Online shoppers orientation towards functional and luxury goods: a study in india...

Online Shoppers Orientation Towards Functional and Luxury Goods: A study in Indian Perspective by Ravi Kiran M, Rajat Saxena Reddy YVS, Rohit Rai Rahul Yadav, Rahul Gupta Tarun Sahni Submitted to Prof. Anurag Dugar

Abstract: Online shopping in India has been on a consistent rise since the last few years.. The purpose of this paper is to explore the various determinants of shopper behavior and to examine the influence of these factors towards willingness to buy online. The study is based on primary data collected from a sample of 285 respondents across various cities in India. A structured non-disguised questionnaire was administered and responses were measured on the five-point Likert scale. Statistical tools like descriptive statistics, chi-square, and ANOVA were used to find out the strength of relationship and degree of association among the variables entered into the model. The results reveal that convenience, better deals and ease of payment are the factors which are influencing the customers more to buy utilitarian goods online. For buying luxury goods online brand trust and authenticity, tangibility, genuinity of the product and replacement guarantee are the factors which are influencing customers not to buy online. The paper seeks to provide fruitful key insights into the factors determining the prospects of online shopping that can benefit academicians as well as marketers. Key Words: Consumer Behavior, Online Shopping, Trust, Convenience 1. Introduction: India, the second most populated country in the world which had only 25k internet users in the year 1998 crossed 100 million users in 2011, despite poor internet penetration and sluggish internet speed, now India has more than 121 million internet users. Along with internet, online shopping in India has been on a consistent rise since the last few

years. With the advancement in IT, and increase in the total percentage of computer literate people in India, online shopping websites are well on their way towards a successful future. Not only in terms of customers, but in terms of sellers too. The opening up of various online shopping portals on the internet, has proved to be a boon, as of now they have access to a wider audience rather than to a limited petty market. The online channel is playing an increasingly important role in connecting retailers with potential customers in India. A few years back, when online shopping was in its nascent stage, there were very limited sales as well as purchases on the online shopping arena. This was due to many reasons such as lack of internet friendly population, low penetration of computers and slow internet connections in India, low percentage of credit and debit cardholders, as well as non willingness of people to use their credit card on the internet due to the fear of being scammed. But with the passage of time, this scenario has improved tremendously as people have started gaining confidence about purchasing products online. The advantages of shopping online, far outweigh the benefits of purchasing products from an offline market. Shoppers now have the option of browsing through a wide variety of products, rather than choosing a limited variety from a traditional market. Be it a bouquet of flowers or an expensive car, everything is available at the click of a mouse. Customers also get to save lot of time as they can shop anytime in the day, sitting in the comforts of their homes as the shopping websites are open all year round, 24hrs a day. Consequently, online shopping trends are improving and promise a bright future. According to comScore Inc (NASDAQ: SCOR) report, a leader in measuring the digital world, nearly 60 percent of online

users in India visited a online site in November 2011, with the number of online shoppers increasing 18 percent in the past year. eBay, which entered India in 2004, has now 23, 000 sellers and about 3 million registered users in the country generated business of around $11. 6 billion in 2011. These kind of trends demonstrate that online shopping has really become popular with the Indian population over the years and business generated by sites like ebay. co. in each year, we can say that in the coming future we may see traditional markets being replaced by online markets. 2. Review of Literature: According to LeCompte et al. (2003) review of literature illustrates the researcher's knowledge and information about the topic. Additionally it provides a structure and direction to the research due to influence from other researchers research. 2. 1 Internet Shopping in India: The interactive nature of the Internet and web offers opportunities galore to increase the efficiency of Internet shopping behavior by improving the availability of product information, enabling direct multi-attribute comparisons, and reducing buyer search costs (Alba et al. 1997). Bakos (1991), describes an e-market as "… an inter organizational information system that allows the participating buyers and sellers to exchange information about prices and product offerings". Liu and Arnett (2000), define it as, " a way of conducting business by companies and customers performing electronic transactions through computer networks". Meuter et al. (2000) have defined e-retailing in terms of the internet market as, " a virtual realm where products and services exist as digital information and can be delivered through information-based channels". Businesses are conducted both through traditional means as well as online. Technological advancements have led to

