

Analysis Of Millennials Buying Behaviour Towards Online Shopping Of Electronic Products In Chennai

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ABSTRACT

In this era, technology plays a vital role in everyone's life. E-commerce has been revolutionized, so does marketing, retailing and shopping activities of the provided products and services. Most millennials opt e-commerce because of its 24/7 availability, ease of access and availability of wide variety of products and services. Day-to-day the users who purchase goods online increases. It is vital that the marketers should know the factors which influence the customers towards online shopping. This research investigates customer perception of online shopping of electronic products and also access the satisfaction and behaviour of customers towards the online shopping with respect to electronic products in Chennai. Analysis of the responses demonstrated that the large group of customers were highly influenced by convenience and quality of the products offered online. The research results indicate that ease of use, availability and quality does have an impact on online shopping of electronic products. It is recommended that the industries to provide quality products for the satisfaction of the consumer.

KEYWORDS: Millennials, Perception, Satisfaction, Post-Purchase Behaviour.

INTRODUCTION

Shopping is a business that presents a selection of goods or services which offered to sell them to customers for money. It's an activity in which a customer purchases the suitable selection of available goods or services offered by one or more retailers with the intent of selling. Online shopping is the process of purchasing goods or services through merchants over Internet. Internet is a powerful information media to know everything that happens around us. It's been an influencer in our daily life.

OVERVIEW OF ONLINE SHOPPING

"Online shopping became popular during the Internet boom in 1999-2000. Amazon.com, the online bookstore founded by Jeff Bezos, created history by becoming the first bookstore with a presence only on the Internet. Following the success of Amazon, many bookstores with a physical presence also created an online presence on the Internet. Later, portals such as Yahoo.com and

MSN.com also started online shopping channels where people could buy more than just books. Closer home, portals such as Indiatimes.com and Rediff.com came up with similar options for the Indian consumer.”(http://articles.economictimes.indiatimes.com/2006-12-25/news/27439230_1_online.shopping.online.presence.online.purchase)

One of the first known Web purchases took place in 1994. It was a pepperoni pizza with mushrooms and extra cheese from Pizza Hut, a somewhat appropriate purchase for the early days of the Internet. Practically wide sense Amazon.com opened for business on July 16, 1995. (<http://content.time.com/time/business/article/0,8599,2004089,00.html>) “Online shopping became popular during the Internet boom in 1999-2000. Amazon.com, the online bookstore founded by Jeff Bezos, created history by becoming the first bookstore with a presence only on the Internet. Following the success of Amazon, many bookstores with a physical presence also created an online presence on the Internet. Later, portals such as Yahoo.com and MSN.com also started online shopping channels where people could buy more than just books. Closer home, portals such as Indiatimes.com and Rediff.com came up with similar options for the Indian consumer.”(http://articles.economictimes.indiatimes.com/2006-12-25/news/27439230_1_online.shopping.online.presence.online.purchase)

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During the late 90s and early 2000s, Online shopping became more popular. Jeff Bezos created history by creating Amazon.com, the first online bookstore. Many bookstores followed in the path of Amazon after its great success by creating an online presence of the physical materials on the Internet. Later many online shoppingchannels were started where people could buy anything. PizzaNet, Pizza Hut’s digital ordering hub, launches, and accepts the first-ever online order in the United States during January 1994 which is one of the first known web purchases took place in 1994.

SIGNIFICANCE OF THE STUDY

In India, people lifestyle changed with respect to Internet. In this 21st century, mobile phones are anywhere and everywhere. People from all parts of the world, whether belonging to a developed or developing nation, have got adopted to use mobile telephony as the major form of communication. India, in particular, the massive penetration of advanced mobile phones (such as smartphone, phablets, and tablets) and revolutionary infrastructure development in wireless mobile internet technology (4G) have changed the way people use their mobile phones in India. In the fast-paced life of Indians, many find online shopping more convenient and comfortable than the conventional shopping. Online shopping provides a wide variety of choices and its ease to use. It allows the customer to compare prices, product features and after the sale services facilitates the will receive. This study comprehends

the various factors which affect the consumers buying behaviour towards online shopping of electronic products in Chennai.

