"Impact of online buying on customers of small towns like Jaysingpur"

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Abstract:

Today Internet marketing or online marketing has become a burning topic in every business sector and it plays a truly vital challenging role in any company's multi-channel marketing strategy. Customers have become very smart and are increasingly adopting online buying facilities. We can see it very clearly that, customers have started showing keen interest in using internet for e-shopping. The globalization, competition and development of information technology has enhanced customer awareness and created a situation where people prefer online shopping as it provides quality products, saves cost as well as saves time with many more benefits. However, how to apply and utilize Internet marketing to attract more visitors to a certain online sites is still a big question for a number of companies. Also it is very interesting to know the impact of online buying trend oncustomer's behavior particularly in small towns. Though it is the world of on line marketing it hasn't acquired the market fully. Keeping this in sight researcher in this paper has tried to know the impact of on line buying on customers in a small town like Jaysingpur by designing a close-ended questionnaire to collect the data.

Key Words:

Customer behavior, Internet marketing, Online buying, Globalization

I.INTRODUCTION

TodayInternet has changed the way in which consumers shop and buy goods and services, and has rapidly developed into a global phenomenon. Many companies have started adopting the internet with the aim of reducing marketing costs, with that reducing the price of the products and services in order to run the business in highly competitive market.Companies use the Internet for many reasons as to convey and communicate the information, to sell the product, to advertise, to take feedback from the consumes and also to conduct satisfaction surveys amongst consumers. The Internet is used not only to buy the products online, but also to compare the prices, the product features and to check with after sale service facilities etc.

In addition to the tremendous strength of the E-commerce market, the Internet facilitates a unique and wonderful opportunity for companies to reach existing and potential customers more efficiently. Although it is true that most of the revenue of online transactions comes from B to B commerce, the practitioners of B to C commerce should not be neglected. It has been more than a ten years since business-to consumer E-commerce first started up. Scholars and practitioners of E commerce continuously strive to

gain an improved insight into consumer behavior. With the development of E-retailing, researchers continue to explain E-consumers' behavior from various angels. Many of their studies have posited new factors that are based on the old traditional models of consumer behavior.Online shopping is definitely a great choice to shop with many things available on the websites. From garments, gift items, food items, home needs, medicines etc, this way of shopping allows one to shop conveniently and comfortably without burden of spending hours in a supermarket or shopping malls.The Internet with its wide range of information gives a great chance to the customer to have various reviews of the product or service before actually going for purchases.

However, it is true that all the consumers are not participating in online activities and transactions as part of the Interne tboom. As much as businesses have continued to establish their online presence, they have found that still many consumers are much reluctant to shift in that online purchasing direction. For many consumers there are still fear of security and also passing personal information over the Internet. There is a great difference between the number of consumers visiting the sites and the number of actual buying being made.

Companies before using effective and prominent marketing strategies make analysis of various factors to be considered to convert potential customers into actual ones. Some dominant factors which have impact on consumer behavior of online shopping are Information availability, Easy way of use, Motivational factor, Security/Privacy, discount offers etc. In this paper researcher tries to identify the behavior of the consumers towards on line shopping in a small city Ichalkaranji.

II.CONCEPTUAL BACKGROUND

Marketing:

Marketing is defined by the American Marketing Association as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

There are four activities, or components, of marketing:

1. Creating -The process of collaborating with the suppliers and customers to create offerings that have value and much more.
2. Communicating- Broadly, describing those offerings, in simple way as well as learning from customers.
3. Delivering- Getting those offerings to the consumer in such a way that it adds some value.
4. Exchanging - Trading value in terms of money for those offerings.

E-Commerce

E-Commerce or Electronics Commerce is a methodology of modern business, which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services where in the speed of delivery, is increased. E-commerce refers to the paperless exchange of business information using many ways as follows:

Electronic Data Exchange (EDI)

- Electronic Mail (e-mail)
- Electronic Bulletin Boards
- Electronic Fund Transfer (EFT)
- Other Network-based technologies

E-Marketing

E-Marketing (Electronic Marketing) is also known as Internet Marketing, Web Marketing, Digital Marketing, or Online Marketing etc. E-marketing is the process of marketing a product or service using the Internet in a wide range. It not only includes marketing on the Internet, but also includes marketing which is done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers.

