Customer Behavior as an Input for E-Marketing Strategies

A report submitted in

the partial fulfillment of the degree

of

MASTER OF BUSINESS ADMINISTRATION

By

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UNDERTAKING

I hereby declare that the report furnished for the research titled "Customer Behavior as an Input for E-Marketing Strategies" has been done by me according to my knowledge about the research area. The report also includes those contents which have been taken from various sources and have been referenced appropriately alongside and at the end as per my knowledge. I agree to the fact that I will be liable for reasonable and just punishment in case of any discrepancy found outside this undertaking.

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EXECUTIVE SUMMARY

The growing use of Internet in India provides a good prospect for online shopping. If E-marketers know the factors affecting online buying behavior, the relationships between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existing online customers.

Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their product and service in order to stay ahead in highly competitive markets.

The project focused on finding out the online buying behavior of consumers which can be used by the marketers to decide upon their e-strategy. The stated objective of the study was further broken down to secondary objectives which aimed at finding information regarding factors affecting buying decision process, frequency of purchases, the popular product categories etc.

The exploratory research was carried out with few respondents and open ended questions. The exploratory findings helped in determining the key factors which needed to be further explored for research. The secondary research questionnaire designed had 10 questions. Each of the questions was designed to satisfy at least one of the secondary objectives of the research.

INTRODUCTION

The total number of Internet users in India could reach the 150 million mark by December 2012, growing around 10 per cent from 137 million as of June this year. The active Internet users during the same period would reach 111 million, according to a report released by market research firm IMRB and the Internet and Mobile Association of India (IAMAI).

With the above background in mind, this research has been conducted to gain an insight into the online buying behavior of consumers. The objective is to understand the buying decision process, the psychographic profile of the consumers and to find the factors which influence online buying behavior.

The findings should help an Internet marketer to determine the product/service categories to be used for marketing or to be introduced for a specific segment of consumers. This would also allow them to add or remove features which are important in the buying decision process.

Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Companies are using the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities. Many experts are optimistic about the prospect of online business.

In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace. Along with the development of e-retailing, researchers continue to explain e-consumers' behavior from different perspectives.

CONSUMER BUYING BEHAVIOUR

The purpose of a business is to create and keep customers. Customers are created and maintained through marketing strategies. And the quality of marketing strategies depends on knowing, serving, and influencing consumers. The study of consumer behavior enables marketers to understand and predict buying behavior of consumers in the marketplace; it is concerned not only with what consumers buy, but also with why they buy it, when and where and how they buy it, and how often they buy it, and also how they consume it & dispose it. Consumer research is the methodology used to study consumer behavior; it takes place at every phase of the consumption process: before the purchase, during the purchase, and after the purchase. Research shows that two different buyers buying the same product may have done it for different reasons; paid different prices, used in different ways, have different emotional attachments towards the things and so on.

DEFINITION

Consumer buying behavior can be defined as the way in which consumers or buyers of goods and services tend to react or behave when purchasing products that they like. Buyers tend to exhibit different types of buying behavior when they are in the process of purchasing goods and services and the behaviors witnessed are influenced by the type of product he/she wants to buy. Consumer buying behavior involves a long process where the buyer has to identify the product, study well its features, the pros and the cons and lastly deciding on whether to purchase it or not.

Consumer buying behavior would make a certain buyer to purchase product A as opposed to product B or whether to purchase a certain product or leave it alone and all that is as a result of the buying decisions made by the buyer as to whether the product suits his/her needs and requirements.

FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR
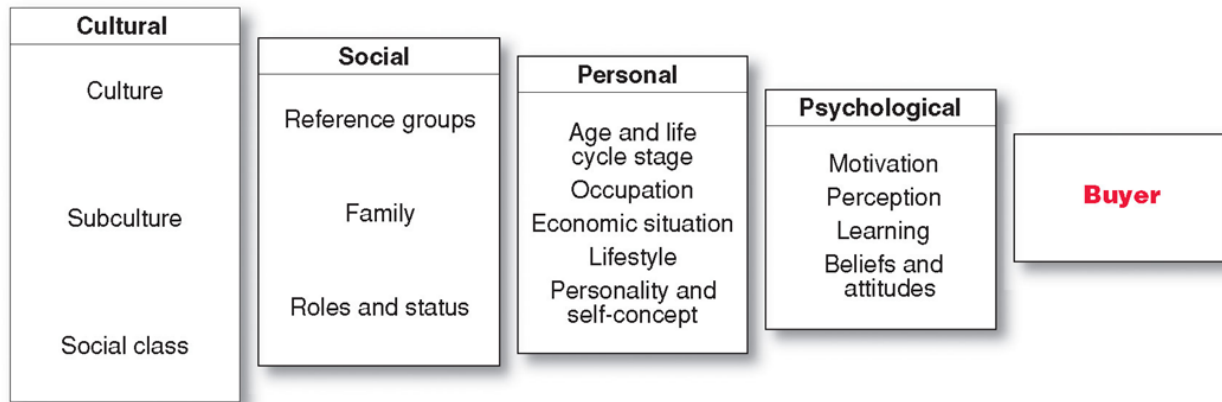
Cultural factors affecting consumer buying behavior:

Cultural factor divided into three sub factors (i) Culture (ii) Sub Culture (iii) Social Class

Culture: - The set of basic values perceptions, wants, and behaviors learned by a member of society from family and other important institutions. Culture is the most basic cause of a person's wants and behavior. Every group or society has a culture, and cultural influences on buying behavior may vary greatly from country to country.

Sub Culture: - A group of people with shared value systems based on common life experiences and situations. Each culture contains smaller sub cultures a group of people with shared value system based on common life experiences and situations. Sub culture includes nationalities, religions, racial group and geographic regions. Many sub culture make up important market segments and marketers often design products.

Social Class: - Almost every society has some form of social structure; social classes are society's relatively permanent and ordered divisions whose members share similar values, interests and behavior.

Social factors affecting consumer buying behavior:

A consumer's behavior is also influenced by social factors, such as the (i) Groups (ii) Family (iii) Roles and status.

Groups: - Two or more people who interact to accomplish individual or mutual goals. A person's behavior is influenced by many small groups. Groups that have a direct influence and to which a person belongs are called membership groups. Some are primary groups includes family, friends, neighbors and coworkers. Some are secondary groups, which are more formal and have less regular interaction. These include organizations like religious groups, professional association and trade unions.

Family: - Family members can strongly influence buyer behavior. The family is the most important consumer buying organization society and it has been researched extensively. Marketers are interested in the roles, and influence of the husband, wife and children on the purchase of different products and services.

Roles and Status: - A person belongs to many groups, family, clubs, and organizations. The person's position in each group can be defined in terms of both role and status. For example, M & X plays the role of father; in his family he plays the role of husband, in his company, he plays the role of manager, etc. A Role consists of the activities people are expected to perform according to the persons around them.

Personal factors affecting consumer buying behavior: - It includes

Age and Life cycle Stage: - People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle.

Occupation: - A person's occupation affects the goods and services bought. Blue collar workers tend to buy more rugged work clothes, whereas white-collar workers buy more business suits. A Co. can even specialize in making products needed by a given occupational group. Thus, computer software companies will design different products for brand managers, accountants, engineers, lawyers, and doctors.

Economic situation: - A person's economic situation will affect product choice

Life style: - Life Style is a person's Pattern of living, understanding these forces involves measuring consumer's major AIO dimensions, i.e. activities (Work, hobbies, shopping, support etc.) interest (Food, fashion, family recreation) and opinions (about themselves, Business, Products)

Personality and Self-concept:- Each person's distinct personality influence his or her buying behavior. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment.

