ATTITUDINAL AND BEHAVIOURAL STUDY OF ONLINE CONSUMERS IN MIZORAM: A CASE STUDY OF AIZAWL

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I, Josephine Lalrindiki, hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form basis of the award of any previous degree to me or to do the best of my knowledge to anybody else and that the thesis has not been submitted by me for any research degree in any other University/Institute.

This is being submitted to the Mizoram University for the Degree of Doctor of Philosophy in Management.

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KEYWORDS

LIST OF FIGURES

LIST OF TABLES

ABBREVIATIONS

1. APEC   Asia Pacific Economic Cooperation

2. COD   Cash On Delivery

2. CSNET   Computer Science Network

3. DNS   Domain Name System

4. DOE   Department of Electronics

5. ERNET   Education Research Network

6. FTC   Federal Trade Commission

7. HTTP   Hypertext Transfer Protocol

8. HTML   Hypertext Markup Language

9. ICANN   Internet Corporation for Assigned Names and Numbers

10. IETF   Internet Engineering Task Force

11. IGF   Internet Governance Forum

12. IP   Internet Protocol

13. ISP   Internet Service Provider

14. LAN   Local Area Network

15. NSF   National Science Foundation

16. PEOU   Perceived Ease of Use

17. RFC   Request for Comments

18. TPB   Theory of Planned Behaviour

19. VoIP   Voice over Internet Protocol

20. VPN   Virtual Private Network

21. WWW   World Wide Web

CONTENTS

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This is to certify that "Attitudinal and Behavioural Study of online consumers in Mizoram: A Case Study of Aizawl" by Josephine Lalrindiki has been written under my supervision.

She has fulfilled all the required norms laid down under the Ph.D. regulations of Mizoram University.

The thesis is the result of her own investigation. Neither the dissertation as a whole nor any part of it was ever submitted to any University for any research degree.

Aizawl
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CONTENTS

Attitudinal and Behavioural Study of Online Consumers in Mizoram: A Case Study of Aizawl City

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Abstract:

  This article is the result of a survey which depicts the attitude and behaviour of online consumers in Mizoram. Data was collected from the entire city of Aizawl, selecting samples from buyers who have purchased through online in which non-probability convenience as well as purposive stratified sampling was used. Snapdeal was considered the most preferred online retailers by the consumers from the field study. Also, the attitude and behaviour of the online consumers are affected by different factors such as website quality, product quality, store reputation and return policy.

Key words: Quality, online shopping, online retailers.

INTRODUCTION

Online shopping has become very important in the 21st century as most of the people are loaded with hectic schedule and online shopping is considered as the easiest and most convenient mode for shopping. Due to this convenience and time saving characteristics has become even more essential in recent times.

Developed countries are utilizing online shopping to meet their requirements.

Aizawl is regarded as a backward state but it has got a huge potential which they do not realized. It is among the highest literacy state in India and are well advanced and informed in technology. Online shopping has become familiar among the people and the users are increasing rapidly which is a part of development. Though there has been a phenomenal growth over the past few years, the vast potential of conducting business over the Internet remains largely untapped. So, an analysis of the attitude and behaviour of online consumer in Aizawl, Mizoram is required to move in pace along with the rest of the world.

ONLINE MARKETING IN INDIA

As Susan Ward describes selling products or services over digital networks as the art and science, such as internet and cellular phone networks, here the art of online marketing refers to discovering the right online marketing mix of strategies which attracts the target market for actually converting into sales. Online marketing is also referred as i-marketing, e-marketing, web marketing. E-commerce (electronic commerce) is type of online marketing. Online shopping is the process consumers go through to purchase products or services over the Internet.

Internet is admired for its potential to provide interactivity (through chat and e-mail), personalized experiences (through registration, user input, personalization), multimedia (through flash animations, movies), shopping tools (through virtual sales, assistant, search engine, order tracking), community (through virtual communities, consumers reviews), increased product selection and information. As per Internet advertisement, Internet is basically used for following purposes- emailing, chain-formation/search engines, games,

news, sports, job hunting, music downloads, voice chat, plan business or personal trip, personal or internet banking ,sending e-cards, games downloading, on-line e-ticketing, matrimonial, quizzes/voting, house hunting, other on-line transactions, holiday planning, online bill payment , online shopping , on-line cinema tickets.

