CHAPTER-1
ELECTRONIC SHOPPING: A PARADIGM SHIFT IN BUYING BEHAVIOUR AMONG INDIAN CONSUMERS

“Buying and Selling Online introduces the largest revolution in retailing since the first department store was opened. The principle difference is that this covers the planet.”

-Anonymous

Electronic Shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. Most of the companies are running their on-line portals to sell their products/services on-line. Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is still in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. Nothing is predictable in India except change. The internet revolution has brought about a paradigm shift in the way things are done. The Internet and worldwide web (www) have dramatically changed the way consumers seek and use information. The Internet, which was earlier conceptualized as a tool for enchasing information, has become an important place of business these days. For businesses, the key to survival in the future depends on how well they can integrate this medium in their business model today. In order to sell anything over the internet, they have to take into account that what consumers buy, why they buy, how they buy, how they buy, who their customers are, what their spending habits are like and the products and services they prefer.
1.1 THE PROBLEM

The concept of online shopping developed gradually, after the launch of the World Wide Web. In 1990 Tim Berners-Lee created the first World Wide Web server and browser. It opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza Hut. In 1995, Amazon launched its first online shopping site, and in 1996, e-Bay appeared. 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 products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey communicates 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 the will receive if they purchase the product from a particular store. 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. Although most of the revenue of online transactions comes from business-to-business commerce, the practitioners of business-to-consumer commerce should not lose confidence .It has been more than a decade since business-to-consumer E-commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behaviour in cyberspace. Along with the development of E-retailing, researchers continue to explain E-consumers behaviour from different perspectives. Many of their studies have posited new emergent factors
or assumptions which are based on the traditional models of consumer behaviour and then examine their validity in the Internet context.

The Internet has developed into a new distribution channel and online transactions are rapidly increasing. This has created a need to understand how the consumers perceive online purchasing. Price, Trust and Convenience were identified as important factors. Price was considered as to be a most important factor for a majority of the students. The internet has created a paradigm shift of the traditional way people shop. A consumer is no longer bound to opening a times or specific location. So he can become active at virtually any time anywhere and purchase the products or services. The internet is relatively a new medium for communication and the information exchange that has present in everyday life. The number of internet user is constantly increasing which is also signifies that online purchasing is increasing. The rapid increasing is explained by the consumer behaviour. The internet is considered a mass medium that provides the consumers with purchase characteristics as no other medium. Certain characteristics are making it more convenient for the consumer compared to the traditional way of shopping, such as the ability to any time view and purchase products visualize the needs with products and discuss products with other consumers. Online shopping is the process of consumer go through the when they decide the shop on the internet. The internet has developed into a new distribution channel and the evaluation of this channel. Online shopping began in full swing since the year 1996. Now, having understood the advantages and history of Internet shopping, let us know the pre-requisites of shopping online. If you wish to shop online, you should have a bank account, a debit card/credit card and, of course a computer with an Internet access. Buyers can directly visit the website of the service provider or the retailer or search for retailers using the famous Internet search
engines. Using the shopping cart software, buyers can buy multiple products. While shopping from some particular stores online, you will have to open up a permanent online account, so that they enter the payment and delivery related information only once. You will receive a message of the transaction being complete via e-mail. You can make the payment for the purchased goods using your credit card or debit card. Cash on delivery, payment by check, postal money order, are some of the other ways of clearing off the due amount. The bought items can be received by downloading them, if they are related to purchase of software, songs or music. Another method of receiving the goods is using the locater software and picking up the goods from the nearest authorized store. There are some distributor services, which offer you the delivery of the products at your placer to avoid wastage of time and money which happens otherwise.

According to Kotler (2000) in the field of business, change is occurring at an accelerating rate. Today is not like yesterday and tomorrow will be different from today. Continuing today’s strategy may be risky; so is turning to a new strategy. Technology will continue to advance and amaze us. Nothing is predictable in India except change. Transactions using E-commerce were estimated to be more than one hundred billion dollars in the year 2006 in the United States of America. This represents approximately ten percent of the total domestic market. Thus, this is an indicator of rising trends in online shopping. Almost 33% of the online shoppers, shop by using the search engines to study the details of what they are shopping for. A characteristic feature of the online shopping trends is that people go more by the word of mouth when it comes to selecting a website or a company for online shopping. If we research on what is the most sought after thing in the online purchases, then the answer is books of different kinds. In addition to the books, day to day accessories
and clothes, perfumes, shoes are bought in large numbers. Buying air tickets online has become a very common thing. People tend to visit a website which offers good products and has transparency in dealings again and again. There is another survey conducted by The Nielsen Company, which suggests that around 85% has already used to make a purchase online which shows an improvement in the online shopping trends. Another claim is that around 50% of the people using Internet around the world, are active online shoppers. A survey conducted about two years ago, about number of online shoppers, suggested the number to be around 627 million which has risen to about 875 million as of now. People from countries like Korea, Germany, United Kingdom, Japan and United States of America, are very fond of online shopping. Many manufacturing companies are aggressively marketing their products considering the change in the online shopping trends using E-commerce web hosting to attract more and more customers.

Online shopping trends are showing a consistent rise due to the great response from people. In the coming years, the numbers suggesting the development of the online shopping trends are expected to rise alarmingly. So, enjoy the benefits of the new technology that allows you to shop from home and get the shopped goods at doorsteps. The recent studies indicate that the internet continues to boom in the next few years especially the number of Internet users has been growing rapidly. With the advances in the technology of networking, multimedia, data processing, electronic commerce brings new business opportunities for companies. Companies are spending millions of time and money in building new Internet business models and finding new channels for their revenues. E-commerce, at the same time, offers specific benefits to online shoppers. Consumers not only have a more convenient way of shopping and have more choices, but also could interact with others and exchange ideas, views
through online communities. With the benefits recognized by companies and consumers, E-commerce has been realized more and more important. It is believed that it will become an important channel for business revenues and as well as an important part of peoples’ daily life. The internet revolution has brought about a paradigm shift in the way things are done. The Internet and worldwide web (www) have dramatically changed the way consumers seek and use information. The Internet, which was earlier conceptualized as a tool for enchasing information, has become an important place of business these days. For businesses, the key to survival in the future depends on how well they can integrate this medium in their business model today. In order to sell anything over the internet, they have to take into account that who their customers are, what their spending habits are like and the products and services they prefer. Consuming habits have undergone major shifts in the years.

In 1994-1995, internet explosion took off. Over 150 million people worldwide have become internet users since 1994 (Hanson, 2000). The increased availability of information on the internet is generally a significant benefit to consumers and induces them for internet shopping. The coming of internet really transformed the way business was being done, especially in the field of marketing. The internet offers the marketers a lot of benefits as a new communication and distribution channel. The development of the Internet has strongly impacted the worldwide marketing environment. The Internet is used every day by a wide variety of people for several functions. More and more people gravitate towards using the Internet more intensively as the accessibility of technology, the availability of information, and the ability to interact. But today it has taken a new shape. It has not only created the awareness among the people in a nanosecond pace but its evolution of technology has
changed the traditional way of buying. The arrival of the internet as a multifaceted tool has changed the buying behavior of the individual.

