



International Journal of Business Research and Management (IJBRM)

Singaporean Journal of Scientific Research (SJSR)

Vol 5.No.1 2013 pp 37-46.

available at:www.iaaet.org/sjsr

Paper Received :15-06-2013

Paper Accepted:15-07-2013

Paper Reviewed by: 1. Prof. S. Sethurajan 2. Dr. L. Srinivasan

Editor : Dr. Armando Nolasco Pinto

## KEY ASPECTS ON CONSUMER BEHAVIOUR OF INTERNET SHOPPERS - AN EMPIRICAL STUDY

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### ABSTRACT

Research undertaken within India on the profile of Internet shoppers is piecemeal and incomplete. This empirical study intends to explore into this issue. Similar studies overseas suggest that the profiles of Internet shoppers are moving towards shoppers found in mainstream population. However, this study reveals that in India, the dominant Internet shopping group comprises wealthy, educated youth who work in a computer environment. This phenomenon resembles the early stages of what is referred to as the "Internet age" in the United States in the 1990s.

Keywords: Internet shopping, marketing, internet shopper profile, India, e-commerce

### 1. INTRODUCTION:

Internet shopping is still relatively new in India. The general public was first approached by e-retailers in early 2009, when the 'e-commerce concept' was gaining popularity in the stock market. The advent of the Internet age became a popular topic of conversation amongst 'ordinary' citizens.

Research to date shows a lack of systematic study on key aspects of consumer behaviour of Internet shoppers in India. One needs to know what are the demographic, socio-economic and behavioural profiles of local Internet shoppers. One also needs to know who buys what, and why.

The purpose of this study is to move beyond current investigations, in an attempt to answer these questions. "The speed of development of e-commerce, and the shortage of established theory to support hypothesis testing, means that we have to focus more on applied

research and less on theory" (Barwise, Elberse and Hammond, 2011). Following this recommendation, this paper is determined to identify trends in online product consumption and then to compare the empirical results with similar overseas studies.

This study also serves to provide the groundwork for any future research in the development of local, online consumer behavior model. The results have practical reference to multi-national and India e-commerce operators. Regulatory bodies and related service providers, including insurance companies and logistic supporters, will also benefit.

### 2. LITERATURE REVIEW:

*Who are the Local Internet Shoppers?*

Recent studies in the United States indicate that Internet users are more in line with the general population in terms of gender, income and education (Mara, 2011; Rosen & Howard, 2011; Zellner, 2011). The findings of a number of surveys disagree in terms of how fast the Internet community is moving towards resembling the general public shopping habits. Zellner (2011) and Mara (2011) suggested that electronic retailing in the States already had the characteristics of a mass market.

However, there were reports that the 'web' population remained skewed towards affluent males (Hoffman, Novak & Chatterjee, 2006). Sheehan (2009) also indicated 70% of Internet users were males. He found that not only the female Internet users in his research were on an average income, and had lower education levels, but they also spent two hours less per week online than the average male user.

While in India, the magazine, Choice (2011) claimed that males represented over half the local web population. The majority of India Internet users were still comprised of young, educated males, whereas Internet shoppers were skewed towards those in a slightly older age group. The move of the Internet community towards the mainstream population appears to be slower in India.

### **What are the Items that On-line Shoppers Buy?**

Local and overseas studies indicate that the most popular items shopped for on-line are books, computer hardware and software, electrical appliances and groceries. The common features of these items are that they are inexpensive and necessary.

Computers and computer-related products account for roughly one-third of online business-to-consumer sales in America (Rosen & Howard, 2010). In India, a market research study in May, 2012 by Taylor Nelson Sofres indicates that food and groceries represented one-third of local online purchases. Books represented another one-third (Apple, 2011). In June 2012 a study undertaken by the Indian Consumer Council produced slightly different findings. Books, VCD and computer software commanded a slightly higher percentage than other items (Choice, 2011).

### **Why Internet Shoppers Purchase On-line?**

#### **Price & Convenience:**

According to research recently conducted overseas (Mara, 2010; Lyndon, 2010; Zellner, 2011), price and convenience are the two main factors that induce Internet

users to shop on line. Competitive pricing is even more of a consideration when newcomers are deciding whether to purchase on line. With less disposable income, many newcomers are expected to be more price-sensitive than earlier web shoppers (Zellner, 2010). Local research affirms the importance of "price" as a major motivation behind Internet shopping (Choice, 2011).

