

A Study on Consumer's attitude towards online shopping of Smartphone: with Special Reference to Kochi city, Kerala

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Abstract- The purpose of the study is to know the attitude of consumer's towards online shopping of Smartphone in recent period. This study aimed at highlighting the behavior of consumers in Kochi city, Kerala. Consumers are very much interested and aware about the online stores as they can visit web stores from the comfort of their homes. Online stores allow the customer to go through various reviews about the product before actually heading for purchases. These online websites also have daily deals for the customers looking for discounts and store offerings. Primary data was collected through the questionnaire survey. The questionnaire was prepared after analyzing the various aspects of the topic. Price, convenience and time saving were identified as important factors which influence the consumer behavior for online shopping. Online shopping has become a way of life for a number of Indians and the total number of online shoppers is estimated to grow 3.5 times to touch 175 million by 2020. In 2017, estimated 1.66 billion people worldwide purchased goods online. During the same year, global e-retail sales amounted to 2.3 trillion U.S dollars.

Index Terms- Consumer behavior, E-retail, Online stores, Smartphone, Store offerings.

I. INTRODUCTION

Online shopping or e-shopping is a form of electronic commerce, which allows consumers to purchase goods and services directly from the seller through internet using a web browser. The Electronic commerce or e-Commerce as is known today evolved as businesses (end to end process) started to shift from real time market to digital market. Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. Online shopping is gaining currency in India too. It is seen that online shopping has steadily increased in the northern, southern and western parts of India, namely Delhi, Chennai, Kochi Mumbai etc. Kerala has always been a state which stands in the forefront of consumption. Kerala has been considered as a consumption power house by business firms. The year 1991 noted a new chapter in the history of the online world where e-commerce became a hot choice amongst the commercial use of internet. At that time nobody would have even thought that buying and selling online or say the online trading will become a trend in the world and India will also share a good proportion of this success. Since e-commerce is considered as the cheapest medium to reach new market and most important part of sales strategy, it opens a great way for development of digital market in future. Also it is a huge platform which maximizes its reach to every potential customer by providing convenience and satisfaction towards their shopping experience.

II. RESEARCH OBJECTIVES

- To study the attitude of consumers towards online shopping of Smartphone.
- To identify the various advantageous and disadvantageous of online shopping for smart phones
- To study the factors which influence the consumers for online shopping of Smartphone
- To examine the popularity of online shopping of Smartphone

III. SCOPE OF RESEARCH

This research was focused on the investigation of consumer's attitude on online shopping of Smartphone in Kochi city, Kerala. The theoretical scope of the study includes the popularity of online shopping of Smartphone, customer's behavior pattern, pros and cons of e-commerce etc.

IV. LITERATURE REVIEW

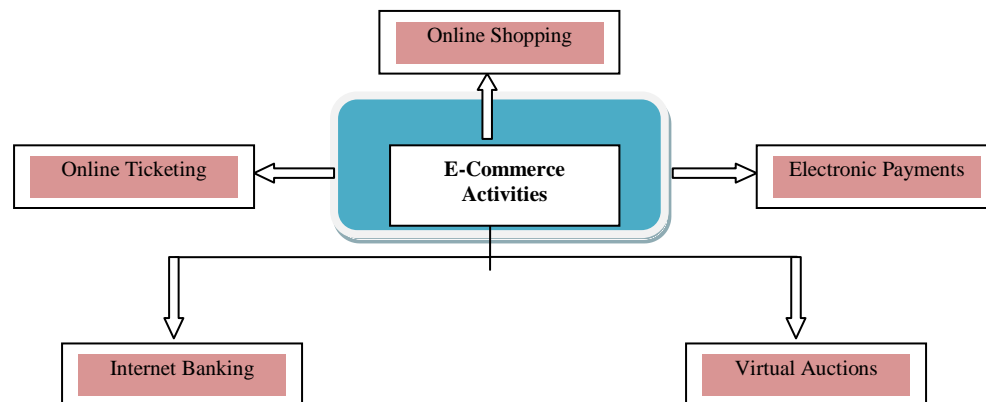
Online shopping can be a smart consumer's best friend, with the ability to easily comparison shop, searches for discounts and make purchases with a few mouse clicks. Online shopping websites supports the sales process, also helps the customers by providing necessary information. We all know that south India is the hub of information technology (IT) business in India. Bangalore, Coimbatore, Chennai, Thiruvananthapuram, Kochi and Hyderabad are amongst the main IT hubs in the southern part. Plus the literacy rates in the southern states are higher than other Indian states. These facts clearly indicate that the majority of people in south India are well-educated and tech-friendly. So as southern India has a higher percentage of educated folks, for this reason, educated folks are faster in trying out and adopting latest technologies. Online shopping has become increasingly popular over the years but the practice of buying or selling products and services online is very common in south India. A large majority of south Indian people prefer to shop online rather than spending time and shopping from retail stores. And while making payment majority of the customers prefer cash on delivery.

