

## A Study on Online Shopping Behaviour - With Reference To Motivating Factors of Urban and Rural Consumers

*N.Sreenu, Asst.Professor of Commerce, Government Degree College, Wanaparthy.TS*

### Abstract:

Online shopping or internet shopping, online retailing or e-tailing is a type of electronic business whereby consumers directly purchase goods or services from a seller over the internet without an intermediary service has well-defined retailing as the method of selling retail goods on the internet. Various types of shopping have exceptional forms of influences whilst purchasing on line. The psychology of the consumer impacts the decision for shopping, choice of the products, retails and brands shopping by them. Similarly, the technology acceptance can also stimulus the consumers buying behaviour. As an empirical study of such kind was lacking in this context therefore, the need for an extensive and intensive study to analyze the online purchase behavior of the rural and urban consumers in Telangana was realized. It can be seen that the factors showing significant difference among the rural and urban area online consumers are more than the factors showing no significant difference. Thus, it can be concluded that the factors propelling online shopping behaviour among rural and urban consumers are not same. The marketers should consider the positioning of the products to be sold to the consumers in the rural and urban areas in such a way that it should give them psychological satisfaction and motivate them to continue with the same brand in future also.

**Keywords:** Online Shopping, Consumer behavior, Telangana, Products and Brands.

### Introduction

Online Shopping is the process where consumers do shopping through when they agree to shop on the Internet. Online shopping or internet shopping, online retailing or e-tailing is a type of electronic business whereby consumers directly purchase goods or services from a seller over the internet without an intermediary service (Tao, Li, Dingjun, 2011). Anita Desai (2003) has well-defined retailing as the method of selling retail goods on the internet. E-tailing is the short form of electronic retailing which basically constitutes Business to Consumer (B2C) transaction. Online shopping also known as online buying, denotes to the consumption process by which consumers satisfy shopping needs through internet (He, 2004). According to the report of China online shopping industry growth (2008 – 2009), Online shopping can be defined as the process of sellers delivering products or service to customers and the elements of information flow, capital flow, logistics that are related to this delivering process and every linkage of complete process are completed with the aid of internet.

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The psychology of the consumer impacts the decision for shopping, choice of the products, retails and brands shopping by them. Similarly, the technology acceptance can also stimulate the consumers buying behaviour. The chapter on examination of literature exposed that affordable prices and offers, protected online transactions, comparison of shopping time saving, comfortability, various payment choices and delivery options are some of the factors which inspire the consumers to shop online. Previous section focused on the online shopping behaviour of the rural and urban consumers in Telangana and revealed that rural consumers have better online shopping behaviour as compared to the urban online area consumers in Telangana. This section will focus on the study of the aspects which motivate the rural and urban consumers in Telangana to shopping online.

### **NEED OF THE STUDY**

In this present scenario a study on the online purchasing pattern is the need of the hour because e-tailing has got more attention in the recent past. As an empirical study of such kind was lacking in this context therefore, the need for an extensive and intensive study to analyze the online purchase behavior of the rural and urban consumers in Telangana was realized. This research work **“A study on online shopping behaviour-with reference to motivating factors of urban and rural consumers”** will help in contributing to the available literature along with helping the e-retailers in designing an appropriate strategy to attract and retain online consumers. Through this research, an attempt has been made to study the factors motivating urban

and rural online consumers and comparative study as also made.

### **REVIEW OF LITERATURE**

**Amol Ranadive (2015)** conducted a study on “An Empirical Study on the Online Grocery Shopping Intentions of Consumers in Vadodara City.” The objective of the study was to study the factors that affect the intention of the consumers in Vadodra to buy groceries online. The data collection was done using self-administered questionnaire from the consumers who possessed some prior experience of buying goods online over the internet.

