Customers’ Awareness towards Online Shopping –
An Exploratory Study In Bangalore City

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ABSTRACT

Online shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. The declining cost of PC, the development of search engines and the consumers growing interest with the internet has made online shopping to focus on attention in recent years. Online shopping is becoming a well-accepted way to purchase a wide range of products and services. It offers a new environment distinguished from traditional ways of doing business. It allows shopping for required products without going to the store physically. The internet shopping is great because people are able to shop 24 hours a day without having to leave their home or work.

Keywords: Online shopping, E-Business, Products.

INTRODUCTION

E-Commerce is the process of buying and selling goods and services electronically, involving transactions using the Internet, networks and other digital technologies. Nowadays, Internet is not only a networking media but it is also used as a means of transaction for consumers at global market. The usage of internet has grown rapidly over the past years and it has become a common means for delivering and trading information, services and goods. An increase in the number of people accessing the internet around the world has been the main driving force for the growth of online shopping. Although consumers continue to purchase from a physical store, consumers feel very convenient to shop online since it frees the customer from personally visiting the store. Internet marketing is conceptually different from other marketing channels and internet promotes a one to one communication between the seller and the end user with round the clock customer service. Today, business internet marketing is the fastest growing segment of online commerce.

STATEMENT OF THE PROBLEM

Internet is the rapidest growing media during the past decade. Especially, online shopping is a rapidly growing e-commerce area. The number of online shoppers is growing sharply in India. Today’s customer wants everything in their place itself. Online shopping best fit the requirements of the present customers. So, understanding the customer needs and wants plays a vital role for the company to achieve various milestones in their field. Hence, the researchers have chosen this area of study to find how far the customers are aware about online shopping.

REVIEW OF LITERATURE

Hernandez et al. (2009) in their study entitled “Adoption vs. acceptance of e-commerce: two different decisions” aims to compare the differences that exist between the adoption of e-commerce by potential purchasers and the acceptance of the channel (re-purchase decisions) by experienced e-customers. Therefore, the paper seeks to test the influence of online shopping experience on electronic purchase decisions. The conceptual model, an extended technology acceptance model (TAM), is tested using structural equation modeling techniques. In addition, the variations that exist in e-customer behavior are checked using a multi-sampling analysis. The findings show that the
influence of self-efficacy and usefulness increases as the consumer gains online shopping experience. The motivations that lead a potential e-customer to make a purchase are not the same as those that influence an experienced customer. The paper demonstrates the evolution of customer behavior and the need to differentiate the perceptions of consumers depending on their level of experience. The analysis of e-customer behavior is a key issue for the development of e-retailing. Better knowledge about the evolution of consumer behavior allows a better management of the e-customer-firm relationship (e-business). Firms should bear in mind the relevant perceptions of e-customers for each decision.

Parikh (2011) in his study entitled “Customer acceptance of internet shopping in India: Impact of shopping orientations, knowledge and security” examines internet shopping acceptance in developing countries; in this case India. The exponential growth of internet penetration in India and increased e-commerce activity both on consumer side as well as corporate side during last few years provides the impetus to investigate this phenomenon among potential online shoppers. The study tests a comprehensive Technology Acceptance Model incorporating shopping profiles and security and privacy concerns exploring their effects on successful adoption of internet shopping in India.

Liao and Chu (2013) in their study entitled “Influence of consumer online resale awareness on purchase decisions: a mental accounting perspective” aim to apply the principles of mental accounting to investigate how consumers' economic psychology associated with buying a new product is affected when an awareness of the possibility of online resale is aroused. The results indicate that the consumers' awareness of the resale value of an already possessed product can influence their decision to purchase a new product and when the product to be resold is the same type as the desired new item (e.g. an old idle mobile phone and a new mobile phone), the influence of resale awareness on purchase intention is greater than when the two items are distinct types but share similar functions and therefore could be categorized in the same mental account in terms of budget planning (e.g. an old idle digital camera and a new mobile phone) and when the short-used new product to be resold is exactly the same one to be purchased (e.g. buy and resell the same new mobile phone shortly after purchase). Consumers prefer to dispose of items in their homes and that this elevates the purchase intention for new products. Thus, marketers should look favorably upon and implement strategies to exploit secondary markets. Therefore, the authors suggest that online resale awareness and expectation are important factors affecting consumers' purchasing and reselling behaviors.

