Research Paper

A Study on Preference of Online Shoppers in Kochi

Dr. Ranjith Somasundaran Chakkambath[1] Dr. Ansted Iype Joseph[2]

[1,2](Asst. Professor)
[1,2](AMITY Global Business School Kochi, India)
Corresponding Author: Dr.Ranjith Somasundaran Chakkambath

ABSTRACT: *The past few years have shown a boom in the e-commerce sector in Asia. Among the South Asian countries, India has been the one with a rapid growth in this sector. The estimation of last year was that Indian Digital buyers would cross 330 billion. The comfort of getting items delivered to your doorstep through these online portals have made the number of digital users higher compared to previous years. Also the different modes of payment available to the customers and pricing factors have influenced e-commerce growth manifold. The research paper tries to shed light on the factors related to online purchase decision. The findings were similar to some previous studies done in this area which supported the aim of this research. The association between age and online shopping preference was also part of the study. The sample included customers from Kochi region in Kerala, India. The analysis was done using IBM SPSS 23 using Factor analysis and Chi square tests. The results was able prove the association between age and online purchase at the same time were able to identify the key factors of online purchase like product variety, payment options etc.*
KEYWORDS: *Online shoppers, Pandemic, Factor analysis, Chi square test, Cochin.*

I. INTRODUCTION

Now a day the way of life of the people is changing on a daily basis. People feel uncomfortable and time consuming in a crowded market due to safety reasons. So, online shopping play an vital role in today's life style and it saves lot of times. As we all know online shopping is a process whereby consumers directly guy goods, services etc from a seller without an intermediary service over internet. The big advantage of online shoppers is customers can visit web stores from the comfort of their house in their laptops or mobile phones etc. It also available 24 hours a day and customers can buy their product at any time and also online payments too. So it is very convenient and time saving for them to shop online. This has become trending to purchase various products. They have an advantage of getting brief description of the product and reviews.

The research paper tries to investigate preference of online shoppers in Cochin. This research paper focuses on online players such as Amazon, Flip kart, Myntra, Ajio, Paytm mall. There are some factors which influence consumer while selecting online store. Some of them are brand, greater variety, to save time, ability to compare price, free shipping promotional offers etc. customer perception also play an inevitable role in online shopping to entice potential customers and also it is necessary to retain existing customer. The retail store management corroborate that the customers are highly contented and elated with the service. The main important things that customers looking for fair price, fast delivery and also good product.

The growth projections estimate that by 2021, there may be as many as 2.14 billion digital buyers globally. The ongoing Coronavirus pandemic is reshaping life as we knew it on a day-to-day basis; the purchase pattern of people have changed to different sectors and also money spending priorities. It has affected all sectors. The E-commerce platforms have witnessed an uncommon global traffic increase since impact of the pandemic. According to the analysis from Nosto, at the height of the lockdown; the daily global e-commerce sales have undergone a massive spike of 66%.

This has led to massive growth for online retail companies. The consumer are now relying on these e-commerce companies for everyday goods. This in turn is expected to increase the growth rate of the companies. The impact of COVID in e-commerce is far and wide with a ripple effect on everything from small retail business to global juggernauts like Amazon and beyond.

Consumers have now being given the option of virtual queueing using QR code which will book their virtual spot according the time slot and save the customers from virus transmission. Chat bots are also being increasing used with the growth of AI which gives quicker responses to the customers.

Recent reports have shown that the Covid rise will lead to more increase in the percentage of online purchase from the current forty six percentage to sixty four percentage over the coming 6 to 9 months. Majority of the consumers prefer to purchase from retailers who will provide delivery assurance and also assurance of compensation for future order cancellation. [1]

Global shoppers are expected to spend 20% more online in 2021 than they did last year, according to an Adobe report that was released in April 2021, likely adding pressure to supply chains as they struggle to keep up with a surge in demand. Due to spike in Covid and less number of vacancies around the world, Retailers have shut many of their physical stores and are now investing in online platforms.[1]

These have also led to change in consumer preference in online shopping. The attitude of consumers to the new change from physical stores to relaying on online stores or e-commerce websites is one of the reasons for this investigation to find these factors which attract them to the online platforms.

II.   LITERATURE REVIEW

Online shopping indicates electronic commerce to buy products or services directly from the seller through the Internet. Internet-based or Click has replaced the traditional Brick and Mortar business model. More people prefer to use web to shop for a wide variety of items, such as grocery, mobiles, fashion, electronics, home appliances etc. Now people have a great option to select their products or services while they are shopping through an online platform.

