



## A STUDY ON REASONS FOR PURCHASING ONLINE WITH REFERENCE TO MADURAI CITY

**Dr.T.Ramalakshmi**

Assistant Professor, PG and Research Department of Commerce, CPA College, Bodinayakanur .

### **Abstract**

Internet shopping has been widely accepted as a way of purchasing products and services. It has become a more popular means in the Internet world. The objective of this paper in analyzing reasons of online purchase perceived by online buyers of different age groups revealed that total online buyers the top three motivations or the three most agreed reasons for buying online among different age categories are 'convenience', 'non-availability of products' and 'no need to deal with sales people' out of nine reasons namely Convenience, Time –Saving, Trying something new, Easy Product Finding, Easy Comparison, Non-availability of products, No Salesman dealing, Product Customization and Discount / Offers.

**Keywords:** Online Purchase, Perception, ANOVA, Multiple Correlations -Tukey HSD.

### **Introduction**

Online Marketing is the art and science of selling products and/or services over digital networks, such as Internet and cellular phone networks. The science of online marketing refers to selecting the online marketing strategies to be applied. E-Commerce (electronic commerce) is type of online marketing and is defined as “the art and science of selling products and/or services over the Internet. Online shopping is the process consumers go through to purchase products or services over the Internet a reduction of the opportunity costs of effort and time involved in shopping activities. Because of the changing lifestyles and lack of time (due to hectic schedule), consumers now have hardly time to go out to shop at physical locations such as stores and shopping malls. Further to add, online shopping mode is regarded as the most excellent way to counter for consumers feeling uncomfortable dragging their kids for shopping. Generally all this features are absent in the traditional brick and mortar stores.

### **Statement of the Problem**

Presently Internet is used for several purposes including interactive communication, information search and shopping. Internet is also a means through which businesses can effectively and economically perform their marketing activities. Online shopping is getting more attention from shoppers for several reasons. Online shopping can be done from anywhere as it is not restricted to any certain geographic area or certain stores. Thus shoppers can buy the product required from vendors located in different place anywhere in the world if in case the product is not available at their location. Due to this convenience and time saving characteristics has become even more essential in recent times. The only basic requirement for online shopping is credit card and computer with internet access. An internet shopper just has to sit down with computer having internet access and credit card, choose the product required then order and wait for the delivery. It is necessary to study the perception of online buyers on online purchase at different age groups.

### **Objectives**

The main objective of this paper aims at analyzing reasons of online purchase perceived by online buyers of different age groups.

### **Methodology**

The study is based on both primary data which were collected with the help of a well-constructed interview schedule. In Madurai City there are a numerous online shoppers. Out of which 400 were chosen and 355 respondents responded with interest. Pilot study was conducted and pretested. Data was collected during the period of Jun 2010 to Dec 2010. Data was collected after checking the respondent's awareness of online shopping. Total number of respondents was 355.

**Tools:**To analyse the reasons of online purchase among different age groups, ANOVA and Multiple correlation using Tukey HSD (Honestly Significant Difference) were used.

### **Hypotheses**

To explore differences in the perception of online buyers of different age groups towards reasons of purchasing online following hypothesis were set.



- H0 (1): There is no significant difference in the perception of online buyers of different age groups regarding convenience.  
H1 (1): There is a significant difference in the perception of online buyers of different age groups regarding convenience.  
H0 (2): There is no significant difference in the perception of online buyers of different age groups regarding timesaving.  
H1 (2): There is a significant difference in the perception of online buyers of different age groups regarding timesaving.  
H0 (3): There is no significant difference in the perception of online buyers of different age groups regarding inclination towards trying something new.  
H1 (3): There is a significant difference in the perception of online buyers of different age groups regarding inclination towards trying something new.  
H0 (4): There is no significant difference in the perception of online buyers of different age groups regarding ease of finding products.  
H1 (4): There is a significant difference in the perception of online buyers of different age groups regarding ease of finding products.  
H0 (5): There is no significant difference in the perception of online buyers of different age groups regarding ease of comparison.  
H1 (5): There is a significant difference in the perception of online buyers of different age groups regarding ease of comparison.  
H0 (6): There is no significant difference in the perception of online buyers of different age groups regarding non-availability of products.  
H1 (6): There is a significant difference in the perception of online buyers of different age groups regarding non-availability of products.  
H0 (7): There is no significant difference in the perception of online buyers of different age groups regarding no need to deal with sales people.  
H1 (7): There is a significant difference in the perception of online buyers of different age groups regarding no need to deal with sales people.  
H0 (8): There is no significant difference in the perception of online buyers of different age groups regarding product customization.  
H1 (8): There is a significant difference in the perception of online buyers of different age groups regarding product customization.  
H0 (9): There is no significant difference in the perception of online buyers of different age groups regarding offers/discounted prizes.  
H1 (9): There is a significant difference in the perception of online buyers of different age groups regarding offers/discounted prizes.