#### **Product Variety:**

The benefits of product comparison coupled with a wide selection of merchandise options are key factors positively affecting the use of Internet shopping (Alba & Lynch, 2007). As Rowley (2009) explains, one of the major competitive advantages of Internet shopping is the ability to collect product information and compare products from providers anywhere in the world.

#### **Product Customization:**

Another factor encouraging Internet shopping is the on-line customization efforts demonstrated by e-retail items such as Levi products, coffee blends, personal computers, Disney theme gifts, Barbie dolls and greeting cards (Rosen & Howard, 2009).

### **METHODOLOGY:**

#### **Overview:**

This study elected to produce an online questionnaire as the most effective method of survey for many reasons. The most significant are that Internet-based market research provides faster responses; operating costs are much lower; and the rates of response are much higher. A further reason is that data collection is cheaper and quicker (Weible & Wallace, 2008). Use of this web-posted online questionnaire also ensured that respondents are who they claimed to be, that is, Internet users.

The Web page questionnaire was divided into three sections. The first part was part of a web-site "open" to all visitors, including the banner invitation method chosen for this study. The second section was "closed". Respondents were invited to complete the questionnaire, and were password-protected. The third section was "hidden" (It included pop-up surveys.) The questionnaire appeared to a visitor when triggered by some pre-set mechanism (Bradley, 2009).

Pop-up surveys allows for random sampling by embedding software that triggers an invitation for the user to participate or has the actual questionnaire

appearing on the screen. The appearance of this “window” may be organized by time-interval or after

a specified number of page visitors (Bradley, 2009). In this study, random sampling online had not been applied, because this would require the ability to implement client-side scripting language such as JavaScript. This means that the software code has to be downloaded to the user’s browser where it is compiled and executed on their machines. Another possibility of generating random samples is to mine server-side code, that is server-side language such as ASP, onto the web server itself. The latter alternative, in practice, means that one can collect only random samples on one’s own controlled web site(s).

E-mails were not chosen as a survey tool because in India it is difficult to locate a general and unbiased e-mail address list. In India using e-mail as a survey method will inevitably lead to targeting a particular segment of the buying public. A less subjective approach to survey Internet users is via the above-mentioned web questionnaire, which technically is considered a non-probability method of recruiting a convenient sample online through hypertext links. Participants visited the survey site from a variety of avenues. Responses were automatically downloaded to a database for further statistical computation and analysis.

All aspects of the survey were conducted via the Internet. A total of 386 responses was generated. Of these 94 were Internet shoppers and 292 were Internet non-shoppers.

#### Sampling Procedure and Administration:

The initial draft questionnaire was designed according to findings from the literature, and was sent, as a pilot test, on the 5<sup>th</sup> of July, 2012 to fifteen respondents who were local Internet users. Their responses were then analysed to develop the final questionnaire.

This on-line questionnaire was made available from the 12<sup>th</sup> of July 2012 to the 31<sup>st</sup> of July 2012 - a period of 20 days. Local websites used was Flipkart.com and Rediff.com Their main audience is the young and middle-aged. This web site was chosen because its target visitors are mature, educated scholars and businessmen..

All Internet users visiting these websites were invited by banner advertisement to participate in this survey. No self-promotion giveaway items were given for click-through. This decision was to deter respondents entering for a reward. This would have distorted the

survey results by leading to a skewed users’ profile.

The respondents, who were by definition Internet users, were asked whether they had made any online purchases in the last twelve months. If they answered yes, they were asked to answer a questionnaire designed for Internet shoppers. If no, there was a different set of questions prepared for Internet non-shoppers.

Data obtained from the survey was tabulated and analysed using the statistical tools available on SPSS for Windows Release 10.01. In most cases, the Pearson two-way Chi-square test, which is a non-parametric inferential procedure, was conducted to test the independence of variables at a 99% significance level.

This was chosen because non-parametric statistics do not require stringent assumptions about the parameters of the raw score population represented by the sample data. For instance, at an asymptotic significance of equal to or below 0.005, the null hypothesis of independence was rejected at a 99% significance level. This means the variables under studied were statistically dependent or correlated.

