

A Study on Factors Prompting People of Ahmedabad City to Approach E-Retailing Sites

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ABSTRACT

There was a time when people used to travel to markets which were located few kilometres away from their dwelling in order to purchase their required products, even there were special markets for specific products. Then the time came when mom and pop stores mushroomed and convenience for people increased, today we are living in an era where people even need not to visit the nearby retailers or give them a call to narrate the whole list of shopping because shopping is taking place through internet and any product whether it is convenience, shopping and speciality can be purchased through E-Retailing sites like Amazon, Flipkart, Wal-Mart, Snap deal, Shop clues, Big basket, Groffers etc. therefore often some questions arise on what is making people to approach these e-tailing sites, which factors are prompting them to buy through these sites, whether these had acquired the attention of a particular section of society or they are appealing to masses, how the buying behaviour differs among various age-groups, occupation, gender, family size, income groups etc. when it comes to buying through E-Commerce sites. This study aims to answer these questions; it has been conducted on the people of Ahmedabad city with a sample size of 100 respondents including male and female both. In order to identify the factors prompting them to buy through E-Retailers multi variate test like factor analysis has been conducted and Analysis of Variance (ANOVA) test has been used to test the hypothesis.

Key words: Buyer Behaviour, E-Commerce, E- Retailing, Online Buying Behaviour

I INTRODUCTION

(a) Definition of Key Terms

- (i) **E-Commerce:** Electronic commerce or ecommerce is a term for any type of business, or commercial transaction that involves the transfer of information across the Internet. It covers a range of different types of businesses, from consumer based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge. Ecommerce allows consumers to electronically exchange goods and services with no barriers of time or distance. Electronic commerce has expanded rapidly over the past five years and is predicted to continue at this rate, or even accelerate. In the near future the boundaries between "conventional" and "electronic" commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet (Solutions, 2018)
- (ii) **E-Retailing:** The e-retailing(less frequently; e-Retailing, e-Tailing, etc.) is the concept of selling of retail goods using electronic media, in particular, the internet. The vocabulary electronic retailing, that used in internet discussions as early as 1995, the term seems an almost inevitable addition to e-mail, e-business and e-commerce, etc. e-retailing is synonymous with business- to-consumer (B2C) transaction model of e-

commerce. Although e-retailing is an independent business model with certain specific constituents like; trust model, electronic transaction process, etc., but in reality it is a subset of e-commerce by nature (Fibre 2 Fashion)