Psychological factors affecting consumer buying behavior:-

Motivation: - Motive (drive) a need that is sufficiently pressing to direct the person to seek satisfaction of the need.

Perception: - The process by which people select, Organize, and interpret information to form a meaningful picture of the world.

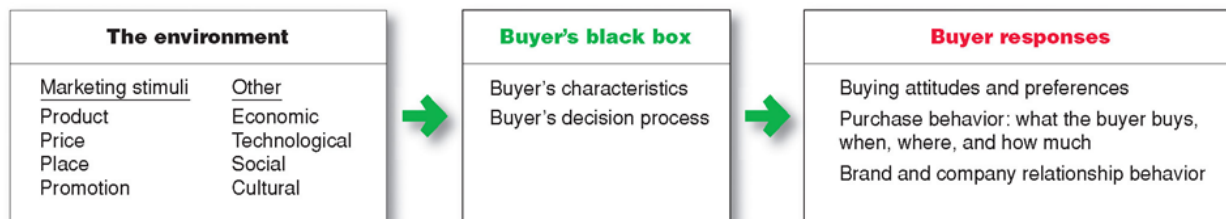**Learning: -** Changes in an individual's behavior arising from experience.

Beliefs and attitudes: - Belief is a descriptive thought that a person holds about something. Attitude, a Person's consistently favorable or unfavorable evaluations, feelings, and tendencies towards an object or idea

TYPES OF BUYING BEHAVIOR

There are four different types of buying behavior based on the types of products that are intended to be purchased.

	High involvement	Low involvement
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance-reducing buying behavior	Habitual buying behavior

STIMULUS-RESPONSE MODEL

The environment		Buyer's black box	Buyer responses
Marketing stimuli	Other	Buyer's characteristics	Buying attitudes and preferences
Product	Economic	Buyer's decision process	Purchase behavior: what the buyer buys, when, where, and how much
Price	Technological		Brand and company relationship behavior
Place	Social		
Promotion	Cultural		

The stimulus–response model is a characterization of a statistical unit (such as a neuron) as a black box model, predicting a quantitative response to a quantitative stimulus. In this model, marketing and other stimuli enter the customers "black box" and produce certain responses. Marketing management must try to work out what goes on the in the mind of the customer – the "black box".

Marketing and other stimuli: A consumer is confronted with a stimulus in the environment. This stimulus could be of two kinds;

a) One that is presented by the marketer through the marketing mix or the 4Ps, product, price, place and promotion;

Product: attributes, features, appearance, packaging etc.

price: cost, value, esteem (prestige)

place: location and convenience, accessibility

Promotion: advertising, sales promotion, personal selling, publicity, direct marketing.

b) The other that is presented by the environment, and could be economic, technological, political and cultural.

Buyer's black box: The stimulus that is presented to the consumer by the marketer and the environment is then dealt with by the buyer's black box. The buyer's black box comprises two sub components, viz., the buyer's characteristics and the buyer decision process.

The Buyer's characteristics influence how he or she perceives the stimuli; the decision-making process determines what buying behavior is undertaken.

The first stage of understanding buyer behavior is to focus on the factors that determine the "buyer characteristics" in the "black box". These can be summarized as follows:
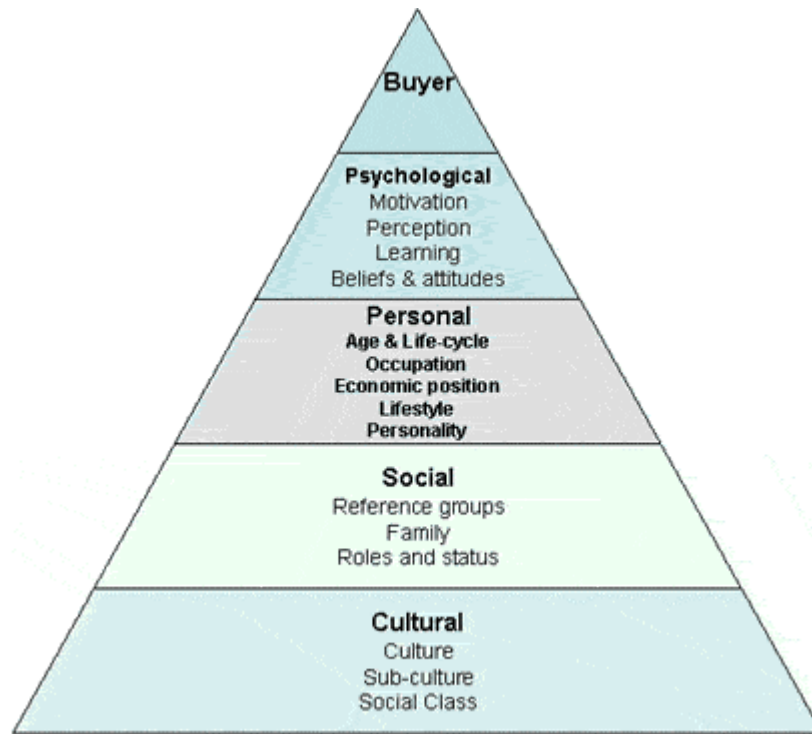
Customers go through a five-stage decision-making process in any purchase. This is summarized in the diagram below:
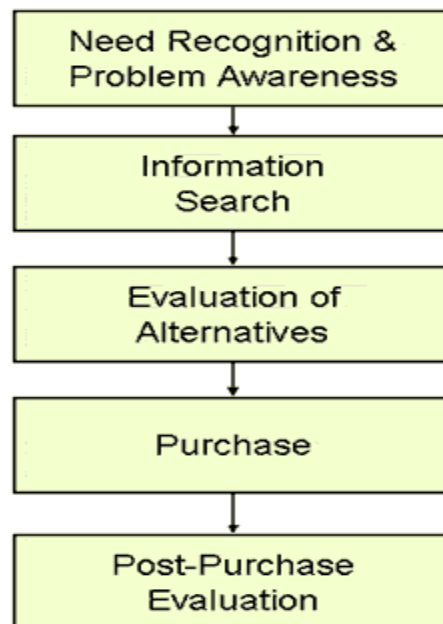
This model is important for anyone making marketing decisions. It forces the marketer to consider the whole buying process rather than just the purchase decision (when it may be too late for a business to influence the choice!)

The model implies that customers pass through all stages in every purchase. However, in more routine purchases, customers often skip or reverse some of the stages.

The buying process starts with need recognition. At this stage, the buyer recognizes a problem or need.

An "aroused" customer then needs to decide how much information (if any) is required. If the need is strong and there is a product or service that meets the need close to hand, then a purchase decision is likely to be made there and then. If not, then the process of information search begins.

A customer can obtain information from several sources:

• Personal sources: family, friends, neighbors etc.

• Commercial sources: advertising; salespeople; retailers; dealers; packaging; point-of-sale displays
• Public sources: newspapers, radio, television, consumer organizations; specialist magazines
• Experiential sources: handling, examining, using the product

The usefulness and influence of these sources of information will vary by product and by customer.

In the evaluation stage, the customer must choose between the alternative brands, products and services. An important determinant of the extent of evaluation is whether the customer feels "involved" in the product. By involvement, we mean the degree of perceived relevance and personal importance that accompanies the choice.

The final stage is the post-purchase evaluation of the decision. It is common for customers to experience concerns after making a purchase decision. This arises from a concept that is known as "cognitive dissonance". The customer, having bought a product, may feel that an alternative would have been preferable. In these circumstances that customer will not repurchase immediately, but is likely to switch brands next time.

