

Consumers 'online Buying Behaviour: A Study With Reference To Home Appliances in Kolkata.

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ABSTRACT: Internet revolution has brought about a paradigm shift in the shopping pattern of the consumers during the last decade. According to a survey report published by Internet World Stats as on 31st December 2017, India ranks second in terms of number of internet users with more than 46 crores of internet users which is next to China. Consumers' behaviour towards the purchase of home appliances has also changed to keep pace with time and the global wave. Home Appliances are the household products which are broadly classified into three types – Major appliances (White goods), Small Appliances and Consumer Electronics (Brown Goods). In today's intensely competitive and dynamic environment with technological innovation in every sphere, knowing the consumers' mind is the most significant factor for the success of any business. In this backdrop the researchers have made an attempt to study the behaviour of the online customers of home appliances in Kolkata. The factors that affect the buying behaviour are identified and analysed. Further the innovative marketing strategies in this changing environment are prescribed for the practitioners to win the race.

KEYWORDS: Online, Home Appliances, Consumer Behaviour, Marketing Strategies.

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I. INTRODUCTION

Online shopping which is also known as E-marketing, online marketing, Internet marketing (IM) or web-marketing, is the most happening technology in IT and E-Commerce sector. In India also it has taken a hit with more and more people using the internet.

Due to this sudden increase of the internet usage, people are becoming more dependent on technology and as a result, a shift in the buying pattern is noticed over the decade. Online Shopping is actually the process of buying and selling the goods and services to the target customers by using internet or web browsers. Now a days, the process of online shopping is so user friendly that customers can conduct online shopping through internet connection by using a range of different computers and various portable devices, including desktop computers, laptops, tablet computers and even smartphones at any time and from any place.

The internet revolution has brought about a paradigm shift in the traditional process in each and every sphere of life. The World Wide Web better known as the web or www., which was invented by the British scientist Tim Berners Lee in 1989 is an information space where documents and other web resources are identified by Uniform Resource Locators (URLs), interlinked by hypertext links, and can be accessed through the Internet.

Home appliances are the electrical or mechanical machines which can accomplish the household functions, such as cooling, heating, cooking or cleaning.

Home appliances are broadly classified into three types:

- Major appliances (white goods) are the major household appliances like air conditioner, refrigerators, washing machines, micro ovens, induction cookers.
- Small appliances are the most commonly used electrical household products like fans, juicers, deep fryers, rice cookers, toasters.
- Consumer electronics (brown goods) are the goods which are used in our daily life like laptops, desktops, printers, mobile phones, cameras, which unlike white goods comes in small boxes.

Global Trend of internet users and online shopping

The growth rate of global e-commerce is mind-boggling. According to a report published in www.statista.com, in 2017 global online shopping amounted to 2.3 trillion US dollars and is expected to be 4.48 trillion US dollars in 2021. In the USA alone, e-commerce represents almost 10 percent of the total retail sales which is growing by nearly 15 percent each year. In Asia Pacific, internet sales accounted for 12.1 percent of retail sales in 2016 but only for 1.8 percent of retail sales in the Middle East and Africa.

According to a survey report, 11 percent of online shoppers now shop online through their smartphones on a weekly basis, and 35 percent opines that it will become their main purchasing tool in future, it also stated that around 39 percent of online shoppers use social networks to get inspiration for purchases. As a result, online shopping continues to evolve at a rapid pace throughout the globe.

Indian Trend of internet users and online shopping

To keep pace with the global trend, a sudden change in the buying pattern has occurred which is mainly due to the advancement of technology and abundant availability of network connection by various internet provider. As a result, the usage of internet has abruptly increased in the country and is expected to have more than 63 crores users in 2021 while the projected figure for the current year is more than 53 crores compared to the 36.5 crores in 2014, 41 crores in 2015, 45 crores in 2016 and 46 crores in 2017. According to a survey report published by Internet World Stats as on 31st December 2017, India ranks second in terms of number of internet users with more than 46 crores of internet users which is next to China, that clearly shows a rising trend of internet users in India as a result of which an increase in the online shoppers in the country.

