

INTERNATIONAL RESEARCH JOURNAL OF MANAGEMENT SOCIOLOGY & HUMANITIES

ISSN 2277 – 9809 (online)

ISSN 2348 - 9359 (Print)

A REFEREED JOURNAL OF



**Shri Param Hans Education &
Research Foundation Trust**

www.IRJMSH.com
www.SPHERT.org

Published by iSaRa

A Study on Consumer's Online Buying Behaviour With Reference To Home Appliances in Kerala

BINIL.V.RAJAN

(Assistant Professor, Department of Commerce, St Michael's college, Cherthala,
Alappuzha (Dist.), Kerala, India, binilrajan68@gmail.com)

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 Status as on 31st December 2017, India ranks second in terms of number of internet users with more than 46 crore's 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 area, 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 Kerala. 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, E-Shopping

INTRODUCTION

Online shopping, also known as E-marketing, online marketing, Internet marketing (IM) or web-marketing, is the most sought after technology in IT and E-Commerce sector. It has also taken India by storm with the huge surge in the number of internet users in the country.

It is safe to say that in this day and age, along with food clothing and shelter, internet, qualifies as a primary need. The revolution in telecommunication sector has redesigned the way consumers shop and buy goods and services. Both domestic and multi-national companies began using the Internet with the objective of reducing marketing costs and thereby curtailing the price of their products in order to get ahead in the competition. Companies employ the internet to communicate and disseminate information to sell the product, to take feedback and also to conduct satisfaction surveys among consumers. Customers utilise the internet not only to purchase the product online but also to compare prices, product attributes and after sale service facilities they will receive. Adding to the enormous potential of the E-business market, the internet renders a unique prospect for organisations to effectively reach present and prospective customers.

As a result of the sudden increase in the internet usage, people are becoming more relevant on technology and consequently a switch in the buying pattern has been noticed over the decade. Online shopping is the process of buying and selling the goods and services to the target

consumers by using the internet or web browser. The process of online shopping is so user friendly these days those customers can conduct online shopping through internet using computer or various other gadgets like laptops, tablet computers and even smart phones at any time and from any place.

There has been a paradigm shift in all aspects of life, country the internet revolution. The World Wide Web or simply the web was invented by the British Scientist Tim Bernner Lee in 1989 is an information space where documents and other web-resources are identified URL's interlinked by hypertext links and can be accessed online. 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:

1. Major appliances (white goods) are the major household appliances like air conditioner, refrigerators, washing machines, micro ovens, induction cookers.
2. Small appliances are the most commonly used electrical household products like fans, juicers, deep fryers, rice cookers toasters.
3. 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 international e-commerce is mind blowing. According to a report published in www.statista.com, in 2017, global online shopping amassed 2.3 trillion US Dollars and is anticipated to be 4.48 trillion US Dollars in 2021. In USA alone E-Commerce contribution to almost 10 percent of the total 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 consumers now shop online through their smart phones on a weekly basis and 75 percent believes that it will become their main buying tool in future. It also stated that 3.9 percent of shoppers use social networks to get motivation for purchases. Consequently, online shopping continues to develop at a rapid pace all across the globe.

Indian Trend of internet users and online shopping

Keeping pace with the global trend, a sudden shift in the purchasing pattern has been triggered which is majority due to the development of technology and abundant availability of internet connection by various network providers. Internet usage in the country has been on the rise and is anticipated to have more than 63 crore users in 2021 while the estimated figure for the present year is more than 53 crores compared to the 36.3 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 States as on 31st December 2017, India ranks second in terms of the number of internet users with more than 46 crores of internet users, which is next to china, that certainly shows a growing trend of internet users in India, as a result of which there is a tremendous rise in the number of online shoppers in the country.

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 Kerala 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.

Li and Zhang (2012) stated that those who need the Internet on a regular basis or those who are very much in short of time prefer Internet shopping. They also found that the benefits that the Internet gives to its consumers and the risk perceived by the consumers are associated both positively and negatively to the two variables that are dependent to each other i.e attitudes and behaviour. They analysed 35 empirical studies and classified ten interdependent factors for which the factual evidences show serious relationships.

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 Kerala.

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.

Meera, Padmaja and Siddique (2017) jointly concluded that most of the online respondents are Male. Majority of the respondents come under the age group below 25 years and are professionals. Many of them are influenced by the advertisements. They prefer online shopping to get wide varied choices of goods. According to this survey, Snap deal is the most commonly used shopping site. In total the researcher has contacted 80 sample informants in Sivakashi town. Online shopping helps to defend money and time by purchasing online within the range of finances or fund that we have. The research shows that the complete approach of online shopping has modified in terms of consumer's shopping or purchasing behavior.

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 Kerala are not addressed till date.

