

## Perception of Undergraduate and Postgraduate management students towards online shopping in NMU region

Ms. Richa Modiyani<sup>1</sup>, Mr. Kapil Jain<sup>2</sup>, Ms. Rimzim Menghwani<sup>3</sup>

<sup>1</sup>Asst. Prof- MBA Dept, SSBT's COET, Bambhori, NMU, Jalgaon, Maharashtra, India

<sup>2,3</sup>Student- MBA Dept, SSBT's COET, Bambhori, NMU, Jalgaon, Maharashtra, India

---

**Abstract:** Online shopping is a process of buying and selling of products and services through the Internet. Online shopping has become the fastest-growing industry and Internet users have reported that online shopping is one of their primary uses of Internet. In the past decade, there has been a dramatic change in the way consumers have altered their way of 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 shopping has its own advantages and it reduces the effort of travelling to a physical store. With the help of online shopping, the consumers can purchase clothing, shoes, books, airline and events tickets, foods, computers hardware and so on. For the analysis of data descriptive statistics have been applied. In the present study an attempt has been made to analyze the perception of the students towards online shopping and comparative study of under graduate & post graduate students on online shopping.

**Key words:** Online Shopping, Students, Perception.

---

### I. INTRODUCTION:

Online shopping has revolutionized the business world by making everything anyone could want available by the simple click of a mouse button. Online shopping behavior (also called online buying behavior and Internet shopping/buying behavior) refers to the process of purchasing products or services via the Internet.

Michael Aldrich is the man who invented online shopping in 1979. With the increasing internet literacy, the prospect of online marketing is increasing in India. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. The largest of these online retailing corporations are Snap deal, Amazon.com, and eBay.

#### Specific features of Online shopping:-

1. It is based on the concept of flexi time.
2. It can be accessed from anywhere.
3. One can evaluate many online shopping stores at a time.
4. Comparison can be made in real time.
5. Provision of replacement of product if it is not as per the aspiration of the customer.
6. Casual shopping

### II. OBJECTIVES OF THE STUDY:-

1. To study perception of students towards online shopping.
2. To study the factors & trends affecting the students to buy online.
3. To identify the difference in behavior towards online shopping between male and female students.

### III. RESEARCH METHODOLOGY:-

It is a descriptive research method collecting facts on online shopping perception of management student's incidences in NMU region. Primary data is collected through structured questionnaire, by observation and interview. Secondary data on the other hand includes relevant books on the topic of research, journal, magazines, newspapers, and internet. The study sample constitutes 315 respondents constituting in the research area. The area of study is NMU region.

#### Limitations of the Study:-

1. Primary data is collected with special reference to NMU region.
2. The research is completely focused on management students.

**Hypothesis of the Study:-**

1. In Online Shopping, the buying behavior of undergraduate management students is different than postgraduate management students.
2. There is a significant relationship between gender and online shopping.

