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A Study on Customer's Online Purchasing Behaviour with Reference to Madurai City



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ABSTRACT

E-commerce has simplified and innovated life by bringing about several changes in our day-to-day activities. In India, Customer's buying habits have changed dramatically due to the rapid expansion of retail marketing and the evolution of the Internet. Online retailers can increase their financial resources by creating e-products and services that fulfill customer needs. The primary goal of this study is to analyze the customer purchasing behaviour of Madurai city people while doing online purchasing. The development of technology opened up new channels for providing customers with shopping amenities, including online shopping, remote payments, doorstep delivery, etc. This work forecast the peoples of Madurai city's customer behaviours and likes and dislikes experienced in online shopping. As a result, it suggests that business owners and e-tailers formulate marketing strategies.

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1.0 INTRODUCTION

Online shopping refers to a kind of electronic commerce. The development of information and communication technology and the Internet brings the evolution of new business models (Dost, Ilyas, and Rehman, 2015). The improvement in our nation's economic situation as a result of the government's liberal economic strategy has made India a profitable choice for retailers worldwide. The expansion of internet and smartphone use has caused the retail industry to thrive. Online buying is simple and handy for consumers because it takes a few mouse clicks to complete the transaction. Online shopping simplifies both the act of shopping and daily life. Many factors have contributed to

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consumers moving their purchasing habits to online retail stores. One of the main advantages of internet buying is comparing your goods to similar products depending on price, colour, size, and quality.

Compared to traditional brick-and-mortar retail businesses, online shopping offers customers various options. Online or interest-based shopping is shopping that is done online. Nowadays, a lot of buyers use the Internet because it offers so many benefits to them. They can avoid crowds and save time because of it. Certain goods enable buyers to buy goods from anywhere in the world at any time and are significantly less expensive. Due to the ease with which customers can compare costs while buying online, several major retailers now prominently show links to identical products on their websites.

A happy customer becomes dependable and makes frequent purchases. Customers who purchase online have a wide variety of products to choose from, and businesses have many business options (Jun and Jaafar, 2011) (Kapoor, Gupta, and Dhawan, 2022). This study aims to understand how consumers behave when purchasing online, including their preferences, likes, dislikes, challenges, and driving forces.

1.1 Literature Review

Arpana (2020) conducted an analysis and stated that Indian consumers do not respond quickly to the marketing tactics used by online retailers. Indian shoppers tend to be more cautious and cost-conscious while making purchasing decisions.

Alalwan (2020) state that online shopping is more convenient since it takes less time and energy requires less shipping money and has fewer crowds than traditional marketplaces. Due to the rapid advancement of information and communication technology (ICT), mobile application software (applications), smart technology, and smartphones, modern life has expanded and become increasingly important.

Rahman *et al.*, (2018) reviewed and stated that many products and timesaving in online shopping are offered. Both men and women exhibit comparable behaviour when it comes to enjoying or hating things. Customers prefer the home delivery option while purchasing online; however, the impossibility of touching the product is thought to be the biggest turnoff. Customers are more conscious about the security of their payments; social networking sites are judged to be the most reliable source of information about online buying.

Hasanov and Khalid (2015) states that website quality and attractiveness, including other factors like distribution system, customer service, customer reviews, and effective logistics management, play a vital role in influencing consumers' perceptions of online shopping.

Jayasubramanian, Sivasakthi and Priya (2015) state that online shopping customers enjoy various retailers' offers. But at the same time, it's subject to fraud risk, the threat to their personal information, and privacy from hackers.

1.2 Objectives of the Study

- To understand the customer behaviour towards online purchasing in Madurai city.
- To analyse the customer issues on making an online purchasing
- To analyse the impact of online purchasing options and decision
- To examine the options that influence customers to make the online purchase.
- To examine the satisfaction level of online purchasing

2.0 RESEARCH METHODOLOGY

A survey method is followed in this work through structured Questionnaires. It is used as the primary source for collecting the data. Secondary data are gathered from various online sources, journals, books, etc.

2.1 Sampling Size

The sampling size is 50 respondents collected from Madurai city on the random selection method. The acquired data have been examined through the percentage analysis and the ranking approach.

