

## Factors Affecting Online Buying Behaviour of University Students in Meghalaya and Mizoram

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**Abstract:** To develop better strategies to retain existing customers and attract more potential buyers, online retailers have to understand E-commerce market, buyers' behavior. Consumers' online buying behavior is a complicated socio-technical phenomenon and has been the focus of online marketers since it is hard to judge the psychological state of consumers while they are making purchases. Like in traditional way of shopping, online shopping has influencing factors such as social, cultural, personal, psychological etc. But when it comes to online shopping, there are some more factors which need to be taken into consideration. The study has been attempted among the university students in Meghalaya and Mizoram to find out factors affecting them to go for online shopping in both these universities. Proportionate stratified random sampling has been used for the collection of data and the sample consists of 400 respondents. The study identify the most common factors why the respondents opt for online shopping as well as the reason why online shopping is not favorable to these respondents.

**Keywords:** E-commerce, Factors of Online Shopping, Problems of Online Shopping, Shopping Behaviour.

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### I. Introduction

The growing use of internet in India provides a developing prospect for online shopping in the country. According to Indian Institute of e-Commerce, by 2020 India is expected to generate \$100 billion online retail revenue. Internet offers new way of shopping and it allows it easier than ever to search for a product and buy it from anywhere and anytime from the best suitable seller. Many online buyers view online shopping as a way to save time and a convenient way to buy products (Horrihan, 2008). Online shopping became the most common and regular way of doing a business. Detailed product information, convenience and improved service attracts more people changed their shopping pattern from the traditional mode to more rely on the online shopping. But despite the growth, Indian e-commerce players will have to cater to multiple factors (Nair, 2015). Therefore, to understand the buying motives for internet shopping is a must.

### II. Review of Literature

Wang et.al (2008) made exploratory research on the influencing factors of online shopping in China. The study pointed out four major influencing factors of online shopping such as making safe medium of payment and credit means of online shopping, preserving privacy of online shoppers, consumer cognition, consumer's computer and internet experience. The risk perception of consumer became the main restrictive factors of online shopping and most of the internet users in the country were indulging in online entertainment other than online shopping.

Sinha and Kim (2012) attempted to identify factors affecting Indian consumers' attitude toward shopping online by investigating Indian consumers' risk perceptions. The convenience risk seemed to be the only factor significantly affecting Indian consumers' online purchases. In terms of gender difference, perceived risk is significant for male but not for female while attitude has been significant factor for female, innovativeness has been significant factor for male. The concerns associated with product delivery, social and perceived behavioural control have been found to be significant factors affecting attitude towards using internet for shopping.

From the qualitative analysis of factors influencing online buying behavior of college students by Jadhav and Khanna (2016), the main influencing factors for online shopping were identified as availability, low price, promotions, comparison, convenience, customer service, perceived ease of use, attitude, time consciousness, trust and variety seeking.

Vaghela (2017) studied factors affecting online shopping behavior in the city of Surat and concluded that perceived ease of use, vendor's characteristics, perceived usefulness, website design are important factors

for online shopping. Further, it is found that there is no difference in terms of gender towards factors affecting online shopping which means male and female are giving equal importance to these factors and same is with respect to the income group.

Jukariya and Singhvi (2018) studied factors affecting online buying behaviour of students in Udaipur. The students were asked about their demographic profile, which included gender, age, qualification, income, occupation, marital status and family type and to provide various level of agreement with respect to different factors that affect their online buying behaviour. The finding shows that the one factor which undoubtable has great impact on their online buying is the personal privacy and security followed by transaction security and multiple payment options, convenience and save time. The results of the study can be utilized by practitioners in relooking or revamping their strategies for online shopping and help many consumers in order to understand all advantages that online shopping is offering.

Bucko et.al (2018) conducted a study to determine factors that affect the consumers' willingness to purchase product from the online store in the condition of Slovak market. 232 university students were selected randomly as respondents for the study and exploratory factor analysis was used to analyze the data gathered. The findings of the study showed that 7 components such as price, availability, social proof, scarcity, product details, conditions and social media activity are the most common factors affecting online shopping behavior and out of which price of the product became the most important factor among the respondents.

