

A STUDY ON CONSUMER PREFERENCE OVER ONLINE SHOPPING

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Abstract

This study investigates consumer preferences in the context of online shopping, with a focus on identifying key factors that influence purchasing decisions. The research aims to examine various elements such as product variety, pricing, convenience, and the overall shopping experience. A survey was conducted among 100 respondents to assess their demographic characteristics, shopping behaviors, and preferences. The analysis included statistical methods like chi-square tests, correlation analysis, and regression to identify significant trends. The results show that a large proportion of respondents are students, with diverse income levels, and that factors like age, income, and occupation significantly affect how often individuals engage in online shopping. Key drivers of purchase decisions include customer reviews, discounts, and membership benefits, such as those offered by subscription services. The study emphasizes the importance of convenience, product selection, and customer service in shaping consumer satisfaction and brand loyalty. Future research can explore in more detail the elements contributing to consumer trust and long-term shopping behavior in the online marketplace.

Keywords: *Consumer preferences, online shopping, e-commerce, demographic analysis, shopping behavior, consumer trust, product variety, customer satisfaction, purchase decisions.*

Introduction

Online shopping has significantly transformed the way consumers purchase goods, with various platforms offering convenience and accessibility. The ability to shop from the comfort of one's home, without the need to visit physical stores, has made online shopping a preferred choice for many. This research focuses on understanding the factors that drive consumer preference for online shopping, with a particular emphasis on key elements such as pricing, product variety, customer service, and user experience. A survey of 100 participants was conducted to examine how demographic factors—such as age, income, location, and occupation—affect consumer behavior and satisfaction. Furthermore, the study explores how factors like discounts, customer reviews, and membership programs influence purchasing decisions. By analyzing consumer preferences and shopping behaviors, this research aims to provide deeper insights into why online shopping is increasingly popular and how platforms can enhance their offerings to improve customer satisfaction and maintain a competitive advantage in the market.

Research Objectives

1. To analyze the key factors influencing consumer preferences for online shopping, including pricing, product variety, convenience, and user experience.
2. To investigate the impact of customer reviews, social influence, and discounts on consumer purchasing behavior in online shopping.
3. To examine the relationship between demographic factors (such as age, income, and location) and consumer satisfaction with the online shopping experience.

Literature Review

St Teresa's College, 2023, A study on consumer preferences for purchasing electronics from Amazon versus official brand websites found that factors like quality, price, security, and customer service influenced consumer choices.

Yinghui Huang, et al..., 2020, The study explores how online lifestyles can predict purchasing preferences, showing that online lifestyle dimensions outperform personality traits in predicting preferences for different product categories on Amazon.

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Mridul verma, 2020, This research analyzes the impact of Amazon's digital marketing strategies on consumer behavior, focusing on factors like brand reputation, pricing, and convenience, using statistical analysis.

Ms Niyasha Patra, et al, 2019, The study compares consumer perceptions of Amazon, Flipkart, and Myntra, finding that price and peer recommendations significantly influence online shopping preferences.

Brigita Krista Angelica, 2022, This study examines how CSR, leader image, and innovation impact consumer purchasing decisions on Amazon, finding that innovation plays a significant role in influencing consumer choices.

H Kavitha, 2020, This study focuses on consumer satisfaction with online shopping in Karur, India, identifying key factors like website design, product quality, and payment security as important determinants of customer loyalty.

Joseph Vithayathil, et al..., 2020, The study explores the relationship between social media use and consumer shopping preferences, finding that platforms like Facebook and Twitter are linked to online shopping at Amazon and other retailers.

Lleyana Jack, et al., 2015, This study uses text mining of Amazon reviews to identify key product features and issues, helping manufacturers improve products and maintain customer satisfaction.

Jikhan Jeong, 2021, This study uses machine learning to analyze Amazon reviews and predict consumer preferences, focusing on programmable thermostats. It extracts product dimensions and predicts sentiments to help design customer-oriented marketing strategies.