Online shopping is considered as the most convenient and easiest mode of shopping. Berry, L.L., Seiders K. and Grewal D. (2002) defined online shopping as "a reduction of the opportunity costs of effort and time involved in shopping activities". It offers time saving benefits to the consumers as their time is saved. Dressing, visiting to the store which requires longer travelling time, no time required for picking products and no long lines to wait, etc. Because of the changing lifestyles and lack of time (due to hectic schedule), consumers hardly have time to go out to shop at stores or shopping malls.

Due to this convenience and time saving characteristics has become even more essential in recent times. The only basic requirement for online shopping is debit card, credit card and computer with Internet access. Online shopping knows no boundary, it can be done from anywhere where Internet is accessible and shoppers can buy it from any vendors all over the world. Also, shopping can be done at any time (24 hours a day, 7 days a week and holiday) where they do not have shopping timings like malls and stores. Besides all these, they have better price information and lower prices and we can compare and find lower prices of the items.

ONLINE MARKETING IN AIZAWL

Online marketing is focused in Aizawl because delivery and stock point is available only in Aizawl not other part of Mizoram. Online shopping has become very popular among the Mizo's with the development of technology and infrastructure

and moreover delivery can be done on the doorstep which is convenient with the busy schedule of working people.

REVIEW OF LITERATURE

Barksdale (1982) investigating consumers' attitudes in Australia, Canada, England, Israel, Norway and the US revealed the prevalence of negative attitudes towards Marketing in all six countries.

Gaski and Etxel (1985; 1986) developed an instrument to measure consumer attitude. In respect of the four major elements of product marketing practices: quality, price, advertising and retailing or selling.

Webster (1991) found differences in consumer attitudes toward various product qualities, pricing, advertising and retailing or selling; however, many of the differences does not change even after social class and income effects were removed. Therefore, the question that comes to mind is that what factors cause the differences in consumers' attitudes and how they affect consumers experience in the market place represent an important subject of investigation. After studying the consumer attitudes towards various marketing activities in developed economies and they observed perceived importance of the marketing mix variables it moderates the effect of consumer attitudes on satisfaction, as there may be great variations in terms of the level of importance consumers attached to marketing mix variables.

Alpert (1993) came to a conclusion that, consumers may have positive beliefs or negative beliefs and skepticism about marketing.

Treise (1994) found that the two factors of consumer attitudes towards marketing to be studied are perceived importance of the marketing mix variable and consumer beliefs about marketing. Here, the important one is the level of significance of marketing mix variable perceived by consumers

to them as consumers. Consumer beliefs about marketing are whether marketing is beneficial for consumers or it may be detrimental due to the perceived characteristics of marketers. Therefore, consumer beliefs about marketing affect their experiences in the market place and their satisfaction as consumers. Moreover, consumer beliefs about marketing moderate the effect of consumer attitudes on satisfaction.

Huff and Alden (1998) conclude that models of consumers attitudes towards marketing practices developed and tested in economies may not be a success into emerging markets. So, Multinational Corporations should consider cultural and economic differences when planning marketing strategies in developing countries.

Geissler and Zinkhan (1998) came to a conclusion that the internet shifted the balance of power in favour of consumers as it became very easy for them to make shopping comparisons and evaluate alternatives without being pressured by salespeople and Online reduced transaction costs and have advantages for both consumers and vendors.

Hernandez (2011) analyzed whether individuals socioeconomic characteristics – age, gender and income-influence their online shopping behaviour. The individuals analyzed are experienced e-shoppers. The result of their research shows that socioeconomic variables moderate neither the influence of previous use of the internet nor the perceptions of e- commerce; in short, they do not affect the behaviour of the experienced e- shopper.

