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RESEARCH ARTICLE

A COMPARATIVE STUDY OF SELECTED ONLINE SHOPPING WEBSITES FROM CUSTOMER'S PERSPECTIVE IN THE CITY OF AHMEDABAD.

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Abstract

Due to the sharp growth in the number of people using internet, online shopping in India also has taken a sharp shoot with increasing trend. Educated people specially who are working in the private sector and are time scarce; prefer to shop online for various reasons. A study conducted by BCG suggests that during the year 2013; out of 1220 million Indians, 169 million Indians were active internet users. The study indicates that by the year 2018 this figure of internet users will shoot up and reach up to 583 million.

The popularity of the online shopping trend gave an idea of undertaking this research work to know the preference of people to shop from the three popular shopping websites i.e. Amazon.com, Flipkart.com, Snapdeal.com; one Global Company and two Indian Companies. Wherein, the 'convenience' sample of 100 internet users in the age group of 18 to 40 years from Ahmedabad city was chosen. A structured questionnaire was given to each one of them to know the preference of website in the city of Ahmedabad along-with the personal interviews.

Descriptive research design was used to know the preferences. The findings revealed that majority of the male as well as female internet users preferred Amazon.com (55%) following Flipkart.com (32%) on the various attributes, factors or services offered by these websites. Amazon topped among the three, on variables like: best payment options for all the products, wide range of products, quality products, variety of products. Flipkart was considered as having the best customer care services among the three and Snapdeal was considered as offering the good packaging.

The suggestions from the respondents were that all the companies should display original products, offer better product return policies and provide full and actual product description.

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Introduction:-

Due to the sharp growth in the number of people using internet, online shopping in India also has taken a sharp shoot with increasing trend. Educated people especially who are working in the private sector and are time scarce and the teenagers & youngsters prefer to shop online for various reasons. A study conducted by BCG suggests that during the year 2013; out of 1220 million Indians, 169 million Indians were active internet users. The study indicates that by the year 2018 this figure of internet users will shoot up and reach up to 583 million.

The popularity of the online shopping trend gave an idea of undertaking this research work to know the preference of people of Ahmedabad to shop from the three popular shopping websites i.e. Amazon.com (Global Company), Flipkart.com, Snapdeal.com (Indian Companies).

Literature review:-

Many different studies are undertaken by different scholars related to online shopping. Ann Schlosser(2005) conducted a research study on the topic "Source Perceptions and the Persuasiveness of Internet Word-of-Mouth Communication". The purpose of the study was to examine how individuals use the content of consumers' product reviews to make inferences about them such as whether they are telling the truth and from this the degree to which they are persuaded by the review. The study revealed that there is some evidence suggesting that message content can influence source perceptions even beyond explicit information about the source's credentials. Others have also shown that the persuasiveness of two-sided messages depends on whether the positive and negative attributes are negatively correlated (price and quality or taste and calories) or uncorrelated (Pechmann 1992). Mary Wolfinbarger and Mary Gilly (2009), in their study, "Consumer Motivations for Online Shopping" found that Consumers shop online for goal-oriented, instrumental reasons, and for experiential reasons. However, goal oriented motives are more common among online shoppers than are experiential motives. The authors conducted two phase study with two different focus groups and reported that accessibility/ convenience, selection, information availability, control of sociality, low commitment to the experience and more generally, a sense of freedom and control all mark goal-directed buying while offline shopping is more likely to be associated with experiential benefits, the experiential shoppers enjoy the fun of surfing various sites and finding the best deals. The authors recommended that before designing the mix of experiential vs. goal focused features offered on a site, a company needs to understand both its products and its users; average time spent on the sites by users is associated with goal vs. experiential orientation; thus, using click stream data, companies should be able to estimate the percentage of shoppers and buyers who are goal-oriented vs. experiential. A study, "Value-Driven Internet Shopping: The Mental Accounting Theory Perspective" was undertaken by Sumeet Gupta and Hee-Woong Kim (2009). The results of their study using mental accounting theory revealed that apart from monetary factors (i.e. perceived price); non-monetary i.e. intrinsic factors (time, effort savings, risk and uncertainty, pleasure from previous transactions) also influence online customer value perceptions. Further the study found that customers' value perception of Internet shopping influences their decision to purchase from an Internet vendor by three determinants (convenience, pleasure and perceived price) of transaction utility when customers make purchase decisions through segregated evaluation apart from the integrated evaluation of attributes through perceived value, online customers also take into account individual determinants of value when making decisions on purchasing from an Internet vendor. The study also revealed that perceived risk did not have a significant influence on purchase intention. A study undertaken by and Willemijn van Dolen (2010) on the topic "The influence of online store beliefs on consumer online impulse buying: A model and empirical application"; based on the cognitive emotion theory showed significant effects of merchandise attractiveness, enjoyment, and online store communication style, mediated by consumers' emotions. The research also provided a first indication that online stores selling hedonic products should focus on stimulating positive affect rather than reducing negative effect. By making the shopping experience exciting, enthusiastic and inspiring, positive emotions are triggered with possible impulsive buying as a consequence. The study conducted by Shih-Ming Pi and Jirapa Sangruang (2011) suggested the perceived risk factors that have the greatest effect on the attitude towards online shopping in Taiwan are convenience, physical, performance, and social factors. Another study undertaken by J. Gao, C. Zhang, K. Wang, Sulin B (2012) showed that given the limited information process capacity of the consumers unconscious thought moderates the relationship between information quality and consumer satisfaction towards their decision making when shopping experience products online, and is thus worthy of special attention in the design of ecommerce websites. The study also contributes to both unconscious thought theory and information processing theory by exploring the interaction effect of the quantity and quality of information with thought mode in affecting the quality of purchasing decision.