The latest expansion of internet is driven by marketing initiatives as it provides product and product information to the potential customers. Internet applications have played an important role in the developments of online shopping in the last decade. It offers convenience, choice, availability and lower prices. And each one of these elements remains a valid reason why the majority of consumers are attracted to E-shopping. An important application of the Internet, that also unifies the market virtually, is Electronic Shopping/Internet-Shopping/Online-Shopping.

Electronic shopping is defined as a computer activity/exchange performed by a consumer via a computer-based interface, where the consumer's computer is connected to, and can interact with a retailer's digital storefront to purchase the products or services over the internet. With one click, customer can glance, the information regarding the product and services. Buyers today are only a click away from comparing competitor’s product and attributes. Today a person can order almost anything over the internet. The popularity of this medium of exchange has allowed the existence of a free market with intense competition. With the success of online retailers like eBay and Amazon.com etc combined with low start up costs, the industry has expanded rapidly. Electronic Shopping have begun to demand market information that allows them to focus their marketing efforts to maximize traffic and consumption. Specifically, to identify the motivating factors that lead to online buying and retaining the customers.

The advancement in Internet technology allows for the expansion of options beyond the traditional methods that may be more time consuming. For instance,
instead of having to physically visit different stores to compare prices or relying on circulars, pamphlets in newspapers, the consumer is able to search and retrieve the needed information through the Internet. As Internet usage rises, firms are beginning to realize the importance of better understanding of their online customers. Today electronic shopping plays a major role in the world's economy and is expected to continue in the future. Internet shopping has grown almost five-fold since 2000. The growth of broadband access has been an important drivers of change both for consumers and for business. Higher computer literacy makes internet shopping more attractive. Convenience of use is an important factor in purchasing online but concerns about security of payment and delivery arrangements are seen as negative aspects of the internet. The speed of response available has been an important factor in the growth of search engines and price comparison sites. Traditional retailers have responded to the growth of internet sales by successfully developing their own online businesses. Their familiarity with the internet also makes them better placed to identify and take advantage of lower priced products. The internet provides an alternative shopping channel to traditional retailing. E-Shopping is one such marketing service which is available to the consumers uninterrupted 24 hours a day and 7 days a week from any location where you have the internet access. With the rapid expansion of e-commerce, more and more products are sold on the web; more and more people are also buying products online. In order to enhance customer satisfaction and shopping experience, it has become a common practice for online merchants to enable their customers to review or to express opinions on the products that they have purchased.

Online shopping is the process in which the consumers go through to purchase products or services over the Internet. An online shop, e-shop, e-store, internet shop,
web shop or online store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in hypermarkets. It is an electronic commerce application used for business-to-business electronic commerce (B2B) or business-to-consumer electronic commerce (B2C). Online shopping is popular mainly because of its speed and ease of use. Online applications are becoming so popular in our daily life in the sense that it would not pass a day without we use them. In particular, the emergence and spread of electronic commerce (EC) have greatly influenced the behaviour of both retailers and consumers.

A greater ease of placing and receiving orders 24 X 7 is the value proposition in online shopping. A recent report released by I-Cube jointly with the Internet and Mobile Association of India (IAMAI) and IMRB in their survey found that India now has the third-largest base of internet users. As of September, 2011, the country had 112 million internet users, including 88 million urban and 24 million rural users. It projected the base at 121 million by the end of December. Of the total users, 34% reside in the top eight metros, led by Mumbai, followed closely by Delhi and NCR, though smaller cities are also contributing good numbers. In fact, compared with last year, active internet users from urban and rural areas are up 13% and 68%, respectively. Dr Subho Ray, president, IAMAI, however, believes this segment is growing strongly. “The online shoppers segment in India is growing at a decent rate compared with the growth rate globally. We cannot compare our growth with the USA and China as their markets are already well-evolved and we still have enough room for development. Like travel has evolved in the last 8-10 years, e-tailing will also grow. But, since the concept is just five years old, people will take time to adapt the same,” said Sandeep Komarvelly, head - marketing, Snapdeal.com. Experts feel Indians are still not comfortable shopping for products on the web. Also, many don’t
know how to use debit and credit cards online and use the internet mainly to look for information. “Many Indians still don’t buy unless they get the physical touch of the product,” said Krishna Motukuri, managing director - ecommerce at tradus.in, an online shopping portal offering retail products. Encouragingly, internet usage has seen a substantial rise since youngsters spend a lot of time playing games online and their level of awareness about the internet is also very high. Indeed, more than 75% of internet usage is still driven by youngsters that include young men, college kids and school going kids, said the IAMAI report. This sure opens up the market for those below 18 years of age. With this momentum, experts see the e-commerce business growing by more than 50% a year as there is enough room for rapid growth in this nascent market. If the Internet is anything to go by, India's technological and economic growth has moved into the top gear. With more India's online shopping registering a phenomenal growth, many retail chains and consumer durable companies are joining the Web bandwagon to tap the e-shopping market. "The online shopping industry in India is fast catching on, not just in the larger metros but also in the smaller cities. At present the market is estimated at Rs. 46,000 crore and is growing at 100 per cent per year," Ajit Chauhan, managing director, Synergy Promotions and Marketing Services, said. According to Google, India has more than 100 million Internet users, out of which around half opt for online purchases and the number is growing every year. With such a large market size, companies, right from retail shops to consumer goods, are entering the Web space to attract potential customers. Even traditional retailers like Shoppers Stop, Westside and Pantaloons are looking at the online shopping space for growth.

The consumer behaviour is changing dramatically. People are not only using the Web to book air tickets and movie tickets but also do not hesitate in placing orders
for mobiles, laptops and other consumer electronics and home appliances,” a senior marketing executive from Flipkart.Com, an online shopping portal, told Mail Today. Keeping in mind these growing potential, not just large brands but even general retail chains are upgrading their sites for ecommerce, making it more convenient for customers to place online purchase orders. According to eBay, Indian online shoppers remain brand savvy, even when they are shopping online. The eBay India Census has found that brands such as Sony, Nokia, Samsung, Apple and Reebok continue to top buyers' charts. Category-wise lifestyle products, such as cosmetics, jewellery, watches, fashion products and fitness equipment contribute over 45 per cent to eBay's sales in India. Today online shopping malls have become part and parcel of the people all over the world. Shopping online is always better and smarter way to spend your money. Online shopping sites gives a wide range of products and more stuffs to choose based on ones needs. Shopping online always has the advantage of “PRICE”, many of the products will be discounted to a cheaper price. Customers will also be given online coupons, gift certificates, promotional codes based on special offers through which a considerable amount can be knocked off. One of the major advantages of online shopping is that they provide complete information about the products such as – features, product description, sizes, models, colors, prices and many more details, customer reviews and ratings and the best part is they are open 24/7 and one can shop at their convenience. India plaza with 10 years of e-commerce experience gives users a wonderful online shopping experience. You can shop online for over 8 million products. Online shopping at India plaza is quick and easy as the wide range of products are categorized in a very convenient and user friendly manner. Many of the million items available for online shopping are on deep discounts and we also offer low prices, free shipping on the maximum range of products.
Online shopping is growing in popularity as consumers realize the convenience and ease of shopping online. As businesses look to grow their online retail presence, they need to be aware of the preferences and concerns that drive online shoppers. One key reason for shoppers being motivated into online purchases may be the ability to compare prices across multiple outlets hence achieving the important objective of “value for money”.

