DIGITAL RETAIL DOMINATION: STUDYING THE FACTORS FUELING THE RISE OF ONLINE SHOPPING

Mohit Kumar, CCS HAU, Hisar, India (ms107@hau.ac.in)
Atul Dhingra, CCS HAU, Hisar, India (atuldhingra@hau.ac.in)
Suman Ghalawat, CCS HAU, Hisar, India (sahrawat_s@yahoo.com)
Ekta Yadav, CCS HAU, Hisar, India (ektayadav62111@gmail.com)

ABSTRACT

Online shopping has become progressively common staple of life in the 21st century in its short time of existence and one of the attractive aspects of technology. The trend towards online shopping has also focused on consumers staying healthy during long blockades. Its acceptance can be credited to the fact that convenience is highly valued in our world today. Offers an online medium where customers can purchase a wide range of products and services, while providing sellers with a platform to conduct their business and transactions. This research paper focused to analyze the factors influencing online shopping and develop a model framework for online shopping. 200 students from Hisar city were selected to collect primary data. A semi-structured questionnaire was used to gather the data. Data was examined using the IBM SPSS 20 software using data reduction techniques such as factor analysis and discriminant analysis. Specifically, the survey was structured into two sections: the initial portion encompassed demographic details, while the subsequent part consisted of inquiries related to policies, services, and features of online shopping. Factors 1 to 3 include policies, services, and features of online shopping. As per factor analysis, factor1 to factor3 were most imperative for online shopping and the Cronbach alpha values were 0.819, 0.764 & 0.738 respectively. According to the discriminant score, e-commerce websites should place more emphasis on e-commerce services to ensure smooth operations. The study also revealed a significant association between the factor in online shopping. Concurrently, this data will enable companies to gain insights into their products, policies, and services, as well as promptly receive customer feedback for future enhancements.

Keywords: Policies, Services, Features, Online Shopping, Factor analysis.

1. INTRODUCTION

Shopping is an activity where consumers buy products or services from retailers in exchange for payment. The rise of online shopping has disrupted the retail industry as it allows consumers to search for product information and make purchases from different regions. Online retailers deliver products directly to customers' desired locations, eliminating the need to visit physical stores. It saves time, travel costs, and energy for consumers. A retailer or shop is a business that offers goods or services to customers in exchange for money or other goods. The rise of digital retail has revolutionized the way we access information about products and their prices. With just our internet, we can explore a wide range of products available on online platforms. Online shopping has become a rapidly growing and popular phenomenon, providing customers with a convenient platform to purchase various products and services, while enabling sellers to conduct their business transactions in the online platform.

Technological advancements continually shape our standards and daily lifestyle, with online shopping being a particularly captivating aspect of modern technology. It entails conducting business transactions over the internet, leveraging the power of technology to facilitate buying and selling. The COVID-19 pandemic further highlighted the significance of online shopping, as people increasingly turned to this method rather than traditional shopping. Customers now have the flexibility to search and select their desired products and services from a multitude of websites, with the convenience of having them delivered to their designated addresses. Sellers, in turn, offer a wide array of websites where an extensive range of products and services can be found.

2. REVIEW OF LITERATURE

An in-depth literature examination was undertaken to obtain a better grasp of studies on online and offline customers and their involvement. The review highlights and simplifies the most important factor that consumers estimate when making an online purchase.

People in India are less involved in online shopping as compared to offline shopping. These days the younger generation is more involved in online shopping due to the increase in technologies. Online shopping provides more offers than offline shopping so online shopping is growing rapidly (Raja Sarkar et al, 2017). People with busy schedules are more interested in online shopping. E-commerce websites reduce the shopping time of a person (D. Suthamathi et Al 2020). But some customers have enough time, they choose the offline mode and shop offline because in offline shopping customers bargain for the product and make physical purchases.The demand for and distribution of products can also influence the behaviour of consumers (Divyendu et Al, 2019).

Daroch B. at et, (2021) explores the various factors that influence a consumer while making an online purchase. Consumers face many issues during online shopping. Some of the factors responsible for online shopping are online bank transactions, fear of insecurity, lack of trust, experience related to online shopping. Traditional shopping is more convenient than online shopping. They see that consumers have both negative and positive attitudes toward online purchasing. In India, (Sharma Dr. R at el, 2014) the online shopping market is growing slowly with time, the younger generation of the country is giving preference to online shopping over traditional shopping. Online shopping is widely accessible and made available 24*7 and will help people to know more with the help of internet.

3. RESEARCH METHODOLOGY

This research work has been done to achieve the following objectives:
1. To study the factors affecting online shopping.
2. To determine the effects of demographic variables on online shopping.
3. To develop a model framework for Effective Service Quality in online shopping.