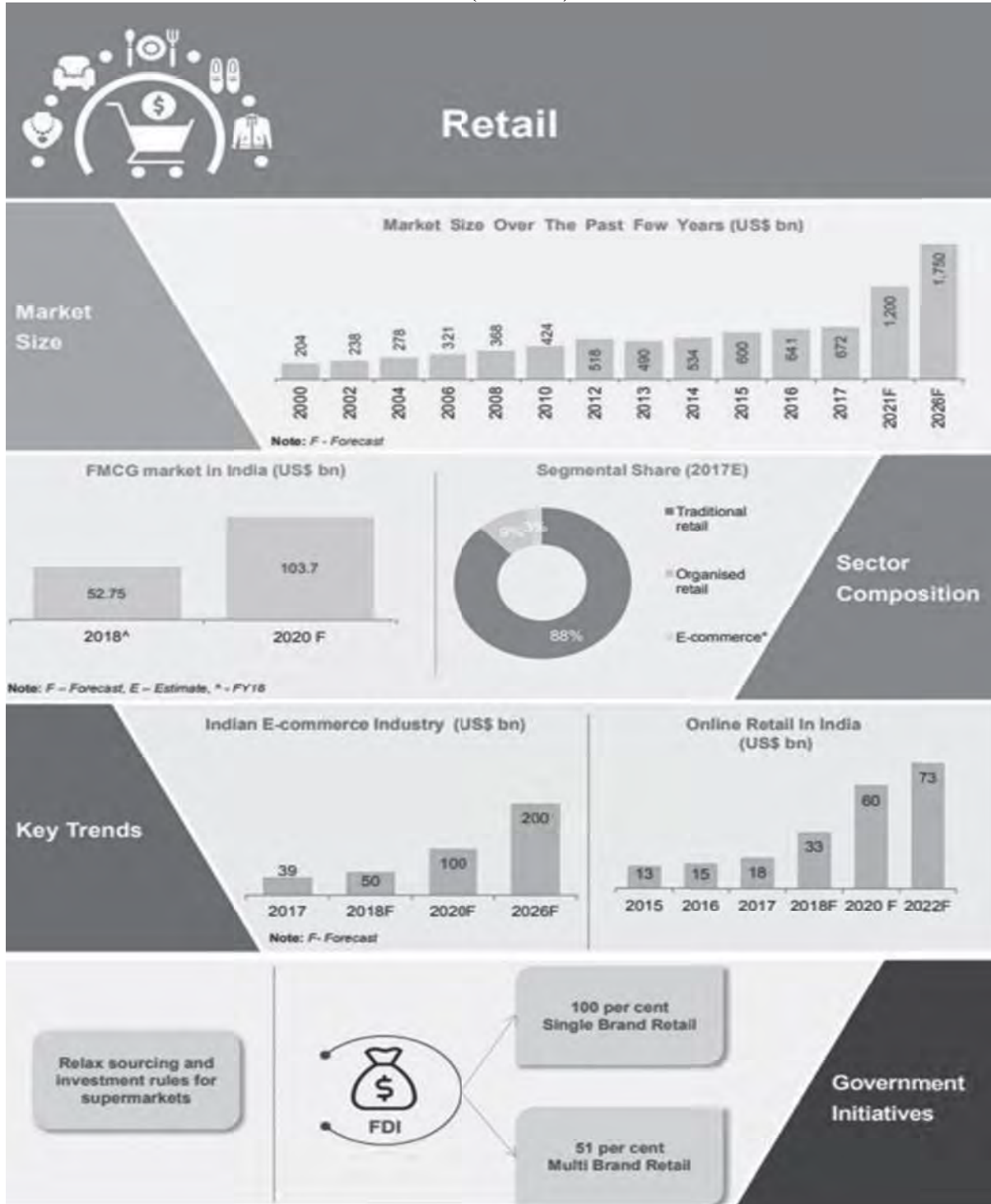
- (iii) **Consumer Behaviour:** Mental and Physical Activities undertaken by households and business consumers that results in decisions and actions to pay for, purchase, and use products and services (Sheth, 2018)

21st century is an era of digitization, where everything is available online from groceries to gadgets. Consumers today are cognizing the benefits of digitization and asking for more personalised dominion. While consumers in large metros are opting for online retail and e-commerce for most of their purchases, the trend is slowly penetrating in non-metro cities as well. With the significant increase of internet penetration across metros and non-metros, shopping online on apps are becoming a new-age trend in the Indian market and according to a recent survey by Criteo, the performance marketing Technology Company, about 74 per cent of Indian participants in the survey stated they have installed two to five retail and shopping apps on their smartphones (Sharma, 2017). In India the web based business division right now shapes a little level of the retail showcase—1.5% as of FY17. Be that as it may, it is one of the quickest developing on the planet, anticipated that would represent 5.7% of retail deals by 2022. Policymakers have hinted at directing their concentration toward it (Live Mint, 2018)

This study is an attempt to understand the factors which are prompting people of Ahmedabad to buy from e-tailing sites. One can observe that in India every quarter the number of people using internet and buying from e-retailers has increased in the last five to seven years. E-Retailers like Flipkart, Amazon,