Barnes and Guo (2011) in a study "Purchase behaviour in virtual worlds: An empirical investigation in second life" in their study analyzed a conceptual model of purchase behaviour in virtual world using a combination of existing and new constructs. They examined a shopping behaviour of the consumers on how they spend noticeable amount of money for shopping online. The different factors influencing their behaviour are perceived value, instinct motivators like

perceived happiness, social factors and consumer's habits. The result of study indicated that the different factors have great effect on shaping online shoppers behavior.

Laldinliana and Jyoti Kumar NVR (2012) found in their studies that customer satisfaction is the individual perception of the performance of the product or service in relation to his or her expectations. They also concluded, that satisfaction does not necessarily guarantee brand loyalty even though it assumes critical significance in the entire purchase process. In their study they found, urban respondents are more aggressive than the rural respondents when dealing with dissatisfying purchase.

OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:
1. To study the demographic profile of the customers and its impact on online shopping.
2. To identify the factors affecting online buyers behaviour and offer suggestions for online marketers and consumers.

RESEARCH METHODOLOGY

Data collection
In the present research, both quantitative and qualitative data will be collected. Data shall be collected from primary as well as secondary sources. Structured questionnaire and interview technique will be used for eliciting data from the respondents.

Analysis of data
Appropriate statistical tools shall be used through statistical packages and software like SPSS and MS Excel for analyzing the data.

RESULTS AND DISCUSSIONS

Demographic characteristics of respondents

The age, gender, occupation, income level and educational level are the important factors in influencing the attitude and behaviour of online consumers in Aizawl.

Table 1: Demographic Profile of the respondents

Profile	Category	Percentage
Age	Between 21-30	37
Gender	Female	50.4
Occupation	Public service	25.7
Income Level	Between 10,000 - 25,000	36.5
Educational Level	Degree and above	30.8

Source: Field Survey

Table 1 predicts that 37% of the respondents were in the age group between 21-30 years and out of the total respondents 50.4 of females are the main online consumers. Majority of the respondents' occupation is public service which is 25.7%. The income level of the respondents' falls mainly between 36.5 and the educational level of the respondents are mostly degree and above which is 30.8%.

Sampling

The proposed study shall cover the entire city of Aizawl, Mizoram, selecting samples from buyers who have purchased through online in which non- probability convenience as well as purposive stratified sampling will be used. The sample size is calculated by using creative research system service software, which will satisfy the statistical validity of the study. For unknown population, the population of the study is 384 at 95% confidence level and 5% precision limit. Every possible care will be taken for proper representation of gender as well as their occupation.

The following formula is used for calculating sample size by creative research system service software:

$$n= \frac{Z^2 \text{ x (p) x (1-p)}}{d^2}$$

Where,

   n= Sample size

   Z= Statistic for a level of confidence

   P=Expected prevalence or proportion

   D = Precision (If the precision is 5%, then d= 0.05)

ONLINE RETAILERS PREFERENCE OF THE CONSUMERS

Today, the online industries have grown tremendously as well as the online consumers and the consumers taste and preference have changed considerably and become very demanding. The different online retailers and their preference of the consumers are given below:

Table 2: Frequencies of online retailers' preference of the consumers.

Online Retailers	No. of Respondents	Percentage
Jabong	33	8.5
Flipkart	47	12.1
Myntra	91	23.4
Snapdeal	105	27.3
Other	70	18
Equal	37	9.5
Total	383	100

Source: Field Survey

Table 2 predicts that majority of the respondents 27.3 % preferred snapdeal as their retailers which is followed by myntra i.e. 23.4 %, other 18 %, flipkart 12.1 %, equal 9.5 %, jabong 8.5 %.

Factors influencing the buyers' attitude and behaviour towards online shopping

The factors influencing the buyers' behaviour are convenience, variation, product quality, delivery system, return policy, better

service, store reputation, website quality, customer service and security.