3.0 RESULT & DISCUSSION

From the total samples, the demographic terms such as gender, age, annual income, education level, and resident location are collected and represented the below Table 1.

Table 1 – Demographic Profile

Demographic Profiles		Frequency (Out of 50)	Percentage
Gender	Male	34	68 %
	Female	16	32 %
Age	20 - 25	19	38 %
	26 - 35	25	50 %
	35 Above	5	10 %
	Prefer Not to Say	1	2 %
Annual Income	Below ₹10,000	6	12 %
	₹10,001 - ₹20,000	16	32 %
	₹20,001 – ₹40,000	14	28 %
	Above ₹40,000	6	12 %
	Prefer Not to Say	8	16%
Education level	Matriculation or below	2	4 %
	UG	27	54 %
	PG, Doctorate	20	40 %
	Prefer Not to Say	1	2 %

Source: Primary Data

From Table 1 maximum of 68 % of respondents are male, and 32 % of respondents are female. 38 % of respondents fall between the age of 20 to 25, whereas 50 % of respondents fall between the age of 26 to 35, 10 % are with age above 35, and 2% of respondents have not declared their age. Regarding the annual income maximum range is ₹10,001 to ₹20,000 with 32% of the respondent, followed by ₹20,001 to ₹40,000 with 28%, below ₹10,000 with 12%, and above ₹40,000 with 12% of respondents. Regarding education, the maximum number of respondents who completed their UG with 54%, followed by PG, Doctorate with 40%, Matriculation or below with 25, and not declaring their education with 1%.

Table 2 – Getting Ideas/Research about Specific Products and Brands Before Purchasing Online

Medium of Idea	Frequency (Out of 50)	Percentage	Rank
References from friends & relatives	29	58 %	I
TV or Social media Ads	17	34 %	II
Offline Ads through Newspapers, brochures, pamphlets, etc.	3	6 %	III
Waiting for a specific product launch	1	2 %	IV

Source: Primary Data

Several sources are available for choosing a specific website, product, and brand. Table 2 shows that about 58% of respondents choose their product based on the idea provided by reference from friends & relatives, and it is ranked first. Next, about 34% of respondents chose their product based on TV or Social media Ads and ranked two. About 6% of respondents choose their product based on Offline Ads through Newspaper, brochures, pamphlets, etc., with rank three and rank four options Waiting for a specific product launch with 2% respondents.

Table 3 – A Most Preferred Shopping Site for Online Purchase

Online Websites	Frequency (Out of 50)	Percentage	Rank
Flipkart	21	42 %	II
Amazon	22	44 %	I
Snapdeal	2	4 %	IV
Others	5	10 %	III

Source: Primary Data

Table 3 shows among the total respondents, about 44% of them prefer Amazon as their favourite shopping site and ranking at first. Followed by Flipkart with 42% and ranking second. About 10% of respondents choose other available websites as per favourite shopping site ranked third, and about 4% choose Snapdeal, with ranked four.

**Figure 1 – Before Purchasing a Product Online, Did You Visit Offline for the Same Product**

Figure 1 show that about 64% of respondents say they will visit the Shop before buying the same product online. Whereas 36% of respondents say, they don't prefer visiting a Shop before purchasing online.

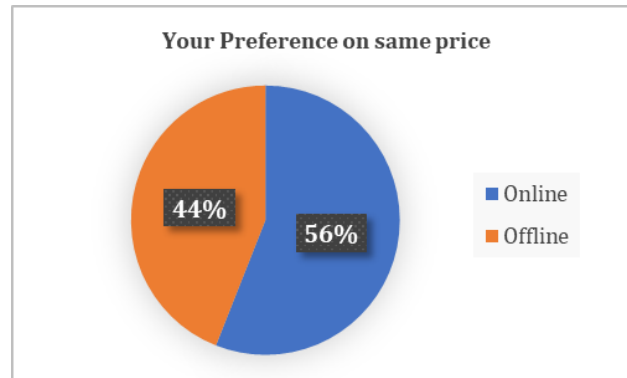


Figure 2 – If Yes Means for the Same Product Price in Both Shop & Online, Which One You Prefer

Figure 2 show among the total respondents, about 56% of respondents choose online to purchase only even the same product available in the Shop at the same price. Whereas 44% of respondents prefer purchasing at offline Shops in case of the same price.

