

# An Empirical Study On Student's Perspective towards Online Shopping & Its Future in India.

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**Abstract:** In 1979 Michael Aldrich a UK Citizen assembled the first online shopping system called 'Videotex'. At that time online shopping or e-commerce was considered to be science fiction. There were no mobile phones and there was no such thing as smart phones. Come 2018 and the whole scenario are totally different. Smart phones have become necessities and time is money. Telecom providers have upgraded their technology and this has enabled the common consumer to explore the world of online shopping. From rural to urban markets all have been impacted by the wave of online shopping. Today the Online shopping market is a 1 trillion industry and is rapidly growing. In India the consumer market is one of the fastest growing markets in the world and online shopping has changed the way the Indian consumer purchases her/his products. Consumer perspectives have drastically changed with regard to online shopping and the future of online shopping in India is entering a new phase. This research paper attempts to capture the essence of the Student's Consumer mind set, buying habits and thoughts towards the online shopping experiences. It is an empirical study conducted with a sample from a cross section of MBA Students.

**Key Words:** Online Shopping, E-Commerce, Consumer Perception, Buying Habits, Online Shopping Cues

## 1. INTRODUCTION

When Michael Aldrich, assembled the first online shopping system in 1979, it was a starting point for e-commerce. It was a simple system that connected a television set with a phone line and a central transaction processor. This assembly was directed towards organisations to help them with their transaction and to be able to sell groceries etc. This system was mainly used as a B2B Ordering platform. One of the first B2C transactions was made in the year 1984 by a lady named Jane Snowball, 72 years of age. Jane Snoball used the Videotex system to order groceries and other items from a list of more than 1000 products that were available at the local supermarket known as 'Tesco'. The order was placed, duly received and delivered. This marked the birth of online shopping and in the year 1990 the whole online business was about to witness a paradigm shift. Tim Berner Lee invented the World Wide Web in 1990 and this was a new dawn in the e-commerce business.

With the invention of the World Wide Web and rapid advancements in computer technology and telecom infrastructure a whole new ocean of opportunities was created. It changed the way organisations did business it changed the way consumers perceived their buying experiences. It created a whole lot of new experiences and perceptions in the consumer's mind.

The expansion of internet connectivity and the ever increasing use of smart phones around the world and in India have changed the very definition of 'Selling', 'Purchase' and 'Retail'. Research has shown that 51% of Americans shop online and the online purchases of Indians amounted to Rs. 58,370 crores in 2016. There were around 60 million online shoppers in 2016, the B2C e-commerce industry in India is expected to reach US \$ 101.9 billion by 2020.

The Government of India in the last three years has given a boost to the e-commerce industry by promoting schemes and programmes such as 'Digital India', 'Make in India', 'Start Up India', 'Skill India', Innovation Fund' etc. Such initiatives by the government will improve the standard of living of the Indian consumer and support new businesses in India. Though China is considered to be the largest e-commerce market in the world followed by the USA, India is considered to be the fastest growing e-commerce market in the world.

Keeping the e-commerce growth trends in mind this research paper makes an attempt to understand the purchasing behaviour and perspectives of students, towards online shopping.

## 2. LITERATURE REVIEW:

Dr.Gagandeep Nagra & Dr.R Gopal (2013) have researched that being male or female is not a factor that determines online shopping. The whole online shopping experience has been perceived as a positive experience. The research also indicates that the frequency of online shopping in India is less.

Na Wang, Dongchang Liu, Jun Cheng (2008) the research paper probed into the influencing factors of online shopping and how they impact the shopping behaviour of consumers.

Deepjyoti Choudhury and Abhijit Dey (2018), the research paper was directed towards university students and their behaviour with regard to online shopping. The research showed that majority of the respondents shopped online. The respondents showed their concern on not being able to touch and feel the products while shopping online. It was found that there is a direct relationship between internet literacy and online shopping. Prices need to be competitive by online retailers and less than the physical stores. The research showed that the frequency of online shopping needs to be increased among university students.

