

A study on the online buying behaviour of the generation Y in India

ABSTRACT

Online shopping is one of the fastest growing tools of e-commerce in this age of digitization. It has facilitated one click purchases that are convenient, fast and also provide customers with a wide range of products and varied purchase choices through a web of sellers. During online shopping, each customer looks for convenience, price benefits etc. The changes in the pattern of life of the people have led a someway to the expansion of online shopping. The study was an attempt to study the buying behaviour of the students of Banaras Hindu University, Varanasi. It also aims at finding the various factors that influence the students towards online shopping. The data for the study was collected from 120 respondents through a structured questionnaire from a randomly selected group of respondents. The study revealed that all the respondents were highly aware of the online shopping platforms and majority of the respondents preferred shopping online. It was also found that convenience, time saving, best deals in price, greater products variety were the major reasons which influenced the students to resort to online shopping.

Keywords: Online shopping, buying behaviour

INTRODUCTION

Online shopping may be defined as purchasing items from retailers over the Internet. It is a form of electronic commerce allowing consumers to buy goods and avail services directly from a seller over the internet. The invention of the internet has created a huge shift in the way people shop (Daroch, 2021). A consumer now is not necessarily bound to opening and closing hours of the traditional shopping formats.

Technological advancements in the area of information and communication have been guiding a way towards the use and development of new shopping methods leading to the growth in non- store shopping as it facilitates a consumer to buy products/services without having to actually visit the retail outlets (Bigne, 2005). This growth has facilitated towards developing new ways and serving customers in the future. All products or services can be purchased quickly, conveniently and from any place (Davison,1982). The web as a method for both sellers and buyers for the conduct of business is one of the foremost widely adopted non-store formats. Online shopping has been shown to impart more satisfaction to modern consumers seeking convenience and speed (Yu and Wu, 2007). Over the past few years, the number of buyers shopping online has increased. Online shopping could also be seen as an example of business revolution in the country. Shopping online has emerged as one of the most popular applications of the internet. In the initial periods of emergence of the concept of online shopping, the selling focus was on durable and non- food items but at the present times majority of the products could be traded online. Customers use and avail internet shopping formats to not only buy products but also to compare prices, product features and the after sale service facilities that they must receive (Kothari and Maindargi, 2016). It had been observed through a study that online shopping is gaining popularity amongst the younger generation and that the attitudes of the purchasers are changing with the passage of time (Bhatt, 2014). Online shopping provides convenience for customers such as time saving and convenience in searching in comparison to the traditional store based shopping formats. According to a study, about 44 percent students use internet in India and overall 72 percent of young people access internet on regular basis. Due to the vast usage of Internet, the buying patterns have changed over the years, leading to a change in the way goods are being bought and sold (Rastogi, 2010).

Customers are showing an increased inclination towards online shopping because it comes with no time boundary as opposed to the traditional shopping formats. Although use of Internet for retail shopping has grown over the years and has influenced the shopping behaviour and the process for a lot many customers, significant differences have been observed in the way customers react (Bigne, 2005). Online buying behaviour is the way or the type of behaviour that is exhibited or shown by the customers while browsing through the online platforms or application software with the motive to search for, select and purchase goods and services to fulfill their needs. During online shopping, each customer looks for convenience, price benefits etc. The changes in the pattern of life of the people have led a someway to the expansion of online shopping whereby consumers can directly buy a product from a seller in real time over

