

Customers behaviors Towards E-Tailing- A Study Based on Selected Consumers in Kanchipuram District, Tamilnadu.

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ABSTRACT:

Retailing in India is one of the pillars of its economy and accounts for about 10% of its GDP. The Indian retail market is estimated to be US\$ 600 billion and one of the top 5 retail markets in the world by economic value. India is one of the fastest-growing retail markets in the world, with 1.2 billion people. E-retailing refers to the practice of selling retail goods through the internet. It is a revolution in e-commerce and e-business and modernizes the way of selling goods and services online. Due to technological advancement retailing wearing a new concept and emerged as in the new form of e-retailing. Subsequently, Risk and Trust are two important factors affecting customers' behavior in digital environments. Customers consider switching between e-channels because they are mainly influenced by the comparison with offline shopping. This study tries to systematically analyze Customers' behaviors' of E-Retailing in Selected Consumers in kanchipuram district, Tamilnadu. The purpose of the study is to investigate the customer's perception towards online purchasing of merchandise or services. The respondents were administered with a questionnaire and data was collected. A sample size of 105 respondents was selected for the study. The random snowball technique is been used for gathering data. It is also identified that 76% of the young respondents always prefer the online purchasing Few of the retailers have identified the potential customers and had come up with their portal.

Keywords: E-Tailing, E- Commerce, Online shopping and Electronic business.

1. INTRODUCTION:

India is the world's 5th biggest economy by nominal GDP and the 3rd biggest by PPP (purchasing power parity). According to the IMF, on a per capita income basis, India ranked 142nd by GDP and 119th by GDP per capita in 2018. Before 1991 (economic liberalization), the free-market-oriented reforms enforced India to achieve six percent to seven percent annual average GDP growth but from 2014 to 2019, India's GDP was the world's fastest rising major economy, greater than China. Electronic retailing or e-tailing is a specific part of e commerce which has expanded rapidly over the years. With the use of internet as a medium, people can buy products from a virtual store usually designed around an electronic catalogue format and auction sites. It gives easy access to a shopping space at any time and from any place where there is access to internet. Once the product is delivered to the customer the

feedback from the customer is very important. This is primarily because of the absence of a real shopping real store environment. The Indian economy is considered a developing economy.

2. OBJECTIVES OF THE STUDY

1. To analysis of customer behaviors' in e-tailing in selected customers in kanchipuram district.
2. To find out the factors that influences the customer's behaviors' towards e-tailing.
3. To investigate the shopping experience of customers towards e-tailing.
4. To identify the different payment and delivery systems preferred by the customers.
5. To identify the inhibitions faced by customers during online purchases.

3. NEED AND IMPORTANCE OF THE STUDY

The study is considered to observe the customer's behaviors' towards e-tailing. E-Tailing has witnessed strong growth in its seller's base in the last two years by a steady increase in traders from Tier II and Tier III cities that now accounts for 45 percent of total e-commerce sales. The Government's new FDI rule has strictly disqualified online retailer's practices of manipulating the price of goods through offering deep discounts. Post-sales service is still at stake among many online retailers in India (return and refund policy). These major changes have created the need to study the factors stimulating customer's behaviors'.

In the last few years, there has been a dramatic transformation in the way customers have changed their way of shopping. Even though customers are purchasing from brick-and-mortar stores, they feel convenient while shopping through online stores. As it provides an opportunity to shop anytime, anywhere 24*7, online shopping reduces the effort of traveling to brick-and-mortar stores. With the increase in internet speed, gadgets usage, changes in customer's attitudes towards new form of retailing among customers has created the demand and scope for e-retailers in India.

4. SCOPE OF THE STUDY

The increasing reach of the Internet and internet savvies among customers has resulted in more and more retailers providing online avenues for customers to make purchases at the click of the mouse. Customers not only use the internet to make purchases but also to search for information about the product or service being purchased. Internet has changed the way of conducting business. Many businesses have started building up their strategies around the internet.

If E-retailing analyze and understand the factors influencing Indian customers' online behavior, they can further fine-tune their business strategies towards customer preferences.

This study deals with the customers' perceptions towards the following aspects of online shopping and how the presence or lack of these aspects in an e-tailing shopping environment affects customer satisfaction.

