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Online Shopping And Its Impact On The Middle Class Consumers – With Special Reference To Kanyakumari District

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Abstract

Online Shopping is an area of technology these decades. Establishment of internet stores allows retailers to expand their market and reach consumers, who may not otherwise visit the physical Store. In addition, the convenience of online shopping is the main attraction for the consumers. In present scenario, Indian society can be broadly categorized into three classes based on their income. The Upper class purchase high quality, high priced goods and shop at exclusive stores. The lower class, keep struggling to fulfil their necessities. Middle class lies between the two classes and wants both necessities as well as luxuries at a reasonable price.

Keywords: *Shopping, middleclass, consumers, Shopping behavior, Customer feedback.*

Introduction

The introduction and popularity of internet technologies has created new market for manufactures and service providers. There are various reasons for shifting the customers buying patterns from physical store to online retail store, popularly known as virtual store. Online shopping is a type of electronic commerce and facilitates consumers to directly purchase from sellers all over the world over internet using web browser. A company that desires to market its products online can establish an online store by developing website. They organize their products in several sections. The consumers can view the complete detail of the product like products picture, item detail, material used, size, etc. The concept of “Double Income Couples” ‘DIC’ is becoming very popular among the middle class. Due to long working hours people do not have enough time to visit the physical stores.So they prefer purchasing from online stores.

Indian society can be divided into various classes on the basis of income. It can be broadly classified into three types as Upper class, Middle class and Lower class. **Upper Class:** Upper class purchase high quality, high priced goods and shop at exclusive outlets.

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Middle Class: This is a group of people also known as 'newly rich', who aims for a quality product at a reasonable price. **Lower class:** Lower class keeps struggling to fulfil their basic necessities as their income is not sufficient enough to accomplish their daily needs.

Statement of the Problem

The present research will intend to study the Online Shopping and its Impact on the Middle Class consumers – With special reference to Kanyakumari District. Even though Online Shopping is vast one, the researcher tries to find out the impact of the Middle Class consumers.

Online shopping

People prefer online shopping as it can be assessed anytime, anywhere. It is a shop working 24x7. Online shopping can be done even while a person is having a break in their office or relaxing at home, as it is only a click away with a mobile in their hand.

Salient features of online shopping

- Access anytime, anywhere.
- At a particular point of time, consumer can visit many brands.
- Consumer has a facility of comparing two or more product at a time.
- Casual shopping.
- There is the facility of replacement and refunding.

Current scenario of online shopping in India

The year 1991 noted a new chapter in the history of the online world where e-commerce became hot choice amongst the commercial use of the internet. At that time nobody would have even thought that the buying and selling online or say the online trading will become a trend in the world and India will also share a good proportion of this success. Now consumer mentality and shopping patterns are changing very fast. Earlier online shopping was a simple medium for shopping with fewer options. The users can just place an order and pay cash on delivery. But, now with the changing face of online market this field has been renovated to a high extent and hence mesmerized many customers. Today, the online shopping has become a trend in India and the reason behind the adoption of this technique lies in the attractive online websites, user-friendly interface, bulky online stores with new fashion, easy payment methods and cash-on delivery, no bound on quantity & quality, one can choose the items based on size, color, price, etc. Despite being a developing country, India has shown a commendable increase in the ecommerce industry in the last couple of years, thereby hitting the market with a boom. Though the Indian online market is far behind the US and the UK, it has been growing at a fast page. Further, the addition of discounts, coupons, offers, referral systems, 30days return guarantee, 1-7days delivery time, etc. to the online shopping and the E-Market have added new flavors to the industry.

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Table 1. Top 10 Online Shopping Companies in India

S. No	Company	Year of Estab-lishment	Owners	Website
1	AMAZON	2013	Jeff Bezos	www.amazon.in
2	FLIPKART	2007	Sachin Bansal and Binny Bansal	www.flipkart.com
3	SNAPDEAL	2010	Kunal Bahl	www.snapdeal.com
4	PAYTM	2010	Vijay Shekhar Sharma	www.paytm.com
5	E BAY	1995	Pierre Omidyar	www.ebay.com
6	JABONG	2012	Sanjeev Mohanty (CEO)	www.jabong.com
7	MYNTRA	2007	Mukesh Bansal, Ashutosh Lawania and Vineet Saxena but presently taken over by flipkart.	www.myntra.com
8	SHOPCLUES	2011	Sandeep Aggarwal Sanjay Sethi	www.shopclues.com
9	PEPPERFRY	2012	Ambareesh Murty & Ashish Shah	www.pepperfry.com
10	HOMESHOP18	2008	Reliance Industries Ltd.	www.homeshop18.com

Middle class in India

Middle class is a group of people which lies in the middle of a social hierarchy of any country. In Weberian Socio-economic terms, the middle class is the broad group of people in contemporary society who fall socio economically between the working class and the upper class. A healthy society is characterized by a sizeable and a healthy middle class. A major portion of the globes middle class falls in the Asian continent. The middle class are the “sandwich” class. These white collar workers have more money than those below them on the “social ladder,” but less than those above them. They divide into two levels according to wealth, education, and prestige. The lower middle class is often made

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up of less educated people with lower incomes, such as managers, small business owners, teachers, and secretaries. The upper middle class is often made up of highly educated business and professional people with high incomes, such as doctors, lawyers, stockbrokers, and CEOs.