Bhatnagar et al. Suggest that shopping online is perceived to be quite risky. Perceived risk includes fear of technology use and information overload, feeling of uncomfortable and confusion while using, feeling of insecurity when engaging in online transactions especially credit cards and debit cards fraud. Because technologies are made for secure and fast transactions, but privacy are the major issues faces in this digital world.[2]

N. Anitha conducted a study on "Consumer preference towards online retailing". This study is mainly focus on collecting data of various age groups to understand the importance features of online shopping and also online experience. The result clearly states that there is preference of shoppers among various age groups. [3]

Bhag singh bodla conducted a study on "Online shopping: A study of consumer's preference for various products and E-retailers. The purpose of the study is to know consumer behaviour related to online shopping. In this research 600 samples where collected. While shopping online, customers prefer mostly electronics items to shop rather than home appliances, clothing etc. Among various E-commerce platforms, flip kart online platform is customers mostly prefer along with amazon and myntra. [4]

Inderpal singh conducted a study on customer perception towards online shopping. According to his study data was collected from 200 respondents using random sampling techniques. Result of factor analysis says that online payment, consumer attitude, easy accessibility, flexibility, price, greater variety are the main variable which influence the customer perception to shop at online platforms.[5]

V. Mathew Kumar & R. Naveena conducted a study on customer preference towards online shopping portals in Coimbatore district. Primary data is collected from 1050 respondents from Coimbatore district. According to his study majority of customers prefer Amazon portal and its ranks 1 among 28 online portals. Out of 28 portals majority of customers preferred to shop in flip kart portal and its ranks 2 among 28 online portals.[6]

ICFAI University Jharkhand published a study on customer satisfaction towards online shopping in Tirunelveli district. Primary objective of the study is to analysis the satisfaction level of consumers towards the online shopping. According to their study variation of the level of customer satisfaction which varies according to age wise.[7]

Muhammed Anisur Rahman, et.al (2018) analyzed the online behaviour towards liking and disliking factors.T he survey reveals that consumers shop online to save time, and for available varieties of products and services. Both genders, according to their study showed dislike and liking factors. Most of the purchase information was obtained from Social media websites and preferred mode of payment was cash on delivery.[8]

Vidya M and Selvamani P (2019) stated that consumer behaviour is a complex and challenging field to analyze the markets as preferences vary over a period of time.[9]

N. Karunakaran and Linda Jacob in their study was able to find the pattern and preference related to purchase online. This was mainly due to reasons like cash on delivery, discounts and different type of quality products offered.[10]

Wide use of internet, a greater number of satisfied online shopping outcome, rise in standard of living, influence of friendship and attractive offers had affected college students to prefer online shopping. The target

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group of this investigation were students. The students were more attracted by cheaper price and main products category in their interest was electronic product. [10]

III. RESEARCH METHODOLGY

Statement of the problem: In E-commerce site it is very necessary to know the factors which influence customers while choosing online store. This study helps to understand the elements which influence customer while choosing online shopping sites and also the preference of online shoppers in Kochi.
Objectives of the study: To study the factors influencing the choice of selecting online shopping.

Research Design: The research design adopted for the purpose of study is descriptive in nature.
Sampling method: Convenient sampling method used to collect information is convenient sampling through questionnaires. The sample is made of online shoppers in Kochi.
Sample Size: The sample size selected for this research is 130.
Data Collection method: A structured questionnaire designed using Google forms were used for executing this survey.

IV. RESULTS AND DISCUSSION

Table 1. Summary of Demographic profile of the respondents

Demographic characteristic	Percentage of Respondents (%)
Age Group	
20 -30	23.8
31- 40	34.6
41 – 50	28.5
51 and above	13.1
Gender	
Male	61.5
Female	38.5
Level of Education	
SSLC/10th	0.8
Plus Two	14.6
Under Graduate	67.7
Post Graduate	16.9
Occupation	
Student	11.5
Self Employed	30.8
Salaried	43.1
Homemaker	9.2
Retired	5.4
Monthly Family Income	
Below Rs 20000	15
Rs 20001 – Rs 35000	48
Rs 35001 – Rs 50000	27
Rs 50001 and above	10

The summary of the demographic profile in Table 1 reveals that most of the respondents who prefer online shopping fall within the age group of 31- 40 (34.6%) with a majority of respondents being males (61.5%). An interesting observation is that more than half of the online shoppers surveyed are below the age of 40 years. The majority of respondents (67.7%) are graduates. Nearly two-thirds of the respondents are either self-employed or salaried individuals. Almost half of the online shoppers in the sample have a monthly family income of Rs 20001 – Rs 35000.

Factor analysis on how important to shop at online shopping

Table 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.724
Bartlett's Test of Sphericity	Approx. Chi-Square	349.148
	Df	91
	Sig.	.000

Table 3. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.503	17.880	17.880	2.503	17.880	17.880	2.021	14.435	14.435
2	2.255	16.106	33.986	2.255	16.106	33.986	1.889	13.495	27.930
3	1.444	10.318	44.304	1.444	10.318	44.304	1.830	13.070	41.001
4	1.367	9.762	54.066	1.367	9.762	54.066	1.556	11.112	52.113
5	1.029	7.348	61.413	1.029	7.348	61.413	1.302	9.300	61.213
6	.981	7.009	68.422						
7	.800	5.718	74.140						
8	.750	5.359	79.499						
9	.653	4.665	84.163						
10	.581	4.149	88.313						
11	.565	4.033	92.346						
12	.486	3.472	95.817						
13	.332	2.373	98.191						
14	.253	1.809	100.000						

Extraction Method: Principal Component Analysis.