#### Limitations:

The obvious downside to this type of open web-survey research is the non-random sample selection. The samples of this study did not statistically represent the general local Internet population. Obviously, there were many local Internet users who did not visit these two web-sites during the survey period. The profile of the participating subjects was dependent on the company targets with its web site and the chosen market positioning (Schillewaert, Langerak & Duhamel, 2008). Also, samples collected might have included some Internet users overseas. However, given the limited time and resources, while not ideal, this method was a convenient option, enabling a reasonable and representative Sample of the population of local Internet users for preliminary study.

If, in the future, India has an e-mail directory of its Internet population, random sampling e-mail survey may be the preferred option. However, to avoid samples coming from fairly similar segments, the web-survey method was chosen because it was statistically less targeted.

There was a problem of not gaining sufficient country coverage. The findings are based on data from a survey of two local web sites. The results, therefore, cannot be generalized for the web population in India. Given enough resources, the sampling preferably should come from a few more local web sites and an increased number of respondents.

A further issue was that in this kind of web survey, there was no distinct response rate. Schillewaert, Langerak and Duhamel, (2008) suggested that one can estimate the response rate of web survey by multiplying “web site visitors per day” by “period of days during the survey” as the sample population. Recruited responses divided by this “sample population” becomes the estimated “response rate”. However, in practice, this data of “daily page-views or visitors” will be only available if the web-site operators have carried a data log of this kind in their host servers. Also, in most cases, they are reluctant to provide this kind of highly sensitive commercial information. To complicate the issue further, web-site visitors are, in substantial numbers, repeated users. To separate repeated visitors from newcomers is practically impossible. Unless we can exclude repeated users from “total visitors”, any calculation of response rate could be seen as “understating” and misleading.

Finally, the survey was conducted in English, which might have excluded a sizable segment of the local population that reads only Hindi, or those reluctant to respond in English. However, given that the majority of India web sites were written in English, and the simple format of this questionnaire was deliberately designed, the resultant bias should not be substantial.

To conclude, the non-probability sampling of web-survey, may within certain restrictions, still be considered a useful and important alternative for collecting data on web users (Schillewaert, Langerak, Duhamel, 2008 ).

**FINDINGS AND ANALYSIS:**

Local papers on the subject were overwhelmingly narrative, without applying any hypothesis testing or correlation analysis (Apple, 2011 ; Choice, 2011). This study was intended to provide selective statistical tools for investigating e-commerce consumer behaviour in India.

**Profiles of local Internet Shoppers:**

*(1.1) Demographic&Socio-Economic characteristics:*

In this study, Internet shoppers were defined as those who had purchased online in the past twelve months. Questions on the following eight demographic and socio-economic factors were asked, namely gender, marital status, age group, education level, income level, time spent online per week, computer working environment and years of Internet experience. To find

out if any of these eight variables were correlated with online shopping, Pearson Chi- square tests of independence were conducted. Any computation of asymptotic significance on or below 0.005 meant statistical correlation existed between the particular variable with online shopping consumer behavior.

**(Table 1)Pearson Chi-Square Tests on Internet Shopping**

Variables	Asymptotic significance
Gender	0.446
Marital Status	0.187
Age	0.000
Education	0.000
Monthly Income	0.000
Time spent	0.000
Computer	0.000
Years of Internet	0.000

Cross-tabulations indicate that gender and marital status had no statistical dependence with online shopping behavior. In practice, this meant that in India, Internet shoppers and non-shoppers have the same gender and marital status distribution.

On the other hand, the other six variables to be discussed below showed statistical correlation with online shopping behavior.

**(Table 2)Cross-tabulation (age)**

Internet Shoppers	Below 14	15 - 24	25 - 34	35 - 44	Above 45
%	1.1%	30.9%	41.5%	22.3%	4.2%

Internet shoppers concentrated in the age group 15 to 34, made a total of 72.4%. People in this age group were more ready to accept new technology.

**(Table 3)Cross-tabulation (education level)**

Internet Shoppers	primary	secondary	tertiary and above
%	1.1%	29.3%	69.6%

Not surprisingly, Internet shoppers were found to be

better educated, with 69.6% receiving tertiary education or above. Mastering the procedures of on-line shopping requires a certain level of computing as well as

other skills, such as comprehension.

(Table 4) Cross-tabulation (monthly income in Rupees)

Internet Shoppers	<Rs10,000	10001 – 20099	20110 – 24999	25000 – 39999	Above 40000
%	20.7%	31.5%	26.1%	16.3%	5.4%

Approximately half the Internet shoppers 57.6% were in the middle-class income group of Rs10,001 to Rs24,999 per month. This is in line with the general

belief that people in the middle class are the major Internet players. The poor do not have the technical skill or access, while the rich are too busy.