Puja Gupta (2015) in her research paper has found that the males are doing less of online shopping than their female counterparts. It is seen that the youth are more frequently purchasing through online mode due to the advancement of technology and internet connectivity. Electronic items were in less demand as compared to clothes.

**Research Methods**

**Descriptive Research:** For this research paper the Descriptive type of Research was followed. This type of research method helps to know about new facts and their meaning. The purpose of this type of research is to observe, describe and document aspects of a situation as it naturally occurs (Polit & Hungler 1999).

**Data Collection Tool:** The instruments used to obtain data under this study was, a questionnaire that was administered to the sample population.

**Sampling Type:** Simple Random Sampling was used for this research. A sample of college students was selected from three sections of the MBA Course.

Sample Size was 100 Students.

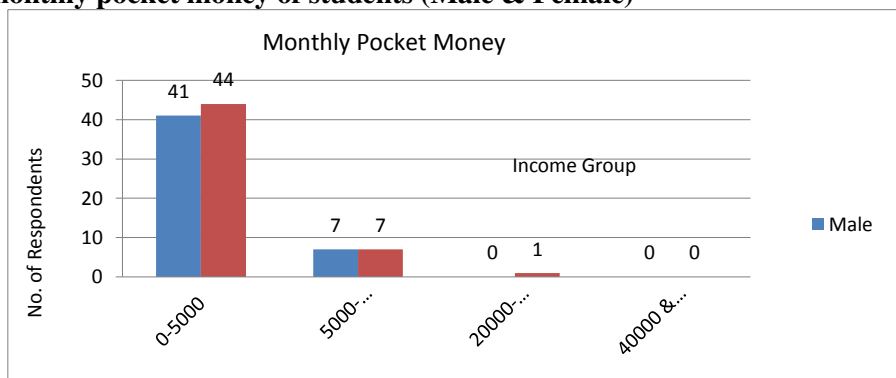
**Analyses:** The data collected was tabulated in an excel sheet and simple graphs and charts were used to analyse and interpret the data with inferences.

**3. DATA INTERPRETATION AND ANALYSIS**

**Table 1 showing monthly pocket money of students**

Monthly Pocket Money	Male	Female
0-5000	41	44
5000-20000	7	7
20000-40000	0	1
40000 & above	0	0

**Figure 1 showing monthly pocket money of students (Male & Female)**



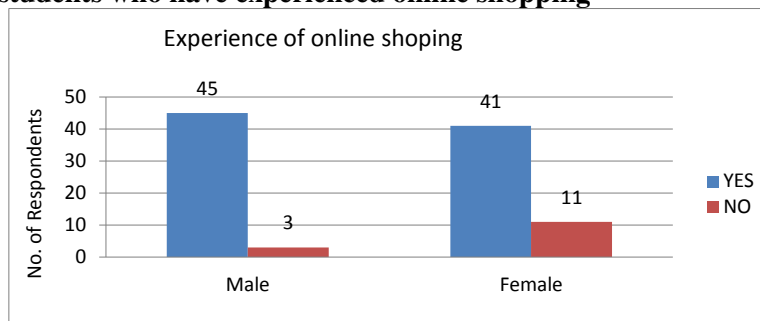
**Interpretation**

Out of the 100 respondents 48 are males and 52 are females. 44% of the female students have a monthly pocket money below Rs.5, 000/. 41% of male students have a monthly pocket money below Rs.5, 000. 7% of male students and 7% of female students have pocket money between Rs.5, 000 & Rs. 20,000. Only one female student has a monthly pocket money above Rs. 20,000.

**Table 2 showing No. of students who have experienced online shopping**

	Male	Female
YES	45	41
NO	3	11

**Figure 2 showing No. of students who have experienced online shopping**



**Interpretation**

Out of the 100 respondents 45% Males and 41% Females have experinced shopping online. 3% of males and 11% of females have not experinced online shopping.

**Inference**

Majority of the respondents have made online purchases.

