SYNOPSIS

on

CONSUMER BEHAVIOR TOWARDS ELECTRONIC PRODUCTS IN ONLINE SHOPPING

SUBMITTED TO:
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1. Introduction

The introduction of modern electronic products in the present era has captured the attention of global population. The dependency of people on these techie products has reached at such level that, without these, they can’t think a step forward in the direction of their growth. This dependency of people on e-products is leading to addiction of the technological devices. It is observed that teenagers are the most vulnerable group among the population to be addicted to technology. (JyotiRanjanMuduli, 2013-14).

2. Tech-Gadgets and Services Used by the Present Generation

Now a days life is hard to imagine without electronic gadgets be it mobile phone or laptops/tablets. People have become so used to these gadgets that they can keep skip there meals but can’t afford to live a single day without their gadgets. Following section explain the most popular e-products/gadgets used by the people these days.

2.1 Mobile/Cell phone

The role of a cell phone is to make and receive calls over a radio link while moving around a wide geographical area. Mobile phone provides a variety of other services like text messaging, playing music, internet access, infrared, Bluetooth, business applications, e-mail, gaming and photography etc. It was first introduced in 1973. In 1983, the first mobile phone was commercially available (Heeks, 2008).

2.2 Computer/Laptop

Computer is a device that can be programmed to carry out a finite set of arithmetic and logical operations. Computer can solve more than one kind of problem at a particular time as a sequence of operations can be readily changed. A laptop can be easily carried out due to its’ small size and battery support for energy, required to run it. The first laptop was invented in 1979 by British Designer Bill Maggridge.

2.3 Services: Internet

The internet is a huge network that links computers together all over the world using a range of wires and wireless technologies. The World Wide Web is the collection of linked pages those are accessed using the internet and a web browser. The purposes of using internet are online shopping, social networking, games, news, travel information, business, advertising and much more. One of the best common ways of finding information on the web is through the
search engines like Google, Bing. Currently the most popular search engine is Google which is receiving hundreds of millions of search queries in a day.

3. Consumer Behavior

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy their needs and wants. The study of consumer behavior not only helps to understand the past but even predict the future. (Wikipedia).

3.1 Online Buying Behavior

Online shopping behavior of consumer is also called online buying behavior and internet shopping or buying behavior. Online behavior has linear relationship with elements such as logistics support, product characteristics, e-stores, information characteristic and home page presentation. The past studies has shown that, those people who have wired lifestyles and who have time constrained, they spend less time to buy things online (Lohse, Bellman, and Johnson, 1999).

3.2 Factors Influencing Online Consumer Behavior

There are many factors that have influence on online consumer behavior while an individual would do online shopping, in simple word, it is a complex mixtures of so many factors such as social, culture, education, race, personality, environment and resources availability. It involves variables, some are controllable and some are uncontrollable. Uncontrollable variables like environment, consumer personality always prevail in every online transaction but some are in our span of control such as medium of exchange, products or services characteristics, and merchant or inventory characteristics. Many factors for e.g. confidence, appealing website, trust building, full information about goods and services are there by which purchasing decision would be more encouraged.

4. E-Gadgets Usage in India

A present survey indicates that 60% of Bengaluru's youth between ages 12 and 18 shop for electronic gadgets online. Next up in the preference list for these multi-channel shoppers is books at 56%, movie tickets at 48%, and travel at 41% and clothes at 45%. The Youth Survey, conducted by Tata Consultancy Services (TCS) for the year 2015-16, aims to track the changing technological behavior of the youth. About 83% of children studying between Class VIII and
Class XII are smartphone users. Desktop PCs remain the most popular mode of accessing the internet. 86% of Gen Y has a mobile; 77% has a PC; 55% own a laptop; 48% use a MP3 player; 35% has a gaming console and the fastest growth is in tablets as 32% own at least one. Interestingly, out of these gadgets, mobile phones are the one which are the most favorite for Gen Y.


Among brands, Samsung is the clear winner with 60% market capture of Gen Y usage. Apple is the winner in metros while Sony is slowly reclaiming its position. Micromax is the fastest growing brand in non-metros with 22% share.

5. Review of Literature

Present study is focused on the consumer behavior of people from Shimla the capital of Himachal Pradesh. The study will be focused on the buying behavior in case of electronic gadgets like mobile phones, laptops and accessories. Factors influencing the buying behavior in selecting a particular brand, e.g. promotional strategies, advertisement and key decision makers, will be studied in the present research. Intensive efforts have been made to find the relevant studies in consumer behavior of people. For the research purpose, studies from Indian and foreign countries will be reviewed. Studies in consumer behavior and marketing strategies have
also been considered for the research purpose. A summary of literature reviewed in chronological order is mentioned below. There are many factors which affects consumer’s buying behavior such as needs, attitudes, values, personality characteristics, personal motivations, socio-economic and cultural background, age, sex, professional status to social influences of various kinds exerted by family, friends, and colleagues.