To manage the post-purchase stage, it is the job of the marketing team to persuade the potential customer that the product will satisfy his or her needs. Then after having made a purchase, the customer should be encouraged that he or she has made the right decision.

RESEARCH OBJECTIVES

PRIMARY RESEARCH OBJECTIVE

To determine the factors and attributes which influence online buying behavior of consumers?

SECONDARY RESEARCH OBJECTIVES

- ❑ To determine the psychographic profile of consumers who purchase over the Internet.
- ❑ To identify the key product and service categories opted by consumers depending on their profile.
- ❑ To identify the factors influencing online shoppers and consumers.
- ❑ To study the customer's level of satisfaction with regard to online shopping.
- ❑ To determine the average spending and frequency of purchase over the internet by a consumer.

HYPOTHESES

To test the consumer's online buying behavior following hypothesis are proposed: (Null Hypothesis)

H1: Owning a credit card does not have any impact on the frequency of online purchase.

H2: Age of the respondent does not have any impact on the frequency of online purchase.

H3: Gender does not have any impact on the average amount spent per purchase made online.

H4: Gender does not have any impact on the frequency of purchase of online products and services

H5: Income of respondents does not have any impact on the frequency of purchase of online products and services.

H6: E-banking does not have any impact on the frequency of online purchase.

SURVEY OF LITERATURE

Steven Bellman, Gerald L. Lohse, and Eric J. Johnson - Predictors of Online Buying Behavior, December 1999

The research paper talks about the research project "Wharton Virtual Test Market" and begin with explaining the magnitude and potential of online shopping. It seeks to understand Web consumer demographics, attitudes about online shopping, and predictors of online buying behavior. A survey was conducted asking questions about privacy issues and attitudes about Internet communication and online behavior, as well as routine demographic questions. The result of the survey is summarized as below:

Surveys agree that the online population is relatively younger, more educated, wealthier, and has fewer African-Americans than the overall U.S. population, although the gaps are gradually closing.

Although survey respondents report connecting to the Web more frequently at the office and at school, more of their Web-use hours are at home.

Roughly 42.9% users said they have never bought anything online.

Looking for product information on the Internet is the most important predictor of online buying behavior.

As the total number of hours worked by members of a household increases, the less time there is to search for and buy products in the traditional way by, say, visiting brick and-mortar shops.

Dual-income households seek new ways to find information and buy things that are faster and more convenient.

The smaller the number of transactions, the more likely a smaller amount of money is involved as well.

The research paper also used a regression model to examine factors predicting annual spending online. For the people who spend more money annually online, regular physical mail is just too slow. Towards the end of research paper it predicts the reason for lack of online buying. Demographics do not seem to influence whether or not people buy online, nor the amount of money they spend there. Demographics have influence on whether or not a person is online compared with the rest of the population. However, once people are online, whether they buy there has more to do with whether they like being online and whether the time they have for buying things elsewhere is limited.

Wen-Lung Shiaua and Margaret Meiling Luob - Computers in Human Behavior.

Factors affecting online group buying intention and satisfaction: A social exchange theory perspective. Volume 28, Issue 6, November 2012, Pages 2431–2444

This study investigates factors that affect consumer intention toward online buying behavior such as beliefs (reciprocity, reputation, and trust) and vendor creativity collectively influences user satisfaction toward websites and vendors; trust and vendor creativity have a salient effect on behavioral intention toward online group buying. Empirical data for this research is obtained using an online survey that has several advantages over traditional paper-based surveys, such as fast response time, cost-efficiency, and an absence of geographical boundaries. The research model is assessed using partial least squares (PLS) analysis. This method is an appropriate analytical tool in this case because it has minimal demands on measurement scales, sample size, and residual distributions.

The results show that a positive customer experience with online group buying creates trust and gains experience about products or services. The intention to engage in online group buying is predicted collectively by consumer satisfaction, trust, and seller creativity. Consumer satisfaction with online group buying is predicted primarily by trust, followed by consumer reciprocity. The results suggest that reciprocity, trust, satisfaction, and seller creativity provide

considerable explanatory power for intention to engage in online group buying behavior. Vendors who provide online group buying services could diversify the promotion and sales of products.

Limitation of the research was that the user responses in this study were cross-sectional data. Time and resource constraints did not allow the iteration of data collection to observe customer intention over time and determine any long-term effects of the discussed factors on user intention and behavior.

DATA COLLECTION METHOD

EXPLORATORY RESEARCH

For exploratory research, following techniques were used:

Open-ended questionnaire- These questions were used to discover different attributes required to study the online buying behavior.

Focused group discussions- A discussion among a group of students was arranged to decide upon the attributes that need to be evaluated to study the online buying behavior.

SECONDARY RESEARCH

Secondary research was done from the following sources:

Journals and research papers available online.

Expert surveys (studied through internet).

Based on the attributes found in the exploratory research and secondary data research, primary research was established. For primary research data collection questionnaire was prepared and floated online.

SURVEY ADMINISTRATION

The questionnaire comprised of 19 questions (Appendix) which measured responses for different factors of frequency of purchase, payment methods, preferred products, average spending, hours spent on the internet etc. Some questions measuring respondent attitudes used Likert Scale (1-5). The methods used for survey was questionnaire administration with respondents filling out the responses themselves and online survey through mail posting.

SAMPLING

Email invitations to fill the survey were sent to students and employees over the Internet. A sample of at least 100 respondents would be collected.

DATA REDUCTION

The key steps of data processing that would be implemented after data collection of 100 respondents through online survey:

CODING: For questions involving qualitative values the responses would be codified using numerical categories or values. For example, "I trust the delivery process of the shopping websites", the response of "strongly agree" would be coded as 1 and "strongly disagree" as 5.

TRANSCRIBING: The data collected from all the 100 respondents, after codified would finally be transferred on MS Excel on computer to be fed as an input to SPSS.

DATA ANALYSIS METHOD

Post Data Reduction, the data would further be analyzed to find out the impact of various factors on each other as well the correlation amongst them using SPSS. The factors as well as their correlation would be studied with the help of the following techniques:

CROSS-TABS WITH CHI-SQUARE

A cross-tabulation is a joint frequency distribution of cases based on two or more categorical variables. Displaying a distribution of cases by their values on two or more variables is known as contingency table analysis and is one of the more commonly used analytic methods in the social sciences.

The Chi-square statistic is the primary statistic used for figuring out the significance of the cross-tabulation table. It is used to test for independence between the variables. If the variables are independent of each other (or in other words they have no relation), then the Chi-Square test will be non-significant. If the variables are found to be related, then the results of the statistical test will be "significant" and we can state that there is some relationship between the variables.

Chi-square in general studies causal relationship and thus the hypotheses would be created for each of them at 95% significance level. By conducting the test and interpreting the results through the p-value, we can either accept or not accept the null hypothesis.

Cross-Tabs with Chi-Square statistics would be used to test all the six hypotheses described in the "Hypotheses" section.

The questionnaire designed specific to these proposed hypothesis are:

1. Do you own a credit card?

2. How frequently do you purchase products/services online?

3. What is your age?

4. What is your gender?

5. On an average, how much time (per week) do you spend while surfing the Net?

6. What is your annual family income?

7. Do you use E-banking?

REGRESSION ANALYSIS

Regression analysis is a statistical technique for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed.By conducting the tests and interpreting the results, we can determine the adjusted R2 value which tells us how good the regression model fits to the data. If the value is high, then the model fits well to the data and that there is a high correlation between the variables. On the other hand, if the value is low, then the model does not fit very well to the data and there is no significant correlation between the variables.