**Table 3 showing the last shopping experience in terms of days**

	Male	Female
1 to 20 days ago	18	16
1 month ago	15	13
3 month ago	9	5
6 month ago	10	14

**Figure 3 showing the last shopping experience in terms of days**



**Interpretation**

It can be seen that 18% males and 16% females have shopped online in the last 1 to 20 days. 15% males and 13% females have shopped online one month ago. 9% males and 5% females have shopped online three months ago and 10% males and 14% females have made their last online purchase 6 months ago. 24% of the respondents have not shopped online in the last 6 months, 28% of the respondents have made their last online purchase 1 month ago. 34% of respondents have made online purchases in the last 20days.

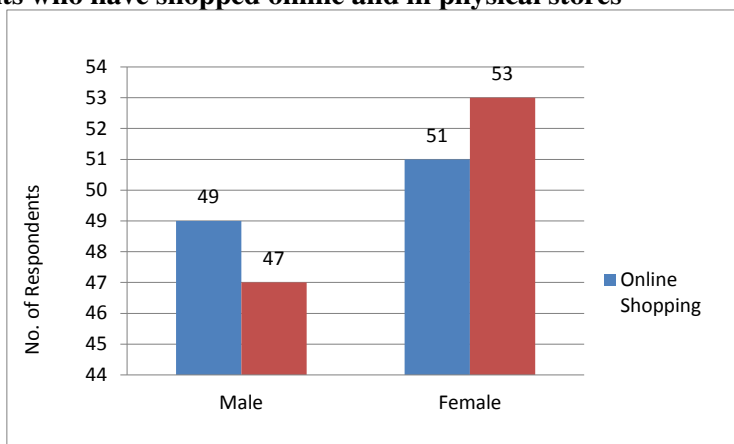
**Inference**

Majority of the respondents have a lean period of purchase of more than 30 days. In other words it is more than 30 days since the majority of respondents have made an online purchase.

**Table 4 No. of respondents who have shopped online and in physical stores**

	Male	Female
Online Shopping	49	51
Physical Stores	47	53

**Figure 4 No. of respondents who have shopped online and in physical stores**



**Interpretation**

49% Men and 51% women have shopped online. 47% men and 53% women have also shopped at physical stores.

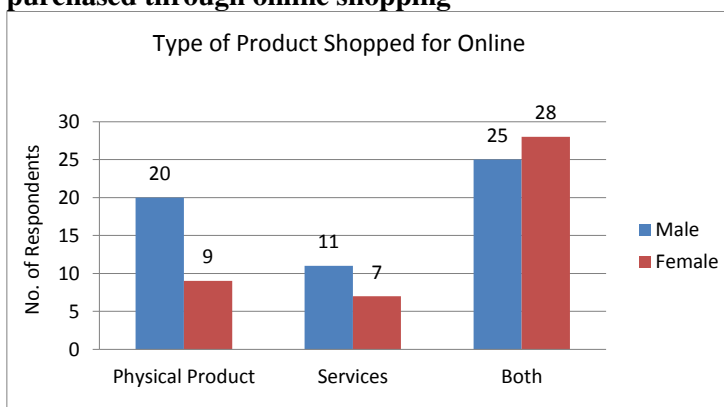
**Inference**

Both male and female respondents shop at physical as well as online stores. Males shop more through online formats than physical stores. Females shop slightly more at physical stores than online formats.

**Table 5 Type of products purchased through online shopping**

	Male	Female
Physical Product	20	9
Services	11	7
Both	25	28

**Figure 5 Type of products purchased through online shopping**



**Interpretation**

20% men and 9% women shopped for physical products. 11% men and 7% women shopped for services. 25% men and 28% women shopped for both Physical products and services.

