AN EMPIRICAL STUDY ON MILLENNIALS' PREFERENCES TOWARDS ONLINE SHOPPING

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Abstract

Electronic marketing is undergoing a massive upheaval in the era of globalization. Most corporate organizations have used this technology to sell their various products during past decade. Online shopping provides a vastly different buying experience for consumers in underdeveloped countries such as India. One of the primary motivations for purchasing online is convenience. Large discounts and offers made available by internet retailers also attract to a large number of shoppers. This study seeks to ascertain preferences of millennials for online shopping. The primary data was collected for the study from 210 respondents who belongs to Dehradun district and who purchase products online. Convenience sampling method has been used in the present study. The purpose of this study is to examine customer preferences and attitudes regarding online buying, as well as the perspectives of male and female customers.

Keywords: online shopping, millennials preferences, purchase intention, customer satisfaction, online shopping websites

Introduction

Online shopping involves shopping done in online mode which enables customers to buy goods directly from internet using web browsers or through various mobile applications.

With the evolution of world wide web, it has become a trend that people started shopping online even the sellers have sought to sell their products to people who spend time online. Now a days, shoppers do not need to visit stores. They find it easy to shop from their places. It has been seen that a large number of people shop online due to the convenience as online shopping enables saving of time and travel money people spent to go to stores.

In the recent years, there has been a large rise in the number of online shoppers due to the technological advancement Michale Aldrich found out the concept of online shopping in the year 1979. Online shopping can also be called virtual store, web store, internet shopping. There are various online retailing companies in India which help customers finding the products they want to shop online including Flipkart. Myntra, Amazon, Snapdeal, Nykaa, etc. (Kavitha. R & Inbalakshmi,2018)

The main factors which lead customers to go for online shopping are perceived ease of use, perceived risk, perceived usefulness, economic factor, availability of products, customer satisfaction.

As per SBI Research, around 30 million products are available online for shoppers across over 70 categories including daily use goods, electronics, life style products on Flipkart. According to a Report by Bain & Co. (2023), The e-retail market is estimated to grow from $150 billion to $170 billion over the next five years, with an annual growth rate of 25-30%. This doubles the market penetration rate to 9-10%. The report added that India's strong fundamentals, broad online consumer base and retail market are driving this growth, supporting the continued boom in e-retailing. Additionally, there is significant room for growth in terms of smartphone penetration (36 percent in India, 63 percent in China, and 76 percent in the US) and wealth (about $12,000 per capita compared to about $2,000 in India and China while $ 69,000 in U.S.A) is expected to further stimulate growth. It says the category mix of online shopping will also continue to evolve, with fashion, general merchandise (including personal care) and grocery categories having the most room for penetration and driving growth, cumulatively leading to e-retail's third largest share. The aim is to expand the market by 2027. Historically, these have been categories such as mobile phones, electronics, and consumer electronics.

There has been an increase in the product range over the years. Like-wise more than 15 million unique products are offered by Snapdeal (Pandey et al. 2019). It is to be noted that online shopping is very advantageous as it enables customers to purchase products 24*7; it also helps them comparing the products they want to shop before actual buying take places and also easy returns are available to them which is also an important factor.

Advantages of Online Shopping

During the lockdown, people were asked to stay indoors. During this period, consumers can quickly get their essentials thanks to e-commerce websites. So, let's take a look at why so many people prefer online shopping and what's behind its popularity. The advantages of online shopping are:

- *Convenience* This is the biggest advantage of online shopping. Customers can shop from home or work, depending on their comfort. It's easy to cancel a transaction while shopping online. Shopping online is easy because there are no lines and shoppers can shop in minutes as online shopping is available 24/7.
- *Save Time and Effort* Online shopping saves time and effort. Shop online enables consumers get more information about products, get discounts and lower prices. Online shopping allows to shop from office or home, thereby savings travel time. Shoppers will also be able to easily search for products by entering keywords or using a search engine.

- *No crowds* Seeing Crowds at shopping spots are common during festivals, weekends, and holidays. Purchasing products in such an environment can be a huge headache and hectic. But in online shopping, consumers don't have to deal with crowds or fight insane parking battles.

- *No Pressure* Sometimes shopkeepers put pressure on shoppers and use their skills to convince them to buy things they even don't need. As a result, shoppers end up buying things they don't actually need. But with online shopping, there is no such pressure.

- *Product Reviews* Most consumers read online reviews of a product to get basic information from customers who have already used the product. Online reviews help in getting inside information about products that interest consumers. For example, while buying fabric, consumers look at reviews for that product. Some customers also add photos of themselves wearing this product. This is how consumers shop wisely.