5.1 Studies Related To Online Shopping

Nisha Gupta and Rajiv Jain (2017) in their study titled “Consumer Behaviour towards E-Commerce: Online Shopping” identified that there are major security concerns in online transactions and at present people do not feel comfortable doing the shopping online. They feel that there are high risks of fraud and hoax in online business.


Dr. Sanjay Hooda. Mr. Sandeep Aggarwal (2012) in their study the authors found that there is no significant difference between internet surfing & gender of the respondents. A positive relation exists between monthly income, occupation and purchase decision of the respondents. Individual with higher income group usually have little time to go and purchase products/services from tradition shops because of their busy schedule. Hence in order to save time they trade online.

Niranjanmurthy M et.al, (2013) Analyzed e-commerce and m-commerce and expressed that, E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce. These days, m-commerce is playing a major role in online retail marketing and people are using this technology increasing all over the world. Mobile commerce involves all kind of electronic transactions by the use of mobile phone. They mentioned various advantages, limitations and growth drivers of m-commerce.

Friedman (1999), and Sirdeshmukh et al. (2002) Argue that consumers that engage in online business to consumer transactions can find another provider to meet their expectations just by the
click of a mouse. As a result, they face minimal barriers to switching to another brand, especially in cases of little differentiation amongst competing products.

Chung-Hoon, (2003), Constantinides, (2004), Kung et al., (2002), Lodorfos et al., (2003) Presented that, online brand loyalty suggests that consumers weight differently the importance of factors influencing their purchasing decisions in the online market than those in the traditional shopping environments, which in turn may affect their e-brand loyalty. Factors that have been extensively covered in these researches as having a significant effect on the consumers’ purchasing decisions online are: beliefs about brand, price, trust, experience and convenience.

Liberman and Stashevsky, (2002), Park and Kim, (2003) Show that the major concerns of online shopping are security of online payments” and privacy of personal information”.

Hee Jung Lee (2016) in his study concluded that there are differences between online and mobile shopping channel and these could affect to customer behaviors. Hedonic motivation influences more on regulatory focus in mobile channel than online one. This study further suggests that shopping motivations are effective to promote regulatory focuses differently in online and mobile channel.

5.2 Studies Related To Online Purchasing Behaviour

Mesay Sata, (2013) investigated in his study the factors affecting the decision of buying mobile phone devices in Hawassa town and concluded that consumer’s value price followed by mobile phone attributes as the most important variable amongst all. This factor, also acted as a motivational force that influences them to go for a mobile phone purchase decision.

Surendra Malviya and Manninder Singh Saluja, (2013), studied the factors influencing consumer’s purchase decision towards smartphones in Indore. This research provides new marketing dynamics to the leading mobile companies for a market. The main objective of this research is to identify the key factors which have a dominating effect on the consumers’ minds while making a purchase of smartphone.

Inge Hutagalung (2016), in his research examined consumer behavior of the Z generation adolescent on the ad information of Smartphone selection. The method used in the research was Interpretative Phenomenological Analysis (IPA) and the results show that the audiences are not passive and have resistance in accepting ad information.
Marzieh Zendehdel et al. (2016) in their collective study concluded that significant moderation effects with regards to the association of subjective norm and attitude, perceived risk and other factor were significantly correlated with the attitude towards online shopping while perceived risk was observed to be negatively significant on attitude.

Herman FassouHaba et al. (2017) in their study concluded that social value and perceived ease of use do not have a direct or indirect effect on smartphone purchase intention among Malaysian working professionals. Factors like economic value, perceived usefulness and brand image have an indirect effect on smartphone purchase intention.

I.C Nwaizugbo and Ifeanyichukwu C.D (2016) in their study titled “Understanding Consumers’ Behaviour towards Online Shopping: A Study of Online Shoppers in Anambra State” studied the relationship between perceived outcome, shopping orientations, shopping motivations, normative beliefs, and past experience on online shopping. The study revealed that normative beliefs, and past experience has significant effect on online shopping while perceived outcome, shopping orientations and shopping motivations was seen to have no significant effect.

Manish Kumar (2016) in his study provides some useful insights on consumers’ purchasing intention and behavior. It has been revealed that the three key factors, i.e., price, ratings, and reviews affect the consumers’ intention for online shopping.