REVIEW OF LITERATURE

Schiffman and Kanuk (2011)¹ stated about consumer perception saying "as diverse individuals, we all tend to see the world in our own special ways. "Reality" to an individual is merely that individual's perception of what is "out there"- of what has taken place. Individuals act and react on the basis of their perceptions, not on the basis of objective reality. Thus, to the marketer, consumers' perceptions are much more important than their knowledge of objective reality. For if one thinks about it, it's not what actually is so, but what consumers think is so that affects their actions, their buying habits, their leisure habits, and so forth. And because individuals make decisions and take actions based on what they perceive to be reality, it is important that marketers understand the whole notion of perception and its related concepts so they can more readily determine what factors influence consumer to buy."

Parasuraman et al. (2005)² identified seven dimensions for measuring service quality of online shopping in their more studies such as Efficiency (accessing and using the site easily and quickly), Fulfilment (keeping promises about order delivery and item availability), System availability (correct technical functioning of the site), Privacy (site is safe; customer information is protected), Responsiveness (effective handling of problems), Compensation (site compensates customers for problems) and Contact (assistance through telephone or online representatives).

Schaupp and Belanger (2005)³ found that satisfaction is the consequences of consumer experiences during different purchasing stages such need something, information gathering, evaluation of purchase alternatives, purchase intention and post purchase behavior.

Coldwell (2001)⁴ "Growth Strategies International (GSI) performed a statistical analysis of Customer Satisfaction data encompassing the findings of over 20,000 customer surveys conducted in 40 countries by Info Quest. The conclusion of the study was: A Totally Satisfied Customer contributes 2.6 times as much revenue to a company as a Somewhat Satisfied Customer, a Totally Satisfied Customer contributes 17 times as much revenue as a Somewhat Dissatisfied Customer and a Totally Dissatisfied Customer decreases revenue at a rate equal to 1.8 times what a Totally Satisfied Customer contributes to a business".

OBJECTIVES OF THE STUDY

The objectives of this research are as follows:

- To study and analyse the demographic profile and purchasing pattern of the respondents towards online shopping of electronic products in Chennai.
- To analyze the perception of the respondents on the various dimensions of online shopping with respect to electronic products in Chennai.
- To identify and assess the level of satisfaction of the respondents on the online shopping with respect to electronic products in Chennai.
- To analyze the relationships among the perception, satisfaction and post purchase behaviour of the respondents towards the online shopping with respect to electronic products in Chennai.

LIMITATIONS OF THE STUDY

- Converting qualitative data into quantitative data may often cause inaccurate results.
- The sampling method used was convenience sampling, therefore the shortcomings of the non-probability sampling may also be applicable in this study.

- Due to COVID-19, the duration of the study was limited and hence elaborate and more comprehensive project survey was not undertaken.

RESEARCH METHODOLOGY

To understand the customers(millennials) perception, satisfaction and post usage behaviour of online shopping of electronic products in Chennai, a research instrument which is an easy and economical for data collection is used. A well-structured questionnaire was used to collect the necessary information considering the research objective. A combination of both multiple choice and summative five-point scale ranging from strongly agree to strongly disagree has been used to collect quick responses from the respondents. The area of study is Chennai. A total of 100 respondents belonging to millennial age group(both male and female) across Chennai were selected as samples through the method of random sampling as primary data to understand the perception of customers based on questions corresponding to the objectives of the research.

DATA ANALYSIS AND INTERPRETATION

1. DEMOGRAPHIC PROFILE OF THE MILLENNIAL RESPONDENTS

(Sample Size = 100)

VARIABLES	OPTIONS	FREQUENCIES	(%)
Gender	Male	66	66.00
	Female	34	34.00
Marital Status	Married	48	48.00
	Unmarried	52	52.00
Qualification	School Level / Diploma	28	28.00
	UG / PG	60	60.00
	Professional/Ph. D	12	12.00
Monthly Family Income (INR)	Upto Rs.50,000	35	35.00
	Rs.50,001 – Rs.1,00,000	30	30.00
	Rs.1,00,001 – Rs.2,00,000	20	20.00
	Above Rs.2,00,000	15	10.00
Occupation	Salaried	56	56.00
	Business / Professional	15	15.00
	Student	19	19.00
	Home maker	10	10.00