II. LITERATURE REVIEW

A literature review contains a detailed text of scholarly papers, which reflects the very recent knowledge and substantive findings along with theoretical and methodological input to the pertinent topic. So a detailed literature review plays a vital role in carrying out research as it helps to identify the gaps between the unexplored area and the findings of prior researches done in the particular field. While going through the process of literature review of the related topics both from national as well as international journals, I found no such study has been carried out in Kolkata or West Bengal till date.

In spite of having plenty of research papers on online shopping, the papers related to the objective of the paper are aligned and presented.

Sen (2014) stated that the cost factor, convenience factor, product factor and seller related factor are the four important factors influencing the online purchase of products in Kolkata.

Rotich and Mukhongo (2015) explored the importance of web shopping programs for retail industry which allows the companies to offer products and services 24 hours as per the requirement and need of the customers. They also provided evidences to the retail companies about how internet marketing strategies have promoted the firms at international level to acquire customers.

Niharika & Satinder (2015) stated that post globalization, due to the closeness of various nations different sector has undergone through significant changes. These changes has resulted to the emergence of internet and e-commerce which is now one of the fastest growing technologies and are playing the main role in the day to day business activities.

Kothari and Maindargi (2016), identified five dominant factors which influence consumer perceptions for online shopping as- information, easy to use, satisfaction, security, proper utilization of available information to compare the different product.

After going through the literatures it is observed that though the online shopping as a whole is mentioned but the consumer behaviour analysis, along with various factor analysis and formulation of marketing strategies in the sphere of home appliances and that too in Kolkata are not addressed till date.

III. OBJECTIVE OF THE STUDY

The pertinent analytical study aims to explore and analyse the online shopping of home appliances in Kolkata, which is quiet lagging behind compared to other cities.

- To study the behaviour of online customers of Home Appliances in Kolkata.
- To analyse the online market overview regarding shopping of the three broadly classified Home Appliance – Major Appliances, Small Appliances and Consumer Electronics in Kolkata.
- To identify and analyse the various factors affecting the online shopping of Home Appliances.
- To formulate the various marketing strategies in the changing environment.

IV. RESEARCH METHODOLOGY

Research Methodology is a systematic process of collecting, organising and analysing data. The paper intends to study, analyse and identify the behaviour of online customers of home appliances in Kolkata. Population of the study was restricted to users as well as non-users of home appliances purchased through online shopping. The geographic territory was restricted to Kolkata. A pilot study from the population were selected as per convenience sampling method (As per their availability and willingness).

As the exact population is unknown, so by applying the Krejcie and Morgan formula of sample size calculation for infinite (unknown) Population, we get

$$n = \frac{x^2 p (1-p)}{d^2}$$

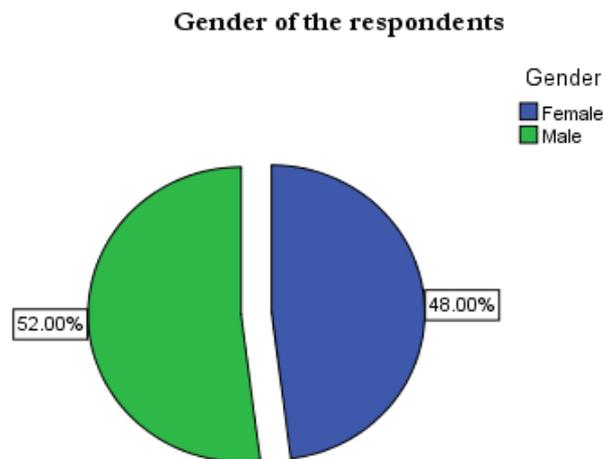
$$n = (1.96)^2 \times 0.5 (1-0.5)/(0.1)^2 = 96.04 \text{ (Round of 100)}$$