### Results and Discussions

There are nine reasons namely Convenience, Time –Saving, Trying something new, Easy Product Finding, Easy Comparison, Non-availability of products, No Salesman dealing, Product Customization and Discount / Offers considered for analysis of variance.

**Table 1 ANOVA of Reasons for Purchasing Online - Age group wise**

Reasons		Sum of Squares	Df	Mean Square	F Stat
Convenience	Between Groups	8.991	3	2.997	4.761*
	Within Groups	221.557	352	0.629	
	<b>Total</b>	<b>230.548</b>	<b>355</b>		
Time –Saving	Between Groups	2.597	3	0.866	1.409 <sup>NS</sup>
	Within Groups	216.243	352	0.614	
	<b>Total</b>	<b>218.840</b>	<b>355</b>		
Trying something new	Between Groups	1.109	3	0.370	0.379 <sup>NS</sup>
	Within Groups	342.666	351	0.976	
	<b>Total</b>	<b>343.775</b>	<b>354</b>		
Easy Product Finding	Between Groups	1.747	3	0.582	0.719 <sup>NS</sup>
	Within Groups	285.005	352	0.810	
	<b>Total</b>	<b>286.753</b>	<b>355</b>		



Easy Comparison	Between Groups	2.047		0.682	0.703 <sup>NS</sup>
	Within Groups	340.668	351	0.971	
	<b>Total</b>	<b>342.715</b>	<b>354</b>		
Non-availability of products	Between Groups	9.898		3.299	3.182*
	Within Groups	364.942	352	1.037	
	<b>Total</b>	<b>374.840</b>	<b>355</b>		
No Salesman dealing	Between Groups	10.682		3.561	3.240*
	Within Groups	385.673	351	1.099	
	<b>Total</b>	<b>396.355</b>	<b>354</b>		
Product Customization	Between Groups	3.257		1.086	1.157 <sup>NS</sup>
	Within Groups	330.369	352	.939	
	<b>Total</b>	<b>333.626</b>	<b>355</b>		
Discount / Offers	Between Groups	3.664		1.221	1.241 <sup>NS</sup>
	Within Groups	345.452	351	.984	
	<b>Total</b>	<b>349.115</b>	<b>354</b>		

Source: Primary data; \* Significant at 5% level; NS – Not Significant

### Convenience

As seen from table 1, F-value for convenience is 4.761 and the corresponding p-value is given as 0.003, which is less than 0.05. Therefore, we can safely reject the null hypothesis (H1 (a)) and conclude that there is a significant difference in the perception of online buyers of different age groups regarding convenience.

Here the rejection of the null hypothesis in ANOVA only tells us that all population means are not equal.

Multiple comparisons is used to access which group means differ from which others, once the overall F-test shows that at least one difference exists. Details regarding differences are given by doing multiple comparisons using Tukey HSD. A 95% confidence interval is constructed for each difference. Mean difference lists the difference between the sample means. If this interval contains zero, the two groups do not differ and if it does not contain zero then there is difference.

