

RESEARCH PAPER

Online shopping behaviour of college students

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ABSTRACT

Internet users in India have been increasing day by day. In 2014 there were about 243 million internet users. The main reasons for the high usage were affordable price of smart phones and internet tariff plans. Due to these reasons people started moving online for purchase of products and services. E-commerce is growing by 38 per cent per year. The total value of E-commerce was INR 90,000 crores during 2014. It was predicted that it will be about INR six lakh crores in next five years. It has been reported that about 70 per cent of internet users and the online shoppers were youth. Hence, a study was conducted to assess the internet usage behaviour of youth and factors that influenced them to shop online. The study was carried out with a sample size of 120 students from different colleges in Coimbatore, Tamil Nadu. About 80 per cent of them were using smart phones and all were using internet daily. Young female students were spent more money for online shopping than young male students. Main factors that influenced them to shop online were informed choice, loyalty, competitive pricing, accessibility, convenience, security issues, knowledge and window shopping.

KEY WORDS : E-commerce, Social media marketing, Accessibility

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Internet has changed the way of businesses, consumer's communication and transactions worldwide. On-line shopping is a recent phenomenon in the field of E-business and is definitely going to be the future of shopping in the world. Internet users in India have been increasing day by day; during 2014 there were about 243 million users. The main reasons for this were affordable price of smart phones and internet tariff plans. Due to these reasons people started moving online for purchase of products and services. E-commerce was growing at 38 per cent per year. The total value of E-commerce was of INR 90,000 crores during 2014 and it is predicted that it will be about INR six lakh crores in next five years. It has been reported that about 70 per cent of internet users and the online shoppers are young generation. Consumers especially youths are playing an important role in online shopping. The increasing use of internet by the

younger generation in India provides enormous prospect for online retailers. Most of the companies are operating their on-line portals to sell their products/services on-line. Though online shopping is very common outside India, its growth in Indian market, which is a large and strategic consumer market, is still not in line with the global trend. If online retailers know the factors affecting indian youths buying behaviour and the associations between these factors and type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones. The present research paper makes an attempt to study the online shopping behaviour of youth and the factors that influenced the same.

According to the report by Forrester Research Inc. titled global online population forecast, 2008 to 2013, the number of people having access to the internet around the world will grow more than 45 per cent to 2.2 billion users over the next five years. India will have third largest internet user with China and the US taking the first two spots, respectively. Banerjee *et al.*, 2010 revealed that online shopping is significantly related with family income and frequency of internet usage. Internet users with high disposable monthly income are more

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likely to engage in online shopping. Online shopping is gradually becoming more and more popular among college students and they concentrate as important market segment in online retailing. The Mc.Kinsey Global Survey, 2007 reported that, companies were using digital tools from websites to wikis-most extensively for customer service that were least in pricing, and two thirds were using digital tools for product development and advertising online.

Therefore, it was deemed essential to analyze the online shopping behaviour of college students, explore their satisfaction level through online purchase and identify the factors influencing online shopping.

The specific objectives of the study were :

- To access the online shopping behaviour of college students and,
- To identify the key factors influencing online shopping behaviour of college students and their satisfaction level.

METHODOLOGY

The study was conducted during the period of August – September, 2014. Primary data were collected through well structured, self-administrated and pretested questionnaire sent to students' through email. The questionnaire was designed online in google forms and 350 questionnaires were sent in mail to college students in the email. Since the maximum age for the study was restricted to 26 years the total number of usable responses after removing incomplete responses were 120 the primary data collected were tabulated, processed and

subjected to descriptive statistics, ANOVA and factor analysis using SPSS 16.0.

ANALYSIS AND DISCUSSION

Online shopping behaviour was analyzed based on average online shopping expenditure/month across age, gender and nativity of the sample consumer. Besides frequency of goods purchased and satisfaction level from buying online are also presented in the Tables 1 to 3.

About 60 per cent of the sample respondents on an average spent less than Rs. 1000/month, while, 25 per cent of the sample respondents spent Rs. 1001 to Rs. 2000/month. As age increased the share of consumers with higher average expenditure also increased. The ANOVA results indicated that average online shopping expenditure across age group was statistically significantly different.

In case of gender the share of female respondents with higher average online shopping expenditure was significantly higher than that of the male respondents. It could be concluded that young women spent more money on online shopping than young men. Online shopping is convenient for women due to no travel, no safety issues and can shop independently. The share of respondents with urban nativity spent much higher amount on online shopping than that of respondents with rural background. People from rural areas are yet to be convinced about online shopping practices and their awareness level also should be increased. The frequency of purchase through online among the female respondents was higher than that of the male respondents.

Table 1 : Average online monthly shopping expenditure across age group

Age (years)	Average online monthly shopping expenditure			Total
	Below Rs.1000	Rs.1001 – Rs.2000	Above Rs.2001	
17 – 21	21 (58.33)	9 (25.00)	6 (16.67)	36 (30.00)
22-24	40 (64.51)	14 (22.58)	8 (12.90)	62 (51.66)
Above 24	11 (50.00)	7 (31.81)	4 (18.19)	22 (18.37)
Overall	72 (60.00)	30 (25.00)	18 (15.00)	120 (100.00)

N : 120; df: 11; F: 4.408; Table value – 19.675; Significance P=0.05, respectively

Table 2 : Satisfaction level for shopping various products through online

Sr. No.	Statements	Satisfaction level mean score	Co-efficient of variation (%)
1.	Satisfaction level for buying various electronics products through online	6.31	33.09
2.	Satisfaction level for buying various books through online	5.93	41.27
3.	Satisfaction level for buying various products other than electronics books, apparels etc.	5.64	44.28
4.	Note your satisfaction level for buying apparels	5.56	42.10
5.	Level of satisfaction for buying fashion accessories through online	5.46	36.11
6.	Level of satisfaction for buying various cosmetics products through online	5.38	42.21
7.	Overall satisfaction buying online	6.07	41.92

Note: 1 = Highly dissatisfied, 10=Highly satisfied

Overall satisfaction level from online shopping ranged from 5.38 to 6.31. It indicated that satisfaction level has to be improved at least 8 to 9 levels. Among these products, that satisfaction level of buying cosmetics products online was the lowest followed by fashion accessories.

