

A STUDY ON THE FACTORS RESTRICTING ONLINE BUYING BEHAVIOR OF SEMI-URBAN COLLEGE STUDENTS OF NORTH KARNATAKA

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ABSTRACT

Commerce to e-commerce and retailing to e-tailing is the transformation we are witnessing in today's businesses, with online shopping becoming a trend across the world. The growing popularity of online buying is due to the utmost convenience it provides, Increasing advertisement, and promotional activities undertaken by the service providers has increased awareness towards online shopping. Besides the advent of smart cell phones, and touch screen devices have a greater impact on online marketing of a large variety of goods and services. Having large and vast coverage of customers, the online marketing is not only attracting, the learned computer savvy people but also the illiterate people having moderate cell phone awareness about cell phone usage also in its coverage. Among them college students are the most tempted customers towards the online trade in the urban areas of the state. On the other hand, despite fast spread of online buying, there are still many hiccups or bottlenecks observed in online buying which are more severe in the semi urban areas of the state.

With this background the main purpose of this paper is to study the factors that are restricting or affecting the growth of online buying in the semi urban and rural areas of the state. Simple explorative research design is adopted to explore these factors in this paper. Further it is attempted to analyse primary data collected in this regard by applying simple correlation matrix and factor analysis concepts to crop up important factors that have bearing on the online buying behavior of the college students in North Karnataka.

Key words: Online buying, Network connectivity, Online Banking, Serviceability, Product Delivery, Consumer behaviour, Buying Decision.

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1. INTRODUCTION

Commerce to e-commerce and retailing to e-tailing is the transformation we are witnessing in today's businesses. Where in online shopping is the trend of the today's retailing across the country and abroad. The growing popularity of the online buying is due to the utmost convenience it provides and as well as the increasing advertisement, promotion by the service providers in online marketing. Online Buying is the

process of buying goods and services from sellers over the Internet. The emergence of the Internet has provided an opportunity for both sellers and buyers to trade on internet, and the process has been termed e-commerce. The traders have sought to sell their products to people who spend time on Internet. Rapid change in the technology and invention of new high tech electronic gadgets are attracting the young college going population towards the new life style and fashion and curiosity towards new launches make them to go for online shopping.

As per Times of India report dated 3rd July 2014 by Subodh Verma, India has the second largest population in the world reading 315 million by 2011 census. The higher education sector owing to its potential holds very promising prospects with an estimated 144million people in the age group of 18-23 years; the sector offers one of the most attractive yet highly complex markets for the private/foreign players. Further a study says that 40 million online buyers shop in India by 2016 according to Indo-Asian News Service. There has been an increase of 20 million people from 2013 to 40 million people by 2016. Of which approximately 35% population is in the age group of 18-23, which mostly belongs to student category.

This shows the growing potential for online shopping sector. Also it is more attractive from the point of view of the online seller. Now having understood, more than 35% of the Indian population is youth and student population which is also a prospective customer base for online shopping, the curiosity of this paper deflects on to look at semi urban student population and their temptations towards online shopping. It also triggers the curiosity of this paper to review some already made researches in this regard and the following review of literature is summarized.

2. REVIEW OF LITERATURE

The concept of Online Buying Behavior has been one of the major research areas in recent times with the rapidly growing e-business. Among the recent researches in the aforesaid area, some of the pertinent literature has been discussed here below.

- There is an increasing trend of using Internet for routine and household works such as buying mobiles, movie tickets, buying books and music but the scene has not transformed dramatically in case of India. A very fast transition is visible in the younger age group. An analysis of the trends on online shopping in India by Kiran et al. (2008), points out that there is a growing awareness of getting more information through websites. Though a majority of users surf internet for information on the contrary a very smaller portion of them actually buy online.
- A study made by P. Usha Vaidehi (2014), reveals that male students are more dynamic in nature and hence buy online more than girl students. This study exhibits that the factors such as shopping online saves time, availability of the product for less price, promotions that E -Retailers are providing, ease in payment are the motivating drives to encourage students to shop more online. However both male & female respondents preferred to purchase goods online and they were more interested to buy apparels, electronic goods and books through online.
- Khare and Rakesh (2011), in their study conducted in India on “Antecedents of Online Shopping Behavior in India: An Examination” found that Indian students’ intention to purchase online is influenced by utilitarian value, attitude toward online shopping, availability of information, and hedonic values.
- Satisfaction, trust and commitment were found to have significant impact on student loyalty toward online shopping, in the study carried out in Indonesia by Pratminingsih et al. (2013). As per the study conducted in US by Lester et al. (2005), locating “hard to find merchandise,” can shop online any time of the day, competitive prices, ability to compare prices, secure site, broad assortment of merchandise, and privacy were among the most important reasons for purchasing merchandise on the Internet. Of least importance were avoid salesmen, tax-free items and fun.
- According to the study in the US by Sorce et al. (2005), younger consumers searched for more products online than did older consumers, but they did not buy more online. Younger consumers were more likely to agree that online shopping was more convenient than older consumers.

