

College Students' Perception towards Online Shopping

Project Report

By

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(H-2102-MBA-054)

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COLLEGE OF HORTICULTURE

Dr. Yashwant Singh Parmar University of Horticulture and Forestry,

Naini, Solan (Himachal Pradesh) – 173230

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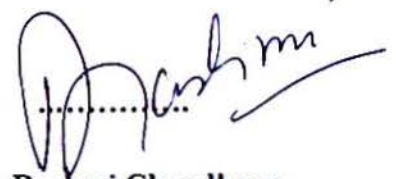
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CERTIFICATE-I

This is to certify that the project report entitled “**College Students’ Perception towards Online Shopping**” has been submitted to Department of Business Management, College of Horticulture, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Gaurav Thakur (H-2012-MBA-054) in partial fulfillment of the requirement for the degree of Masters of Business Administration of this University. To the best of my knowledge no part of this project has been submitted for any degree or diploma elsewhere and help received during this course of investigation and source of literature have been fully acknowledged.



Dr. Rashmi Chaudhary

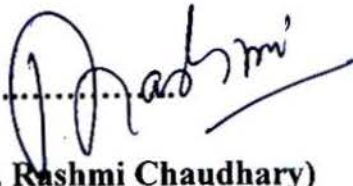
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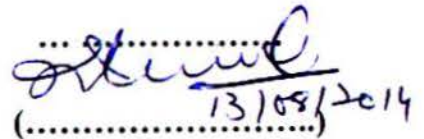
CERTIFICATE-II

This is to certify that the project entitled “College Students’ Perception towards Online Shopping” has been submitted to Department of Business Management, College of Horticulture, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Gaurav Thakur (H-2012-MBA-054) in partial fulfillment for the requirement of the degree of Masters of Business Administration of this University. The project has been approved by the Examination Committee after conducting an oral examination in collaboration with the external examiner.

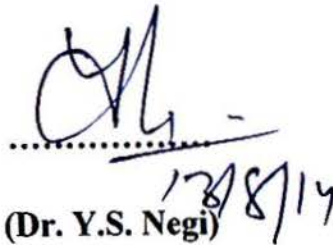


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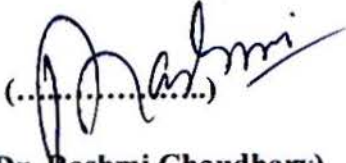


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CERTIFICATE-III

This is to certify that the suggestion by the external examiner have been considered in the project report entitled **“College Students’ Perception towards Online Shopping”** that has been submitted to Department of Business Management, College of Horticulture, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Gaurav Thakur (H-2012-MBA-054) in partial fulfillment of the requirement for the degree of Masters of Business Administration of this University.



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Needless to say errors and omissions are mine.

Date: 18-07-2014

Place: Nauni. Solan

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Chapter-1

Introduction

Chapter - 1

Introduction

Electronic marketing is a revolution in today's business world. Most business have been forced to adapt to the rapid pace of technological change over the last decade. In a broad sense, electronic marketing is the use of computer technology, or electronic-based activities for improving marketing performance. In fact, electronic marketing draws heavily on internet communications to coordinate many marketing activities, such as market research, product development, market segmentation, product distribution, customer services, promotion, customer feedback etc. These electronic-based activities should, in turn, be integrated with the overall marketing strategy to support the corporate objectives of the e-commerce (Reed et. al., 2000).

E-commerce (electronic commerce) has made life simple and innovative for individuals and groups. E-Commerce is the buying and selling of goods and services on the internet. Online shopping is a form of E-commerce whereby consumers directly buy goods or services from a seller over the internet. Online shopping is done through an online shop, e-shop, e-store, internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files.

The trend of e-commerce has been increased rapidly in the recent years due to easy accessibility of internet which has driven consumers to shop online. According to the University of California, Los Angeles (UCLA) communication policy (2001), online shopping is third most popular activity on the internet after email and web browsing. Globally more than 627 million people have done online shopping so far, and world's biggest online shoppers include Germans and British. Books, airline tickets/reservations, clothing/shoes videos/games and other electronic products are the most popular items purchased on the internet. According to Cuneyt and Gautam (2004) E- Commerce has grown very fast because of many advantages associated with buying on internet because of lower transaction and search cost as compared to other types of shopping. Through online shopping consumers can buy faster, more alternatives and can order product and services with comparative lowest price.

Consumer behaviour in online shopping is different from the physical market where he has access to see the product. Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Kuester, 2012). According to Schiffman and Kanuk (2008) defined consumer Behaviour as the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. They includes what they buy it, when they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchases, and how they dispose of it.

The term Consumer behaviour describes two different kinds of consuming entities:

1. Personal Consumer - The personal consumer buys goods and services for his or her own use, for the use of household, or as a gift for a friend.
2. Organisational Consumer – The organisational consumer includes profit and not-for-profit businesses, government agencies (local, state, and national), and institutions (example, school, college and hospitals), must buy product, equipment and services in order to run their organization.

The influences on consumer behaviour are often made between external and internal factors. External factors come from the environmental conditions, and internal factors are usually from the consumer's mind. There are many factors which could influence consumer's behaviours. According to Warner, the external influences could be divide into five sectors: Demographics, socio-economics, technology and public policy; culture; sub-culture; reference groups; and marketing. The internal influences are variety of psychological processes, which include attitudes, learning, perception, motivation, self image, and semiotics (Malcolm). In addition to these, Sheth (2000) also suggested that the consumers have two types of motives while shopping, which are functional and non-functional. The functional motives are mostly about the time, shopping place and consumer's needs, which could be like one-stop shopping to save time, the environmental of shopping place such as free parking place, lower cost of products and available to

choose from widely range of products. The non-functional motives are more related with culture or social values, such as the brand name of the store.

Online shopping behaviour depends on four factors such as shopping motives, personality variables, internet knowledge, and experience last factor is shopping incentives. These are key determinants to influence the behaviour of online consumers. Online seekers are the main sources of online shopping. Online shoppers always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer word-of-mouth. (Yuan Gao, 2005).

Consumer behaviour about decision making is difficult to define and is a system of short cuts and rule of thumb which is unpredictable. The short cuts in decision making vary from person to person and focusing on the past experience of consumers; we can predict the future trends by bringing profitable products and services into the market. In this modern world, the popularity of interactive media like the World Wide Web is increasing day by day with rapid pace. With reference to marketing it is continuously realized that the main two factors observed due to WWW are (1) Most of the companies are doing their business online and make their website as showroom of their product and services. (2) Fast increment of consumer segments due to increase needs and demand including online shopping as well. (Haubl, 2000).

1.1 Factors affecting consumer purchasing decision

There are many factors that influence and affect consumers purchasing decision. The purchasing decision process starts long before actual purchase and continues long after. Usually in more routine purchases, consumers often reserve or skip some of purchase decision process (Kotler & Armstrong, 2004).

1.1.1 Security

It is factor which affects consumers to shop online. However many internet users avoid online shopping because of credit card fraud, privacy factors, non delivery risk, post purchase service and so on. But transaction security on the online shopping has received

attention. Safe and secured transaction of money and credit card information increases trust and decreases transaction risk

1.1.2 Time savings

It is one of most influencing factor of online shopping. Browse or search an online catalogue can save time and patience. People can save time and can reduce effort by shopping online. According to Rohm and Swaminathan's (2004), one possible explanation that online shopping saves time during the purchasing of goods and it can eliminate the travelling time required to go to the traditional store or in the market.

1.1.3 Conveniences

Convenience factor refers that it is easy to browse or search the information through online is easier than the traditional retail shopping. Through online, consumers can easily search product catalog but if the consumer look generally for the same product or item in a traditional store manually it is difficult to visit physically and time consuming also. Convenience has always been a prime factor for consumers to shop online. (Darian 1987). According to Webcheck's (1999) Convenience factor is one of the biggest advantages of online shopping like; less time consuming, flexibility, very less physical effort etc. Through online purchase consumers can easily compare the price than the traditional purchase.

