India. Shopping by visiting shops, malls or retail outlets is more time consuming. Hence, many people preferred to shop online. The online shopping habits are gaining quick market and are growing every year because of the increasing Internet usage of people and availability of Internet connections on mobile at cheaper rates. The present study also highlights that there is no significant relation between use of discount coupons and occupation. This implies that discount coupons are emerging as an attractive feature calling for more consumers to shop online. The study found that the preferred mode of payment for e-shopping is cash on delivery (COD) irrespective of respondent’s income group.

LIMITATIONS

For survey Google forms were sent to people. Google form included fixed choice questionnaires which is generally assume an unstated general knowledge of the topic being investigated, and force the respondent to answer questions that he or she might be ignorant of have a different understanding of based on personal perception, or which are influenced by factors such as education, culture, age, or societal status.

Almost all section was fixed choice so respondent has to fill the form without having knowledge of product. For particular questions the answer has multiple choice option which restricted people to enter their respective choices. For the same portal they can’t choose other product so they randomly answer the questions.

Data was collected based on the age group of 20 to 55 years, wherein majority of the students were student. So majority of the responses depend on the perception and thinking of students only.
REFERENCES


The Hindu, India is now world’s third largest Internet user after U.S., China (2013, August 24), Technology, Retrieved from http://www.thehindu.com/sci-tech/technology/internet/india-is-now-worlds-third-largest-internet-user-after-us-china/article5053115.ece


https://www.researchgate.net/publication/2557074_Consumer_Online_Shopping_Attitudes_and_Behavior_An_Assessment_of_Research

https://www.google.co.in/search?q=MOST+PREFERED+ONLINE+SHOPPING+WEBSITE&oq=MOST+PREFERED+ONLINE+SHOPPING+WEBSITE&aqs=chrome..69i57.891j0j7&sourceid=chrome&ie=UTF-8