

## **CHAPTER – I**

### **INTRODUCTION AND DESIGN OF THE STUDY**

#### **1.1 INTRODUCTION**

Internet has become one of the most valuable assets in high-tech environment, and also as an integral part of modern commerce. Before Smart phone was introduced internet has been used only on desktop or laptop. Therefore, the internet usage was restricted. After developing websites and technological up gradation, everyone can easily get access the internet in the device anywhere at any time. The Internet is the key factor for birth and evolution of e-Commerce. e-Commerce has become a part of many companies to run their business successfully. Due to popularity and easy access to internet on smart phones, many branded companies and startups have also launched their products through online stores worldwide without wasting time, money and other resources.

Online shopping has been an upward trend in all the four corners of the world. The usage of internet by the younger generation in India affords an emerging prospect for online retailers. The volume of online Business-to-Consumers (B2C) transaction has improved annually at a very high rate. With rapid growth of the internet and globalization of market, the retail sector has become a competitive and a dynamic business environment. Over the last few years, India has shown a remarkable growth in the field of e-Commerce especially in the Business-to-Consumer (B2C) segment and is likely to see significant growth in future. Ever-changing lifestyles and higher disposable incomes, combined with aspirational levels especially amongst the demographically younger population have been driving e-Commerce.

Online shopping has the potential to create huge opportunities both for innovation and economic growth. Online shopping is a process where consumers directly buy goods from a seller via internet without an intermediate. The overall lifestyle of people has been changed and they apprehend the direct shopping to markets consumes more time. As a result, they opt for Online-Shopping as it saves lot of time. Online shopping is mostly preferred by consumers due to variety of reasons that they can shop anytime, anywhere, anything conveniently by comparing costs, features among various varieties and brands at online shopping sites.

The e-commerce industry will have directly impact on the Micro, Small & Medium Enterprises (MSME) in India by providing means of financing, technology and training. The Indian e-Commerce industry growth graph will be of upward trajectory and is expected to exceed the US to become the second largest e-Commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in e-Commerce sector will also boost employment, increase revenues from export, increase tax collection by ex-chequers, and provide better products and services to customers in the long-term.

## **1.2 STATEMENT OF THE PROBLEM**

Due to technological innovations, the traditional way of shopping has become inadequate for individuals. In the current scenario, they prefer easy way to reach brands and stores. The Internet has primarily changed customers' notions of convenience, speed, price, product information and service. As a result, it has given marketers, a whole new way to create value for customers and to build relationships with them. Consumers are ready to purchase things through internet which is convenient for them to save their time and effort. Online consumer behaviour has been progressively noticed in different spheres of goods and services, where people can buy what they need by being seated in their closed premises. Almost all types of products are accessible on the internet. Almost all types of commodities and services are being sold through the websites.

The growing use of internet in India affords a developing prospect for online shopping. If e-marketers know the factors affecting online consumer behaviour, and the relationships between the factors and the type of online buyers, then they can further develop their marketing strategies to convert potential consumers into active consumers. Indeed, consumers are the king for any product. Therefore, identifying the potential consumer, targeting & understanding their preference and satisfying the consumer will indubitably increase the sale and thereby, they can achieve market potential. Furthermore, the Internet business have shaped more competitive environment & accordingly, understanding the features of online shoppers' behaviour have been more important. In this way online shopping sites such as Filpkart, Amazon etc., provides necessary products to the needed persons on their door steps. Such product includes branded and non-branded products, as well.

There are a number of studies, which have so far been made on the online purchase behaviour of consumers and their satisfaction. It is observed that most of the studies have been confined to behaviour, satisfaction and customer loyalty towards various products which are purchased through online. There is hardly any study dealing with consumer behavior and satisfaction about dealing of branded and non-branded products through online. In this backlog, the researcher has made a study on perception, behavior and satisfaction on branded and non-branded products which have been purchased through online shopping sites. The aspects covered in the study are, awareness, perception, purchase pattern, shopping behaviour, satisfaction and the problems faced by the online consumers with respect to branded and non-branded products.

### **1.3 OBJECTIVES**

The study has focused on the following objectives:

- To know the awareness, purchase pattern and perception of online consumers towards various products purchased through online.
- To analyze the purchase behavior, level of satisfaction and problems faced during online purchase with respect to branded and non-branded products.
- To identify the relationship between perception, buying behaviour and satisfaction of online consumers towards branded and non- branded products.

### **1.4 HYPOTHESES**

Based on the objectives the following hypotheses have been framed and tested.