1.1.4 Promotion

E-retailers might use promotions with time limits to encourage consumers to shop on Website (Haig, 2001). However, promotional activates for online products or services were not successful for e-retailers because there was not effective ways to inform consumers of promotional activities (Lohse & Spiller, 1999). Promotion plays a crucial role in online shopping. Unlike a brick and mortar shop, online shops too have to compete with other online shops. The first task before them is to make a customer visit the online shop that calls for developing awareness about a website. They may use newspaper and TV ads along with ads on the net. Internet ads can be placed on search engines, e-mail providers and other sites that offer consumer reviews on varying products. They may

institutionalise reward points towards consumer purchases to be redeemed in form of price discounts or gifts by consumers.

1.1.5 Process

The process of delivering the product too plays an important role for online shops. For this, the online shop has to depend on courier and postal services. Many-a-times, because of delayed delivery or delivery of product with damage can result into bad impression about online shopping. Some online shops have therefore, now entered into tie-ups with courier services. Few of them also have their own delivery system to ensure timely and cost effective delivery of the products to its target customers.

1.1.6 Brand

Brand was defined as the quality related to the products or services. Often, brand was referred to the seller's reputation and consumer loyalty in associated with the seller (Haig, 2001). Brands and features increases as more information is obtained, knowledge of the available and consumer awareness (Kotler & Armstrong, 1997). E-retailers should strengthen shopper trust and believe by buying famous Website such as google.com to promote the online purchase rate (Wu, 2002).

1.1.7 Refund

Online consumers demanded that e-retailers should provide an unconditional refund policy if the online costumer were not satisfied with the product (Lee, 2002). E-retailers should have refund policies to convince online consumers that they easily return products and get refunds if they are not satisfied, or exchange products for free within a reasonable timeframe (Bishop, 1998).

1.2.1 Advantages of online shopping

Advances in technology and science have changed lives of millions of people all around the world. They make people's life easier and more convenient. For examples, people can talk to people from different countries on the Internet or buy things online. Today, many people like shopping online, some dislike. Shopping online has both advantages and disadvantages.

Shopping online has three main advantages. First, shopping online is very convenient. People only use the computer to buy the things they want. They do not need to go out. Second, shopping online saves people's time because they only need to order a product and receive it after several hours or days. In fact, they do not need to go to traditional shops and go around the shop to choose product that we want to buy. Third, the prices of the product when they buy online are usually cheaper than those of traditional shops. Last but not the least is it is easy to choose what they like. There are many shops online with many different kinds of products. And their pictures are posted in the websites of the online shops. Therefore, they can have a lot of choices (vijayasathy, L.R. 2003).

The benefit of online shopping the availability of internet used everywhere in the world. And they purchase the product is much easier than looking for it in the local store. And also the customer will enjoy the freedom of price flexibility. If you don't like the price of a product from an online shop, you can switch to other online store to look for cheaper price. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store (Newell, 2006).

1.2.2 Disadvantage of online shopping

Beside the advantages, shopping online also has several disadvantages. The first disadvantage is the quality of the product. People cannot see the real products online. They only see the pictures of the products, so they don't how they are. The second problem is security. In many situations, people send their money but they do not receive the product they order or generally speaking internet users avert online shopping because of credit-card fraud, lack of privacy, non-delivery risk, lack of guarantee of quality of goods and services.

People may worry about shopping online because they fear their credit card information will be compromised. Since it's necessary to provide credit card information when purchasing products online, it is possible for individuals to become victims of identity theft. Using secure servers can help, but it's no guarantee that credit information will remain private. And consumers avoid shopping online is the fact that they worry that the products they purchase are not accurately portrayed in the website's picture or that they will be of lesser quality. It's also impossible to try on apparel bought over the Internet, so a consumer has to rely on body measurements in order to make sure the clothing will fit properly. If the clothing arrives in the mail and it's too small, it must be mailed back, which is a potential inconvenience that some shoppers may not wish to face. In online shopping you cannot receive the product immediately. They have to wait until the product arrives. Online Website Company charge a shipping cost or consumer sometime face a delivery risk and occurs when the seller fails to deliver the original product or delivers a damaged (inferior/duplicate) product and also online shopping is becoming very common the number of online scam and fraud is also increasing.

Price which is a part of the marketing mix is a factor used in order to stimulate the consumer and is also communicator, bargain tool, and a competitive weapon. The consumer can use price as a mean of comparing products, judge relative value of money and judge product quality and focus on their safety needs and wants to satisfy them before making a purchase (Brassington & Pettitt, 2000).

1.3 Barriers of online shopping

It indicates the different relationship between age and the likelihood to purchase online. While some report positive relationship, some negative where as some so no relationship at all. Thus there are mixed finding on the relationship between age and online shopping intention.

1.3.1 Delivery too slow

It usually has to wait long periods of time to receive your items. Sometimes, this can take up to a month or longer if being shipped from overseas. There could be delays on the delivery and miscommunications. According to Raijas and Tuunainen, (2001) Barriers

among consumers regarding online shopping are that the process is complicated, take too much time, home delivery service is poor, and that it is difficult to return merchandise.

1.3.2 Deceiving

Sometimes looks can be deceiving customer don't get to test the product before they buy it. What might have looked beautiful in picture might not live up to customer expectations once received (Ram and Sheth, 2003)

1.3.3 Return Policy

An online store doesn't have a local store in the local area, returning the item can be a HUGE hassle. Customers need to confirm before they purchase online about the online shopping store's policies.

Online consumers demanded that e-retailers should provide an unconditional refund policy if the online consumer were not satisfied with the product (Lee, 2002). E-retailers should have refund policies to convince online consumers that they easily return products and get refunds if they are not satisfied, or exchange products for free within a reasonable timeframe (Bishop, 1998).

1.3.4 Shipping Costs

Shipping costs on online product can be extremely high in comparison to what customer paid for the product, sometimes making the purchase not worth it.

1.3.5 Security

Customer worried about fraud or theft with credit cards purchases. Customer's needs to make sure every website from which they buy is security verified secure and protected and has this information displayed clearly on their website. Also, they need to read the privacy policy on the website to see what they will do with your information.

Security was a critical successful factor for e-commerce. Retail e-commerce would fail if internet users feel on lacking a great degree of confidence (Park and Kim 2003). The primary reason indicated of the most buyers who didn't shop online cause of afraid to

reveal personal credit card information to retailers or over the internet (Liao and Cheung, 2001).

1.4 Online shopping website

Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast due to this. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market (Barry Silverstein, 2002).

Here are some online shopping website and their establishment, headquarter and their products and services are discussed.

1.4.1 Myntra.com

It was established by Mukesh Bansal, Ashutosh Lawania, and Vineet Saxena in February 2007. All three are IIT alumni, and have worked for several start-ups. Myntra is headquartered in Bangalore and has been funded by Venture Capital funds like IndoUS, IDG & Accel Partners. The company started off in the business of personalization of products, and soon expanded to set up regional offices in New Delhi, Mumbai and Chennai. It began its operations in the B2B (business to business) segment with the personalization of gifts, which included T-shirts, mugs and caps to name a few. However, in 2010, the company shifted its strategy to becoming a B2C (business to customer) oriented firm, expanding its catalogue to fashion and lifestyle products. From 2007 to December 2010, Myntra.com was in the business of online demand personalization. The products ranged from T-shirts, mugs, greeting cards, calendars, key chains, diaries, wine glasses.