(Table 5) Cross-tabulation (time spent online per week)

Internet Shoppers	0 – 5 hrs	6 – 10 hrs	11 – 15 hrs	16 – 20 hrs	Over 20 hrs
%	3.2%	28.7%	35.1%	19.1%	13.9%

Over half the Internet shoppers (63.8%) spent 6 to 15 hours online per week. It is possible that those who spent below 6 hours a week on-line, might not be keen users of the Internet, and therefore might not be interested in the consumer services offered via the web platform. Alternatively, those spending too many on-line hours per week could well be web-surfers, who might have very different Internet usage behavior.

It was expected that Internet newcomers who had less than one year of Internet experience would not be engaged in online shopping, especially in India. Purchasing via the web platform is by no means a mass behaviour.

(1.2) Pace moving towards resembling the mass:

(Table 6) Cross-tabulation (over 50% time working in computer environment)

Internet Shoppers	Below 50%	Over 50%
%	24.7%	75.3%

The high percentage of 75.3% of Internet shoppers spent over 50% of their time working in a computer environment. This is in line with findings from the Western literature (Rosen and Howard, 2011).

Literature from overseas indicates that Internet shoppers have recently been shifting from young educated males to resembling the mass population (Mara, 2011; Zellner, 2011). It is of considerable interest to local e-commerce practitioners to learn whether this phenomenon applies to the current India situation.

(1.21) Age:

(Table 8) Age distribution statistics provided by the India Government, Census and Statistics Department:-

(Table 7) Cross-tabulation (years of Internet experience)

Age	Below 14	15-24	25-34	35-44	Above 45
Male	601,400	464,000	496,700	639,000	1,125,700
%	18	14	15	19	34
Female	567,000	440,600	612,100	744,500	1,174,600
%	16	19	17	21	27
Total	1,168,400	904,600	1,108,800	1,383,500	2,300,300
%	17	13	16	20	34

Source: India Monthly Digest of Statistics June 2001

(Table 9) Cross-tabulation (age distribution)

Internet Shoppers	Below 14	15 - 24	25 - 34	35 - 44	Above 45
%	1.1%	30.9%	41.5%	22.3%	4.2%

The general population in India by age group is in general evenly distributed. While local Internet shoppers are more skewed towards the youth generation (by Chi-Square analysis above-mentioned we have already discovered that gender does not differentiate between Internet shoppers and non-shoppers).

(1.22) Education:

(Table 10) Education level statistics provided by the India Government, Census and Statistics Department:-

Education	Primary	Secondary	Tertiary or above
%	31.50%	46.70%	21.80%

Source: India Annual Digest of Statistics 2011

(Table 11) Cross-tabulation (education level)

Internet Shoppers	Primary	Secondary	tertiary and above
%	1.1%	29.3%	69.6%

In India, the majority of the population receives primary and secondary education only, making a total of 78.2%. However, local Internet shoppers have a higher education level with 69.6% receiving tertiary or higher education. This skewing towards better education is similar to that which occurred in the United States at its early stage of Internet development (Hoffman, Novak & Chatterjee, 2006; Sheehan, 2009).

(1.23) Income level:

(Table 12) Income level statistics provided by the India Government, Census and Statistics Department:-

Table 13) Cross-tabulation (monthly income Rupees)

Internet Shoppers	<Rs 10,000	10001 - 20099	20110 - 24999	25000 - 39999	Above 40000
%	20.	3	2	1	5

Over half of the India population has a monthly income below 10,000,rs while Internet shoppers obviously enjoy a much higher income level.

(1.24) Remarks:

This study suggests that Internet shoppers in India, compared with the general population, are likely to be younger, more educated and better-off.

(2) What had been purchased online?

Computer-related products account for approximately one-third of online business sales in the States (Rosen & Howard, 2011), but this study reveals that similar computer products represented only 13% of total items purchased online in India. Also, comparable to past papers on the subject (Apple, 2011; Choice, 2011), “books and groceries” were the main items purchased online by local Internet shoppers.