Reasons for emergence of middle class as a class:

- Breaking up of joint family system.
- Migration from rural to urban sector.
- Increase in personal income.
- Increasing consciousness towards education.
- Popularity of double income couples.
- Urbanization.
- Development of rural sector.

Consumer's habits-Middle class

The Indian consumers are proud of their culture and prefer to follow their tradition and values due to which the foreign companies are under a pressure to give an Indian touch to their products if they want a boom in Indian markets e.g. McDonalds, KFC and so on who had to indianise themselves to succeed in Indian market. Middle class consumers of India were once price sensitive but now they are becoming value sensitive also. They are ready to go for a high priced product for the sake of its quality. With increased awareness today they give preference to the features of a product rather than its brand only. With dynamic pattern of society, today's consumer is also becoming dynamic and do not stick to a single brand rather they prefer a change. Increased use of plastic money (debit card, credit card) facilitates the shoppers. Middle class consumers like to visit shopping malls for entertainment and food court. It enhances their fashion quotient also, but for physical shopping they wait for discounts and offers.

Increasing preference of middle class towards online shopping

Shopping online for our basic and luxury needs is no doubt more convenient when buying from physical stores. People go in for online shopping due to shopping convenience, greater options, quality, bargain deals and so on. Here are some highlighting reasons why people prefer to shop online:

- **Shopping convenience:** Online shopping provides convenience to the shoppers. Customers need not leave their house or office to buy a product. They need not take pains to dress-up themselves attractively which are again time consuming especially for females. Online shopping is just a click away from a mouse or a mobile. There is no need to wait in long queues for billing. Carrying heavy cash with oneself which is very unsafe these days to pay over the counter is no longer required. Various modes of payments are available for online shoppers.

- **Greater options:** Online shopping provides greater options and wide range of choice to select from. The virtual stores display photograph of all the items category- wise arranged price-wise. Customer can compare the products of different brands and of different virtual stores.

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- **Quality:** Through online shopping you can purchase all different qualities of products as per your pocket affordability. It offers a better deal as compared to retail stores as the products are offered at reduced prices. By means of online shopping now even the high quality branded products are also affordable. Due to the absence of marketing intermediaries, it is possible for online shops to offer the products at comparatively reduced prices.

- **Bargain deals and savings:** Consumer is already busy with long working hours and managing his family, kids and social life that spending one's valuable time to hunt for single items is wastage of time. Although entertaining, Shopping in malls is time consuming and can be boring if practiced regularly. There is no cost of maintaining an attractive showroom in online shopping, so it can provide us the goods at reasonable rates. With addition to this there are fewer intermediaries between the producer and the buyer which makes it possible for the online stores to make the goods available to us at a reasonable price. In order to retain the existing customers and to attract the new customers, various discount offers are thrown. The amount of competition is increasing among the virtual stores which end up in customer's benefit.

Review of Literature

Rajinisinha (2016), had done a research in investigating the decision making life style of college students regarding online shopping. The survey compiled with 100 college students using structured questionnaire distributed using non probability convenience sampling. The data analysis, exploratory factor analysis, correlation testing and t-test were used. It is found through the research that college shoppers have a tendency to recreational and quality cognizant when they search for purchasing attire items on web. Going by this internet retailers must make their web stores must provide the best quality.

Objectives of the Study

- The study is to analyze the features related to the shopping behaviour of online shoppers of Kanyakumari District
- To find out the reasons for the popularity of online shopping among the middle class consumers of Kanyakumari District
- To analyse the socio economic background of the sample respondents
- To analyse the satisfaction level of the consumers while using online shoppers
- To study the problems faced by consumers in online shoppers

Research Methodology

We are basing our research on both primary and secondary data. The primary data was collected through a well-designed questionnaire, consisting of questions regarding the demographic profile of the respondent such as age, gender, education, monthly income. The questionnaire also consists of various questions on consumer's attitude towards online shopping. Secondary data was taken from journals, magazines, research papers, websites and so on.

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Sample size

As our focus was to study the middle class consumer behaviour towards online shopping of Kanyakumari District, we targeted 60 respondents but many of them either provided incomplete questionnaire or showed a lethargic attitude towards filling the questionnaire hence only 50 questionnaires were received and studied for final data analysis and interpretation.

Tools for analysis

For data analysis and interpretation, Percentage analysis and Garrett Ranking Technique are used.

DATA ANALYSIS AND INTERPRETATION

Table 2. The following table shows the Demographic Profile of the Respondents.