**Table 2 Multiple Comparisons using Turkey HSD (Honestly Significant Difference)**

DEPENDENT VARIABLE	(I) AGE	(J) AGE	MEAN DIFFERENCE (I-J)	STD. ERROR	95% CONFIDENCE INTERVAL	
					Lower Bound	Upper Bound
Convenience	15-29	30-39	0.244	0.111	-0.04	0.53
		40- 49	0.522*	0.193	0.02	1.02
		50+	0.625	0.304	-0.16	1.41
	30-39	15-29	-0.244	0.111	-0.53	0.04
		40- 49	0.278	0.212	-0.27	0.83
		50+	0.381	0.316	-0.43	1.20
	40-49	15-29	-0.522*	0.193	-1.02	-0.02
		30-39	-0.278	0.212	-0.83	0.27
		50+	0.103	0.353	-0.81	1.02
	50+	15- 29	-0.625	0.304	-1.41	0.16
		30- 39	-0.381	0.316	-1.20	0.43
		40-49	-0.103	0.353	-1.02	0.81

Source: Primary data; \*Significant at 5% level

The above table 2 lists the pair-wise comparisons of the group means for all selected age groups. In the above table in age group 15-29 and 40-49, confidence interval does not contain zero. Similarly is the case of age group 40-49 and 15-29. Thus there is significant difference in the perception of online buyers of age group 15- 29 and 40-49 towards convenience.



### Time Saving

As seen from table 1, F-value for time saving is 1.409 and the corresponding p-value is given as 0.240, which is more than 0.05. Therefore, we accept the null hypothesis (H0 (b)) and conclude that there is no significant difference in the perception of online buyers of different age groups regarding time saving.

### Inclination towards trying Something New

As seen from table 1, F-value of inclination towards trying something new is 0.379 and the corresponding p-value is given as 0.768, which is more than .05. Therefore, we accept the null hypothesis (H0 (c)) and conclude that there is no significant difference in the perception of online buyers of different age groups regarding inclination towards trying something new.

### Ease of finding Products

As seen from table 1, F-value for ease of finding products is 0.719 and the corresponding p-value is given as 0.541, which is more than 0.05. Therefore, we accept the null hypothesis (H0 (d)) and conclude that that there is no significant difference in the perception of online buyers of different age groups regarding ease of finding products.

### Ease of Comparison

As seen from table 1, F-value for ease of comparison is 0.703 and the corresponding p-value is given as 0.551, which is more than 0.05. Therefore, we accept the null hypothesis (H0 (e)) and conclude that that there is no significant difference in the perception of online buyers of different age groups regarding ease of comparison.

### Non-availability of Products

As seen from table 1, F-value for non-availability of products is 3.182 and the corresponding p-value is given as 0.024, which is less than 0.05. Therefore, we reject the null hypothesis (H1 (f)) and conclude that there is a significant difference in the perception of online buyers of different age groups regarding non-availability of products.

**Table 3 Multiple Comparisons using Tukey HSD (Honestly Significant Difference)**

DEPENDENT VARIABLE	(I)AGE	(J) AGE	MEAN DIFFERENCE (I-J)	STD. ERROR	95% CONFIDENCE INTERVAL	
					Lower Bound	Upper Bound
Non availability of products	15-29	30-39	-0.371*	0.143	-0.74	0.00
		40-49	0.320	0.248	-0.32	0.96
		50+	0.153	0.390	-0.85	1.16
	30-39	15-29	0.371*	0.143	0.00	0.74
		40-49	0.690	0.272	-0.01	1.39
		50+	0.524	0.406	-0.52	1.57
	40-49	15-29	-0.320	0.248	-0.96	0.32
		30-39	-0.690	0.272	-1.39	0.01
		50+	-0.167	0.454	-1.34	1.00
	50+	15-29	-0.153	0.390	-1.16	0.85
		30-39	-0.524	0.406	-1.57	0.52
		40-49	0.167	0.454	-1.00	1.34

Source: Primary data; \*Significant at 5% level

The above table 3 lists the pair-wise comparisons of the group means for all selected age groups. In the above table in age group, 15-29 and 30-49, confidence interval does not contain zero. Similarly is the case of age group 30-49 and 15-29. Thus, there is significant difference in the perception of online buyers of age group 15- 29 and 40-49 towards non-availability of products.