There are two reasons for building the concept of e-marketing around consumer experiences. First, this approach actually forces marketers to adopt the consumer's point of view. Second, it forces most of the managers to pay attention to all aspects of their digital brand's interactions with the consumer, from the design of the product or service to the marketing message, the sales and fulfillment processes, and the after-sales customer service effort. The Internet is like one big point-of-sales display, with easy access to products and the ability for impulse shopping. Impulse shoppers have found really a true friend in the Internet and connect the world. As opposed to the 4 Ps of brick-and-mortar marketing, the changing outlook in the area of e-marketing can be explained on the basis 7 Cs of e-marketing which are as listed below.

1) Contract 2) Content 3) Construction 4) Community 5) Concentration 6) Convergence 7) Commerce

Consumer behavior towards on line buying.

Consumer behavior is the study of individuals, or organizations and the processes consumers use to search, select, use and dispose of products, services, experience, or ideas to satisfy needs and its impact on the consumer and society.With the emergence of the Internet, and its developments provide individuals to gather information about products and services very easily. Commercial companies have moved to use the Internet for their promotional campaigns and have started to offer the facility of online purchasing. Today innovations 'online shopping' have become a part of our lives.There are many factors which influence consumer behavior to buy online.Chang, et al. (2004) studied on categories of variables which influence online shopping .According to the study, features are divided into three main categories.

- First one is perceived characteristics of the web sale channel which include risk in online buying, advantages and online shopping experience, quality of service given, trust etc
- Second category is belief in web site of online shopping and not actually experiencing the product features.
- Last category is consumer characteristics. Consumer characteristics are influenced by many factors. Consumer need of shopping, demographic factors, computer and internet knowledge, psychological factors , Consumers' perception, effect of advertisements, online shopping offers etc.

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Page | 355

III.REVIEW OF LITERATURE

The literatures so far reviewed relateto the research work which has been carried outside India especially in the United States where the online shopping is a true big hit. Astaken the case of Indian scenario where the online shopping has entered into the market but the rate of growth is very slow, I t is interesting to know the customers perception on this.

Susan Rose, Neil Hair and Moira Clark (2011) found that online purchase continues to rise, as adoption and levels of penetration of Internet technology continuously increase. By 2007, European Internet penetration stood at 43% of the population with a usage growth of 231% year on year. In North America,penetration was at 71% of the population with 120% growth (Internet World Stats 2007). In the US the on line sales reached US$128.1bn in 2007 and were projected to reachUS$165.9bn by 2009 (source: US Census Bureau 2009).

Haver (2008) found that today's younger, more 'green' buyers won't go to waste precious money,going from store to store looking for the right item. They shop online whenever they can, thereby narrowing theirchoices to one or two items then go to the store to touch, feel, bounce and check out the actual product to make sure ifit looks the way it was represented online.

K.Vaitheesewaran (2013) studied the convenience of online shopping and found that with the product getting standardized,specifications getting fixed and the concept of service getting eroded, the post sale responsibility of the retailerhas reduced drastically. Hence now days customers go to stores to experience the product physically but buy online ata cheaper rate. Heavy discounts are given by the companies as there is no question of adding warehouse charges which stimulates the customers buy online.

ArchanaShrivastava, UjwalLanjewar, (2011) in Indiain online buying, the rate of adoption of the online buying amongst consumers is still much low in India. Inview of above issue an empirical study of online buying behavior was carried on. Four predominant psychographic parameters such asattitude, motivation, personality and trust were studied with respect to online purchasing.The online buying decision process models based on the four parameters werecreated.It is found that the psychological factors make huge difference and make a strong impact on online buying.

J.Sinha 2010 The number of people engaged in various online activities is increasing day by day. Though the number of on line shoppers has increased, the rate at which it is growing is less. Researcher has tried to compare online shopping to the physical shopping format.Rea sons for the lower level of Internet sales have been found as being perceived risk incarrying out an online transaction and some socio-psychological factors.

IV.OBJECTIVES OF THE STUDY

1. To find the consumer awareness towards online buying.
2. To study the factors influencing online buying.
3. To study the perception of customers about online buying.
4. To know the overall impact of online buying on customers of small towns.

V.SCOPE OF THE STUDY

The theoretical scope of the study includes the popularity of online shopping, the needof virtual markets, their role in influencing the consumption pattern and habits, advantages and disadvantages of online buying, etc. The study was conducted among most of the Internet users in given city. The Geographical area covered was Jaysingpur.

VI.LIMITATIONS OF THE STUDY

Maximum care has been taken by the researcher with regard to the collection, analysis and interpretation of dat. Still, the study is subjected to the following limitations:

1. There were very less studies on the topic and it was a little difficult to deal with this topic as it is done in a small town.
2. Small sample size, as it is just survey with 100 respondents only.
3. The research **is** basically based on primary data,hence it cannot be argued that the research is applicable in each condition, time & place.
4. The research is done in short time duration.
5. Lack of customer support and interest was one more limitation.