**Ms.Asmatara Khan ,Dr Chadrnahauns R. Chavan(2015)** conducted a study on “Factors affecting on-line shoppers behavior for electronic goods purchasing in Mumbai: An empirical study”. The objective of the study was to study motivational 43 factors affecting online shopping behavior of electronic goods. A model was developed to examine the relationship between perceived risks, return and attitudes towards online shopping along with the influence of an individual’s domain specific innovativeness (DSI), attitude, subjective norm and planned behavior (PBC) towards online shopping

**Dr. Amaravathi, M. ,Mr. Anand Shankar Raja, M.(2015)** conducted a study on Customers’ preference towards online shopping with special reference to the city of Kochi”. The objective of the study was to explore factors which motivate the consumers to prefer online shopping and to determine whether the demographic constructs play an important role in influencing a person to involve in online shopping.

**Dr. Shiv Prasad, Dr. Amit Manne, Dr. Veena Kumari (2014)** conducted a study on “Changing face of buyers behaviour towards on line shopping of financial products in India (A Case study of Rajasthan State).” The aim of the research paper was to study the buying behavior of financial products through online shopping. The sample size included 1000 respondents in rural, urban and semi urban parts of Rajasthan having different age and income group. A pilot survey of 200 respondents was carried out to gather feedback

**Achal Hardia & Kapil Sharma (2013)** conducted a research on “Empirical study of factors affecting Online Shopping among youths.” The objective of this study was to study the factors affecting online shopping among youths and effect of demographics on the factors affecting online shopping among youths. Data was collected by questionnaires from 350 youths of Indore and nearby cities.

**Khaled A.Gad (2012)** conducted a study on “The Impact of demographics and technology Readiness on Egyptian’s attitude towards E-Shopping”. The objective of the study was to assess the impact of demographic factors and technology readiness on consumers’ online shopping attitude. Four consecutive focus groups were formed with a total of 32 participants (8 per focus group).

**Li Guo (2011)** conducted a study on “A research on influencing factors of Consumer Purchasing behaviors in cyberspace”. The objective of the study was to explore the factors influencing consumers’ online buying behavior. The data was collected by questionnaires from 80 respondents.

**Ankur Kumar Rastogi (2010)** conducted a study on “Study of Indian Online Consumers

and their Buying Behaviour”. The objective of the study was to discover the key factors that influence online buying behavior of consumers in India. The data was collected through questionnaires from 200 respondents.

**Pingjun Jiang, Bert Rosenbloom (2005)** conducted a study on “Customer intention to return online: price perception, attribute-level performance, and satisfaction unfolding over time.” The aim of the study was to assess the impact of price perception, service attribute-level, performance and satisfaction on customer retention. Research Hypothesis were developed and Structural equation modeling was employed to test the hypothesized relationships.

## **RESEARCH OBJECTIVES**

1. To study the motivating factors of online shopping of rural area consumers
2. To study the motivating factors of online shopping of urban area consumers
3. To compare the online shopping behavior of rural and urban consumers with reference to motivating factors in Telanagana

## **HYPOTHESIS OF THE STUDY**

- 1)  $H_{01}$ : There is no significant difference between rural and urban consumers in respect of motivating factors of online shopping.

## **RESEARCH METHODOLOGY & SAMPLE SELECTION**

Sample size calculated for study was 500



consumers. 250 consumers are from rural areas and 250 from urban areas. The Geographical area selected for this study is 5 districts. They are Nizamabad, Warangal, Ranga Reddy, Mahabub Nagar and Nalgonda. First hand and Primary Information was collected with the assistance of well- structured Questionnaire along with personal interview. Secondary data was collected from Published literature in Books, Magazines, Journals and Newspapers and portals. A well-structured objective type and probing questionnaire was prepared. To collect personal opinions and to examine the practical aspect, personal Interview and observation technique was applied. The Information collected during data collection was coded first and tables were created, analyzed and Interpreted with the aid of excel sheets in computer. On the basis of findings based on tabulated data and Observations during data collection, conclusion was drawn.

