Vol. 5 No. 2 October 2017 ISSN: 2321-4643 UGC Approval No: 44278 Impact Factor: 2.082

SEGMENTING ONLINE SHOPPERS: A STUDY ON CONSUMERS PERCEPTION TOWARDS PURCHASE OF CLOTHING FROM ONLINE WITH REFERENCE TO CHENNAI

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Abstract

Increasing the consumer base is the principal target of every E-commerce companies and their marketing activities are primarily focused towards the same. Cash on delivery has played an important role in changing the consumer perception towards online shopping in a big way, discounted sales, and various value addition promotions had been instrumental in expanding the consumer base of the E-commerce portals. This study aims to know the consumers perception towards buying clothing from online as traditionally consumers were experienced with spending lot of time in choosing from the available options but online as provided a single window for the consumers to view multiple products and compare them and make their choice. For this purpose 425 samples have been collected and analyzed from Chennai.

Keywords: *E-commerce, online shopping, Clothing, consumer perception, reasons for buying online, Challenges in buying online.*

Introduction

The archaeological surveys and studies have found that the people of Harrapan civilization knew weaving and the spinning of cotton four thousand years ago. Reference to weaving and spinning materials is found in the Vedic Literature. There was textile trade in India during the early centuries. A block printed and resist-dyed fabrics, whose origin is from Gujarat is found in tombs of Fustat, Egypt. This proves that Indian export of cotton textiles to the Egypt or the Nile Civilization in medieval times were to a large extent.

The domestic textile and apparel industry in India is estimated to reach US$ 141 billion by 2021 from US$ 67 billion in 2014. Increased penetration of organized retail, favorable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

Textile and apparel exports from India are expected to double from US$ 40 billion in 2014 to US$ 82 billion by 2021 from. Readymade garments remain the largest contributor to total textile and apparel exports from India. In Financial Year 2015 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent respectively.

Segment-wise Market Projections

Currently, menswear is the biggest segment within the apparel market; however, kids wear and women's wear are growing more rapidly. It is estimated that, within another decade, the women's wear category will catch up with menswear, in terms of size.

With a market size of INR 87,500 crore (USD 16 billion) in 2012, menswear is the largest segment in India's apparel market, accounting for 42 per cent of the overall market. In comparison, women's wear makes up 38 per cent, while kids wear comprises 20 per cent, of the market. Market size and growth projections the menswear market can be divided into various categories including woven shirts, trousers, denims, winter wear, innerwear, t-shirts, suits, active wear, ethnic wear and daily wear. The woven shirts category is the single largest within the menswear market, followed by trousers and denim. The menswear market is expected to grow at a CAGR of 8.5 per cent over the next five years to reach INR 131,000 crore (USD 24 billion) by 2017.

The INR 78, 500 crore (USD 14.4 billion) worth women's wear market contributes 38 per cent of the total apparel market of India. The growth of this market is more rapid than the menswear market. With the relatively lower penetration of brands, and the growing disposable income of modern women, this segment has become the focus of many Indian and international brands.

E-commerce Development

With changing demographics and an increase in the quality of life of urban people, the Indian retail sector is poised for a boom. Currently estimated at $500 billion, it is forecast to reach $1 trillion in 2020. However, with 0.1 per cent penetration, the online market presently constitutes only $500 million of the total retail market, but is expected to grow 140 times and reach $70 billion by 2020, thanks to the demand from the so-called Generation Z. E-commerce has brought about a revolution in the shopping model of India. With over 10 million Indian consumers shopping online for commodities other than electronics, this sector is growing at a great pace. Opportunities for web exclusive brands are coming up in apparel, accessories, shoes etc. and also gathering momentum across all market segments with each passing day. In the last two years, the $130 million apparel e-retailing space has attracted investments worth $70 million i.e. 40 per cent of the total funding Indian e-retailers bagged during the period. In fact, the recent inflow of private equity investment into many garment start-ups is an indication that the apparel e-tailing platform is reaching a tipping point fast.