Table 4 – The Primary Factor You Prefer for the Final Decision During Online Purchasing

Factors	Frequency (Out of 50)	Percentage	Rank
Discounts	17	34 %	I
Free gifts	2	4 %	V
Free Delivery	6	12 %	IV
Cash On Delivery	13	26 %	II
Not available in the stores	12	24 %	III

Source: Primary Data

Table 4 shows the respondent's factors influencing buying a product online. From which discount is attained the first rank with 34 % of respondents followed by cash on delivery in rank two with 26% of respondents, in rank three not available in the stores with 24% of respondents, in rank four is free delivery with 12% of respondents and at rank five is free gifts with 4% of respondents.

Table 5 – During Your Online Purchase, Have You Read the Return Policy Before Doing the Transaction

Aware of the Returning Policy	Frequency (Out of 50)	Percentage	Rank
Yes	24	48 %	I
No	12	24 %	II
May Be	14	28 %	III

Source: Primary Data

Return policy is a significant activity needed while purchasing online. Table 5 shows the customer's awareness of reading the return policy before purchasing the product. 48% of the respondent will read it before purchasing, and it is ranked first. At the same time, 28% of respondents

kept this as an option and ranked two. About 24% of respondents declared that they wouldn't read the return policy while purchasing and ranked at three.

Table 6 – Payment Method Most Often Preferred During Online Purchase

Payment Methods	Frequency (Out of 50)	Percentage	Rank
Cash On Delivery	27	54 %	I
UPI Payments	13	26 %	II
Online Bank Payments	4	8 %	IV
Credit Card or Debit card	6	12 %	III

Source: Primary Data

Nowadays, various payment options are available in online shopping, and it is one known factor for customers to choose online shopping. Of the several payment modes, cash on delivery is ranked one with 54% of respondents, followed by UPI payment in rank two with 26% of the respondent, Credit Card or Debit card is ranked three with 12%, and Online Bank Payments is ranked four with 8% of respondent (see Table 6).

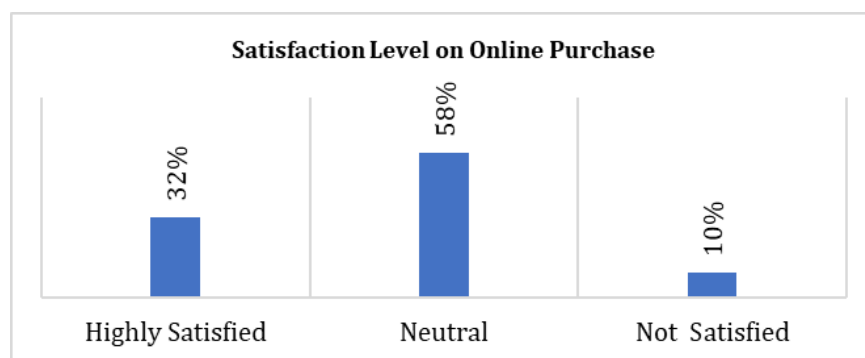


Figure 3 – Satisfaction Level on Online Purchase

Figure 3 show customer satisfaction towards online purchasing, in which 58% of respondents choose neutral, which shows their satisfaction level is average with some concerns still existing. At the same time, 32% of respondents declared that they were highly satisfied and about 10% declared that they were not satisfied with the online purchases.