OBJECTIVES OF THE STUDY

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

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 Kerala. But the scope of the study is limited to Ernakulam (Kochi) district due to lack of time. 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 Ernakulam. A pilot study was conducted 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

$$n = x^2 p (1-p) / d^2$$

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

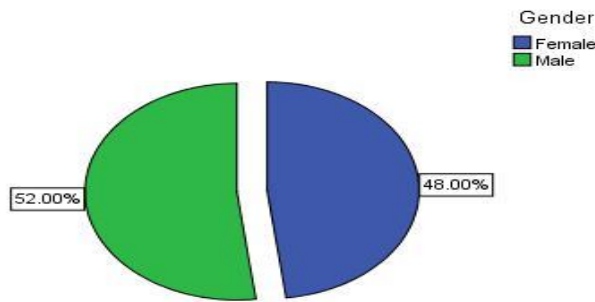
Here $x = 1.96$ for 95% confidence level, $P = 0.5$ and $d = 0.1$

Sample size calculated for study was 100 consumers. Since it is a part of the research work, so I 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 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 MS Excel and SPSS software. On the basis of findings based on tabulated information and Observations during data collection, conclusion was drawn.

ANALYSIS AND FINDINGS

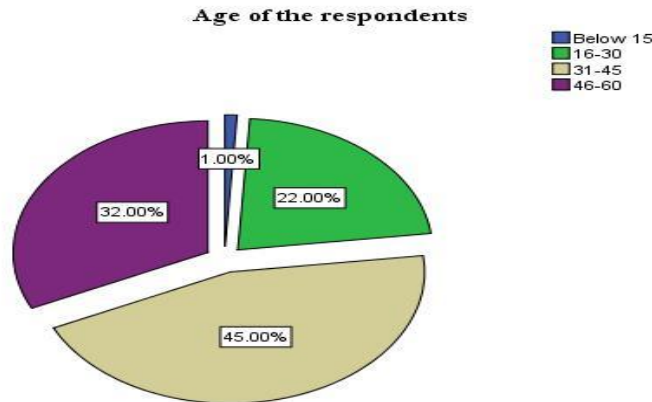
The demographic analysis was made from the survey from 100 Kochi based respondents.

Figure 1
Gender of respondents
Gender of the respondents



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.

Figure 2
Age of respondents
Age of the respondents



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.

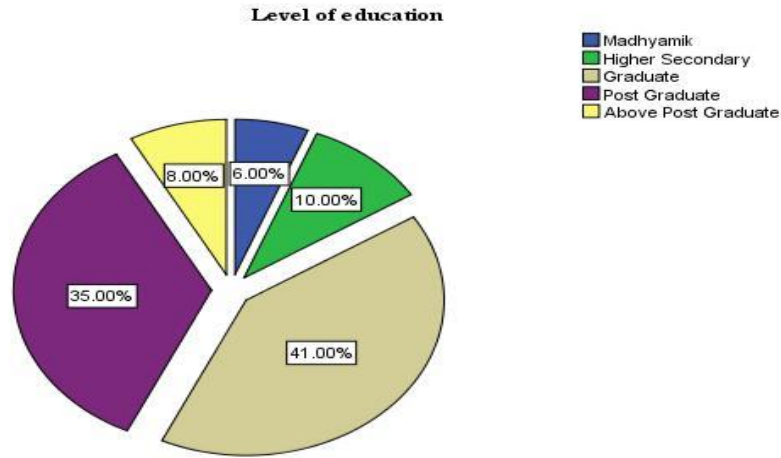
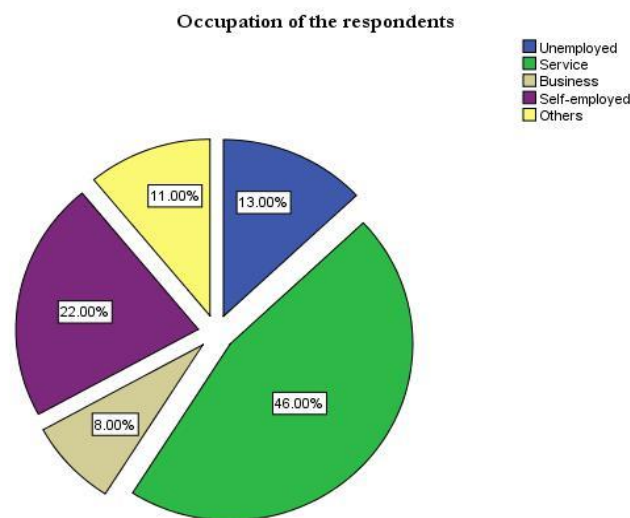