**IV. REVIEW OF LITERATURE:-**

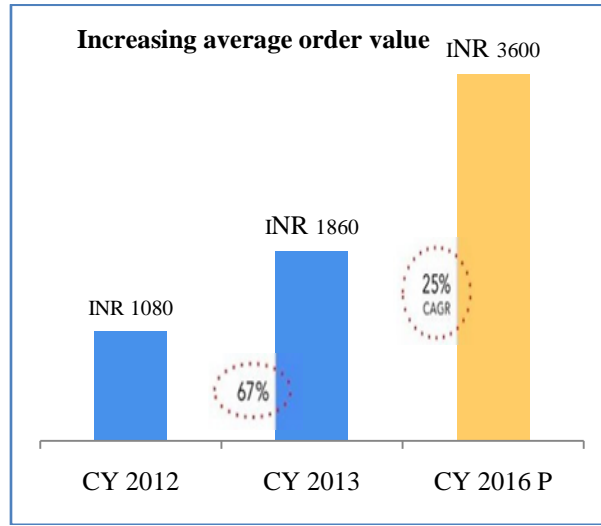
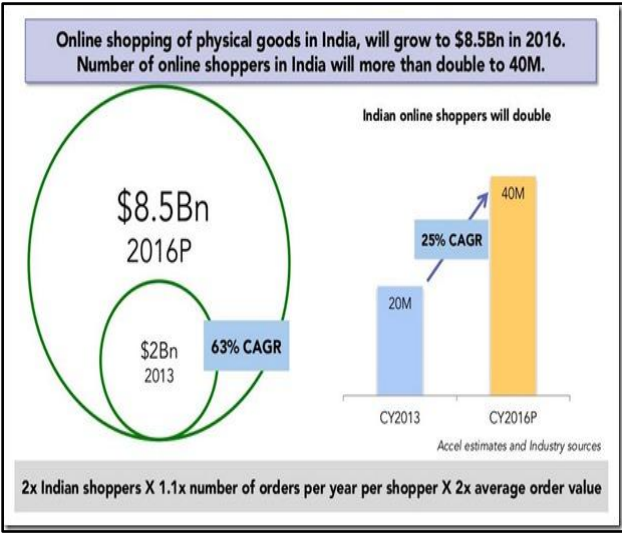
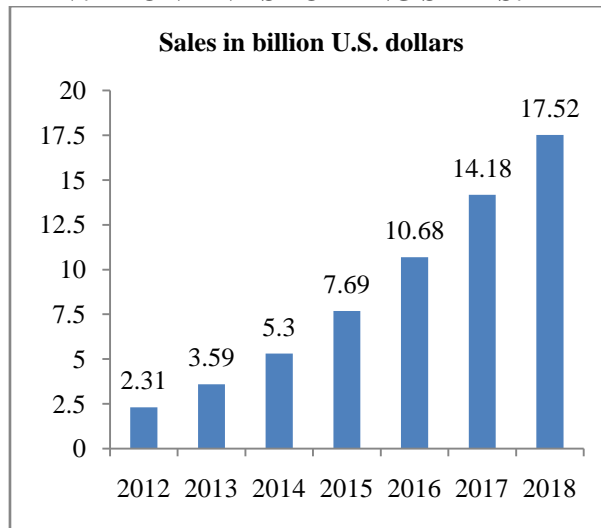
*Comscore report, (2013)* examined that India is now the world's third largest internet Population. Younger males and women aged 35-44 merge as power users. 73.8 million Indians surfed the web via a home or work computer. BCG report, (2012) stated that there will be three billion internet users globally, almost half the world's population. The internet economy will reach \$4.2 trillion in the G-20 economies. If it were a national economy, the internet economy would rank in the world's top 5, behind only the USA and India, and ahead of Germany<sup>1</sup>. *Jush and Ling, (2012)* defined online shopping as the process a customer takes to purchase a service or product over the internet. A consumer may at his or her leisure buy from the comfort of their own home products from an online store<sup>2</sup>.