Myntra has tied up with top fashion and lifestyle brands in India, such as Nike, Inc., Reebok, Puma, Adidas, Asics, Lee, Lotto, Decathlon, FILA, John Miller, Indigo Nation etc. to offer a wide range of current season merchandise from these brands. Myntra currently offers products from more than 350 Indian and international brands. These include shoes for running, tennis, football, basketball and fitness, along with casual footwear from world-renowned industry leaders like Nike, Puma, Converse, Adidas,

Decathlon, Reebok, Lee Cooper, Numero Uno, Skechers, Crocks, Asics, Fila, Lotto, ID and many more. There are also casual and dressy footwear for women from Catwalk, Carlton London and Red Tape to name a few. Myntra also stocks T-shirts for men and women from popular brands like Jealous 21, Forever New, Classic Polo, Inkfruit, Lee, Nike, Inc., Probase, Puma, Adidas, Reebok, Ed Hardy, Decathlon, Lotto, Idiots, Mr. Men, Tantra and Guerilla. The website has also launched Being Human and Fastrack watches. In July 31, 2012 Bollywood actor Kalki Koechlin launches Myntra's 'Star N Style' feature. In 2013, Myntra acquired San-Francisco-based Fitiquette, a developer of virtual fitting room technology.

1.4.2 Jabong.com

It is an Indian fashion and lifestyle e-commerce portal. It retails apparel, footwear, accessories, beauty products, fragrances, home accessories and other fashion and lifestyle products. The company is headquartered in Gurgaon, NCR. Inception & Growth The site started operations in January 2012. It was co-founded by Arun Chandra Mohan, Praveen Sinha and Lakshmi Potluri Currently Jabong is spearheaded by Arun Chandra Mohan, Praveen Sinha, Manu Jain & Mukul Bafana. In March 2013, Jabong was shipping 6000-7000 orders a day. In March 2013, the annual revenues of Jabong was estimated to be 100-150 mn USD. In less than 20 months, Jabong.com became the third-most visited online shopping website. During September 2013 Jabong was shipping 14000 orders on daily basis out of which 60% were from small towns.

1.4.3 HomeShop18

It is the online and on-air retail and distribution venture of Network 18 Group, India. HomeShop18 was launched on 9 April 2008 as India's first 24-hour Home Shopping TV channel, where anchors performed live demonstration of products on sale similar to HSN or QVC in USA. The television channel established HomeShop18's foothold in Indian retail because of high television penetration. Later, as the internet reach grew all over the country, HomeShop18 launched www.homeshop18.com which was ranked as the #5 most trafficked Ecommerce portals in India by Comscore in July 2013. HomeShop18 has partnered with major brand owners such as Reebok, Nokia, LG, Motorola, Philips, Kaya and Godrej. HomeShop18 acquired CoinJoos.com, an online book, movies and music

retailer in August, 2011 for an undisclosed amount. The acquisition is the main contributor to HomeShop18.com's Books catalogue.

1.4.4 Flipkart

It was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology Delhi. They had been working for Amazon.com previously. During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, Air Conditioners, Air coolers, stationery supplies and life style products and e-books. The first product sold by them was the book, *Leaving Microsoft to Change the World*, bought by VVK.Chandra from Andhra Pradesh. Flipkart now employs more than 4,500 people, and is ranked among the top 20 Indian websites. Flipkart's offering of products on Cash on Delivery is considered to be one of the main reasons behind its success. Flipkart also allows other payment methods- Credit or Debit card transactions, net banking, e-gift voucher and Card Swipe on Delivery.

1.4.5 Quikr

It is India's largest online and mobile classifieds portal based in Mumbai, India. Quikr was launched on 12 July 2008 and is currently present in 900 cities across India. Quikr provides the local community with a platform to help them buy, sell, rent and find something and address needs across many categories. These categories numbering over 12 and sub-categories over 140 range from Mobiles, real estate, cars, services, jobs, entertainment, furniture, electronics etc. The company is backed by Matrix Partners India, Omidyar Network, Norwest Venture Partners and invested in by eBay Inc. Quikr was formerly known as Kijiji.in.

1.4.6 Ebay

It is an American multinational internet consumer-to-consumer corporation, headquartered in San Jose, California. It was founded in 1995, and became a notable success story of the dot-com bubble; it is now a multi-billion dollar business with operations localized in over thirty countries. The company manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide. In addition to its auction-style selling's, the website has since expanded to

include "Buy It Now" standard shopping; shopping by UPC, ISBN, or other kind of SKU (via Half.com); online classified advertisements (via Kijiji or eBay Classifieds); online event ticket trading (via StubHub); online money transfers (via PayPal) and other services.

1.4.7 Yebhi

Yebhi which began as BigShoeBazaar.com has a registered user base of about 1.5 million people, of who about half a million have transacted on the site. Nexus Venture Partners and N. R. Narayana Murthy's Catamaran Ventures invested Rs 40 crore in Agarwal's company in mid-2011. On July' 10th 2012, Big Shoe Bazaar India Pvt Ltd. owner of Brand Yebhi.com announced that it has raised INR 100 Cr in Series C round of funding led by Fidelity Growth Partners India and Qualcomm. Subsequently, in April 2013, its site was revamped, along with a new logo.

1.4.8 Snapdeal.com

It is an online retail website, headquartered in New Delhi, India. The company was started by Kunal Bahl, a Wharton graduate and Rohit Bansal, an alumnus of IIT Delhi in February 2010. Snapdeal.com was started in February 2010 as a daily deals platform but expanded in September 2011 to become an e-commerce company via a marketplace model. With 20 million registered users, Snap Deal is one of the first and largest online marketplace in India offering an assortment of 4 million+ products across diverse categories from over 20,000 sellers, shipping to 4000 towns and cities in India. In January 2011, Snap deal received a funding of \$12 million from Nexus venture Partners and Indo-US Venture Partners. Subsequently, in July 2011, the company raised a further \$45 million from Bessemer Venture Partners, along with existing investors Nexus Venture Partners and indo-US Venture Partners, taking the total investment in the company to \$52 million.

1.4.9 Amazon.com

It is an American international electronic commerce company with headquarters in Seattle Washington, United states. It is the world's largest online retailer. Amazon was incorporated in 1994, in the states of Washington. In July 1995, the company began service and sold its first book on Amazon.com, but soon diversified, selling DVDs VHSs,

CDs, video and MP3 download/streaming, software, video games, electronics, apparel, furniture, food, toys and jewellery. In August 2007, Amazon announced Amazon Fresh, a grocery service offering perishable and non-perishable foods. Customers can order delivery to their homes at dawn or during a specified day time window.

In 2013, Amazon launched its site in India, amazon.in its site with electronic goods and plans to expand into fashion apparel, beauty, home essentials, and health care categories by the end of 2013.

1.4.10 Shopclues.com

It is an online retail website, headquartered in Gurgaon, India. The company was founded in the Silicon Valley, USA in the year 2011 by an alumnus of Washington University and renowned Wall Street internet analyst Sandeep Aggrwal and ebay's former Global product Head Sanjay sethi. Shop Clues was the first e-company website in India that operated on the managed marketplace model. Over 12,000 registered merchants retail + 2,00,000 products on the Shop clues platform to over 42 million visitors every year across 9500 locations in the country.

Shop clues is known to be popular among shoppers in the 18-24 years age group who regularly shop from the wide assortment of items including mobile phones, laptop, tablets, electronics, fashion accessories, books & music, etc. Shop clues offer multiple payment methods like credit card, debit card, net banking and cash on delivery.

1.4.11 Junglee.com

It is an online shopping service by Amazon which enables customers to find and discover products from online and offline retailers in India. Junglee.com started off as a virtual database that was used to extract information off the Internet and deliver it to enterprise applications. However as it progressed, Junglee.com started to use its database technology to create a single window marketplace on the Web by making every item from every supplier available for purchase, thereby saving consumers and enterprises time and money. Web shoppers could locate, compare and transact millions of products from across the Internet shopping mall through one window.

Amazon acquired Junglee in 1998, and then Junglee.com was launched in India in Feb 2012 as a comparison-shopping website. Today, it curates and helps search through a wide variety of products like clothes, electronics, toys, jewellery, video games and much more across thousands of online and offline sellers. Customers can browse through millions of products; choose the product and price they like, and then be directed to the seller who is selling that particular product.