E-commerce stands for electronic commerce and pertains to trading in goods and services through the electronic medium, i.e. the Internet or phone. On the Internet, it pertains to a website, which sells products or services directly from the site using a shopping cart or shopping basket system and allows credit card payments. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange (EDI). In general connotation, E-Commerce involves paperless transactions and usage of EDI (Electronic Data Interchange), electronic mail, bulletin boards, fax transmissions, and electronic fund transfers. It refers to the process of trading goods and services through an electronic medium such as the internet. With advancements in technology, there have been changes in the methodology for business transactions. India, being a rapid adaptor of technology is apace with the current scenario of electronic data exchanges and has taken to e-Commerce. E-commerce is being used for purchase and sale of multiple products and there are multiple players using various portals and websites for this purpose.. However, there exists no standard definition for the term and different organizations have defined it in different manner. E-commerce is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means-commerce is not a single technology but a combination of sophisticated technologies. Mainly there are five models to conduct e-commerce:-

- Business to Business (B2B)
- Business to Consumers (B2C)
- Consumer to Consumer (C2C)
- Peer- to -Peer (P2P)
- Mobile commerce (M-Commerce)

Business to Business form does not involve individual customers. In this form a manufacturer supplies goods to a retailer or a wholesaler. Business to Consumer is the most common form of e-commerce where a company sells directly to individual customers. Consumer to Consumer form of e-commerce involves business transaction between two individuals. while Peer to Peer form of e-commerce supports people to share their their files and resources without the help of a central web server, and both the ends requires a software to facilitate communication- commerce is another type of e-commerce in which transactions can be done with the help of mobile phones.

Diagram showing E-Commerce Activities



Advantages of Online Shopping

- Time saving
- Removing mediators
- Product cost saving

- All time processing
- Better service
- Fast delivery

Important factors for the growth of online shopping in India

- Timely services provided by the seller.
- Price comparison and product reviews.
- Replacement guarantee to the customers.
- Various ways of payment options.
- Mobile capable sites.
- Low shipment cost.
- Cash on delivery option to the customer
- Quality of the product should be same as shown in the website.
- Clear and realistic terms and conditions.

Online payment methods:

An online payment method is a payment instrument that generates a financial transaction between a buyer and a seller, whereby the selection of the payment instrument is made over the Internet in direct sequence with the purchase, and whereby the payment instrument is either represented by a payment brand, a solution brand or general payment term (e.g. cash-on-delivery).

Payment instruments:

- Card payments
- Bank transfer payments
- Direct debit payments
- Cash payments
- Wallet payments (e.g. PayPal) etc.

Research Methodology

Methods of data collection: Combination of interview and questionnaire method is used to collect data from the respondents

Sample Design: Under sample design the method of random sampling is used to collect data from the respondents.

Sample size: Size of 60 respondents are taken for the collection of data.