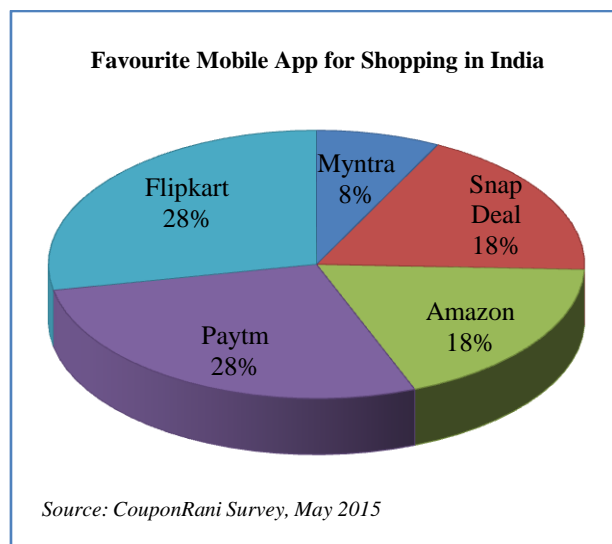
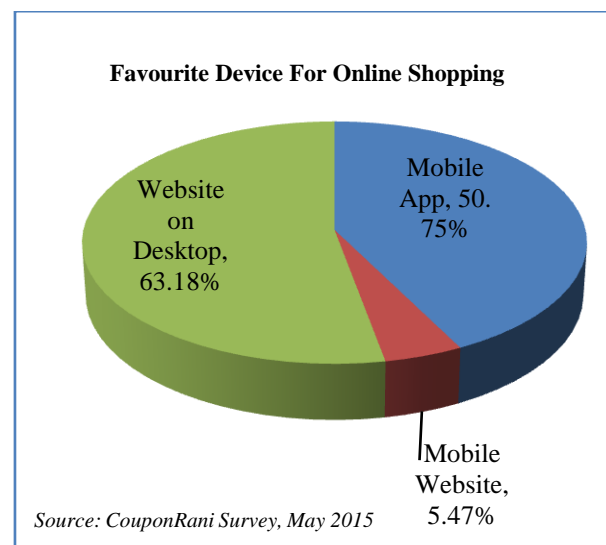
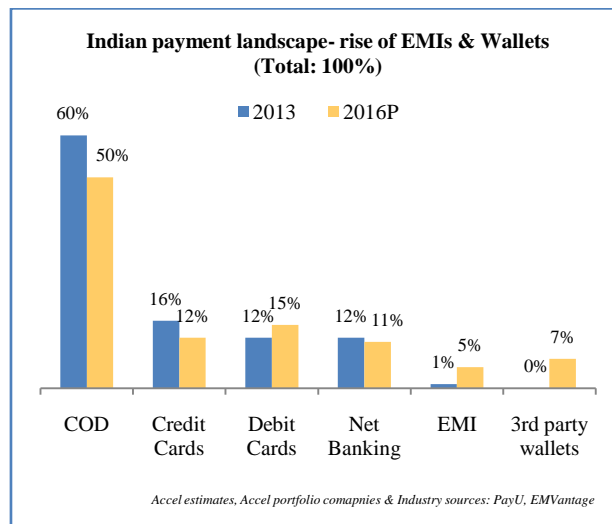
*KanwalGurleen, (2012)* observed that India has more than 100 million internet users out of which one half opts for online purchases and the number is rising sharply every year. The growth in the number of online shoppers is greater than the growth in Internet users, indicating that more Internet users are becoming comfortable to shop online. Until recently, the consumers generally visit online to reserve hotel rooms and buy air, rail or movie tickets, books and gadgets, but now more and more offline product like clothes -saris, kuris, T-shirts-shoes, and designer lingerie, consumer durables are being purchased online<sup>3</sup>. *Suresh et al., (2011)* stated that online shopping is becoming popular in India now<sup>4</sup>.

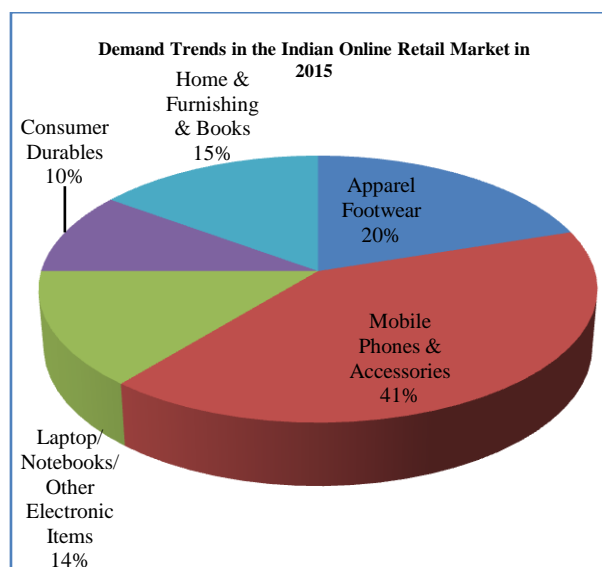
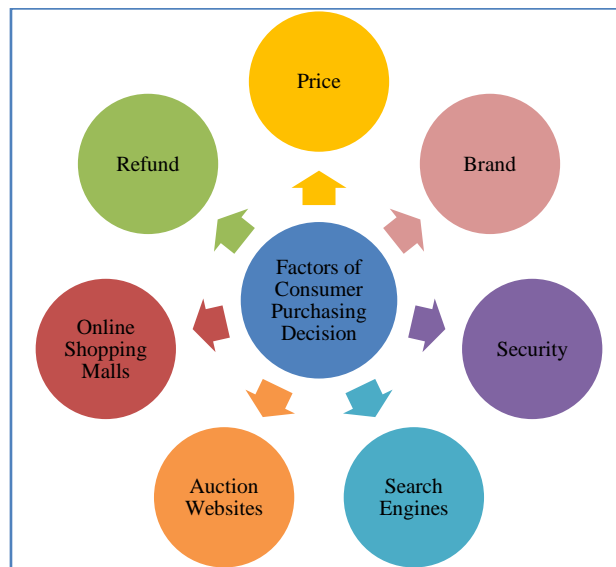
*Master Card Worldwide Insights, (2008)* revealed that 47% of internet users shop online. Indian shopping community is around 28 million and Indian online shopping market is worth about \$71 billion. Indian online shoppers spend about 11% of their personal income in online shopping<sup>5</sup>.