Junglee.com provides customers with tools to find products and compare prices from sellers both online and offline. In its current release, customers cannot purchase items directly on Junglee.com. Instead, customers are redirected to seller sites to complete their purchase.

1.4.12 Pepperfry.com

Pepperfry founded in July 2011 by Ambareesh Murty and Ashish Shah, both ex eBay employees who decided to set up their own company. The first item sold on Pepperfry.com was a Vintage Clock for Rs.609, and since then the Pepperfry marketplace has seen transactions across categories like Furniture, Home Décor, Furnishings, Kitchen & Dining, Housekeeping, Fitness, Leisure and Pet Supplies. In India the company is based in Mumbai and has warehouse operations in Mumbai, Delhi and Jodhpur. It opened for business on 3 January 2012 offering a selection of products across multiple lifestyle categories; these products come from large brands, designers, small businesses and Artisans from across India. Pepperfry.com follows a managed marketplace model. Merchants can approach Pepperfry to sell their items and after agreement on commercial terms, Pepperfry manages the entire e-commerce process for the merchant. This includes preparing item descriptions, completing photo shoots as well as packaging and shipping of the ordered items. This approach helps introduce the benefits of e-commerce to even those merchants who might not be Internet savvy and therefore ensures that a wide variety of products can be made available to on-line customers. Pepperfry is currently associated with more than 200 merchants from across India

1.4.13 Naaptol

It is registered as Naaptol Online Shopping Pvt Ltd, headquartered in Mumbai, Maharashtra is an ecommerce portal based in India Founded in 2008 by Manu

Agarwal (Man behind naaptol.com), naaptol started its operation as product research and price comparison engine in initial stage with a seed capital of Rs.50 lakhs. Later in 2009 it was expanded as an online market place and started offering products to purchase online in categories like mobiles, tablets, cameras, home appliances and a variety of other products. In this journey naaptol shot up its turnover to Rs. 10 Crore in 2009-2010 which was Rs. 1 Crore in 2008-2009 and facilitating transactions worth Rs 1.5 crore every single day.

In 2010, naaptol started investing in print media and increased its print media market share by 0.3% with top 3 position for two consecutive years. Naaptol has raised funding from New Enterprise Associates (NEA), Canaan Partners and Silicon Valley Bank during its journey since 2008 and launched a site Naaptol Club and forayed into television. Naaptol.com was also conferred with "New Brand Award" in 2011 by Star News. Naaptol is in the List of cheapest mobile stores, compiled by e-commerce observer Zoutons.com with Average Discount Percentage (ADP) 0.91.

Online shopping is a different experience and you can make the shopping creative over the internet as you get used to it. There can be lot of apprehensions about online shopping when you get in to it for the first time. As you experience more and more of it those apprehensions get disappeared slowly. Remember that if you stick to the basics, online shopping become more enjoyable and easier than real- world shopping.

Chapter-2
Research Design

Chapter - 2

Research Design

Research is a scientific and systematic search for particular information on the specific topic. The term Research design refers to the systematic methods consisting of enunciation the problem, formulation a hypothesis, collecting the fact and reaching certain conclusion either in form of solution towards the concerned problems or in certain generalization for some theoretical formulation (Kothari, 2009).

2.1 Review of Literature

Review of the existing literature, provides an insight about the various concepts in any topics. Reviews help in formulation of problems and selection of appropriate methodology. For the present study following studies have been reviewed.

Li and Zhang's (2002) analyzed the impacts of listed factors on online consumer behaviour. They categorized factor into five independent variables (external environment, demographics, personal characteristics, vendor/service/product characteristics, and web site quality) and five dependent variables (attitude toward online shopping, intention to shop online, decision making, online purchasing, and consumer satisfaction). The five independent variables are identified as antecedents, which directly determine attitudes towards online shopping. In the antecedents, the vendor/service/product characteristics and web site quality directly impact consumer satisfaction. The taxonomy shows that the antecedents, attitude, intention, decision making, and online purchasing are series of processing stage. Consumer satisfaction is separated and occurs among at all possible stages depending on the consumer involvement during internet shopping process, and this two way relationship could influence each reciprocally. The direct implication of these finding is that targeting more appropriate consumer group, improving product and/or service quality, and improving website quality can positively influence consumer attitudes and behaviour, potentially leading to increased frequency of initial purchase and repeat purchases on the part of consumers.

Alsmadi (2002) identified the online shopping among different demographic variables of consumers with special emphasis on sex, age, education and income. They found that younger respondent (men and women) have no problem accessing the internet services.

They have positive impressions about the presentation and promotion of companies' web sites. The study reported that education was not likely to have an impact on consumer attitudes towards online shopping. Respondents of higher income levels were likely to be more favourable about online shopping compared with the lower income levels. They suggested that companies need to have a better understanding of electronic buying behavior and create an interest of consumer to online shopping and improved security of electronic transactions.

Shu (2003) identified the factors that affect consumer willingness to indulge in internet shopping. The study reported that consumer willingness to indulge in internet shopping correlated positively and significantly with trust placed in internet shopping, perceived ease of use, usefulness, playfulness, security, privacy, information quality and service all have positive impact on online shopping. It was concluded that perceived security and service of quality affected the consumer willingness to do internet shopping.

Wang and Leong (2004) studied online shopping behaviour using transaction cost economics approach. The finding showed that consumer's transaction cost of online shopping is affected by six antecedents: product uncertainty, behavioural uncertainty, convenience, economics utility, dependability and asset specificity. The study also reported that transaction cost has a negative relationship with consumer's willingness to buy online. The result showed that behavioural uncertainty and asset specificity are positively related to transaction cost convenience and economic utility are negatively related to transaction cost in US and China.

Shergill (2005) identified the factors that affect online shopping behavior of consumer. The study found that website security/privacy, website design, website reliability/fulfilment and website customer service are the factors which influence consumer perception. Further the study reported that online buyers have different perception of specific website elements and website factors. The study concluded that regular online buyers were much more satisfied with website variables and website factors than the other buyers.

Prasad and Aryasri (2009) examined the determinants of shopper behavior such as convenience customer service, Trust, web store environment, and web shopping enjoyment. They also examined the influence of these factors towards the willingness to

buy and patronage of online retail stores. They concluded that convenience, web store environment, online shopping enjoyment, and customer's service, rather than perceived trust, had a significant impact on the willingness to buy from online retail stores. Expect trust and customers service, all other factors were significant with reference to patronage of online retail stores.

Bagdoniene and Zembyte (2009) studied that the factors that are meaningful to consumer motivation to shop online and their possible effect on consumers. They found that number of internet users is emerging, but only small part of them buys products/services online. The study identified factors effecting online shopping that is perceived characteristics of the internet as a sale channel, consumer characteristics and characteristics of the product. The result showed that the convenience was the most important factor that influence online shopping, while the limited abilities to know about a product/service was the factor found to resist shopping online the most.

Vyas and Srinivas (2009) observed that majority of the internet users had positive attitude towards online buying of product/services but there is a need for developing awareness about consumers' rights and cyber laws. It was suggested that marketers have to educate consumer on online shopping and cyber laws. It was also suggested that companies should set-up a reliable and effective feedback system so that consumer can contact them at anytime.

Khatibi, et. al (2010) examined the factors influencing students' attitudes towards online shopping. The findings of the study imply that students are looking for more convenience (time and money saving), cheaper prices and wider selection when they shop online. The study reported that more than half of the young respondents accessed the internet from their home or apartments and internet users were spending average of more than 20 hours a week in web surfing in the internet and respondent have more internet experience. Further the study also reported that consumers are more preferred to electronics products. They suggested that online retailers need to provide more connivance and competitive price and more variety of products in order to attract more people encouraging the online shopping.