- Demographic profile of the online consumers have no significant difference with respect to knowledge about shopping sites, impact of advertisement, occasion for purchase and amount spent on purchase of products through online.
- Consumer perception and behaviour about branded and non-branded products do not vary significantly when they are classified based on their demographic profile.
- Consumer satisfaction and problems faced while purchasing branded and non-branded products have no significant variation based on their socio economic profile.

- There is a significant relationship between purchase behaviour, perception and satisfaction of online consumers towards branded and non-branded products.

## **1.5 SCOPE OF THE STUDY**

This research study helps to know about consumer's perception, preference and their behaviour and it provides an idea for the online shopping sites to develop new features, channels and facilities for the online consumers. An awareness and knowledge about the branded and non-branded products are known to people through various medias which directly has impact on purchase of products through shopping sites. Fast, reliable, and convenient delivery along with an increasing acceptance among people for more quality and timeliness leads to the rise of more range of products from the online shopping sites. This study focuses on perception, behaviour, satisfaction and problems faced by online consumers while purchasing branded and non-branded products.

## **1.6 RESEARCH METHODOLOGY**

### **Period of the Study**

The study has been conducted from the year 2017-2019.

### **Area of the Study**

The area of the Study is confined to Coimbatore City.

### **Sampling Design**

For the convenience of administration, Coimbatore city is divided into five zones i.e., North, South, East, West and Central. Each zone comprises of 20 wards. The study adopted stratified systematic random sampling technique. From each zone 5 wards have been selected by adopting systematic random sampling. From each ward 2 streets have been selected and further 9 respondents have been chosen as random. Hence, the number of respondents selected for the study are 450 respondents (5 zones \* 5 wards \* 2 streets \* 9 respondents). The data has been collected from the respondents by using questionnaire. Out of the 450 questionnaires collected, 22 were rejected due to incompleteness and remaining 428 valid questionnaires have been used for final analysis and data interpretation.

Pilot Study has been conducted by collecting data from 50 respondents through questionnaire. Based on reliability and validity tests, the needed changes have been made in the questionnaire.

## **Source of Data**

Primary data and secondary data have been used for this study. The primary data have been collected by administering a structured questionnaire from the selected respondents. The secondary data have been collected from various books, magazines, journals, articles and websites.

## **Frame Work of Analysis**

The collected information have been reviewed and consolidated into master table. For the purpose of analysis, the data have further processed by using statistical tools namely,

Percentage Analysis, Descriptive Statistics, Chi-Square Test, Kendall's Ranking Table, Kendall's Coefficient of Concordance, t-Test, Analysis of Variance (ANOVA), Multivariate Analysis of Variance (MANOVA), Factor Analysis, Multiple Regression Analysis, Path Analysis.

## **1.7 SIGNIFICANCE OF THE STUDY**

Digital Shopping is getting familiar among the Indian people. In the current environment, thousands of e-tailers are offering thousands of branded and non-branded products through online at affordable prices. The various facilities such as user friendly, credit options, special offers, convenience, shopping privacy, time to visit retail stores, tracking order status, easy return, replacement/refund, secure payment etc., influence consumers to purchase online. Hence, this study helps the e-commerce retailers to understand the purchase pattern, behavior, satisfaction and the problems faced during online purchases. Through this study they can adopt novel strategies to meet the consumer needs and expectations to retain their customers in future. This study will also help the consumers to know various branded and non-branded products available in the online. The findings of the study which would help the Government to take initiative to regulate e-commerce retailers will certainly benefit both the consumers and manufacturers.

## **1.8 LIMITATIONS OF THE STUDY**

The present study is subject to the following limitations.

- The sample group is restricted to Coimbatore City alone. Hence, the findings of the study cannot be generalized.
- Inability of the human mind to remember certain facts also poses a limitation

## **1.9 CHAPTER SCHEME**

**CHAPTER I:** deals with Introduction, Statement of the Problem, Scope of the study, Objectives of the study, Research Methodology and Limitations of the Study.

**CHAPTER II:** presents the review of literature reviewed from various studies.

**CHAPTER III:** contains profile of the various online shopping sites and the concepts relating to consumer behaviour, perception and satisfaction.

**CHAPTER IV:** explains about consumers' awareness, purchase pattern and perception of online consumers towards various products.

**CHAPTER V:** analyzes the purchase behaviour, satisfaction and problems faced by consumers towards branded and non-branded products purchased through online.

**CHAPTER VI:** identifies the relationship between perception, buying behaviour and satisfaction of online consumers towards branded and non-branded products.

**CHAPTER VII:** summarizes the Findings, Suggestions and Conclusion of the study.