Table 4. Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
How important are the following to choose online shopping [Greater variety]	.883	.100	-.049	-.052	.085
How important are the following to choose online shopping [Brand]	.803	.064	.206	-.015	-.007
How important are the following to choose online shopping [Ability to shop 24/7]	.611	.056	.101	.334	-.191
How important are the following to choose online shopping [Better price]	-.020	.735	-.082	-.008	.252
How important are the following to choose online shopping [Payment option]	.104	.701	.037	-.104	.102
How important are the following to choose online shopping [Free shipping offers]	.172	.651	-.151	.287	.091
How important are the following to choose online shopping [Convenience of not going to shop]	.261	.035	.791	.094	-.096
How important are the following to choose online shopping [Convenience of everything in one place]	.172	-.341	.723	.023	.058
How important are the following to choose online shopping [To avoid crowds]	-.113	.043	.714	.079	.128
How important are the following to choose online shopping [To save time]	.004	-.124	.223	.743	-.172
How important are the following to choose online shopping [Ability to compare prices]	.024	.333	.044	.646	-.005

How important are the following to choose online shopping [Ability to check reviews]	.239	-.286	-.154	.580	.514
How important are the following to choose online shopping [Promotional offers]	.031	.184	.093	-.165	.661
How important are the following to choose online shopping [Purchase Return Policy]	-.119	.234	.034	.032	.645

The KMO value is .724 and Bartlett's test is significant. This indicates that factor analysis is permissible with given data. 14 variables have been reduced to 5 factors which account for 61.2% of the variance in the data. The first factor identified as '24/7 shopping and Greater variety' consists of the variables, greater variety, brand and ability to shop 24/7. The second factor identified as 'Better price and Payment options' consists of the variables, better price, payment option and free shipping offers. The third factor identified as 'Shopping convenience and Avoid crowds' consists of the variables, convenience of not going to shop, convenience of everything in one place and also to avoid crowds. The fourth factor identified as 'Compare price and Check reviews' consists of the variables, save time, ability to compare price and ability to check reviews. The fifth factor identified as 'Promotional offers and Purchase return policy' consists of the variables, promotional offers and purchase return policy.

Table 5. Age * Preference for online shopping platform Crosstabulation

Age	Preference for online shopping platform					Total
	AJIO	Amazon	Flipkart	Myntra	Paytm	
20-30	2	11	13	3	2	31
31-40	4	22	11	6	2	45
41-50	4	12	12	7	2	36
51 and above	2	8	5	1	1	17
Total	12	53	41	17	7	130

Table 6. Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	137.143[a]	20	.004
Likelihood Ratio	17.906	20	.594
N of Valid Cases	130		
a. 21 cells (70.0%) have expected count less than 5. The minimum expected count is .01.			

In order to ascertain whether age had an influence on the choice of platform for online shopping, the following hypothesis was formulated. we performed a Chi-square test
HO: There is no influence of age on preference for online shopping platform
The results of the Chi-Square tests for age and the various platforms are described in table 5 and table 6.
The significance value is lesser than .05. Hence, we reject the null hypothesis
Therefore, we conclude that age has an influence on preference for online shopping platform
We have found that many factors influence the decision to shop online such as 24/7 shopping and Greater variety', 'Better price and Payment options' ,'Shopping convenience and Avoid crowds', 'Compare price and Check reviews' and 'Promotional offers and Purchase return policy'. Numerous studies have mentioned many of these factors as critical to determining the choice of shopping online. A study by Baubonienė & Gulevičiūtė (2015) cites convenience, simplicity and better price as factors that influence online shopping. These factors are similar to the ones we have found in our study. Van Slyke et. al. (2004) indicate the role of trust in the decision to shop online. Other factors that emerged as important in that study are perceptions of relative advantage, complexity, compatibility, and image. Some of these factors are analogous to the factors that have emerged in our study. Studies by Agyapong (2018) and Nittala (2015) highlight the importance of price as a determining factor in online shopping. This study also finds pricing an important factor for online

shoppers. A recent study by Bucko et. al. (2018) also shows the importance of price, availability and social proof as factors which influence online shopping. These findings are similar to that of our study.

V.   CONCLUSION

The research paper was focused on studying the purchase preference factors of online shoppers which revealed some interesting facts. The variables that were identified as a result of the analysis shed light on shopping convenience, price and greater variety which powered more frequent purchases online. The association between age and purchase interest for online purchase was evident through the result found. Similar studies in this sector also seems to have strengthened this conclusion.

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