The Regression Analysis would be performed between the dependent variable "Average Amount spent per purchase made online" and the independent variables such as Frequency of Purchase of products and services online, Family Income, owning a Credit Card, Marital Status, Gender, Occupation, Education and Age.

Along with the questionnaire listed above for CROSS-TABS WITH CHI-SQUARE, following additional questionnaire are applicable to regression analysis:

1. What is the highest level of education you have completed?

2. What is your current primary occupation?

3. What is your marital status?

ANOVA

Analysis of variance, better known as ANOVA, helps us to group the data into various population samples and then check their relationship with an independent variable, which we consider to be significant depending on the responses from the questionnaire. The null hypothesis for this is also created at a 95% significant variable and then depending on the significant value from the results, the hypothesis is accepted or not accepted.

Questionnaire listed above for CROSS-TABS WITH CHI-SQUARE can also be used to test the hypothesis of ANOVA.

FACTOR ANALYSIS

Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. In other words, it is possible, for example, that variations in three or four observed variables mainly reflect the variations in fewer unobserved variables. Factor analysis searches for such joint variations in response to unobserved latent variables. The observed variables are modeled as linear combinations of the potential factors, plus "error" terms. The information gained about the interdependencies between observed variables can be used later to reduce the set of variables in a dataset. This procedure helps gaining insight into psychographic variables.

To find the major factors on which customers can be loaded, Factor Analysis would be done based on the following questionnaire and the attributes:

Q: Recall your earlier online buying/shopping experience and indicate your agreement with the following statements:

- ❑ I prefer making a purchase from internet than using local malls or stores

- ❑ I can get the latest information from the Internet regarding different products/services that is not available in the market
- ❑ Online shopping is more convenient than in-store shopping

- ❑ Online shopping saves time over in-store shopping

- ❑ It is safe to use a credit card while shopping on the Internet

- ❑ Online shopping allows me to shop anywhere and at anytime

- ❑ I trust the delivery process of the shopping websites

- ❑ Products purchased through Internet are of guaranteed quality

- ❑ Internet provides regular discounts and promotional offers to me

- ❑ Cash on Delivery is a better way to pay while shopping on the Internet

- ❑ Sometimes, I can find products online which I may not find in-stores

- ❑ I have faced problems while shopping online

- ❑ I continue shopping online despite facing problems on some occasions

- ❑ I do not shop online only because I do not own a credit card

The above attributes need to be answered on a 5-poing Likert scale (1= Strongly Agree and 5= Strongly Disagree)

CLUSTER ANALYSIS

Cluster analysis is a class of statistical techniques that can be applied to data that exhibit "natural" groupings. Cluster analysis sorts through the raw data and groups them into clusters. A cluster is a group of relatively homogeneous cases or observations. Objects in a cluster are similar to each other. They are also dissimilar to objects outside the cluster, particularly objects

in other clusters. Cluster analysis is also called *classification analysis*. In cluster analysis there is no prior knowledge about the group or cluster membership is required for any of the objects, which is in contrast with the discriminant analysis.

Depending on the reasons for a person to be online, consumers can be clustered into homogeneous groups. The corresponding questionnaire and factors are listed below:

Q: I usually look on the internet (please indicate the frequency):

- ❑ News or Information
- ❑ Websites of company regarding product
- ❑ Travel and leisure
- ❑ Spent time in social media sites like Facebook
- ❑ Online shopping sites such as Flipkart
- ❑ Education related sites
- ❑ Official works, email

Once the consumers are online, they can further be clustered on the basis of factors which influence them while making an online purchase. The corresponding questionnaire and factors are listed below:

Q: Mark the importance of the factors which influence you while making an online purchase?

- ❑ Brand Name
- ❑ Service delivery time
- ❑ Website Content
- ❑ Recommendation by friends
- ❑ Online Ads - posters/banners
- ❑ Online reviews by users of product
- ❑ Ease of payment and security

DISCRIMINANT ANALYSIS

It is a regression based statistical technique used in determining which particular classification or groups (such as 'ill' or 'healthy') an item of data or an object (such as a patient) belongs to on the basis of its characteristics or essential features. It differs from group building techniques such as cluster analysis in that the classifications or groups to choose from must be known in advance.

The Discriminant Analysis would be performed between the dependent variable "online buyer or none buyer" and the independent variables such as Education, Gender, Monthly Income, owning a Credit Card, E-banking, use of social media sites and Age.

The questionnaires used for Discriminant Analysis have already been listed down as part of the other statistical techniques explained above.

COLLECTED DATA

Based on the questionnaire (Appendix) floated to students and employees over the Internet, a sample data of 110 respondents have been collected.

Collected data can be accessed from the given link: http://goo.gl/9ejZI

DATA INTERPRETATIONS AND ANALYSIS

CROSS-TABS WITH CHI-SQUARE

H1: Owning a credit card does not have any impact on the frequency of online purchase.

Credit Card * Frequency of online purchase Crosstabulation

			Frequency of online purchase					Total
			Once a year	Once in 6 months	Once in 3 months	Once a month	2-3 times a month	
Credit Card	No	Count	14	11	7	9	13	54
		% within Frequency of online purchase	82.4%	55.0%	36.8%	33.3%	48.1%	49.1%
	Yes	Count	3	9	12	18	14	56
		% within Frequency of online purchase	17.6%	45.0%	63.2%	66.7%	51.9%	50.9%
Total		Count	17	20	19	27	27	110
		% within Frequency of online purchase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.638[a]	4	.020
Likelihood Ratio	12.314	4	.015
Linear-by-Linear Association	1.550	1	.213
N of Valid Cases	110		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.35.

As the p-value is lesser than 0.05, which is our assumed level of significance, we do not accept the null hypothesis, i.e. for the sample population, owning a credit card has an impact on the frequency of online purchase.

H2: Age of the respondent does not have any impact on the frequency of online purchase.

Age * Frequency of online purchase Crosstabulation

			Frequency of online purchase					
			Once a year	Once in 6 months	Once in 3 months	Once a month	2-3 times a month	Total
Age	18-21	Count	0	0	0	0	1	1
		% within Frequency of online purchase	0.0%	0.0%	0.0%	0.0%	3.7%	0.9%
	22-25	Count	9	7	5	9	8	38
		% within Frequency of online purchase	52.9%	35.0%	26.3%	33.3%	29.6%	34.5%
	26-30	Count	7	13	14	17	18	69
		% within Frequency of online purchase	41.2%	65.0%	73.7%	63.0%	66.7%	62.7%
	31-40	Count	1	0	0	1	0	2
		% within Frequency of online purchase	5.9%	0.0%	0.0%	3.7%	0.0%	1.8%
Total		Count	17	20	19	27	27	110
		% within Frequency of online purchase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.292[a]	12	.590
Likelihood Ratio	10.488	12	.573
Linear-by-Linear Association	.006	1	.940
N of Valid Cases	110		

a. 10 cells (50.0%) have expected count less than 5. The minimum expected count is .15.

As the p-value is greater than 0.05, which is our assumed level of significance, we accept the null hypothesis, i.e. for the sample population, Age of the respondent does not have any impact on the frequency of online purchase.

H3: Gender does not have any impact on the average amount spent per purchase made online.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.141[a]	4	.087
Likelihood Ratio	8.019	4	.091
Linear-by-Linear Association	.488	1	.485
N of Valid Cases	110		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.42.