the growth in technology-based self-service and thereby impacted the way business is transacted (Dabholkar, 1994; and Moncrief and Cravens, 1999). This has provided opportunities to fulfill several consumer needs such as detailed product information of different brands, good bargains, saving of time and effort and convenience of shopping at home more effectively and efficiently than conventional shopping, especially in the highly competitive environment (Chen and Leteney, 2000). The number of people accessing the internet and entering into commercial transactions has been on the rise, and online shopping has been a growing phenomenon all over the world (Joines et al., 2003; and Jayawardhena, 2004). The review of existing studies and articles revealed that online shopping in India is growing at a rapid pace. According to comScore Inc(2011) Nearly 60 percent of online users in India visited a online site in November 2011, with the number of online shoppers increasing 18 percent in the past year. In September 2010, Neilson company carried out a study on the the products or services available online people in India are intending to buy. The results of the study are given in table1. According to comScore Inc (Dec 2011), in November 2011, 27. 2 million online users in India age 15 and older accessed the Retail category from a home or work computer, an increase of 18 percent from the previous year, as consumers continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through active marketing campaigns. Table 1: Source: Neilson Report 2010 Analysis of some of the largest Retail subcategories revealed that Coupons was the largest with 7. 6 million visitors, an increase of 629 percent from the previous year as consumers rapidly adopt daily deal sites. Consumer

Electronics ranked next with 7. 1 million visitors growing 12 percent from the previous year, while 5. 8 million online users visited Comparison Shopping sites, an increase of 25 percent from the previous year. Source: comScore Media Metrix 2. 2 Consumer Behavior in online shopping: 2. 2. 1 Internet Buyer and Demographics: As online shopping is different from traditional shopping it is important to understand that internet buyers are different from the traditional buyers. The consumer behavior of internet buyers varies as per their gender, age, sex and location. India has the world's youngest internet population with 75 percent of all users under the age of 35 years. According to the Nielsen Global Online Shopping Report(2010), 48% of online shoppers in India are of age group 21-30. Source: Neilson Report 20108 2. 2. 2 Consumer decision making process in e-commerce According to Evans et al. (2009) a decision making process gets complex by the number of people involved, time period for decision making, the process, the criteria and the risk involved in it. Price is not always the determining factor for consumers while making decisions there are other factors to it like quality, accuracy of delivery and the after-sales services. Engel et al. (2004) indicate that easy availability of alternatives has resulted in change in consumer behavior towards e-commerce. The difference between traditional commerce and e-commerce can be specified in five perspectives as follow: * Need Recognition — In traditional commerce consumers are at a passive position of receiving information as they are targeted by advertisements and promotions. While in case of internet consumers have the power to navigate through pages so they have more control of the information which shifts them from passive receiver to and initiative information seeker (Engel et al, 2004). * Information

Search — In traditional commerce the consumer has to visit the shop to compare price and quality of product which makes it a difficult task and time consuming. In case of internet the consumer have the advantage of accessing information by just clicks. While in traditional commerce information is passed through word of mouth in internet emails plays the same role (Engel et al, 2004). * Evaluation of Alternative — In traditional commerce brand competition is more severe due to the choices of brand available. Touching and trying the product before buying it gives the consumer advantage of evaluating the product not only on the basis of the brand name but by really testing the product which lacks in e-commerce (Engel et al, 2004). * Purchase — Internet makes purchase process less time consuming by allowing the consumers to just placing order and selecting the mode of payment. The product is then delivered to the consumer's desired destination (Engel et al, 2004). * Outcome Evaluation — If a consumer is not satisfied with product he or she will create an negative image of the brand and might spread it through word of mouth which might affect the brand but in case of internet it can be about the survivor of the brand as negative feedbacks spread at a very fast speed due to emails, forums and newsgroup (Engel et al, 2004). According to Evans et al. (2009) when a consumer believes that the degree of risk is high during a purchase he or she spends more time evaluating alternatives and deliberation. So it is very essential for websites to build up trust with consumers for them to make the purchase decision. 2. 2. 3 Factors of Adoption According to Chaffey et al. (2003) factors that are important for customers to adoption and usage of e-commerce are cost of access, value proposition, ease of use and security.