the web without the involvement of an intermediary (Singh, 2014). There are plenty of differences between online shopping and offline shopping, of which intangibility of products in online mode is one. Although this is a barrier to online shopping, we see that a greater proportion of the population has shifted to online shopping mode. Particularly since 2020, when the world has been facing COVID-19 pandemic, there has been a rise in the number of online shoppers as online shopping is convenient and does not require for the customer to be physically present at the store for any kind of purchases or engage themselves in any kind of contact (Rana, 2021). Also, there is no time barrier to it which is the major drawback of traditional shopping formats. Online shopping also facilitates easy comparison of products over several platforms, there is multi-brand availability of products and the purchase decision for the best deal is just a click away. The growing inclination towards online shopping could be that it allow customers to shop anything from any space making it convenient to purchase products like furniture, books, electronic appliances etc. (Kumari, 2016). The purchases made through online modes are discreet to the customer and the customers do not face the problem of compulsive shopping which is seen in case of store shopping (Rastogi, 2010). All of these reasons have caused the shift towards online shopping from the standard shopping formats although the store formats have been gradually evolving over the years. Online shopping has gained popularity on the grounds of convenience, cost, information and a wide range of availability of choices (Morganosky, 2000). From October 2020 to November 2020, gross profits for brands and sellers were estimated to be nearly Rs 58k crores (Indian retailer, 2021). Kothari (2016) suggested that people prefer online shopping due to a variety of factors which include lower prices or price discounts, time saving, wider range of products; product comparability etc. indicating that online shopping provides customers with the best possible alternatives to save money and time.

The e-commerce market in India is considered to be one of the fastest growing e-markets at the global level because of an increase in number of internet users. The new age customers in India are well aware, and demanding when it comes to convenience, comfort, variety, being hassle free and time saving. Online shopping thus gains momentum with quick deliveries at home (Richa, 2019). With the expansion of online shopping amongst the people, it is necessary to understand the customer and his/her behaviour towards online shopping. This is important for making sales decisions as well as marketing strategies for the sellers and the firms operating in this channel, necessitating players to understand the issues and factors that affect the buying behaviour of online customers. The understanding of customer behaviour gives an edge in competition and also helps the platforms to tap different segment needs and demands. Customers of today are highly aware and it is this awareness of theirs that help them identify and take decisions for products and services. One such highly aware segment of customer is the student group or the youth. Youths are seen to be greatly engaged in online shopping and are highly inclined towards use of internet for almost all activities and are tech savvy (Kanchan,

2015). The contemporary and customer friendly shopping offered by the e- platforms have been seen to be a rising pattern among individuals, mostly the technically sound generation Y (Bhandari, 2021). Therefore, it is necessary to understand their behaviour and the factors that impact their decisions towards shopping online. The present study aims to study the student population and their inclination towards online shopping portals. It also attempts to understand the buying behaviour of the younger generation.

OBJECTIVES

The main objective of the study was to identify the factors that influence the respondents towards online shopping. The study also aims to identify the pattern of online purchases of the respondents.

NEED FOR THE STUDY

Present study aims at finding and analysing factors that influence behaviour of customers, particularly students towards online shopping. Online shopping being a new phenomenon gaining success enormously ever since its inception, demands the study of this area in order to facilitate user friendly forums for further boom in the sector. The results of the study would help marketers understand the student i.e. the youth segment of their huge customer base and tap the needs and demands of this particular segment. Also, the marketers would be able to identify ways and strategies to draw in more of customers from this segment towards shopping online. The study would also help in understanding the drivers that influence students' attitudes and goals to shop online and the various genres of items that they purchase online.

LIMITATIONS OF THE STUDY

1. The study has been carried under a limited time frame and under challenging circumstances of global pandemic.
2. The study has been conducted based on the data acquired from a group of students confining to a common area viz. Banaras Hindu University, Varanasi and that the findings might vary outside of the study area.

RESEARCH METHODOLOGY

1. Data Collection

Primary data have been considered for the study. Primary data was collected using a structured questionnaire. The questionnaire was distributed amongst the target group through online mode due to constraints in conducting a field survey. The primary data was collected with a view to further classify and categorize the respondents into various homogeneous clusters.