E- Shopping has been a growing phenomenon in all four corners of the world, in particular amongst countries possessing highly developed infrastructure available for marketing activities through the internet. The rise in the number of households possessing computers and the ease of Internet access has led to this widespread acceptance of e-commerce. With the development of the Internet and the increase of online shopping, e-business has become a trendy way for consumers and/or companies to trade over the Internet. As per recent news in India times, dated 14th February, 2011, in a bid to tap online consumer Dabur India Ltd. has launched its first ever online shopping portal www. Daburuveda.com. with this Dabur claims to have the first Indian FMCG company to come up with a dedicated online shopping portal for its beauty range product. According to Mr. Singhal, Marketing Manager of Dabur said that with the fast changing consumer lifestyle and expanding penetration of technology especially consumer goods and durables are bound to see a growing trend of online purchase with and more consumer seeking the convenience of anytime anywhere purchase.

There have been intensive studies of online shopping attitudes and behaviour in recent years. Most of them have attempted to identify factors influencing or contributing to online shopping attitudes and behaviour. Recently, the economic times
dated 5th Oct, 2011 mentioned that India set to be among top 10 global e-commerce hubs by 2010. Deepa Thomas Head e-bay stated that there is immense potential of growth of online group buying in India. As it has the 4th largest number of internet users in the world. Shopping online is slowly growing up in India too. However, due to the relatively slow penetration of the internet in many part of the country, online shopping is limited to only major metros in India. One major hurdle that online shopping faces is the security of transactions, since it is necessary for shoppers to submit their financial details on the web too. The major hurdles faced are low penetration of computers in India, lesser amount of credit or debit card holders, and many adverse taxation rules. Also, many internet users are reluctant to reveal their financial information online, which hampers the growth of the online business. Online shopping has a great potential to become big in India. One way of looking at online shopping trends is examining the figures - air and rail tickets estimated at INR 30 crore (INR 300 million) are sold online in India every day. Already, a jewellery piece sells every five minutes, and a mobile handset every eight minutes, and a car every nine hours on the popular commodity site eBAy.com. Another popular site Indiamart.com materialised business over INR 5,000 crore through leads generated by it. Today, many Indians purchase goods like books, electronic gadgets, air and rail tickets, apparel, gifts, mobiles, computer peripherals, audio cassettes and CDs. There are more products which are capable of being sold over the internet. Many people still locate information on the internet, but purchase their products offline at traditional stores. This means that people still are lacking in confidence to purchase products online. This trend can be countered by providing secure sites for transactions, and prompt customer service. Online shopping is truly catching on in India, traditional brick and mortar stores are also getting the hand of doing business online. The trends
demonstrate that traditional stores will keep on doing sufficient business while the online stores increase their virtual presence on the internet. Today online shopping have become part and parcel of the people all over the world. Shopping online is always better and smarter way to spend your money. Online shopping sites gives a wide range of products and more stuffs to choose based on ones needs. Shopping online always has the advantage of “PRICE”, many of the products will be discounted to a cheaper price. Customers will also be given online coupons, gift certificates, promotional codes based on special offers through which a considerable amount can be knocked off. One of the major advantages of online shops is that they provide complete information about the products such as – features, product description, sizes, models, colors, prices and many more details, customer reviews and ratings and the best part is they are open 24x7 and one can shop at their convenience. Today’s customer is a different kettle of fish. The disposable income of the middle class is rising and the emphasis is more on spending than saving. Due to exponentially rising business opportunities, there are a number of services being offered on the internet. Online shopping has emerged as one of the most prominent services available through internet. It has enormous advantages for the customers as well as business houses. Through on-line shopping, business houses have been able to reach out to more customers at less cost. They have been able to reach out to customers living in remote areas. In-fact these are acting as stepping-stones to concept of global village. More over the inventory management overheads also decrease significantly through online shopping. However, it is not that the online shopping has benefited only the business houses. As truly stated “Customer is the King today”, the concept of on-line shopping will not materialize if the customers are not benefited. Online shopping brings many advantages to the customers. Customers can shop from any place and need not
physically visit the shops/outlets for shopping purposes. Therefore, even if customer is staying in remote area, he/she can easily shop through internet. If a customer goes to any retail outlet or any other shop, the choice of products is normally very limited. However, here customers can visit any number of sites to reach at final choice. Hence, online shopping provides unlimited choices to the customers in nut shell. The customer can shop any day of the year on any time of the day. This also helps in customers’ time and energy saving. More over due to unlimited choice and less excess time, customers can easily search for the desired things and can easily compare the products/items. As truly said nothing comes without a cost in business. On-line shopping is not an exception to this. As customer has unlimited choice, he/she can fall a victim to over choice. Customer may spend a good amount of time without taking any final decision. But the biggest disadvantage is that there is no “touch and feel factor” involved in on-line shopping. Apart from item/product cost, transaction cost is also very important. Therefore, it is very much possible that customer Impact of demographic factors of consumers on online shopping behaviour purchases from internet by just looking at price, but ultimately may land up paying more due to transaction cost. Thus, these extra costs become very crucial in online shopping. Other important issue is that one of the major options to purchase from Internet is through credit cards. However, it is quite possible that customers may fall victim due to security and privacy problems on the Internet.

HYBRID ONLINE SHOPPING: A NEW BUYING CHANNEL

Hybrid electronic commerce involves the use of both virtual and physical presence to meet the needs of buyers. By physical presence, we include any assets that enable potential buyers to interact in person (i.e. not via the Internet, although perhaps
at a call center) with a firm's personnel or on a firm's premises in the support of an economic exchange. Our broader definition of physical presence can include, for example, instances such as catalogue firms or travelling sales representatives, which may not involve local fulfilment, but do utilize existing (pre-Internet) physical assets as sales channels.