VI.RESEARCH METHODOLOGY

An empirical study was carried out using a survey method, which contains the structured questionnaire.

Sample Design: Research was conducted in Jaysingpur city in Kolhapur District of Maharashtra State and on line buying consumers as well as others who use internet but not for online buying, were considered as the population of the study. The sample design helped the researcher to conduct the research in a successful way.
- **The population of the study:**Universe of this research is unknown.
- **Sample Unit:** Mostly customers who buy online
- **Sample Size:** The actual sample size was 125consumers but unusable responses were 25 among total population and usable responses were 100. Hence, final sample size is for the study decided t0o be 100.
- **Sampling Method**: The researcher has used non probability sampling method. In that simple random sampling method is used to carry out research.

Data Collection:
- **Primary data:** The researcher has used structured questionnaire to collect the data.
- **Secondary Data:** The researcher has used many sources to collect secondary data like Books, Journals, Magazines, Web sites etc

Statistic used: Chi-square test, Graphs, Tables etc.

Validity of Questionnaire: To study the given research problem and stated hypothesis, data is collected through questionnaire. The researcher intended to study the relationship between consumers' age and frequency of online buying.

Here, the researcher has assured the validity of statements through extensive literature survey and consultation with experts from both industry and academics.

II.DATA ANALYSIS AND INTERPRETATION

Table.1- Use of Internet

Response	Percentage of respondents
Yes	80
No	20

INTERPRETATION: From the above table it is revealed that, 80% of total respondents use internet. It can be stated that the use of internet has become so important that today most of the people have started using it for various reasons. The influences of social media and mobile internet have made the use of internet more popular. From the table it is noticed that only 20% of the respondents never use internet for any work because of various reasons.

Table.2- Longevity of Using the Internet

Years	Percentage of respondents
More than 5 years	40
3-5 years	30
1-3 years	20
Since last year	10

INTERPRETATION: From the above graph it is clear that 40% of the respondents have been using internet from more than 5 years, 30% of them are using from 3-5 years, 20% of them are using from 1-3 years and very few i.e. only 10% of the respondents have started using internet since last year.

Table.3- Per week average time spent on surfing web.

Time Spent	Percentage of respondents
0-5 Hours	8
6-10 Hours	8
11-15 Hours	26
16-20 Hours	48
More than 20 Hours	10

INTERPRETATION: With the increasing use of internet people have started giving time in surfing web. From the above table it is seen that 48% of the respondents spend 16-20 hours/week in surfing the web for various purposes, 26% of them spend 11-15 hours/week, 8% of them spend 6-10 hours/week and less than 5 hours/week each. Remaining 7% of the respondents spend more than 20 hours/week in surfing the web for different reasons.The respondents who spend more time on web surfing are more young ones than the old ones as they have better knowledge in internet. It can be said that present generation is well versed with internet and use it for different reasons.

Table.4- Major Reason behind surfing internet.

Particulars	Percentage of respondents
Entertainment	40
hopping	15
Communication	20
Information Gathering	25

INTERPRETATION: From the survey it is found that 25% of the respondents say most of the time the reason for using internet is to gather information in various subjects, 20% of the respondents use it more for communication purpose like sending mails etc, 40% of them use it mainly for the purpose of entertainment as youth is major category to use internet and 15% of them use it primarily for shopping purpose. It shows that there are considerable numbers of people who use internet for the major reason of online buying. It shows that with the advent of technology and internet services online buying has become a major source of purchase even in small towns like Jaysinpurin India.

Table.5- Number of respondents who have done online purchasing

Response	Percentage
Yes	53
No	47

INTERPRETATION: With the increasing awareness of internet online purchase habit also has increased amongst customers. From the above graph it can be seen that 53% of the respondents have done online purchase and rest 47% of them have never done any online purchase. In a small town like Jaysingpur.If 53% of the sample units have done online purchase before then it means there has been quite a good awareness and habit of online shopping amongst the people in small towns too.

Table.6- Age and frequency of online shopping.

Age	Monthly	Half Yearly	Yearly	Total
16-25	08	07	05	20
26-35	12	08	06	26
36-45	10	06	07	23
46 and above	05	05	06	16
Total	35	26	24	85

Ho: There is no relationship between customer's age and online buying habits.
H1: There is significant relationship between customer's age and online buying habits.

