

# A study on preference towards online retailing among youngsters in Kerala

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**Abstract:** *Online retailing is booming in its full swing in India. Major part of online customers belongs to young population in Kerala, as the same scenario of India and global. Increasing internet and mobile penetration, growing acceptability of online payments and favourable demographics have provided the companies engaged in e-commerce the unique opportunity to connect their customers. Online shopping started its popularity during the Internet boom in 1999-2000. India has bypassed Japan to become the world's third largest Internet user after China and United States and its users are significantly younger generation. The opportunity window for online retailers in the country is huge. The main reasons behind that are the rapid urbanization, rising literacy levels, a large percentage of young population, increased smart phone penetration, increasing adoption of computers, rapidly growing access to the internet and the falling rates at which the internet can be accessed.*

*The present study has been conducted among 100 samples collected from various parts of Kerala. The study found that age has a major impact on preference towards online retailing. Males (60%) are fond of online retailing than females (40%). Amazon is the most preferred website for online purchase among young people. Offers and discounts and convenience are main driving forces for online shopping. Majority (70%) of the respondents opined that online advertisements motivate them for online shopping. Absence of touch and feel factor is found to be the major drawback of online purchase. Delay and bad delivery of product also constitute a major drawback of online purchases. The online retail or e-commerce sector is completely dependent on the internet. As more and more people in the country are getting connected to the internet, the sector is getting a huge shot in the arm.*

**Key Words:** *Online retailing, Internet penetration, Online advertisements*

## 1. INTRODUCTION:

When people buy a product or a service through the internet, instead of going to a traditional brick-and-mortar store, it is called online shopping. Globally, the number of people who prefer to buy through internet is increasing because it is more convenient. Online shopping started its popularity during the Internet boom in 1999-2000. Amazon.com, the online bookstore created history by becoming the first bookstore with its presence only on the Internet. Following the success of Amazon's online selling, many bookstores with a physical presence also created an online presence on the Internet. Later, portals such as Yahoo.com and MSN.com also started online shopping channels where people could buy more than just books. Closer home portals such as Indiatimes.com and Rediff.com came up with similar options for the Indian consumer to ease their shopping effort.

Ever since the internet has emerged as most powerful tool to be connected with the world, it gained control on people's day to day activities. People started to use this tool for their own comfort. With the emergence of social network sites and its immense impact on today's youth, marketers, producers, sellers looked at it as great business opportunity. India has bypassed Japan to become the world's third largest Internet user after China and United States, and its users are significantly younger.

## 2. LITERATURE REVIEW:

Elisabeta Ioanas and Ivona Stoica (2014), concluded that most consumers who buy online are indeed young, working in a company, most of them are females and have at least an account on social network. Before purchasing a product on online they usually inform themselves from forums, company's websites, Facebook accounts or peer reviews.

Dholakia and Uusitalo (2002) examined the relationship between age and Internet shopping; found that younger consumers reported more linen to the online shopping.

N. Anitha (2015), found in her study that online retailing is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. On-line shopping preferences differ with respect to different age groups.

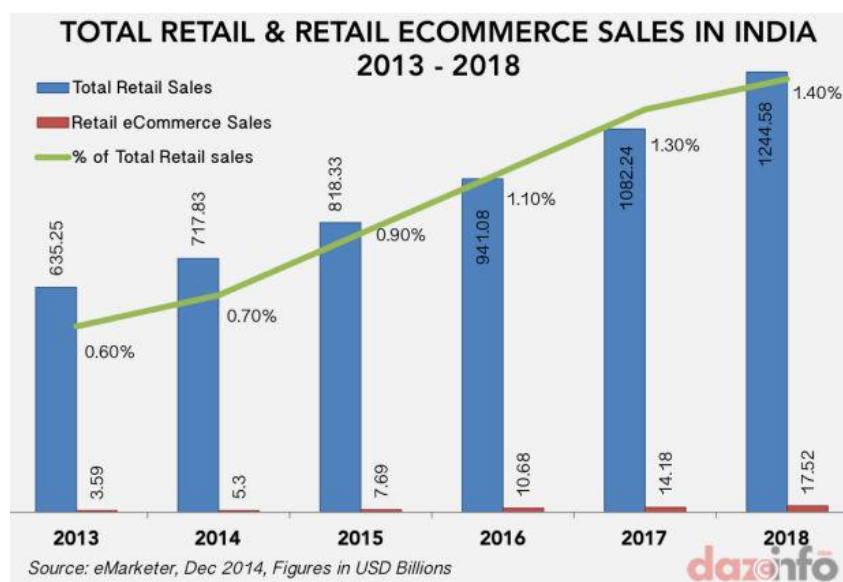
Consumers within the age group of 25-35 are more interested in doing online shopping followed by those belonging to age group of less than 25. The study was conducted among consumers in Chennai.