Since the objective of the study is to identify the factors motivating the rural and urban consumers in Telanagana from making the online shopping. From these two samples t-test has been applied. Two sample t-test also known as independent t-test is an inferential statistical test that determines whether there is a statistically significant difference between the means in two un-related groups. The null hypothes is for the independent t-test is that there is no significant difference between the mean values of the two un-related groups. Un-related groups mean that when comparing two groups, an individual item in one group cannot also be a member of the other group and vice versa. Most frequently used level

of significance or alpha is 0.05 that allows either accepting or rejecting the null hypothesis. Five point likert scale has been applied to measure the perception towards the factors motiovating the rural and urban consumers in Telangana, with responses ranging from 1=strongly disagree to 5 = strongly agree, number 3 being neutral.

**H<sub>0</sub>: There is no significant difference between rural and urban consumers in respect of motivating factors towards the online shopping.**

Table 1.1: Region wise mean values of the responses with regard to Motivating factors.

<b>Personal Benefits Related Factors</b>	<b>Rural Mean</b>	<b>Urban Mean</b>
Online shopping saves time	4.11	4.14
Freedom of choice	3.56	3.31
24*7 shopping facility	3.24	3.65
Easy return policy, easy/multiple payment options	3.3	3.67
Shopping can be customised as per individual needs	3.92	3.88
Emergence of nuclear family	3.96	3.89
Direct Communication with the seller	3.97	3.97

<b>Website Features related Factors</b>	<b>Rural Mean</b>	<b>Urban Mean</b>
Latest information is provided online	3.21	3.56
Online tracking of shipment	3.17	3.97
Shopping websites are attractive and clear	3.28	3.44
Easy registration facility through promotional blogs	3.17	3.67
Page downloading speed of websites is good	2.99	3.96
Simple and easy to browse and find products	3.12	3.69

<b>Product Information related Factors</b>	<b>Rural Mean</b>	<b>Urban Mean</b>
Facilitates comparison of similar products	3.66	3.88
Product reviews are available	3.73	3.89
Wide variety of products	3.67	3.75
Better quality products are available online	3.69	3.79
Detailed information about the product, features, quality and price is available	3.76	3.99

<b>Promotional Features</b>	<b>Rural Mean</b>	<b>Urban Mean</b>
Rewards and discounts	3.09	3.83
Cash back offers on debit/credit cards are attractive	3.87	3.96
Some websites provide free home delivery	3.27	3.89
Promotional offers sent on e-mail are attractive	3.24	3.45
Easy order cancellation and return facility	3.46	3.95

<b>Social Characteristics related</b>	<b>Rural Mean</b>	<b>Urban Mean</b>
The opinions and experiences of your family and relatives affect your online purchase decision	3.95	3.97
The opinions and experiences of your friends and colleagues affect your online purchase decision	3.37	3.44
The opinions and experiences discussed online affect your online purchase decision	3.98	4.01
Own past experience with website affect online purchase decision	3.97	3.77
<b>Total respondents</b>	250	250

For normally distributed data, means were compared using independent sample t-test (for two groups) to find out if there is significant difference between the rural and urban area consumers in Telangana with respect to the factors motivating them to shopping online. Also, a comparison among the rural and urban males; and rural and urban females has been made regarding the same.

**Factors Motivating Rural and Urban Consumers in Telangana to Shopping Online**

Table.1.2: Comparison of motivating factors for online shopping between rural and urban area customers

Region		N	Mean	Std. Deviation	t-value	p-value
Personal Benefits	Rural	250	26.3480	3.75704	.4889	.6251
	Urban	250	26.5000	4.43992		
Website Features	Rural	250	18.9960	2.60752	16.7866	.001**
	Urban	250	22.2800	2.56826		
Product Information	Rural	250	18.5160	3.35721	3.0235	.002**
	Urban	250	19.3480	3.90280		
Promotional Features	Rural	250	16.9200	2.14570	13.3754	.001**
	Urban	250	19.0800	2.12690		
Social Characteristics	Rural	250	15.2274	4.00475	.4584	.6468
	Urban	250	15.1935	4.73678		

(\* significant at 5% level of significance)