Gender * average amount spent Crosstabulation

			average amount spent					
			upto Rs.500	Rs.500-Rs. 2000	Rs.2000-Rs. 5000	Rs.5000-Rs. 10000	more than Rs. 10000	Total
Gender	Female	Count	11	16	5	5	2	39
		% within average amount spent	61.1%	34.8%	21.7%	26.3%	50.0%	35.5%
	Male	Count	7	30	18	14	2	71
		% within average amount spent	38.9%	65.2%	78.3%	73.7%	50.0%	64.5%
Total		Count	18	46	23	19	4	110
		% within average amount spent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

As the p-value is greater than 0.05, which is our assumed level of significance, we accept the null hypothesis, i.e. for the sample population, Gender does not have any impact on the average amount spent per purchase made online.

H4: Gender does not have any impact on the frequency of purchase of online products and services

Gender * Frequency of online purchase Crosstabulation

			Frequency of online purchase					
			Once a year	Once in 6 months	Once in 3 months	Once a month	2-3 times a month	Total
Gender	Female	Count	9	10	5	8	7	39
		% within Frequency of online purchase	52.9%	50.0%	26.3%	29.6%	25.9%	35.5%
	Male	Count	8	10	14	19	20	71
		% within Frequency of online purchase	47.1%	50.0%	73.7%	70.4%	74.1%	64.5%
Total		Count	17	20	19	27	27	110
		% within Frequency of online purchase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.286[a]	4	.179
Likelihood Ratio	6.194	4	.185
Linear-by-Linear Association	3.074	1	.080
N of Valid Cases	110		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.03.

As the p-value is lesser than 0.05, which is our assumed level of significance, we do not accept the null hypothesis, i.e. for the sample population, Gender has an impact on the frequency of purchase of online products and services.

H5: Income of respondents does not have any impact on the frequency of purchase of online products and services.

Family Income * Frequency of online purchase Crosstabulation

			Frequency of online purchase					Total
			Once a year	Once in 6 months	Once in 3 months	Once a month	2-3 times a month	
Family Income	Below 2L	Count	3	2	1	1	1	8
		% within Frequency of online purchase	17.6%	10.0%	5.3%	3.7%	3.7%	7.3%
	2L-5L	Count	9	5	6	6	8	34
		% within Frequency of online purchase	52.9%	25.0%	31.6%	22.2%	29.6%	30.9%
	5L-8L	Count	3	6	5	7	6	27
		% within Frequency of online purchase	17.6%	30.0%	26.3%	25.9%	22.2%	24.5%
	8L-11L	Count	1	5	2	5	3	16
		% within Frequency of online purchase	5.9%	25.0%	10.5%	18.5%	11.1%	14.5%
	11L-14L	Count	0	2	0	5	5	12
		% within Frequency of online purchase	0.0%	10.0%	0.0%	18.5%	18.5%	10.9%
	14L-17L	Count	0	0	1	1	2	4
		% within Frequency of online purchase	0.0%	0.0%	5.3%	3.7%	7.4%	3.6%
	Above 17L	Count	1	0	4	2	2	9
		% within Frequency of online purchase	5.9%	0.0%	21.1%	7.4%	7.4%	8.2%
Total		Count	17	20	19	27	27	110
		% within Frequency of online purchase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.104[a]	24	.348
Likelihood Ratio	30.204	24	.178
Linear-by-Linear Association	3.395	1	.065
N of Valid Cases	110		

a. 28 cells (80.0%) have expected count less than 5. The minimum expected count is .62.

As the p-value is greater than 0.05, which is our assumed level of significance, we accept the null hypothesis, i.e. for the sample population, Income of respondents does not have any impact on the frequency of purchase of online products and services.

H6: E-banking does not have any impact on the frequency of online purchase.

E-banking * Frequency of online purchase Crosstabulation

			Once a year	Once in 6 months	Once in 3 months	Once a month	2-3 times a month	Total
				Frequency of online purchase				
E-banking	No	Count	6	0	1	0	0	7
		% within Frequency of online purchase	35.3%	0.0%	5.3%	0.0%	0.0%	6.4%
	Yes	Count	11	20	18	27	27	103
		% within Frequency of online purchase	64.7%	100.0%	94.7%	100.0%	100.0%	93.6%
Total		Count	17	20	19	27	27	110
		% within Frequency of online purchase	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.946[a]	4	.000
Likelihood Ratio	22.199	4	.000
Linear-by-Linear Association	6.922	1	.009
N of Valid Cases	110		

a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is 1.08.

As the p-value is lesser than 0.05, which is our assumed level of significance, we do not accept the null hypothesis, i.e. for the sample population, E-banking has an impact on the frequency of online purchase.

REGRESSION ANALYSIS

Dependent variable: Average Amount spent per purchase made online

Independent variables: Frequency of Purchase of products and services online, Family Income, owning a Credit Card, Marital Status, Gender, Occupation, Education and Age.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.527[a]	.277	.220	1923.773

a. Predictors: (Constant), Age, Frequency of online purchase, Primary Occupation, Gender, Marital Status, Family Income, Highest level of education, Credit Card

b. Dependent Variable: average amount spent

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	143455675.7	8	17931959.46	4.845	.000[b]
	Residual	373791233.4	101	3700903.301		
	Total	517246909.1	109			

a. Dependent Variable: average amount spent

b. Predictors: (Constant), Age, Frequency of online purchase, Primary Occupation, Gender, Marital Status, Family Income, Highest level of education, Credit Card

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-1025.26	4808.52	2129.09	1147.217	110
Residual	-2808.521	7823.510	.000	1851.831	110
Std. Predicted Value	-2.750	2.336	.000	1.000	110
Std. Residual	-1.460	4.067	.000	.963	110

a. Dependent Variable: average amount spent

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-65149.812	950395.582		-.069	.945
	Frequency of online purchase	-111.149	21.629	-.457	-5.139	.000
	Family Income	2.429	4.223	.055	.575	.566
	Credit Card	12.670	39.422	.032	.321	.749
	Marital Status	-.117	.579	-.018	-.202	.840
	Gender	28.753	38.118	.070	.754	.452
	Primary Occupation	573.586	346.526	.147	1.655	.101
	Highest level of education	-256.112	417.866	-.059	-.613	.541
	Age	188.919	85.322	.228	2.214	.029

a. Dependent Variable: average amount spent

The value of R^2 is quite low and so it can be said that the regression model does not fit into the data very well. Also, the sum of squares of regression is lesser than the sum of squares of residuals and this reiterates the findings of R^2. This is because if the sum of squares of regression is lesser than the sum of squares of residuals, then the independent variables do not explain the variation in the dependent variable well. While cross tabs suggest a positive relationship between multiple pairs of factors, the linear correlation model, with all factors together, does not fit in with the outcomes.