### No need to deal with Sales People

As seen from table 1, F-value for no need to deal with sales people is 3.240 and the corresponding p-value is given as 0.022, which is less than 0.05. Therefore, we reject the null hypothesis (H1 (g)) and conclude that no significant difference in the perception of online buyers of different age groups regarding no need to deal with sales people.



**Table 4 Multiple Comparisons using Tukey HSD (Honestly Significant Difference)**

DEPENDENT VARIABLE	(I) AGE	(J) AGE	MEAN DIFFERENCE (I-J)	STD. ERROR	95% CONFIDENCE	
					Lower	Upper
No need of salesman dealing	15-29	30-39	-0.250	0.148	-0.63	0.13
		40-49	0.536	0.257	-0.13	1.20
		50+	0.227	0.404	-0.82	1.27
	30-39	15-29	0.250	0.148	-0.13	0.63
		40-49	0.786*	0.282	0.06	1.51
		50+	0.476	0.421	-0.61	1.56
	40-49	15-29	-0.536	0.257	-1.20	0.13
		30-39	-0.786*	0.282	-1.51	-0.06
		50+	-0.310	0.470	-1.52	0.90
	50+	15-29	-0.227	0.404	-1.27	0.82
		30-39	-0.476	0.421	-1.56	0.61
		40-49	0.310	0.470	-0.90	1.52

Source: Primary data \*Significant at 5% level

The above table 4 lists the pair-wise comparisons of the group means for all selected age groups. In the above table in age group, 30-39 and 40-49, confidence interval does not contain zero. Similarly is the case of age group 40-49 and 30-39. Thus, there is significant difference in the perception of online buyers of age group 30-39 and 40-49 towards non-availability of products.

#### Product Customization

As seen from table 1, F-value for product customization is 1.157 and the corresponding p-value is given as 0.326, which is more than 0.05. Therefore, we accept the null hypothesis (H0 (h)) and conclude that there is no significant difference in the perception of online buyers of different age groups regarding product customization.

#### Offers / Discounted Prizes

As seen from table 1, F-value for offers/discounted prizes is 1.241 and the corresponding p-value is given as 0.295, which is more than 0.05. Therefore, we accept the null hypothesis (H0 (I)) and conclude that there is no significant difference in the perception of online buyers of different age groups regarding offers/discounted prizes.

#### Conclusion

The internet has played a significant role in our daily life in that people can talk through the internet to one who is actually on the other side of the Earth, can send email around the clock, can search information, can play game with others, and even can buy things online. To conclude from all above hypothesis it can be concluded that considering total online buyers the top three motivations or the three most agreed reasons for buying online among different age categories are convenience, non-availability of products and no need to deal with sales people.

#### Reference

1. Srinivasan, S. S., Anderson, R., & Ponnayolu, K. (2002). Customer loyalty in e-commerce: An exploration of its antecedents and consequences. *Journal of Retailing*, 78(1), 41-50.
2. Suki, N. B. M., Abmad M. I., & Thyagarajan, V. (2002). Motivation and concern factors for internet shopping: A Malaysian perspective. *The Electronic Journal for E - commerce Tools and Applications*, 1, 1-18.
3. Vijayasathy, L. R. (2004). Predicting consumer intentions to use on-line shopping: The case for an augmented technology acceptance model. *Information & Management*, 41(6), 747-762.
4. Horrigan, J. (2008). *Online shopping, pew Internet & American life project report*. Retrieved July 2010 from [http://www.pewinternet.org/-/media/Files/Reports/2008/PIP\\_Online%20Shopping.pdf](http://www.pewinternet.org/-/media/Files/Reports/2008/PIP_Online%20Shopping.pdf).
5. Arnold, M. J., & Reynolds, K. E. (2003). Hedonic shopping motivations. *Journal of Retailing*, 79(2), 77-95.
6. Whysall, P., (2000), "Retailing and the internet: a review of ethical issues", *International Journal of Retail & Distribution Management*, vol. 28, no. 11, pp.481-489.
7. Yu, T. and Wu, G, (2007), "Determinants of internet shopping behavior: An application of reasoned behavior theory", *International Journal of Management*, vol. 24, no. 4, pp. 744-762, 823.