An article published by Youg Liu, Hongxiu Li, Feng Hu on “Website attributes in urging online impulse purchase” (2012) based on Structural Equation Modelling Technologies suggested that personality factors of instant gratification, normative evaluation and impulsiveness are key determinants of urge to buy impulsively, while perceived website cues of visual appeal, website ease of use and product availability are important precursors. Many studies are undertaken to study the online shoppers’ reasons for shopping online and their preferences of particular sites for their shopping like: Na Wang, Dongchang Liu, Jun Cheng’s study on Study on the Influencing Factors of Online Shopping (2008) Adil Bashir’s study on Consumer Behaviour towards online shopping of electronics in Pakistan (2013).

Research methodology:-

Research Objectives:-

Many studies have been undertaken on the different aspects of online shopping and online shopping websites. Nowadays due to the craze of using internet and scarcity of time many educated and young people have turned to online shopping. The following objectives were thought of for doing this study:

- To know why people buy online.
- To know what type of products people purchase from online websites.
- To find out how many respondents prefer to shop from Amazon, Flipkart or Snapdeal websites and why.
- To know the different attributes of the above mentioned websites.
- To study the effect of demographic factors on preferences towards selected online shopping websites.

Research Design:-

A descriptive study was thought to be appropriate to know the consumer preferences of online shopping websites. A single cross sectional research design is adopted where in a survey was undertaken to know the preferences of respondents about the three websites on different attributes.

Sampling Design and Data Collection:-

This study is based on the responses of 100 internet users living in the city of Ahmedabad in the age group of 18 to 40 years. The sample was selected using non-probability sampling technique of “convenience sampling”. A self-administered questionnaire was the primary survey instrument for data collection and was selected because it addresses the issue of reliability of information by reducing and eliminating differences in the way that the questions are asked, and how they are presented (Fowler, 2002). Taking this into consideration, close ended questions were mainly included in the questionnaire.

Statistical Tools:-

To meet the objectives, simple techniques like frequency counts and percentages were used for data analysis. Descriptive and Inferential Measures were used to analyze the data and meet the objectives of the study.