Here $x = 1.96$ for 95% confidence level, $P = 0.5$ and $d = 0.1$

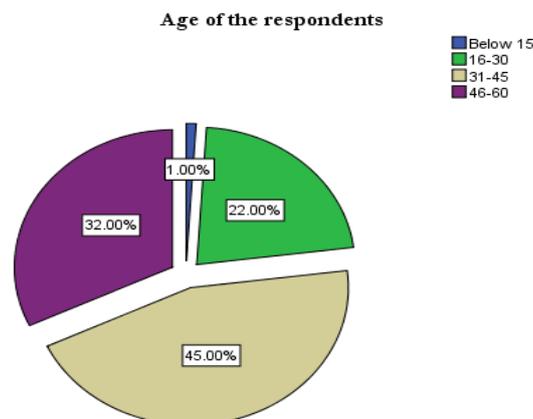
Sample size calculated for study was 100 consumers. Since it is a part of our research work, so we have worked with 100 samples only. Primary Information was collected with the help of well-structured Questionnaire along with personal interview. Secondary data was collected from Published literature in Books, Magazines, Journals and Newspapers and websites. A well-structured objective type and probing questionnaire was prepared. To collect personal views, a pilot survey was conducted to investigate the practical aspect, personal interview and observation technique was used. The information collected during data collection was generated, analysed and interpreted with the help of SPSS20 software. On the basis of findings based on tabulated information and Observations during data collection, conclusion was drawn.

V. FINDINGS AND ANALYSIS

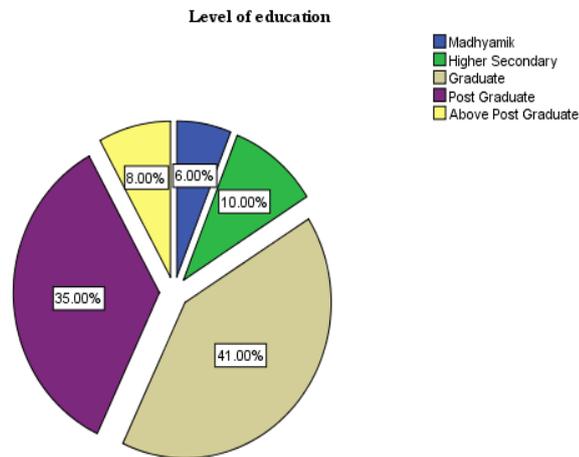
Following are the demographic analysis made from the survey from 100 Kolkata based respondents.



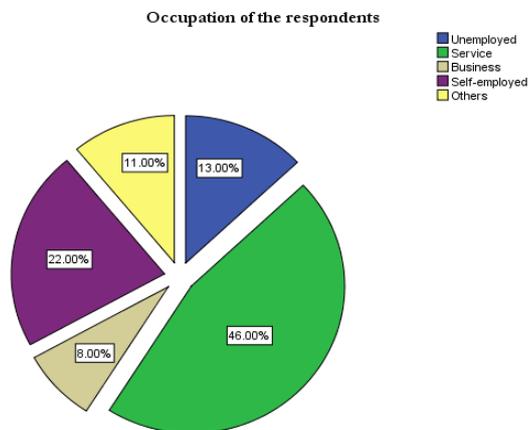
Interpretation - Out of 100 respondents 52% were male respondents and 48% were female respondents, from where we can comment that during the survey more or less equal weightage is given to both the genders.



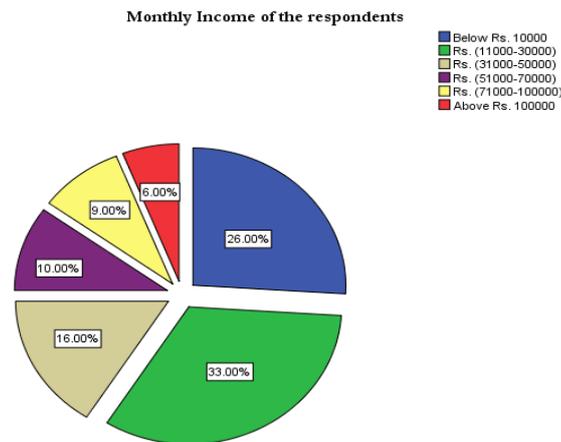
Interpretation – Out of the 100 respondents, only 10 respondents which means (10%) were below the age of 15 years, 22 that is (22%) were in the age group of 16-30 years, 45(45%) in the age group of 31-45 years and 32 respondents (32%) were in the age group of 46-60. From which we can analyse that most of the data collected are in the age group of 31-45 years.