Doolinet et. al., (2005) in their study showed that risks related to privacy have a negative association with online purchasing behavior and deter Internet users from shopping online frequently and from spending significant amounts of money.

Vijayasarathy & Jones, (2000), Park, (2002), Brown, et. al., (2001) revealed in their study that online retailers must understand customers shopping orientations in order to maximize customers’ online purchase intention. Many researchers have investigated that shopping orientations have significant impact on customer online purchase intention.

Shwu-Ing Wu, (2015) in his study developed the relationship between consumer characteristics and attitude towards online shopping. He examined the internet user concerns and perceptions of online shopping, used the Fishbein model to measure consumer attitudes and the important consumer characteristics that influence online shopping attitude and decisions.

Chen (2009) in his study extends theory of planned behavior by including 10 important antecedents as external beliefs to online consumer behavior. The study shows that trust and perceived ease of use are essential in determining online consumer behavior.
Ying (2006) in his study titled “Essay on modeling consumer behavior in online shopping environments” investigated that online purchase behavior across multiple shopping sessions. According to him, shopping cart abandonment is the problem of many e-commerce websites. Specifically, he developed a joint model for the cart, order, and purchase quantity decisions. Customers routinely pick up abandoned carts and complete the final orders. He investigated abandoned shopping carts in an online grocery shopping setting. The key factors involved in aborted shopping are the time of shopping, time elapsed since the previous visit, the number of items left in the abandoned cart and promotion intensity.

5.3 Studies Related To Technology Acceptance Model (TAM)

Davis, Bagozzi & Warshaw, (1989) in their study showcase that a key purpose of TAM is to provide a basis for tracing the impact of external factors on internal beliefs, attitude and intention; TAM states that, two particular beliefs; perceived usefulness and perceived ease of use are primary relevance for computer acceptance behaviors.

Yulihasri et.al. (2011) in their study discuss the factors influencing the customers buying intention using online shopping based on the TRA and TAM concluded that Compatibility, usefulness, ease of use and security are the important predictors towards attitude in on-line shopping.

Fishbein and Ajzen (1975), and Davis (1989) Fishbein and Ajzen (1975) presented the Theory of Reasoned Action (TRA) and Davis (1989) presented the Technology Acceptance Model (TAM) which provided theoretical context to measure beliefs, forecast future behavior. According to Fishbein and Ajzen 1975, the TAM model accommodates the Theory of Reasoned Action (TRA) to show acceptance to information technology. TAM involves two beliefs of specific behavior (i.e. determine the individual intention and behavior to use a technology, ease of use and usefulness) where attitudes toward use directly influence the intention for the actual usage.

Vijayasarathy, (2003) in his study investigated that TAM also figures a harmony link between ease of use and usefulness; proposed individual’s perception how easy or difficult to use that system will influence their perception about usefulness of that system.
5.4 Studies Related To Technology

Tsitsika & Janikian, (2013) concluded from their study that internet continues to grow beyond our belief. Nearly 32.7% of the world’s population has access to the social networking sites like Face book, Twitter, Linked-In, YouTube, Flicker, blogs, etc. which allows people to rapidly share their interests of the moment with others everywhere. So the interconnectedness throughout the world is growing rapidly due to internet use.

Samson, (2010) investigated from his study that when students use laptops and other tech-devices by the instructor’s advice they are connected to course learning objectives. The learning and involvement of the young students can be impacted positively by the use of these digital devices.

Ophir, Nass & Wagner, (2009) in their study concluded that individuals who are engaged in high level of technical activities through the digital devices are better in performing cognitive tasks. The effective use of these gadgets may have positive impacts on cognitive thinking and also makes them master multitasking.

Sellen & Harper, (2002) in their study found that in the medical set up the use of digital devices may help to a great extent. Easy storage, searching and sharing of patient information through the computers and accessibility of knowledge regarding recent health related inventions through internet, have made the work of the medicos easier.

Walsh, (2012) concluded that it would have been a lot better if the drawbacks or the negative impacts of the use of the digital services would have been known before some years. As the use of digital services has negative impact, students should minimize the use of these tools and should be aware about its use.

Erickson, (2012) in his study revealed that the voracious use of tech services has negative impacts on the youth. As a result, youth want to do things faster, easier and cheaply. Everybody wants to do things according to their own schedule and pace, failing in which they become anxious. Face to face communication is avoided by the young mass, which is not good for the society.
Cabral, (2011) found in his study that generation-Y i.e. the present generation is psychologically addicted to the social Medias like face book, Twitter, Linked In etc. This addiction towards media is responsible for intra-psychic conflicts such as intolerance and relapse among the youth.

