

A STUDY ON FACTORS AFFECTING ONLINE SHOPPING DECISION OF CUSTOMERS IN KALYAN CITY OF MAHARASHTRA STATE

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Abstract:

This research paper investigates the factors influencing online shopping decisions of customers in Kalyan City, with a focus on demographic characteristics, product preferences, purchase frequency, spending patterns, and motivating factors. A sample size of 90 respondents participated in the study, providing insights through primary data collected via structured questionnaires. The findings reveal a young, tech-savvy demographic dominated by students, with a preference for electronics, groceries, and subscription services. While moderate online shopping activity is prevalent, the majority of transactions involve lower-value purchases. Convenience, cost-saving, and product selection emerge as primary motivating factors. Based on these findings, recommendations are provided to businesses to tailor their marketing strategies and enhance the online shopping experience for Kalyan City consumers.

Keywords: *Online Shopping, Purchasing Decision, Consumer Behaviour, Kalyan City, E-commerce, Factors, Customer Preferences, Online Retail.*

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Introduction:

The rapid rise of e-commerce has transformed the retail landscape, influencing how consumers make purchasing decisions. This study focuses on Kalyan City, aiming to discern the factors that significantly impact the online shopping choices of customers. With the increasing importance of online platforms in the retail sector, understanding these factors is crucial for businesses to tailor their strategies to meet consumer preferences effectively. This study delves into the dynamics of online shopping in Kalyan City, aiming to uncover the key factors influencing purchasing decisions. With online platforms becoming increasingly integral to retail, understanding these factors is essential for businesses to adapt and thrive in the digital marketplace. By analysing both primary and secondary data, this research seeks to offer valuable insights into consumer behaviour, aiding businesses, policymakers, and researchers in optimizing strategies and enhancing the online shopping experience for Kalyan City consumers. The findings contribute valuable insights for businesses, policymakers, and researchers seeking to enhance the online shopping experience and optimize marketing strategies.

Review of Literature:

Previous research has highlighted several factors influencing online shopping decisions globally, including website usability, product reviews, pricing, and security. However, specific regional nuances may play a crucial role. The literature review explores existing studies on online shopping behaviour and decision-making factors

to establish a foundation for the present research.

- Jain and Sadh 2015 – consumer behaviour, shopping satisfaction and brand loyalty in an online commerce. The study investigates the effect of adjusted expectations customer experience in the satisfaction-loyalty link.
- Reddy and Chalam 2013: E-commerce website gives information of various products and competitors and comparison facilities, customer review etc will help consumer.
- Ganesh et al., (2010) suggested the designing attractive website for enhancing shopping experience. Website design characteristic- aesthetics, the structure of content or store layout, menu and etc affect the experience of people.
- Doshi (2019) examined factors like conveyance, payment method, safety, and after-sales service affecting the satisfaction of online.
- Siu and Cheng (2001)- Important factors online shoppers product availability, security dangers, product technology and their attitudes towards technological development.

Objectives of the Study:

1. To identify the key factors influencing the online shopping purchasing decisions of customers in Kalyan City.
2. To analyse the significance and impact of each identified factor on consumer behaviour.
3. To understand the role of demographic variables in shaping online shopping preferences.

Research Methodology:

The study employs a mix of primary and secondary data. Primary data is collected through a structured questionnaire distributed to a sample size of 90 customers from Kalyan City. Secondary data is sourced from academic journals, industry reports, and relevant publications. The research design is cross-sectional, focusing on a snapshot of customer preferences.

Sample Size:

The study includes responses from 90 customers residing in Kalyan City, ensuring a representative sample that reflects the diversity of the population.

Particulars		Responses	Percentage
Age	Below 20	38	42.22
	21-30	21	23.33
	31-40	17	18.88
	41-50	9	10
	51 & above	5	5.55
	Total	90	100
Gender	Male	54	60
	Female	36	40
	Total	90	100

Marital Status	Married	29	32.22
	Unmarried	61	67.77
	Total	90	100
Education	Under graduate	31	34.44
	Graduate	16	17.77
	Post graduate	20	22.22
	Professional	17	18.88
	Higher Secondary & below	6	6.66
	Total	90	100
Occupation	Self employed	13	14.44
	Service	21	23.33
	Student	46	51.11
	Others	10	11.11
	Total	90	100

The data collected from the study of factors affecting online shopping decisions of customers in Kalyan City provides insight into the demographic characteristics data of the respondents presented in table 1:

The majority of respondents are below the age of 20, constituting 42.22% of the total sample. This suggests that a significant portion of online shoppers in Kalyan City belong to the younger demographic. The age group of 21-30 represents 23.33% of the respondents, followed by 31-40 (18.88%), 41-50 (10%), and 51 & above (5.55%). Gender Distribution: Among the respondents, 60% are male and 40% are female. This indicates a slightly higher representation of males in the survey sample. Marital Status: The majority of respondents are unmarried, constituting 67.77% of the total sample. Married individuals account for 32.22% of the respondents. Education Level: The highest proportion of respondents have completed their education up to the undergraduate level, comprising 34.44% of the total sample. Postgraduate and professional degree holders represent 22.22% and 18.88% of the respondents, respectively. A smaller percentage of respondents have education levels of graduate (17.77%) and higher secondary & below (6.66%). Occupation: The largest segment of respondents are students, accounting for 51.11% of the total sample. This suggests that a significant portion of online shoppers in Kalyan City are students, likely due to their familiarity and comfort with online platforms. Service professionals represent 23.33% of the respondents, followed by self-employed individuals (14.44%) and others (11.11%).