FACTOR ANALYSIS

To find the major factors on which customer's online buying characteristics can be loaded, Factor Analysis was done on a 5-point Likert scale (1= Strongly Agree and 5= Strongly Disagree)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.706
Bartlett's Test of Sphericity	Approx. Chi-Square	440.527
	df	91
	Sig.	.000

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	3.889	27.779	27.779	3.889	27.779	27.779	2.357	16.834	16.834
2	1.739	12.420	40.199	1.739	12.420	40.199	2.270	16.212	33.047
3	1.381	9.866	50.066	1.381	9.866	50.066	1.775	12.678	45.724
4	1.297	9.266	59.331	1.297	9.266	59.331	1.630	11.644	57.369
5	1.057	7.551	66.882	1.057	7.551	66.882	1.332	9.514	66.882
6	.942	6.728	73.610						
7	.810	5.787	79.397						
8	.602	4.301	83.698						
9	.535	3.820	87.517						
10	.481	3.438	90.956						
11	.396	2.825	93.781						
12	.334	2.384	96.165						
13	.303	2.165	98.329						
14	.234	1.671	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component				
	1	2	3	4	5
V1	.573	-.287	.563	.220	.090
V2	.610	.104	.121	.469	-.313
V3	.612	-.408	.384	.215	.167
V4	.679	.030	-.094	.244	.184
V5	.502	.192	-.065	-.607	.151
V6	.721	.042	-.388	-.072	-.128
V7	.713	-.138	-.059	-.299	.046
V8	.612	-.156	-.059	-.467	-.008
V9	.379	-.221	-.323	.136	.286
V10	.047	.333	-.501	.343	.469
V11	.529	.318	-.239	.253	-.036
V12	.070	.801	.187	.080	-.148
V13	.486	.618	.324	-.160	-.155
V14	-.177	.334	.424	-.092	.706

Extraction Method: Principal Component Analysis.

a. 5 components extracted.

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
V1	.133	.871	.048	-.058	-.048
V2	-.009	.551	.401	.242	.440
V3	.199	.838	-.124	.072	-.004
V4	.280	.446	.129	.510	.103
V5	.791	-.048	.182	.048	-.147
V6	.562	.136	.128	.411	.418
V7	.697	.316	.000	.141	.130
V8	.755	.190	-.037	-.005	.117
V9	.221	.194	-.270	.483	.068
V10	-.124	-.209	.041	.782	-.170
V11	.171	.150	.364	.510	.243
V12	-.085	-.126	.821	.061	-.097
V13	.346	.167	.788	-.033	-.054
V14	-.063	.052	.165	.044	-.891

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

The various attributes used in factor analysis have been coded as follow:

V1: I prefer making a purchase from internet than using local malls or stores

V2: I can get the latest information from the Internet regarding different products/services that is not available in the market

V3: Online shopping is more convenient than in-store shopping

V4: Online shopping saves time over in-store shopping

V5: It is safe to use a credit card while shopping on the Internet

V6: Online shopping allows me to shop anywhere and at anytime

V7: I trust the delivery process of the shopping websites

V8: Products purchased through Internet are of guaranteed quality

V9: Internet provides regular discounts and promotional offers to me

V10: Cash on Delivery is a better way to pay while shopping on the Internet

V11: Sometimes, I can find products online which I may not find in-stores

V12: I have faced problems while shopping online

V13: I continue shopping online despite facing problems on some occasions

V14: I do not shop online only because I do not own a credit card

Attributes loading on various factors/components:

Loaded on factor 1:- V5, V6, V7, V8,

Loaded on factor 2:- V1, V2, V3,

Loaded on factor 3:- V12, V13,

Loaded on factor 4:- V4, V9, V10, V11

Loaded on factor 5:- V14 (negative loading)

Depending on the eigenvalues >1, there are 5 resulting factors which respondents look for:

Factor 1:   Trust

Factor 2:   Convenience

Factor 3:   Risk propensity

Factor 4:   The Power Shopping

Factor 5:   Neglect

CLUSTER ANALYSIS

Depending on the reasons for a person to be online, consumers can be clustered into homogeneous groups.

Clusters

Input (Predictor) Importance
☐1.0 ☐0.8 ☐0.6 ☐0.4 ☐0.2 ☐0.0

Cluster Label	1	3	2
Inputs	V4 4.02	V4 1.75	V4 2.50
	V1 4.25	V1 2.75	V1 3.00
	V5 3.33	V5 2.00	V5 2.00
	V7 4.40	V7 4.50	V7 2.50
	V6 3.49	V6 4.75	V6 3.00
	V3 3.01	V3 3.50	V3 2.00
	V2 3.08	V2 3.50	V2 3.00

Distances between Final Cluster Centers

Cluster	1	2	3
1		2.247	2.387
2	2.247		2.692
3	2.387	2.692	

Number of Cases in each Cluster

Cluster	1	38.000
	2	16.000
	3	56.000
Valid		110.000
Missing		.000

Predictor Importance
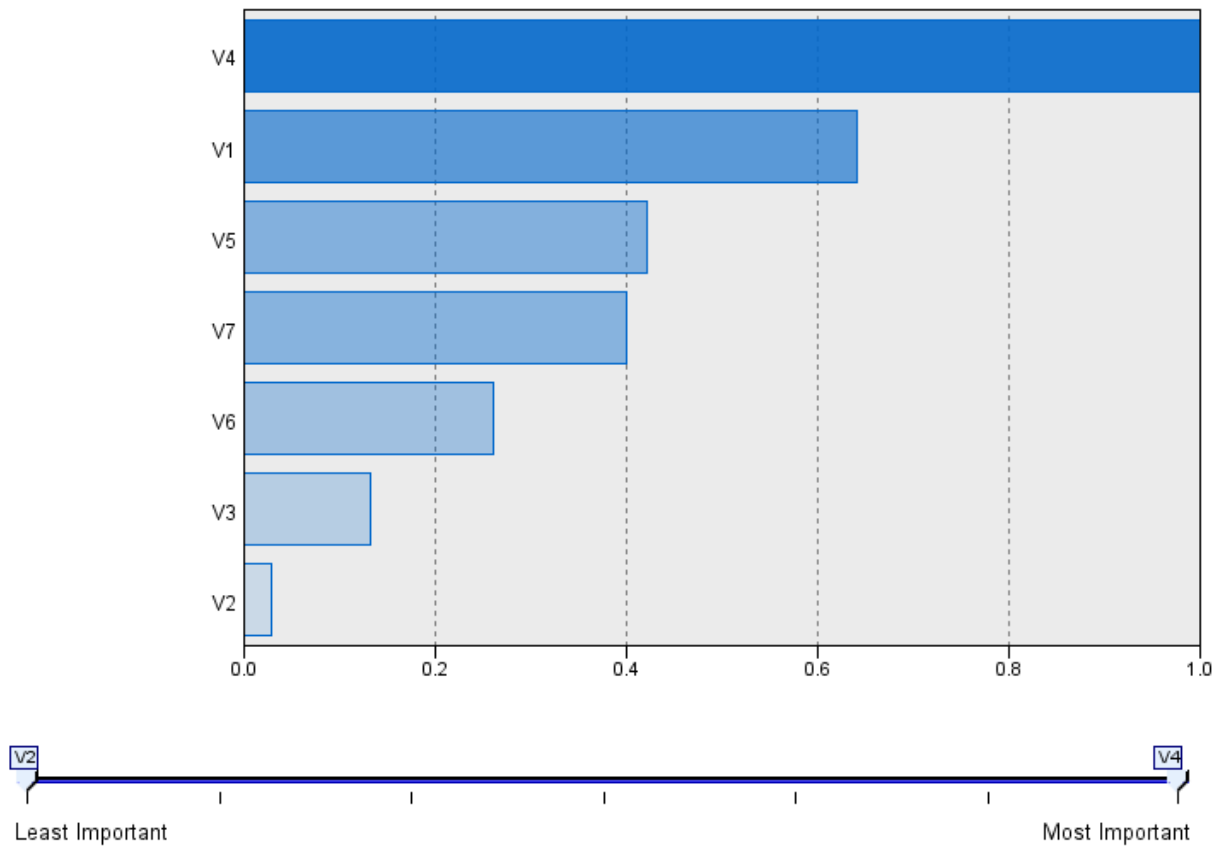
The various attributes used in CLUSTER Analysis have been coded as follow:

V1:   News or Information

V2:   Websites of company regarding product

V3:   Travel and leisure

V4:   Spent time in social media sites like Facebook

V5:   Online shopping sites such as Flipkart

V6:   Education related sites

V7:   Official works, email

The three resulting clusters can be described as follow:

Cluster 1: internet users who are Leisure Hunter (relatively high values on variables V1, V4 and V5)

Cluster 2: internet users who are Regular Web Person (medium values on the variables)

Cluster 3: internet users who are Dedicated Surfer (relatively high values on variables V2, V3 and V6)

Users can further be clustered on the basis of factors which influence them while making an online purchase:-

Clusters

Input (Predictor) Importance

☐1.0 ☐0.8 ☐0.6 ☐0.4 ☐0.2 ☐0.0
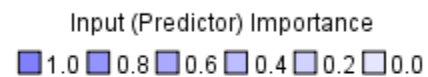
Cluster	1	3	4	2
Label				
Inputs	V7 4.69	V7 2.50	V7 1.00	V7 5.00
	V1 4.45	V1 3.75	V1 1.00	V1 5.00
	V6 4.02	V6 2.25	V6 1.00	V6 1.00
	V2 4.41	V2 3.75	V2 1.00	V2 5.00
	V3 4.12	V3 3.25	V3 1.00	V3 5.00
	V4 3.51	V4 2.25	V4 1.00	V4 1.00
	V5 2.77	V5 2.50	V5 1.00	V5 4.00

Predictor Importance

V5 — Least Important .... V7 — Most Important

Distances between Final Cluster Centers
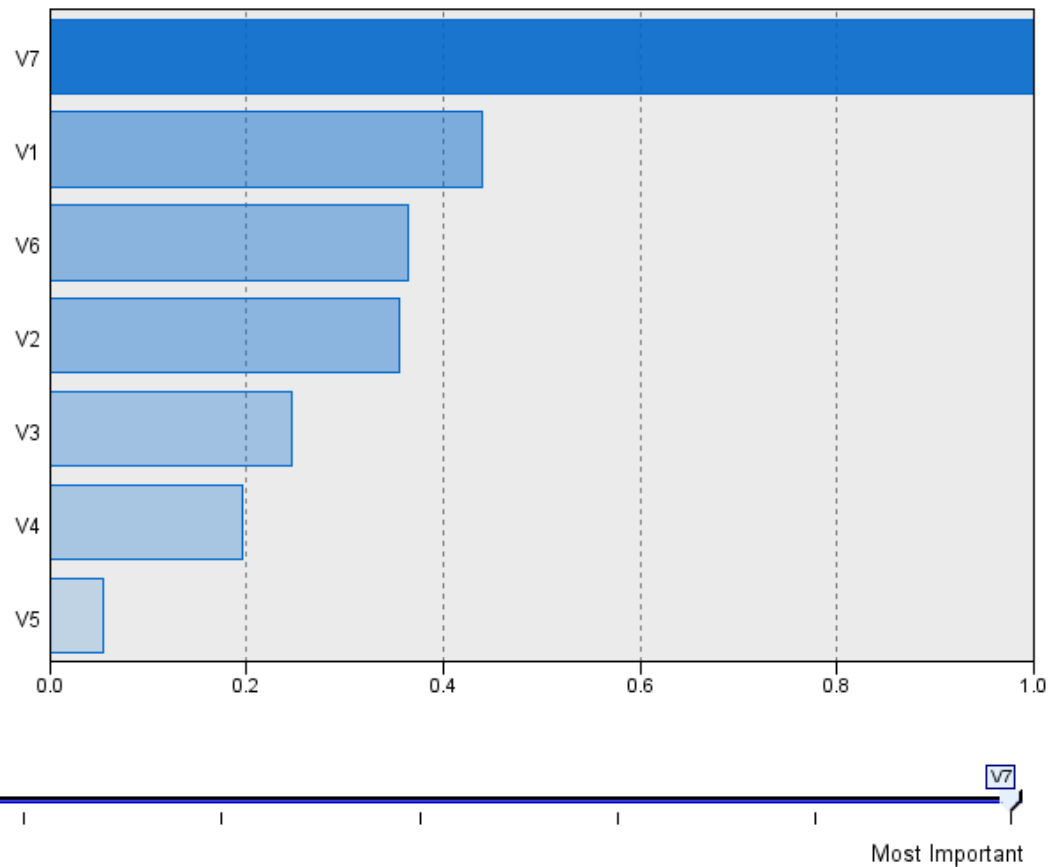
Cluster	1	2	3	4
1		7.222	1.996	2.021
2	7.222		9.094	7.546
3	1.996	9.094		2.602
4	2.021	7.546	2.602	

Number of Cases in each Cluster

Cluster	1	36.000
	2	2.000
	3	41.000
	4	31.000
Valid		110.000
Missing		.000

The various attributes used in CLUSTER Analysis have been coded as follow:

V1:   Brand Name

V2:   Service delivery time

V3: Website Content

V4: Recommendation by friends

V5: Online Ads - posters/banners

V6: Online reviews by users of product

V7: Ease of payment and security

The four resulting clusters can be described as follow:

Cluster 1: The Surgical Shopper (relatively high values on variables V4 and V6)

Cluster 2: The Enthusiast Shopper (relatively high values on variables V1, V2, V3, V5, and V7)

Cluster 3: The Casual Shopper (relatively high values on variables V1, V2, V3, and V7)

Cluster 4: The Reluctant Shopper (relatively low values on all the variables)

DISCRIMINANT ANALYSIS

Dependent variable: online buyer or none buyer

Independent variables: Education, Gender, Monthly Income, owning a Credit Card, E-banking, use of social media sites and Age.

Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
Highest level of education	.996	.397	1	108	.530
Gender	.930	8.098	1	108	.005
Family Income	.966	3.781	1	108	.054
Credit Card	.944	6.464	1	108	.012
E-banking	.638	61.246	1	108	.000
Use of SNS	.943	6.534	1	108	.012
Age	.939	7.025	1	108	.009

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.691[a]	100.0	100.0	.639

a. First 1 canonical discriminant functions were used in the analysis.

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.591	54.895	7	.000

Classification Results[a,c]

		online shopping	Predicted Group Membership		Total
			Yes	No	
Original	Count	Yes	99	2	101
		No	4	5	9
	%	Yes	98.0	2.0	100.0
		No	44.4	55.6	100.0
Cross-validated[b]	Count	Yes	99	2	101
		No	4	5	9
	%	Yes	98.0	2.0	100.0
		No	44.4	55.6	100.0

a. 94.5% of original grouped cases correctly classified.

b. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

c. 94.5% of cross-validated grouped cases correctly classified.

The significance of univariate F ratios indicates that when the predictors are considered individually, only Gender, Credit Card, E-banking, Use of SNS and Age significantly differentiate between those who shop online and those who do not.

Because there are two groups, only one discriminant function is estimated. The eigenvalue associated with this function is 0.691 and it accounts for 100 percent of the explained variance. The canonical correlation associated with this function is 0.639. The square of this correlation, $(0.639)^2 = 0.408$, indicates that 40.8% of the variance in the dependent variable is explained or accounted for by this model.

RESULTS AND INTERPRETATIONS

➢ There is a strong inter-dependence between a few variables affecting online buying behavior. For example, owning a credit card, gender and E-banking has a significant impact on the frequency of online purchases whereas age and income of the respondent does not. Also, gender does not have any impact on the average amount spent per purchase made online.