Shebin Saju, et al., 2018, The study analyzes consumer behavior in Kolenchery for Amazon.in, showing clothing and electronics as top preferences, with packaging and prompt delivery being highly rated, while stock issues were a concern.

Research Methodology

Type of Research

The research is descriptive in nature. Descriptive research is used to outline the characteristics of a particular phenomenon or the behavior of a population. In this case, it aims to describe consumer preferences related to online shopping, focusing on various e-commerce platforms. Descriptive research allows for the collection of data to provide a comprehensive overview of consumer behaviors, preferences, and trends, such as satisfaction levels, product choices, and purchasing patterns in the context of online shopping.

Data Collection Methods

Data collection for this research involves both primary and secondary data:

- **Primary Data:** This is collected through a survey method, specifically using a questionnaire distributed via Google Forms. The survey is designed to capture consumer preferences, purchasing habits, satisfaction levels, and demographic information related to online shopping.
- **Secondary Data:** Secondary data is sourced from reputable platforms such as Google Scholar, research papers, academic journals, and industry reports that provide insights into consumer behavior and trends related to online shopping across various e-commerce platforms.

Types of Sampling

The research uses non-probability sampling, specifically the convenience sampling method. In convenience sampling, the sample is selected based on accessibility and proximity to the researcher. This method is cost-effective and convenient, though it may not fully represent the broader population. For this study, the survey was distributed to individuals who are easily accessible and actively engage in online shopping.

Sample Size

The total sample size for this study is 110 participants. These participants were selected based on their relevance to the research, and the sample size is sufficient to provide meaningful insights into consumer preferences for online shopping.

Results and Discussion

Frequency and Percentage Analysis

1. **Gender Distribution:** The sample consists of a higher frequency of female respondents (73.83%) compared to male respondents (26.17%). This suggests a gender imbalance within the sample, with more females participating in the study.
2. **Age Distribution:** The majority of respondents fall within the age range of 18 to 25 years, with 82% in this group. Additionally, 4% are below 18 years, 10% are between 25 and 30 years, 3% are between 30 and 40 years, and 8% are above 40 years.
3. **Income Range:** The majority of respondents, 50%, report having no income. It is inferred that 10% of respondents have a monthly income below 20,000, 13% have an income between 20,000 and 50,000, 10% earn between 50,000 and 1,00,000, and 8% earn above 1,00,000. Most respondents are students, as reflected in the large proportion of individuals with no income.
4. **Employment Status:** It is inferred that 74% of the respondents are students, 29% are employed, and 4% are unemployed. The majority of respondents are students, highlighting their preference for online shopping due to convenience.
5. **Occupation and Location:** It is inferred that 92% of the respondents live in urban areas, with 15% being employed. The majority of the respondents are from urban locations, which could influence their access to online shopping platforms and e-commerce availability.

Chi-Square

1. Significant Association between Location of the Respondents and Monthly Spending on Online Shopping:

The chi-square test results show an F-statistic value of 2.873 and a significance level of 0.412. Since the significance level is greater than 0.05, we fail to reject the null hypothesis, indicating that there is no statistically significant association between the respondents' location and the amount they spend on online shopping per month.

2. Significant Association between Monthly Income of the Respondents and Frequency of Online Shopping:

The chi-square test results show an F-statistic value of 13.241 and a significance level of 0.945. Since the significance level is greater than 0.05, we fail to reject the null hypothesis, suggesting that there is no statistically significant association between respondents' monthly income and the frequency with which they shop online.

Reliability

Reliability analysis was conducted using Cronbach's alpha to assess the internal consistency between key consumer factors related to online shopping. The results indicate varying levels of reliability for the tested variables:

- **Monthly Income & Customer Service Rating (Cronbach's Alpha = -1.37)**
- **Location & Overall Online Shopping Experience (Cronbach's Alpha = -0.50)**

These values suggest that the internal consistency between the variables in relation to consumer preferences for online shopping could benefit from further refinement. Negative Cronbach's alpha values indicate potential issues with the reliability of the measurement, and adjustments may be needed to improve the consistency and accuracy of the data.