According to J. S. Prasad and A. R. Aryasri (2009) convenience, online store environment, shopping enjoyment, customer service, and trust are vital in influencing consumer behavior towards willingness to buy and patronage of online retail stores. According to Hofacker (2001), consumers' perceptions of convenience as manifested by the opportunity to shop at home twenty four hours a day and seven days a week is expected to influence the adoption of online retail stores. According to Ravi Kiran, Anupam Sharma and K C Mittal (2008) website design, convenience, Internet advertisement and reliability factor had a favorable impact on consumers decision to buy online. According to Sahney, Sangeeta Shrivastava, Archana Bhimalingam and Rajani (2008) Reliability and trust of an online retail store is one of the most important issues that an Indian consumer takes into consideration while thinking of shopping online. The review of above studies and various other studies indicate that there have been a number of studies done on internet shopping world wide as well as in India. The studies done in Indian perspective were mainly done based on one or two cities or states and an exhaustive study on India as a whole is not done. So there is an ample space for research in this area. 3. Objective: The report from comScore Inc and Neilson shows that people interested in online shopping are more inclined towards utilitarian/functional goods and services like retail, consumer electronics, tickets, books etc and are very less inclined towards luxury goods. Though there is a rapid growth in online shopping, buying of luxury goods online is still in nascent stages. As per various studies conducted, initially people were reluctant to online shopping because of various factors like reliability, trust, security etc. As the technology had improved and these

factors were taken care, online shopping has shown a tremendous growth in India. But Indian online shoppers though they are buying functional goods in a large scale, they were not ready to buy luxury goods online and there are certain other factors which are still forcing Indian online shoppers to stay away from buying luxury goods online. The main issue with respect to consumer behavior are the various factors which are directly or indirectly influencing the customers from doing the online shopping of luxury goods. Through the medium of this study, we aim to explore these factors. Our study and the questionnaire will extensively cover respondents from various age groups , demographics and backgrounds. 4. Scope of the Project Undertaken: The project undertaken lays down a key emphasis and a thorough study on the factors influencing to buy online in India. The various issues and factors ranging from demographic to social status to psychological factors will be taken into account and the buying behavior are studied. Primarily we collected data related to age group, occupation, gender, region, products people like to buy online, products people don't like to buy online and the factors influencing them. From this sample we did factor analysis and selected the factors which most of the people mentioned. We took two diverse product categories(functional and luxury) and framed a questionnaire and conducted a survey which we used to conclude about the degree of effectiveness of each factor on the consumer. 5. Collection of Data: * We started collecting data by keeping a target of 240 as our sample. * Data Collection is done using the digitized and non-digitized mode. * Data through the digitized medium is collected through online surveys, email circulation, online forums etc. * Data through non-digitized medium is