- 
1. Comscore, "Online Shopping Customer Experience Study," 2012, retrieved on April 18, 2013 from <http://www.pressroom.ups.com/pressroom/staticfiles/pdf/factsheets/comScoreCustomerExperienWhitePaper.pdf>
  2. Jusoh, Z. M. and Ling, G. H., "Factors Influencing Consumers' Attitude towards E-commerce Purchases through Online Shopping", *International Journal of Humanities and Social Science*, 2(4), 2012, 223-230.
  3. Gurleen, Kanwal (2012). "Consumer's Attitude towards online shopping – The Case of Punjab", *International Journal of Management & Information Technology*, Volume 1, No 1
  4. Suresh, A., M. and Shashikala, R., "Identifying Factors of Consumer Perceived Risk towards Online Shopping in India," In 3rd International Conference on Information and Financial Engineering, 12, 2011, 336-341.
  5. Master Card Worldwide Insights, "Online shopping in Asia/Pacific-Patterns, trends and future growth," 2008, retrieved on April 29, 2013 from <http://www.mastercard.com/us/company/en/insights/pdfs/2008/AsiaPacificOnlineShop.pdf>

**V. ONLINE SHOPPING STATS:-**







The total turnover of the e-commerce market in India is supposed to hit \$16 billion in 2016. Of this, nearly 31% belongs to online retail and 61% belongs to the travel industry while the rest can be chalked up to wholesale and other services. According to the data gathered by Accel India, the number of internet users in India will grow to more than 400 million by 2016. Of these, more than 60% generally frequent e-commerce websites. The conversion rate from visitors to buyers is expected to jump to 2.9% from 2.7% in 2013. This means that the gross turnover due to online retail will exceed \$8.5 billion in 2016. According to a study by the Internet and Mobile Association of India, or IAMAI, mobile phones and their accessories are the highest selling items on online retail websites like Flipkart and Snapdeal. The online retail industry, growing at the rate of more than 33% currently, favours various product categories as shown above<sup>6</sup>. Online Shopping Malls, Convenience, Price, Brand, Refund, Security, etc. With an expected 33 percent of the global market in 2015 and over 37 percent in 2018, the Asia Pacific region is becoming the leader of the e-commerce industry. This statistic gives information on retail e-commerce sales in India between 2012 and 2014 and provides a forecast until 2018. In

6. "Hottest Product Categories in Indian Online Retail", available at <http://browntape.com/hottest-product-categories-in-indian-online-retail/> accessed on 01 Jan, 2016.

2013, retail e-commerce sales amounted to 3.59 billion US dollars and are projected to grow to 17.52 billion US dollars in 2018<sup>7</sup>.

The biggest aspect that will please Indian ecommerce players is that it not just the increase in number of shoppers, but the average order value is also seeing a steep growth. According to Accel Report, in 2012, the average physical goods ecommerce order value was Rs. 1080, which increased to Rs. 1860 in 2013. By 2016, it is expected to nearly double to Rs. 3,600. As the ecommerce space is maturing, Indians are now comfortable buying high priced goods online. Another key aspect that ecommerce companies are going to encounter in next couple of years is growth of shopping on Mobile. It will grow a whopping 27 times compared to 2012 levels and nearly 3.5 times that of 2013.