Table 2. Demographic Profile of the Respondents

VARIABLES		No of Respondents	Percentage (%)
Age	20-30	08	16
	30-40	17	34
	40-50	14	28
	50 and above	11	22
	Total	**50**	**100**
Gender	Male	31	62
	Female	19	38
	Total	**50**	**100**
Educational Qualification	SSLC	07	14
	HSC	13	26
	Graduation	22	44
	Post-Graduation	08	16
	Total	**50**	**100**
Occupation	Farmer	05	10
	Business	14	28
	Public Sector Employee	17	34
	Private Sector Employee	11	22
	Student	03	06
	Total	**50**	**100**
Annual Family Income (in Rs.)	Lower class: (less than 90,000)	14	28
	Middle class: (90,000 to 10,00,000)	27	54
	Upper class: (more than 10,00,000)	09	18
	Total	**50**	**100**

Source: Primary Survey

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Table No.2 shows demographics wise distribution of the respondents. It reveals that male respondents are higher than female respondents using Online Shopping. Majority of respondents using Online Shopping in the age group of 30-40 and graduates were high as compared to other educational groups. Majority of the respondents were Public sector employees for Online Shopping. Annual Family Income level of Online Shopping respondents are more compared to Lower class and Upper class respondents.

Table 3. Period of using E-banking Services

Period	**No of Respondents**	**Percentage (%)**
From 1 -12 months	07	14
From 1 –3 years	04	08
From 3 –6 years	11	22
More than 6 years	28	56
Total	**50**	**100**

Source: Primary Survey

Table 3 shows that majority of the Online Shopping respondents were from more than 6years.

Table 4.Frequency of Online Shopping

Particulars	**No. of Respondents**	**Percentage (%)**
Regularly	16	32
Often	24	48
Occasionally	10	20
Total	**50**	**100**

Source: Primary Survey

This reveals that most of the people often undertake online shopping (48%).

Table 5. Reasons for Online Shopping

Particulars	**No .of Respondents**	**Percentage (%)**
Various mode of payments	07	14
Wide variety of products	13	26
Lower prices	04	08
Easy buying process	16	32
More discount	10	20
Total	**50**	**100**

Source: Primary Survey

Regarding the reasons why respondents have chosen online shopping is easy buying process (32%) followed by wide range of products (26%).

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Table 6. Products Purchased through Online Shopping

Particulars	No .of Respondents	Percentage (%)
Tickets	14	28
Clothing	11	22
Electronics	07	14
House wares	06	12
Accessories	05	10
Gifts	04	08
Books	03	06
Total	**50**	**100**

Source: Primary Survey

The respondents were purchasing more than one product through online. Majority of the respondents as per our data book online tickets i.e. 28 % followed by clothing online 22%, electronics 14%, house ware 12%, accessories 10%, gifts 08% and books 06%. This data can be of great help to the marketing professionals to focus their energies to design their websites to suit the priority of online shoppers.

Table 7. Factors influenced to use the Online Shopping

Variables	IOB	
	Garrett's Mean score	**Rank**
Time saving	58.48	**I**
Money saving or economical	57.39	**II**
Searching the product easily	57.12	**III**
Timely delivery	51.02	**IV**
Easy to choose	47.41	**V**
Quality of information	44.39	**VI**
Consumer attraction	38.34	**VII**

Source: Primary Survey

Above Table mentions the factors influenced to use the customers while operating in Online Shopping. It reveals that the major use the Online Shopping of the Customer is Time saving with the mean score of 58.48 and the least useis Consumer attraction with the mean score of 38.34.

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Table 8. Problems Faced by Customers in Online Shopping

Variables	Garrett's Mean score	Rank
Can't touch & Seen	56.43	**I**
Delivery point is not available	54.32	**II**
Risky	52.12	**III**
Delay in Delivery	48.01	**IV**
Poor Quality	47.43	**V**
High Delivery Charge	39.32	**VI**
Receive Damaged Product	38.34	**VII**
Color variation	38.01	**VIII**
Quantity difference	35.52	**IX**
Receive wrong product	32.55	**X**

Source: Primary Survey

Above table mentions Problems faced by the customers while operating in Online Shopping. It reveals that the major problem of the Customer is Can't touch & Seen with the mean score of 56.43and the least problem is Receive wrong product with the mean score of 32.55.

SUGGESTIONS

- Internet service usage to be made cheaper.
- Security issues should be taken care of. Measures to be taken to add PIN, Verification code, smart cards, digital signatures, e-cards etc.
- Highlight the benefits of shopping from home.
- Fear of after sale services is a big obstacle to consumers so emphasis should be given on after sale service and it should be conveyed to the consumers.
- The prices offered by virtual shops should be made more competitive as compared to prices offered by physical shops.

CONCLUSION

After a collected data we can very well concluded that it is a big market waiting for virtual retailers. There is a bright future of online shopping not only in Kanyakumari District but in the whole of the country because the majority of population in India lies in middle class category ranging from lower middle class to upper middle class. People understand the benefit of easy and convenient shops with the use of online shopping and it fulfilled their urgently need by anything, anywhere and anytime with safe payment option.

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