Sorce et al. (2005) found in the study that younger consumers searched for more products online and they were more likely to agree that online shopping was more convenient.

India's e-commerce market was worth about \$3.8 billion in 2009, it went up to \$17 billion in 2014 and to \$23 billion in 2015 and is expected to touch whopping \$38 billion mark by 2016 ( Assocham, ). The e-commerce industry in the country is worth \$38 billion in 2016, a 67 per cent jump over the \$23 billion revenues for 2015, as per industry body Assocham.

Kiyici (2012), a study of internet shopping behavior of college of education students, tried to find out the role of familiarity and income and possession of credit card on online shopping. The results found out that the male students teacher are more familiar and have more positive attitude than female student teacher. Teacher students, who have more monthly income and have more internet self-efficacy, have positive attitude and intension to shop online. Participants with credit cards have more familiarity and less anxiety concerning internet shopping.

A study conducted by eMarketer in 2014 gives a closer look at total retail and retail ecommerce sales in India over the period of 2013-2018.



Graph.1

As it is clear from figure 1 that the total retail sales is growing at an impressive rate, registering a double digit growth figure year after year. Emarketer predicts the rate of growth to pick up by the end of 2014 and the total retail sales to grow consistently at a rate of 15% from 2016 onwards. The retail ecommerce sales (which includes all products ordered over the internet except travel) continues to register an unprecedented growth and increase by leaps and bounds over the 2013-2018 period covered by the report.

Online marketing is a set of powerful tools and methodologies used for promoting products and service through the internet. Online marketing includes a wider range of marketing elements than traditional business marketing due to extra channels and marketing mechanism available on the internet. Online marketing is advertising and marketing the products or services of a business over Internet. Online marketing relies upon websites or emails to reach to the users and it is combined with e-commerce to facilitate the business transactions. In online marketing, companies promote the products and services via websites, blogs, email, social media, forums, and mobile Apps. Online marketing strategy is critical for organization operating in markets with high internet penetration.

Online stores enable the customer to check the firm's product and services to view the images or photos of the products and informing the product information's and specifications, price etc. Online marketing strategy is a critical for organization operated with very high internet penetration.

### 3. MAJOR PLAYERS IN ONLINE RETAILING INDUSTRY:

- Amazon
- Flipkart
- Myntra
- Ebay

- Snapdeal
- Paytm

**4. RESEARCH PROBLEM:**

Online retailing is booming in its full swing in India. Major part of online customers belongs to young population in Kerala, as the same scenario of India and global. In this situation it becomes necessary to understand the major factors which motivate them to buy online and problems they encounter while making online purchases. This study will help marketer to target and serve their customer more easily and effectively.

**5. RESEARCH METHODOLOGY:**

The present study has been undertaken with the major objective of understanding the preference of youngsters towards online retailing in Kerala. Descriptive research design is used in this study as it studies the preference, attitude and opinion of young population in Kerala. A Sample of 100 people was used in the present study. Fifty people, whose age lies between 15 and 30 ( Category I) and fifty people whose age lies between 31 and 45 (Category II), were taken from different part of Kerala selected for this study. Deliberate sampling technique is used to select samples from the population.

**6. HYPOTHESIS:**

The following hypothesis was formulated in connection with the present study.

- H1: There is strong relationship between age of customers and online purchase.
- H0: There is no relationship between age of customers and online purchase.