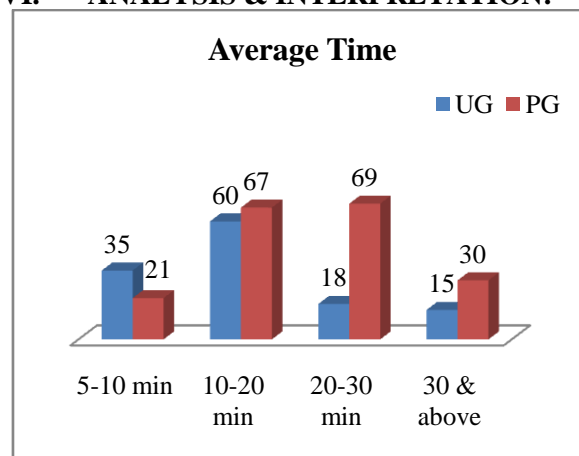
### Highlights of Indian Ecommerce Report

- 35 percent of online sales in 2016 will be influenced by women, a growth of 24X compared to 2012 levels.
- Cash on Delivery will remain the most popular method for payment, however, it will come down from 60 percent in 2013 to 50 percent in 2016. Debit card payments, EMIs and 3rd party wallet get more popular as compared to today.
- Adoption of eCommerce is much faster in Tier 2 cities as compared to Tier 1.
- By 2016, half of all online shoppers will be from Gen Y category (19-24 years)
- Online sales still comprise of a very small percentage of total goods sold. For eg: Only 4 million mobiles were sold online compared to 243 million in offline category. Except Books (7%), all other categories have much lower percentages (less than 1%) of goods bought online. Organized online retail is still only a fraction (0.3%) of overall retail market in India.
- By 2016, the conversion from visitors to buyers will stand at 2.90%, a little higher than 2.70% in 2013.
- The orders per buyer per month will grow from 1.55 in 2013 to 1.70 in 2016. And the number of orders per customer per year will grow from 3.2 percent in 2013 to 3.55 percent in 2016.<sup>8</sup>