- *Multiple Varieties* This is one of the biggest benefits of online shopping. Online shopping allows a buyer to choose from multiple options and multiple brands in one place. There is a large amount of inventory available online. Find all items and brands online and stay up to date with the latest international trends without spending a fortune on a plane.

Disadvantages of Online Shopping Now let us discuss about the limitations of online shopping.

- *Risk of Fraud* Online shopping involves the risk of fraud, including hacking, identity theft, credit card fraud, phishing, and other scams. Fraud cases have also increased during the pandemic. Several offshoots of e-commerce websites have emerged. So, one should be careful while doing online transactions as various scam websites offer flashy discounts and offers. Fraud can also occur through phone calls using the name of a reputable company to obtain the buyer's card or bank account details.

- *Reduced contact with the community* Online shopping significantly reduces contact with the community. In shopping online, people don't have to leave the house to shop outside. That might be fine for a while, but sometimes one should go out and shop, talk to real people, get some fresh air, getting involved in the community, or do some other outdoor activity. It is a fact that computers cannot establish true connections with humans.

- *Delivery Delays* In some cases, Buyers should expect unexpected delays in the delivery of reserved items. It takes him less than 5 minutes to reserve an order, but delivery can take him 5-10 days. On the other hand, while purchasing offline from a store, it involves getting the product instantly.

- ***Do not touch the products*** When shopping online, the products cannot be touched and the quality of the products cannot be accurately gauged. This is only possible if the goods have been reserved and delivered to us.
- Furthermore, if products are not properly tested, there is a risk of discrimination regarding product quality or appearance, especially in the case of clothing.
- ***Lack of Shopping Experience*** Online shopping does not include market visits, so there is a lack of physical shopping experience, including market visits, showrooms, and products.

Review of the Literature

Mohammed T. Nouseir et al. (2013), stated that the lack of high-quality electronic advertising limits consumers' decision-making to purchase via the Internet.

Nur ozer canarslan (2013), stated that when shopping online, there are large differences in participants' answers, and issues such as privacy, security, page loading speed and speed are not very effective in solving problems.

Sharma, R. et al. (2014), explained the online purchasing behavior of Indian consumers. They said the huge Indian market with e-retail stores is replacing retail stores and there is huge potential in the e-commerce market.

A. Mehalai Banu et al. (2014), found that the majority of respondents prefer to purchase electronic products online. 90% of respondents thought delivery time was important, 81% of the respondent thought security was very important, and 53% agreed that online prices were lower than physical prices.

Amaravasi et. al (2015), discussed the advances in e-shopping and customer preferences towards e-shopping. He concluded that online shopping saves time and is convenient for many consumers, especially the elderly and those with disabilities.

Anusha. D (2014), stated that the majority of respondents choose online shopping due to time savings, price, online shipping, security, doorstep delivery, warranty programs, and discounts. It was concluded that respondents were only dissatisfied with customer service.

Jamal. M et.al (2015), found that 56% of the respondents were under 25 years of age, 21% of the respondents were in formal employment, 27% of the respondents had a monthly income of more than

Rs 30,000, and 76% of the respondents were purchasing for personal use when shopping online. He noted that there has been an overall positive response to online shopping.

Upsana Kanchan et al. (2015), state that online shopping is gaining popularity among the younger generation, higher income earners, and educated people who are hesitant to shop online solely for security reasons.

Alka Kumawat and Tandon (2014), conducted a study using a survey of 200 customers as a sample. The study found that customers are highly satisfied with online shopping because the delivery system works effectively and they shop again and again.

Dahiya Monika (2015), According to this study, the online shopping trend is particularly popular among young people not only in big cities but also in small towns. In this study, discussion was made about the current scenario and position of India in the same context.

Objectives of the Study

The present Study seeks to find the following objectives:

- To identify the most preferred online shopping website among selected and reasons for the same
- To analyze factors influencing millennials towards online shopping.

Research Methodology

The Following methodology has been used in the present research study:

Research Design: The research is descriptive in nature. It is called a descriptive research study as it depicts facts and findings as it exists in present. The researcher used the method of convenient sampling technique. This research identifies the customer's preferences and customers opinion in online shopping.

Data Source: The research uses both Primary and Secondary data.

Primary Data: Primary data was collected by means of systematically prepared questionnaire from the respondents who are online purchasers.

Secondary Data: Secondary data has been collected from already published work in various Journals and websites related to customers preferences towards online shopping.