There are a number of reasons why we might expect hybrid electronic commerce to be more successful than either purely physical or purely virtual approaches to the market. The various strategies can be broadly categorized as follows:

**Cost Reduction Strategies:** When virtual and physical channels are harmonized effectively, a number of potential savings become possible, particularly involving labour costs. Many pre and post purchase activities, for example, that formerly required the time of a sales person can be handled via the Internet. In essence, these labour costs are switched (or outsourced) to consumers for such activities as looking up product information on their own, filling out forms, and relying on online technical assistance for after-sales service. Customers are willing to take on these tasks for the increased convenience and control that the virtual channel offers. Sales personnel can then shift their activities from order taking (e.g. as in typical call centers) to order generation or higher-margin sales activities. For catalogue firms, shifts to the Internet offer very real cost savings, since Internet orders are far cheaper than telephone orders and there may be savings from needing to print fewer catalogues. Another area of cost savings includes opportunities to reduce local inventory for infrequently purchased goods, while still offering them on a delayed (that is, via the Internet channel) basis. Finally, in terms of delivery costs, hybrid firms have a cost advantage over all virtual
firms. The hybrid firm with a physical outlet in the community can offer goods with no delivery charge, using their physical presence as the pick-up location. If they do offer delivery, there may be some savings if the delivery is initiated from the local point of presence.

**Trust Building Strategies:** Hybrid firms have enhanced opportunities to build trust due to their physical presence in the markets they serve. A commonly cited impediment to online shopping is consumers’ lack of trust in the legitimacy of the Web-based store. The fact that there is a recognized physical entity reduces the perceived risk that the virtual site is a fake. Moreover, consumers' perceived risks may be lower since there is an easy to access location to which goods can be returned or complaints can be registered. Additionally, businesses in community can be embedded in a variety of social networks (e.g. in the chamber of commerce, or as a sponsor of youth organizations), which can enhance trust (Steinfield, Mahler and Bauer, 1999; Steinfield and Whitten, 2000). According to Granovetter (1985), such embeddedness is often considered a problem by economists, who argue that when economic exchange is determined by social relations, inefficient allocation of resources can result. However, he also notes that social relations often facilitate trust, permitting exchanges without expensive contracts or legal fees and thereby reducing costs. DiMaggio and Louch (1998) show that, particularly for risky transactions, consumers are likely to rely on social ties as a governance mechanism. Social ties create obligations that can be a powerful force for controlling opportunistic behavior. Consumers in their study were willing to limit their choice of suppliers for highly risky purchases in order to purchase from someone with whom they knew or who was recommended by someone they knew. To the extent that such personal relationships are more likely to exist between geographically proximate buyers and sellers, this
may be a countervailing force in electronic commerce, resulting in a preference for doing business with firms that are already physically present in the local market, at least for high risk transactions. Hence, hybrid firms that pursue this approach would rely extensively on their physical presence and social embeddedness to build trust, and would feature these forms of community connection prominently on their virtual channels.

**Value Adding Strategies:** Physical and virtual channel synergies can be exploited in various ways to help differentiate products and add value in various ways without necessarily increasing costs. The end result of these strategies is both to retain customers and hopefully to increase revenue. Many opportunities for differentiation arise from the use of the virtual channel to offer information and services that complement the goods and services offered in physical outlets. Offering pre-purchase conveniences such as the opportunity to make advance orders and reservations can, depending upon the product or service, help to enhance value for customers. Moreover, allowing customers to have virtual access to their account information (e.g. online account management) eases access to the firm. Virtual channels may offer complementary new services (e.g. based on organizing and synthesizing data on purchase histories) that not only make it easier to for customers to manage their own activities, but that also bring in revenue. There are also many ways to actively use each channel to promote traffic in the other. Cross promotions can include advertising as well as the provision of incentives (e.g. coupons, credits towards future purchases) to use the opposite channel. Various forms of after sales service (e.g. installation and repair, accessories, instructions and tutorials for effective use, etc.) and loyalty programs also can differentiate one provider from another while increasing lock-in.
Market Extension/Reach: A particular set of value-adding strategies emphasizes the use of the virtual channel to help extend the reach of a firm beyond their traditional physical outlets. The role of the Internet in making it possible to access new geographic markets is widely recognized. Virtual channels can also extend the product scope and product depth of physical channels. These uses of the virtual channel complement and strengthen rather than compete with the physical channel by allowing firms to make offers to new customers, and to offer new products to existing customers. It also enables firms to continue serving customers who move outside the reach of existing physical channels.

Differentiation through Value-Added Services-Physical and virtual channel synergies can be exploited at various stages in a transaction in order to help differentiate products and add value. Examples of pre-purchase services include various online information aids to help assess needs and select appropriate targets, or, conversely, opportunities in the physical environment to test out products. Examples of purchase services include ordering, customization, and reservation services, as well as easy access to complementary products and services. Post-purchase services include online account management, social community support, loyalty programs and various after-sales activities that may be provided either online or in the physical store. Typical opportunities are in the areas of installation, repair, service reminders, and training. Although many of these value-added services are potentially available to single-channel vendors, combined deployment of such services (e.g. online purchase of computer with in-store repair or training) can enhance differentiation and lock-in effects.

Improved Trust- Three reasons for improved trust, relative to pure Internet firms, derive from the physical presence of click and mortar firms, including reduced
consumer risk, affiliation with and embeddedness in recognized local social and business networks, and the ability to leverage brand awareness.

**Geographic and Product Market Extension**—Adding a virtual channel can help extend the reach of a firm beyond its traditional physical outlets, addressing new geographic markets, new product markets, and new types of buyers. Those in other geographic markets may be new or former customers who have moved away. Virtual channels can also extend the product scope and product depth of physical channels by enabling firms to offer new products that they do not have to physically stock locally. Moreover, firms may add new revenue generating information services online that would not be feasible to offer in physical outlets.

Deepa Thomas (E-bay head) said as India set to be among the top 10 global e-commerce hubs by 2015 and having the 4th largest number of internet users in world (The Economic times dated 5-10-2011), the penetration of the technology of Internet into our lifestyle has changed the way we think & live and the extension of festive greetings and wishes, on special occasion or festivals, to dear ones living worldwide is not an exception to this. From the past few years, there has been an upward swing in the online shopping and the preference of sending Rakhis and gifts using Internet has grown phenomenally. Some of the reasons behind this trend has been highlighted here as under:

- In today’s fast growing world everyone is on the move for studies or profession and sometimes they need to stay away from brothers or sisters in abroad thus unable to meet each other personally.
- Sending related gifts, brothers and sisters can send a surprising delight too.
Online shopping provides so much ease and convenience to the users. One can find for numerous categories of rakhis and gifts and send them with few clicks to anywhere in the world.

The online shopping also provides a hassle-free and timely delivery of gift items right at the door steps of beloved ones.

Shopping through net saves lots of time in comparison with the physical shopping like going to different market places and then selecting something. With online shopping one can get the purchasing done from his/her home or office.