Statistical tool used: Percentage Method

$$\text{Percentage of respondent} = \frac{\text{Number of respondent}}{\text{Total number of respondents}} \times 100$$

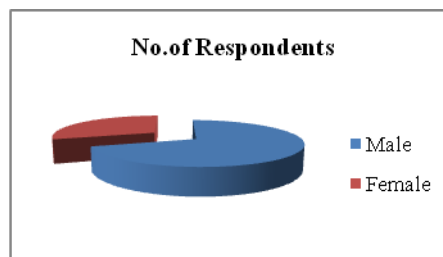
V. DATA ANALYSIS AND INTERPRETATION

1. Sex ratio of the respondents.

Table: 1

Opinion	No. of Respondents	Percentage of the Respondents
Male	42	70%
Female	18	30%

Chart: 1



Interpretation:

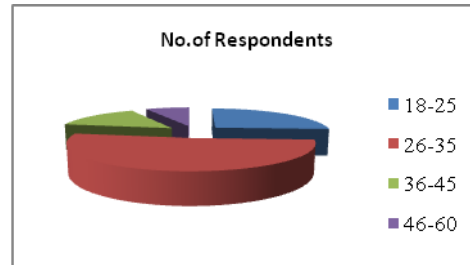
The graphical representation of the table shows that out of the 60 Respondents, 42 were male and 18 were female.

2. Age

Table: 2

Opinion	No. of Respondents	Percentage of the Respondents
18-25	14	23.33
26-35	28	46.66
36-45	8	13.33
46-60	4	6.66

Chart: 2



Interpretation:

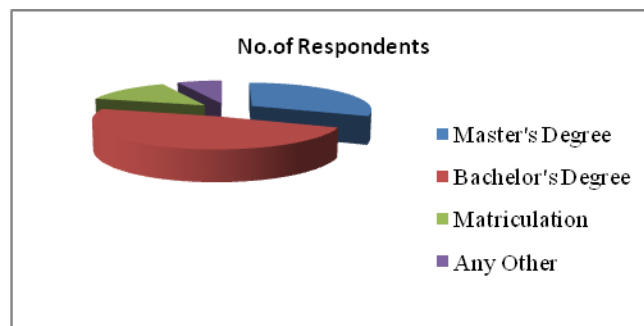
The graphical representation shows that most of the respondents come under the age group of 26-35.

3. Educational Qualification

Table: 3

Opinion	No. of Respondents	Percentage of the Respondents
Master's Degree	18	30
Bachelor's Degree	28	46.66
Matriculation	8	13.33
Any other	4	6.66

Chart: 3



Interpretation:

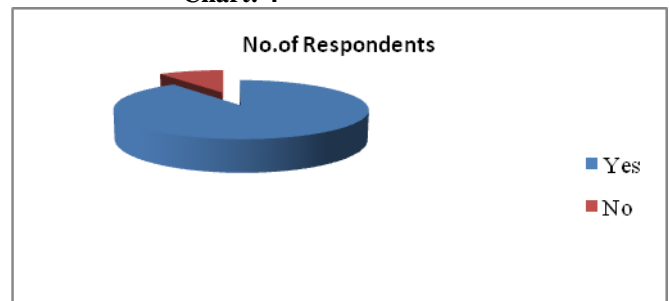
The graphical representation shows that out of 60 respondents, 18 are graduates, 28 respondents are undergraduate and 8 of them are passed the matriculation and four of them are of other qualification

4. Do you like to shop online?

Table: 4

Opinion	No. of Respondents	Percentage of the Respondents
Yes	54	90
No	6	10

Chart: 4



Interpretation:

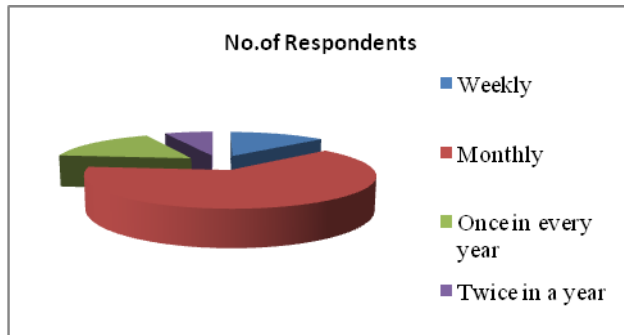
Out of 60 respondent 90% of them commented that they like online shopping and 10% of them don't like online shopping.