(Source: Primary Data)

From the above table relating to Demographic Profile of the millennial respondents i.e. the respondents who born after 1980 but before the year 2000. It is found that male millennial respondents (66%) are more than female millennial respondents (34%). 48% of them are married and majority of them are Under and Post Graduates followed by School level /Diploma education (28%). In terms of the Monthly Family Income, 35% of the millennial respondents are earning up-to Rs.50,000. 30% of them come under the income of Rs.50,001 – Rs.1,00,000 and rest of them (35%) are earning more than Rs.1,00,000. As far as the occupation of the millennial respondents is concerned, 56% of them are Salariedmillennials followed by Students (19%), Business/Professionals (15%) and rest of them belong to Home makers (10%).

2. PURCHASING PATTERN THROUGH ONLINE SHOPPING

VARIABLES	OPTIONS	FREQUENCIES	(%)
Period of usage of Internet for shopping	Less than a year	22	22.00
	1 – 3 Years	42	42.00
	3 – 5 Years	28	28.00
	Above 5 Years	8	8.00
Level of experience in Online Shopping	Less Experience	13	13.00
	Adequate	36	36.00
	More Experience	51	51.00
Type of electronic products purchased from Online Shopping	Home Appliances	12	12.00
	Mobile/Smart Phone	35	35.00
	Computer/Laptop	15	15.00
	Electronic Toys/Games	12	12.00
	Accessories	16	16.00
	Others	10	10.00
Website used for online shopping mostly	Amazon	36	36.00
	Flipkart	20	20.00
	Snapdeal	14	14.00
	Ebay	10	10.00
	Tatacliq	10	10.00
	Paytm	5	5.00
	Croma	5	5.00
	Shopclues	0	0.00
	Others	0	0.00
Purchase value of electronic products in the past 6 months	Up-to Rs.5,000	58	58.00
	Rs.5,001 – Rs.10,000	34	34.00
	Above Rs.10,000	8	8.00
Preferred mode of payment for online shopping	Mobile Payment (GPay, etc.)	27	27.00
	Debit/Credit Card	25	25.00
	Online/Net Banking	18	18.00
	Cash on Delivery (COD)	30	30.00
	Others	0	0.00

(Source: Primary Data)

The above table presents the information about the Purchasing pattern of electronic products through online shopping by the millennial respondents. From the table 2, it is found that 42% of the millennial respondents are using internet for online shopping for 1 – 3 years. 51% of them have more experience in online shopping for various products and 36% of them have adequate experience for the same. As far as the type of electronic products purchased from online shopping is concerned, 35% of the millennial respondents purchased Mobile/Smart phones followed by Accessories (16%), Computer/Laptop (15%), etc.

Amazon (36%), Flipkart (20%) and Snapdeal (14%) are the top three websites that are mostly used for online shopping when compared with others. In terms of purchasevalue of electronic products in the past 6 months, 58% of

the millennial respondents purchased upto Rs.5,000 and 34% of them bought the electronic products worth Rs.5,000 – Rs.10,000. With respect to Preferred mode of payment for online shopping, 30% of them preferred Cash on Delivery – COD (30%) followed by Mobile Payment (such as Google Pay, PayTM, etc.) (27%), Debit/Credit Card (25%), etc.

3. PERCEPTION ON ONLINE SHOPPING

H₀: There is no significant difference between the Male and Female millennial respondents with respect to the Perception on Online Shopping of electronic products.

An independent-samples t-test was conducted to compare the difference between the Male and Female respondents with respect to the Perception on Online Shopping of electronic products.