Mubin (2012) studied that usefulness and ease of use of online shopping. The study reported that more than half of the young respondents accessed the internet from their home, and the higher percentage of online shoppers have been using the computer for

more than 4 year and hence have more internet experience. They concluded that participants, who have more income conveniently and have more product selection and perception. They showed that they have more positive attitude, have more positive intension and their perceived consequences are high.

Suresh and Shashikala (2012) identified factors of consumer perceived risk toward online shopping in India. The author felt that online shopping in India is in its nascent stages and is promising a bright future. However many people still locate information on the internet and purchase products offline at traditional stores, since conversion rating being very low. The factors listed by the author were: monetary, performance, time, source, social and psychological. It was indicated that monetary and performance risks have highest mean scores while social and psychological risks were found to be lowest.

Pedersen and Nysveen (2012) examined the effect of website visitor's degree of goal-oriented search mode on purchase intention in online environments. The effect of visitors' degree of goal-oriented search mode on purchase intention was found to be moderated by product risk. The results further reveal that product involvement, product risk and internet experience are found to have positive effects on the degree of goal-oriented search mode of the visitors and also product knowledge, product risk and Internet experience are found to have positive effects on the degree of goal-oriented search mode of the visitors and also product knowledge, product risk and Internet experience are reported to have direct effects on purchase intention.

Shalini and Kamalaveni (2013) studied the demographic wise internet usage of online shoppers and their buying behaviour. They found that consumer of different age group have different online needs and wants. The study reported those comparatively young respondents are more involved in online shopping. Further it was found that higher percentage of online shoppers have been using the computer for more than 6 year. Further the study also reported that very less respondent were using cell phone for accessing internet. It was observed that substantial percentage of respondent feel unsafe to use internet and to do online shopping. Further it was suggested in the study that government should set up consumer protection agency and investigate suspected companies so the shopping website should avoid harmful products.

Sharma and Sitiani (2013) identified the key factors which influence behaviour in online shopping. The result of the study indicates that perceived risk, internet traits, attitudinal traits and convenience are four dominant factors which influenced the decision of higher education students to shop online. The study reported that buyers viewed online shopping riskier as they are not able to physically impact the products before purchasing. It was also suggested that convenience should be generated by offering gifts and promotional offers.

Nagra and Gopal (2013) studied the impact of demographic factors impacting online shopping behavior of consumer with special emphasis on age, gender, income. They found that females are more attracted towards the online purchase and promotion schemes than the counter parts. They also found most of females shop more in online shopping as compared to men. The study reported that age and income levels of consumers have significant or positive impact on online shopping behavior of consumers. The high income levels of consumer are more favourable about online shopping.

Bashir (2013) studied the major factor preferred by the consumer towards online shopping and their fear towards it. He found that consumer are more preferred to electronics products i.e. mobile/computer/camera than clothes. The study reported that consumer purchased electronic products at least once in a year. Further the study also reported that substantial percentage of respondent feel unsafe to share their personal information and financial information on the internet. They concluded that low level of trust on online stores was main factor and substantial percentage of respondent avoids online shopping.

2.2 Need of the study

Consumer behaviour in online shopping is a different from the physical market where they have access to purchase the product. Online shopping is the best way to save time and money and have variety of range within the budget. Online shopping do not have a limit to provide products to customers. It is also useful for comparison of prices of goods and services of different brands. Online consumers are always seeking a new product and new attractiveness and the most important thing being price comparability within budget. Consumers of modern times are engaged in work and do not have the time for shopping. They are techno savvy and innovative in their attitude and social networking and internet application has increased the habit of online shopping in the customers. So, internet is sure to take over as the prime market and selling channel and college goers or youngsters are more attractive to new technology like electronics gadgets such as mobile, computer or internet, is the reason to increase demand to purchase online product. Online shopping has seen a dramatic growth in past few years. It has not only impacted the metro but also the residents of small towns. The present study is conducted to identify the consumer perception towards for online shopping. The study will be beneficial for online marketers as they will be able to know the customers behaviour and perception while purchasing online. Moreover, this will also be able to identify the factors that affect the online buying decisions of the students.

2.3 Objectives of the study

The study was conducted with the following objectives.

1. To study student perceptions for online shopping.
2. To study factors affecting online buying decision of the students.

2.4 Research Methodology

Research is a purposeful investigation. The term 'research' refers to the systematic method of clarifying the problem, collecting the data, analyzing the data and reaching certain conclusion. Research process starts with defining the research problem, design research, collecting data and finally interpretation and analyzing the data to form report. Therefore,

research methodology is a way to systematically solve the research problem. There is a need to adopt an appropriate methodology in systematic way achieve the objectives.

Population and research area: - Population is a group of individuals or items that share one or more characteristics from which data can be gathered and analyzed. The population of the study comprises of college and university students of Solan town.

Sampling technique: -. It may be defined as the selection of some part of as an aggregate or totality on the basis of which a judgment or inference about the aggregate is made. The convenient sampling method is used for this study. It consists of simply taking the cases that are easily available and continuing the process until the desired sample size is obtained.

Sample size: - Sample is defined as the segment of population that is representative of whole population. The number of individuals in a sample is called a sample size. Sample size of 120 respondents was taken for the study.

Source of Data

To fulfil the information need of study, the data was collected both from primary and secondary sources.

Primary Data

These are the original sources from where the researches directly collect data. These are the first hand information collected through various methods such as observation, questionnaires etc. the primary data is collected with the help of a well designed questionnaire. The opinions of the respondents were collected with the questionnaire which was divided into 5 parts. Part '1' was designed to seek information on the demographic variables such as gender, age, Education and annual income, Part '2' consists of the opinion of the respondents for buying online, Part '3' indicate the reasons for online shopping of the respondents, Part '4' showing factors which affect the online buying decisions and Part '5' consist of barriers in online shopping.

Secondary Data

The secondary data is that data which has already been collected by someone else. Secondary data is taken from various sources like: - internet, journals, magazine past surveys, websites etc.

Analytical tool: - The methods used for simplifying and analyzing the data are known as analytical tools. Simple mathematical and statistical tools have been used, for factor affecting online buying decision, with a view if keeping the analysis simple and easily understandable. Both mathematical and statistical tools had used for analyzing data.

Mathematical Tools

The information collected from the sample respondents has been analyzed by applying mathematical tools like i.e. percentage method.

Percentage Method

Percentage method refers to a special kind of ratio which is used in making comparison between two or more series of data.

$$P = \frac{x}{y} \times 100$$

Where X = Number of respondents falling in specific category to be measured.

Y = Total number of respondents.

Statistical Tools

These following statistical tools have been used in this work.

a. Arithmetic Mean

The arithmetic mean has been applied to study the opinion of the sample respondents on 5-point scale for different statements relating to reason or factor affecting the online decision in the college students. This tool helps researcher to draw appropriate inferences from the responses collected from the respondents. The arithmetic mean has been calculated by assigning numerical values to the qualitative statements. These values have been assigned

for these qualitative responses as one for strongly disagree, two for disagree, three for Neutral, four for agree and five for strongly agree.