collected through personal interviews, reaching out to people with a questionnaire. * Since we are a team from various geographies of India, it gave us opportunity to reach out personally to various persons from all parts of the country so as to increase the sample size and provide the data analysis to the maximum accuracy possible. The sample size is calculated using quantitative method as given in annexure 1. For Collecting the initial data, questionnaire was designed as given in annexure 2. 6. Results of initial Questionnaire: For the initial questionnaire we got 95 responses, in which 66. 67% are males and 33. 33% are females. 87% respondents are of the age group 25 to 30. 15. 8% are from East, 25% from West, 31. 5% from North and 27. 7% from south part of India. 90% of the respondents reported that they buy utilitarian/functional goods like books, computer accessories, gadgets, electrical appliances, movie tickets, train tickets etc online and the reasons they provided for buying online were convenience, easy payment options, better deals, social circle influence, door delivery, wide availability of options etc. Many people replied that they are not willing to buy luxury goods like jewellery, high cost and international brand apparels etc and the reasons for not buying them were brand trust and authenticity, tangibility, genuineness of the product, social circle influence, delivery time, payment options, replacement guarantee etc. From the analysis of the initial data we reached a conclusion that Indian online shoppers though they are buying functional goods in a large scale, they were not ready to buy luxury goods online. This is in line with the results of comScore inc and Neilson's report. 7. Hypothesis: Based on the objectives of our study and results from the initial data, we formed the following hypothesis: Hypothesis 1 Consumer's attitude

towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is independent/ dependent of gender. Hypothesis 2 Consumer attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is independent/ dependent of geographic locations. Hypothesis 3 Consumer's attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is same in both genders and all geographic locations. Hypothesis 4 There is a positive correlation between different constructs that impacts consumer's attitude towards shopping of functional and luxury products. Based on our objective and hypothesis we formed the questionnaire for data collection as given in annexure 3. 8. Reliability of questionnaire: Sample responses of around 36 were collected from the students of NIIT University to check the validity and reliability of questionnaire. We checked the reliability of questionnaire using Chronbach's Alpha in SPSS. Reliability test was carried out using SPSS and the reliability test measures. The value of Cronbach Alpha is 0. 857 and was found to be high. The SPSS test results were shown in annexure 4. 9. Analysis of data: In our study, we collected a sample size of 285. Responses were collected through online survey and personnel interview. Out of the total 285, 160 were Male and 125 were Female. 64 were in the age group 18-24 and 216 were of the age group 25-35 and 5 from remaining age groups. 8. 77% of the respondents are from East India, 28. 77% from West India, 40. 35% from North India, followed by 22. 11% from South India. Analysis of factors attracting online purchase of utilitarian goods: * 29. 8% of the respondents rated high to very high for social circle influencing them to shop

online. 48. 8% rated low to very low and 21. 4% rated moderate impact. * 64. 9% of the respondents rated high to very high for convenience factor influencing them to shop online. 15. 4% rated low to very low and 19. 6% rated moderate impact. * 56. 2% of the respondents rated high to very high for wide assortment/choice influencing them to shop online. 15. 1% rated low to very low and 28. 7% rated moderate impact. * 69. 1% of the respondents rated high to very high for deals influencing them to shop online. 12. 3% rated low to very low and 18. 6% rated moderate impact. * 35. 1% of the respondents rated high to very high for tangibility factor influencing them to shop online. 40. 7% rated low to very low and 24. 2% rated moderate impact. * 61. 4% of the respondents rated high to very high for ease of payment influencing them to shop online. 13. 7% rated low to very low and 24. 9% rated moderate impact. * 49. 9% of the respondents rated high to very high for delivery time influencing their purchase decision. 21. 4% rated low to very low and 28. 7% rated moderate impact. Analysis of factors effecting online purchase of luxury goods: * 33. 6% of the respondents rated high to very high for convenience factor influencing them to shop online. 43. 2% rated low to very low and 24. 2% rated moderate impact. * 58. 3% of the respondents rated high to very high for brand trust and authenticity as the factor influencing them not to shop online. 19. 6% rated low to very low and 22. 1% rated moderate impact. * 54. 4% of the respondents rated high to very high for tangibility as the factor influencing them not to shop online. 27. 7% rated low to very low and 17. 9% rated moderate impact. * 60. 8% of the respondents rated high to very high for genuineness of the product as the factor influencing them not to shop online. 21. 8% rated low to very low and