Figure 3
Education of respondents

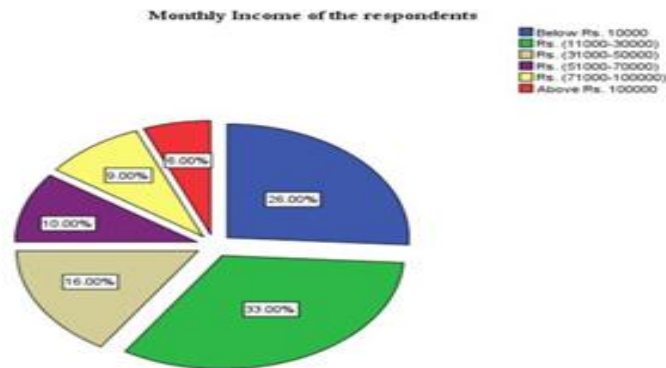
Out of the total respondents, 6% of the respondents are Madhyamik/Matriculation qualified, 10% of the respondents are Higher Secondary qualified whereas a maximum of 41% of the respondents are Graduates followed by 35% Post Graduates. Even 8% of the respondents do have a Ph.D. or higher degree.

Figure 4
Occupation of respondents



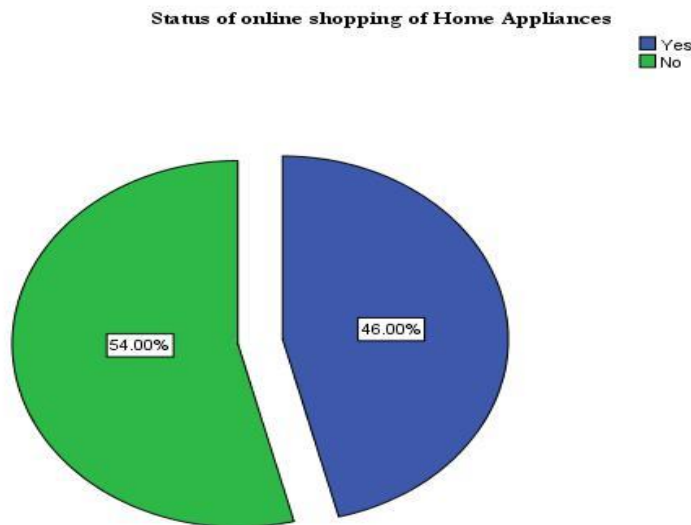
A maximum of 46% of the collected respondents are service holders followed by 22% Self-employed respondents. 13% were unemployed whereas 8% of the respondents were businessmen and 11% includes the respondents other than the above mentioned profession.

Figure 5
Monthly Income of respondents



A maximum respondent 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.

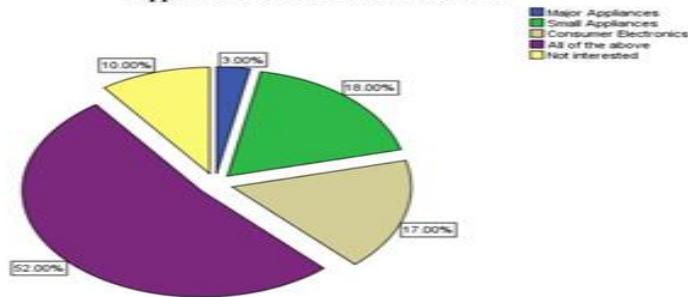
Figure 6
Respondent's status towards online shopping of Home Appliances



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

Figure 7
Respondents interest to buy different category of Home Appliances

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



While conducting the survey it was 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, it 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	
DoF.	136
Sig.	.000

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

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

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

Extraction Method: Principal Component Analysis.

1. 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	66.038	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 we have observed that 73.478% of the total variance is 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	-.234
4	-.025	-.041	.427	.903

Extraction Method : Principal Component Analysis

Rotation Method : Varimax with Kaiser Normalisation

CONCLUSION

Online shopping of Home Appliances in Kochi is still at its infant stage despite of the fact that it is striving to progress with the global mode of shopping. According to the conducted pilot survey it was identified, four factors along with their criteria. While analysing questionnaire it was noticed that though majority of the customers have never conducted online purchase of Home Appliances most of the potential customers are interested to buy all the three mentioned categories of home appliances. Hence it can be concluded that online purchase of home appliances is the most sought after form of shopping due to its diversity. The study can be

regarded as a primary step in conducting a research in online shopping of home appliances in Kochi.

SCOPE FOR FURTHER STUDY

The study has examined the behaviour of online customers of Home Appliances in Kochi, explored the market overview and scrutinised the various criteria affecting the Online shopping of home appliances. However there are a few facts that might be accessed for critically examines the hindrances in the development of online shopping of home appliances in Kochi. Classifying the customers and giving a score for each of the respondents can also be done, as this is the area which has not been explored yet.