2. Sampling technique

The convenience sampling method was applied to carry out the study. The convenience sampling technique was adopted for the study as a part of the study was undertaken during the global Covid-19 crisis and the sample was conveniently selected according to ease of access. The sample source was limited to the students enrolled in different courses and levels of study in Banaras Hindu University, Varanasi. Due to constraints in time and inability to cover segments physically because of the global pandemic, the selection of sample was localized to the students

of the university. A total of 120 samples were collected through random circulation of the questionnaire through online mode. The questionnaire was developed using available informations and data on consumer buying patterns. The attributes influencing buying behaviour has also been considered through study of available literature and identifying patterns in existing studies in the domain. The questionnaire was also aimed at collecting information on variables such as age, gender, socio-economic profile etc.

3. Sample size

The sample is constituted of 120 respondents. The sample includes both male and female students of Banaras Hindu University enrolled into different levels of study and coming from different age groups.

4. Analytical procedure

The data collected were analysed using the following methods:

a. Percentage Method

This method was used to make comparisons among the different responses collected from the respondents.

$$P = \frac{X}{N} \times 100$$

where,

P= Percentage

X= Frequency

N= Total no. of respondents

RESULTS AND DISCUSSION

Table 1 . The Socio-economic profile of the respondents

Factors	Categorization	No. of respondents	Percentage of respondents (%)
Gender	Male	82	68
	Female	38	32
Age (years)	18-22	22	18
	22-25	88	74
	Above 25	10	8
Annual Household	< 3 lakhs	39	32

income (in Lakhs)	3-5 Lakhs	27	22
	5-7 lakhs	17	16
	> 7 Lakhs	37	30

Table 2. Awareness on Online

shopping Awareness on Online Shopping	No. of respondents	Percentage (%)
Aware	120	100
Unaware	-	-

Table 3. Purchase pattern of the respondents How do you

describe your purchase pattern?	No. of respondents	Percentage (%)
Search online, buy and pay at stores	7	6
Search and buy online but pay with COD	57	47
Search, buy and pay online	56	47

Table 4. Factors Influencing students towards online shopping

Rate	Frequency					
Factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Price	53	55	9	2	1	120
Variety of items	54	50	15	0	1	120
Easy accessibility	68	41	10	0	1	120
One stop purchase	40	55	22	2	1	120
Discounts	44	54	21	0	1	120

On-time delivery	35	53	27	3	2	120
Peer Influence	13	49	40	15	3	120
No time boundary	28	54	30	6	2	120
Prompt reply to enquiries	21	53	40	5	1	120

Figure 1. Products preferred buying online



Table 5. Problems faced in online shopping

Reasons	No. of respondents	Percentage to total respondents (%)
Trust issues with quality	79	65.8
Intangibility of goods	62	51.7
Fraudulent activities	51	42.5
High delivery charges	48	40
Lengthy return/exchange	35	29.2
Shipping delays	33	27.5
Time consuming browsing	25	20.8
Payment issues	24	20

FINDINGS OF THE STUDY

The major findings of the study could be summarized as below:

- ✓ Majority of the respondents were male (68%) indicating a higher male ratio to female shoppers. All the student respondents were fully aware of the online shopping platforms and preferred to shop online.
- ✓ Majority of the respondents come from lower middle class families with annual household income of Rs. 3 lakhs or lesser. 30% of the respondents come from families with high annual household income.
- ✓ Time saving has been identified as the primary motive of the respondents for shopping online. Best deals in price, easy accessibility, discounts, greater variety in products and one stop shopping facility are the reasons that greatly influence the Behaviour of the respondents towards online shopping.
- ✓ The type of products also has a great deal of influence on buyer behaviour and purchase decisions. The most preferred items bought online by the respondents as indicated by the study are clothing/apparel, books and electronics.
- ✓ The major reasons that limit respondents from shopping online are- trust factor with quality of goods, intangible nature of goods online, fraudulent activities and high delivery charges.