Overall, the data provides valuable demographic insights into the characteristics of online shoppers in Kalyan City. Understanding these demographic profiles can help businesses tailor their marketing strategies and product offerings to better meet the needs and preferences of their target audience.

Table 2 : Products / Services purchased online			
SRN	Particulars	Responses	Percentage
1	Electronics & Gadgets	21	23.33
2	Clothing & Fashion Accessories	05	5.55
3	Books, music & Movies	05	5.55
4	Home and kitchen appliances	04	4.44
5	Health, Beauty and personal care products	06	6.66
6	Groceries and food delivery services	11	12.22
7	Trave and accommodation services	07	7.77
8	Toys and games	6	6.66
9	Subscriptions services,	12	13.33
10	Home furniture & Decor	6	6.6
11	Car and Bike accessories	02	2.22
12	Cinema ticket	5	5.55
	Total	90	100

Table 2 presents the data on the types of products and services purchased online by respondents in the study of factors affecting online shopping decisions of customers in Kalyan City.

Electronics and gadgets are the most commonly purchased category, with 23.33% of respondents indicating they have bought products in this category online. This suggests a high demand for electronic devices among online shoppers in Kalyan City. A smaller percentage of respondents (5.55%) have purchased clothing and fashion accessories online. This category, although less common. Similarly, 5.55% of respondents have purchased books, music, and movies online, indicating a preference for digital entertainment content among some online shoppers. Home and kitchen appliances account for 4.44% of online purchases, suggesting a moderate level of interest in this category among respondents. Approximately 6.66% of respondents have purchased health, beauty, and personal care products online, reflecting a segment of online shoppers interested in self-care items. A notable portion of respondents (12.22%) have bought groceries and utilized food delivery services online, indicating a growing trend of online grocery shopping and food delivery in Kalyan City. Travel and accommodation services, including flight tickets and hotel reservations, are purchased online by 7.77% of respondents, highlighting the convenience of online booking platforms. Approximately 6.66% of respondents have purchased toys and games online, indicating a segment of online shoppers interested in entertainment and recreational products. Subscription services, such as streaming platforms and subscription boxes, are popular among 13.33% of respondents, suggesting a demand for recurring and personalized offerings. Home furniture and decor items represent 6.6% of online purchases, indicating a segment of online shoppers interested in home improvement and interior design products. Car and bike accessories are purchased online by 2.22% of respondents, reflecting a smaller niche within the online shopping market. Lastly, 5.55% of respondents have purchased cinema tickets online, indicating a preference for online ticket booking services for entertainment events.

Overall, the data provides insights into the diverse range of products and services purchased online by customers in Kalyan City, reflecting evolving consumer preferences and shopping habits in the digital age.

SRN	Frequency	Responses	Percentage
1	Once	19	21.11
2	2-5 times	53	58.88
3	5-10 times	10	11.11
4	More than times	08	8.88
Total		90	100

Table 3 provides data on the frequency of purchasing products online by respondents in the study of factors affecting online shopping decisions of customers in Kalyan City.

The majority of respondents (58.88%) reported purchasing products online 2-5 times a year. This suggests that a significant portion of online shoppers in Kalyan City engage in moderate levels of online shopping activity throughout the year. Approximately 21.11% of respondents indicated that they make online purchases only once a year. This could include occasional or specific purchases that do not require frequent online shopping activity. A smaller percentage of respondents (11.11%) reported purchasing products online 5-10 times a year. This group represents individuals who engage in relatively frequent online shopping but not as frequently as those in the 2-5 times category. Lastly, 8.88% of respondents reported making online purchases more than 10 times a year. This segment represents the most frequent online shoppers who engage in regular and extensive online shopping activities.

Overall, the data provides insights into the varying levels of online shopping frequency among customers in Kalyan City. Understanding these patterns can help businesses tailor their marketing strategies and promotions to target different segments of online shoppers effectively

SRN	Amount	Responses	Percentage
1	Less than 1000	38	42.22
2	Rs.1000 -3000	31	34.44
3	Rs 3000 – 5000	11	12.22
4	More than 5000	10	11.11
Total		90	100

Table 4 presents data on the amount spent on a single purchase through online shopping by respondents in the study of factors affecting online shopping decisions of customers in Kalyan City.