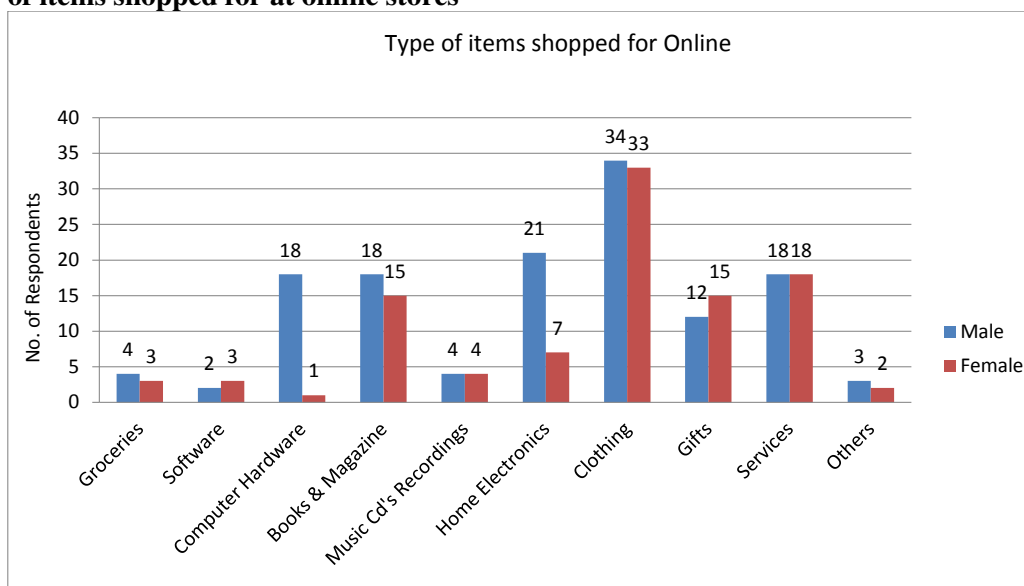
**Inference**

53% of the respondents shopped for both physical products as well as services. The no. of respondents who shopped for services is less than the no. of respondents who shopped for physical products.

**Table 6 Type of items shopped for at online stores**

	Male	Female
Groceries	4	3
Software	2	3
Computer Hardware	18	1
Books & Magazine	18	15
Music Cd's Recordings	4	4
Home Electronics	21	7
Clothing	34	33
Gifts	12	15
Services	18	18
Others	3	2

**Figure 6 Type of items shopped for at online stores**



**Interpretation**

34 male respondents and 33 female respondents have shopped for clothes. It is seen that 27 respondents have ticked home electronics and only 7 female respondents have ticked home electronics. 18 male respondents have shopped for computer hardware and only 1 female respondent has ticked computer hardware.

