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Growing popularity of Online Shopping and its Impact on the Middle Class consumers – With special reference to Uttarakhand (India)

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Abstract: *Online Shopping is a growing area of technology these decades. Establishment of internet stores allow 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 richer 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.*

During last few years, the National Income and Per Capita Income in India is increasing, resulting in an increase in Personal Income and leading to more shopping of consumer goods by middle class. Uttarakhand is a newly formed state which is bringing good prospects of income growth for all the categories of society. Online shopping is becoming popular in the state and growing at par in comparison with rest of the country and the world. Companies wish to attract the middle class consumers and hence offer various discounts like seasonal discount, festival discount etc..., such that dearer and luxury goods are becoming affordable for middle class. Hire purchase and credit card payment system is making it more popular.

Keywords: *Shopping, Middle class consumers, Shopping behaviour, Consumer attitude.*

I. 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 opt for e-commerce and prefer purchasing from online stores.

Social Class is a status hierarchy by which groups and individuals are classified on the basis of esteem and prestige - American Marketing Association.

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.

Richer Class: Richer class purchase high quality, high priced goods and shop at exclusive outlets.

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.

Objectives of the Study:

The primary objective of the study is to analyze the features related to the shopping behaviour of online shoppers of Uttarakhand state.

- To find out the reasons for the popularity of online shopping among the middle class consumers of Uttarakhand state.

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

Table 1. Glimpse of top 10 e-commerce sites of 2016:

Ranking	Established in the year	Websites	Products/Services offered
1.	2013 (India)	Amazon Amazon.in	Mobiles, laptops, cameras, books, watches, apparel, shoes and e-Gift Cards
2.	2007	Flipkart Flipkart.com	Wide range of products including Electronics, Books, Clothes, Accessories, Home furnishing and much more.
3.	2010	Snapdeal Snapdeal.com	Books, Mobiles, Laptops, Appliances, Clothing, Footwear, Home Furnishing & more
4.	2010	Paytm	Home and Kitchen <i>Products</i> , Home Decor Items , Beauty, Hair & Skin Care <i>Products</i> for Women, Baby Care and Maternity <i>Products</i> , Books, Mobiles, Laptops, Clothing, Footwear, etc.
5.	2005	E-bay	Art & Antiques, Apparel, Books & Magazines, Cars & Bikes, Computers, Home and Personal Loans, Electronics, Cameras & Optics, Movies, Music, Health & Beauty, Gifts, Home, Jewellery, Mobile Phones, Real Estate, Toys & Baby Products, Travel etc.
6.	2013	Jabong Jabong.com	Apparel, footwear, fashion accessories, beauty products, fragrances, home accessories and other fashion and lifestyle products.
7.	2007	Myntra Myntra.com	women's clothing, shoes & accessories, winter wear which are available in brands like Adidas, United colors of Benetton etc
8.	2011	Shop clues Shopclues.com	Mobile Phones, Laptops, Home Appliances, Electronics, Fashion, Shoes , Home & Kitchen products
9	2011	Pepper fry Pepperfry.com	India's Furniture & Home Products' Destination
10	2008	Home Shop18	Mobiles, Home & Kitchen Accessories, Jewellery, Clothing and more

Source: <http://www.shoponless.com/top-10-online-shopping-sites-in-india/>

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 globe's 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 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.

Source: <http://www.cliffsnotes.com>

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, star TV, Pepsi, Coco Cola 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 your 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 etc.....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 a 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.
- ❖ **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 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.

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 gender, age, education, monthly family income. The questionnaire also consists of various questions on consumer's attitude towards online shopping. Such question includes the respondents experience, frequency, reasons for choosing online shopping, list of products purchased, quality of information available etc., to make our questionnaire and the result drawn viable to reach a productive result. Secondary data was taken from journals, magazines, research papers and websites.

Sample size: As our focus was to study the middle class consumer behaviour towards online shopping of Uttarakhand state we targeted 450 respondents but many of them either provided incomplete questionnaire or showed a lethargic attitude towards filling the questionnaire hence only 300 questionnaires were received and studied for final data analysis and interpretation.

Tools for analysis: For data analysis and interpretation, simple charting, percentage analysis and pie diagrams are used so that it becomes easy for a layman to understand. Percentage analysis and pie diagrams make the presentation simple and attractive.