3. NEED FOR THE STUDY

The conceptual development in the area of e-commerce and m-commerce, and as well as the technological advancements in the area of internet, mobile along with their software innovations, necessitates for the larger adoption of online trading as compared to the current proportion. Old conventional retailing is still in practice today as against the expected 100% online trading based on the above literature review. Most of the researches mentioned above, prompts one important observation that, the college students are more temptive to new technology than the old people and hence adopt to online buying quickly. Though the technology upgradation has been facilitating for online buying or e-commerce to a large extent, still there are a number of problems or issues that are regulating the trade on internet or online shopping as such. Especially, students and the younger generation from semi urban population have been deprived from technological advancements and also are not exposed to the availability of such facilities due to regional imbalance. This problem is taken to be the focus of this study to know what factors are restricting this trade or online buying. Therefore need is felt to study, what is de-motivating the semi urban college students to buy from the online stores?

4. OBJECTIVES OF THE STUDY

- To study the status of online buying among semi urban college students
- To explore the factors restricting the online buying among semi urban college students

Since Semi-urban students are suffering from few hiccups in online shopping due to regional imbalance in the technology based services, the current study aims to verify few commonly observed restrictions such as Product Delivery, Network Connectivity, Parental Restrictions, Risk, Serviceability, Replacement Misconceptions are identified in the study which are restricting the online buying behavior of the semi urban students in the study.

5. HYPOTHESIS

Therefore it is felt essential to study whether there is any impact of these factors on the buying decision formulating the following six simple Hypothesis.

H₀₁: There is no significant relationship between Buying decision and Product delivery

H₀₂: There is no significant relationship between Buying decision and Network connectivity

H₀₃: There is no significant relationship between Buying decision and Product replacement

H₀₄: There is no significant relationship between Buying decision and Risk

H₀₅: There is no significant relationship between Buying decision and Serviceability

H₀₆: There is no significant relationship between Buying decision and Parental Restrictions.

6. METHODOLOGY

An explorative research design is adopted to explore the factors restricting online buying among the respondents.

Sample: Respondents are chosen from the PUC and Degree colleges of Gadag District. A sample size of 243 respondents composed of male and female students chosen from Pre-university and Degree college students regardless of the stream they are studying like Engineering, arts, science and commerce.

The Instrument: A self-constructed questionnaire was used as a re-search tool. It consisted of three main parts. The first part consisted of demographic variables such as age, gender, sex parental income etc. The second part focused on the factors affecting the attitude of online shopping. This part contained 10 items with different possibilities of answering using a 5-point Likert type questions having options Totally disagree, Slightly disagree, Neutral, Slightly agree, and Totally agree.

Administration of the Instrument: The respondents were chosen on convenience and availability sampling basis.

7. ANALYSIS AND FINDINGS

An elementary descriptive analysis is made here to assess and explore the factors restricting the online buying decision of students. The analysis of the data flows into two parts, in the first exploring the demographic information of the students and in the second part the association of the six factors with the online buying decision is tested using correlation and regression co-efficient. Table -1 is prepared to describe demographic information of the respondents.

The respondents under study were chosen from the colleges of Gadag district, on convenience sampling basis. Care has been taken to identify the students, studying in colleges after 10th class. The questionnaire was distributed to students chosen for study the researchers self administered the response collection by close interaction with the respondents. From table-1 it is clear that, 95% of the students are aware of online shopping and hence the status of online shopping is showing almost complete awareness about online buying among the semi urban students. Thus our first objective is fulfilled to verify whether the students are aware of this new online buying and selling.