Above table depicts the outcomes of independent sample t-test to find the significant difference among the motivating factors for online shopping between rural and urban area customers in Telangana. As per the the above table, the online shopping behaviour of rural consumers is most motivated by personal benefits followed by website features, product information, promotional features and social characteristics; similarly, the online shopping behaviour of urban consumers is most motivated by personal benefits followed by website features, product information, promotional features and social characteristics. There is a non- significant difference in means of rural and urban customers for factors personal benefits and social characteristics, which means that the personal benefits and social features motivate both the urban and rural area consumers in the same way with respect to online shopping. Whereas, there is a significant difference in the mean values of motivating factors viz. website features, product information and promotional features between rural and urban customers analyzed by t-value 16.7866 (Rural - M = 18.99; SD = 2.61; Urban - M = 22.28; SD=2.57),3.023(Rural-M=18.52;SD=3.36;Urban-M=19.35;SD=3.90) and 13.375 (Rural - M = 16.92; SD = 2.15; Urban - M = 19.08; SD = 2.13) correspondingly. The difference for factors, website features and promotional features and product information were found to be significant at 0.01 level of significance.

Therefore, on the basis of mean values, we can conclude that website features, product information and promotional features motivate urban customers in telangana more for buying

online as compared to the rural customers.

**Factors Motivating Rural and Urban Male Consumers to Shopping Online**

Table 1.3 depicts the outcomes of independent sample t-test to find the significant difference in the motivating factors for online shopping between rural and urban area customers in Telangana. As per the table, the online shopping behaviour of rural male consumers is most motivated by personal benefits followed by website features, product information, social characteristics and promotional features; similarly, the online shopping behaviour of urban area male consumers is most affected by personal benefits, followed by website features, product information, promotional features and social characteristics,. There is a non- significant difference in the means of rural and urban area male customers for factors personal benefits, product information and social characteristics, which means that the personal benefits, product information and social characteristics motivate both the urban and rural consumers in the same manner with regarding to online shopping. Whereas, there is a significant difference in the means of motivating factors viz. website feature and promotional features between the rural and urban area male customers in Telangana analyzed by t-value 11.202 (Rural - M = 19.16; SD = 2.66; Urban - M = 22.22; SD = 2.51) and 8.447 (Rural - M = 16.90; SD = 2.2; Urban - M = 18.88; SD = 2.06) respectively which were found to be significant at 0.01 level of significance.

Table.1.3: Comparison of motivating factors for online shopping between rural and urban male customers

Region		N	Mean	Std. Deviation	t-value	p-value
Personal Benefits	Rural	146	26.4795	3.81326	0.7927	0.4285
	Urban	115	26.1217	4.81071		
Website Features	Rural	146	19.1575	2.65665	11.202	.001*
	Urban	115	22.2174	2.50537		
Product Information	Rural	146	18.8767	3.40566	0.8502	.3958
	Urban	115	19.2087	4.05120		
Promotional Features	Rural	146	16.9041	2.21695	8.447	.001*
	Urban	115	18.8783	2.06537		
Social Characteristics	Rural	146	17.9521	4.06555	.2317	.8169
	Urban	115	17.8435	4.88570		

(\* significant at 5% level of significance)

Hence, on the basis of inferences drawn from the mean values, we can conclude that website features and promotional features motivate urban area male customers in Telangana more for online shopping as compared to the rural male customers.

**Factors Motivating Rural and Urban Female Consumers in Telangana to Shopping Online**

Table.1.4: Comparison of motivating factors for online shopping between rural and urban female customers



Region		N	Mean	Std. Deviation	t-value	p-value
Personal Benefits	Rural	104	26.1635	3.68706	1.5256	.1281
	Urban	135	26.8222	4.08833		
Website Features	Rural	104	18.7692	2.53224	12.5028	.001**
	Urban	135	22.3333	2.62877		
Product Information	Rural	104	18.0096	3.23661	3.7195	.002**
	Urban	135	19.4667	3.78292		
Promotional Features	Rural	104	16.9423	2.05188	9.8883	.001**
	Urban	135	19.2519	2.17076		
Social Characteristics	Rural	104	18.1154	3.83471	.9676	.3340
	Urban	135	18.6593	4.59098		