5. If Yes, how often do you make online purchase?

Table:5

Opinion	No. of Respondents	Percentage of the Respondents
Weekly	8	13.33
Monthly	38	63.33
Once in every year	10	16.66
Twice in a year	4	6.66

Chart:5



Interpretation:

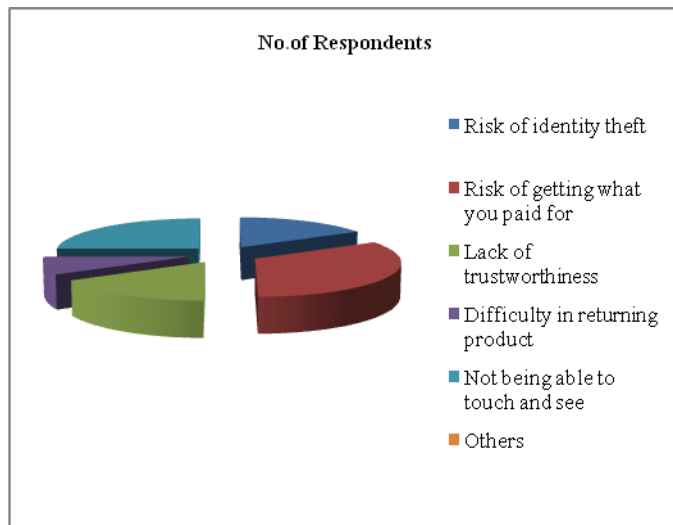
Out of 60 respondents above 60% of them were make online purchase on monthly basis, above 16 % once in a year, above 13% weekly basis and above 6% twice in a year respectively.

6. If No, what is the main reason which keeps you away from online shopping?

Table:6

Opinion	No. of Respondents	Percentage of the Respondents
Risk of identity theft	2	3.33
Risk of getting what you paid for	4	6.66
Lack of trustworthiness if Vendor	2	3.33
Difficulty in returning product	1	1.66
Not being able to touch and see the product	3	5
others	0	0

Chart: 6



Interpretation:

This graphical representation shows that above 6% commented on risk of getting what they paid, above 3% risk of identity theft, 5% on not being able to touch and see, and above 1% on difficulty in returning products.

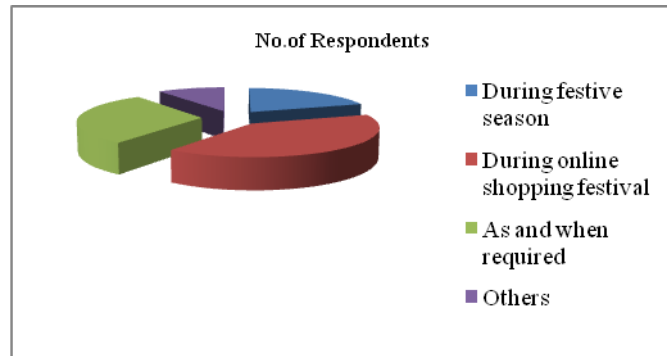
7. Generally when do you prefer to make online shopping of Smartphone?

Table: 7

Chart: 7

Opinion	No. of Respondents	Percentage of the
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		Respondents
During festive season	12	20
During heavy discount period offers (online shopping festival)	24	40
As and when required	18	30
Others	6	10



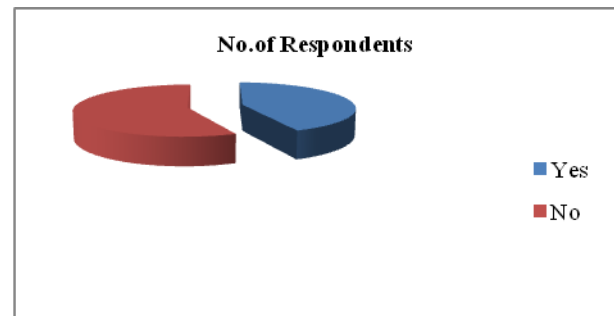
Interpretation: Out of 60 respondents above 40% make online shopping during heavy discount period (at the time of online shopping festival), above 30% purchases at the time when they required it, above 20% purchases on festive season