Cotton, (2001) in his study concluded that internet gaming and shopping is causing depressive symptoms among the college students. Implementation of programmes is needed to detect and decrease these activities among them.

Young, (2004) Excessive technology use may affect academic performance, relationships, as well as overall development among youth. Such technology use has been identified as technology addiction and it has many negative impacts on health and social behavior.

6. Need of the Study

There are millions of people online any time and they all are a potential consumer in the online market. What are the various factors that influence the buying behavior and perception of a consumer? Gadgets become obsolete over a period of time and new technological advancements take place. At present people feel that there are major security concerns in online transactions and do not feel comfortable doing the shopping online. They feel that there are high risks of fraud and hoax in online business. Online advertising is just beginning to root itself in the business world of INDIA because of which not all the products are available. Even famous brands place only selective items online and hence there are fewer choices available on the internet. Since it’s a new concept people are still not totally used to it because of which they feel uncomfortable shopping online. They feel that the product would be tampered with and the quality wouldn’t be the same (Consumer Behavior towards E- Commerce: Online Shopping by Nisha Gupta and Rajiv Jain, 2017).

Limited research has been done in this field especially in Himachal Pradesh and therefore it calls for a focused research in this area.

7. Scope of the Study

Electronic products have captured the attention of global population. The individual’s dependence on these technological products has reached at such level that, without these, they can’t think a step forward in the direction of their growth. The degree of dependency is leading to addiction of the tech-devices. Therefore, research will be carried out in the capital of Himachal Pradesh (i.e. Shimla) as less research has been done in this State.
8. Objectives of the Study

1. To analyze the various factors influencing the online shopping behavior of the consumers towards electronic gadgets.

2. To find out the impact of marketing tools in determining the buying behavior of consumers.

3. To identify the most preferred website and most preferred brand of electronic gadgets.

4. To know the consumers awareness about online shopping.

5. To identify the barriers faced by consumers during online shopping.

8.1 Hypothesis

Following hypothesis are framed to achieve the research objectives:

\( H_0 \): Socio-economic and cultural factors has no significant relationship in purchasing of electronic gadgets.

\( H_A \): Socio-economic and cultural factors has significant relationship in purchasing of electronic gadgets.

\( H_0 \): Promotional activities by websites has no significant relationship in purchasing of electronic gadgets.

\( H_A \): Promotional activities by websites has significant relationship in purchasing of electronic gadgets.

9. Research Methodology

This section will illustrate the way of the research and it will be conducted by presenting the methodologies and theories used. The technical details of the research will be described and detailed in following sections. Important issues such as, philosophy of the research, preparation of the research, the method and procedure of data collection, components of questionnaire, sampling decision will be covered below.

9.1 Research Design

A research design is basis frame work, which provides guidelines for the rest of research process. It is the map or blueprint according to which, the research is to be conducted. The research design specifies the method of study. Research design is prepared after formulating the research problem and need to be most suitable to solve the problem. This study will utilize a survey of research design and will be qualitative in nature. A self-administered questionnaire will
be developed and the same will be used to measure the response of target population towards electronic gadgets.

9.2 Data Collection

The success of an inquiry depends upon proper data collection. The data will be collected by making use of both Primary as well as Secondary Data. Primary data consists of original information for the specific purpose at hand. In the case of primary data, questionnaire would be used and in the case of secondary data, the data will be collected from books, newspapers, journals, articles, published reports and internet.

9.3 Sampling and Tools Used for Analyses

The research design adopted in this study will be survey. The population of this study will comprise of online shoppers in Shimla the capital of Himachal Pradesh. In order to address the research objective the participants will be selected using a non-probability sampling method. There are many different types of non-probability sampling methods; two types of this sampling method are sufficiently used in this research: snowball sampling and purposive sampling. Snowball sampling is used when it is difficult to identify members of the desired population (Saunders et al, 2009; 240).

450 respondents will be surveyed as per snowball sampling to accomplish research objectives (150 respondents per electronic gadget). Structured questionnaire will be distributed for data collection. The data collected will be analyzed using descriptive and inferential statistics. Multiple linear regression, Factor Analysis and more appropriate statistical test will be used as per the nature and requirement of data.

10. Tentative Chapterisation

Chapter 1: Introduction
1. Significance of the topic
2. Objectives of the study
3. Study Area Profile
4. Concept of Online Consumer Behaviour towards Electronic Gadgets

Chapter 2: Review of Literature

Chapter 3: Research Methodology
1. Research design
2. Sources of data
3. Sampling plans
4. Data Collection Tools
5. Scaling techniques
6. Limitations of the survey

Chapter 4: Data Analysis & Interpretation
Chapter 5: Recommendations, Suggestions and Conclusion
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