In the second part of analysis the table 2 given below summarizes the various problems identified in the study and their severity felt by the respondents in a five point scale

Table 1 Demographic information of Respondents

Demographic items	No of Respondents	Percentage %
No of Respondents	243	
Sex		
Male	138	56.7
Female	105	43.3
Age group		
16-18	60	24.5
18-20	85	35
20-22	80	33
22 & above	18	07.5
Marital Status		
Married	15	6.5
Un Married	228	93.5
Parental Income		
Below 10000	--	0
10000-20000	112	46
20000-50000	60	24.5
50000-75000	60	24.5
75000 and above	11	05
Online Shopping Awareness		
YES	232	95
NO	11	05

Table 2 Opinion of the respondents on various restrictions in online buying

Restrictions	No of students opining					Total
	Very Low	Low	Average	High	Very High	
Product Delivery.	0	35	27	53	128	243
Network Connectivity	0	36	27	54	126	243
Parental Restrictions	1	35	27	53	127	243
Risk	1	59	69	37	77	243
Serviceability	0	42	27	55	119	243
Replacement Misconceptions	1	59	55	51	77	243

From the table -2 above, we can easily make out that, majority of the respondents have faced one or the other problems in making online buying. Each of these problems have been analyzed herewith based on the responses of the students under study.

Table 3 Correlations among the factors

		Replaceme nt	Prod_Dele very	Serviceabil ity	Connectivity	Parental restriction s	Risk
Replacement	Pearson Correlation	1	-.107	-.052	-.089	-.085	.980**
	Sig. (2-tailed)		.097	.424	.167	.187	.000
Product Delevery	Pearson Correlation	-.107	1	.043	.983**	.973**	-.145*
	Sig. (2-tailed)	.097		.505	.000	.000	.024
Serviceability	Pearson Correlation	-.052	.043	1	.053	.056	-.068
	Sig. (2-tailed)	.424	.505		.410	.387	.288
Connectivity	Pearson Correlation	-.089	.983**	.053	1	.997**	-.128*
	Sig. (2-tailed)	.167	.000	.410		.000	.046
Parental restrictions	Pearson Correlation	-.085	.973**	.056	.997**	1	-.124
	Sig. (2-tailed)	.187	.000	.387	.000		.054
Risk	Pearson Correlation	.980**	-.145*	-.068	-.128*	-.124	1
	Sig. (2-tailed)	.000	.024	.288	.046	.054	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 5 Testing for the significance of the factors restricting online buying (Coefficients^{a)}

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Replacement	-.934	.076	-.976	-12.351	.000
Product Delevery	-.746	.096	-.725	-7.785	.000
Serviceability	.015	.015	.015	.973	.332
Connectivity	3.999	.268	3.904	14.900	.000
Parental restrictions	-2.253	.212	-2.222	-10.646	.000
Risk	.935	.076	.979	12.330	.000

a. Dependent Variable: Buying Decision

From the SPSS output given above in table-3, 4 and 5 it is clear that, there is a positive correlation among the six factors chosen for study and the online buying decision. Except the Serviceability factor, all other factors are showing thorough correlation with the buying decision. For example, the factor Replacement, From the table-5, the t-value calculated showing $t = 12.357$ for a two tailed test, having p-value equal to 0.000 which is lesser than the level of significance 0.05, indicating the rejection of the hypothesis that, there is no significant effect of the factors under study and the online buying decisions of the students. Which means that there is a correlation existing between the factors under study and the buying decision of the respondents? Hence, the following factors are found impactful in buying decision.

H_{01} : There is no significant relationship between Buying decision and Product delivery

The Simple regression result indicates a regression coefficient of $\beta = -.746$ and a significant value of $p = .000$ which is smaller than alpha at .05 level of significance which means that the null hypothesis is rejected. It can thus be concluded the association between utilitarian personality and attitude toward online shopping was positively significant.

H_{02} : There is no significant relationship between Buying decision Network connectivity

The Simple regression result indicates a regression coefficient of $\beta = 3.999$ and a significant value of $p = .000$ which is smaller than alpha at .05 level of significance which means that the null hypothesis is rejected. It can thus be concluded the association between utilitarian personality and attitude toward online shopping was positively significant.