8. Do you go to retail shop first before making your final purchase?

Table: 8

Chart: 8

Opinion	No. of Respondents	Percentage of the Respondents
Yes	26	43.33
No	34	56.66



Interpretation:

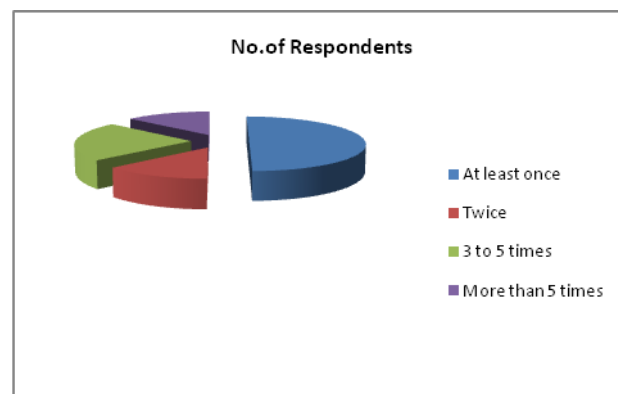
Out of 60 respondents above 56% of them commented that they won't go to retail shop before making online shopping and 43% go to retail shop before online purchasing.

9. Approximately how many times did you shop Smartphone through online during the last year?

Table: 9

Chart: 9

Opinion	No. of Respondents	Percentage of the Respondents
At least once	30	50
Twice	8	13.33
3 to 5 Times	14	23.33
More than 5 times	8	13.33



Interpretation:

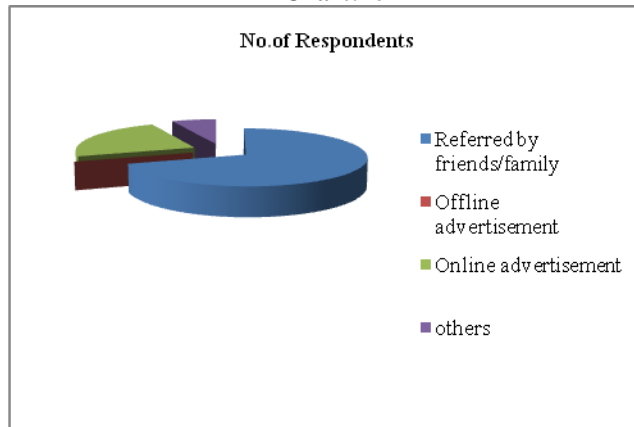
This graphical representation shows that 50% of the respondents did the online shopping of Smartphone last year at least once, above 22% purchased 3 to 5 times, 13% of them purchased twice and 13% more than 5 times

10. How did you get the idea of buying specific brand of Smartphone through online?

Table: 10

Opinion	No. of Respondents	Percentage of the Respondents
Referred by friends/family	42	70
Offline advertisement		
Online advertisement	14	23.33
Others	4	6.66

Chart:10



Interpretation:

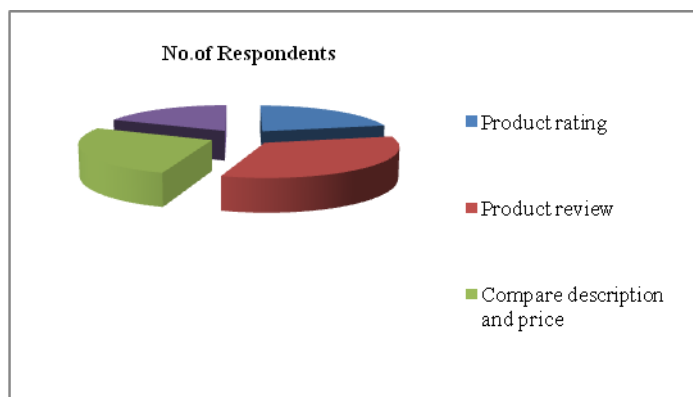
This graphical representation shows that 70% commented that they get the idea of buying specific brand of Smartphone from their friends/family, 23% of them from online advertisement and above 6% from other sources