**7. ANALYSIS:**

**Table No.1.1**  
**Table showing gender wise classification of respondents**

Gender	No.of respondents
Male	60
Female	40
Total	100

(Source: Primary Data)

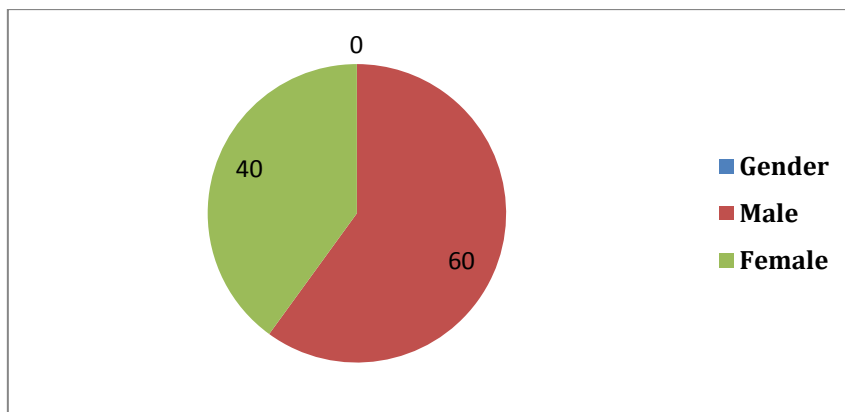


Table and graph shows that more than female (40), male are shopping more online.

**Table No.1.2**  
**Table showing most preferred website for online shopping**

Website	No.of Respondents
Amazon	35
Flipkart	20
Myntra	15
Ebay	11
Snapdeal	10
Paytm	9
Total	100

(Source: Primary Data)

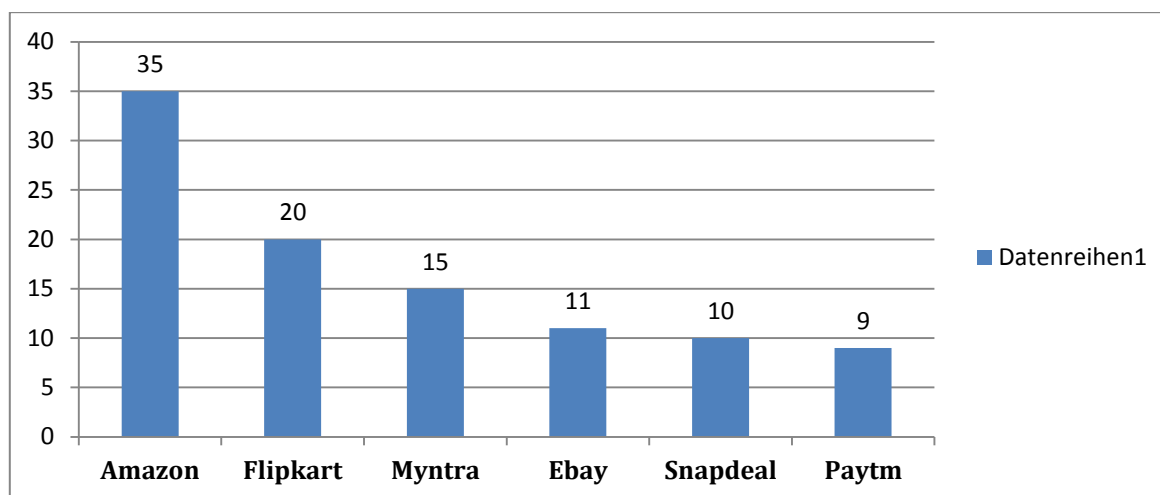


Table shows that Amazon is the most preferred website for online shopping and Flipkart occupied second position. Least preferred website is paytm for online shopping.

Table No. 1.3. Table showing opinion that online advertisement motivates to purchase

Opinion	No.of respondents
Strongly Agree	54
Agree	32
Disagree	9
Strongly Disagree	5
Total	100

(Source: Primary Data)

