

Original Research Article

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A Study of Factors Affecting Online Buying Behavior of Students

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ABSTRACT

Online shopping has been emerged with fresh idea and has created endless opportunities for all. India has ranked in online shopping after Japan and America. This is primarily due to the fact that internet penetration is very fast and secondly the inclination and interest of massive youth population toward online shopping. This paper examines the key factors which affect buying motives of students of MPUAT, Udaipur for online buying or e-shopping. To investigate this questionnaire method was used. A total of 100 post graduation students from four colleges of MPUAT, Udaipur, Rajasthan were selected. Students asked their level of agreement on 23 aspects related to online shopping. The study identified that there are Transaction security and multiple payment options, Personal privacy and security, Product price and quality, the speed of access and after – sales service were few major factors that affect students' online shopping behaviour.

Keywords

Online shopping,
Buying behaviour

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Introduction

Online shopping (e-retail or e-shopping) is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. The internet is being developed rapidly since last two decades, and with relevant digital economy that is driven by information technology also being developed worldwide. Some new technology also have been developed and used for web developing, those lead to firms can promote and enhance images of product and services through web site. Therefore, detailed product information and improved service attracts more people

changed their consumer behaviour from the traditional mode to more rely on the internet shopping.

With the improving economic conditions because of liberal economic policy, India has been gaining importance as a high potential lucrative market for global retailers. In 2009 Indian retail market size was ranked as the 5th largest globally, and was valued at US\$400 billion. A recent industry report by global consultancy Northbridge Capital stated the growth of India's retail industry to be US\$700 billion in 2010. The per capita income in India has increased upto 14.2 per cent (2006-07) after the recent economic reform, resulting in

an increasing number of Indian consumers with an affordability to use Internet service. This supports industry statistics by Internet and Mobile Association of India (IAMAI), showing 30 percent growth (2.15 billion USD) of e-commerce and mobile industry in 2008 alone (Sinha and Kim, 2012).

Shih (2009) said that consumers basically consider the Internet as an “Instrument of Convenience” as the overall shopping effort is reduced through online shopping by providing consumers to shop at the convenience of their home. Online shopping also offers time saving benefits like incredible convenience, easy price comparisons, consumer has Infinite choice, Easy access to consumer reviews and rating etc. While the study done by Bellman *et al.*, in 2010 represents the average major purchase experience, it is inclusive of shoppers who had a short decision cycle based on a critical need to replace an item. They majorly found that for 80% website visitor do not have any intentions to buy online. Their first motto is to just compare the price, products, brands and getting the information regarding new trends.

The study includes students those who have completed their graduation and pursuing Masters and PhD in their respective area of interest. The main reason behind this is, most of them in this level avail scholarship from different educational institutions and have more freedom to purchase than the student in graduation level. The thesis of (Delafrooz, 2009), found that the level of online shopping intention was relatively high and direction of attitude towards online shopping was positive among the postgraduate students.

In a report by IAMAI (2011), more than 75% of the internet use credit goes to youngster that include young school and college going students. According to that India has already crossed 100 million internet users and no

doubt, out of which youngsters of India are the majority users.

According to the report of (comScore, 2012) on state of e commerce in India, 75% of online audience between the age group of 15-34 years, the female population contributed to almost 40% of total users. India is one the youngest online population globally and expected to be a consistent trend in coming years. Brown (2012) has written in his blog that Understanding Gender and e-Commerce say that men and women have shopped differently for generations. A little over 50% of the internet population is men yet 58% of e-Commerce revenue comes from women. Men generally complete more transactions online while women have a higher average order value.

Solomon (1998) in his study defined consumer behaviour as “Consumer behavior is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires”. Vijay and Balaji (2009), revealed that Consumers all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. A survey among 150 internet users was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

Bhatnagar *et al.*, (2004) found various factors about vender/service/product characteristics which influence customers’ online shopping attitudes and behavior significantly. Measures employed to value vender characteristics in the empirical study include (1) real existence of the store/physical location, (2) store reputation, (3) store size, (4) reliability, (5) number of Internet store entrances, (6)

assurance-building mechanisms (e.g. seals, warranties, news clips) and (7) use of testimonials. Likewise after examining the 35 empirical studies, Li and Zang (2005) identified a total of ten interrelated factors for which the empirical evidences show significant relationships. These ten factors are external environment, demographics, personal characteristics, vender/service/ product characteristics, attitude towards online shopping, intention to shop online, online shopping decision making, online purchasing, and consumer satisfaction.