(Table 14) Ranking of online shopping items:

Rank	Online Shopping Items	% of total
1 <sup>st</sup>	Books or Magazines	21.89
2 <sup>nd</sup>	Groceries	17.75
3 <sup>rd</sup>	CD/VCD	15.98
4 <sup>th</sup>	Others/unclassified products	14.02
5 <sup>th</sup>	Computer hard/software	13.02
6 <sup>th</sup>	Toys	6.51
7 <sup>th</sup>	Fashion/cosmetics	4.14
8 <sup>th</sup>	Audio-visual equipment	2.96
9 <sup>th</sup> *	Flowers	1.18
9 <sup>th</sup> *	Home furniture	1.18
9 <sup>th</sup> *	Appliances	1.18
	<b>Total</b>	<b>100%</b>

Chi-Square tests were conducted on “online shopping items” with the above-mentioned eight “demographic and socio-economic factors”, in order to identify any correlation with “who buys what”.

(Table 15) Chi-Square tests on online shopping items with demographic and socio- economic factors:

	Gender	Marital	Age	Education	Income	Online hrs	>50% computer	Yrs Online
Flowers	.377	.226	.932	.639	.820	.880	.412	.235
Groceries	.181	.187	.017	.710	.202	.005	.466	.738
Books/Magazines	.434	.020	.069	.415	.003	.363	.902	.42
CD/VCD	.454	.790	.062	.634	.144	.201	.193	.431
Computer Soft/hardware	.031	.946	.343	.391	.281	.200	.158	.431
AV Equipment	.160	.359	.698	.000	.815	.095	.181	.975
Toys	.957	.377	.764	.912	.274	.619	.194	.706
Fashion/Cosmetics	.074	.462	.008	.611	.298	.781	.626	.131
Home Furniture	.021	.226	.333	.806	.097	.540	.402	.790
Appliances	.377	.091	.831	.806	.820	.489	.412	.790
Others/Unclassified	.386	.052	.352	.517	.073	.090	.280	.001

For those asymptotic significance lower than 0.05 (90% confidence interval), statistically these imply a correlation exists.

(Table 16)Correlation Summary:

	Significantly Dependent Variable(s)	Mostly bought by
Flowers	-	-
Groceries	Age; on-line hrs per week	Aged 15-34; on-line 11-15 hrs per week
Books or Magazines	Marital status; income	Married; income \$20110-24999p.m.
CD/VCD	Yrs of Internet experience	1-3 yrs of Internet experience
Computer hard/software	Gender	Male
Audio-visual equipment	Education level	Primary and Secondary education
Toys	-	-
Fashion/cosmetics	Age	Aged 25-34
Home furniture	Gender	Females
Appliances	-	-
Others/unclassified products	Yrs of Internet experience	4 yrs or above of Internet experience

(3) Why making online purchases?

(3.1)Traditional versus Online:

Here is minimal research into the motivational and attitudinal factors behind local on-line shopping. As a step towards exploring this interesting area, respondents were asked to evaluate the relative importance of the following factors on their traditional

**Factors affecting purchases' decisions:**

	Traditional Sales	Online Shopping
Product Availability	5.86	6.56
Convenience	6.34	6.25
Price	6.37	7.18
Trust	6.54	7.45
Popularity/Brand	6.36	6.72

physical shopping behavior. The same questions were then asked with respect to their on-line shopping behavior. The answers were represented on a Likert scale ranging from 1 to 9, with a "1" as the rating for "very unimportant" to a "9" as the rating for "very important".

(Table 17)

Score Means

Product variety is a major attraction to overseas online shopping (Rowley, 2011). This study confirmed that in India, productive availability was also an important consideration encouraging Internet shoppers to shop online. The mean score of 6.56 was higher than the arithmetic average rating of 5, and the mean score of 5.86 on traditional sales.

(Table 18)

Convenience is one of the two dominating factors behind Internet shopping in the States (Meuter, Ostrom, Roundtree & Bitner, 2011). However, in India, shops are within convenient walking distance. Also, waiting a few days for home delivery is “inconvenient”. Thus, it is not surprising to find that local Internet shoppers have a low moderate rating of 6.25 on “convenience” as a factor affecting their on-line shopping decisions.

Competitive pricing is the single overwhelmingly important factor in the States behind Internet shopping (Mara, 2011; Lyndon, 2011; Zellner, 2011). Online shopping has a higher mean score than in traditional physical sales. The latter score was 6.37.