Shanthi and Vanishree (2013) in their study entitled “A study on customer awareness of online shopping with reference to Palakkad city” makes an attempt to know about the present status of online shopping. The sample size of the study is 120. Tools like descriptive analysis, chi-square analysis is used to analyze the personal details of the respondents and awareness of the respondents in using the online shopping. From the study, researchers have also found that the respondents get information from the advertisement which the online marketing companies should keep in their mind.

**OBJECTIVE OF THE STUDY**

- To measure the respondents’ level of awareness towards online shopping with reference to Bangalore city.

**RESEARCH METHODOLOGY**

The following methodologies are used in the study:

**Study Area**

The study on customers’ awareness towards online shopping has been limited to the consumers residing in Bangalore city.

**Sampling Technique**

The researchers have used a convenient sampling method for the present study.

**Sample Size**

The sample size of the study is 200.
Data Source

The study was mainly based on primary data. A structured questionnaire was used for data collection. The secondary data sources include such as books, magazines, websites, etc. The collected data has been analyzed by two-way table and chi-square test to find the relationship between socio-economic factors and level of awareness towards online shopping.

FRAMEWORK OF ANALYSIS

The data collected were analyzed in turn with the objective of the study using chi-square analysis with 5% level of significance. Chi-square analysis is used to test the significance of relationship between two variables. It is a statistical method assessing the goodness of fit between a set of observed values and those expected theoretically. In the present study, chi-square analysis has been employed to measure the awareness level of the respondents towards online shopping. The formula for chi-square test analysis is:

$$ \chi^2 = \frac{\sum (O-E)^2}{E} \$$

Where, \( O = \) Observed Frequency and \( E = \) Expected Frequency

HYPOTHESIS OF THE STUDY

Null Hypothesis (\( H_0 \)) : There is no significant relationship between socio – economic factors and the level of awareness towards online shopping.

Alternative Hypothesis (\( H_1 \)) : There is a significant relationship between socio – economic factors and the level of awareness towards online shopping.

LIMITATIONS OF THE STUDY

The study has been restricted to 200 respondents only. The study is restricted to Bangalore city only and may not apply the findings and suggestions to other areas.

DATA ANALYSIS AND INTERPRETATION

Chi-square test is used to make comparison between dependent variable and independent variable. In the present study, level of awareness towards online shopping is taken as dependent variable. Demographic factors such as gender, age, educational qualification, occupation, monthly income, marital status, family type and number of members in the family are taken as independent variables.

<table>
<thead>
<tr>
<th>Table 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOCIO-ECONOMIC FACTORS AND LEVEL OF AWARENESS TOWARDS ONLINE SHOPPING-TWO-WAY TABLE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S.No</th>
<th>Variable</th>
<th>Classification</th>
<th>Level of Awareness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Gender</td>
<td>Male</td>
<td>31(32.6%)</td>
<td>40(42.1%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>51(48.6%)</td>
<td>38(36.2%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>82</td>
<td>78</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>Below 25 years</td>
<td>9(69.2%)</td>
<td>4(30.77%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26-35 years</td>
<td>25(31.2%)</td>
<td>39(48.75%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36-45 years</td>
<td>33(40.7%)</td>
<td>28(34.6%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 45 years</td>
<td>15(57.7%)</td>
<td>7(26.9%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>82</td>
<td>78</td>
</tr>
<tr>
<td>3</td>
<td>Educational</td>
<td>School level</td>
<td>13(44.8%)</td>
<td>10(34.5%)</td>
</tr>
</tbody>
</table>

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Table 1 reveals that the level of awareness towards online shopping with reference to Bangalore city. In gender category, the percentage of high level of awareness is the highest 48.6 percentage among the respondents are female and the low level of awareness was found in female respondents (15.2%).