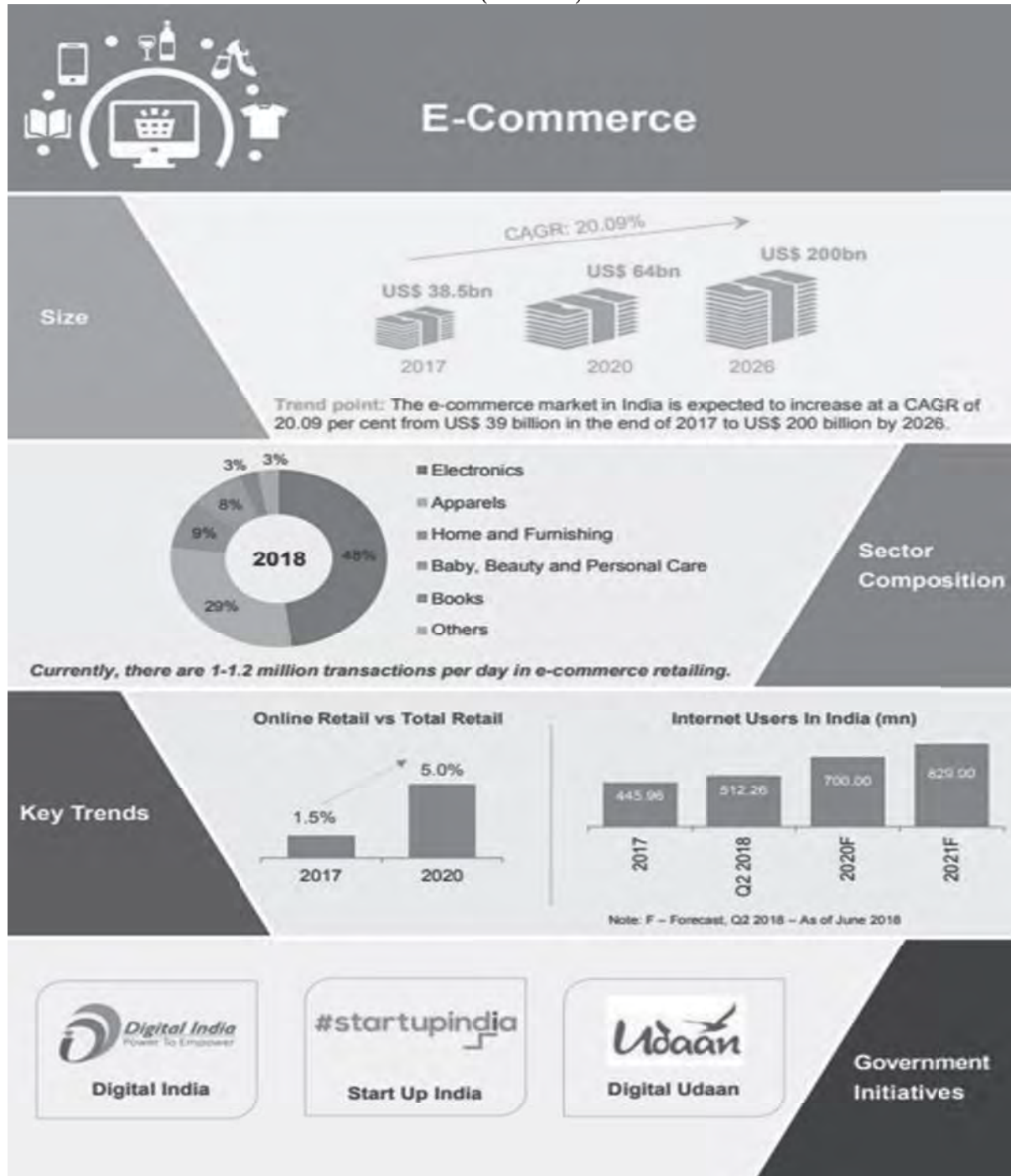
Shop clues, Snap deal etc. has implemented various strategies to win the trust of people, these sites have invested good amount of money in their advertising and brand building activities to position themselves at customer’s top of mind.