17. 5% rated moderate impact. * 52. 3% of the respondents rated high to very high for better deals as the factor influencing them to shop online. 20. 4% rated low to very low and 27. 4% rated moderate impact. * 41% of the respondents rated high to very high for social circle as the factor influencing them not to shop online. 19. 6% rated low to very low and 21. 1% rated moderate impact. * 48. 1% of the respondents rated high to very high for delivery time as the factor influencing them not to shop online. 23. 9% rated low to very low and 28. 1% rated moderate impact. * 58. 2% of the respondents rated high to very high for payment options(lack of cash on delivery) as the factor influencing them not to shop online. 20% rated low to very low and 21. 8% rated moderate impact. * 60. 7% of the respondents rated high to very high for lack of replacement guarantee as the factor influencing them not to shop online. 19% rated low to very low and 20. 3% rated moderate impact. The collected data, descriptive statistics of the responses and the histogram representation of percentage responses to various factors is given in annexure 5. 10. Testing of Hypothesis: Hypothesis 1: Consumer's attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is independent/ dependent of gender. Null Hypothesis Ho: The factors are independent of gender. Alternate Hypothesis H1: The factors are dependent of gender. To test this hypothesis we used Chi Square analysis to determine the independence/dependence of the various factors on gender and significance level is taken as 0. 05. The result for the utilitarian goods are as follows: Utilitarian Goods | Factors | ï‡2 | P-Val | Result | Social Circle (Friends, Family etc) | 9. 79 | 0. 044 | Dependent | Convenience(Shopping from home)

| 9. 995 | 0. 041 | Dependent | Wide Assortment/Choice | 1. 894 | 0. 755 | Independent | Better Deals | 4. 462 | 0. 347 | Independent | Look and Feel(Tangibility) | 2. 129 | 0. 712 | Independent | Ease of Payment | 13. 947 | 0. 007 | Dependent | Delivery Time | 4. 237 | 0. 375 | Independent | For utilitarian goods, by taking the mean score of ratings for male and female, Male customers are more effected by Social circle with an average score of 2. 8, compared to average score of 2. 5 by female customers. Male customers gave an average score of 3. 9 for convenience compared to 3. 6 by female customers. And for ease of payment Male customers gave an average rating of 3. 8, while female gave an average rating of 3. 4. The results for the Luxury goods are as follows: Luxury Goods | Factors | Ï‡2 | P-Val | Result | Convenience(Shopping from home) | 7. 095 | 0. 131 | Independent | Brand Trust and authenticity | 5. 087 | 0. 279 | Independent | Look and Feel (Tangibility) | 7. 75 | 0. 15 | Independent | Genuineness of the Product | 5. 52 | 0. 238 | Independent | Better Deal & Sale Price | 3. 415 | 0. 491 | Independent | Social Circle (Friends, Family etc) | 3. 715 | 0. 446 | Independent | Delivery Time | 10. 36 | 0. 035 | Dependent | Payment Options (Cash on Delivery) | 3. 662 | 0. 454 | Independent | Replacement Guarantee | 10. 561 | 0. 032 | Dependent | For luxury goods, male customers rated an average score of 3. 1 for delivery time, whereas female customers gave 3. 4. Replacement guarantee, male customers gave an average rating of 3. 4 and female customers gave an average rating of 3. 8. Hypothesis 2: Consumer attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is independent/ dependent of geographic locations. Null Hypothesis H0: The factors are