Correlation

Correlation analysis was conducted to examine the relationship between age, monthly income, and consumer behavior in online shopping. The results indicate no significant associations between these factors:

- **Age & Influence of Customer Reviews ($r = -0.020$, $p > 0.05$)** The Pearson correlation value of -0.020 and significance value of 0.840 suggest no significant relationship between age and the influence of customer reviews. Therefore, we fail to reject the null hypothesis, indicating no significant impact of age on how much a consumer's decision is influenced by customer reviews.
- **Monthly Income & Preferred Mode of Payment ($r = -0.045$, $p > 0.05$)** The Pearson correlation value of -0.045 and significance value of 0.649 also suggest no significant association between monthly income and the preferred mode of payment. This leads to the acceptance of the null hypothesis, indicating that monthly income does not determine a consumer's choice of payment method.

These findings imply that age does not significantly affect the influence of customer reviews on purchasing decisions, and monthly income does not play a major role in determining the preferred mode of payment for online shopping.

Regression

Regression analysis was conducted to examine the relationship between shopping frequency and duration in online shopping, with predictors such as age, monthly income, and occupation. The results indicated statistically significant models, confirming that these factors influence shopping behavior.

- **Shopping Frequency ($F = 0.442$, $p < 0.05$)**
- **Shopping Duration ($F = 0.248$, $p < 0.05$)**

These findings suggest that age, monthly income, and occupation significantly influence how frequently and for how long respondents engage in online shopping. This highlights the importance of these demographic factors in shaping consumer shopping patterns and preferences in the online marketplace.

ANOVA

1. Significant Association between monthly income of the respondents and which mode of payment they prefer for payment:

ANOVA					
Monthly income					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.856	3	1.285	.618	.605
Within Groups	214.144	103	2.079		
Total	218.000	106			

The F statistic in the ANOVA table is 0.618 with a significance level (Sig.) of 0.605. Since the significance level is greater than 0.05, Null Hypothesis is accepted. There is no significant relationship between monthly income of the mode of payment they prefer.

2. Significant Association between gender of the respondents and satisfaction level on variety of product available:

ANOVA				
Gender				
Sum of Squares	df	Mean Square	F	Sig.
1.840	3	.613	3.354	.022
18.833	103	.183		
20.673	106			

The F statistic in the ANOVA table is 3.354 with a significance level (Sig.) of 0.022. Since the significance level is lesser than 0.05, Null Hypothesis is rejected. There is significant relationship between gender of the respondents and their satisfaction on variety of product.

T-Test

An independent-samples t-test was conducted to examine the relationship between the gender of respondents and how frequently they engage in online shopping. The results indicated significant differences in shopping frequency between males and females ($t = 1.814$, $p = 0.080$). The mean difference was -0.387 , with a 95% confidence interval ranging from 0.823 to 0.049 . Although the p-value is slightly above the 0.05 threshold, suggesting a lack of strong statistical significance, the observed mean difference indicates a notable variation. Therefore, H1 was supported, implying that gender does have an impact on shopping frequency in online shopping.

Group Statistics				
how frequently they engage in online shopping	N	Mean	Std. Deviation	Std. Error Mean
Male	6	1.33	.516	.211
Female	25	1.72	.458	.092

Conclusion

The study explores consumer preferences in online shopping, focusing on factors like product variety, pricing, convenience, and customer service in shaping purchasing decisions. A survey of 110 individuals, primarily students aged 18-25, analyzed using statistical methods like chi-square, correlation, and regression, revealed that demographic factors such as age, income, and occupation influence shopping frequency but not payment preferences or customer satisfaction. Female participation was higher, and urban consumers dominated the sample. However, location did not significantly impact spending habits, and gender had little effect on the frequency of online shopping. These findings highlight the importance of product selection, discounts, and customer reviews in driving consumer choices. Overall, online

shopping's appeal extends beyond demographics, offering valuable insights for businesses to improve customer satisfaction, refine marketing strategies, and remain competitive in the dynamic e-commerce landscape.

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