### **III. Significance of the Study**

To deal with challenges that are prevailing in E-commerce market, online retailers have to understand E-commerce market, buyers' behavior and consider all those factors that affect online shopping in order to develop better strategies to retain existing customers and attract more potential buyers. Consumer buying behaviour is affected by many variables, ranging from personal motivations, needs, attitudes and values, socio-economic and cultural values, age, sex, professional status to social influences of various kinds exerted by family, friends, colleagues and society as a whole (Solomon, 2004). Studying various factors affecting online shopping will help online retailers to understand the association between factors and consumer buying behavior. In this context, research is aimed to study the various factors affecting online shopping in Meghalaya and Mizoram.

### **IV. Objective of the Study**

- (i) To find out and rank the factors influencing online shopping among university students in Meghalaya and Mizoram.
- (ii) To study the problems facing online shopping among select university students.

### **V. Research Methodology**

The study consists of both primary and secondary data. The primary data is collected from university students of Mizoram University (MZU) and North Eastern Hill University (NEHU). The sample consists of 400 students, 200 each from both the universities. For collecting the respondents, Proportionate Stratified Random Sampling has been used taking each functioning schools of studies as one stratum in both the universities and from each stratum respondents were selected randomly. Weighted Ranking Method has been used for data analysis. The secondary data is collected from various research papers, articles, websites, newspapers and magazines keeping in view the purpose of the study.

### **VI. Data Analysis and Findings**

When it comes to online shopping there are several factors which influence shoppers prefer to buy it online such as convenience, easy accessibility, time saving and so on. At the same time there are also restrictive factors such as financial risk, product risk and delivery issues. This study attempted to identify various factors affecting online shopping and rank those factors which will help online retailers identifying which factors influence the shoppers to opt for online buying and which factors restrict them. The probable attributes derived from extensive literature review were listed and respondents were asked to rank the five top most factors for buying and not buying online.

#### ***Demographic Profile of the respondents***

The study has been conducted among university students in Meghalaya and Mizoram. The sample consists of 400 respondents, 200 each from both the universities. Male and female online buyers among the respondents are equal. The online shoppers who are in the age group of 20- 24 years constituted 72.5%, followed by 25- 28 years (15%), below 20 years (12.25%) and above 28 years (0.25%). More than half of the respondents (73.7 %) are post graduate and 19.3 % are under graduate while 3.7 % are Ph.D. scholar and 3.3% are M.Phil. scholar. Out of the respondents 66.5% of the respondents belongs to the family size of 4-6, followed

by family size of 7-9 (17.8%), more than 9 (8.0%) and 1-3 (7.8%). The respondents with the family income of Rs 1lakh –Rs 4 lakhs is the highest constituting 56.4%. This is followed by the family income group of less than Rs 1 lakh (19.5%), Rs 4 lakhs – Rs 7 lakhs (16.5%), Rs 7 lakhs- Rs 10 lakhs (6.0%) and above Rs 10 lakhs (1.5%). The following Table 1 represents the demographic profile of the respondents for the study.

**Factors for buying online among the respondents**

The researcher, based on the respondents’ ranking on factors, found out five most affecting factors which influence the buying behavior of the respondent in the select universities. The most five leading factors are: heavy price discounts, Wide Variety of brand choices, Time saving, Non-availability in the local market and Convenience.

**Table 1: Factors for buying online among the respondents**

Sl. No.	Factors	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Weighted Sum	Weighted Score	Overall Ranking
1	Heavy price discounts	86	71	43	41	46	971	2.5	1
2	Wide Variety of brand choices	60	71	49	48	42	869	2.2	2
3	Time saving	51	71	53	42	37	819	2.0	3
4	Non-availability in the local market	67	39	40	41	31	726	1.8	4
5	Convenience	56	18	37	22	27	534	1.4	5

Source: Field survey.