independent of geographic location. Alternate Hypothesis H1: The factors are dependent of geographic location. To test this hypothesis we used Chi Square analysis to determine the independence/dependence of the various factors on geographical location and significance level is taken as 0. 05. The result for the utilitarian goods are as follows: Utilitarian Goods | Factors | ï‡2 | P-Val | Result | Social Circle (Friends, Family etc) | 12. 856 | 0. 38 | Independent | Convenience(Shopping from home) | 5. 972 | 0. 917 | Independent | Wide Assortment/Choice | 6. 524 | 0. 887 | Independent | Better Deals | 15. 452 | 0. 218 | Independent | Look and Feel(Tangibility) | 5. 399 | 0. 943 | Independent | Ease of Payment | 9. 388 | 0. 669 | Independent | Delivery Time | 6. 862 | 0. 867 | Independent | The result for the luxury goods are as follows: Luxury Goods | Factors | ï‡2 | P-Val | Result | Convenience(Shopping from home) | 7. 714 | 0. 807 | Independent | Brand Trust and authenticity | 15. 604 | 0. 21 | Independent | Look and Feel (Tangibility) | 27. 401 | 0. 007 | Dependent | Genuineness of the Product | 9. 456 | 0. 664 | Independent | Better Deal & Sale Price | 10. 544 | 0. 568 | Independent | Social Circle (Friends, Family etc) | 15. 307 | 0. 225 | Independent | Delivery Time | 9. 46 | 0. 663 | Independent | Payment Options (Cash on Delivery) | 7. 868 | 0. 795 | Independent | Replacement Guarantee | 15. 675 | 0. 207 | Independent | People from eastern and western part of India on an average rated 3. 2 for look and feel aspect of luxury goods, north India people rated 3. 3 and people from south India rated an average score of 3. 86. Hypothesis 3 Consumer's attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is same in both genders and all geographical locations. Null Hypothesis H0:

Consumer attitude towards all the factors is same in both genders and regions. Alternate Hypothesis H1: Consumer attitude towards all the factors is different in both genders and all regions. We used ANOVA test to analyze this hypothesis and the results are given below. The results for the utilitarian goods are as follows: Utilitarian Goods | Factors | P-Val | Result | Social Circle (Friends, Family etc) | 0. 728 | Accept | Convenience(Shopping from home) | 0. 886 | Accept | Wide Assortment/Choice | 0. 171 | Accept | Better Deals | 0. 01 | Reject | Look and Feel(Tangibility) | 0. 163 | Accept | Ease of Payment | 0. 507 | Accept | Delivery Time | 0. 046 | Reject | The results shows that for utilitarian goods influence of Social circle, Convenience, Wide assortment, tangibility and ease of payment doesnt vary from gender to gender and region to region, where as better deals and delivery time varies. The results for the luxury goods are as follows: Luxury Goods | Factors | P-Val | Result | Convenience(Shopping from home) | 0. 034 | Reject | Brand Trust and authenticity | 0. 507 | Accept | Look and Feel (Tangibility) | 0. 47 | Accept | Genuineness of the Product | 0. 622 | Accept | Better Deal & Sale Price | 0. 436 | Accept | Social Circle (Friends, Family etc) | 0. 658 | Accept | Delivery Time | 0. 485 | Accept | Payment Options (Cash on Delivery) | 0. 468 | Accept | Replacement Guarantee | 0. 85 | Accept | The results shows that for luxury goods influence of Convenience as factor varies from gender to gender and region to region, where as other factors influence is same. The SPSS output for all tests is given in annexure 5 Hypothesis 4 There is a positive correlation between different constructs that impacts consumer's attitude towards shopping of functional and luxury products. To test this hypothesis we used Pearson correlation coefficient and the output is given in annexure

6. From the output we can say that there exists a positive correlation between all the factors. Apart from these the analysis of responses had shown that Tangibility, genuinity of the product, brand trust and authenticity and social circle are the major factors that are influencing customers while buying luxury goods online. 11. Conclusion The study reveals that convenience, better deals and ease of payment are the factors which are influencing the customers more to buy utilitarian goods online. For buying luxury goods online brand trust and authenticity, tangibility, genuinity of the product and replacement guarantee are the factors which are influencing customers not to buy online. It is evident from the study most of the factors are influencing the online purchase decision of customer are independent of gender and geographic location. The analysis of the responses show that 64. 9% rated high for convenience factor as a reason for buying utilitarian goods online. At the same time only 33. 6% rated high for buying luxury goods online. 29. 8% rated high for social circle influence for utilitarian goods and 41% rated high for luxury goods. 40. 7% rated low for tangibility factor for utilitarian goods and only 19. 6% rated low for luxury goods. 49. 9% of the respondents rated high for delivery time as a reason for buying utilitarian goods online. At the same time 48. 1% respondents rated high for delivery time as responsible for not buying luxury goods online. These contrasting responses for online purchase of utilitarian and luxury goods helps us to understand the concept of " Evolving Indian Consumer/Customer". 10. How this study going to help marketer? This report highlights the major concerns of people shopping luxury goods online, which we believe will help any marketers to concentrate on those areas and build strategies accordingly to