(\* significant at 5% level of significance)

Above table depicts the outcomes of independent sample t-test to find the significant difference in the motivating factors for online shopping between rural and urban female customers in Telangana. According to the table, the online shopping behaviour of rural female consumers is most affected by personal benefits, followed by website features, social characteristics, product information and promotional features; similarly, the online shopping behaviour of urban female consumers is most affected by personal benefits followed by website features, product information, promotional

features and social characteristics. There is a non-significant difference in means of rural and urban female customers for factors personal benefits and social characteristics, which means that the personal benefits and social characteristics motivate both the urban and rural consumers in the same manner with respect to online shopping. Whereas, there is a significant difference in the means of motivating factors viz. website features, product information and promotional features, between rural and urban female customers analyzed by t-value 12.503 (Rural – M = 18.77; SD = 2.53; Urban – M=22.33; SD=2.63), 3.719 (Rural– M=18.01; SD=3.24; Urban–19.47; SD=3.78) and 9.888 (Rural – M = 16.94; SD = 2.05; Urban – M = 19.25; SD = 2.17) respectively, which was found to be significant at 0.01 level of significance.

Hence, on the basis of mean values, we can conclude that website features, product information and promotional features motivate urban female customers more for online shopping as compared to the rural female customers.

This study focused on the comparison of factors motivating the rural and urban consumers in Telangana to shopping online. A comparison of rural and urban males and rural and urban females was also done with regard to the factors motivating to shopping online. It was found that there is significant difference in the shopping behaviour of the male respondents in rural and urban areas with respect to the factors - website feature and promotional features whereas; there is no significant difference with respect to the factors - personal benefits, product



information and social characteristics. In case of the female respondents, it was found that there is significant difference in the shopping behaviour of female respondents in rural and urban areas with respect to the factors - website features, product information and promotional features whereas; there is no significant difference with regard to the factors - personal benefits and social characteristics.

Overall comparison of rural and urban consumers showed that there is no significant difference in the shopping behaviour of the rural and urban consumers with respect to the factors - personal benefits and social characteristics, that is, both these factors motivate the respondents in the same manner to shopping online. Whereas, there is significant difference in the motivating factors among the rural and urban area respondents with respect to the factors-website features, product information and promotional features.

From the above findings, it can be seen that the factors showing significant difference among the rural and urban area online consumers are more than the factors showing no significant difference. Thus, it can be concluded that the factors propelling online shopping behaviour among rural and urban consumers are not same. Therefore, we are rejecting the null hypothesis  $H_0$ , that is, factors motivating the rural and urban consumers to make online shopping are same.

### **Findings and conclusions**

The online purchase behavior of rural consumers is most influenced by personal benefits, followed by website features, product

information and promotional features and social characteristics: similarly, the online purchase behavior of urban consumers is most affected by personal benefits, followed by website features, product information promotional features and social characteristics,

The personal benefits and social characteristics motivate both the urban and rural consumers in the same manner with respect to online purchases. Whereas, the website features, product information and promotional features motivate urban customers attributed to the fact that urban area consumers are more techno savvy and being price sensitive, give more importance to promotional offers and discounts. Because of more awareness about the products and brands, urban consumers prefer to compare the product information first before purchasing them.

Thus, it can be concluded that factors motivating the online behavior of the rural and urban online consumers are not same. Therefore, we rejected the null hypothesis  $H_0$ , that is, factors motivating the rural and urban consumers to make online purchases are same. It is suggested that the marketers should consider the positioning of the products to be sold to the consumers in the rural and urban areas in such a way that it should give them psychological satisfaction and motivate them to continue with the same brand in future also. It is also suggested that marketers should consider designing different strategies for promotion i.e. designing separate promotional strategies for different age groups of the consumers because different factors motivate different age groups. Thus, motivating factors

must be kept in mind before making the promotional strategies

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