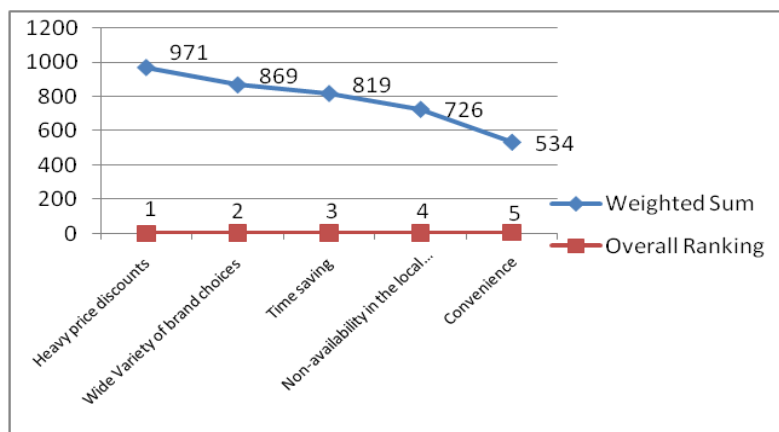
Table 1 represents the rank of the factors influencing the decision to purchase online among the respondents. The overall ranking of these factors has been derived from calculating weighted score. The ranking shows that the most common reason why the buyers opted to purchase online is because of the heavy price discounts, with a weighted score of 2.5. Usually the customer seeks maximum saving and value for money. Price as the most influencing factor for online shopping identified in this study is consistent with the findings of the study by Synovate’s e Nation survey ( 2007), Jadhav and Khanna (2016).

The study shows that availability of wide variety of choices among brands (weighted score of 2.2) as the second most important factor influencing online shopping. Consumers want more choices when it comes to shopping online (Comscore, Inc., 2013) and the platform that online stores offer for variety of choices attract more shoppers to switch to shopping online.

Time saving (weighted score of 2.0) came in the third rank among factors influencing online shopping. The ability to obtain a required service or product without leaving one’s home makes online shopping more attractive in today’s busy world. Some other research shows that time saving as the most important attributes that drives consumer to shop online (Makwana et.al, 2017). It can be concluded that time saving is among one of the most important drivers of online shopping.

Another important result different from findings of previous research is non- availability in local market (weighted score of 1.8) as factor influencing online shopping. It is assumed that this factor if given more importance since north eastern states do not have shopping market as compared to other parts of the country.

Online shopping is influenced by its simplicity, convenient payment and ability to compare price of the same product in different online stores. Convenience (weighted score of 1.4) is among the top five most important factors among the respondents. In most cases the shopping in online stores is selected for its convenience and simplicity (Bauboniene and Gulevicuite, 2015).



**Fig. 1: Overall ranking of the factors**

The above Figure 1 represents an eye view reference of the overall rank of the factors influencing respondents to shop online. Information on various factors influencing online shopping has been collected and respondents were asked to rank these factors till 5<sup>th</sup> rank based on their shopping experience. Weighted sum and weighted score of these ranks has been calculated to derive the overall ranking of the factors as shown in the above figure.

**Problems on onlinebuying among the respondents**

The researcher, based on the respondents’ ranking on problems, found out five most affecting problems which causes the respondents not satisfy for buying online. The five problems are: Inability to touch the goods, Risk of financial loss in debit/credit card transactions, Difficulty in return and refund, Long time in delivery of productsand Loss of goods.

**Table 2: Problems on online buying among respondents**

Sl. No	Problems	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Weighted Sum	Weighted Score	Overall Ranking
1	Inability to touch the goods	191	39	18	24	13	1226	3.0	1
2	Risk of financial loss in debit/credit card transactions	49	69	27	15	11	643	1.6	2
3	Difficulty in return and refund	27	50	43	44	45	597	1.5	3
4	Long time in delivery of products	18	46	52	42	30	544	1.4	4
5	Loss of goods	17	28	41	51	21	443	1.1	5

Source: Field survey

The above Table 2represents the rank of the most common problems facing by the respondents which discourages for not buying products online among them. The overall ranking of these problems has been derived from calculating weighted score. From the table, the problem which ranked first is the inability to touch the goods (weighted score of 3.0) in online shopping. According to Retail Dive Consumer Survey and Google India study (2013), ability to see, touch and feel product ranks highest among the reasons consumers choose to shop in stores other than online.