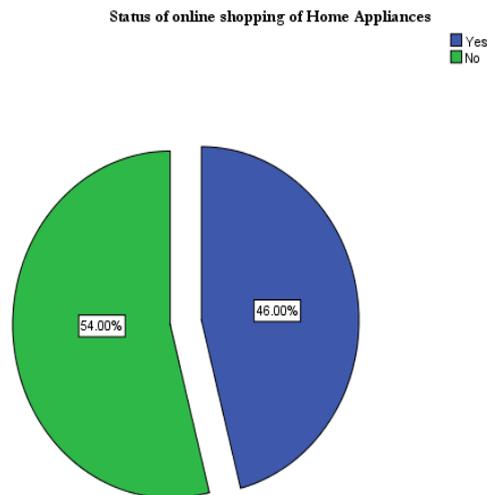
Interpretation – Out of the total respondents, 6% of the respondents are Madhyamik qualified, 10% of the respondents are Higher secondary qualified whereas a maximum of 41% of the respondents are Graduates followed by 35% Post Graduates. Even 8% of the respondents do have a Ph.D. or Post-Doctoral degree.



Interpretation – A maximum of 46% of the collected respondents are service holders followed by 22% Self-employed respondents. 13% were unemployed whereas 8% of the respondents were businessmen and 11% includes the respondents other than the above mentioned profession.

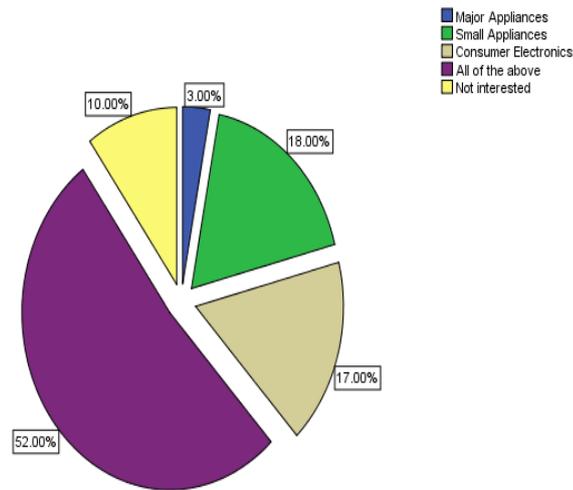


Interpretation – Maximum respondents that is 33% of the data collected are in the income group of Rs. 11000 to Rs. 30000, followed by 26% of the respondents having monthly income of less than Rs. 10000. 16% of the collected data are from the income group of Rs. (31000-50000) followed by 10% of the respondents having monthly income of Rs.(51000-70000). 9% and 6% of the respondents are in the income group of Rs.(71000-100000) and above Rs. 100000 respectively.



Interpretation – The survey revealed that 54% of the respondents in Kolkata have never purchased Home Appliances through internet whereas 46% of the respondents have conducted online shopping of home appliances.

Overview regarding interest of the prospective Customers to buy Major Appliances, Small Appliances and Consumer Electronics.



Interpretation – While conducting the survey we found out that a majority of 52% of the prospective consumers are interested to make an online purchase all the three broadly classified appliances namely- Major Appliances, Small Appliances and Consumer Electronics followed by 18% of the consumers interested to buy only Small Appliances, 17% interested to buy only Consumer Electronics. The survey also revealed that only 3% of the customers are ready to buy Major Appliances whereas 10% of the respondents are reluctant to buy any of the classified type of home appliances through internet.