Factor influencing online shopping :

In this study, factor analysis was used to identify the factor influencing online shopping of the sample respondents. In this analysis a total of 34 variables of various aspects of statements were selected. The sample respondents were asked

Table 3 : Factor influencing online shopping: rotated component, matrix^a

Statements	Factors									
	Informed choice	Loyalty	Price	Accessibility	Risk	Convenience	Security	Knowledge	Window shopping	
Online shopping makes it easy to compare various products and brands	0.754									
After knowing all features and offers I can close even without buying	0.692									
I can find greater variety of products online	0.652									
The prices of online products are competitive	0.65									
I often consider shopping online because of its quality in product and service		0.785								
I will use online shopping in future		0.756								
I will recommend to my friends and relatives		0.713								
I get less price compared to store price			0.783							
I get more offers buying online			0.685							
I get discounted prices			0.672							
I can order products from distant places				0.805						
Products are available at all time				0.674						
It provides easy access to information				0.604						
I have to wait for goods to be delivered					0.833					
I can cancel my order at any time if I am not satisfied						0.695				
I can make the purchase afterwards, providing money in the next budget, for the selected item						0.616				
My personal information may not be safe when shopping online							0.763			
Computer knowledge is essential for online buying								0.801		
I wish to see only feedbacks given by the users of product in online										0.796

Extraction method: principal component analysis; Rotation method: varimax with kaiser normalization; Rotation converged in 34 iterations

to indicate on a 5 point scale whether they strongly agreed (5), agreed (4), neutral (3), disagreed (2) and strongly disagreed (1) with the statement. The responses of the sample respondents were recorded. Factor analysis was done using SPSS 16.0 to test. To test the sampling adequacy, Principle component analysis (PCA) and Kaiser-Mayer-Olkin measure of sampling adequacy was calculated. The varimax normalized rotation method was used to find a new factor. The variables with commonalities of greater than 0.60 were obtained. The factor with Eigen-value of greater than 1.0 was considered and analysis was done. The Kaiser-Mayer-Olkin (0.823) was well above the recommended level of 0.5 (Kaiser, 1974). The significant value of less than 0.05 (0.000) of Bartlett test of sphericity ensured the appropriateness of factor analysis for this study. Further, the Cronbach's Alpha value 0.885 ensured the reliability of the data.

Among the 34 factors considered for the factor analysis nine variables were extracted. These eight factors put together explained a total of 67.24 per cent of the total influence on online shopping behaviour of college students. Hence, the nine components with eigen value more than 1 were selected. The factors with factor rating ≥ 6 were identified as nine named factors. Factor 1 has four variables with the maximum loading namely easy to compare (0.754), can close without buying (0.692), find greater variety (0.652) and competitive price (0.650) and the factor was named as informed choice. Factor 2 has three variables with the maximum loading namely quality in product and service (0.785), shopping in future (0.756) and I recommend to my friends (0.713) and the factor was named as Loyalty. Factor 3 has three variables with the maximum loading namely less price than to store price (0.783), more offers (0.685) and discounted prices (0.672) and the factor was named as competitive pricing.

Factor 4 has three variables with the maximum loading namely can order from distant places (0.805), products are available at all time (0.674) and easy access to information (0.604) and their factor was named as accessibility factor. Factor 5 has one variable with the maximum loading namely wait for goods (0.833) and the factor was named as risk factor. Factor 6 had two variables with the maximum loading namely order at any time (0.695) and can purchase afterwards (0.616) and the factor was named as convenience factor. Factor 7 has one variable with the maximum loading namely personal information may not be safe (0.763) and the factor was named as security issues. Factor 8 has one variable with the maximum loading namely computer knowledge (0.801) and the factor was named as knowledge factor. Factor 9 has one variable with the maximum loading namely wish to see only feedbacks

(0.796) and the factor was named as window shopping factor.

Conclusion :

About 60 per cent of the sample respondents on an average spent less than Rs. 1000/month, while, 25 per cent of the sample respondents spent Rs. 1001 to Rs. 2000/month. As age increased the share of college students with higher average of expenditure also increased. Young women spent more money on online shopping than young men. The share of respondents with urban nativity spent much higher amount on online shopping than that of respondents with rural background. The frequency of purchase through online among the female respondents was higher than that of the male college students. Overall satisfaction level of purchase of various products through online ranged from 5.38 to 6.31. This indicated that satisfaction level has to be increased to a greater extent. Information choice, loyalty, competitive pricing, accessibility, risk factors, convenience factor, security issues, knowledge and window shopping factors influenced the online shopping behaviour of the college students. The young female students were more influenced by the social media regarding online shopping. Among the youth sample respondents, women have been more active on online shopping than young male students. However, the satisfaction level is low. Efforts must be taken to minimize the risk and security issues in online shopping and also improve the knowledge on online shopping for effective buying.

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