The application of the Internet in the world has become a major trend in practice and generated a hot stream of research in the present day. The list of internet users is growing day by day. It is becoming popular due to many reasons. The Internet, as a collection of interconnected computer networks, provides free exchanging of information and makes the fast accessing of all the required information at a particular amount of time and at one place. As such, the Internet has been becoming a powerful channel for business marketing and communication (Palmer, 1999), and for new business prospects - as it is often called as "e-business" or "e-commerce" today (Schneider & Perry, 2001). This new virtual marketplace allows small companies competing with business giants by just having a better web presentation of their products/services. Online customers can access a wider choice of products or services, more competitive prices, and being able to buy their favorite items/services from the sellers located thousands miles away. It provides communication between consumers and companies and through electronic data interchange (EDI), buyers and sellers can exchange standard business transactions such as invoices or purchase orders with remarkably easy. Recent statistics showed
that 80 percent of the highly satisfied online consumers would shop again within two months, and 90 percent would recommend the Internet retailer to others. Due to improvement in science and technology, now people can shop online. There are lots of shopping sites in India like eBay.in, naaptol.com, indianplaza.com. E-commerce has made a profound impact on society. People can now shop online in the privacy of their own homes without ever having to leave. This can force larger brick and mortar retailers to open an online division. In some cases, it can also force smaller businesses to shut their doors, or change to being completely online. It also changes the way people look at making purchases and spending money. E-commerce has changed the face of retail, services, and other things that make our economy work. Undoubtedly, it will continue to influence how companies sell and market their products, as well as how people choose to make purchases for many years to come.

E-commerce provides for customization of products and services, in contrast to buying in a store or ordering from a television, which is usually limited to standard products. Dell Computers Inc. is a success story of customization. Today, we can configure not only computers but also cars, jewelry, gifts, and hundreds of other products and services. If properly done, one can achieve mass customization. It provides a competitive advantage as well as increases the overall demand for certain products and services.

The physical market disappears as does the need to deliver the goods to the marketplace. In a market space, which is an electronic market, goods are delivered directly to buyers when purchasing is completed making markets much more efficient. For those products that are digitally based—software, music and information—the changes will be dramatic. Already, small but powerful software packages are
delivered over the Internet. This fundamentally affects packaging and greatly reduces the cost and labour.

**ONLINE SHOPPING IN INDIA – THE CHANGING PARADIGM**

In today’s globalized economy E-commerce and internet have changed the way we shop for goods and services online. By all accounts, online shopping has grown in India in the last few years, but is still at its nascent stage. Internet penetration has had an enormous impact on the growth rate. Many shoppers still like to shop in stores to get the feel of the product, but the convenience of shopping online cannot be ignored. One of the greatest benefits of online shopping is that it helps consumers explore the products from different manufacturers and read others reviews, be they experts or fellow shoppers to make a more informed decision. If anything, buying online helps consumers minimize waste in the retail eco system as opinions are most important when it comes to purchasing. Online shopping in India is also proving to a boon for many small and medium enterprises, which are joining hands with major Indian online portals to display their products and advertise their services. With India turning net savvy, online shopping has become the latest fad in India with most of the net surfers recommending internet shopping. The study, conducted by Internet and Mobile Association of India (IAMAI, 2006) in collaboration with cross tab marketing services, clearly established the dominance of people-to-people (P2P) reference in online shopping pace, with 31% respondents finding such sites through word of mouth. As much as 55% visitors to e-commerce sites have adopted internet as a shopping medium, out of which 25% of regular shoppers are in the 18-25 age group, while 46% in the 26-35 age group and 18% in the 35-45 age group.
REASONS OF BUYING THROUGH ONLINE CHANNEL

Convenience: The convenience of this method of shopping is what I like best about it. Where else can you do shopping even a midnight wearing your night suit? You do not have to wait in a line or wait till the shop assistant is ready to help you with your purchases. You can do your shopping in minutes even if you are busy apart from saving time and avoiding crowds. Online shops give us the opportunity to shop 24 x 7 and also reward us with a ‘no pollution’ shopping. There is no better place to buy information products like e-books. Immediately after the payment is made one can download the information. And downloadable items purchased online eliminate the need for any kind of material goods at all.

Better Prices: Another thing which fascinates me is the cheap deals and better prices I get from online stores because products come to you direct from the manufacturer or seller without middlemen involved. Many online shops offer discount coupons and rebates. Apart from this, the Online Store is only required to collect sales tax if they have a physical location in our state even if we buy from a store across the world.

Variety: The choices you can get for products are amazing. One can get several brands and products from different sellers at one place. You can get in on the latest international trends without spending money on airfare. When you shop online, you can shop from retailers in other parts of the country or even the world without being limited by geographic area. These stores offer a far greater selection of colors and sizes than you will find locally. Apart from that, How many times have it happened that you spend your money reaching a local shop only to find that the product you need is out of stock? Some online shops have a provision to accept orders without
stock and ship it across to you when the stock becomes available. You also have the option of taking your business to another online store where the product is available.

**Send Gifts:** Online Shopping makes sending gifts to relatives and friends easy, no matter where ever they stay. Now there is no need of making distance an excuse for not sending a gift on occasions like Birthday, Wedding Anniversary, Marriage, Valentine’s Day, Mother’s Day etc.

**Fewer Expenses:** Many times when we opt for conventional shopping we tend to spend a lot more than the required shopping expenses on things like eating out, traveling, impulsive shopping etc.

**Comparison of Prices:** Online shops make comparison and research of products and prices possible. Online stores also give you the ability to share information and reviews with other shoppers who have firsthand experience with a product or retailer.

**Crowds:** Especially during Festivals and Special events the crowds can really give a head ache. Crowds force us to do a hurried shopping most of the time. For me grumpy or irritating people and those who smell bad are a huge turn off. Crowds also create a problem when it comes to finding a parking place nearby where you want to shop and going back to your vehicle later loaded with shopping bags.

**Compulsive Shopping:** Many times when we go out on Shopping we end up buying things which we do not require because of the shop keepers up selling skills. Sometimes we even compromise on our choices because of the lack of choices in those shops.
Buying Old or Unused Stuff at low prices: Online Shops make it possible for us to buy old or unused stuff at rock bottom prices. If we want to buy antiques there is no better options than online stores.

Discreet Purchases: Some things are better done in privacy. Online shops are also best for discreet purchases like adult toys, sexy lingerie and so on. Online Shops enable me to purchase under garments and lingerie without the embarrassment that there are several people watching me and my choices.

Changing Nature of Work: The nature of work and employment will be transformed in the Digital Age; it is already happening before our eyes. Driven by increased competition in the global marketplace, firms are reducing the number of employees down to a core of essential staff and outsourcing whatever work they can to countries where wages are significantly less expensive. The upheaval brought on by these changes is creating new opportunities and new risks and forcing us into new ways of thinking about jobs, careers, and salaries.

New Product Capabilities: E-commerce allows for new products to be created and existing products to be customized in innovative ways. Such changes may redefine organizations' missions and the manner in which they operate. E-Commerce also allows suppliers to gather personalized data on customers. Building customer profiles as well as collecting data on certain groups of customers, can be used as a source of information for improving products or designing new ones.

METHOD OF ONLINE SHOPPING

Most of the online shopping websites have the same pattern, first you choose the category under which your item is listed, and then you can select the item that
you're looking for, and add it to your shopping cart. If you want to buy other items, you click the "add to cart" button near them, and when you're finished you check out. After that you can see a list with everything that you've ordered, and the total amount that has to be paid. You can also remove items from your shopping cart if you desire to do so. Payment is usually done by credit card or net banking. The buyer pays the price and then shop delivers the items to the buyer's house in a few days.