While conducting Factor Analysis through SPSS 20, we found out that though the sample size is very small, but the test result is justifying us to proceed for further analysis as the result turned out by applying KMO and Bartlett's Test is .754 and 136 respectively.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.754
Approx. Chi-Square	1336.874
Bartlett's Test of Sphericity	136
Sig.	.000

Out of 17 variables, only 4 factors are extracted to eliminate the multi collinearity in regression analysis. The Component Matrix as derived from SPSS are as follows:

	Component Matrix			
	1	2	3	4
Don't know about online shopping	.319	.495	-.403	-.286
Risk of credit and debit card Transaction	.346	.486	-.504	-.246
Internet/Computer illiteracy	.444	.523	-.398	-.334
Risk of identity theft	.346	.640	-.482	.027
Shopping through internet saves time	-.495	.660	.353	-.145
It is easy to purchase at any time of the day.	-.537	.648	.291	-.166
I prefer the online shopping to traditional/ conventional shopping as we can avoid the hassles of shopping in store.	-.492	.547	.390	.014
In online shopping we get to compare the price of the products in various shopping sites.	-.498	.496	.517	.070
Online shopping provides us with abundant options of substitute products.	-.481	.368	.309	.170

Reluctance to disclose the banking detail	.180	.507	-.323	.555
Prefers to see, touch and feel before purchasing the product	.247	.329	-.196	.745
Unavailability of internet connection	.716	.147	.240	-.091
Mismatch of product ordered and arrived	.867	-.039	.319	.115
Stringent and lengthy procedure for return	.847	.194	.374	.031
Problem faced due to delay in delivery	.822	.169	.420	-.017
Cheap/Damaged quality of product delivered	.860	.053	.410	.065
Bad experience due to non-delivery of the product.	.565	-.007	.386	-.195

Extraction Method: Principal Component Analysis.
a. 4 components extracted.

The four factors that are identified along with the parameters are as follows:

- Bitter prior experience and internet hazards
- Unavailability of internet connection.
- Mismatch of product ordered and arrived.
- Stringent and lengthy procedure for return.
- Problem faced due to delay in delivery.
- Cheap/Damaged quality of product delivered.
- Bad experience due to non-delivery of the product.
- Convenience of online shopping
- Shopping through internet saves time.
- It is easy to purchase at any time of the day.
- I prefer the online shopping to traditional/ conventional shopping as we can avoid the hassles of shopping in store.
- In online shopping we get to compare the price of the products in various shopping sites.
- In online shopping we get to compare the price of the products in various shopping sites.
- Sudden growth of internet usage to keep pace with the global trend
- Knowledge about online shopping.
- Risk of credit and debit card Transaction.
- Internet/Computer illiteracy.
- Risk of identity theft.
- Lack of personal touch in online shopping
- Reluctance to disclose the banking detail
- Prefers to see, touch and feel before purchasing the product
- Unavailability of internet connection
- Mismatch of product ordered and arrived
- Stringent and lengthy procedure for return

Total Variance Explained

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.602	32.952	32.952	4.519	26.582	26.582
2	3.158	18.576	51.528	3.532	20.779	47.361
3	2.466	14.507	66.036	2.812	16.541	63.902
4	1.265	7.443	73.478	1.628	9.576	73.478

Extraction Method: Principal Component Analysis.

By applying SPSS 20 we have observed that 73.478% of the total variance are explained by the variables.

Component Transformation Matrix

Component	1	2	3	4
1	.807	-.483	.307	.145
2	.121	.699	.623	.330

3	.577	.527	-.579
4	-.025	-.041	-.427

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Scope of Further Study

The study has discussed the behaviour of online customers of Home Appliances in Kolkata, analysed the market overview and discussed the various parameters affecting the Online shopping of home appliances however there can be few more aspects that might be considered for critically analysing the impediments in the growth of online shopping of home appliances in Kolkata. Categorising the customers and setting up a score for each of the respondents can also be done, as this is the area which is yet to be covered.

VI. CONCLUSION

Online shopping of Home Appliances in Kolkata is still at its infant stage in spite of the fact that it is trying to keep pace with the global mode of shopping. As per the conducted pilot survey we have come across the four mentioned factors along with their parameters. While going through the questionnaire we observed that though majority of the customers have never conducted online purchase of Home Appliances but maximum of the prospective customers are interested to buy all the three mentioned categories of home appliances. From which we can conclude that online purchase of home appliances is the happening form of shopping due to its manifold diversity. The study can be considered as a first step in the way of conducting a research in online shopping of home appliances in Kolkata.

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