

**STUDY ON PENETRATION OF ONLINE SHOPPING AMONG  
UNIVERSITY STUDENTS – SPECIAL REFERENCE TO NALGONDA  
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**Abstract:**

Commercial use of the internet becomes a reality with the advent of e-commerce. Nobody ever 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. The rural market will be the next battleground for the e-commerce companies in India. And the educated rural population plays an important role in creating awareness and dispelling on the familiarity of using the online platforms for shopping. Among the educated lot university students will be brand ambassadors for the online platform. University students will be brand ambassadors for the online platform that they use. Student ambassadors have the potential to spread awareness in the rural populace about the benefits of online shopping. The present study is an empirical study regarding how many students are aware of online shopping, to how often they purchase products. The sample size is 116 respondents from various departments in a university located at Nalgonda district. The data is collected from university students, through the questionnaire method.

**Keywords:** online shopping, student ambassadors, e-commerce, rural population.

**INTRODUCTION**

E-commerce, or the buying and selling of goods and services over the internet, has revolutionized the way people conduct business worldwide. With the increasing availability of the internet, e-commerce has grown rapidly and has become a significant contributor to the global economy. In India, the growth of e-commerce has been particularly impressive.

E-commerce has provided many benefits to businesses and consumers alike. Businesses can now reach a wider audience, reduce overhead costs, and increase their revenue through online sales. Consumers, on the other hand, can enjoy the convenience of shopping from the comfort of their homes, access to a wider range of products, and often lower prices. However, the growth of e-commerce has also posed challenges, such as concerns about cyber security and data privacy, as well as increased competition for traditional brick-and-mortar businesses.

Nevertheless, the overall impact of e-commerce on the global economy has been overwhelmingly positive, and it is expected to continue to shape the future of commerce and trade. The deep discounts given by Flipkart an Indian based company has spurred the growth of

online shopping in India According to Statista calculations, India ranks first in terms of B2C e-commerce development with a compound annual growth rate of 17.8 in the projected period (Clement. J, 2019). Current active e-commerce penetration in India stands only 28 percent, with lots of room for improvement (Statista Research Department, 2009).

Internet penetration in rural India is increasing constantly, but people are still unaware of all the benefits of online shopping, like getting better deals, saving time & money, getting things delivered at home conveniently, and so on. Besides, those who do know about these benefits still feel reluctant to shop online because of sheer unfamiliarity.

E-Commerce companies are gradually understanding rural India demographics, and are working in collaboration with Indian government local communities to penetrate this immensely potential but underserved market share (Chef.Y, 2016). The rural market will be the next battleground for the e-commerce companies in India. And the educated rural population plays an important role in creating awareness and dispelling the familiarity of using the online platforms for shopping.

Among the educated lot university students will be brand ambassadors for the online platform. University students will be brand ambassadors for the online platform that they use. Student ambassadors have the potential to spread awareness in the rural populace about the benefits of online shopping.

The present study is an empirical study regarding how many students are aware of online shopping, to how often they purchase products. To study about the penetration levels of online shopping among the educated lot. University students have been selected as the sample.

## **REVIEW OF LITERATURE**

**Statista Research Department, (2009)** Current active e-commerce penetration in India stands only 28 percent, with lots of room for improvement.

**British Journal of Management (2013)** Online marketing can influence the consumer purchasing decision and alter brand perceptions of different products of different industries. It is the purpose of this research to study the various tools and techniques marketing managers can use to influence consumer purchasing decision.

**Yokart Chef, (2016)** Ecommerce companies gradually understand rural India demographics and are working in collaboration with Indian government & local communities to penetrate this immensely potential but underserved market share.

**Stoney G deGeyter (2016)** The digital marketing with a company's core principles and strengths, it's important for them to get some deeper client knowledge before going full-steam into the campaign.

## **OBJECTIVES OF THE RESEARCH STUDY**

- 1) To study the interrelationship between the demographic variables and penetration of online shopping among university students.