Apparel e-tailing has experienced significant growth across the country due to increasing time-poverty, changing lifestyles, convenience and flexibility of shopping from home and option of free home delivery (in most cases). Factors such as dramatic increase in penetration of IT devices and communication solutions (especially tablets, broadband and smart-telephony), and emergence of exciting new "virtual reality" technologies are contributing to the expansion of apparel e-tailing.

Growth Drivers of E-tail in India

- Digital Penetration
- Growth of Internet Habitual Customers
- Limitation of Brick & Mortar Formats
- Improved Supply side

Some of leading online players in India

- Amazon
- Flipkart
- Snapdeal
- Myntra
- Jabong
- Ebay
- Paytm

Objectives of the study

- To understand consumers opinion on important aspects required for buying clothing online
- To understand the costumers opinion on various challenges they faced while buying clothing online

Research design

The study area of the research has been chosen to Chennai city. Fifty thousand Customer details have been collected from popular online vendors. Among that eight thousand customers were chosen those who buy the garments from online in an average ticket value for a year of Rs.6000/-. The researcher randomly selected 1800 customers from the list. Framed questionnaire has been sent through email and 425 eligible replies taken in to account. The research has been finalized with 425 sample size for the study.

Limitations of the study

- The study covers the perception and the satisfactory levels of the selected respondents of the online marketing as well as the marketers of Chennai city would not reflect on the other areas and the customers.
- The study is not related to any other progress of the online marketing systems of the state or region in India.
- Limited number of respondents and this number of respondents is not generalized

Hypothesis

- There is no significant relationship between reason for buying garment and educational qualification of the respondents.
- There is no significant relationship between reason for not buying garments online and educational qualification of the respondents.

Review of Literature

Devanadhan Malmarugan (2008) had undertaken a study with a view to find a strategic model for predicting customers' intention to purchase apparel online. The survey compiled with 500 customer responses were collected through a structured questionnaire from the Chennai city. The data was analyzed using SPSS software and logistics regression prediction model. This study provides several important insights in managing apparel shopping websites. The prediction model arrived at is useful to know the intention of purchase (ITP) apparel online. Security and privacy factors are critical for online companies in order to build long term relationship between costumers and sellers. Due to consumers concern with regard to transaction security and privacy in e-transaction, retailers are now more involved in improving e-transaction security and broader protection policies by providing customized strategies including return policies, interactivity and personalization.

Jayendra sinha et.al. (2012) have undertaken a study on factors affecting Indian consumer's online behavior. The researcher has adopted two methods for data collection, online (Proficient technology users) offline data collection. The sample for the study area consists of Delhi region and Banaras Hindu University. Out of the total 987 questionnaire (287 paper survey and 700 email surveys) A total of 143 responses received. Out of which 127 usable surveys were obtained. The factors have been analyzed using Principal Component Analysis (PCA). The study found that majority of the people who bought online more number of times was in the age group of 40-49 years. This is contradicting from common prediction that young people buying more online products.

Arun Balakrishnan and Tushar Soubhari (2014) in their paper a study on customer preferences and impact on the usage rate of Flipkart a study with special reference to Chennai city. Indian e-retail market is yet in the nascent stage with very few internet shoppers and with customer preferences not very favorable to e-shopping phenomenon. With the challenges around, only the innovation of services and growth of internet users will define the success of e-retailing companies.

Research Gap

Though regular studies have been analyzed on trust, security, consumer satisfaction and growth of online marketing, this study has attempted in on understanding the consumers perception towards buying clothing online Further this present study is unique in the sense that it analyzes the consumers perception, Advantages in online shopping and challenges faced in online shopping.