REFERENCE

- 1) Blackwell R., Miniard, P. and Engel, J. (2006). Consumer behaviour. Mason: Thompson. Cialdini Robert B. (1984). Influence: The Psychology of Persuasion. Harper Business. Enis, B.M. (1974). Marketing Principles: The Management Process.
- 2) Egan, J. (2007). Marketing Communications. London: Cengage Learning.
- 3) Gabbott M. and Hogg, G. (1998). Consumers and services. Chichester: John Wiley & Sons. Jain Rajiv and Gupta Nisha (2017).
- 4) Consumer Behaviour towards E commerce: Online Shopping. International Conference on Recent development in Engineering Science, Humanities and Management organised by NITTTR, Chandigarh, Vol. 3, 56-68.
- 5) Kumar P. (2010). Marketing of Hospitality & Tourism Services. Tata McGraw-Hill Education. Kotler, P. and Keller, K. (2011). Marketing Management. London: Pearson Education, Ed. 14.
- 6) Kinker Manisha and Shukla N.K. (2016). An Analysis of Consumer Behaviours towards Online Shopping of Electronic Goods With special reference to Bhopal and Jabalpur city. International Journal of Innovation and Applied Studies, Vol. 14, No. 1, 218-235
- 7) Niharika and Satinder (2015). A study of Internet Marketing in India: Challenges and Opportunities. International Journal of Science Technology and Management, Vol. 4, No. 11, 15-37.
- 8) Rotich Joseph Kiplang'at and Mukhongo Aaron (2015). Effects of Internet Marketing Strategies on Sale of Communication Services. A Case Study of Telkom Kenya-Eldoret Branch. International Journal of Scientific and Research Publications, Vol. 5, No. 10, 1-15
- 9) Solomon, M. (1995). Consumer Behaviour. New Jersey: Prentice Hall, Ed. 3. Schiffman L., Hansen H. and Kanuk L. (2007).
- 10) Consumer Behaviour: A European Outlook. London: Pearson Education.
- 11) Stallworth, P. (2008). Consumer behaviour and marketing strategic. Online, 9. Sen Rahul Argha (2014). Online Shopping: A Study of the Factors Influencing Online Purchase of

Products in Kolkata. International Journal of Management and Commerce Innovations, Vol. 2, No. 1, 44-52.

- 12) Saha Amit (2015). A Study on “The impact of online shopping upon retail trade businessIOSR Journal of Business and Management, Vol. 4, No. 11, 74-78.
- 13) ShettarRajeshwari M. (2016). Emerging trends of E-Commerce in India: An Empirical Study. International Journal of Business and Management Invention, Vol. 5, No.9, 25-31.
- 14) UnderhillPaco(1999).Whywebuy: The science of Shopping. Simon and Schuster, Ed.1.<https://www.pwc.com/gx/en/industries/retail-consumer/total-retail/total-retail-categories.html#key8www.statista.comwww.google.com>



EARN YOUR MBA

WWW.IIMPS.IN



Accreditation & Ranking



UGC / NCTE Approved.

INFO@IIMPS.IN

☎ 011-41005174

R
S
E
A
R
C
H
G
A
T
E
W
A
Y

STOP PLAGIARISM



Arogyam Ayurveda
Holistic Healing through herbs



A
R
O
G
Y
A
M
O
N
L
I
N
E

PARIVARTAN PSYCHOLOGY CENTER



COLOR PSYCHOLOGY : HOW COLOR AFFECT YOUR CHILD



- BLUE** Calms your Child's Mind & Body
- YELLOW** Promotes Concentration, Stimulates the Memory
- PINK** Evokes Empathy, makes your Child Calm
- RED** Excites and energizes your Child's body
- GREEN** Improves Reading speed and Comprehension

www.parivartan4u.com



Confuse about your children's future?



Shri Param Hans Education & Research Foundation Trust
www.SPHERT.org

भारतीय भाषा, शिक्षा, साहित्य एवं शोध

ISSN 2321 – 9726

WWW.BHARTIYASHODH.COM



**INTERNATIONAL RESEARCH JOURNAL OF
MANAGEMENT SCIENCE & TECHNOLOGY**

ISSN – 2250 – 1959 (O) 2348 – 9367 (P)

WWW.IRJMST.COM



**INTERNATIONAL RESEARCH JOURNAL OF
COMMERCE, ARTS AND SCIENCE**

ISSN 2319 – 9202

WWW.CASIRJ.COM



**INTERNATIONAL RESEARCH JOURNAL OF
MANAGEMENT SOCIOLOGY & HUMANITIES**

ISSN 2277 – 9809 (O) 2348 - 9359 (P)

WWW.IRJMSSH.COM



**INTERNATIONAL RESEARCH JOURNAL OF SCIENCE
ENGINEERING AND TECHNOLOGY**

ISSN 2454-3195 (online)

WWW.RJSET.COM



**INTERNATIONAL RESEARCH JOURNAL OF
MANAGEMENT SCIENCE AND INNOVATION**

WWW.IRJMSSI.COM