- 2) To study the awareness levels regarding online shopping among university students.
- 3) To study the frequency of product purchases through online shopping platforms among university students.

### **HYPOTHESES**

H1 - There is a significant relationship between the frequency of visits to an online e-commerce website and the purchase frequency of products through the e-commerce website.

H2 - There is a significant relationship between the buying procedure followed to validate online product purchases and the purchase frequency of products through the e-commerce websites.

H3 - There is a significant relationship between the value of purchases from online e-commerce websites and the purchase frequency.

H4 - There is a significant relationship between buying procedure followed to validate online product purchases and the value of purchases from an online e-commerce website.

### **RESEARCH METHODOLOGY**

#### **Sample Size:**

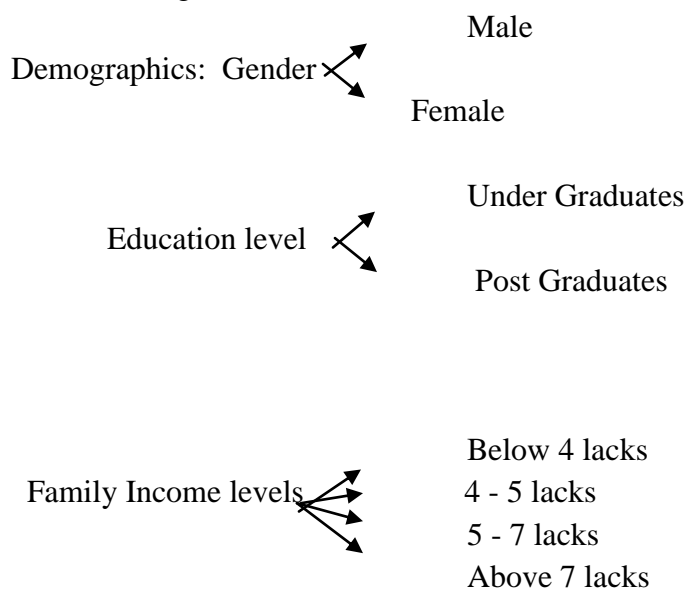
The data was collected from 116 students belonging to various departments of the university located at Nalgonda district.

**How:** Data was collected using a questionnaire.

### **DATA ANALYSIS**

To study the interrelationship between the demographic variables and penetration of online shopping among university students has been used cross-tabulated.

The following variables have been cross-tabulated.



#### **Use of the internet.**

Frequently purchasing products.

Product procedure followed to validate online purchases.

Amount spent on product purchases.

### Demographics Table

Gender		
	Number	Percentage
Male	56	48.3
Female	60	51.7
Total	116	100

Education level		
	Number	Percentage
UG	74	63.8
PG	42	36.2
Total	116	100

Family income level		
	Number	Percentage
Below 4 L	105	90.5
4-5 L	7	6
5-7 L	1	0.9
Above 7L	3	2.6
Total	116	100

From the cross-tabulation, it can be inferred that

#### Use of the internet:

73.21% of males are frequently (more than 12 times in a month) using the internet and 43.33% of the female have used very rarely. Overall, 55% of the university students use the internet most frequently.

64.86% of UG students are frequently (more than 12 times in a month) using the internet and 38.09% of PG students have used frequently and 38.09% of PG students use internet very rarely.

54.28% of students whose family income is below 4 lakhs, most frequently (more than 12 times in a month) users of internet rarely. Whereas 0.9% of 5-7 L family income students rarely using the internet.

#### Frequently purchasing products:

40.62% of males are frequently purchasing electronic goods and 29.16% of the female are purchasing textiles. Whereas 27.77% of females buy jewellery.

35.80% of UG students frequently purchase electronic goods and 41.81% of PG students purchase textiles.