(Chart – I)



(Source: India Brand Equity Foundation, ibef.org)

(Chart- II)



(Source: India Brand Equity Foundation, ibef.org)

II REVIEW OF LITERATURE

(Thomas W Dillon, 2004)The 2002 North America Online Report distributed by E-marketer gauges that very nearly 24 million pre-school age understudies (ages 9-17) are as of now shopping on the web and increasing significant internet business acquiring background. Assessments of web based shopping use venture enduring development, the quantity of youthful grown-ups purchasing on the web will

increment relatively. This exploration tries to build up a superior comprehension of the elements propelling youngsters to choose web based business merchants for ware buys by investigating states of mind, statistic attributes and buy choice discernments (i.e., the item, shopping background, client administration, and shopper hazard)

(Habibur Rahman, 2011)As data innovation and the prominence of Internet innovation and inside and out applications, online business is at extraordinary pace.

Individuals turn out to be increasingly the focal point of consideration. At show, moderately quick improvement of web based business exercises are online deals, online advancements, and online administrations

(Dr Rimpi Saluja, 2018)In most recent 20 years there has been a major change as far as way of life, inclinations and purchasing patterns among Indian buyers. Customer purchasing conduct is impacted by numerous components like individual, social, natural, mental and innovative. Quick headway in innovation and utilization of web has acquired a radical change in customer purchasing conduct

(Kaur, 2018)Shopping has gone to another measurement with the nearness of stores offering items and administrations through web. Web based business and web based shopping has extended like a woodland fire in most recent couple of years. A large portion of the customary retailers have progressed toward becoming e-posterior alongside conventional physical business houses. There are a few variables which spur the customers to move from the physical stores to online stores

(Umair Akram, 2018)In the first place, the motivation behind this investigation is to look at the effect of situational factors, shortage and luck, on online drive purchasing (OIB) in Chinese social business (SC) condition. Second, the investigation additionally surveys the directing part of five measurements of hedonic shopping esteem. Information was assembled from 671 online customers who originate from two metropolitan urban areas of China, Beijing, and Shanghai

(Yi JinLim, 2015)Web shopping is a marvel that is developing quickly these days. A peep into the exponential development of the principle players in this industry shows there is as yet an extensive repository of market potential for web based business. The convenience of web based shopping rendering it a developing pattern among customers, particularly the Gen Y

(Lycourgos Hadjiphanis, 2006)Electronic trade alludes to the 'purchasing and offering of data, items and administrations by means of PC systems' (Kalakota and Whinston, 1996). Bloch, Pigneur and Segev (1996) broaden this to incorporate 'support for any sort of business exchanges over a computerized framework.' Thus, expanding the definition to assimilate exercises, for example, the arrangement of data to customers, promoting and bolster exercises. Essentially, every one of the exercises, which are basic to the consolidated endeavours of every one of the three diverts routinely utilized as a part of the purchasing and offering process, these being, correspondences, exchange and dispersion channels.

(Veronika, 2013)Purchaser conduct of shoppers plays one of the key parts in satisfaction of the principle objectives of an organization. It is affected by numerous outer and interior factors yet the

organization can likewise impact the last procedure of purchaser basic leadership process altogether by its exercises. The topic of this article is an investigation of the highlights of online purchaser conduct contrasted with the general regularities of purchaser conduct, meaning of the fundamental intentions of internet shopping, and portrayal of the present patterns

(Uddin, 2011)In the time of globalization electronic advertising is an awesome transformation. In the course of the most recent decade most extreme business associations are running with mechanical change. Web-based shopping or advertising is the utilization of innovation (i.e., PC) for better showcasing execution. What's more, retailers are concocting techniques to take care of the demand of online customers; they are occupied in contemplating purchaser conduct in the field of web based shopping, to see the shopper dispositions towards web based shopping. Along these lines we have likewise chosen to consider customer's demeanours towards internet shopping and particularly contemplating the elements affecting customers to shop on the web.