“Trust” as a single factor, had the highest mean score of 7.45. All the studies in the literature pointed to the fact that “trust” is the major concern inhibiting Internet users from online shopping (Deloitte, 2009; Prabhaker, 2011; Lam, 2011; Ratnasingham, 2011). On the other hand, consumers were less concerned about “trust” in physical shopping, where they could see and inspect the products. Also, they could immediately take the items purchased, and not have delivery as an issue. The different attitudes of “trust” in traditional and online shopping was confirmed by the difference in their respective mean scores of 0.91 ( 7.45 minus 6.54 ), which was the highest amongst all five factors in this study.

“Popularity/brand” carried a mean score of 6.72, higher than the arithmetic average of 5. This was reasonable, because in a ‘virtual world’, a popular brand name contributes to alleviating the level of concern regarding the quality of the goods and promised delivery.

In addition, a Wilcoxon T-test was conducted to explore the different attitudes of Internet shoppers towards online versus traditional shopping. The Wilcoxon T-test was chosen to test the significance of difference between two related variables. Statistically if the asymptotic significance is below 0.05, it implies a significantly different distribution between the two variables at a confidence interval of 90%. In this case, “product availability”, “price”, “trust” and “popular brand name” all showed a significant

difference below 0.05. This means that Internet shoppers placed more consideration on these four factors when making an online shopping decision (versus traditional shopping). This result is in line with literature findings that “price” is the major “benefit” of, and “trust” is the major “barrier” against online shopping.

Wilcoxon T-test: Relative importance in factors affecting online shopping versus traditional shopping decisions

	Product availability	Convenience	Price	Trust	Popular brand name
Asymptotic significance (2-tailed)	0.000	0.306	0.000	0.000	0.011

This study confirmed the importance of “pricing”

**(3.2) Motivational and attitudinal factors analysis:**

To further answer the question “Why make online purchases? ”, respondents were asked the following thirteen questions to evaluate the relative importance of the respective factors influencing them to buy online. The answers were represented on a Likert scale ranging from

0 to 5, with “0” as the rating for “no influence” to 5” as the rating for “most influence”.

Table 19)

- MEAN**
1. Products not easily available in physical store
  2. Customized/personalized product
  3. Time convenience, that is, 24 hours a day
  4. Physical convenience, that is, no travelling to stores
  5. Shopping convenience, that is, searching online
  6. Payment convenience
  7. Cheaper price
  8. Past unpleasant physical shopping experience
  9. Trustworthy e-retailers
  10. Trustworthy online payment method
  11. Popular brand name
  12. Web-page design attractive
  13. Anxious to try new technology

These questions were asked because literature on the subject indicated that they were popular considerations and/or motivations behind online shopping overseas (Hoffman, Novak & Chatterjee, 2006; Rowley, 2011; Mara, 2011;



Lyndon, 2011; Zellner, 2011; Choice, 2011; Meuter, Ostrom Roundtree & Bitner, 2011; Alba & Lynch, 2007; Pine, Peppers & Rogers, 1993; Prabhaker, 2011; Sen, Padmanabham, Tuzhilin, White & Stein, 2008; Peters, 2008; Venkatesh, 2008). The objective here was to find out whether these overseas findings applied to the situation in India and to what extent.

Overall, the above empirical statistics of mean scores confirmed the findings of the analysis of “traditional” versus “online” shopping in section (3.1). “Convenience” as a group (2.79+2.24+2.87+2.79/4) scored only 2.67, slightly above the arithmetic average of 2.5. This finding affirmed the belief that in India, as opposed the States, convenience is not a major motivation for on-line shopping. This same situation may apply to other crowded Asian cities.

Cheaper price was found to be a major attraction to local Internet users to shop online. The mean of 3.10 affirmed this proposition. The implication is that in India, and overseas competitive pricing is important, and will be even more so when mass newcomers move in (Zellner, 2011).

As suggested by the higher mean scores of 3.66 and 3.48, “Trust” was a major concern for business-to-consumer activities. Internet shoppers will only choose to deal with e-retailers they trust, and will only shop if they believe payment method is secure. Payment security is always the major inhibitor against online shopping (Deloitte, 2009; Froomkin, 2006; Sampson, Kolodinsky & Greeno, 2007). Popular brand name was also an influential factor scoring a mean of 3.38. Its importance is to partly relieve the issue of trust.

Finally, “anxious to try new technology” scored a high mean of 3.45. This is especially true in India, when we had a skewed Internet population towards the wealthy and educated young.