The formula used for Arithmetic Mean is:

$$\bar{X} = \frac{\sum x}{N}$$

Where X = Arithmetic Mean

$\sum X$ = Sum of the value of the variables

N = Number of observation

b. Standard Deviation

The standard deviation concept was introduced by Karl Pearson in 1823. The standard deviation measures the absolute dispersion or variability of distribution; the greater the amount of dispersion, the greater the standard deviation, the greater will be the magnitude of the deviation of the values from their mean. A small standard deviation means a high degree of uniformity of the observation as well as homogeneity of the series; a large standard deviation means just the opposite.

$$\text{Standard Deviation} = \sqrt{\frac{\sum x^2}{y}}$$

Where, x = mean

N = Number of observation

Chapter- 3

Data Analysis

And

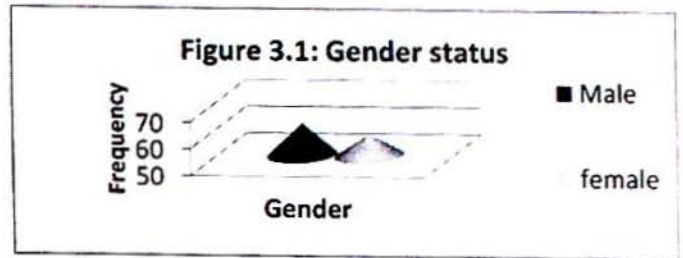
Interpretation

3.1 Respondent Profile

For the present study data has been collected with the help of predesigned questionnaire from a sample of 120 respondents. The profile of the respondents with respect to age, educational qualification etc is discussed below:

Table 3.1.1: Gender status of respondents

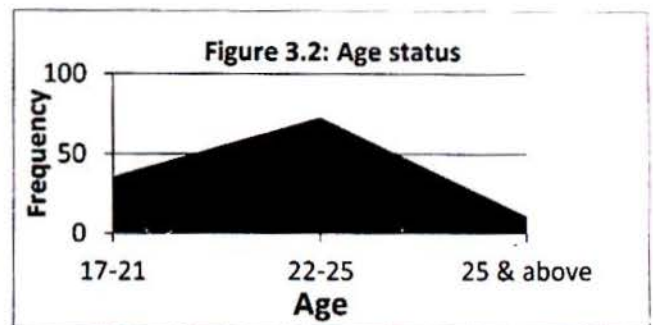
Gender	Frequency	Percent
Male	62	52
Female	58	48
Total	120	100



From table 3.1 it may be concluded that majority of the respondents are male members. Out of the total 120 respondents, 62 are males and 58 are females and in percentage 52% are males and 48% are females.

Table 3.1.2: Age status of respondents

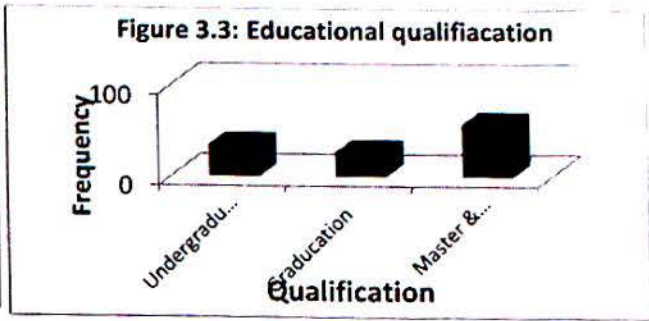
Age group	Frequency	Percent
17-21	36	30
22-25	73	61
25 & above	11	9
Total	120	100



From table 3.2 and graphical representation it is pertinent that largely the respondents belong to the age category (22 to 25 years). Thereby, it may have been concluded that most of the respondents are of the age group (22-25) and minimum respondents are from age group of (more than 25 & above years).

Table 3.1.3: Educational qualification of respondents

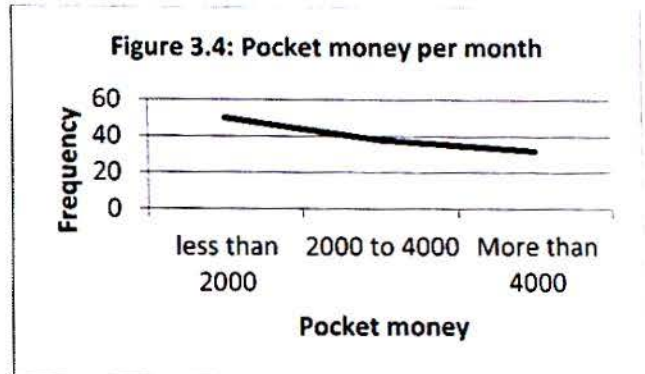
Qualification	Frequency	Percent
Undergraduate	35	29
Graduate	27	23
Master or above	58	48
Total	120	100



It has been quite evident from above tabulated and graphical representation that 48% respondents are qualified up to P.G or above, 29% up to high school and 23% are undergraduates.

Table 3.1.4: Pocket money per month

Pocket Money	Frequency	Percent
Less than 2000	50	42
2000 to 4000	38	32
More than 4000	32	27
Total	120	100



It is apparent from table 3.4 that 42% of the respondent are given pocket money less than Rs 2000, followed by 32% who are given pocket money of Rs 2000 – RS 4000. The table show that 27% of the respondents are given pocket money more than 4000 and which is also minimum.

Table 3.1.5: Experience working with the internet

Experience	Frequency	Percent
Less than one year	16	13
1 to 5 year	59	49
More than 5 year	45	38
Total	120	100

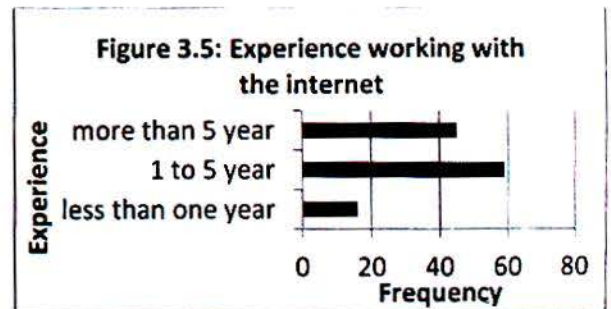


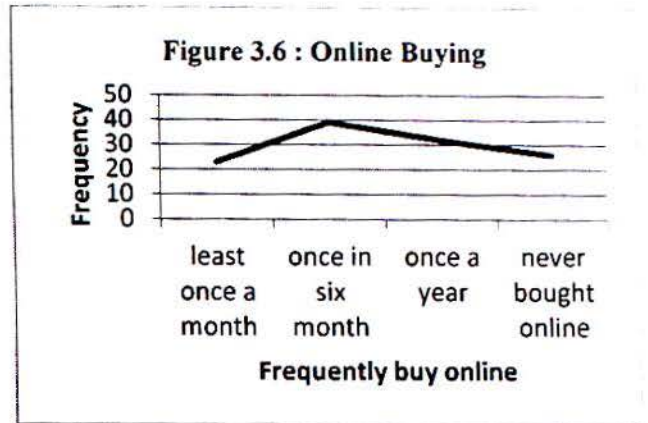
Table 3.5 depicts that most of the respondents have experience working with the internet as 49% have used internet for (1-5 year), 38% respondent for (more than 5 year) and only 13% respondents who have used internet for less than one year.

3.2 Respondent opinion for online buying

This section of the chapter reveals the general opinion of respondent regarding the perceptions and experience with the online shopping.

Table 3.2.1: Online buying frequency

Frequency of buying online	Frequency	Percent
Least once a month	23	19
once in six month	39	33
once a year	32	27
Never bought online	26	22
Total	120	100



It can be seen from table 3.6 and figure 3.6 that 33% of the respondents buys online once in six months followed by 27% who buy once a year and 19% who buy once a month. Surprisingly 22% of the respondents have never bought online. It can be concluded that 78% of the total respondent are involved in online shopping.

Table 3.2.2: Experience with online shopping

Years	Frequency	Percent
Less than a year	35	37
1 to 5 year	17	18
More than 5 year	42	45
Total	94	100

Analyze of the Table 3.7 depicts that subsequently majority of the respondents (45%) are buying online for more than five years, followed by 37% of the respondents are buying online shopping for less than 1 year and 18% for more than 1 years .

Table 3.2.3: Products preferred

Products	Frequency	Percent
Books	29	20
Electronic gadgets	50	35
Clothes	43	30
music, software	15	10
Other	6	4
Total	143	100

Table 3.8 shows that 35% of respondents use online shopping to buy electronic gadgets such as mobile, computer, camera etc followed by 30% for buying clothes, 20% for books, 10% for music, software and 4% for others products.