11. How do you find the specific Smartphone to your own need?

Table: 11

Opinion	No. of Respondents	Percentage of the Respondents
Product rating	13	21.66
Product review	20	33.33
Compare description and prices	16	26.66
Referred by colleague/friend/family	11	18.33

Chart: 11



Interpretation:

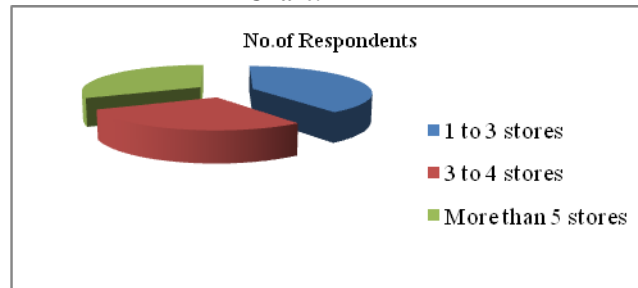
For buying Smart phone through online above 30% rely upon the product review, above 20% compare the product description and price, above 18% ask for the opinion of colleagues, friends and family

12. How many online Smartphone stores do you visit before online shopping?

Table:12

Opinion	No. of Respondents	Percentage of the Respondents
1 to 3 stores	24	40
3 to 4 stores	17	28.33
More than 5 stores	19	31.66

Chart: 12



Interpretation:

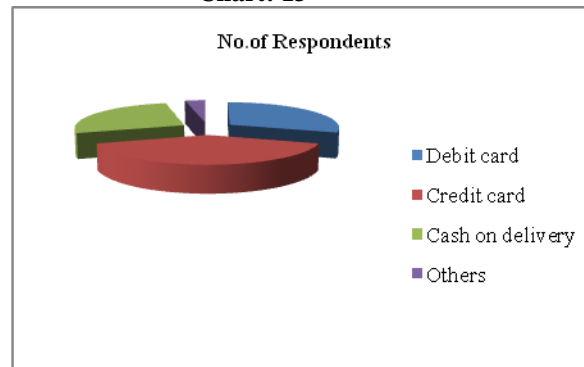
40% of the respondents visits 1 to 3 online stores before online shopping, above 31% visits more than 5 online stores and above 28% visits 3 to 4 online stores.

13. How do you make payment mostly when you purchase online?

Table: 13

Opinion	No. of Respondents	Percentage of the Respondents
Debit card	18	30
Credit card	24	40
Cash on delivery	16	26.66
others	2	3.33

Chart: 13



Interpretation:

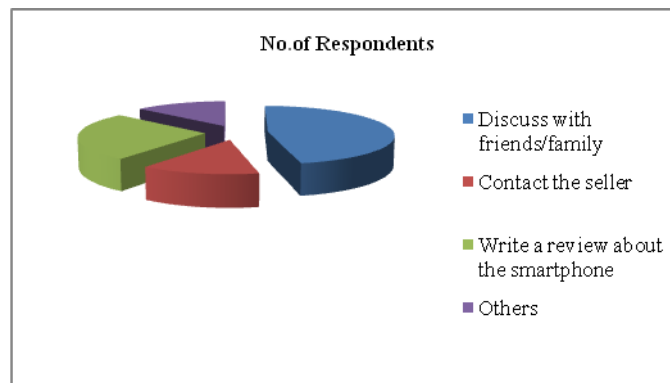
40% of respondents do their online shopping payment credit card, 30% uses debit card, above 25% opt for cash on delivery.