➢ Depending on the reasons for a person to be online, consumers have been divided into homogeneous groups. Based on cluster analysis we could divide the respondents in three clearly distinct groups. These are 'Leisure Hunter', 'Regular Web Person' and 'Dedicated Surfer'.

➢ Consumers have been further divided into four clusters on the basis of factors which influence them while making an online purchase as 'The Surgical Shopper', 'The Enthusiast Shopper', 'The Casual Shopper' and 'The Reluctant Shopper'.

➢ We could also arrive at five factors which can explain the data with 66.88% significance. These factors could be categorized into 'Trust', 'Convenience', 'Risk propensity', 'The Power Shopping' and 'Neglect'.

➢ The most popular product category sold online is Air/Rail Tickets followed by books.

Product purchased online

Numbers out of 110

Product	Value
Food & Beverages	14
Apparels	8
Electronic Products	37
Books	71
Gifts	52
Tickets	92
Car or Hotel rental	37
Pharmaceutical Products	7

It must be noted that both the above products have relatively low touch-and-feel need. Gifts, Electronic Products and Car & Hotel rental are also very popular with the Online.

➢ Discriminant analysis shows that Gender, Credit Card, E-banking, Use of SNS and Age significantly differentiate between those who shop online and those who do not.

SUGGESTIONS AND RECOMMENDATIONS

➢ Credibility in Payment System

Online frauds and breach are the biggest barriers to online sales. As a result, prospective buyers prefer staying away from revealing their credit card and bank details.

➢ Discount and lucrative offers

Use of credit card and E-banking can be encouraged by giving discount and lucrative offers while shopping online using it. A large number of users search for online discounts and then go for shopping.

➢ Untimely Delivery of Products

 It might take a few minutes to search, book and pay for products and services online, but the delivery of the product may take unreasonable time.

➢ Consumer Bias

Consumers often display a bias for brands that they know well and have had a good experience in the past. Thus products of brands with a favorable bias will score over the products of less popular brands. A few would risk buying expensive jewelry from an unknown jeweler online.

➢ Lack of 'Touch –Feel-Try' Experience

The customer is not sure of the quality of the product unless it is delivered to him and post-delivery of the product, it is sometimes a lengthy process to get a faulty or the unsuitable product changed. Thus, unless the deliverables are as per the customers' expectations, it is hard to infuse more credibility in online shopping.

➢ Mounting Competitive Pressures

To attract customers, the competing online players are adopting all means to provide products and services at the lowest prices. This has resulted in making the consumers choice-spoilt, who in turn surf various websites to spot the lowest price for the product. Thus, although the number of transactions is increasing, the value of the products sold is continuously falling owning to high competition and leaner margins.

➢ Seasonality

Online market is facing seasonal fluctuations. Usually August to February is the peak seasons for sale, while March to July is the dry seasons for sale. During the peak season, occasions that drive the sales are Diwali, Rakhi, Valentine's Day, New Year, Christmas, Mother's Day, and Friendship Day etc. On these occasions younger generations prefers buying and sending gifts online.

Moreover, companies need to reduce the risks related to consumer incompetence by tactics such as making purchase websites easier to navigate, and introducing Internet kiosks, computers and other aids in stores. The feedback of an online buyer should be captured to identify flaws in service delivery. This can be done through online communities and blogs that serve as advertising and marketing tools and a source of feedback for enterprises.

APPENDIX

QUESTIONNAIRE FOR ONLINE SURVEY

Consumer Behavior Survey

Please fill the Consumer Behavior Survey to help me in my AMRP Project. Your responses would serve as a base to my research; and would guide me in discovering important facts about the buying process.

* Required

Please enter your name *

Please enter your email contact

What is your gender? *
- Male
- Female

What is your age? *
- Below 18
- 18-21
- 22-25
- 26-30
- 31-40
- 41-50
- Above 50

What is your marital status? *
- Married
- Unmarried

What is your annual family income? *
- Below 2L
- 2L-5L
- 5L-8L
- 8L-11L
- 11L-14L
- 14L-17L
- Above 17L

What is the highest level of education you have completed? *
- School
- College
- Post Graduate and Above

What is your current primary occupation? *

○ Student
○ Employed
○ Self Employed
○ Unemployed
○ Other

On an average, how much time (per week) do you spend while surfing the Net? *

○ 0-2 hours
○ 2-6 hours
◉ 6-10 hours
○ 10-15 hours
○ Greater than 15 hours

I usually look on the internet (please indicate the frequency) *

	Always	Very Often	Sometimes	Rarely	Never
News or Information	○	○	○	○	○
Websites of company regarding product	○	○	○	○	○
Travel and leisure	○	○	○	○	○
Spent time in social media sites like Facebook	○	○	○	○	○
Online shopping sites such as Flipkart	○	○	○	○	○
Education related sites	○	○	○	○	○
Official works,emails	○	○	○	○	○

How often do you use social media sites? *

○ Rarely
○ As and when need arises
○ Once or twice in a day
○ Regularly
○ Logged into my account most of the times

Do you use E-banking? *

○ Yes
○ No

Do you own a credit card? *

○ Yes
○ No

Have you ever done any online shopping? *

○ Yes
○ No

How frequently do you purchase products/services online? *

○ 2-3 times a month
○ Once a month
○ Once in 3 months
○ Once in 6 months
○ Once a year
○ Other: [_____]

How much money did you spend for online purchase in last 1 year? *

○ None
○ upto Rs.500
○ Rs.500-Rs.2000
○ Rs.2000-Rs.5000
○ Rs.5000-Rs.10000
○ more than Rs.10000

I am/would be comfortable buying the following categories of products online *

☐ Food & Beverages
☐ Apparels
☐ Electronic Products
☐ Books
☐ Gifts
☐ Tickets
☐ Car or Hotel rental
☐ Pharmaceutical Products
☐ Other: [_____]

Mark the importance of the factors which influence you while making an online purchase? *

	Very Important	Important	Moderately Important ..	Of Little Importance	Unimportant
Brand Name	○	○	○	○	○
Service delivery time	○	○	○	○	○
Website Content	○	○	○	○	○
Recommendation by friends	○	○	○	○	○
Online Ads - posters/banners	○	○	○	○	○
Online reviews by users of product	○	○	○	○	○
Ease of payment and security	○	○	○	○	○

Recall your earlier online buying/shopping experience and indicate your agreement with the following statements: *

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I prefer making a purchase from internet than using local malls or stores	◯	◯	◯	◯	◯
I can get the latest information from the Internet regarding different products/services that is not available in the market	◯	◯	◯	◯	◯
Online shopping is more convenient than in-store shopping	◯	◯	◯	◯	◯
Online shopping saves time over in-store shopping	◯	◯	◯	◯	◯
It is safe to use a credit card while shopping on the Internet	◯	◯	◯	◯	◯
Online shopping allows me to shop anywhere and at anytime	◯	◯	◯	◯	◯
I trust the delivery process of the shopping websites	◯	◯	◯	◯	◯
Products purchased through Internet are of guaranteed quality	◯	◯	◯	◯	◯
Internet provides regular discountsand promotional offers to me	◯	◯	◯	◯	◯
Cash on Delivery is a better way to pay while shopping on the Internet	◯	◯	◯	◯	◯
Sometimes, I can find products onlinewhich I may not find in-stores	◯	◯	◯	◯	◯
I have faced problems while shopping online	◯	◯	◯	◯	◯
I continue shopping online despite facing problems on some occasions	◯	◯	◯	◯	◯
I do not shop online only because I do not own a credit card	◯	◯	◯	◯	◯

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