**(4)Complains about Internet shopping, if any:**

This study listed out eight popular complaints about Internet shopping. Respondents were asked to evaluate its relative influence on a Likert scale of 0 to 5. “0” is the rating for “no influence” - “5” rates the “most influence”.

The choices were:-

(Tabl	<b>M</b>	
1.	it took too long to deliver the goods	3.84
2.	did not receive the item(s) ordered	1.69
3.	the goods were delivered in a bad	2.04
4.	the goods were out of stock	2.44

5.	shipping costs too high	3.28
6.	poor after-sale services	2.50
7.	were worried about payment security	3.57
8.	were worried about privacy	3.71

The objective was to determine complaints, if any, on the part of Internet users with their on- online shopping.

The results are useful in furthering understanding of the psychology of Internet shoppers. Local e-retails, wishing to improve their sales, also benefit.

“Long delivery time” earned the highest mean score of 3.84. This confirmed the problem of logistics facing business-to consumer e-commerce (OECD, 2007). IT also helped to explain why “convenience” is an inhibitor, instead of an incentive, for on-line shopping in India.

“Shipping costs” is a concern deterring the development of consumer e-commerce in the States (Slatalla, 2011). This study indicated that this is an issue in India as well.

Worries about “payment security” and “privacy” have been discussed by local and overseas papers (Deloitte 2009; Froomkin, 2006; Luckett, 2006; Lam 2007; McLeish, 2007; Prabhaker,2011). The respective high means of 3.57 and 3.71 in this study confirmed past findings on the subject.

It would be interesting for future local researchers to focus on how these above-mentioned inhibitors deter Internet non-shoppers from online shopping in India.

**LIMITATIONS:**

There were several limitations to this study, some being the limited time and resources available. Others are due to exogenous factors.

First, there were a few statistical limitations as discussed in the section “Methodology” including, but not limited to, “sampling”, “response rate”, “coverage” and “language”.

Second, the study focussed on a rapidly developing technology service industry, the Internet, at its early stage. This is especially true in India, where the Internet is still relatively new to the majority of the population. The nature of the service itself continues to change, and can be expected to change even further, and faster, in the future. Thus, subsequent consumer behaviour will inevitably change as well. This study is on a very unstable subject. Therefore results of this

study should be considered as applicable only at a specific point in time.

Finally, to complement this study on Internet shoppers, further research into critical aspects of Internet non-shoppers in India will prove useful. Many unanswered questions remain. For instance, What is the profile of Internet non-shoppers? What are the inhibitors against Internet shopping? What can be done to facilitate business-to-consumer activities? Answers to the last question is especially important to local consumer e-commerce operators.

Given the above-mentioned analysis, although we cannot come to a definite conclusion as to the various critical aspects on Internet shoppers in India, we do not believe results derived from this study materially deviate from the true picture. Also, the findings from this study prepare the ground for future research into India e-commerce consumer behaviour and the further development of a theoretical framework.

#### SUMMARY AND CONCLUSION:

This study, compared with past local e-commerce research, represents a more systematic approach to a few critical issues of Internet shoppers in India. It has provided more information on determining who belongs to the predominant group of India Internet shoppers, and who buys what, and why.

Also, similarities and differences in on-line consumer behaviour between India and American practices have been identified. The three major findings are:

1. In India Internet shoppers are still skewed towards wealthy, educated young males. The pace moving towards resembling the mass population of shoppers is relatively slow.
2. "Convenience" is not a major inducement in local Internet shopping, probably because of (its) geographic proximity. However, many results found in the majority of overseas studies on this topic do apply to India. For instance, "pricing" is the major motivation behind on-line shopping. "Product variety" and "popular brand name" are also important factors.
3. "Trust" is a major concern for Internet shoppers. This issue is important to local and overseas e-commerce business operators. Regulatory bodies are likely to benefit by investigating this area and providing necessary assistance.

In general, to induce online shopping, price

"competition, branding, awareness and trust remain important sources of heterogeneity among Internet retailers" (Barwise, Elberse and Hammond, 2011).

Any future local research to be conducted on the subject should be on a larger scale. In this fast changing business and technological environment, there needs to be repeated surveys to identify any changes in e-commerce consumer behaviour.

Finally, it would be useful to have a similar web-survey study focusing on local Internet non-shoppers, their profile, the inhibitors deterring them from making online shopping, and how can they be encouraged to shop on-line.

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