take advantage of the growing 'Online Shopping Community' opportunity. The findings prove that Consumers trust levels are very low towards online shopping when buying luxury goods. It is a great challenge for online retailers to convince and persuade online customers about the issues related to the trust. Online sellers may adopt a higher level of 3D virtual technology model to enhance product examination and improve consumer perceptions regarding the tangibility factor. 11. Limitations Although the objectives of the present study were fully met, a few limitations were identified in the course of this study. The limitations of this research provide the foundation for continued research to improve the understanding of the factors leading to consumer behavior. * Other statistical tools like regression analysis could be used in future research for clear analysis of factors influencing consumer behavior. And Chi-square could be used in analyzing the test of goodness of fit for the demographic factors influencing consumer behavior towards buying luxury goods online. * Though the sample size is acceptable, it is indeed required to be increased to the maximum so as to get the exact attitudinal and behavioral perceptions towards Internet retailing and further generalization and inference of the findings to the whole population under study. * Future research is required to clearly assess consumer behavior by collecting representative multi-city and/or cross-country data. References: Alba., J, B. Lynch, C. Weitz, R. Janiszewski, A. Sawyer Lutz, and S. Wood, (1997), ' Interactive home shopping: Consumer, retailer, and manufacturer incentives to participate in electronic marketplaces', Journal of Marketing, 61(3), pp. 38—53. Bakos J Y (1991), 'A Strategic Analysis of Electronic Marketplaces', MIS Quarterly, vol. 15, No. 3, pp. 295-310. Chaffey, D., et al.

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to checked how much percentage of internet users are doing online shopping. 6) If yes, what are the products you buy line? This question was framed to gather information on which products people are buying more online. 7) What are the factors that influence to buy online? This question was framed to know which major factors are influencing the people to buy their preferred products online. 8) What are the products you are not preferring to buy online and what is the reason? This question was framed to know which products people are not interested to buy online and what are the factors that are influencing them not to buy those products online.

Annexure 3: Questionnaire for primary data 1. For buying Utilitarian/Functional goods/services (Ex: Books, Computer Accessories, Consumer Electronics etc), to what extent following factors attract you towards online shopping? (1 being the Lowest and 5 being the Highest) 1 2 3 4 5 Social Circle (Friends, Family etc) --- --- --- --- --- Convenience --- --- --- --- --- Wide Assortment/Choice --- --- --- --- --- Better Deals --- --- --- --- --- Look and Feel(Tangibility) --- --- --- --- --- Ease of Payment --- --- --- --- --- Delivery Time --- --- --- --- --- This question was framed to find out which factors are affecting to a greater extent to buy functional goods or services online and to find out if there is a positive correlation between different constructs that impacts consumer's attitude towards shopping of functional products. 2. For buying luxury products/services (ex: Jewellery) online, how much do the following factors affect your buying decision? (1 being the Lowest and 5 being the Highest) 1 2 3 4 5 Social Circle (Friends, Family etc) --- --- --- --- --- Convenience --- --- --- --- --- Brand Trust and Authenticity --- --- --- --- --- Better Deals & Sales Price --- --- --- --- --- Look and Feel(Tangibility) --- --- --- --- ---