The research work is based on primary data, data collected from 200 students through well-structured questionnaires from February 2021 to April 2021. University and college students were selected for this research work. Due to the pandemic, google form was used to collect data from the respondents. The initial part comprised inquiries concerning the customer's demographic characteristics, whereas the subsequent section presented a compilation of 16 statements addressing different aspects of online shopping. Likert Five-point scales, ranging from strongly agree to strongly disagree was used. Collected data analyzed with the help of the SPSS-20 version. To find the effect of factors on online shopping, the factor analysis technique has been used.

4. RESULT AND DISCUSSION

The below table shows the demographic profile of the consumers. 200 respondents were selected for the study. The chart representation shows the percentage of men and women shopping online and offline. Male was followed by the female in most of the respondents. This means that the majority of male students' shop. 46% of respondents were graduates, followed by 37% postgraduates and 17% undergraduates. Online shopping is only feasible for individuals who possess the necessary knowledge to access the internet. Without this capability, they would be unable to engage in online shopping activities.

In this study we have finds that the maximum numbers of students were unmarried. These results are shown because most of the students are not ready to get married. Because the students want to remain unmarried while studying.

Table 1: Respondent Profile (Demographic)	
Factor	**No. of respondents (in %) (out of 200)**
1. Gender	
Male	58
Female	42

2. Qualification	
Under Graduate (UG)	17
Graduated	46
Post Graduate (PG)	37
3. Marital status of the respondents	
Married	5
Unmarried	95
4. Age	
20-25 years	93
25-30 years	6.0
30-35 years	0.5
Above 35 years	0.5
5. Monthly income of family in rupees	
Below 30000	36.5
30000-45000	26
45000-60000	17
Above 60000	20.5
6. Purchasing frequency from online and offline shopping (per month)	
0-3 times	68.5
3-6 times	26
6-9 times	4
More than 9 times	1.5

The representation shows that 36.5% of the respondent is from the family income group of Rs below 30000 per month. The second-largest family income group is Rs.30000-45000 per month followed by above Rs.60000 and Rs.45000-60000 per month. This table clearly shows which income group is more involved in purchases. The population has turned to online shopping due to the increasing need of society and time constraints. It is observed that about 68.5% of the students buy goods 0-3 times in a month. Whereas 26% of the students buy goods 3-6 times a month. And the rest of the students (5.5%) buy items between 6-9 and more than 9 times in a month.

Table 2: Preferences in online shopping	
1. Experience of online shopping	
Upto 1 year	17.5
1 to 3 years	38.5
3 to 5 years	29
More than 5 years	15
2. Mostly preferred online shopping websites	
Amazon	49.5
Flipkart	24.5
Myntra	21.5
Other	4.5
3. Preference of the payment process for online shopping	
UPI	35.5
Debit/Credit cards	33
Cash	29
Net Banking	2.5
4. Mostly preferred item via online shopping	
Cloth items	54
Mobile phones	16
Books	16.5
Other electronic goods	11
Groceries	2.5

It is seen that 38.5% of the students have 1-3 years of online shopping experience. 44% of students have more than 3 years of shopping experience. In this study, we also observed that in recent years most of the students have adopted online shopping. The number of students with less than 1 year of online shopping experience is 17.5%. This is because students started buying stuff through the online shopping web during this pandemic. Amazon online shopping site is preferred by most of the respondents. Among the respondents, approximately 50% opted for Amazon due to its superior shopping policies and efficient delivery systems. Conversely, the other half of the students selected alternatives such as Flipkart, Myntra, and other shopping websites. This preference for Amazon can be attributed to the trustworthiness it has established over time and its favorable buying policies.

The upper table shows the mode of payment chosen by the students for online shopping. Due to advancements in technology, students take advantage of technology and make payments through UPI and credit/debit cards. UPI and card payments are almost identical. UPI mode was chosen by 35.5% of the respondents while card payment mode was chosen by 33% of the respondents. Cashback incentives are widely available on nearly all shopping websites when making payments through UPI or cards. This is why students prefer utilizing UPI or card payments when engaging in online shopping. Especially during the pandemic, contactless transactions became more popular, making this payment method even more appealing. Subsequently, 29% of students opted for cash payments. Among the student population, 54% prefer to purchase clothing through online websites. The online clothing market caters to this increasing demand by offering a vast range of options at affordable prices. Moreover, online platforms ensure better clothing quality, further driving the demand for online apparel. Following this, 16.5% and 16% of the overall demand is attributed to books and mobiles, respectively. These websites provide these items at factory prices and offer warranties, making online purchases a favorable choice for consumers. Additionally, 11% of respondents expressed their demand for other electronic items.