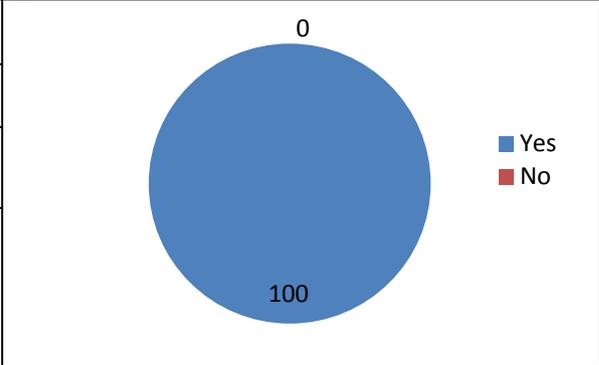
II. DATA ANALYSIS AND INTERPRETATION

Table 2. The following table shows the demographic profile of the respondents:

Basic factors	Categorization	No. Of .Respondents	% in total sample
Gender	Male	200	67
	Female	100	33
	Total	300	100
Age	18-30 Years	150	50
	31-40 Years	100	33
	41-50 Years	30	10
	Above 50 Years	20	7
	Total	300	100
Education	High School/Diploma	44	15
	Bachelors Degree	70	23
	Master Degree	170	57
	Others	16	5
	Total	300	100
Annual Family income (in Rs.)	Lower class : (Less than 90,000)	90	30
	Middle class: (90,000 to 10,00,000)	180	60
	Upper class: (more than 10,00,000)	30	10
	Total	300	100

Table 3.The following table shows consumer attraction towards online shopping and results obtained through Data Analysis (Tabular and graphical representation)

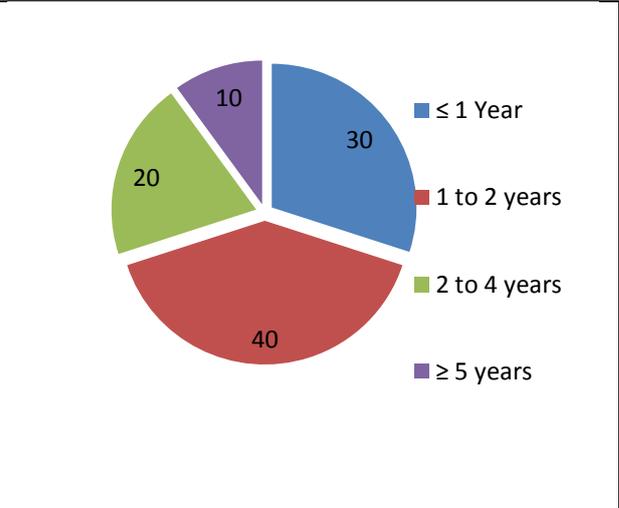
Particulars	No. of respondents	% of respondents
Yes	300	100
No	00	0
Total	300	100



A pie chart representing the data from Table 3. It consists of a single blue slice representing 100% of the respondents, with the number '100' written inside the slice. A legend to the right shows a blue square for 'Yes' and a red square for 'No'.

Table 4. Experience of online shopping:

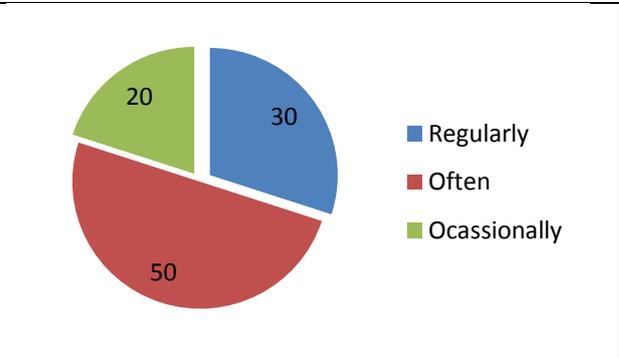
Particulars	No. of respondents	% of respondents
≤ 1 Year	90	30
1 to 2 years	120	40
2 to 4 years	60	20
≥ 5 years	30	10
Total	300	100



A pie chart representing the data from Table 4. It is divided into four segments: a blue segment (30%) for '≤ 1 Year', a red segment (40%) for '1 to 2 years', a green segment (20%) for '2 to 4 years', and a purple segment (10%) for '≥ 5 years'. A legend to the right identifies each segment with its corresponding color.