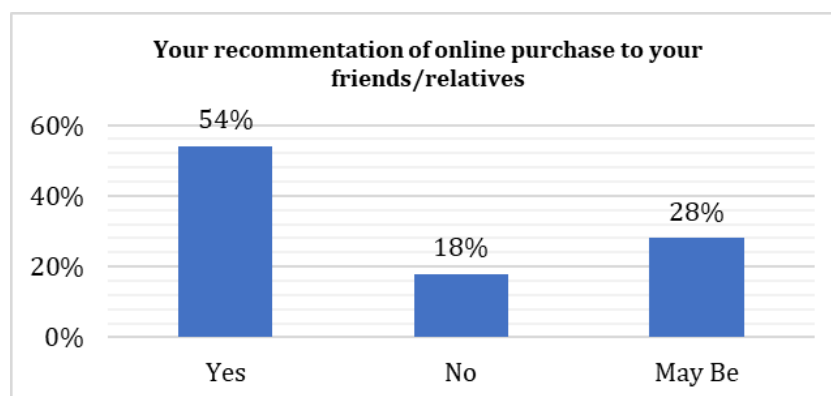


Figure 4 – Would You Recommend the Online Purchase to Your Friends/Relatives

Figure 4 shows the customer recommendation on suggesting their friends and family members on online purchasing. Of the 50 respondents, about 54% recommend online purchases, whereas 28% stand neutral by choosing may be an option, and 18% declare that they won't prefer online shopping for their friends and relatives.

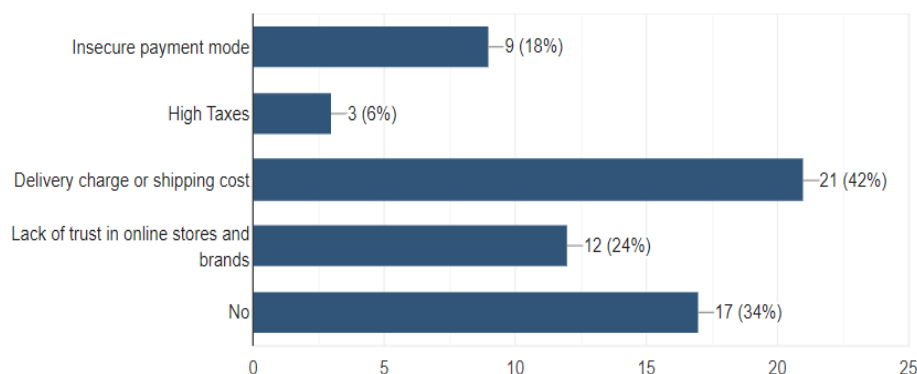


Figure 5 – Any Barrier to Avoiding Online Purchases, if “Yes”, Means Please Select Any Option: Otherwise Select “No”

Figure 5 shows the people's reasons for considering barriers while making online purchases. 42% of respondents vote for the delivery charge or shipping cost added while purchasing online. Whereas 34% vote that does not have any barrier to online purchases. About 24% of respondents say trustworthiness is a barrier, 18% say insecure payment systems, and 6% consider high tax a barrier while online purchases.

4.0 SUGGESTIONS

- The most significant elements influencing online purchasing are convenient and simple purchasing. It is essential for marketers should make additional efforts in these areas to increase client satisfaction.
- Madurai is a semi urban city; hence, more awareness regarding online shopping through advertising in various mediums needs to be done.
- Digital ID systems trusted third-party certificates, encryption technologies, and prepaid cards can all be used since security and privacy are crucial factors.
- Today's online shopping has become a fragmented, inconsistent, and occasionally frustrating experience. Therefore, organizations should constantly innovate, differentiate themselves from rivals beyond price, and work to build client trust for online transactions.
- Online marketers should be focused on keeping the available product in quantity, quality, colour, and delivered at the right time. It will maximize customer satisfaction and also the online business.

5.0 CONCLUSION

In recent years, in comparison to traditional buying, online shopping has created a much larger environmental impact. Comparatively speaking to the conventional method of purchasing, buying a variety of things from their place at the minimum time gives you a wonderful experience. In this work, we examined the customer's Online purchasing behaviour among the residents of Madurai

city. It is proved that online shopping has attained a huge welcome among the residents of Madurai city. But still, the awareness of online shopping in and around Madurai cities needs to be improved. Ensuring product availability in colour, quantity, quality, brand, and timely delivery is important. The respondent declared their satisfaction level with online shopping with a maximum of 58% neutral, 32% highly satisfied, and 10% is not satisfied. This shows that the online shopping mechanism still needs to enhance its capability to fulfil the customer's needs and satisfy their trust in security and privacy.

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