Sample Size: The sample sizes comprised of 210 respondents who are millennials and who purchase products online. The respondents are from various locations spread across Dehradun district.

Sampling Technique: It is important to identify the technique used to select the sample size. In this research study, Convenience sampling technique has been used. The respondents are from various locations spread across the district.

The data was analyzed through MS Excel and SPSS software.

Scope of the Study:

The study focuses on the preferences of customers especially millennials towards various online shopping websites.

All the 210 respondents of the study belong to the Dehradun district.

Data Analysis & Interpretation

The Data was analysed and interpretation was done. Following are the table showing analysis of data:

Table 1

Respondents Preferences for online Shopping Websites

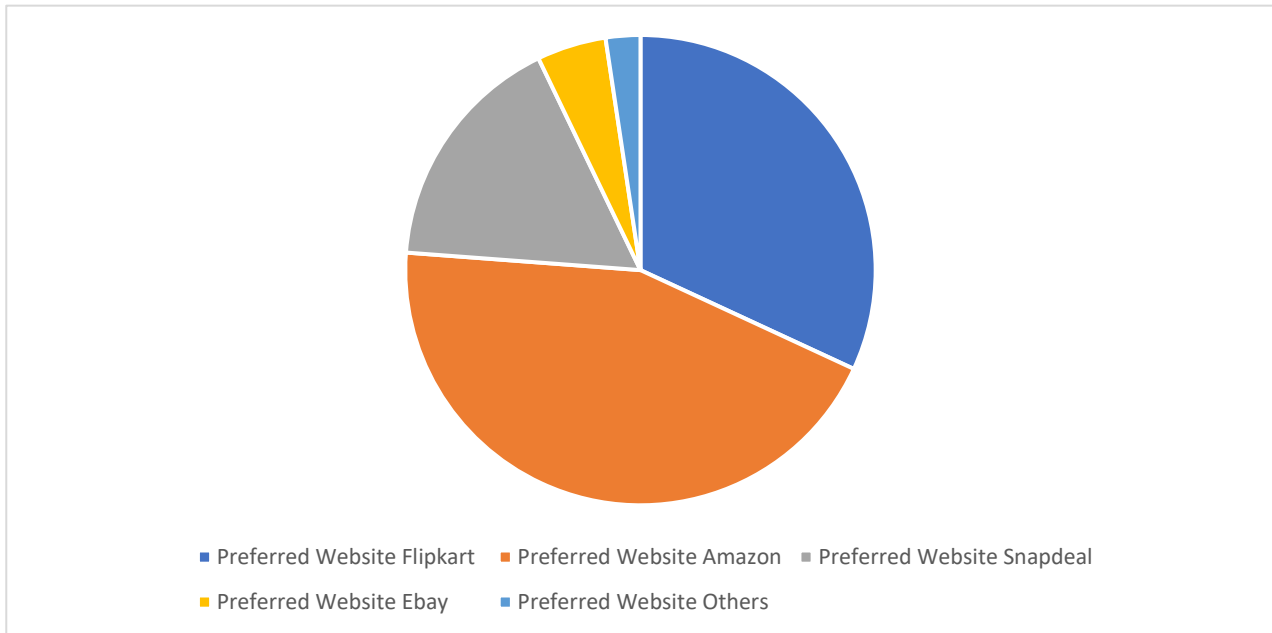|		Responses		
		N	Percentage	Rank
Preferred Website	Flipkart	67	31.90%	2
	Amazon	93	44.29%	1
	Snapdeal	35	16.67%	3
	Ebay	10	4.76%	4
	Others	5	2.38%	5
	Total	210	100%	
Source: Primary Data				

Figure 1. Respondents Preferences for online Shopping Websites

Interpretation: From the Table1, it can be seen that out of 210 respondents, 44.29% preferred Amazon as most preferred website followed by customers' preferences for Flipkart 31.90%,

Snapdeal was preferred by 16.67%, E-bay was preferred by 4.76% people and rest 2.38% people preferred other websites for shopping online. This is clearly visible from Figure 1 also that most preferred website is Amazon among all the selected websites

Table 2

Demographic Profile of Respondents

Demographic Profile	Categories	Frequency	Percentage
Gender	Male	93	44.29%
	Female	117	55.71%
Age	Up to 25 years	32	15.23%
	26-30 years	47	22.38%
	31-35 years	63	30.00%
	36-40 years	40	19.05%
Education	Under Graduation	70	33.33%
	Post Graduation	86	40.95%
	Others	54	25.71%