- Product categories that customers purchase online
- Quality & availability of the product
- Mode and Speed of delivery of the product
- Product price / Offers provided for online shoppers
- Payment options available for the customers
- Shipping, Return and Exchange policies
- Features of the shopping website such as Design, Information, provided, Accessibility Ease of use

5. REVIEW OF LITERATURE:

Ujwala Dange and Vinay Kumar (2017), the study identifies the problems faced by online customers' regarding secured transactions as many online retail sites are not safe for making monetary transactions where someone can hack the banking details, customers' face psychological risk for their personal information shared among these online retail sites, they believe that their data might be compromised to the third party, the study also says that online trust plays an essential role in developing customer relationship which is very low among online channels when compared to offline stores.

G. Shashidhar Rao and R. Sunil (2018) study highlight that e-tailing has more potential to grow by 2021 e-retailing will cross \$76 billion with certain advantages that are the localization of internet, smart phones, growth beyond metros, third party transaction and rising disposable income. E-tailing needs to overcome certain challenges, those are security and privacy, low internet penetration, cost of acquiring customers is high, brick and mortar stores and regional language problem are some of the challenges which need to be addressed to have expected business.

Neha Sharma (2018), the study examined and identified that organized retailers are not omnipresent everywhere across the country, but through an online platform, most rural customers are enjoying quality merchandise as same as urban customers, the study found that most of the youngsters involve in purchasing merchandise from online stores like electronic goods, books and clothes because of high discounts and offers available when compared to offline stores. The study also suggested that online retailers need to work more on identifying suitable marketing strategies to attract and retain more customers.

Nebojsa Vasic, Milorad Kilibarda, and Tanja Kaurin (2019), the study focused on identifying the factors influencing the customers' online satisfaction in the Serbian market, customers' satisfaction depends on information accessibility, shipping, merchandise quality, merchandise price, delivery time taken, privacy and security are the important factors identified from the study.

6. RESEARCH METHODOLOGY

Descriptive research design adopted to identify and describe customer expectations, influencing variables etc. In Chennai city there are thousands of online customers using online shopping sites for purchasing products. These customers constitute the study population. In the present study, 105 online shopping customers based in Chennai constitute the sample. Judgments sampling technique is used for collecting the data. For conducting this study it is proposed to collect both primary and secondary data. The primary data is collected by administering a structured questionnaire to consumers who use internet for shopping. The questionnaire was circulated in electronic form and was completed by the respondents

7. ANALYSIS AND INTERPRETATION

Most of the respondents use the e-tailing for more than 3 hours per day (46%). The most popular activities for which the respondents use the e-tailing (based on percentage of responses) are: Browsing, Shopping, Banking, Chatting, Social Networking. A large percentage of the respondents (83%) use the Internet for information search prior to making purchase decisions. The products that the respondents often purchase online (based on percentage of responses) are; Train / Flight Tickets, Movie / Event Tickets, Books / CDs.

Features of shopping portals that the respondents consider most important (based on percentage of responses) are: Payment Options, Product Variety / Availability, Speed & Quality of Delivery, Security and User Friendly Presentation.

Most preferred payment options of the respondents are Cash on Delivery and Internet Banking. Factors that annoy customers the most (based on percentage of responses) while shopping online are failed transactions and insecure payment options. Most frequented shopping portals in India (based on percentage of responses) are; IRCTC, Yatra / MakeMyTrip, TicketNew, FlipKart and EBay.

Majority of the customers are willing to spend more than Rs.1000 for a single online purchase (60%). Almost all the respondents (98%) agree that online shopping helps save time and is convenient. Majority of the respondents agree that it is easier to search for and compare products online. (90% approx.).41% of the respondents believe that online shopping will supersede traditional shopping eventually.

Majority of the respondents miss the touch and feel of the products while shopping e- tailing and they do not like to wait for products to be delivered to them. Respondents below 35 years of age consider themselves more aware of the Internet. This strongly influences their confidence towards online shopping behavior. Respondents in the age group of 25-34 years shop online more often than respondents of other age groups.

Frequency of shopping online is independent of respondents' gender.60 % of the respondents expect discounts and better deals while shopping online when compared to what is offered at traditional stores.43% of the respondents hesitate to give out debit / credit card information due to privacy and security issues.

HYPOTHESIS 1

H0: There is no association between Age group and e- tailing proficiency.

H1: There is association between Age group and Internet proficiency.