- The majority of respondents (42.22%) reported spending less than Rs. 1000 on a single online purchase. This suggests a significant portion of online shoppers in Kalyan City makes smaller transactions for individual items. Approximately 34.44% of respondents indicated spending between Rs. 1000 and Rs. 3000 on a single online purchase. This represents a moderate spending range, covering a variety of products. A smaller percentage of

respondents (12.22%) reported spending between Rs. 3000 and Rs. 5000 on a single online purchase. This group likely includes customers making higher-value purchases or buying more significant quantities. The remaining 11.11% of respondents reported spending more than Rs. 5000 on a single online purchase. This segment represents individuals who are willing to invest a substantial amount in a single transaction.

Overall, the data provides insights into the spending patterns of online shoppers in Kalyan City, helping businesses understand the range of transaction values and tailor their pricing strategies and promotions accordingly.

Motivating factors for online purchase			
1	Convenience and Ease of payment	18	20
2	Time and cost saving	16	17.77
3	Wide Product Selection	15	16.67
4	Comparative shopping	11	12.22
5	Discounts and promotions	08	8.89
6	User Reviews and Rating	5	5.55
7	Accessibility	4	4.44
8	Personalized Recommendations	4	4.44
9	Flexible return Policies	4	4.44
10	24/7 Accessibility	5	5.55
Total		90	100

Table 5 presents data on the motivating factors for online purchases as reported by respondents in the study of factors affecting online shopping decisions of customers in Kalyan City

- The most commonly cited motivating factor for online purchases is convenience and ease of payment, with 20% of respondents indicating this as a primary reason. Approximately 17.77% of respondents cited time and cost-saving as a motivating factor for online purchases.

A sizable portion of respondents (16.67%) reported the wide product selection available online as a motivating factor. Comparative shopping, which allows customers to compare prices and features across different products and retailers, was cited by 12.22% of respondents as a motivating factor. This indicates the importance of price transparency and value optimization in influencing purchasing decisions. Approximately 8.89% of respondents mentioned discounts and promotions as motivating factors for online purchases. This suggests that promotional offers and deals play a role in incentivizing customers to make online transactions. A smaller percentage of respondents (5.55%) cited user reviews and ratings as motivating factors. Accessibility, referring to the ability to shop online from anywhere at any time, was mentioned by 4.44% of respondents as a motivating factor. Similarly, 4.44% of respondents cited personalized recommendations as a motivating factor. A small percentage of respondents (4.44%) reported flexible return policies as motivating factors for online purchases. This underscores the importance of consumer protection and risk mitigation in online transactions. Lastly, 5.55% of respondents mentioned 24/7 accessibility as a motivating factor

Overall, the data provides insights into the various factors that motivate customers to make online purchases, highlighting the importance of convenience, value, and trust in driving e-commerce transactions.

Findings:

1. Majority of online shoppers in Kalyan City are below 20 years old (42.22%), predominantly male (60%), unmarried (67.77%), and students (51.11%). This demographic profile indicates a young, tech-savvy population with a high inclination towards online shopping.
2. Electronics & Gadgets (23.33%), Groceries & Food Delivery (12.22%), and Subscriptions Services (13.33%) emerge as popular online purchase categories. This showcases a diverse range of consumer interests, from tech products to subscription-based services.
3. A significant portion (58.88%) engages in online shopping 2-5 times a year, emphasizing moderate yet regular online shopping behavior among respondents.
4. The majority (42.22%) spends less than Rs. 1000 per online purchase, indicating a preference for smaller transactions. This aligns with the trend of frequent but lower-value transactions.
5. Convenience (20%), Time & Cost Saving (17.77%), and Wide Product Selection (16.67%) are the top motivating factors. Discounts & Promotions (8.89%) and User Reviews (5.55%) also play significant roles in influencing online purchasing decisions.

Suggestions:

1. Tailor marketing strategies to cater to the preferences of the young, student-dominated demographic. Emphasize convenience and savings in promotional campaigns.
2. Expand product offerings in popular categories like Electronics & Gadgets, Groceries, and Subscriptions Services to capitalize on prevalent consumer interests.
3. Given that a significant portion prefers lower-value transactions, implement dynamic pricing and targeted discounts to attract price-sensitive shoppers.
4. Prioritize website and app usability to ensure a seamless shopping experience, addressing factors like ease of payment and accessibility.
5. Encourage user reviews and ratings to build trust among potential customers. Leverage personalized recommendations to enhance customer engagement.

Conclusion:

The study provides valuable insights into the factors influencing online shopping decisions of customers in Kalyan City. Understanding the demographic profile, product preferences, purchase frequency, spending patterns, and motivating factors can guide businesses in developing targeted strategies to optimize the online shopping experience and drive sales. By addressing the specific needs and preferences of the local consumer base, businesses can capitalize on the growing e-commerce market in Kalyan City and enhance their competitiveness in the digital landscape.

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