Table - 1

	Particulars	Frequency	Percentage
Age of the respondents	Upto 20	62	14.5
	21-25	219	51.5
	26-30	79	18.5
	31-35	38	8.9
	Above 35	27	6.3
Gender	Male	349	82.1
	Female	76	17.9
Martial Status	Unmarried	267	62.8
	Married	158	37.2
Educational Qualification	School	48	11.3
	Under Graduation	262	61.6
	Post Graduation	62	14.6
	Technical Education	53	12.5
	Government	81	19.0
Occupation	Private	200	47.1
	Self employed	60	14.1
	Students	45	10.6
	Home Makers	39	9.2
Family Income	Up to Rs.25000	116	27.3
	Rs.25001- Rs.50000	265	62.4
	Above Rs.50001	44	10.4
Preferred payment option	Prepaid	151	35.5
	COD	274	64.5

Interpretation

From the above table it is found that majority of the sample (51.5%) are in the age group of 21-25,And 82.1% of the respondents belong to male and 62.8% of the respondents are unmarried. It is also observed that 61.6% of the respondents had completed their under graduation and 47.1% respondents work in private organizations and 62.1% of the respondents had their family income of 25001-50000. It is also to be noted that majority of the sample size 64.5% respondents prefer to buy thing through COD mode.

Table - 2 Classification on the Respondents on their Opinion on Important Aspect for Online Business

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Fast Delivery Time	49 (11.8%)	69 (16.2%)	42 (9.8%)	73 (17.1%)	192 (45.2%)	425
Reputation of Company	24 (5.6%)	47 (11.0%)	23 (5.6%)	68 (16%)	263 (61.8%)	425
Good Presentation – Images and Description	21 (4.9%)	53 (12.4%)	16 (3.7%)	49 (11.5%)	286 (67.2%)	425
Aggressive Offers	44 (10.3%)	61 (14.5%)	54 (12.7%)	99 (23.2%)	167 (39.2%)	425
Comparison and Availability of Various brands in single window	36 (8.7%)	57 (13.4%)	46 (10.7%)	73 (17.1%)	213 (50.1%)	425
Convenience in shopping	36 (8.4%)	63 (14.8%)	17 (4.0%)	163 (38.5%)	146 (34.3%)	425

Interpretation

From the above table it is understood that majority of the respondents(67.2%) have accepted and strongly agreed that Good presentation is important feature needed followed by Reputation of the portal. It is understood from the respondents that Fast delivery time, reputation of the company, Good presentation, Aggressive offers, Comparison between brands and convenience in shopping are the important features of the online shopping.

Table – 3 Classification on the Respondents on their Opinion on Challenges with Online Business

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Size Classification issue between Brand	51 (12%)	69 (16.2%)	39 (9.4%)	99 (23.2%)	167 (39.2%)	425
Touch Feel on Quality Standards	29 (6.8%)	43 (10.1%)	56 (13.3%)	86 (20.2%)	211 (49.6%)	425
Complication in return formalities	33 (7.7%)	37 (8.7%)	32 (7.7%)	59 (13.8%)	264 (62.1%)	425
Security Aspects	21 (4.9%)	47 (11.0%)	41 (9.6%)	17 (4.0%)	299 (70.5%)	425
Unknown People using/viewing Personal information	49 (11.7%)	59 (13.8%)	65 (15.2%)	93 (21.8%)	159 (37.5%)	425
Loosing Social Contact	23 (5.4%)	48 (11.2%)	74 (17.6%)	69 (16.2%)	211 (49.6%)	425

Interpretation

From the above table it is understood that majority of the respondents have accepted and strongly agreed that security aspects is a challenge followed by complication in return formalities are the major challenges faced in online shopping. it is understood from the table that majority of the respondents have accepted that size classification between brand, touch feel on quality, complication in return formalities, security aspects and loosing contacts are the major challenges faced.

Test of Hypotheses

An attempt has been made to study the relationship between reason for buying and education qualification of the respondents. The ANOVA Test has been employed for this purpose.

Relationship between reason for buying garments online and educational qualification of the respondents

In order to examine whether there is any reason for buying and educational qualification of the respondents, the following hypotheses are formulated.

Null Hypothesis (Ho): There is no significant relationship between reason for buying and educational qualification of the respondents.