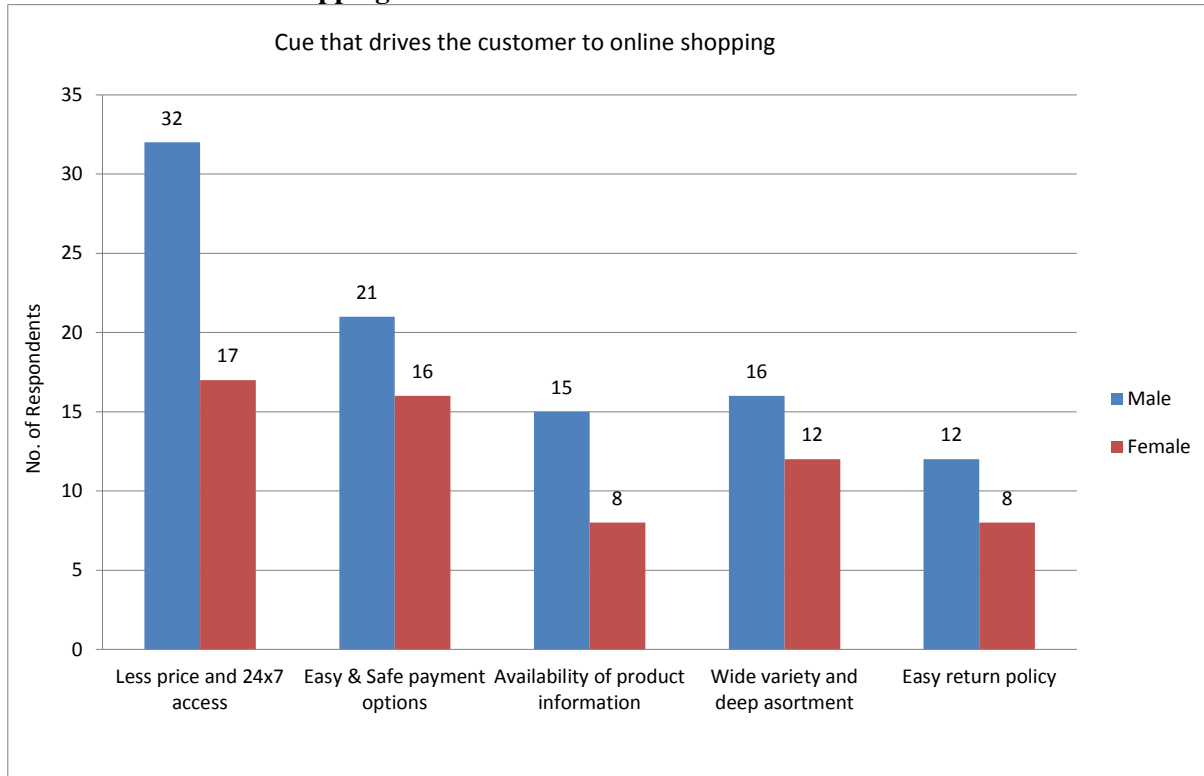
**Inference**

Clothing is the most shopped for item in online shopping. More number of male respondents has shopped for computer hardware than female respondents. Shopping for books, magazines, gifts and services is nearly equal for both men and women. Groceries, software and music CD's is the least shopped for items.

**Table 7 Cue used for online shopping**

	Male	Female
Less price and 24x7 access	32	17
Easy & Safe payment options	21	16
Availability of product information	15	8
Wide variety and deep assortment	16	12
Easy return policy	12	8

Figure 7 Cue used for online shopping



### Interpretation

32 male & 17 female respondents have ticked the option less price and 24/7 access. 21 males and 16 females have said easy and safe payment options are cues to online purchase. 15 males and 8 females have ticked availability of the product. 16 males and 12 females have ticked variety and assortment. 12 males and 8 females have ticked easy return policy as the cue to purchasing online.

### Inference

The most preferred cue is less price and 24/7 access.

### 4. FINDINGS:

- Majority of the respondents receive pocket money of less than Rs.5, 000 a month.
- Majority of the respondents have experienced online shopping. Only 14% have said that they have not done any kind of online shopping.
- 66% of respondents have not shopped online for 30 or more days.
- 34% of respondents have made online purchase in the last 20 days.
- Male and Female students shop both, at online stores and physical stores. The percentage of online shopping and shopping at physical store is nearly equal.
- Both Physical products and Services and purchased online by the respondents. There is no significant difference in the choice of services or physical products.
- As compared to women, men have purchased more physical products than services.
- 53% of respondents shopped for both, physical products and services.
- Clothing is the most sought after item in online shopping. Majority of respondents have shopped for clothes.
- Men have shopped more for home electronics, and computer hardware than women.
- Books, Magazines, Gifts and Services are the items most shopped for after clothing.
- Least shopped for items by the respondents are Groceries, Music CD's and Software.
- Less price and 24/7 access is the most important cue that attracts the respondents to online shopping.
- Easy and Safe payment options are the second most important cue that drives the respondents towards online shopping.

### 5. SUGGESTIONS:

- Online retailers should try and motivate young customers to purchase through the online mode.
- The frequency of online shopping should also be increased.

- More online service providers can set up business to increase the purchase of intangibles through the online mode.

## 6. CONCLUSION:

This research paper has given a bird's eye view on the perspectives of students towards online shopping. It clearly indicates that the purchase of physical goods and services is nearly equal among respondents. The frequency of purchase is less among the respondents and there is opportunity to increase this in the future. Both male and female respondents have shown equal interest in online shopping and the preference is not skewed to any particular gender. The future of online business in India may further improve due to the large majority of population who are young and earning good salaries. The Economic growth of India and the various initiatives by the Government gives online shopping numerous opportunities in the near future.

## 7. ACKNOWLEDGEMENT:

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