Data analysis:-

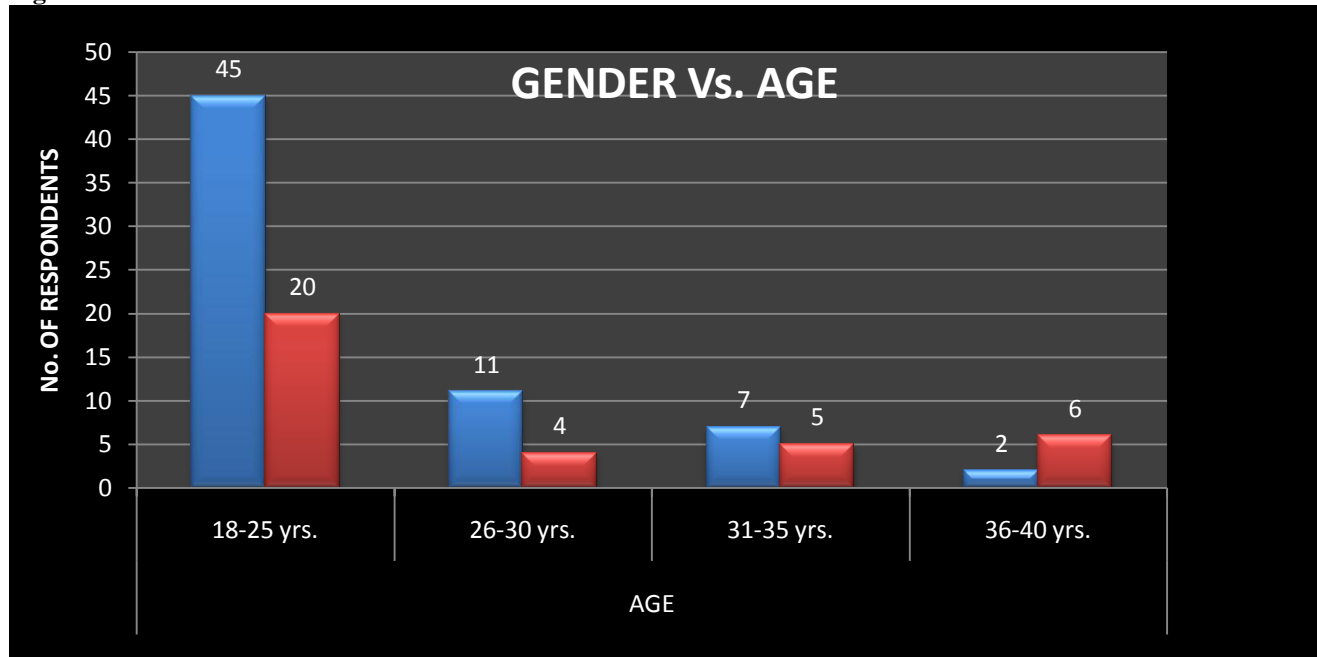
First of all the questionnaires were coded and data was checked for inconsistencies. After cleaning the data tables were prepared and descriptive studies were conducted. Frequencies and percentages were derived.

The demographic profile of the respondents is as follows:

Table -1: Gender v/s Age

GENDER	AGE				TOTAL NO. OF RESPONDENTS
	18-25 yrs.	26-30 yrs.	31-35 yrs.	36-40 yrs.	
MALE	45	11	7	2	65
FEMALE	20	4	5	6	35
TOTAL	65	15	12	8	100

Figure-1:



Chi-square test was run on cross tabulation to analyze the impact of demographic variables on the preferences of online websites.

Hypothesis:-

Hypothesis1:

Ho: Age does not affect the choice preference towards online shopping websites.

H1: Age affects the choice preference towards online shopping websites.

Table 2: Age v/s Preference.

AGE	PREFERENCE					G.T.
	GENDER	AMAZON	FLIPKART	SNAPDEAL	TOTAL NO. OF RESPONDENTS	
18 yrs. to 25 yrs.	MALE	25	16	4	45	65
	FEMALE	11	6	3	20	
26 yrs. to 30 yrs.	MALE	3	7	1	11	15
	FEMALE	2	2	0	4	
31 yrs. to 35 yrs.	MALE	3	4	0	7	12
	FEMALE	2	2	1	5	
36 yrs. to 40 yrs.	MALE	1	1	0	2	8
	FEMALE	3	2	1	6	
TOTAL		50	40	10		100

In order to test the above hypothesis chi-square statistics was calculated as:

$$\chi^2 = \sum_{i=1}^n \sum_{j=1}^n \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where $E_{ij} = \frac{R_i \times C_j}{G}$

Where O_{ij} = observed frequency in the i-jth cell

E_{ij} = expected frequency of the i - j^{th} cell
 R_i = Row Total of i^{th} Row
 C_j = Column Total of the j^{th} Column
 G = Grand Total

The calculated value of chi-square statistic for Hypothesis 1 was found to be 7.1221 which is less than the corresponding chi-square table value of 23.68 at $(3-1)*(8-1) = 14$ degrees of freedom and 5% level of significance. Hence the null hypothesis is accepted thereby concluding that Age does not affect the online shoppers' Preference for selected websites.