Another study by Agarwal (2013) concluded that the ease and convenience provided by these stores for 24X7 has made very easy shopping for consumers. Consumers are get affected by various factors of online shopping in which major factors are that with online shopping consumer can shop anywhere, anything and anytime with easy and safe payment option. Consumers can do comparison shopping between products as well as online stores by saving time and money. Availability of online information about product services, facility of making comparison with other products while shopping online, delivery time taken by the agency, content and quality of online shopping website and other security measures taken by agency to make customers identity safe and ensure a smooth transaction are other various important factor that the study has been concluded. This gives the researcher a base to get acquainted with the possible factors that may affect the buying behaviour of the students. The following study has been undertaken with these objectives of to study the factor affecting buying behavior of students regarding online shopping.

Similarly the study conducted in Mumbai, 25 college students and qualitative content analysis was used for analysing the textual content of the depth interview data. It was

found in the study that main influencing factors for online shopping were identified as availability, low price, promotions, comparison, convenience, and customer service, perceived ease of use, attitude, time consciousness, trust and variety seeking Jadhav and Khanna (2016).

The online shopping is becoming a trend among Indians as they experience it is more comfortable, time saving and convenient. When consumers make a purchase online, they are affected by various factors, including price, trust, and convenience. Price is much lower on the online stores compared to brick and mortar shops. Intermediaries, physical storage, etc. are not present in online stores thus it can assist its clients with reasonably priced merchandise. The ease and comfort provided by these stores for 24x7 have made very easy shopping for consumers worldwide (Singh, 2014).

College going students have been regarded as the typical profile of the early adopters of online shopping. This posits that college students spend hours using the Internet every day and are most keen in buying online. However, as the internet has become more abundant, the profile of the online shopper has come to resemble the actual representation of population (Stores, 2001). Another study revealed that if number of Internet users is equally divided among the genders, more men than women engage in online shopping and make online purchases (Rodgers and Harris, 2003).

It was concluded in the study future of e-commerce in India looking very bright. E-commerce gives us the best way to save money and time through purchasing online within the range of budget. E-commerce offering some of the best prices and completely hassle-free shopping experience. The whole concept of online shopping has

altered in terms of consumer's purchasing or buying behavior and the success of E-commerce in India is depending upon its popularity, its branding image, and its unique policies (Raghunath and Sahay, 2015).

Although a lot of research has been undertaken on online shopping throughout the world, there is a need to conduct closer examinations on the online shopping behaviour of consumers in developing countries like India. While a large number of companies like Dell computer, rediff.com, Amazon.com, jobstreet.com, etc. are now using the internet as a medium for selling their products and services throughout the world, a huge research gap still exists between the developed and developing countries throughout the world. Dewan and Kraemer (2000), in their study highlights that this research gap limits the generalization of research results from the developed country contexts to the developing country contexts. Thus the findings generated from the developed countries cannot be directly transferred to the developing countries. Although online shopping in India has increased rapidly in the last few decades, proper research has not been undertaken to determine what influences consumers to purchase products online. Therefore a thorough understanding the potential of online shopping and the various factors that influence the online purchase of products will help marketing managers to develop appropriate strategies for selling their goods over the internet.

Sultan and Henrichs (2000) in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness. Vijay *et al.*, (May 2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded

stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so. The work of Kim and Park (2005) using U.S. samples suggests that their positive attitudes as well as willingness to search for pre-purchase information leads to a strong likelihood that they will buy online. Online shoppers, are required to have computer skills in order to use the Internet for shopping. Hence, those who are not comfortable with using the computer, will likely do their shopping at the traditional store, modern shop, or discount store (Monsuwe, 2004) because it will be faster shopping there than in the Internet shop.

Materials and Methods

To meet the said objectives, the study used quantitative researches. Data was collected from primary sources. The study was conducted in Udaipur city with 100 students of from four colleges viz. 1) Rajasthan College of Agriculture, 2) College of Technology and Engineering, 3) College of Home Science and 4) College of Fisheries of Maharana Pratap University of Agriculture and Technology, Udaipur, Rajasthan. A questionnaire method was used to know the factor affecting online shopping decision of consumer. To attain the eligible students a preliminary proforma was given to all the students of these four colleges. After receiving preliminary Proforma, out of all eligible samples only those Post Graduation students who have purchased variety of products online and consumed by themselves in last one year

were selected. 100 students from all the four colleges were drawn proportionately through random sampling technique.

Results and Discussion

Demographic characteristics of the respondents

Students were asked about their demographic profile, which included gender, age, qualification, income, occupation, marital status and family type. The purpose of collecting information regarding demographic characteristics was to simply know the existing sample characteristics of online buyers.