### Current issues on online shopping:-

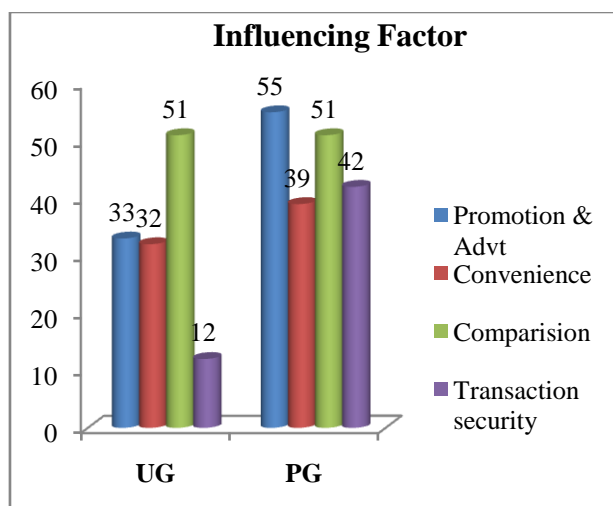
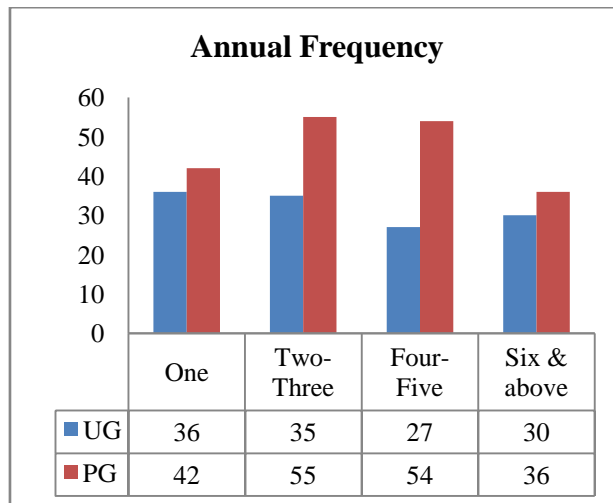
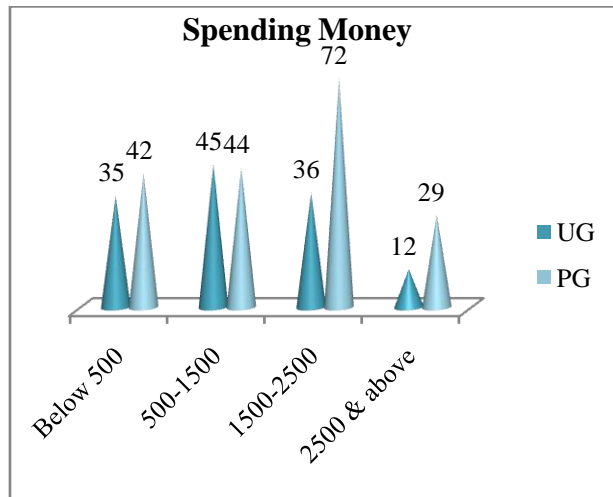
More than half of the people who don't shop online lack trust or are worried about keeping their data safe. A new report from the Office of Fair Trading (OFT) says that a third of internet users don't shop online, with a lack of trust cited as the biggest reason. Of the people not shopping online, some 30 per cent identified a lack of trust; personal security was the problem for 20 per cent, while 15 per cent simply had no faith in online retailers. "Online retailing is the future for many businesses and increasingly important to the economy," said OFT chief executive John Fingleton in a statement. "If consumers are not confident online, demand will grow at a slower rate. So we must tackle these concerns right now if the online market is to grow at its full potential," he added.

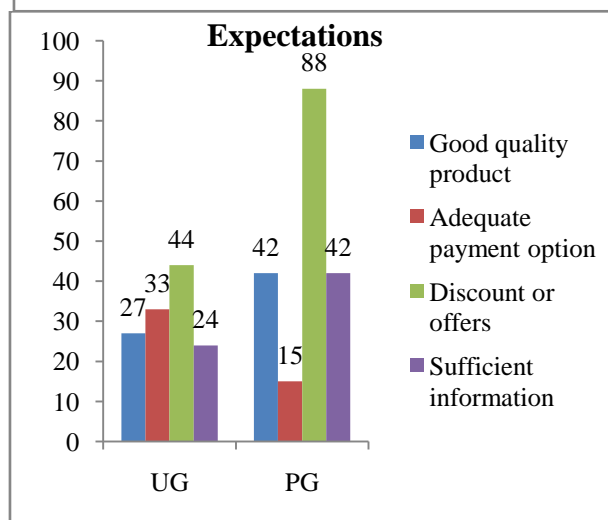
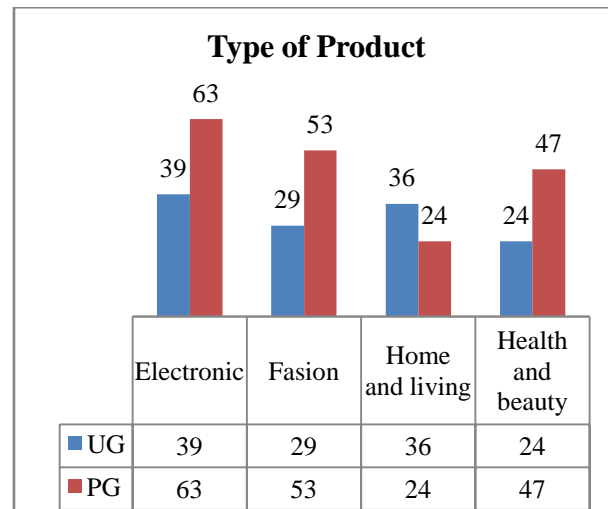
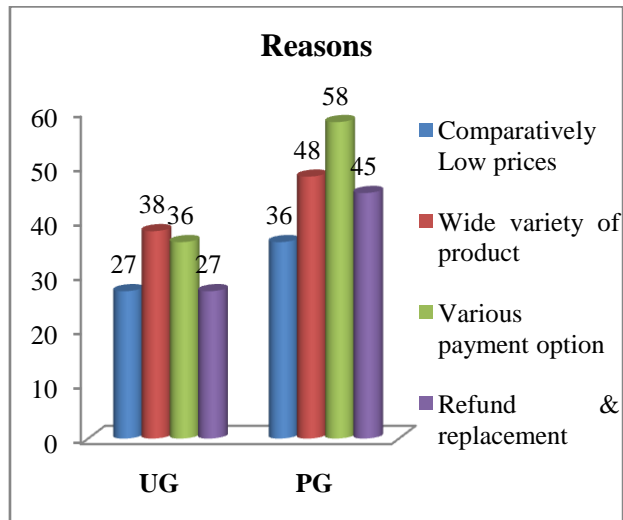
### VI. ANALYSIS & INTERPRETATION:-