Table 1: Hypothesis 1 Observed Values (O)

Age Group	Internet Proficiency			Total
	Beginner	Intermediate	Advanced	
15-20	0	4	1	5
21-25	2	22	11	35
26-34	2	12	25	39
35-44	1	3	3	7
45+	11	8	0	19
Total	16	49	40	105

Expected Value E= (Row Total*Column Total)/Grand Total

The critical value of χ^2 at 0.05 level of significance for the degree of freedom 8

Calculated Value	48.572
Degree of Freedom	8
Levelled Significance	0.05
Table Value	15.5

Since the calculated value is greater than the table value, the Null Hypothesis H0 is rejected. Therefore there is association between Age group and internet proficiency.

HYPOTHESIS.2

H0: There is no association between Age group and the frequency of e-tailing shopping.

H1: There is association between Age group and the frequency of e-tailing shopping.

Table2:Hypothesis2ObservedValues (O)

Age Group	Freq of Online Shopping				Total
	Quite Often	Often	Sometimes	Rarely	
15-20	0	0	5	0	5
21-25	6	4	16	9	35
26-34	10	12	15	2	39
35-44	3	0	4	0	7
45+	0	1	12	6	19
Total	19	17	52	17	105

Expected value E= (Row Total*Column Total)/Grand Total

The critical value χ^2 at 0.05 level of significance from the table is 21.026 for degree of freedom 12.

Calculated Value	30.9838
Degree of Freedom	12
Level of Significance	0.05
Table Value	21.026

Since the calculated value is greater than the table value, the Null Hypothesis H_0 is rejected.

Therefore, there is association between Age group and the frequency of online shopping.

As in our sample we do not consider respondents who never use online shopping. So we are excluding the 'Never' column from our analysis.

HYPOTHESIS .3

H0: There is no association between Gender and the frequency of online shopping.

H1: There is association between Gender and the frequency of online shopping.

Table3: Hypothesis3ObservedValues (O)

Gender	Freq of Online Shopping				Total
	Quite Often	Often	Sometimes	Rarely	
Male	11	11	22	5	49
Female	8	6	30	12	56
Total	19	17	52	17	105

Expected value E= (Row Total*Column Total)/Grand Total

The critical value χ^2 at 0.05 level of significance from the table is 7.815 for degree of freedom 3.

Calculated Value	5.616
Degree of Freedom	3
Level of Significance	0.05
Table Value	7.815

Since the table value is greater than the calculated value, the Null Hypothesis H_0 is accepted. Therefore there is no association between gender and the frequency of online shopping.

As in our sample we do not consider respondents who never use online shopping. So we are excluding the 'Never' column from our analysis.

HYPOTHESIS. 4

H₀: There is no association between Annual Income and the preferred Payment option

H₁: There is association between Annual Income and the preferred Payment option

Table4:Hypothesis4ObservedValues (O)

Annual Income in Rs.	Preferred Payment Option				Total
	Cash on Delivery	Debit Cards	Credit Cards	Internet Banking	
Dependent/Pocket Money	12	0	1	2	15
Lessthan1Lakh	1	0	2	3	7
1-2Lakhs	6	0	3	6	15
2-5Lakhs	10	1	10	13	33
Morethan5Lakhs	7	2	12	14	35
Total	36	3	28	38	105

Expected value E=(Row Total*Column Total)/Grand Total

The criticalvalue χ^2 at 0.05 level of significance from the table is 21.026 for degree of freedom 12.

Calculated Value	20.394
Degree of Freedom	12
Level of Significance	0.05
Table Value	21.026

Since the table value is greater than the calculated value, the Null Hypothesis H₀ is accepted. Therefore there is no association between annual income and the payment options.

8. CONCLUSIONS AND SUMMARY

The findings and results reflect the perceptions, preferences and factors influencing satisfaction of online shoppers in kanchipuram district. The results indicate that the respondents are becoming more internet savvy every day. As they become more confident they are ready to buy high value products online as well. Businesses venturing into or expanding into the online market need to reduce the customer perceived risks by making shopping portals easier to navigate, providing secure payment options as per norms, ensuring speed and quality of delivery to gain and maintain customer trust, better presentation and categorization to make up for the missing touch and feel experience etc.

Efforts need to be taken to educate the e-tailing buyers on the steps that need to be undertaken while making an online purchase. Moreover, the feedback of an e-tailing buyer should be captured to identify flaws in service delivery. This can be done through online communities and blogs that serve as advertising and marketing tools and a source of feedback for enterprises.

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