54.28% of students whose family income is below 4 lakhs, frequently purchase electronic goods and. 22.58% of students whose family income is below 4 lakhs, buy textiles. Whereas 17.74% of students whose family income is below 4 lakhs, frequently purchase the jewellery.

**Amount spent on product purchases:**

62.5% of males spend less than 5000 in a year for online purchases. And 85% of females spend less than 5000 in a year for online purchases Whereas 3.57% of the male spend between 10000 to 20000 Rs in a year for online purchases and 3.33% of female spend between 10000 to 20000 Rs in a year for online purchases.

78.37% of UG students spend less than 5000 in a year for online purchases and 66.66% of PG students spend less than 5000 in a year for online purchases

76.19% of students, whose family income is below 4 lakhs, spend less than 5000 in a year for online purchases.

To study the interdependence of attributes chi-square test has been used.

**Test of Hypotheses:**

*H1 - There is a significant relationship between the frequency of visits an online e-commerce website and the purchase frequency of products through the e-commerce website.*

**Frequency of website visit \* Purchase frequency Crosstabulation**

			Purchase frequency				Total
			Once in 15 days	Once in 1 month	Once in 2 months	Once in 4 months	
Frequency of website visit	1 – 2	Count	2	9	3	2	16
		% within Frequency of website visit	12.5%	56.3%	18.8%	12.5%	100.0%
	3 – 5	Count	2	5	11	13	31
		% within Frequency of website visit	6.5%	16.1%	35.5%	41.9%	100.0%
	6 – 10	Count	0	3	10	2	15
		% within Frequency of website visit	0.0%	20.0%	66.7%	13.3%	100.0%
	11 – 20	Count	3	28	0	1	32
		% within Frequency of website visit	9.4%	87.5%	0.0%	3.1%	100.0%
	More	Count	9	3	2	8	22

	than 20 times	% within Frequency of website visit	40.9%	13.6%	9.1%	36.4%	100.0%
Total		Count	16	48	26	26	116
		% within Frequency of website visit	13.8%	41.4%	22.4%	22.4%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	81.535 <sup>a</sup>	12	.000

**Conclusion:**

The above table shows that the chi square calculated value is 81.535, which is greater than the critical value at Degree of Freedom (DF: 12) of 21.026 and the p-value is 0.000, which is less than 0.05, indicating that the H0 is rejected and the H1 is accepted, hence we can infer that H1- there is significant relationship between the frequency of visits an online e-commerce website and the purchase frequency of products through the e-commerce website.

*H2 - There is a significant relationship between the buying procedure followed to validate online product purchases and the purchase frequency of products through the e-commerce websites.*

The data on buying procedure being followed before making a purchase has been collected among the various steps the purchaser might make. The options given to the question are like (I buy online after analysing the information provided on line, I get information from the internet and discuss with others before placing orders online, I get information from the internet, visit shops to verify the details and place order either online or buy locally, I get the information from internet but I buy only from the local dealers / shops).

**Buying procedure \* Purchase frequency Crosstabulation**

	Purchase frequency	Total
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			Once in 15 days	Once in 1 month	Once in 2 months	Once in 4 months	
Buying procedur e	1	Count	12	29	14	14	69
		% within Buying procedure	17.4%	42.0%	20.3%	20.3%	100.0%
	2	Count	4	17	5	11	37
		% within Buying procedure	10.8%	45.9%	13.5%	29.7%	100.0%
	3	Count	0	1	4	0	5
		% within Buying procedure	0.0%	20.0%	80.0%	0.0%	100.0%
	4	Count	0	1	3	1	5
		% within Buying procedure	0.0%	20.0%	60.0%	20.0%	100.0%
Total		Count	16	48	26	26	116
		% within Buying procedure	13.8%	41.4%	22.4%	22.4%	100.0%

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.715 <sup>a</sup>	9	.039

**Conclusion:**

The above table shows that the chi square calculated value is 17.715, which is greater than the critical value at Degree of Freedom (DF: 9) of 16.919 and the p-value is 0.039, which is less than 0.05, indicating that the H0 is rejected and the H2 is accepted, hence we can infer that H2 - There is a significant relationship between the buying procedure followed to validate online product purchases and the purchase frequency of products through the e-commerce websites.