Hypothesis Testing:
Let us first calculate the degrees of freedom (DF) using the formula, DF = (r - 1) * (c - 1)
Where 'r' is the number of levels for one categorical variable and 'c' is the number of levels for the other categorical variable.
Therefore, DF = (4- 1) * (3 - 1)
$\qquad$ = 3*2
$\qquad$ DF = 06
The chi-square value for the given data is found to be 1.7 which is less than table value at 5% significance level for degree of freedom 6 and hence we accept the null hypothesis. So we can say that there is no relationship between age and online buying habits.

INTERPRETATION: From the survey it is clear that there exists no relation between age of customer and their online buying habits. With the growth of internet and advancement in technology and also with the awareness of advantages of online shopping consumers of all age classes prefer on line buying to purchase various items.

Table.7- Relation between online shopping and gender.

Gender	Percentage
Male	68
Female	32

INTERPRETATION: From the above graph it is clear that majority of the respondents who do online shopping are males. The survey indicates that out of online shoppers 68% are males and rest 32% are females. It can be understood from the survey that female customers prefer to physically touch, feel and see the product and its demonstration to take the final purchase decision whereas male customers are observed to be quick decision makers while purchasing anything online.

Table.8- Relation between online shopping and Educational qualification.

Qualification	Percentage
Up to 12th	05
Graduation	74
Post Graduation	21

INTERPRETATION: From the survey it is observed that there is a clear relation between habit of online purchasing and educational qualification of respondents. The behavioral pattern of respondents here indicate that, more they are educated they tend to purchase online more than the uneducated ones. The survey here shows that amongst those who prefer online shopping 90% of them are either graduates or post graduates or professional degree holders whereas 10% of them are having qualification 12th or less than it.

Table.9- Relation between online shopping and Monthly Income.

Monthly Income (In Rs)	Percentage
Less than 10000	2
10000-20000	8
21000-30000	20
Above 30000	70

INTERPRETATION: From the above graph it is found that monthly family income of 70% of online purchasers' is above 30000Rs, for 20% of purchasers it is in the range of 21000Rs-30000Rs, for 8% of them it is in the range of 10000Rs-20000Rs and monthly family income of rest 2% of purchasers is less than 10000Rs.

Table.10- Relation between online shopping and Motivational factor.

Motivational Factor	Percentage
Cost Saving	38
Time Saving	16
Ease of brand comparison	15
Easy way of payment	11
Online offers	20

INTERPRETATION: From the above graph it can be concluded that 38% of respondents consider cost savingto be important factor to purchase online, 16% consider time saving, 15% consider ease of brand comparison, 11% consider easy way of payment and 20% of them consider online offers as motivating factors to purchase online.

Table.11- Respondents opinion about most severe drawback of online buying.

Drawbacks	Percentage
Absence of Security	17
Lack of after sales services	22
Absence of Physical feel of product	33
Quality of product	8
Difficulty in Exchange in case of defects	20

INTERPRETATION: The current survey reveals that 33% of respondents who buy online consider absence of physical feel of product as major drawback, 22% of them consider lack of after sales services, 17% of them consider absence of security as major drawback, 8% of them are worried about quality of product and 20% of respondents believe that difficulty of exchanging defective products is a major hurdle in online purchasing at times.

VIII.FINDINGS

1. The use of internet has become so important that today most of the people have started using it. The influence of social media and mobile internet has made the use of internet more popular.

2. It is found that use of internet has increased drastically from the last 5 years.

3. The respondents who spend more time on web surfing are more young ones than the old ones. It can be said that present generation is well versed with internet.

4. There has been quite a good awareness and habit of online shopping amongst the people.

5. It is found that there are significant numbers of people who use internet for the major reason of online shopping. It shows that with the advent of technology and internet services e-shopping has become a major source of purchase even in small towns of India.

6. It is found that males prefer online shopping more than the females. Normally female consumers prefer to physically touch, feel and see the product and its demonstration to

take the purchase decision whereas male customers are observed to be quick decision makers while online purchasing.

7. It is observed that there is a bit of relation between habit of online purchasing and educational qualification of people. The behavioral pattern of respondents here indicate that, more they are educated they tend to purchase online more than the uneducated ones.

8. It is found that, as the income of the consumers' increase they tend to go for more online purchasing.

9. It can be concluded that people consider cost saving to be important factor to purchase online.

10.   People consider physical feel of product as major drawback followed by factors like lack of after sales services, absence of security, quality of product and difficulty of exchanging defective products while purchasing online.

11.   It is found that electronic goods are mainly preferred to be purchased online amongst various categories of products.

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