Table 1 shows that out of all online buyers 61 per cent were male and rest 39 per cent were female buyers. Talking in context of age, 82 per cent students were falling in the age group

ranging between 20-25 years. On the other hand very few respondents (3%) were belonging in the age group ranging from 30 to 35 years. Apparently, the largest proportion of respondents i.e. 63 per cent students were pursuing their masters’ degree while 37 per cent of respondents were studying Ph.D. programme. Largest numbers of respondents were those whose monthly family income was in the range of Rs 25, 000- Rs 30,000 (41%). Thirty one per cent of online buyers had family monthly income of Rs 20,000 to Rs 25,000. Only sixteen per cent and twelve per cent of respondents were having family monthly income of Rs30, 000- Rs 35,000 and Rs 35, 000- Rs 40,000 respectively. Out of 100 respondents 91 per cent were unmarried rest were married. Among the selected sample 55 per cent students were living in joint family whereas 45 per cent were having nuclear families.

Table.1 Demographic characteristics of the respondents

n=100

S. No.	Characteristics	Category	Frequency/ percentage
1.	Gender	Male	61
		Female	39
2.	Age	20-25 years	82
		25-30 years	15
		30-35 years	3
3.	Occupation	Student	97
		Part time job	3
4	Educational Qualification	M.Sc./M.Tech (pursuing)	63
		Ph.D. (pursuing)	37
5.	Family Monthly Income	Rs 20,000- Rs 25,000	31
		Rs 25,000- Rs 30,000	41
		Rs 30,000- Rs 35,000	16
		Rs 35,000- Rs 40,000	12
6.	Marital Status	Unmarried	91
		Married	9
7.	Family Type	Nuclear	45
		Joint	55

Table.2 Frequency distribution of the students about factors affecting online shopping

n=100

S. No.	Factors	Strongly Agree	Slightly Agree	Neither	Slightly Disagree	Strongly Disagree
1	Transaction security and multiple payment options	83	17	0	0	0
2	Personal privacy and security	91	5	4	0	0
3	Product price and quality	46	49	5	0	0
4	The speed of access	31	17	21	15	16
5	After – sales service	61	32	7	0	0
6	Warranty or guarantee on the product	19	53	28	0	0
7	Convenience and save time	79	20	1	0	0
8	All time shopping accessibility	48	14	30	8	0
9	Promotion and advertisement	25	34	11	30	0
10	Shorter delivery period	9	8	68	10	5
11	helpful for old and disable people	28	17	40	7	8
12	Ease of product price and quality Comparison	56	27	13	4	0
13	Variety of globally available product	39	33	20	8	0
14	Customer’s review and product rating availability	48	26	10	9	7
15	Appearance of the website	20	55	24	1	0
16	Website provide sufficient product information and explanation	49	36	10	5	0
17	Convenience of use and functionality of the website	46	39	15	0	0
18	Your own prior experience with the online agency	56	39	0	5	0
19	Recommendations of the agency by friends and family	19	30	25	21	5
20	Length of time agency has been in business	6	15	45	10	24
21	Bumper Discount	68	29	3	0	0
22	Sales Promotion Technique	13	27	25	13	22
23	Update of information	39	20	15	10	16

Consumers' buying decision is basically affected by many factors. The researcher has portrait various level of agreement with respect to different factors in table that affect online shopping behaviour of students. Majority of students (91%) strongly agreed that personal privacy and security plays a great role in deciding customers' decision about buying products online or not. A large number of students (83%) were strongly agreed that the checkout page is the final stop on people's shopping journey and one of the best ways to increase conversions and sales is to make transaction easy and providing multiple payment options (Table 2). Seventy nine per cent students were having no doubt with the factor of online shopping that it saves time and comparatively easier than the physical store. Majority of (68%) students strongly agreed that all the discount offers announced by any virtual shopping agency is the important factor in this context. Once the purchase is made by customer how he has been taken care by company motivates them to buy from that company in future also. Accordingly, 61 percent students strongly agreed upon the factor that after sale service also affects their buying behaviour. Equal percentage (56%) of students agreed that ease of product price and quality comparison and their prior experiences with the online shopping agency affects their online shopping decisions. Consumers review and rating availability allows customers to get products validated by a third party. 48 per cent students strongly agreed that this factor affects their decisions upto a great extent to buy online whereas seven per cent strongly disagreed that these ratings are not always true. On the contrary 24 per cent students strongly disagreed that the duration of online agency existing in market may also affect student's online buying behavior. Twenty two per cent disagreed that sales promotion techniques affect online shopping decision of the students.

The data is making the thing clear that there are various issues which make people go for online shopping or not. But the one factor which undoubtable has great impact on their online buying is the personal privacy and security followed by transaction security and multiple payment options and Convenience and save time. So by looking the positive factor and eliminating bad experiences customers can be made more satisfied and their online shopping experience more pleasant. The results of the study can be utilized by practitioners in relooking or revamping their strategies for online shopping. This research can also help many consumers in order to understand all advantages that online shopping is offering, to see that there are other options for doing shopping instead of going to traditional stores, and may become an initiator for using e-commerce, as well. So, upon all this we can conclude the results of study might confidently improve the general knowledge and awareness about e-commerce and might become an orientation for some future studies.

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