14. After receiving the Smartphone you will.....

Table: 14

Opinion	No. of Respondents	Percentage of the Respondents
Discuss with friend/family about the Smartphone	28	46.66
Contact the seller for further guidance if needed.	8	13.33
Write a review about the phone	16	26.66
Others	8	13.33

Chart: 14



Interpretation:

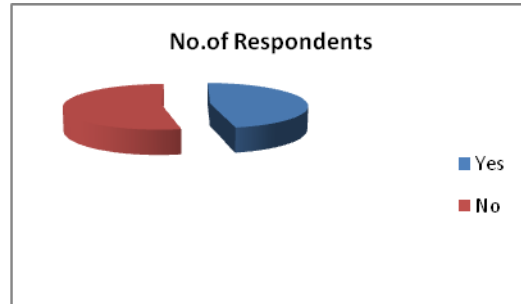
This graphical representation shows that after receiving the Smartphone, out of 60 respondents above 46% will discuss with their friends and family members about the Smartphone, above 26% will write a review about the Smartphone, above 13% contact the seller for further guidance and above 13% go for t other option

15. Does cash on delivery option influences you to go for online shopping?

Table: 15

Opinion	No. of Respondents	Percentage of the Respondents
Yes	28	46.66
No	32	53.33

Chart: 15



Interpretation:

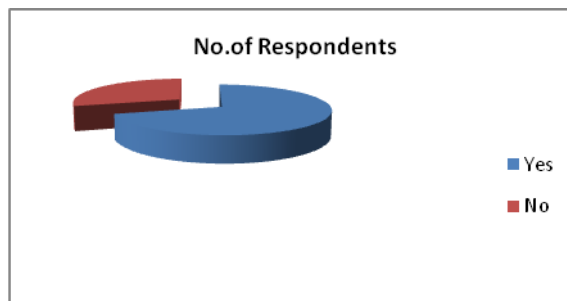
This graphical representation shows that 46% of respondents are influenced by cash on delivery option and above 53% are not influenced by cash on delivery option.

16. Does “free shipping” option motives you for online shopping?

Table: 16

Opinion	No. of Respondents	Percentage of the Respondents
Yes	48	80
No	12	20

Chart: 16



Interpretation:

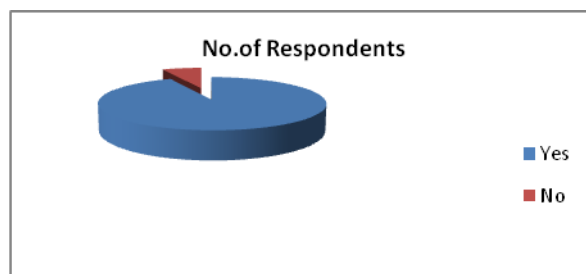
80% of the respondents are motivated by free shipping option on online shopping and 20% of respondents are not motivated by “free shipping” option.

17. Do you search for complete information about the Smartphone on internet before making online purchase?

Table: 17

Opinion	No. of Respondents	Percentage of the Respondents
Yes	56	93.33
No	4	6.66

Chart: 17



Interpretation:

Above 92% of respondents commented that they search for complete information about the Smartphone before making online purchase and 7% not.

VI. RESEARCH FINDINGS

- Majority of the respondents prefer online shopping.
- Respondents who prefer online shopping do their shopping monthly and some of the respondents are not go for online shopping due to risk of getting what they paid for, lack of trustworthiness of vendor, risk of identity theft, not being able to see the product etc.
- Majority of the respondents select their Smartphone's brands after seeing the product review, product rating etc.
- Majority of the respondents do their online shopping of Smartphone during heavy discount period. Respondents are also motivated by "free shipping" option on online shopping and others are influenced by "cash on delivery" option too
- Most of the respondents are highly aware about each and every details about online shopping of Smartphone

VII. CONCLUSION

From the above discussion the online shopping industry in India is fast catching on, not just in the larger metros but also in the smaller cities. For convenience and time saving consumers are get attracted towards online shopping. Variety of products are now available in online stores, also purchasing of Smartphone through online is increasing day by day. At present the market is estimated at Rs 46,000 crore. India has more than 100 million Internet users, out of which around half opt for online purchases and the number is growing every year. The Indian Institute of e-commerce states that by 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are set to grow four times in coming years.

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