III RESEARCH METHODOLOGY

(a) Research Objectives

- (i) To Identify The Factors which are influencing/prompting people of Ahmedabad City to approach E-Retailing Sites
- (ii) To Compare the Discount behaviour of people of Ahmedabad based on demographics i.e. Age, Gender, Family size, Income etc.

(b) Hypothesis

- (i) H0: There is no significant difference between people belonging to various age groups and their attraction towards discounts offered by E-Retailing sites
- (ii) H0: There is no significant difference between size of family and attraction for discounts offered by E-Retailing sites
- (iii) H0: There is no significant difference between people falling in different income slabs and their attraction towards discounts offered by E-Retailing sites

(c) Research Design

This study is a synthesis of Exploratory and Descriptive Research Design. Initially in order to gain insight of the topic literature has been reviewed and experience survey has been conducted by the investigator. Later on primary study has been conducted in order to describe the characteristics of the population
Research Tool

A Structured Questionnaire with questions on demographics and of 5 point rating scale (Likert Scale) has been formulated to collect information

(d) Data Collection Sources

- (i) Secondary Data-** Already published data is used as reference from Journals, News Articles, Books, Reports, web sites etc.
- (ii) Primary Data-** In order to achieve the research objectives fresh data is collected with the help of a Questionnaire

(e) Sampling

- (i) Sample Size-** 100 Respondents including male and female both
- (ii) Sampling Technique-** Non Probability with Convenience Sampling is used
- (iii) Sampling Area-** Ahmedabad city in Gujarat State. In Ahmedabad Areas like Prahladnagar, Satellite, Maninagar, Motera, Shivranjani had been selected for survey

IV SCOPE OF STUDY

This study is geographically limited to certain areas of Ahmedabad City with a sample size of 100 genuine responses. Conceptually it attempts to study buyer behaviour towards E-Retailing Sites; the focus of this study is to identify the factors which are influencing the people of Ahmedabad to approach e-tailing sites for purchase of products.

V RELIABILITY AND VALIDITY

Cronbach’s Alpha has been used to check reliability of data since it is most widely used reliability measure. The value of Alpha varies from 0 to 1 and a value more than 0.6 is considered as reliable value for the scale to be utilized for further investigation. In this study the value of Cronbach’s Alpha is given below in Table- I

**Table-I
Reliability Test**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.677	.682	13

In the above table for 13 items in the scale which were finally used to conduct factor analysis the value of Cronbach’s Alpha is 0.677 which is greater than 0.6 so the measure can be considered as reliable to conduct further tests and analysis (Malhotra, 2001)

VI DATA ANALYSIS AND INTERPRETATION

In order to identify the factors influencing the people to buy from E-Retailing sites exploratory factor analysis has been used. The respondents were asked to rate on a Likert scale based on their agreement or disagreement level where in 1= Strongly Agree to 5= Strongly Disagree. The Factor Loading were found to be more than 0.60 which means the five factors which are being extracted are explaining more than 60% variation in the variables. Items with factor loading of less than 0.5 had been removed; the five factors which were generated had Eigen values ranging from 1.058 to 2.861, since all the values are greater than 1 hence these items are good enough to contribute to respective factors,all the factors cumulatively account for 62% of the total variance. The names assigned to extracted factors are (i) Positive Reviews and Experience (ii) Increasing Acceptance (iii) Discounts offered (iv) unique features (v) Festive season sales promotions

(Table- II)
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.861	22.006	22.006	2.861	22.006	22.006	2.118	16.289	16.289
2	1.809	13.913	35.918	1.809	13.913	35.918	1.707	13.133	29.421
3	1.158	8.905	44.824	1.158	8.905	44.824	1.674	12.878	42.299
4	1.135	8.733	53.556	1.135	8.733	53.556	1.302	10.018	52.317
5	1.058	8.139	61.695	1.058	8.139	61.695	1.219	9.378	61.695
6	.895	6.886	68.581						
7	.815	6.273	74.854						
8	.753	5.789	80.643						
9	.664	5.109	85.752						
10	.572	4.397	90.149						
11	.521	4.004	94.153						
12	.401	3.087	97.240						
13	.359	2.760	100.000						

Extraction Method: Principal Component Analysis.