H_{03} : There is no significant relationship between Buying decision and Product replacement

The Simple regression result indicates a regression coefficient of $\beta = .115$ and a significant value of $p = .000$ which is smaller than alpha at .05 level of significance which means that the null hypothesis is rejected. It can thus be concluded the association between utilitarian personality and attitude toward online shopping was positively significant.

H_{04} : There is no significant relationship between Buying decision and Risk

The Simple regression result indicates a regression coefficient of $\beta = .935$ and a significant value of $p = .000$ which is smaller than alpha at .05 level of significance which means that the null hypothesis is rejected. It can thus be concluded the association between utilitarian personality and attitude toward online shopping was positively significant.

H_{05} : There is no significant relationship between Buying decision and Serviceability

The Simple regression result indicates a regression coefficient of $\beta = .015$ and a significant value of $p = .332$ which is smaller than alpha at .05 level of significance which means that the null hypothesis is accepted. It can thus be concluded the association between Serviceability and attitude toward online shopping is not significant.

H_{06} : There is no significant relationship between Buying decision and Parental Restrictions

The Simple regression result indicates a regression coefficient of $\beta = -2.253$ and a significant value of $p = .000$ which is smaller than alpha at .05 level of significance which means that the null hypothesis is rejected. It can thus be concluded the association between utilitarian personality and attitude toward online shopping was positively significant

8. DISCUSSION ON THE FINDINGS

Product Delivery: This is one of the prime factors that students or any of the customers planning to buy online think about. The service providers like Flipkart, Amazon, etc, have to still establish their delivery network in semi urban places in India. Many of the occasions while making selection in the online shopping portals, there will be a mention of no delivery to the specified PIN codes. This restricts the students in making such a buying decision, which is also evident from the response of the students interviewed and the analysis made above.

Network Connectivity: This is another major restriction that regulates the customers to think twice before they initiated online buying. In semi urban places, this low connectivity or no connectivity is a big problem. Due to this neither the students would be able to login into the online shops or even make any transaction. Making payment is again a big trouble with low connectivity and leads to withdrawal of online buying by any such individual. This is also reflected in the response of the students interviewed and evident from the hypothesis H₀₂ above.

Parental Restrictions and Risk: Due to the above two restrictions, the parents stop their children in going for online shopping. Parents residing in semi-urban areas are worried about so many associated problems with online buying. They perceive, loss of money, cheating by an unseen party, defective product may be sent refund not possible, and so on and so forth. Thereby they tend to restrict the student, in attempting an online buying exercise. Almost 75% of the respondents have opined that, their parents restrict them from online shopping. Also it is evident from our hypothesis H₀₄ and H₀₆ being rejected.

Serviceability and Replacement Misconceptions: Replacement for a faulty product or change in the product features is thought to be always doubtful by the customer in case of online shopping as the supplier is remote and physically not known. Also, since the product has to be again sent back to the supplier through courier service, for replacement creates all kinds of doubt in the minds of the customer. The failure of the hypothesis H₀₃, and H₀₅ analyzed above and the correlation value above 0.9 indicates that, the online buying decisions are restricted by these problems. Amongst all the restrictions, serviceability is a weak factor and is also understood, that, the respondents have an understanding that, they may get service to the product in the service centre and not by the online suppliers most of the time.

9. SCOPE FOR FURTHER STUDY

This study can be further extended to understand the causal relationships between the factors restricting or influencing online buying behavior and students overall attitude towards online shopping by employing a structural equations modeling technique. In addition, Future research should use a more elaborate model in cooperating additional antecedent factors beyond those mentioned in this study. Also the study can be extended to student community as whole across the country.

10. CONCLUSION

Though there is an increasing trend in online buying across the country and growing student customer base for online shopping, the expected volume of business is not happening due to transactional problems. Especially student customers are not fully adopting to online shopping due to several restrictions they are facing. This study reveals that semi urban students are more prone to these problems such as low connectivity, risk in buying, parental restrictions, replacement misconceptions and product delivery issues. The findings suggest that students in the semi urban areas need to be provided with good connectivity, delivery service so that they can convince their parents in going for online shopping. Further the study throws light on the infrastructural requirements to be improved by the policy makers for semi urban and rural areas of the country. Network connectivity and logistics problems are restricting a large number of customers shifting from conventional buying to online buying and hence exploring the high untamed potential for online shopping in future. Lastly it is needless to say that, it necessary to recognize the limitations of the current study.

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