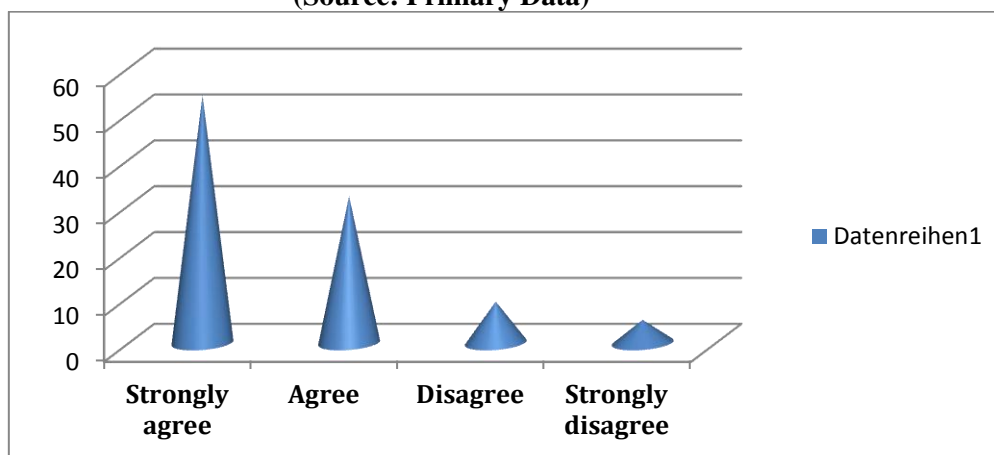


Table reveals that more than 50% of respondents strongly opined online advertisements influence them to make purchase.

Table No. 1.4

Table showing opinion of category I about online and offline shopping

OPINION	ONLINE SHOPPING			OFFLINE SHOPPING		
	GOOD	AVERAGE	BAD	GOOD	AVERAGE	BAD
Offers & Discount	26	12	1	5	4	2
Creditworthiness	13	19	4	11	2	1
Reliability	17	10	7	10	5	1
Tangibility	7	5	10	21	7	0
Product review	24	12	4	8	0	2
Product Information	11	8	6	15	7	3
Variety of brand /product Available	20	16	4	6	3	1
Shopping convenience	30	10	1	2	2	5

Saving of time	21	10	3	4	4	8
Safety	10	8	12	12	6	2

(Source: Primary data)

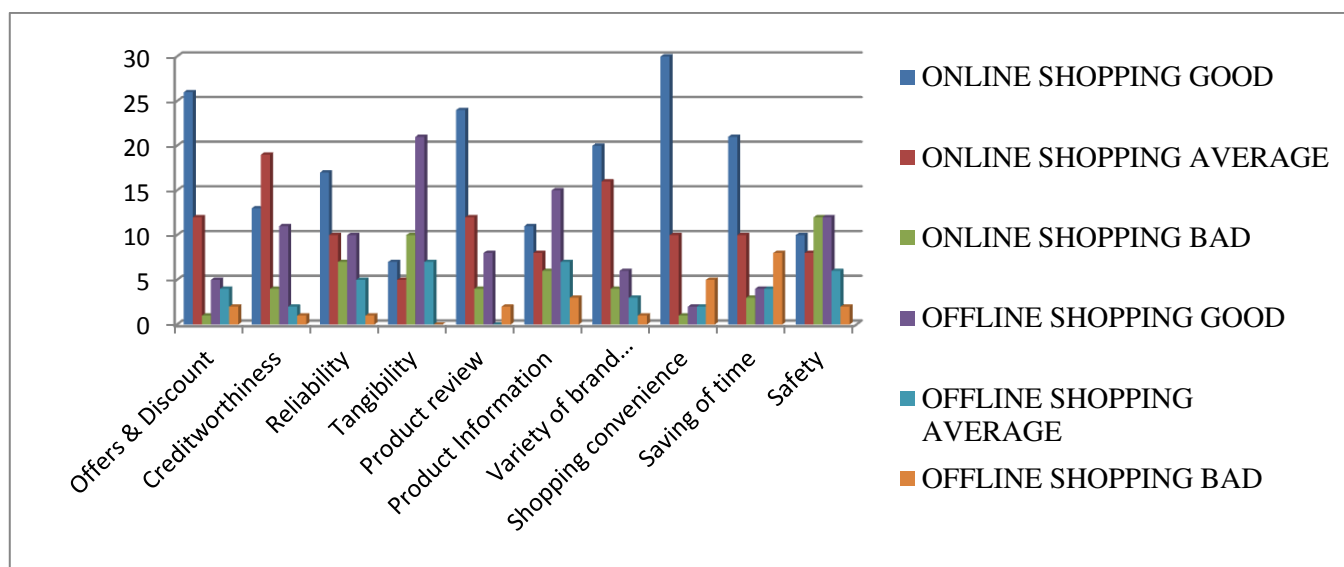


Table No.1.5

Table showing opinion of category II about online and offline shopping

OPINION	ONLINE SHOPPING			OFFLINE SHOPPING		
	GOOD	AVERAGE	BAD	GOOD	AVERAGE	BAD
Offers & Discount	20	10	1	14	2	3
Creditworthiness	8	8	12	16	6	0
Reliability	7	5	20	14	3	1
Tangibility	1	1	13	28	7	0
Product review	10	10	8	10	12	0
Product Information	1	2	11	19	13	4
Variety of brand /product Available	9	7	11	13	6	4
Shopping convenience	12	2	8	17	9	2
Saving of time	13	6	6	15	7	3
Safety	3	5	17	15	8	2