VARIABLES	GENDER						t - value	p - value
	MALE			FEMALE				
	N	Mean	SD	N	Mean	SD		
Perceived Product Quality	66	12.33	3.112	34	11.10	3.112	4.251	0.000**
Perceived Price	66	13.45	2.854	34	12.12	2.854	3.654	0.000**
Perceived Easiness	66	13.36	2.777	34	13.02	2.777	0.587	0.658
Perceived Trust	66	11.12	3.258	34	10.24	3.258	2.899	0.012*
Perceived Service	66	12.58	3.254	34	12.01	3.254	2.365	0.026*
Perception on Online Shopping	66	62.84	6.115	34	58.49	7.517	3.927	0.000**

(Source: Primary Data)(**1% Level of Significance) (* 5% Level of Significance)

As the P values are lesser than Sig. Value (0.01 and 0.05) in four out of five aspects and also in the overall Perception on Online Shopping Score (0.000), the Null Hypotheses are rejected. From the above table it is found that the overall mean score of the male millennial respondents (M = 62.84) is more than the female millennial respondents (M = 58.49). However, there is no significant difference between male and female millennial respondents with respect to “Perceived Easiness”.

Overall, it is indicated that male millennial respondents have more perception on the various aspects of online shopping of electronic products than their counter parts. Hence, there is a significant difference between the Male and Female millennial respondents with respect to the Perception on Online Shopping of electronic products.

4. LEVEL OF SATISFACTION AND POST PURCHASE BEHAVIOUR TOWARDS ONLINE SHOPPING

H₀: There is no significant difference between the Male and Female millennial respondents with respect to the Satisfaction and Post Purchase Behaviour towards Online Shopping of electronic products.

An independent-samples t-test was conducted to compare the difference between the Male and Female respondents with respect to the Satisfaction and Post Purchase Behaviour towards Online Shopping of electronic products.

VARIABLE	GENDER		t -	p -
	MALE	FEMALE		

	N	Mean	SD	N	Mean	SD	value	value
Satisfaction on Online Shopping	66	13.58	2.664	34	11.12	3.598	4.765	0.000**
Post Purchase Behaviour towards Online Shopping	66	12.22	3.123	34	10.36	3.987	3.854	0.000**

(Source: Primary Data)(**1% Level of Significance)

As the P values (0.000) are lesser than Sig. Value at 0.01 in the above cases, the Null Hypotheses are rejected. From the above table, we can say that the Mean score of the level of Satisfaction on Online Shopping towards electronic products is more for male millennial respondents (M = 13.58) than the female millennial respondents (M = 11.12). It is also indicated that the Mean score of the Post Purchase Behaviour towards Online Shopping of electronic products is more for male millennial respondents (M = 12.22) than the female millennial respondents (M = 10.36).

This indicates that the male respondents have more satisfaction and more favourable Post Purchase Behaviour towards online shopping of electronic products than the female millennial respondents. Therefore, there is a significant difference among the Male and Female millennial respondents with respect to the level of Satisfaction and Post Purchase Behaviour towards Online Shopping of electronic products.

5. H₀: There are no significant relationships among the Perception, Satisfaction and Post Purchase Behaviour of millennial respondents with respect to online shopping of electronic products.

A Pearson product-moment correlation was run to determine the relationships among the Perception, Satisfaction and Post Purchase Behaviour of millennial respondents with respect to online shopping of electronic products.

VARIABLES	N	'r' VALUE	P - VALUE	RELATIONSHI P	REMARKS	
					SIGNIFICANT	RESULT
Perception – Satisfaction on Online Shopping	100	0.851**	0.000	Positive	Significant	REJECTED
Perception – Post Purchase Behaviour towards Online Shopping	100	0.702**	0.000	Positive	Significant	REJECTED
Satisfaction - Post Purchase Behaviour towards Online Shopping	100	0.725**	0.000	Positive	Significant	REJECTED

(Source: Primary Data) (** Correlation is significant at the 0.01 level)(2-tailed).

As the P values are lesser than Sig. Value (0.01) in the above relationships, the Null Hypotheses are rejected. There are high positive and significant correlation among the Perception, Satisfaction and Post Purchase Behaviour of millennial respondents with respect to online shopping of electronic products. Out of three aspects, Perception has more relationship (r = 0.851) with Satisfaction on Online Shopping than Post Purchase Behaviour (r = 0.702). Satisfaction has more significant relationship (r = 0.725) with Post Purchase Behaviour towards online shopping.