Hypothesis 2:-

H₀: Income does not affect the choice preference towards online shopping websites.

H₁: Income affects the choice preference towards online shopping websites.

Table 3:-Income v/s Preference.

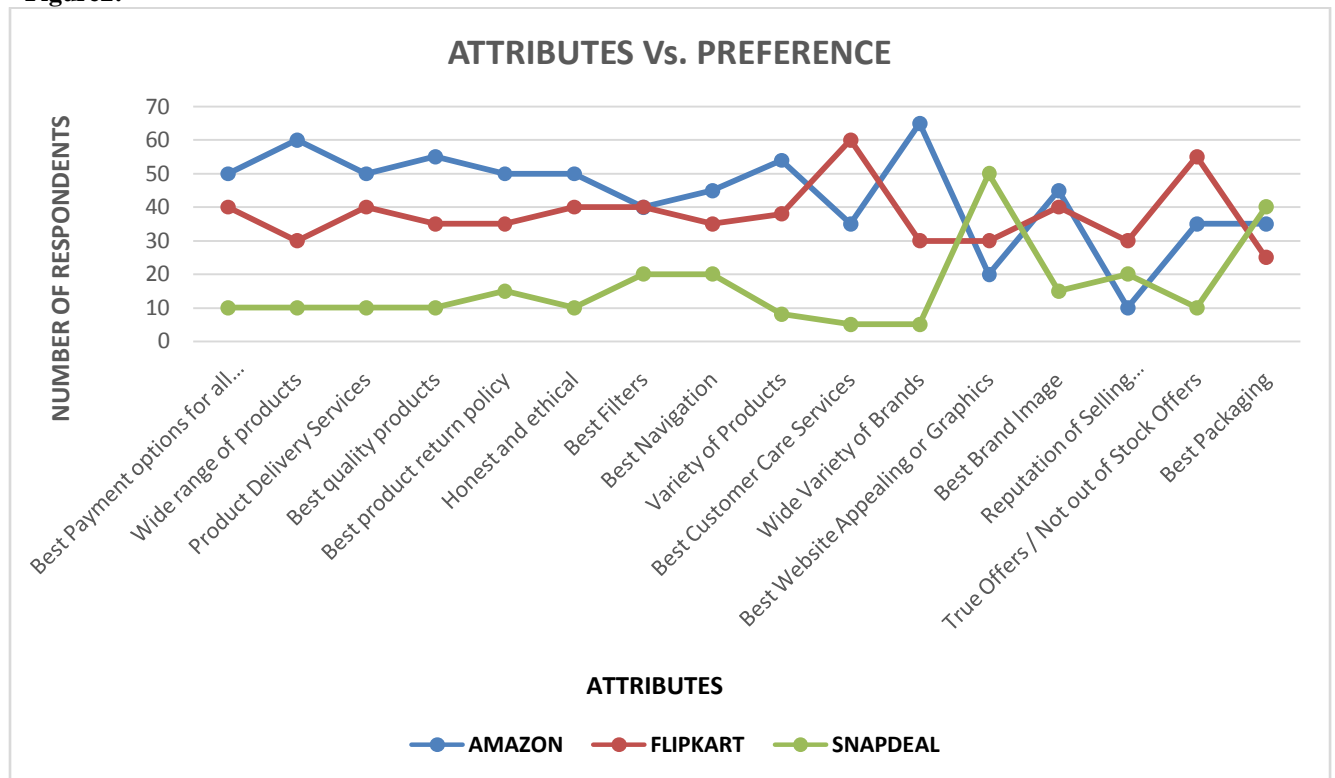
INCOME	PREFERENCE			TOTAL NO. OF RESPONDENTS
	AMAZON	FLIPKART	SNAPDEAL	
Below Rs. 10,000	35	13	2	50
Rs. 10,000 – 20,000	12	12	10	34
Rs. 20,000 – 35,000	6	4	1	11
Rs. 35000 and Above	2	3	0	5
TOTAL	55	32	13	100

The calculated value of chi-square statistic for Hypothesis 2 was found to be 17.5572 which is greater than the corresponding chi-square table value of 12.59 at $(3-1)*(4-1) = 6$ degrees of freedom and 5% level of significance. Hence the null hypothesis is rejected thereby concluding that Income significantly affects the online shoppers' preference for selected websites.

