

RESEARCH PAPER

An assessment of factors which motivate consumers to shop online in Kanpur city of Uttar Pradesh

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ABSTRACT

E-commerce has made it easier for small business owners, artists and entrepreneurs to sell online from an online store or website. It is easy for the customers to compare products online than at malls or physical stores and there is a lot of information available online regarding products so why not use this vast information. This study will help the e-tailers to change their course of action, logistics or marketing strategies to attract more customers online and win their trust with lesser complains and increased profit for the firm. Samples were selected by convenient and purposeful sampling from a large number of customers at Kanpur. The sample size was 118 and people were interviewed from various areas of Kanpur to get diversity in the sample. The data was analysed by using percentage method. Out of 118 respondents 103 respondents agree and strongly agree that the main reason for shopping online is that it saves time which represents 85 per cent of respondents. More than 50 per cent respondents (*i.e.* 77%) find easy availability of better products (when compared to products offline) a major reason to purchase online. There has been a good number (108 out of 118 respondents) of respondents who consider availability of various colours and sizes of the products online to be a major reason why they prefer to shop online rather than offline. Contrary to the given data out of 135 respondents only 39 consider lower price of online products (as compared to price of same products offline) to be a major determinant of online shopping. Most respondents *i.e.* 60 do not consider lower price of online products to be a major determinant of online shopping. More than 3/4th of respondents which represent 81 per cent consider cash on delivery or easy returns to be a major determinant of online shopping. It means that this feature of certain websites attracts the consumers to shop online.

KEY WORDS : Online shopping, Cash on delivery, Price, Time saving, Colour, Size of product

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An increase of humans penetrating into the digital world and gaining an access to cheaper and easily available internet through computers, tabs, smart phones gave rise to online marketing and so purchasing goods and services online became a trend and then a need. Shopping online has become more practical and convenient. E-commerce has made it easier for small business owners, artists and entrepreneurs to sell online from an online store or website. It is easy for

the customers to compare products online than at malls or physical stores and there is a lot of information available online regarding products so why not use this vast information. There is also no limitation of time with online shopping too so people can just sit back with their laptop, tab or smart phone and shop at any day of the week and at any time of the day whenever it is suitable. Online shopping is a multibillion dollar industry worldwide and is expected to grow by 8 per cent to 12 per cent in the next few years. Every time people appear to shop online, they not only spend more time than before but also more money than before an estimated 1.66 billion people worldwide purchased goods online in 2017. In the same year global e-retail sales amounted to 2.3 trillion U.S dollars.

In the years to come e-commerce is expected to boom in Asia. Digital buyers in this region are projected to become more than 60 per cent internet users of the region. Whereas in India e-commerce penetration is 30 per cent till now and there is a lot of scope for improvement. World's rapidly increasing diverse population creates challenges as well as opportunities for people. Online shopping is such mode which is providing opportunities for consumers as well as e-tailers as well as new challenges for both the genres. But everything has its pros and cons and so has online shopping too. Where there are people who choose to do all their purchases in physical local markets *i.e.* offline, there are also people who depend on online shopping for most of their purchases even groceries. Saving time for people who live in locations away from main market is a major consideration for online purchases. Time and cost of travel are virtually eliminated for consumers who can shop from anywhere at any time. Specifically, the reduction of search cost has allowed shoppers to engage in comparative shopping more efficiently (Alba *et al.*, 1997; Kalakota and Whinston, 1997 and Klein, 1998). Therefore, residents of Kanpur living in areas like Chaubepur, Jajmau, Bilhaur and Mandhana etc. consider online shopping for good quality products because even if they can't reach Civil Lines or main shopping hubs of the city everyday at any time yet they do not have to compromise on good quality products with their choice of sizes or colours. Kanpur is the 11th most populous urban city (famous for its leather industry) of India and has a literacy rate of

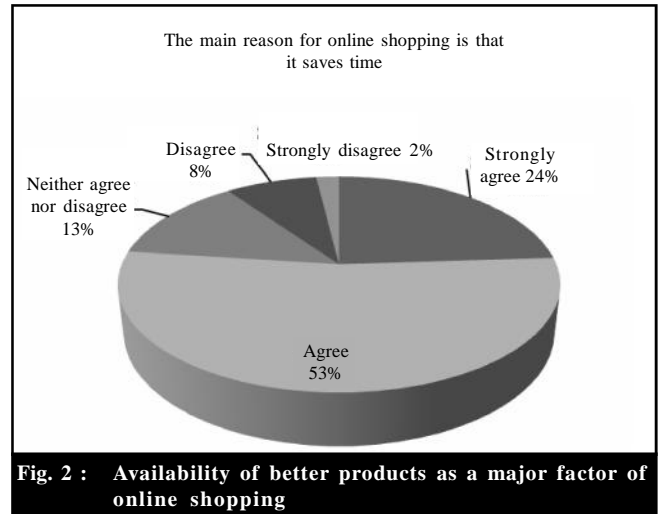
79.65 per cent which among males is 83.62 per cent and among females is 75.05 per cent. With increasing literacy rate and cheap availability of internet services there is increased online penetration giving rise to online shopping too. Youngsters of the city as well as elders and aged people do a lot of online purchases nowadays as they have access to various websites from where they can purchase items of their liking without wasting time in markets. With increasing population of the city people find it better to shop online rather than spend most of the time travelling within the city. Still there are matters of concern where a few number of people inspite of being educated and possessing good internet facility do not want to shop online due to various personal reasons. This study will help the e-tailers to change their course of action, logistics or marketing strategies to attract more customers online and win their trust with lesser complains and increased profit for the firm.