Table 3.2.4: Visit retail store before buying online

Statements	Frequency	Percent
Yes	49	52.13
No	45	47.87
Total	94	100

From the table 3.9 it may be concluded that 52.13 % of the respondents go to retail store before making a final purchase and 47.8% do not prefer going retail store.

Table 3.2.5: Visit different online stores before the actual purchase

Statements	Frequency	Percent
One to three online store	50	53.19
Three to five online store	39	41.49
More than 5 store	5	5.32
Total	94	100

Figure 3.10 show that 53.19% of respondents visit 1 to 3 online stores before the actual purchasing of product, followed by 41.49% visit 3 to 5 online store and 5.32% of respondents prefer to visit more than 5 online stores.

Table 3.2.6: Purchase product over the internet during the last year

Statements	Frequency	Percent
At least once	36	38.30
1-3 times	38	40.43
More than 3 times	20	21.28
Total	94	100

Figure 3.11 depicts that almost 40.43 % have done online shopping 1-3 times during the last year, followed by 38.30% bought a product once a year. 21.28 % respondent purchased the product over the internet more than 3 times. It has been concluded that most of the respondents have frequently purchased online.

Table 3.2.7: Product Received

Statements	Frequency	Percent
Discuss with Friends / Family about the purchased product	91	96.81
Write a review about the product	1	1.06
Contact typically the seller for further guidance if needed	3	3.19
Total	94	100

Table 3.14 reveals that a large majority (96.81%) of the respondents after receiving the product discuss with their friends and family followed by 3.19% who contact the seller for further guidance and 1.06% of the respondents who write a review of the product.

3.3: Reason for online shopping

This section of the chapter show the general views of respondent regarding reason for online shopping.

Table: 3.3.1: Respondents opinion regarding reason for online shopping

Responses Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	S.D
Price	42 (44.68)	47 (50.0)	5 (5.31)	0	0	4.39	.591
Quality	17 (18.09)	68 (72.34)	9 (9.57)	0	0	4.09	.522
Time saving	34 (36.17)	47 (50)	13 (13.83)	0	0	4.22	.674
Trust	14 (14.89)	40 (42.55)	34 (36.17)	6 (6.38)	0	3.66	.811
Discounts	25 (26.60)	38 (40.42)	26 (27.6)	5 (5.32)	0	3.88	.866
Fast Shipping	21 (22.34)	35 (37.23)	31 (32.98)	4 (4.25)	3 (3.19)	3.71	.969
Convenience	17 (18.09)	61 (64.89)	13 (13.83)	3 (3.19)	0	3.98	.672
Variety	23 (24.47)	45 (47.87)	20 (21.28)	3 (3.19)	3 (3.19)	3.87	.930
Detail information about the product	25 (26.60)	46 (46.93)	19 (20.21)	3 (3.19)	1 (1.06)	3.97	.835

Free gifts	13 (13.83)	35 (37.23)	33 (35.10)	8 (8.51)	5 (5.32)	3.46	1.012
Product review	22 (23.40)	42 (44.68)	29 (30.85)	1 (1.06)	0	3.90	.763
24x7 service	26 (27.66)	47 (50)	16 (17.02)	5 (5.32)	0	4.00	.816
Special festival offers	31 (32.98)	33 (35.11)	25 (26.60)	5 (5.32)	0	3.96	.903

Table 3.12 signifies that 50% of the respondents agreed, 44.68% strongly agreed and remaining were neutral for price as a factor for online shopping. Significant majority of the respondents either agreed or strongly agreed for quality (90.34%) and time saving (86.17%) as a reason for online shopping. In case of trust 42.55% agreed, 36.17% had no view, 14.89% strongly agreed and few disagreed whereas discount it was seen that 40.42% of the total agreed, 27.6% were neutral, 26.60% strongly agreed, and rest disagreed, Fast shipping has not be recognised by most of the respondents as a factor for online shopping on 32.98% had no view for the factor, product review either agreed or neutral (75.53%), 23.40% strongly agreed and few disagreed. Significant majority either agreed or strongly agreed (72.34%), 21.28% had no view and remaining disagreed for variety as a factor for online shopping, Majority of the respondents either agreed or strongly agreed for 24*7 services (77.66%) and special festival offers (68.09%) as a factor for online shopping.

Table 3.12 shows the perception of respondent about online shopping. It can be concluded from the table that price (Mean = 4.39, S.D = 0.591) is the most important reason for online shopping followed by time saving (Mean = 4.22, S.D = 0.674), quality (Mean = 4.09, S.D = 0.522) and 24*7 service (Mean = 4.00, S.D = 0.816) as a factor for online shopping. Other reason like; detailed information about the product (Mean = 3.97, S.D = 0.835), special festival offers (Mean = 3.96, S.D = 0.903), discount (Mean = 3.88, S.D = 0.866), variety (Mean = 3.87, S.D = 0.930) and product review (Mean = 3.90, S.D = 0.673) are also the reason for online shopping. The respondent has given lowest mean and

S.D value to fast shipping (Mean = 3.71, S.D = 0.969), trust (Mean = 3.66, S.D = 0.811) and free gifts (M = 3.46, S.D = 1.01).

3.4: Factor affecting online buying decision

This section of the chapter shows the general factor affecting online buying decision opinion of the respondent.

Table: 3.4.1: Respondents opinion for factor affecting online buying decision

Responses Statement	Responses		Mean	S.D
	Yes	No		
Product Ratings	66 (70.21)	28 (29.79)	1.70	.460
Product reviews	57 (60.64)	37 (39.36)	1.61	.491
Advice from offline store	54 (57.45)	40 (42.55)	1.57	.497
Referred by colleague / Friend / Family member	70 (74.47)	24 (25.53)	1.74	.438
Compare description and price	71 (75.53)	23 (24.47)	1.76	.432
New technology/ product in market	80 (85.11)	14 (14.89)	1.85	0.358

Table 3.13 shows the factors which affect the respondent's online buying decision. It can be concluded from the table that new technology/ product in market (Mean = 1.85, S.D = 0.358) is the most important factor affecting online buying decision. Comparisons of prices of various companies also affect the online buying decision (Mean = 1.76, S.D = 0.432) followed by reference taken from family members friend (Mean = 1.74, S.D =

0.438) and product rating (Mean = 1.70, S.D = 0.460). The respondents has given lowest mean and S.D value to product review (Mean = 1.70, S.D = 0.460) and take an advice from the offline store (Mean = 1.57, S.D = 0.497).

From the table 3.13 shows that 70.21 percent of the respondents go for product ratings before making final purchase and 29.79 percent of respondents do not prefer product ratings followed by 60.64 percent of the respondents check out various product reviews for making the final purchase and 39.36 percent do not go for this variable before making the final purchase, whereas 57.45 percent of respondents take advice from the offline store for online shopping and 42.55 percent of respondents prefer some other factor before making purchase. Significant majority approximately 75 percent prefer to take advice from friends, family and they further compare the prices of different company's before making final purchase. Maximum of the respondent's i.e.85 percent go out for the new technology prevailing in the market before making the purchase. Hence, it can be inferred that new technology is most considered by the respondents.

3.5: Main barriers which keep you away from shopping online

This section of the chapter interpret the main barriers occurred during online shopping.

Table: 3.5.1: Respondents opinion for barriers in online shopping

Statement	Yes	No	Mean	S.D
Payment safety	21 (80.77)	5 (19.23)	1.81	.402
Trust	25 (96.15)	1 (3.85)	1.96	.196
Value added tax / customs duty	10 (38.46)	16 (61.53)	1.38	.496
Shipping Cost	24 (92.31)	2 (7.69)	1.92	.272

Warranty and claims	24 (92.31)	2 (7.69)	1.92	.272
Delivery	23 (88.46)	3 (11.54)	1.88	.326

Table 3.15 shows that 80.77 percent of the respondents never bought anything online due to lack of safety of payment and 19.23 percent of respondents do not find this reason for not buying products online. Majority of the respondents (96.15 percent) said that online shopping is not trustworthy and there is less originality of brand they offer, where as 38.46 percent of the respondents do not buy online due to more value added tax and customs duty charged. Majority of the respondents i.e. 92.31 percent do not like online shopping because of shipping cost and less warranty period and 88.46 percent of the respondents said that there is slow delivery of products provided by online company.