Table 4:-Attributes vs. Choice preference.

SR. No.	ATTRIBUTE	AMAZON	FLIPKART	SNAPDEAL	BEST WEBSITE
1	Best Payment options for all products	1 (50)	2(40)	3 (10)	AMAZON.COM
2	Wide range of products	1 (60)	2 (30)	3 (10)	AMAZON.COM
3	Product Delivery Services	1 (50)	2 (40)	3 (10)	AMAZON.COM
4	Best quality products	1 (55)	2 (35)	3 (10)	AMAZON.COM
5	Best product return policy	1 (50)	2 (35)	3 (15)	AMAZON.COM
6	Honest and ethical	1 (50)	2 (40)	3 (10)	AMAZON.COM
7	Best Filters	1 (40)	1(40)	2(20)	AMAZON.COM FLIPKART.COM
8	Best Navigation	1 (45)	2 (35)	3 (20)	AMAZON.COM
9	Variety of Products	1 (54)	2 (38)	3 (8)	AMAZON.COM
10	Best Customer Care Services	2 (35)	1(60)	3 (5)	FLIPKART.COM
11	Wide Variety of Brands	1 (65)	2 (30)	3 (5)	AMAZON.COM
12	Best Website Appealing or Graphics	3 (20)	2 (30)	1(50)	SNAPDEAL.COM
13	Best Brand Image	1 (45)	2 (40)	3 (15)	AMAZON.COM
14	Reputation of not Selling Defective, Fake or Low Quality Products	1 (10)	3(30)	2(20)	AMAZON.COM
15	True Offers / Not out of Stock Offers	2 (35)	1(55)	3 (10)	FLIPKART.COM
16	Best Packaging	2 (35)	3 (25)	1 (40)	SNAPDEAL.COM

Figure2:-



Findings of the Study:-

The study revealed the following major findings:

- Out of 35 females 18 females prefer to shop from Amazon.com, 12 females like to shop from Flipkart.com and only 5 females prefer to shop on Snapdeal.com.
- The similar pattern was with males. Majority of them preferred to buy from Amazon.com (38), 22 males prefer to shop from Flipkart and only 5 males prefer to shop on Snapdeal.com.
- Age of the respondents does not significantly affect their preferences of online shopping websites whereas income significantly affects their choice of online shopping websites.
- Respondents with income below Rs. 10,000 preferred to shop from Amazon.com. It can be said that Amazon.com is popular and has a deep penetration in the market even up to the small amount of income group.
- The survey started with asking the respondents why they prefer to shop online after the qualifying question, “do you shop online”. The respondents revealed that it saves time, it gives them convenience of shopping at their time and place, it offers variety of products, products are delivered at their door step and last but not the least it offers very good price deals and discounts.
- It was found that the respondents generally purchase Garments, Electronics, Accessories, Shoes, Groceries, Jewelry and Books from these websites.
- When asked them about the different website attributes like best payment option, wide range of products, best quality products, wide range of products, wide variety of brands, best delivery services, honest and ethical dealings, best navigation, best brand image; amazon.com topped the three, flipkart.com secured the second position and snapdeal.com was last.
- Snapdeal.com topped when the respondents were asked about who offers the best packaging, who has the appealing websites.
- Flipkart.com was considered to have the best customer services, giving true and genuine offers and best filters on their website.
- The suggestions from the respondents were that all the companies should display original products, offer better product return policies and provide full and actual product description.

Conclusion:-

Online shopping is becoming more popular in India with the advent of internet facilities. The major demographic factor affecting the choice of online shopping website is Income level of the respondents. Out of the three selected online shopping websites amazon.com is found to be the leader on eleven attributes out of sixteen attributes that were considered for this study. It provides the highest range of quality products with different varieties in each product category and also with different price ranges as per the perception of the consumers. Snapdeal.com offers the best packaging and has the appealing website as per the consumer responses whereas Flipkart.com is found to be the best as regards its customer services, giving true and genuine offers and best filters on their website. The online shoppers suggest that the companies should improve in the areas of display of original products, product return policies and product description.

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