CONCLUSION

Online shopping holds a promising future. With the improvement in technology and growing exposure to technology, the people are getting more drawn towards digital platforms. The youth is the backbone of the economy and it is this youth which would be the near present. It is essential that this segment of the customer base is well identified and understood by the online market players so as to tap their needs and the purchase behaviour. Online shopping offers the youth segment best deals in prices, variety of products and also offer product comparisons. The younger generation is more tech- savvy and online shopping platforms add to this nature of theirs by facilitating purchase of products and availing services in just a click. The respondent group, students/youth, was identified to have been intimidated by the high delivery charges that these platforms add to the cost to be paid. This is a limiting factor that creates hindrance towards online shopping. Also, there have been security concerns associated with the e-

shopping platforms. Thus, it is necessary that the online portals work in a better planned manner to overcome this barrier and take digital shopping to greater heights.

A few suggestions to make online shopping a better experience to the youth segment are as follows:

- Improvement of security issues through better control over the payment gateways.
- Creating a personalized space for each of the customers by tracking down the search and purchase history of products.
- Simplification of the exchange and return procedures.

REFERENCES

- Bhandari, Dr. Jitendra. Dhanavade, Dr. Sunil and Dhamore, Dr. Vijay. (2021). 'Consumer Behaviour towards e-shopping in Pune city'. *Sambodhi (UGC care journal)*. ISSN: 2249-6661, 44(1). 7-13.
- Bigne, Enrique. Ruiz, Carla. Sanz, Silvia. (2005). 'The impact of Internet user shopping patterns and demographics on Consumer mobile buying Behaviour'. *Journal of Electronic Commerce Research*. 6(2). 193-207.
- Bourlakis M., Papagiannidis S., Fox Helen. (2008). 'E- Consumer Behaviour: Past, Present and Future Trajectories of an Evolving Retail Revolution'. *International Journal of E-Business Research*. 4(3). 64-76.
- Daroch, Bindia. Nagrath, Gitika and Gupta, Ashutosh. (2021). 'A Study on factors limiting online shopping behaviour of consumers'. *Rajgiri Management Journal*. 39-52.
- Davison, W., Dorrington, T., McCoy, N. (1982). 'Electronic shopping: The Consumer views'.
- Dholakia, R. (1999). 'Going shopping: Key determinants of shopping Behaviours and motivations'. *International Journal of Retail and Distribution Management*. 27(4). 154-165.
- Indian Retailer*. (2021)
- International Journal of Retail and Distribution Management*. 28(1). 17-26. *International Research Journal*. Vol. I (10). 80-82.
- Kothari, Pritam P. and Maindargi, Shivganga S. (2016). 'A Study on Consumers attitude towards online shopping in India and its impact: with special reference to Solapur city'. *International Journal of Advance Research, Ideas and Innovations in Technology*.
- Kumari, Nidhi, Singh, Dr. B. M. and Mishra, Dr. Manoj. (2016). 'Consumer Behaviour in Online

- Market: Indian Context'. *International Journal of Development Research*. Vol 6(II). 10401-10407.
- Management Horizons:Columbus,Ohio.*
- Morganosky, M.A. and Cude, B.J. (2000). 'Consumer response to online grocery shopping'.
- Rana, Sidhant. (2021). 'The impact of consumer behaviour on the future of commerce'. *Economic Times*.
- Rastogi, Ankur K. (2010). 'A Study of Indian Online Consumers and their buying Behaviour'.
- Richa, Hemanti and Vadera, Shaili. (2019). 'Determinants of online shopping behaviour in India'. *International Journal of recent Technology and Engineering*. ISSN: 2277-3878. Vol 3(8).3946-3950.
- Singh, Prashant. (2014). 'Consumer's buying Behaviour towards online Shopping- A case study of Flipkart.com user's in Lucknow city'. *National Monthly Refereed Journal of Research in Commerce & Management*. Vol III. 27-34.
- Thomas, D. (2003). 'E-shopping continues to boom'. *Computer weekly* 27(February). 3.
- Wu, S. (2003). 'The relationship between consumer characteristics and attitude toward online shopping'. *Marketing Intelligence and Planning*. 21(1). 37-44.
- Yu, T. and Wu, G. (2007). 'Determinants of Internet shopping Behaviour: An application of reasoned Behaviour theory'. *International Journal of Management*. 24(4). 744-762