METHODOLOGY

Samples for the study consisted of youngsters, adults and old aged people of various income groups and from both the sexes (whether married or unmarried). Samples were selected by convenient and purposeful sampling from a large number of customers at Kanpur. The sample size was 118 and people were interviewed from various areas of Kanpur to get diversity in the sample. The data was analysed by using percentage method.

ANALYSIS AND DISCUSSION

Location of respondents many times creates a barrier in local offline shopping specially for people who can and want to reach out to bigger stores and malls for shopping. While surveying few people living in outer areas of Kanpur like Chaubepur, Jajmau, Bilhaur and Mandhana *etc.* it was concluded that most of them prefer online shopping rather than offline because their desired products can reach their doorstep without them going long way to the city. The breakdown of time and location constraints fundamentally distinguishes online shopping from traditional shopping formats (Sheth and Sisodia, 1999). The biggest advantage shoppers in above mentioned areas find in online shopping is that their time is saved. It takes a few minutes to shop and the desired product



is in their hands within a few days. This is one of the primary reason to shop online where consideration is given to the perception of the shopper in time spend shopping online vs. time spend shopping offline (Michelle *et al.*, 2000).

Table 1 and Fig. 1 shows that out of 118 respondents 29 strongly agree and 74 agree that the main reason for shopping online is that it saves time. This collectively represents 88 per cent of respondents and only 8 per cent disagree or strongly disagree that time is a major factor to shop online. Another 4 per cent represents people who are neutral and can't say as to whether time is a major factor to shop online or not.

With increased purchasing power of people they need a better standard of life which is very much defined by the quality of products and services people use. In whatever location people may stay in a city everyone wants better products and finds easy means to avail those products. This is the reason why online grocery sites like bigbasket.com are flourishing well

in metro cities. Online shopping provides better products to people irrespective of their location where they may not get their desired products or may have to search a lot within their city to find the exact place or store where their desirable product is available. Table 2 and Fig. 2 shows that 77 per cent people collectively agree and strongly agree that major reason for online shopping is they find better products easily available online. Only 10 per cent disagree and strongly disagree that major determinant of shopping online is they find better products online.

Production companies now cater well to the creativity of consumers and boldness to use various colours and sizes of products they desire. So most people like purchasing such products but many times due to location or financial constrains are unable to find products of their desired colours and sizes. This problem is solved in online shopping where desired products are easily available for consumers. So online shopping is a boon for variety seekers and is a major

Table 1: Saving time as a major factor of online shopping

The main reason for online shopping is that it saves time						
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total
Number of respondents	29	74	5	6	4	118
Percentage of respondents	25%	63%	4%	5%	3%	100%

Table 2: Availability of better products as a major factor of online shopping

The main reason for online shopping is that better products are easily available						
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total
Number of respondents	29	62	15	10	2	118
Percentage of respondents	24%	53%	13%	8%	2%	100%

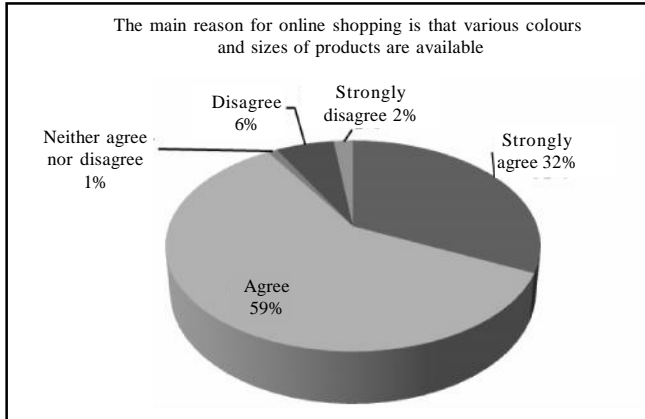


Fig. 3 : Availability of various colours and sizes of products as a major factor of online shopping

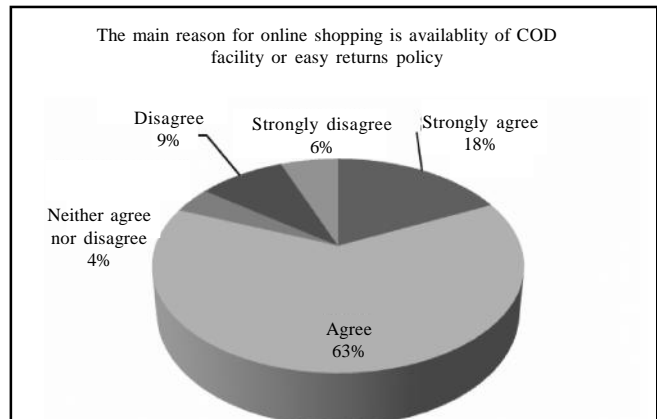


Fig. 5 : Availability of COD facility or easy returns policy as a major factor of online shopping