Table 5. Frequency of online shopping:

Particulars	No.Of. Respondents	% of Respondents
Regularly	90	30
Often	150	50
Ocasionally	60	20
Total	300	100



A pie chart representing the data from Table 5. It is divided into three segments: a blue segment (30%) for 'Regularly', a red segment (50%) for 'Often', and a green segment (20%) for 'Ocasionally'. A legend to the right identifies each segment with its corresponding color.

Table 6. Reasons for online shopping:

Particulars	No .Of. Respondents	% of Respondent
Various mode of payments	40	13
Wide variety of products	70	23
Lower prices	32	11
Easy buying process	113	38
More discount	45	15
Total	300	100

Table 7. Products purchased through online shopping:

Particulars	No. Of. Respondents	% of Respondent
Tickets	200	67
Clothing	180	60
Electronics	152	51
Houseware	132	44
Accessories	125	42
Gifts	90	30
Books	60	20

Table 8. Quality of information about online product and services:

Particulars	No. Of. Respondents	% of Respondent
Excellent	176	58
Good	112	38
Average	8	3
Poor	4	1
Total	300	100

Table 9. Online shopping is money saving or economical:

Particulars	No. of respondents	% of respondents
Strongly agree	77	26
Agree	180	60
Neutral	15	5
Disagree	28	9
Strongly disagree	00	00
Total	300	100

Table 10 . Online shopping is time saving:

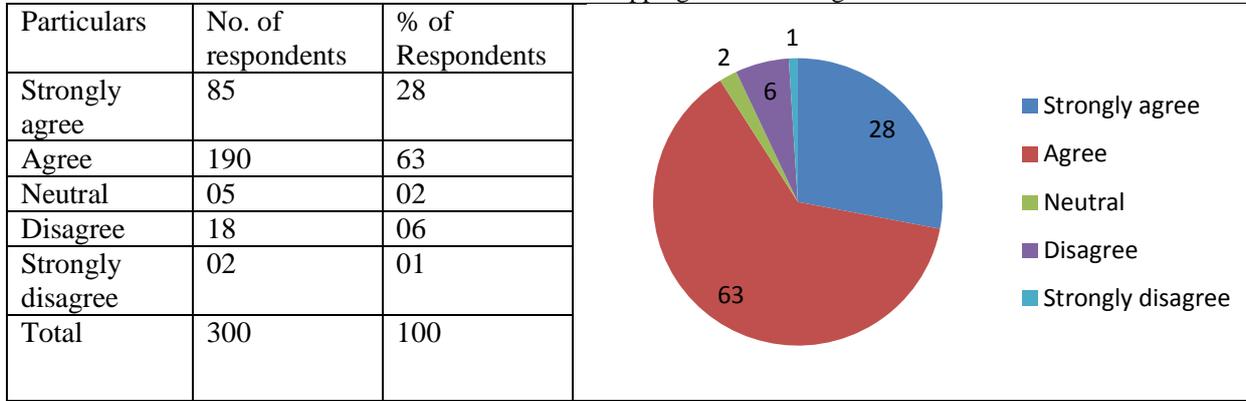


Table 11. Online shopping is risky:

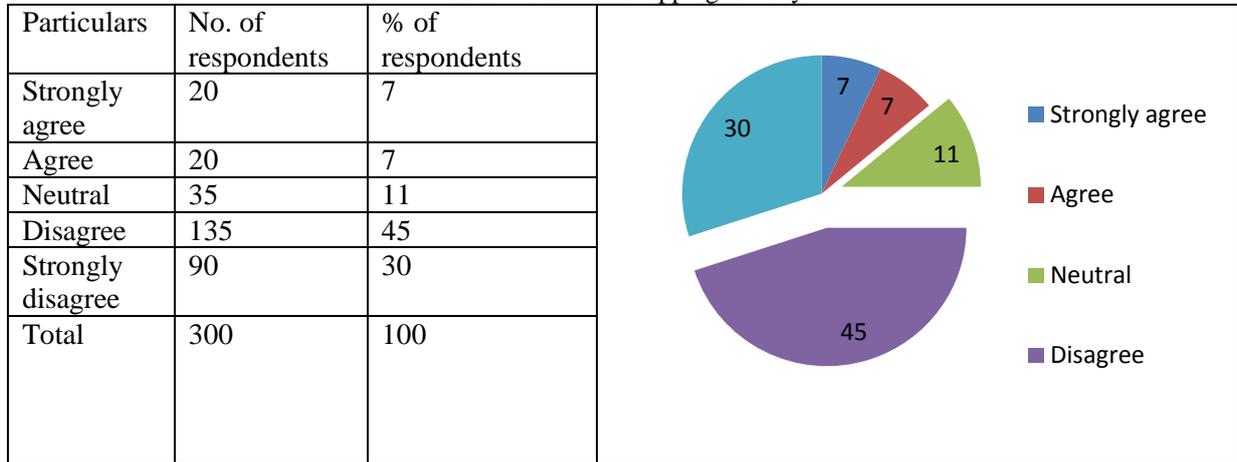


Table 12. It is easy to choose and make comparison with other products while shopping online:

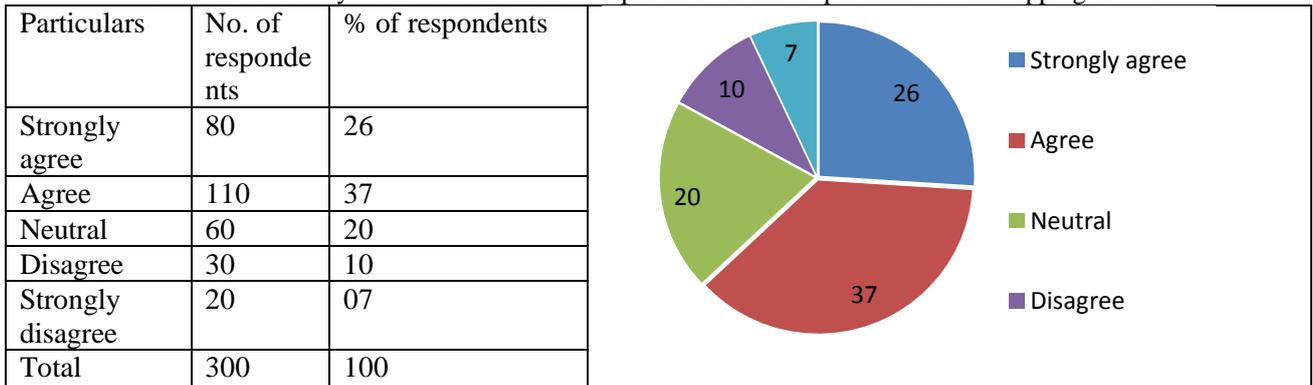


Table 13. Timely delivery in online shopping:

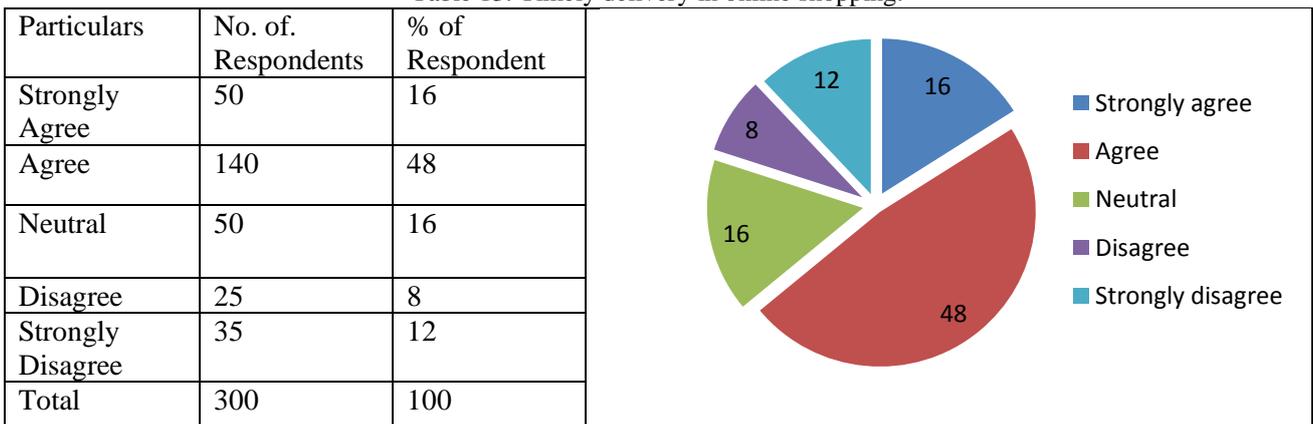


Table 14. The Website design facilitates in searching the product easily:

Particulars	No. of Respondents	% of Respondent
Strongly Agree	90	30
Agree	135	45
Neutral	46	15
Disagree	25	9
Strongly Disagree	4	1
Total	300	100

Table 15. Recommendations to non-online buyers for online shopping:

Particulars	No. of Respondents	% of Respondent
Recommended	260	87
Not Recommended	40	13
Total	300	100

III. FINDING AND INTERPRETATION

Table 2: The first detail in questionnaire consists of demographic information, based on gender, age, education and monthly family income of respondents. It revealed that more of male population prefers online shopping than the females. Sixty seven percentage males are keen to shop online as against 33 % females. If we look into the age data an indirect relationship is seen in the age of respondents and online shopping habits. The youth of Uttarakhand (between 18 -30 years of age) showed the highest response towards online shopping (50%) whereas the elderly people with the age of more than 50 years have shown very less interest (7 %) towards online shopping. While studying the online shopping attitude of respondents on the basis of education it was observed that there is a high positive correlation between education and attitude towards online shopping i.e. online shopping attracts the highly educated ones (57%). The respondents lying in the lowest and highest income brackets are not doing virtual shopping much (30% & 10% respectively) whereas the middle class lying in the middle income bracket are the highest purchasers through online shopping.

Here we can conclude that if online retailers want to succeed in Uttarakhand they should concentrate on the highly qualified male youth of middle class family or we can say that they are the highest online shoppers.

Table 3. This table shows that all the consumers in one way or the other are attracted towards online shopping sites. Some do so just for the sake of window shopping if not doing an actual shopping.

Table: 4. Maximum people have an experience of 1-2 years of online shopping (40 %)

Table:5. This reveals that most of the people often undertake online shopping (50%).

Table :6. Regarding the reasons why respondents have chosen online shopping is easy buying process(38%) followed by wide range of products(23%).

Table: 7. The respondents were purchasing more than one product through online . Majority of the respondents as per our data book online tickets i.e. 67 % followed by clothing online 60%, electronics 51%, house ware 44%, accessories 42%, gifts

30% and books 20%. 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:8. Majority of respondents (58%) conveyed that information available regarding online products are excellent.

Table:9. Our 60 % respondents agreed that online shopping is economical and saves money followed by 26% respondents who strongly agreed to this. Whereas only 9% respondents did not support the statement, which is a negligible %. Hence we can say that around 86% people feel that virtual shopping is money saving.

Table : 10 Due to a busy work schedule , majority of respondents (63%) agreed that virtual shopping saves their time and 28% strongly agreed that shopping online is time saving. On the contrary, only 7% showed their disagreement, helping us to conclude that majority of uttarakhand population favours online shopping as a time saving shopping.

Table: 11. There is a controversy regarding the risk factor involved in online shopping but majority of respondents (75%) supported the fact that online shopping is not risky. These people feel comfortable using the plastic money or paying on delivery. Whereas very less (14%) opposed the statement saying that they feel it as a risky shopping. On oral conversation with the respondents we observed that this lot of people are either reluctant to use plastic money.

Table: 12. Our 63% respondents agreed that online shopping provides easy choice and comparability with other available products.

Table: 13. 64% respondents supported the timely delivery feature of online shopping. They are getting the timely delivery of their order which is an important reason for their virtual shopping.

Table: 14. Our next question was regarding the website design, if the design of website helps the shoppers to search the product or not. 75% respondents are of the view that website are designed customer friendly so that they can easily choose the desire item.

Table: 15. Maximum number of respondents recommended non online buyers to become online buyers (87%).

IV. SUGGESTIONS

- More and more people should be made aware of plastic money and encouraged to use cards (Debit, credit etc)
- Internet service usage to be made cheaper.
- More awareness towards virtual shopping.
- More Payment options like cash on delivery, money transfer, cheques, demand draft etc.
- 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.
- Stress on special offers.
- 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.
- Stress should be given on the quality of product.
- The prices offered by virtual shops should be made more competitive as compared to prices offered by physical shops.
- Uttarakhand being a hilly state should have better and improved internet services so that easy access to internet is possible.

V. CONCLUSION

After a detailed study we can very well conclude that it is a big market waiting for virtual retailers. There is a bright future of online shopping not only in Uttarakhand 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 which are open 24x7 and with the use of internet shoppers can shop anything, anywhere and anytime with safe payment option.

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