Income(per month)	up to 25000	113	53.81%
	25001-50000	45	21.43%
	50001-75000	30	14.29%
	75001and above	22	10.47%
Occupation	Student	56	26.67%
	Professional	47	22.38%
	Self- Employed	74	35.23%
	Others	33	15.71%
Source: Primary Data			

Interpretation: In Table 2 , demographic profile of the respondents is depicted which shows that out of 210 respondents, 44.29% were male, 55.71% were females. It shows that female preferred Online shopping more than males. As this Study is based on Millennials perception, it can be concluded from above table 2, that 15.23% respondents were up to the age of 25 years, 22.38% respondents belong to 26-30 years of age; around 30% respondents belonged to 31-35 years. While only 19.05% respondents belonged to the age of 36-40 years. Around 40.95% respondents were post graduate. Most of the respondents 53.81% , were belong to the group earning income up to 25000. In the table ,it has also been depicted that a majority of respondents that is 35.23% were Self Employed.

Table 3 Frequency of monthly usage of online shopping websites

Particulars	Responses	Percentage
Once	30	14.28%
Twice	62	29.53%
More than twice	118	56.19%
Total	210	100%

Interpretation: From the above table 3, frequency of monthly usage of online shopping websites by the respondents has been shown. Accordingly, we come to know that 56.19% respondents use

online shopping websites more than twice a month. While only 29.53 % respondents use online shopping websites twice in a month. It can also be seen that only 14.28% respondents use online shopping websites once in a month.

Table 4 Factors Influencing Customer Preferences for online shopping websites

Particulars	24*7 Availability	Timely Delivery of Products	Ease of use of Websites	Convenience	Easy Returns	Discounts and offers
Strongly Agree	59%	63%	60%	62%	68%	56%
Agree	36%	25%	35%	26%	22%	35%
Neutral	5%	12%	5%	12%	10%	9%
Disagree	0%	0%	0%	0%	0%	0%
Strongly Disagree	0%	0%	0%	0%	0%	0%

Interpretation: As per the above table 4, the responses of respondents regarding the factors influencing customer preferences for online shopping websites has been depicted. It can be seen that 59% respondents strongly agree about the 24*7 availability of online shopping websites which makes it an inhibitor. Around 63% respondents are of the strong opinion that online shopping websites ensure timely delivery of products. 60% respondents strongly agree about the Ease of use of Websites. While 62% respondents strongly agree that these websites are convenient to use and 68% strongly agree about the easy returns available on these websites. In the same way 56% respondents strongly agreed about the availability of discounts and offers on these shopping websites. Which shows that majority of the respondents are of the opinion that 24*7 availability, Timely delivery of products, Ease of use of websites, convenience, easy availability of returns and availability of discounts and offers are the factors that influence customer preferences towards online shopping.

Limitations of the Study

- The study area covers only Dehradun district.
- The findings of the study belong to present time only may not hold true for future.

- The study was only for online shoppers who are millennials.

Conclusion & Suggestions

This study identifies the most preferred online shopping website. According to the data analyzed, out of the selected ones, Amazon is the most preferred online shopping website. The determinants of consumers' choice of online shopping portals when purchasing products are also investigated through this research study. Online shopping is becoming more popular day by day with the increasing use of the World Wide Web, also known as www. Understanding customer needs for online sales is a challenge for marketers. Furthermore, the results of the empirical study were followed by research and the development of important innovations for online shopping portals. Empirical results show that consumers choose online purchasing portals if they believe that the determinants such as product preferences for the respective shopping portal, the choices available on the portal, and the convenience of online shopping correspond to their preferences indicates what they want to purchase. This study shows that online shopping has a bright future in India. India is becoming more aware of online shopping. The Internet allows consumers to shop anytime, anywhere with easy and secure payment options. Consumers can compare and purchase products and online stores. Specifically understanding consumers' attitudes toward online shopping, improving the factors that motivate consumers to shop online, and addressing the factors that motivate consumers to shop online will help marketers improve other marketing strategies.

 Below are suggestions for online shopping websites regarding customer preferences:

- Product quality is more important to online shoppers.
- Product images must be clear and give an accurate image of the product, including color and material design.
- Sometimes, Cash on delivery option is not available for some products, but this option is required for all products.
- EMI option is provided only by certain banks but required by all banks.
- Website should be clear about product content, such as reviews and feedback.
- There is need to reduce shipping costs for all products.
- Online shopping requires adding a location to the website because some products are not available in all regions.
- Online shopping sites must increase the security of online payments.
- Customer requires return option method for all his purchased products which should be immediate.

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