Therefore, there are significant and positive relationships among the Perception, Satisfaction and PostPurchase Behaviour of millennial respondents with respect to online shopping of electronic products

Multiple Regression was conducted to determine the best linear combination of the Perception on Online Shopping (Independent Variables) to predict the Satisfaction on Online Shopping (Dependent Variable) towards Electronic Products.

6. PERCEPTION – SATISFACTION ON ONLINE SHOPPING OF ELECTRONIC PRODUCTS REGRESSION COEFFICIENT

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.987	.751		11.598	.000
	Perceived Product Quality	.301	.086	.288	3.895	.005
	Perceived Price	.310	.081	.312	4.123	.000
	Perceived Easiness	.346	.076	.354	5.369	.000
	Perceived Trust	.073	.098	.083	1.255	.415
	Perceived Service	.222	.090	.213	2.698	.015

Dependent Variable: SATISFACTION ON ONLINE SHOPPING

The combination of four out of five independent variables (Perception on Online Shopping) significantly predicts the dependent variable i.e., Satisfaction on Online Shopping towards electronic products (p values are lesser than .001 and 0.05 at sig. value 2-tailed and Adjusted R Square is 0.712 or 71% which is large effect according to Cohen). Out of five independent variables, “Perceived Easiness” (0.354) is the strongest influencing factor in predicting the dependent variable i.e., Satisfaction on Online Shopping towards electronic products than others. However, ‘Perceived Trust’ does not predict Satisfaction on Online Shopping towards electronic products significantly.

FINDINGS OF THE STUDY

From the study it is found that the sample consists of a sizeable preponderance (66%) of male millennial respondents who have more Perception, Satisfaction and more favourable Post-Purchase Behaviour towards Online shopping over female millennial (34%) respondents, Majority of the respondents(52%) were Unmarried. (60%) of the respondents are UG/ PGs. In terms of the Monthly Family Income, (35%) of the millennial respondents are earning up-to Rs.50,000 and (35%) of them are earning more than Rs.1,00,000. As far as the Occupation of the millennial respondents is concerned, (56%) of them are Salaried millennial. (42%) of the millennial respondents are using internet for 1-3 years, (51%) of them have more experience in online shopping. (35%) of the millennial respondents purchased Mobile/ Smart Phones. Amazon (36%) is mostly used by millennial respondents, (30%) of them preferred Cash on Delivery (COD).

CONCLUSION

In India, E-commerce is growing in the last decade. With the existence of Internet, customers can purchase their goods anywhere and anything with ease and safe digital payment options. In order to dominate the market, new tactics were devised constantly by the companies in order to stand aside from the rest in online business. Online shopping attracts a large number of customers as they are offering a great variety of products to choose from.

Customers would always like ordering online as it will be more convenient. As, convenience is one of the biggest contributing factors in customer satisfaction as the stride required to purchase goods online is much easier

than going to crowded stores for purchasing. All would need is a mobile device which has internet connection. As the study was taken under millennials, most of them are well aware of online services which are offered across Internet and it is also very popular among tech-savvy individuals. The perception of online ordering of electronic products varies from person to person depending upon their needs and their opinions. Even though many millennials would opt for digital

payment channels some still stick to the old cash on delivery as they thought online payment is not as reliable as it should be.

Although, customers would always expect the product to be in good quality and durable, many purchase electronic goods in online because of its low cost than purchasing the same item on stores. Since, online shopping allows them to choose from a wide variety of products, millennials find it more appealing.

The fast-paced lifestyle of every Indian nowadays is enough for online services to grow at higher rates. It can be concluded that, the online ordering has its own advantages and disadvantages. But one thing is for sure, Online ordering and delivery system will grow epidemically with increase in usage of Internet and Technology.

SCOPE OF FURTHER RESEARCH

On concluding the research while considering the limitations in time and resources that was faced. Below are a few possible areas where the research can be enhanced.

- This research is done over parts of Chennai. In future, this can extend over other states and cities across India, to provide more insights of customers preferences.
- Only millennials, were part of this research. In future, different age group can be included in the study to get different perspective across all demographic profiles.
- The study has been performed over limited samples (100). In future, the study can be elaborated over a mammoth sample size.

In general, future research can be conducted with a wide variety of products in different areas and with greater detail over specific factors concerning it.

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