(Source: Primary data)

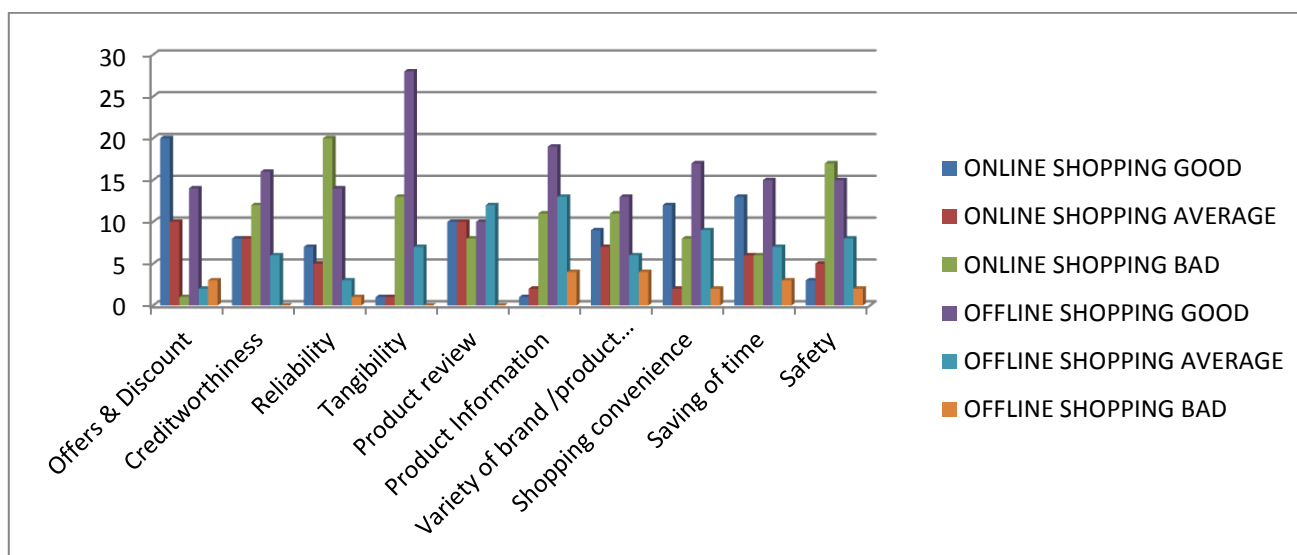


Table no.1.4 shows the opinion of category I about the online and offline shopping and it reveals that young people (within the age group of 15- 30) are more rely online mode for their shopping because of offers and discount and wide variety of products available on shopping sites.

Table no. 1.5 shows the opinion of category II about the online and offline shopping and it reveals that offline mode is preferred by people (within the age group of 31- 45) other than young people for the purchase. Reliability, creditworthiness and tangibility of products are the reasons for this preference when compared with young people.

## 8. FINDINGS:

- Male customers have more preference towards online retailing
- Majority of online customers are students and employed
- Amazon is the most preferred online retailer among young people and snapdeal occupies second position
- Offers and discounts and convenience are main driving force for online shopping
- Many customers opined that online advertisements motivate them to shop online
- Reliability and creditworthiness of seller is the main reason for offline shoppers for their purchase
- Absence of touch and feel factor is the major drawback of online purchase
- Delay and bad delivery of product also constitute a major drawback of online purchases
- Cosmetics and gadgets, apparels and tickets are most moving products through online.
- Online websites provides opportunity to return the products if customers are dissatisfied with quality.
- Customers opined online advertisements are more appealing than offline.

## 9. CONCLUSION:

The online retail or ecommerce sector is completely dependent on the internet. As more and more people in the country are getting connected to the internet, the sector is getting a huge shot in the arm. The Smartphone penetration in India is increasing at very fast clip. Cheaper entry level Smartphone's have made it easier for people to get connected to the internet from their handheld devices. Add to it the fact that the percentage of young population in India (who are the most active online buyers) is extremely huge. The internet is also getting cheaper. All these factors together make the young people to shop more online when compared to people within the age group of 31 to 45.

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