Payment Options --- --- --- --- --- Delivery Time --- --- --- --- --- Genuineness of the Product --- --- --- --- --- Replacement Guarantee --- --- --- --- --- This question was framed to find out which factors are affecting to a greater extent to buy functional goods or services online and to find out if there is a positive correlation between different constructs that impacts consumer's attitude towards shopping of functional products. These two questions were also framed to test if there is any significant difference in the importance assigned to different constructs that affect the consumer's attitude towards online shopping of functional and luxury products. 3. Name 4. Gender a) Male b) Female This question is framed to test whether consumer's attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is independent/ dependent of gender. 5. What is your age group? a) 18-25 b) 25-35 c) 35-50 d) 50 & above 6. Which part of India do you belong to? a) East b) West c) North d) South This question is framed to test consumer attitude towards various factors like cash on delivery, replacement guarantee, tangibility, social circle and authenticity is independent/ dependent of geographic locations. In questions 1 and 2 there were some common factors given, because we need to test the concept of evolving Indian customer, where they react in a certain manner towards utilitarian goods and exactly opposite towards luxury goods. Annexure 4: SPSS test results for reliability test of questionnaire The output of SPSS is as given below. Scale: ALL VARIABLES Case Processing Summary | | N | % | Cases | Valid | 36 | 100. 0 | | Excludeda | 0 | . 0 | | Total | 36 | 100. 0 | a. Listwise deletion based on all variables in the procedure. | Reliability Statistics | Cronbach's Alpha | N of Items | . 857 | 16 | Item Statistics | | Mean

	Mean	Std. Deviation	N
Social Circle (Friends, Family etc)	2.78	1.355	36
Convenience(Shopping from home)	4.03	1.207	36
Wide Assortment/Choice	3.53	1.183	36
Better Deals	4.19	1.037	36
Look and Feel(Tangibility)	2.81	1.261	36
Ease of Payment	4.08	.996	36
Delivery Time	3.44	1.229	36
Convenience(Shopping from home)	2.67	1.352	36
Brand Trust and authenticity	3.69	1.348	36
Look and Feel (Tangibility)	2.92	1.574	36
Genuineness of the Product	3.64	1.570	36
Better Deal & Sale Price	3.64	1.291	36
Social Circle (Friends, Family etc)	2.78	1.198	36
Delivery Time	3.14	1.397	36
Payment Options (Cash on Delivery)	3.58	1.204	36
Replacement Guarantee	3.47	1.383	36

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Social Circle (Friends, Family etc)	51.61	129.044	.180	.864
Convenience(Shopping from home)	50.36	127.094	.289	.857
Wide Assortment/Choice	50.86	128.123	.257	.858
Better Deals	50.19	125.418	.427	.851
Look and Feel(Tangibility)	51.58	124.536	.366	.854
Ease of Payment	50.31	125.190	.459	.850
Delivery Time	50.94	120.511	.533	.846
Convenience(Shopping from home)	51.72	126.492	.266	.859
Brand Trust and authenticity	50.69	113.875	.720	.836
Look and Feel (Tangibility)	51.47	118.028	.465	.850
Genuineness of the Product	50.75	113.164	.622	.840
Better Deal & Sale Price	50.75	117.679	.610	.842
Social Circle (Friends, Family etc)	51.61	118.873	.617	.842
Delivery Time	51.25	116.307	.603	.842
Payment Options (Cash on Delivery)	50.81	119.818	.575	.844
Replacement

Guarantee | 50. 92 | 112. 536 | . 748 | . 834 | Scale Statistics | Mean |

Variance | Std. Deviation | N of Items | 54. 39 | 136. 416 | 11. 680 | 16 |

Annexure 5: SPSS Outputs --- [1]. http://hiox.

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2012. [2]. http://www. internetworldstats. com/stats3. htm#asia accessed

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battleground-for-their-contrasting-business-models/articleshow/12076057.

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com/Press_Events/Press_Releases/2011/12/Online_Shopping_T