(Table- III)
Rotated Component Matrix

Statements	Component				
	1	2	3	4	5
(i) Positive feedback from your friends and relatives made you to approach e-commerce sites	.502	-.086	.305	.226	.002
(ii) The discounts offered by e-commerce sites attracted you to approach them	.069	.060	.813	.090	.015
(iii) Your previous experience is positive therefore you are frequently approaching e-commerce sites	.491	.074	.320	.208	-.049
(iv) Online websites are better than offline stores	.097	.764	.118	.032	-.025
(v) You buy from online sites only in festive season.	.115	.062	.125	.176	.830
(vi) Future of online retail is bright in our country	.425	.249	-.158	.623	-.253
(vii) Every online site has its own set of unique features	.005	-.085	.147	.743	.325
(viii) You compare product price between online and offline in certain product categories	.771	-.032	.028	.046	-.041

(ix) You compare product price between online and offline in every product category	.763	.020	-.003	-.200	.331
(x) You buy all the products of your need from online sites only.	-.198	.670	-.054	-.234	.450
(xi) Offline stores are losing business because of online sites	-.232	.523	.134	.359	.044
(xii) You recommend your friends and relatives to buy from online sites	.364	.527	.419	-.012	-.117
(xiii) You wait for discount and big sale offers from online sites before making the final purchase decision	.114	.182	.738	-.030	.172

(a) Hypothesis Testing

- (i) H0: There is no significant difference between people belonging to various age groups and their attraction towards discounts offered by E-Retailing sites

ANOVA

The discounts offered by E-Retailing sites attracted you to approach them

Table- IV

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.271	2	.135	.173	.841
Within Groups	75.919	97	.783		
Total	76.190	99			

From Table IV it is evident that the significance value (0.841) is greater than 0.05 which means this study failed to reject the null hypothesis. So it can be inferred that people belonging to various age groups are equal in terms of their liking for discounts offered by E- Retailers.

- (ii) H0: There is no significant difference between size of family and attraction for discounts offered by E-Retailing sites

ANOVA

The discounts offered by E-Retailing sites attracted you to approach them

Table- V

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.270	2	.135	.173	.842
Within Groups	75.920	97	.783		
Total	76.190	99			

From Table V it is evident that the significance value (0.842) is greater than 0.05 which means this study failed to reject the null hypothesis. So it can be inferred that whatever be the size of family the attraction for discounts offered by E-Retailing sites is equal for all of them.

- (ii) H0: There is no significant difference between people falling in different income slabs and their attraction towards discounts offered by E-Retailing sites

ANOVA

The discounts offered by E-Retailing sites attracted you to approach them

Table- VI

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.514	2	3.257	4.534	.013
Within Groups	69.676	97	.718		
Total	76.190	99			

From Table VI it is evident that the significance value (0.013) is less than 0.05 which means this study rejects the null hypothesis. So it can be inferred that people belonging to different income brackets are not equal in terms of their attraction towards discounts offered by E-Retailing sites.

VII CONCLUSION

This study identified five factors: (i) Positive Reviews and Experience (ii) Increasing Acceptance (iii) Discounts offered (iv) unique features and (v) Festive season sales promotions which are influencing people of Ahmedabad City to approach E-Retailing sites. It also corroborated that whatever be the age group of a person he/she has equal liking for the discount offered by E-Retailing sites. Even this study helped us to understand that size of family and liking for discount doesn't differ and it is equal; we also came to know that there is difference among people who belong to different income bracket and their attraction for discounts from E-Retailing sites.

This study has a further scope of investigation like why people belonging to different income brackets differ in terms of their liking for discounts. One can test the correlation among motivating factors towards E-Retailing sites and can identify the strength of these factors in understanding purchase behaviour of people when it comes to E-Retailers.

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