Table 3: Factors and their Eigenvalue				
Factor Name	Statements	Eigenvalue	Cronbach Alpha Value	Percentage Variance
policies (Factor-1)	Cancellation policy	.794	.819	37.581
	Various payment options	.683		
	No issue of going to shop	.645		
	Save time	.637		
	Variety of options	.629		
	Return policies	.620		
services (Factor-2)	Trust on seller	.855	.764	12.390
	Surety about quality	.822		
	Safe and reliable product	.628		
	Service quality	.591		
	Online retail offers better price than traditional stores	.547		
Features (Factor-3)	Occasional/festival sale offers	.687	.738	6.727
	Safety of personal data through security mechanisms	.592		
	Selection of goods on the internet is helpful	.584		
	Product delivery on time	.576		
	Discount on product	.512		

The above table shows the factors that affect online shopping. Online shopping policies (with 0.819 Cronbach Alpha Value) have been given more preference by the consumers. This is because all the consumers see the policies of online websites before buying the goods. Things to note in online retailing policies like cancellation policy, no issue of going to shop, Availability of various payment options, Time-saving, Variety of options to choose & Better return policies etc. The second priority is given to the online shopping services policies (with 0.764 Cronbach Alpha Value) factor. In this factor, we have discussed the services provided by the Online website. The third and least preferred factor is the features of online shopping websites (with 0.738 Cronbach Alpha Value). We have discussed the discount on the product, Occasional sale, ensuring personal data safety through security mechanisms, Selection of goods on the internet is good & delivery of the product is on-time etc. in the features of online shopping.

Table 4: Standardized Canonical Discriminant Function Coefficients	
Factors	Function
	1
Policies (Factor-1)	.562
Services (Factor-2)	.856
Features (Factor-3)	.035

Canonical Discriminant Function coefficients from Table yield coefficients of various factors. The Discriminant equation is as follows:

Discriminant score = .856 (Services) + .562 (Policies) + .035 (Features)

Customers are more satisfied with online shopping services followed by online shopping policies and less satisfied with the features of online shopping sites.

Table 5: Functions at Group Centroids	
Are you satisfied with online shopping?	Function
	1
Yes	-.132
No	.884

Unstandardized canonical discriminant functions evaluated at group means

Group centroid values from the above Table were used to compare the score of the Discriminant equation. If the score of the equation is greater than -.132 then the respondents are expected to be satisfied and if the score is less than .884 then they are also expected to be satisfied. Nothing can be said with certainty in the case of a discriminant score between -.132 and .884.

Table 6: Classification Results[a]					
		Are you satisfied with online shopping?	Predicted Group Membership		Total
			Yes	No	
Original	Count	Yes	127	47	174
		No	10	16	26
	%	Yes	73.0	27.0	100.0
		No	38.5	61.5	100.0

a. 71.5% of original grouped cases correctly classified.

The classification results obtained from the aforementioned table reveal the robustness of the Discriminant equation. The respondents were bifurcated into two groups using the Bernoulli function, and 70% of these cases were utilized to predict the Discriminant equation. The remaining 30% of cases were employed to assess the effectiveness of the Discriminant equation. The findings indicate that 73% of the selected cases were accurately classified, while 38.5% of the unselected cases were also correctly classified. It is worth noting that a Discriminant equation with a correct classification rate exceeding 71.5% is deemed satisfactory.

In summary, the Discriminant equation showcased good performance by correctly classifying more than 71.5% of the cases, thus highlighting its effectiveness in this classification task.

So the results were good. Hence it can be concluded that services, policies and features of online shopping are almost up to the mark and customers are also satisfied with the service quality of E-commerce. This result gives an idea where e-commerce should focus more on the service quality of the shopping site rather than other factors. We can also make

a model for shopping sites from this result, where they can improve their service quality. To improve the quality of service, some things should be kept in mind like trusting the seller, being sure about the quality of the product, safe and secure product, quality of services and better price as compared to the traditional store etc.

5. CONCLUSION

From this study, we concluded that the younger generation gives more importance to online shopping than traditional shopping. This is happening because of the increasing technology. People save both time and money by taking advantage of technology. Because of this, people explore many things sitting at home and also find out their advantages and disadvantages. We found in this study that Amazon is liked by more people. Consumers prefer to shop for clothing mostly through online shopping as compared to other items. We also learned from this study that consumers give more importance to online payments such as UPI payments or card payments. Online shopping's appeal lies in its simplicity and convenience, as it allows consumers to make payments effortlessly with just a single click from any location and at any time. This mode of shopping is favored by customers due to a wide array of services, policies, and features that enhance the overall shopping experience.

Cronbach alpha values of the factor policies are 0.819, services is 0.764 and features is 0.738. with the help of this result, we have concluded that policies of online shopping are most significant as compare to other factors.
With the help of this research, we can conclude that e-commerce websites are marked by several factors viz. services, policies & Features of online shopping. However online shopping services was found the highly significant factor that strongly affects consumer attraction, followed by online shopping policies (reasonably affecting). While the feature of online shopping was found least effective. However, to strengthen customers' satisfaction, it is unavoidable for e-commerce to give equal weightage to all the above-mentioned factors.

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