1.2 SIGNIFICANCE OF THE STUDY

A highly demanding lifestyle is compelling consumers worldwide to adopt internet shopping as an alternative to traditional brick and mortar shopping. People, in order to save time and money IAMAI report 2009 reveals that almost 25% of the are motivated to purchase products and services total Indian population is living in cities. Overall, internet usage is shopping channel. There is hardly any product, low amount to only 24% amongst urban population. Online retailing is unanimously accepted and acknowledged as a cost-effective, profitable and accessible medium to shop. It therefore becomes imperative for online retailers to study online consumerism and how it is taking shape in today's era of rapid globalization.

Analyzing consumer behavior is not a new phenomenon. The theories of consumer behaviour have been used by many years not only to understand the consumer but also creation a marketing strategy that will attract the consumers efficiently. Originally the internet was mainly used by the academicians and researchers but now the scenario has changed as commercial organizations have moved to incorporate World Wide Web into their promotional campaigns and by offering the facility of online purchasing (Jobber & Fahy, 2008)
Dougal Rogan (2007) explains the relationship between consumer behavior and marketing strategy. He states that Strategy is about increasing the probability and frequency of buyer behavior.

Realizing the importance of E-commerce, companies would like to discover more business opportunities and to bring back more customers. As such, it is very important to understand consumers’ E-commerce adoption behaviour and their online shopping behaviour. This is believed to be different from their behavior in the traditional shopping environment. Thus, there is a need for the theory of consumer online shopping behaviour. In the consumer behaviour research literature for the traditional shopping environment, researchers suggested that there are different groups of factors influencing a consumer’s buying behaviour. Kotler et al.’s (1999) framework best described all these factors, namely, cultural factors, social factors, personal factors and psychological factors (Kotler et al., 1999). In the new market created by Internet, consumers find the new way of making their purchases. This new virtual market will bring significant different experiences to consumers. As such, in the online shopping environment, although the four groups of factors are still influencing consumers’ buying behavior, it is obvious that the way of influencing, i.e., how these factors influence consumer online shopping behavior, will differ from that in the traditional shopping environment. Therefore, there are compelling needs for studying consumer online shopping behaviour and the influences of different groups of factors. According to the framework proposed by Kotler et al. (1999), there would be possibly four exciting research areas studying the influences of different groups of factors on consumer online shopping behaviour. Firstly, the influence of cultural factors on consumer online shopping behaviour will differ from that in the traditional shopping environment. It is expected that consumers from different culture, subculture
or social class will have different online shopping behavior. Chau et al. (2002) revealed the cultural differences of consumer online shopping behavior by comparing the reactions of online consumers in U.S and Hong Kong to web sites of several global automobile manufacturers. They stressed that “the online behaviours of consumers are subtly different in nature from traditional consumer behaviour due to the unique characteristics and interplay of technology and culture” (Chau et al., 2002).

Secondly, the social influence on online consumer behaviour would be different from that on traditional consumer behaviour. Thus, it would be interesting and important to study the effects of social factors such as reference groups, family, and social roles and statuses (Kotler et al., 1999) on a consumer’s online shopping behaviour. Limayem et al. (2000) studied the impact of different social factors on consumers’ online shopping intentions and behaviour based on the theory of planned behaviour. They especially examined and tested the construct “subjective norms” (i.e., social influence). They showed the different effects of social factors on consumer online shopping behaviour and pointed out that “for subjective norms, while media and family influences were significant, friends’ influence did not make a difference” (Limayem et al., 2000).