Alternative Hypothesis (H_1): There is a significant relationship between reason for buying and educational qualification of the respondents.

The Anova test has been employed to examine the hypothesis and the computed results are presented in Table No.4

Table - 4 Relationship Between Reasons for Buying Garments Online and

Educational Qualification of the Respondents

Particulars		Sum of Squares	Df	Mean Square	F	Sig.
Fast Delivery	Between Groups	10.671	3	3.557	1.669	.173
	Within Groups	897.447	421	2.132		
	Total	**908.118**	**424**			
Convenience	Between Groups	11.338	3	3.779	2.267	.080
	Within Groups	701.721	421	1.667		
	Total	**713.059**	**424**			
Comparison	Between Groups	10.515	3	3.505	1.860	.136
	Within Groups	793.368	421	1.884		
	Total	**803.882**	**424**			
Aggressive Offer	Between Groups	12.569	3	4.190	2.200	.087
	Within Groups	801.652	421	1.904		
	Total	**814.221**	**424**			
Presentation	Between Groups	8.303	3	2.768	1.737	.159
	Within Groups	670.695	421	1.593		
	Total	**678.998**	**424**			
Reputation	Between Groups	6.742	3	2.247	1.411	.239
	Within Groups	670.373	421	1.592		
	Total	**677.115**	**424**			

It is observed that all the significant P- values are more than 0.05 the variable like fast delivery, convenience, comparison, aggressive, presentation and reputation hence the null hypothesis is accepted and it is concluded that there is no significant relationship between the reasons for buying garments from online with educational qualification of the respondent

Test of Hypotheses

An attempt has been made to study the relationship between reason for not buying garments online and educational qualification of the respondents. The Anova Test has been employed for this purpose.

Relationship between reason for not buying garments online and educational qualification of the respondents

In order to examine whether there is any reason for not buying garments online and educational qualification of the respondents, the following hypotheses are formulated.

Null Hypothesis (Ho): There is no significant relationship between reason for not buying garments online and educational qualification of the respondents.

Alternative Hypothesis (H_1): There is a significant relationship between reason for not buying garments online and educational qualification of the respondents.

The Anova test has been employed to examine the hypothesis and the computed results are presented in Table No.5

Table - 5 Relationship Between Reasons for not

Buying Garments Online with Educational Qualification

Particulars		Sum of Squares	Df	Mean Square	F	Sig.
Social contacts	Between Groups	3.796	3	1.265	.785	.503
	Within Groups	678.359	421	1.611		
	Total	**682.155**	**424**			
Access to personal information	Between Groups	7.298	3	2.433	1.241	.294
	Within Groups	824.900	421	1.959		
	Total	**832.198**	**424**			
Security aspects	Between Groups	1.706	3	.569	.346	.792
	Within Groups	691.292	421	1.642		
	Total	**692.998**	**424**			
Complication	Between Groups	4.722	3	1.574	.919	.431
	Within Groups	720.634	421	1.712		
	Total	**725.355**	**424**			
Touch feel	Between Groups	2.586	3	.862	.521	.668
	Within Groups	696.652	421	1.655		
	Total	**699.238**	**424**			
Size classification	Between Groups	2.054	3	.685	.329	.804
	Within Groups	876.430	421	2.082		
	Total	**878.485**	**424**			

It is observed that all the significant P- values are more than 0.05 for the variable social contacts, access to personal information, security aspects, complication, touch feel, size classification hence the null hypothesis is accepted and it is concluded that there is no significant relationship between the reasons for not buying apparel online with educational qualification of the respondents.

Conclusion

It is concluded from the above study that consumers consider that fast delivery time, Reputation, Good presentation, Aggressive offers, Comparison with various brands and convenience are the important factors of online shopping. And consumers also consider size classification between brands and absence of touch feel , complication in return formalities loosing social contacts were the important challenges to be considered in online shopping. Hence E-Commerce companies should focus more on these aspects for increasing the customer base.

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