In case of age group, the percentage of high level of awareness is the highest 69.2 percentage among the respondents are below 25 years and the low level of awareness among the respondents are 26-35 years.

According to educational qualification, the percentage of high level of awareness is the highest 44.8 percentage among the respondents are educated up to school level and the lowest level of awareness (14.8%) was found in diploma level of the respondents.

The occupational status of the respondents, the percentage of medium level of awareness towards online shopping is the highest 53.5 percentage among the respondents are doing business and the low level of awareness among the respondents was also doing business.

Monthly income denotes that the percentage of high level of awareness towards online shopping is the highest 57.1 percentage among the respondents are under the income group of up to Rs.25000 and the low level of awareness was also found under the same monthly group of up to Rs.25000.
According to the marital status, the percentage of high level of awareness towards online shopping is the highest 48 percentage among the respondents are unmarried and the low level of awareness was found under married category.

Family type reveals that the percentage of high level of awareness towards online shopping is the highest 45.1 percentage among the respondents are nuclear family and the lowest level of awareness was also found under nuclear family.

Number of family members explains that the percentage of high level of awareness is the highest 48.1 percentage among the respondents are having more than 6 members in their family and the low level of awareness was also found in more than 6 members in their family.

**TABLE - 2**

SOCIO-ECONOMIC FACTORS AND LEVEL OF AWARENESS TOWARDS ONLINE SHOPPING (CHI-SQUARE ANALYSIS)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Calculated chi-Square Value</th>
<th>Table Value</th>
<th>D.F</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>6.044</td>
<td>5.991</td>
<td>2</td>
<td>Significant at 5% level</td>
</tr>
<tr>
<td>Age</td>
<td>13.073</td>
<td>12.6</td>
<td>6</td>
<td>Significant at 5% level</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>1.950</td>
<td>15.5</td>
<td>8</td>
<td>Not Significant at 5% level</td>
</tr>
<tr>
<td>Occupation</td>
<td>17.013</td>
<td>15.5</td>
<td>8</td>
<td>significant at 5% level</td>
</tr>
<tr>
<td>Monthly income</td>
<td>13.040</td>
<td>12.6</td>
<td>6</td>
<td>significant at 5% level</td>
</tr>
<tr>
<td>Marital Status</td>
<td>6.324</td>
<td>5.991</td>
<td>2</td>
<td>Significant at 5% level</td>
</tr>
<tr>
<td>Family Type</td>
<td>1.834</td>
<td>5.991</td>
<td>2</td>
<td>Not Significant at 5% level</td>
</tr>
<tr>
<td>Number of members in the</td>
<td>2.041</td>
<td>9.49</td>
<td>4</td>
<td>Not Significant at 5% level</td>
</tr>
<tr>
<td>family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Primary Data*

It is disclosed from table 2 that there is a significant relationship between gender, age, occupation, monthly income, marital status and level of awareness towards online shopping with reference to Bangalore city. There is no significant relationship between educational qualification, family type and number of members in the family and level of awareness towards online shopping with reference to Bangalore city.

**SUGGESTIONS**

The researchers have suggested the following points:
- More people could be educated about online shopping options like booking travel tickets online.
- Online customers’ should study the reliability of the online sellers before purchasing from them.
- Government should bring in policies which all the online sellers should follow.

**CONCLUSION**

The fast emergence of digital landscape and the changing pattern of consumption culture have forced the business managers, advertisers and marketing professionals to learn about online consumers’ awareness level because consumer response is the ultimate test for whether a marketing strategy will succeed. The knowledge about online consumers helps marketers to determine and design marketing mixes and website features that provide value by attracting and retaining consumers. Internet is changing the way consumers shop and buy goods or services and has rapidly evolved into a global phenomenon. Online shopping is a new experience and has greatly impacted the lives of
consumers in its short time of existence. It is expected to grow constantly in years to come with advancements in technology.

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