Thirdly, the influence of personal characteristics on consumer online shopping behavior would differ from that on traditional consumer behavior. In the traditional shopping environment, a buyer’s decisions are influenced by personal characteristics, notably the buyer’s age and life-cycle stage, occupation, economic circumstances, lifestyle, and personality and self-concept (Kotler et al., 1999). It is obvious that consumers’ online purchase decisions will be influenced by personal characteristics as well. However, such influence may differ from that in the traditional shopping environment. Thus, to understand different online shopping behaviours with different personal characteristics would be important tasks to build the theory of
consumer online shopping behaviour and to improve the services quality. For example, it is obvious that young people will be more willing to adopt online shopping than old people and men and women will differ in online purchase decisions. Slyke et al. (2002), in their study of gender differences in perceptions of web-based shopping, showed that gender is a significant predictor of an individual’s intention to make purchases over the Web. They also found that men perceived Web shopping more positively than women. Fourthly, it is important to study how a person’s buying choices are further influenced by five major psychological factors – motivation, perception, attribution, learning and beliefs and attitudes (Kotler et al., 1999) in the online shopping environment, which is obviously different from that in the traditional shopping environment. This is the area realized to be the most important by researchers (Pavlou, 2001; Kim and Prabhakar, 2000). Most of current research studies are focusing on the effects of consumers’ psychological factors on their online shopping behavior (Pavlou, 2001; Kim and Prabhakar, 2000; Cheung and Lee, 2000; Limayem et al., 2000). Among the above five major psychological factors, perception is most popularly studied (Pavlou, 2001; Kim and Prabhakar, 2000). Perception is “the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world” (Kotler et al., 1999). The past works explored and studied consumers’ perceived usefulness (Pavlou, 2001), perceived ease of use (Pavlou, 2001), perceived risk (Cheung and Lee, 2000; Kim and Prabhakar, 2000; Pavlou, 2001), perceived consequences (Limayem et al., 2000). Most of the works focus on consumers’ perception on the online shopping as a new shopping way. They suggested that different perceptions about online shopping will lead to different online purchase decisions. However, there are areas worth to study but lacking of attention from researchers. Firstly, it lacks of the study on the criteria
dimensions of perceived risk in Ecommerce. Although current studies include perceived risk and study how risk perception will influence consumers’ online purchase decisions (Cheung and Lee, 2000; Kim and Prabhakar, 2000; Pavlou, 2001), it is still difficult to bring the results to practice. The practitioners find it very difficult for them to design risk reduction activities as they are not able to identify what are risks that consumers are facing and how they could reduce these risks. Thus, it is necessary to explore the criteria dimensions of perceived risk to understand different types of perceived risk in the online shopping environment. Better understandings of perceived risk in E-commerce will help practitioners to design risk reduction activities and get more online shopping consumers. Secondly, it lacks of the study on product differences in consumers’ Ecommerce adoption behaviour. While marketing researchers have long suggested that in a traditional shopping environment, consumers would behave differently when purchasing different products (Berkowitz et al. 1997; Kotler and Armstrong, 2001; Kotler et al., 1999; Lusch and Lusch, 1987), it is believed that, in the online environment, the same observation will hold, that is to say, different products will have different effects on consumer online shopping behavior. The expected results would help us to understand the different effects of different products and to understand how we could use Internet to better present and sell different products. Companies from product business and services business would be able to design their strategies based on the nature of their products and effectively market their products through the Internet channel. Thirdly, it lacks of study of consumers’ perceptions on products in the online shopping environment and also it lacks of study of consumers’ risk perceptions of online shopping in product business (physical goods). Tremendous efforts have been put into the study of consumers’ perceptions on products in the traditional shopping environment. Researchers reveal
the importance of these perceptions of products on consumers' purchase decision making (Chang and Wildt, 1994; Zeithaml, 1988). Thus, it is believed that how consumers perceive the product sold over the Internet probably will also influence their online purchase decisions. And also it is believed that perceived risk of online shopping is important in forming consumers’ online purchase intentions when they consider purchasing particular physical goods. Therefore, understanding of the relationship between consumers’ perceptions on products and their online purchase decisions and understanding of the relationship between consumers’ risk perceptions of online shopping and their online purchase decisions will definitely help practitioners to effectively and efficiently design and market their products over the Internet and get more online customers. Secondly, in the marketing discipline, products could be classified into two groups: goods and services. Marketing researchers have long suggested that consumers would behave differently when purchasing goods and services in a traditional shopping environment (Berkowitz et al. 1997; Kotler and Armstrong, 2001; Kotler et al., 1999; Lusch and Lusch, 1987). While it is believed that, in the online environment, the same observation will hold, only modest efforts have been devoted to examining the effect of product type on consumers’ online shopping behavior. Hence, theories on product effects in an online environment need to be developed. This study investigates the moderating effects of product type on the relationships between consumers’ perceptions about E-commerce and consumers’ intention to adopt E-commerce. Thirdly, as we all know, the number of Internet users has increased significantly over past few years. However, most of surveys indicate that the low penetration rate of Internet shopping is common in most countries, especially in Asia. Only a small portion of those users have actually purchased online (Kim and Prabhakar, 2000). Why would consumers not go for
online shopping? This is the question faced by practitioners and researchers. The study of consumer online shopping behavior has been realized to be very important and carried out by many researchers (Pavlou, 2001; Kim and Prabhakar, 2000). Most of current research studies of consumer online shopping behavior investigate the factors influencing consumers’ intention to adopt online shopping as a new purchase method (Pavlou, 2001; Kim and Prabhakar, 2000). They focus on consumers’ perceptions about online shopping, the new way of making purchases. However, there is one question in our mind, even if consumers accept the idea of online shopping, would they make actual purchases over Internet. Would the product itself affect consumers’ online purchase intention? In current research studies, only modest efforts have been devoted to examining consumers’ perceptions on products. There is a knowledge gap between consumers’ shopping behavior in the traditional environment and that in the online environment. As the number of people using the Internet for their shopping steadily rises, it is increasingly important for retailers to understand why consumers decide to buy products online or offline. The online growth rates still indicate that the online channel will play a more profound role in consumers’ shopping activities. Inarguably, online channel present different shopping experiences even when the same products are purchased (Wolfinbarger and Gilly 2001). Instead of interacting with employees in a physical space, consumers interact in a virtual environment through the website interface (Hoffman and Novak 1996). Additionally, the Internet is praised for its capabilities to provide interactivity (chat, e-mail), personalized experiences (registration, user input, personalization), multimedia (Flash animations, movies), shopping tools (virtual sales assistant, search engine, order tracking), community (virtual communities, consumer reviews), increased product selection and information (Wolfinbarger and Gilly 2001).
paradigm shift in the buying channels i.e. from physical space to digital space and sellers have moved online with their internet based shopping malls. Hence there is a lot of potential emerging in the market for the companies to study on the factors of E-shopping. Moreover there is a dearth of research in the Indian context specifically exploring the potential of E-shopping. Moreover the success of online businesses relies heavily upon their ability to attract and retain customers. In such a scenario, systematic research is required which will probe the online buying behaviour of the browsers and investigate the major aspects of E-shopping like awareness level, satisfaction level and the factors that increases the potential of E-shopping. More specifically, the study will identify the factors perceived as important to online shoppers when making the decision to visit website. Moreover there are very few studies giving a complete picture of E-shopping so the study will make an in-depth analysis of E-shopping.

At any given time there are millions of people online and each one of them is a potential customer for a company providing online sales. Due to the rapid development of the technologies surrounding the internet, a company is interested in selling products from website. Since there are many potential customers, it is of utmost importance to be able to understand what the customer wants and needs. The importance of analyzing and identifying factors that influence the consumer when he or she decides to purchase on the internet is vital. Since the internet is a new medium for there have been new demands set by the consumers. Furthermore, analyzing consumer behaviour is not a new phenomenon. Hence understanding and identifying the consumer is closely related to the directions a company will take their marketing strategy. Moreover online consumer behaviour is diverse from traditional consumer behaviour one must identify what influences the online consumers. The factors need
to be identified and taken into account by online retailers in order to satisfy consumer
demand and compete in the online market.

Consumers are playing an important role in online shopping. The increasing
use of Internet by the younger generation in India provides an emerging prospect for
online retailers. If online retailers know the factors affecting Indian consumers’
buying behaviour, and the associations between these factors and type of online
buyers, then they can further develop their marketing strategies to convert potential
customers into active ones. Hence this research aims at finding and analyzing factors
that might help marketers when persuading the target group to increase their usage of
Internet as a purchasing channel.

1.3 OBJECTIVES OF THE STUDY

Keeping in mind its significance, we plan to study with the objectives as mentioned
below:

I   To study the impact of Socio-Cultural factors on online buying behavior.

II  To study the Perception of Indian Consumers regarding the online buying
    behaviour with reference to awareness and customers satisfaction.

III To assess the ability of E-Shopping sites to attract and retain customers in
     Indian Environment.

IV  To study the nature and impact of various promotional strategies/methods on
    E-shopping.

V   To analyze the Shift in Buying Behaviour among Indian Consumers with
    reference to buying channels.

VI  To study the factors due to which the potential customers do not use E-
    Shopping as their buying channel.
1.4 RESEARCH METHODOLOGY

Research is not only concerned to the revision of the facts and building up-to-date knowledge but discover new facts involved through the process dynamic changes in the society. Methodology is defined as a system of methods and rule to facilitate the collection and analysis of data. It provides the starting point for choosing and approach made of theories, data, concept and definition of the topic (Hart, 1998)

RESEARCH METHOD

There are two basic research methods; qualitative and quantitative research. Qualitative research provides insights and understanding of the problem setting. In this study qualitative research was used with a goal of getting insight into the online shopping. The qualitative research method involving the collection of variety of empirical papers, literature and knowing personal experiences of the online shopper and non-online shoppers. Quantitative research seeks to quantify the data and typically, applies some form of statistical analysis. In this research, more emphasis is laid on quantitative research.