Risk of financial loss in debit/credit card transactions (weighted score of 1.6) is the second most important factor that impedes respondents from online shopping. Online trust is one of the most critical issues that affect the success or failure of online retailers (Prasad and Aryasri, 2009). Financial risk is always the number one concern of individuals who are shopping online (Reile, 2017).

Another common reason why respondents hesitate to shop online is difficulty in return and refund (weighted score of 1.5). The fact that many online stores do not provide proper return and refund policy makes shoppers hesitate to shop online. It is suggested to buy online from well established e- commerce companies having proper return policy.

Even though expected date of delivery is provided by the online stores, there is no surety that the ordered product will arrive on time. Risk of delivery issue (weighted score of 1.4) which came in the fourth rank is one of the common factors which persuade people to shop offline. Many a times, these orders take more time than expected to be delivered. It is important for buyers to have realistic expectations and know when they can expect their orders. Timely delivery and other priority services are the biggest challenges for online retailers in our country (Nair, 2015).

Another common barrier of online shopping coming in the fifth rank is the fear of loss of goods in transit (weighted score of 1.1). There are some cases when the ordered products did not reach the shoppers. This causes a problem and huge loss for the online buyers especially when the orders are prepaid. The possibility of receiving the products other than the ordered products is another problem being faced by the online shoppers.

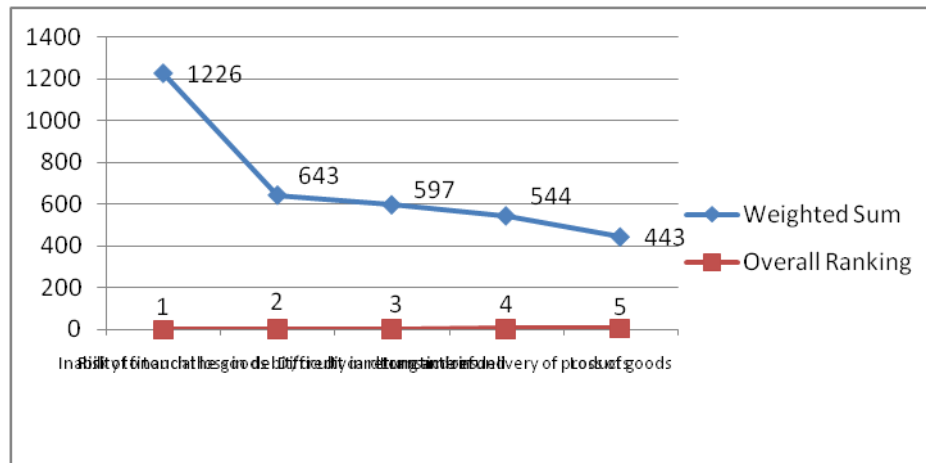


Fig. 2: Overall ranking of the Problems

The above Figure 2 represents overall rank of the most common problems faced by the respondents in their online shopping. The respondents were asked to rank various problems of online shopping till 5<sup>th</sup> rank based on their past experiences. Weighted sum and weighted score of these ranks has been calculated to derive the overall ranking of the problems of online shopping as shown in the above figure.

## VII. Conclusion

As online shopping attracts more people, positive or negative online shopping experiences have a huge impact on the future buying behavior. The main objective of this paper is to determine factors that affect the consumers' willingness to purchase or not to purchase product from an online store. Most of the influencing factors were found to be matching with the factors identified in earlier research studies conducted in different geographical locations such as heavy price discounts, wide variety of brand choices, non-availability in the local market and convenience. Inability to touch the goods, risk of financial loss in debit/credit card transactions, difficulty in return and refund, long time in delivery of products and loss of goods are the most common factors for not buying online. The findings of the study will be helpful for online retailers to design marketing model and strategies for attracting more online customers. The retail strategies can be developed keeping in focus the various influencing factors identified in this study.

The area undertaken in research is constraint to university students in Meghalaya and Mizoram, The larger sample size with different age groups and backgrounds might provide different results. The findings should also be interpreted with caution when it comes to the generalization of research findings of North-east Indian online customers as a whole. The further future study also can be carried out by considering more factors affecting online shopping intention.

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