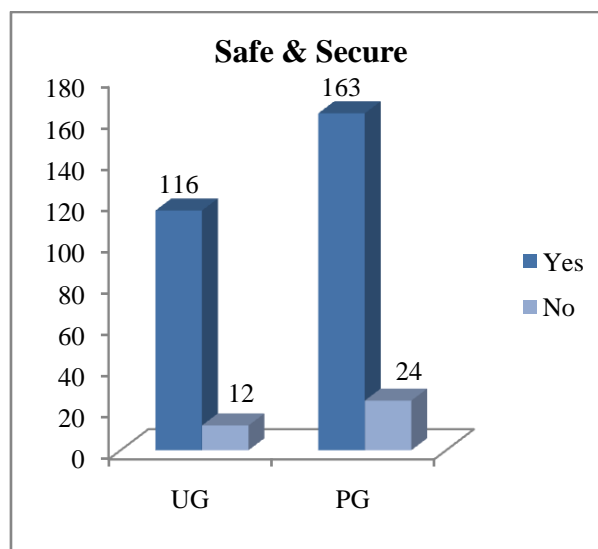
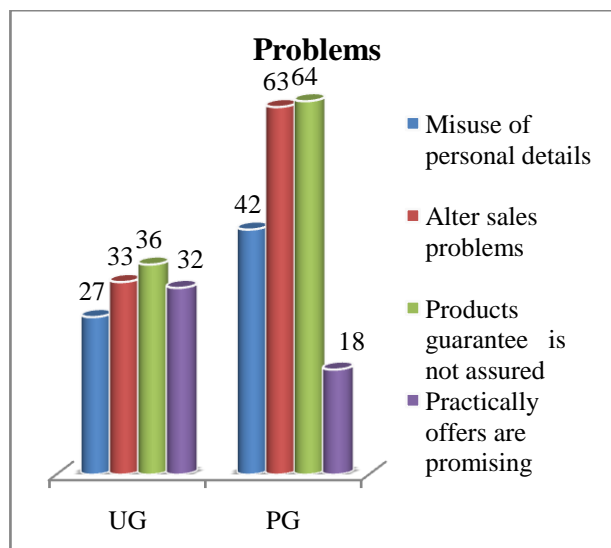
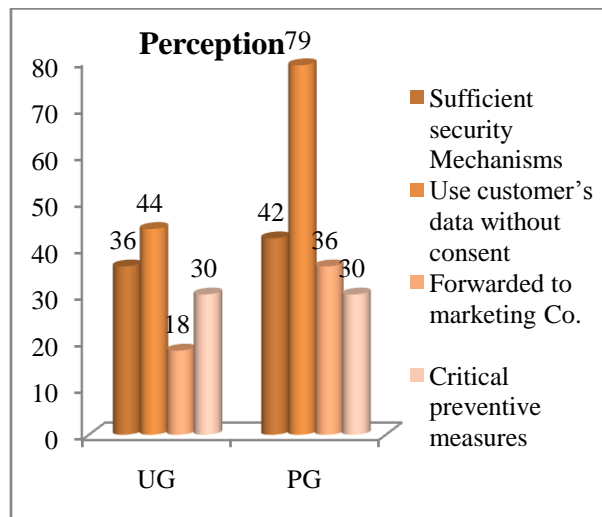
7. <http://www.statista.com/statistics/289770/india-retail-e-commerce-sales/> retrieved on 28 Dec,2015