RESEARCh DESIGN

Research design is a framework or blueprint for conducting the marketing research projects. It explains the procedure necessary for obtaining the information needed to structure or solve research problems. The present research design was exploratory in the initial stages then after gaining the insights into the problem it was verified and quantified by conclusive research. The form of conclusive research design adopted for the study was descriptive in nature. The objective of exploratory research is to explore or search through a problem or situation to provide insights and
understanding. In this study, the expert opinion was taken to form the research instrument and pilot surveys were made initially. On the other hand, descriptive studies involve collection of data through structured design and survey method is followed in order to get the needed information. It is typically based on representative sample which was used to description and define the behaviour of the consumer. A descriptive research design requires a clear specification of the who, what, when, where and why of the research. So basically this study is purely based on descriptive data.

**SAMPLING DESIGN**

In this study, the sample of the study was initially based on Purposive, Convenience and Judgement sampling. Districts became the first stage of sampling unit. The selection of respondents were based on convenience method. Guilford, J.P.(1984) writes a purposive sampling is one which is arbitrarily selected where there is a good evidence that it is very much representative of the total population or it is known that it will produce well matched response.

**LOCALE OF THE STUDY**

Punjab, Haryana and Chandigarh is the locale of the study.

**SAMPLE SIZE**

Sampling is described as the selection of a fraction of the total amounts of units of interest to decision makers, for the ultimate purpose of being able to draw general conclusion about the entire body of units (Parasuraman, 1991). Sampling methods are classified as either probabilistic and non-probalisitic. The respondents
were taken with the convenience technique. The age group above 18 years of age taken as the literature reveals that the young people are keen towards online shopping in India.

The sample in the study was restricted to 800 respondents keeping in mind the research objectives and constraints. The respondents were classified into four age groups below 18 years, 18-30 years, 30-45 years and above 45 years. In Punjab, four districts were selected and chosen i.e. Patiala, Ludhiana, Jalandhar, Amritsar and in Haryana four districts i.e. Ambala, Gurgaon, Sirsa and Punchkula were selected.

Thus the ultimate sample of study consists of 800 respondents (Punjab=320 respondents, Haryana=320 respondents and Chandigarh=160 respondents).

RELIABILITY AND VALIDITY

**Reliability** is used to describe the overall consistency of a measure. A measure is said to have a high reliable if it produces similar results under consistent conditions. The goal of reliability is to estimate errors in measurement and to suggest ways of improving tests so that errors are minimized.

The goal of estimating reliability is to determine how much of the variability in test scores is due to errors in measurement and how much is due to variability in true scores.

There are four procedures in common use for computing the reliability coefficients (sometimes called the self-correlation) of a test.

1. Test-Retest (Repetition).

2. Alternate or Parallel-forms
3. Split-half Technique

4 Rational Equivalence

In this study, the split-half method has been used which has some advantages over the other methods. In many instances it is impossible or economically infeasible to administer instruments to the same people on two occasions. In this test, the reliability of the odd-even items has been found to be 0.76 and the self correlation of the whole test has been estimated by the formula and has been found to be 0.86 which is highly correlated. Therefore there is very good reliability between the various items of the scale used by the researcher.

VALIDITY

The Validity of scale refers to the question whether we are measuring what we want to measure. Validity of the scale refers to the extent to which measurement process is free from both systematic and random errors. The validity of a scale is a more serious issue than reliability. There are three principles approaches to validity: face or content validity, concurrent validity and predictive validity. In the study for the development of scale measuring the online shopping buying behaviour among Indian consumers. In the first instance, efforts were made to improve and ensure the face validity of the scale by carrying out the interviews and discussions with some experts in the target field (university researchers and professors in education) and editing it again and again. Once a definition had been outlined, the content validity judgement criterion for the items was then become consistent with the proposed definition of the buying behaviour and with regards they measure the online shopping buying behaviour. Initially 80 items were chosen (10 items for each dimension) for
development scale measuring the proposed study). As in most of the prior studies, a five point likert scale (1=strongly disagree to 5=strongly agree) was used as a response option from the online shoppers and non online shoppers. All items underwent the judgment of experts who were given the definition of the proposed research and were asked to identify: (1) any ambiguity in the wordings (2) any incompatibility between an item and dimension it is supposed to measure. Taking into account the comments and preferences received from experts 50 items were selected for measuring the buying behaviour of the Indian consumers. The items deleted have conceptual ambiguity. The scale was administered to small group as a means to further select the items, deleting those with redundancy and comprehension problems. During this phase, discussions were carried on the scale that showed comprehension problems or conceptual ambiguity.

SENSITIVITY

The sensitivity of the scale is an important measurement concept, particularly when changes in attitudes are under investigation. Sensitivity refers to an instrument’s ability to accurately measure the variability in the concept. A dichotomous response category such as agree or disagree does to allow the recording of any attitude changes. A more sensitive measure with numerous categories on the scale may be required. So in this research by adding strongly agree, agree, neither, disagree and strongly disagree categories will increase the sensitivity of the scale used in the research.

DATA COLLECTION

Data is an important tool for the success of the study. In order to make a meaningful research a suitable methodology has to be adopted. The study was based
on the primary data collection. As the study is descriptive in nature, the primary data can be collected either through observation or through direct communication with the respondents in one form or the other. In spite of a big universe and a large sample size the tedious work of collection of data has been completed successfully. For the purpose of investigation and data collection, survey method was used as it is very common in communication and marketing researches. As the present study is based on primary data, which are collected with the help of questionnaire prepared in keeping in mind the operationalizations and conceptualizations of all items.

**PILOT STUDY**

After the selection of data collection method, the particular methodology and scale to be used in the survey have been formulated. In the initial phase of the study, several tests/experimental surveys have been carried out so as to list down various significant factors playing central role in the study in hand. In these type of studies, it is better to examine various aspects with the help of pilot surveys. The initial scale includes various statements are recorded during the direct communication with the help of respondents, which later on helped to draft a final scale. The questionnaire was tested in pilot study.

**PROCESSING AND ANALYSIS OF DATA**

The data after collection are to be processed and analysed with the requirement and purpose at the time of the development of the scale. It is essential for such a scientific study that only the relevant data and processed through the proper statistical tools. Data were thoroughly evaluated before analysis. Data were analyzed
with the help of Statistical Package for Social Science (SPSS Package) and the MS-EXCEL tool.

1.5 LIMITATIONS OF THE STUDY

The study has been conducted with immense responsibility while keeping in the mind the success of first step is deemed necessary to have second one. Proper planning was done to analyze every aspects of the study. All precautions have been taken to evolve a systematic study to reduce the element of bias to its lowest extent. The data was collected through personal interaction and every effort was made to observe consistency throughout. The statement of the scale was well explained and every response has been recorded properly (wherever necessary).

Although the efforts have been made to make this study ‘a comprehensive’ one but due to various reasons like time, money, small sample size, limited sampling unit there could be some limitations in the study. The main limitation can be the small sample size as compare to the universe, biasness or resistance in the respondent response due to some personal reasons, lack of published/unpublished direct literature on the study, time constraints and frequent development/changes in the field.

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