Table 3.15 shows the main barriers that keep away the respondents from online shopping. It can be concluded from the table that trust of online stores (Mean = 1.96, S.D = 0.96) is the main barriers for online shopping whereas high shipping cost and warranty period (Mean = 1:92, S.D = 0.272) are the other barriers that respondents do not prefer online shopping. The other reason for keeping the customer away from online shopping is slow delivery (Mean = 1.88, S.D = 0.326). The respondent has given lowest mean and S.D to value added tax or customers' duty (Mean = 1.38, S.D = 0.496). Which mean it is that taxation is not important barriers for online shopping.

Chapter-4

Findings, Conclusions

And

Suggestions

Chapter – 4

Findings, Conclusions and Suggestions

In the present chapter, on the basis of analysis and interpretation of the data, important findings are listed and conclusion are drawn and discussed. Further suggestions emerged in the present study are given. The finding and conclusion of the study are discussed as under.

4.1 Findings and Conclusions

Respondent Profile

The study revealed that most of the students shopping online are highly educated and expert users of the internet whereas most of the respondents had enough knowledge and skills for using the computer and dealing with the Internet. It was seen that maximum amount of the respondent belong to the age group 22-25 years

Respondent opinion for online buying

The results revealed that most of the respondents do not buying online frequently as a most of them bought only once in six month or once in a year. It was seen that 45% of the respondents had online buying experience of 5 or more years. The study reported that people prefer online shopping mainly for electronic gadgets, clothes & books. The study reported also brought forward that majority of the respondents (52.13%) visit retail store before buying online. Further, it was seen that 53.19% of respondents visit 1 to 3 online stores before the actual purchasing of product.

Reasons for online shopping

Online shopping is getting popular among the young generation as they feel it is more comfortable, time saving and convenient. It has analyzed from survey that when a consumer makes a mind to purchase online electronic goods, he or she is affected by multiple factors. The main crucial identified factors are time saving, price and convenience. Price as a factor is popular because generally in online markets prices are lower as against the physical markets and also it is time saving and (24*7 service).

Factor affecting online buying decision

The findings show that people buy online when any new technological/product is introduced in the market. It is also revealed in the study that online is preferred because it offers services like price/comparison/description. Further, it was seen that product rating & reference by college/friend/family member are also factors affecting online buying decisions.

Barriers in online shopping

It is found that the main barriers in the process of online shopping are the low trust level of online stores; therefore, sellers need to make proper strategies to increase the consumer's level of trust in them. Whereas, high shipping costs and safety of payment are the barriers that prevent respondents from shopping online and sharing their personal and financial information on the internet.

The overall study implies that price is a main factor that motivates college students to shop online or provides a more variety of new technology products. It is also an attractive factor for people to encourage them for making purchase decisions in the online stores.

4.2 Suggestions

- It is observed that most of the online shopping stores charge high shipping costs. It is suggested to shopping stores to charge minimal costs from the consumers. So, that they can increase their shopping through online stores.
- It was found that there is a need for a fast delivery channel of shipping. It is suggested to the online stores that they should deliver the products within 1-2 days.
- Online shopping stores need to provide more convenience, competitive prices and more variety of products in order to attract and encourage more people to make purchase decisions. Discounts and offers are also some of the methods to attract more customers to shop online.
- Online stores need to provide detailed information about the products. There is a need to disclose all the relevant information about the product like features, usage and do's or don'ts etc.

- The main barrier found in the process of online shopping is the safety issue. People of Solan are afraid to share their personal information and financial information on internet. Online Shopping stores should provide a safety of payment to customer and stores have to provide facility of delivery on payment for customers to increasing the confidence level and encourage them to do online shopping frequently.
- It is revealed from the study that warranty and claim was the main barrier which kept away the consumers to shop online. It is suggested to the stores that warranty period should be extended and claims should be given to the consumers on time.

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Annexure

Respected Sir/Madam

I'm working on project entitled, "Student's Online Buying Behaviour: Perceptions and Factors Affecting Buying Decisions" as a part of my MBA curriculum. Kindly take some time to fill the questionnaire. The information supplied will be used for academic purpose and will not be divulged.

1. Gender status of respondents

- Male Female

2. Age status of respondents

- 17-21 22-25 25 & above

3. Education & Qualification of respondents

- Undergraduate Graduate Masters or Above

4. Pocket money per month

- Less than Rs 2000 Rs. 2,000 to Rs. 4,000 More than 4,000

5. Experience working with the internet

- Less than one year 1 to 5 years More than 5 years

6. Online buying frequency

- Frequently or at least once a month Once in six month. Once a year
 Never bought online (If you never bought online, then skip to Question No. 16)

7. Experience with online shopping

- Less than a year 1 to 5 year's More than 5 years

8. Products preferred

- Books Mobile / computer / Camera (Electronics Products)
 Clothes Music, Software
 Other (Please Specify) _____

9. Visit retail store before buying online

- Yes No

10. Visit different online stores before the actual purchase

- One to three online stores 3 to 5 online stores More than 5 stores

11. Purchase product over the internet during the last year?

- At least once 1 to 3 times More than 3 times

12. Reason for online shopping

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Price					
Quality					
Time saving					
Trust					
Discounts					
Fast Shipping					
Convenience					
Variety					
Detail information about the product					
Free gifts					
Product Review					
24x7 service					
Special festival offers					

13. Factor affecting online buying decision

Statement	Yes	No
Product Ratings		
Product reviews		
Advice from offline store		
Referred by colleague / Friend / Family member		
Compare description and price		
New technology/ product in market		

14. Product received

- Discuss with Friends / Family about the purchased product
- Write a review about the product
- Contact typically the seller for further guidance if needed

15. Main barriers which keep you away from shopping online

Statement	Yes	No
Safety of payment		
Low trust level of online store / Brand		
Value added tax / customs duty		
High Shipping Cost e. Refund Policy		
Warranty and claims		
Delivery too slow		

Gaurav Thakur

PERSONAL INFORMATION

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Kunihar, Teh – Arki, Distt - Solan,
H.P-173207,
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gauravthakur828@gmail.com

Date of Birth : 10-02-1991

Gender : Male

Nationality : Indian

Status : Single

Languages: English, Hindi

Hobbies: Playing Cricket,
listening music, interested in
learning new things

Computer Skills: Basic
Fundamentals, Tally, MS
office

Operating Systems: Xp, Vista
& Win7, Win8.

Strengths: Work efficiently in
team as well as individual,
High determination, Work
with Punctuality & Honesty

Career Objectives

To associate myself with an esteemed organization and to accept the challenges in the job by utilizing my educational, analytical skills more meaningfully and working hard towards achieving the goals of the organisation.

Academic Qualification

- ✓ **Post Graduation Qualification (2012-14)** : Pursuing MBA in 4th semester in the specialization of Finance and Marketing from Dr. Y. S. Parmar University of Horticulture and Forestry, Solan (H.P.)
- ✓ **Professional Qualification (2009-12)**: B.com from Govt. Degree College Arki, affiliated to Himachal Pradesh University with aggregate 57%.
- ✓ **Senior Secondary Examination (2008-09)**: Passed with an aggregate of 66% from Govt. Boys Sr. Sec. School Arki affiliated to Himachal Pradesh Board.
- ✓ **Secondary Examination (2006-07)**: Passed with an aggregate of 52% from B.L Central Public School Kunihar affiliated to Himachal Pradesh Board.

Training

- ✓ Tally course in 4 months.
- ✓ Master in computer software Technologies course 1 year
- ✓ 2 months internship at Baghat Urban Cooperative Bank

Gaurav Thakur
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