8. <http://trak.in/tags/business/2014/04/04/indian-e-commerce-growth-stats/> retrieved on 28 Dec,2015









**VII. FINDINGS:-**

1. Majority of UG students i.e. 47% of them spend their time for about 10-20 minutes for online shopping and majority of PG students i.e. 37% of them spend their for 10-20 and 20-30 minutes for online shopping.
2. Majority of UG students i.e. 35% of them spend Rs.500-1500 for shopping through online stores and 38% of PG students spend about Rs.1500-2500.
3. 28% of UG students purchase 1 or 2-3 items per year and 30% of PG students purchase 2-3 items per year through online shopping stores.
4. 30% of UG students buy products from online stores because of the wide variety of products available there and 32% of PG students do online shopping because of various payment options available.
5. Majority of UG and PG students (28% and 35%) confirm that products guarantee is not assured through online shopping.
6. 33% of UG students think that online shopping is time saving and easy and convenient buying procedure and 33% of PG students think that buying procedure is easy and convenient by shopping through online stores.

**VIII. HYPOTHESIS TESTING:-**

**Hypothesis One: - Chi Square Tests**

Questions	$\chi^2$ Value	df	p-value
Average time for online shopping	24.901	3	0.000
Amount of money spend for online shopping	11.806	3	0.008
Influencing factor for Online Shopping	19.572	3	0.000
Type of product you search for online shopping	9.659	3	0.02
Expectations from online shopping	18.438	3	0.000
Problems you face during online shopping	14.39	3	0.002
Advantages of online shopping	10.749	3	0.013

**RESULT OF HYPOTHESIS:-**

The chi square statistic calculated value is more than the chi- square critical value. Hence, we accept the alternate hypothesis that in Online Shopping, the buying behavior of undergraduate management students is different than postgraduate management students.

**Hypothesis Two: - Independent Sample T Tests**

Questions	t- value	P-value	Result
Average time for online shopping	-.339	.735	p>0.05
Amount of money spend for online shopping	-.985	.325	p>0.05
Frequency for online purchase	.448	.654	p>0.05
Influencing factor for Online Shopping	-1.185	.237	p>0.05
Reasons for online purchase	-1.802	.073	p>0.05
Expectations from online shopping	-.087	.930	p>0.05
Perception about privacy policy for online shopping	-.568	.571	p>0.05
Problems you face during online shopping	-.957	.340	p>0.05
Advantages of online shopping	.954	.341	p>0.05

**RESULT OF HYPOTHESIS:-**

The corresponding two- tailed p-value is more than the 0.05 level of significance. Hence, the Null Hypothesis ( $H_0$ ) is accepted. The result of the t-test indicated that there is no significant relationship between gender and online shopping.

#### **IX. SUGGESTIONS:-**

Keep operating system and browsers updated. Only use secured shopping sites for online shopping. A secured site starts with "HTTPS://" instead of just "HTTP://". Research the website before ordering goods and services. Read the website's privacy and security policies. Disclose only the bare facts when ordering goods and services online. Be sure to understand the actual cost of the item including shipping charges, handling charges and sales tax. After placing an order online, always print or save copies of the entire order.

#### **X. CONCLUSION:-**

In nutshell, through this study it is found that majority of management students of North Maharashtra University are well aware of the online shopping as 100% of them have made online purchase which indicates the growing popularity of the online shopping within the youngsters. Transformation in the trends of shopping is occurring because of the changing lifestyle of the consumers in India and expansion in online activity. Major draw card of online shopping is the ease and discounts available for different kind of products. Understanding the young online shoppers enable the e-retailers to develop suitable marketing strategy in order to attract and convert potential customer as an active customers.