*H3 - There is a significant relationship between the value of purchases from online e-commerce websites and the purchase frequency.*

**Value of purchase \* Purchase frequency Crosstabulation**

			Purchase frequency				Total
			Once in 15 days	Once in 1 month	Once in 2 months	Once in 4 months	
Value of purchase	Less than 5000	Count	8	37	17	24	86
		% within Value of purchase	9.3%	43.0%	19.8%	27.9%	100.0%
	5000 - 10000	Count	6	8	4	2	20
		% within Value of purchase	30.0%	40.0%	20.0%	10.0%	100.0%
	10000 - 20000	Count	0	3	3	0	6
		% within Value of purchase	0.0%	50.0%	50.0%	0.0%	100.0%
	20000 - 40000	Count	2	0	2	0	4
		% within Value of purchase	50.0%	0.0%	50.0%	0.0%	100.0%
Total		Count	16	48	26	26	116
		% within Value of purchase	13.8%	41.4%	22.4%	22.4%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.014 <sup>a</sup>	9	.018

**Conclusion:**

The above table shows that the chi square calculated value is 20.014, which is greater than the critical value at Degree of Freedom (DF: 9) of 16.919 and the p-value is 0.018, which is less than 0.05, indicating that the H0 is rejected and the H3 is accepted, hence we can infer that H3 - There is a significant relationship between the value of purchases from online e-commerce websites and the purchase frequency.

***H4 - There is a significant relationship between buying procedure followed to validate online product purchases and the value of purchases from an online e-commerce website.***



**Buying procedure \* Value of purchase Crosstabulation**

			Value of purchase				Total
			Less than 5000	5000 - 10000	10000 - 20000	20000 - 40000	
Buying procedure	1.0	Count	50	14	2	3	69
		% within Buying procedure	72.5%	20.3%	2.9%	4.3%	100.0%
	2.0	Count	29	4	3	1	37
		% within Buying procedure	78.4%	10.8%	8.1%	2.7%	100.0%
	3.0	Count	3	1	1	0	5
		% within Buying procedure	60.0%	20.0%	20.0%	0.0%	100.0%
	4.0	Count	4	1	0	0	5
		% within Buying procedure	80.0%	20.0%	0.0%	0.0%	100.0%
Total	Count	86	20	6	4	116	
	% within Buying procedure	74.1%	17.2%	5.2%	3.4%	100.0%	

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.834 <sup>a</sup>	9	.756

**Conclusion:**

The above table shows that the chi square calculated value is 5.834, which is less than the critical value at Degree of Freedom (DF: 9) of 16.919 and the p-value is 0.756, which is greater than 0.05, indicating that the H0 is accepted and the H4 is rejected. Hence, we can infer that H0 - There is no significant relationship between buying procedure followed to validate online product purchases and the value of purchases from an online e-commerce website.

**SUMMUARY & CONCLUSION**

Mostly, males are frequently users of internet than females. Males are mostly buying electronic goods and females are purchasing textiles and jewellery through online shopping. Mostly university students, either male & female, either UG & PG are spending less than 5000 rupees in a year for purchasing the products online. There is a significant relationship between the



frequency of the number of visits to an online e-commerce website and the frequency of purchasing products through the e-commerce website.

The rural market will be the next battleground for the e-commerce companies in India. And the educated rural population plays an important role in creating awareness and dispelling the familiarity of using the online platforms for shopping. Among the educated lot university students will be brand ambassadors for the online platform. Student ambassadors have the potential to spread awareness in the rural populace about the benefits of online shopping. The more university student gets educated the more they will take the risk of purchasing online and through which the rural people will be able to purchase online products.

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