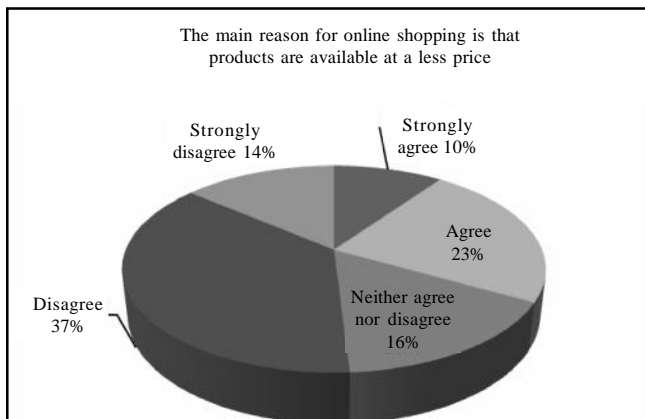


Fig. 4 : Availability of products at lesser price as a major factor of online shopping

motivation to shop online for such people (Rohm and Swaminathan, 2004). People like shopping more from a place where they can find ample variety of colours and sizes of products and therefore many prefer to shop online now-a-days. Table 3 and Fig. 3 shows that 91 per cent people agree and strongly agree that easy availability of various colours and sizes of products online is a major determinant to shop online. Only 8 per cent respondents disagree and strongly disagree that easy availability of various colours and sizes of products online is a major determinant to shop online.

Every consumer looks out for good quality products. If the product is available at a discounted price then the consumer is motivated all the more to buy it. With changing consumer behaviour over the years initially the need for

Table 3 : Availability of various colours and sizes of products as a major factor of online shopping						
The main reason for online shopping is easy availability of colours and sizes of products						
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total
Number of respondents	38	70	1	7	2	118
Percentage of respondents	32%	59%	1%	6%	2%	100%

Table 4 : Availability of products at lesser price as a major factor of online shopping						
The main reason for online shopping is availability of products at less prices						
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total
Number of respondents	12	27	19	43	17	118
Percentage of respondents	10%	23%	16%	37%	14%	100%

Table 5: Availability of COD facility or easy returns policy as a major factor of online shopping						
Main reason for online shopping is availability of COD facility or easy returns policy						
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total
Number of respondents	21	74	5	11	7	118
Percentage of respondents	18%	63%	4%	9%	6%	100%

a product led them by chance to a discounted item but now people are driven towards products (whether online or offline) just by watching a discounted price tag over a product. The customer may not actually have purchase intention to buy that product but the low price or discounted price persuade the consumer to make instant purchase decision and end up buying that product. Special discount pricing may even have the effect of making items that were not discounted seem undesirable (Richmond, 1996). This is why during festive seasons most shopping websites offer product discounts or various offers to lure customers into buying which they do not intend to buy as they know well that online price promotions are a major factor of motivation to put products in an online shopping cart (Close and Kukar-Kinney, 2010). Based on a recent Internet shopping study by (Ernst and Young, 1999), the two major reasons for consumers to shop online are increased convenience and greater savings. But most people do not find low or discounted price of online products as the major driving factor for them to shop online. Table 4 and Fig. 4 indicate that only 33 per cent respondents find lower price of online products which persuade them to buy online. 51 per cent respondents disagree and strongly disagree that they get products at lower prices (when compared to offline shopping or local markets) online and that it persuades them to purchase online.

When shopping is online then payment also has to be online through credit/ debit cards, e-wallets or Cash on delivery (COD) facility. Consumers find Cash on delivery facility to be safe as they have to pay only when the product is in their hands. The mode of payment and way of returns is therefore a major determinant for consumers to shop through particular sites. It happens that there the products which ultimately reach the consumer are undesirable due to wrong size, wrong colour or poor quality. They tend to return it back and so do not want any hassles with this procedure because already the customer has faced dissatisfaction on account of the product. It is noted that there is more leniency in non-consumable goods (Bonifield *et al.*, 2010) and increase in return policy leniency increases the quality of e-tailers in the sight of customer. Table 5 and Fig. 5 show that COD facility or easy returns policy motivates online consumers to shop from particular e-tailers. 81 per

cent of respondents agree and strongly agree that an option of COD or easy returns policy on certain websites encourage consumers to shop from those particular websites. 15 per cent consumers disagree and strongly disagree that such reasons lure them to shop from particular websites.

Conclusion:

The conclusion of the study is that people mostly go for online purchases as it saves time, provides better products and avails more variety of colours and sizes. Most people *i.e.* 51 per cent disagree being low prices online to be a major factor for online purchases. They may purchase discounted items sometimes but it doesn't tend to be a major reason to shop online. Consumers are highly attracted towards COD facilities and easy return policies which make them do selective shopping from particular websites and ultimately attract them to online shopping. So e-tailers need to work on factors which have already been playing a major role to win over people in purchasing online.

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