Table 3: Frequencies table (In percent)

Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Product Quality	.3	4.9	39.6	39.1	14.9
Return Policy	2.6	26.2	**43.7**	23.7	2.6
Store Reputation	.8	9.3	36.0	36.8	**15.9**
Website Quality	.3	1.3	36.2	**45.8**	15.2
Security	**10.8**	**31.4**	36.0	19.8	.8

Source: Field Survey

From the given table above, we can conclude that 45.8% of the respondents agree to the website quality of online retailer. 43.7% responds to neutral for return policy. 31.4 % of the respondents disagree to the security of payment through credit system provided by the online retailers. 15.9% of the respondents strongly agree to the store reputation and 10.8 % of the respondents strongly disagree to the security provided by the retailers.

FINDINGS

The major findings of the study are as follows:
- ➢ From the study of demographic profile, we came to know that 37% of the respondents in the age between 21-30 are the main consumers and 50.4% of the respondents are female. Occupation wise public service is the main consumers with 5.7% and income level wise it mostly falls between 10,000-25,000 and also, educational level wise degree and above is the highest with 30.8%.
- ➢ With the wide availability of online retailers, the most preferred online retailers by the consumers is Snapdeal with 27.3%.

> ➢ Among the different factors influencing the buyers
> attitude and behaviour of the online consumers website
> quality has a deep impact as 45.8% of the respondents
> agree that website quality influences them.

CONCLUSION

In this study, we examined the demographic profile of the
consumers and their impact on online shopping and identify the
factors affecting online buyers' behaviour. Among the online
retailers, Snapdeal is considered as the most preferred online
retailers which make it clear that the consumers are concern
about the website quality, product quality, customer service
and overall functions of the online retailers. From the
demographic profile we can understand that consumers are
mostly people with technological knowledge which proves that
website of the online retailers need to be user- friendly for all
the different age group which can be a limitation for the online
retailers to see growth in the future.

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CHAPTER- I

INTRODUCTION

- **1.1 Introduction**

- **1.2 Brief profile of Aizawl and marketing trends**

- **1.3 Significance and scope of the study**

- **1.4 Research Design**

1.1 INTRODUCTION

Online shopping has become very important in the 21st century as most of the people are loaded with hectic schedule and online shopping is considered as the easiest and most convenient mode for shopping. Due to this convenience and time saving it has become even more essential in recent times. Developed countries are utilizing online shopping to meet their requirements.Globally more than 627 million people have done online shopping so far, world's biggest online shoppers include Germans and British. Books, airline tickets/reservations, clothing/shoes videos/games and other electronic products are the most popular items purchased on the internet. (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2007).

English entrepreneur Michael Aldrich invented online shopping in 1979. His system connected a modified domestic TV to a real time transaction processing computer via a domestic telephone line. He believed that videotext, modified domestic TV technology with a simple menu driven human computer interface was a new universally applicable, participative communication medium the first since the invention of the telephone. During the 1980's he designed, manufactured, sold, installed, maintained and supported many online shopping systems, using videotext technology. These systems which also provided voice response and handprint processing pre-data the internet and the World Wide Web, the IBM PC, and Microsoft MS-DOS, and were installed mainly in the UK by large corporations.

Much research has been concentrated on the online marketing in the world. However, there is still a need for closer examination on the online shopping buying behaviour in developing countries like India. While both established, new, large and small scale businesses are now using the Internet as a medium of sales of their products and services (for example, Dell computer, Amazon.com, in the world and jobstreet.com, rediff.com).

It has been demonstrated that there are differences in the behaviour of consumers depending on "where" they buy, precisely if they purchase in a physical store or on an e-commerce website (Dholakia, Uusitalo, 2002). The recent evolution in retailing has involved a shift towards non-stores especially through electronic means (Mulhern, 1997). Even if the e-commerce websites represent a smaller part of the market than the traditional way of shopping, they are serious competitors that need to be taken into account in their strategy development. Indeed, most of the companies tend to be online nowadays in order to stay competitive. This difference between physical and online stores raises two major questions: what are the variations between the traditional and the online consumer characteristics and what are the factors that lead to these changes?

Still there is a huge research gap that exists not only between countries, especially between developed and developing countries, which may differ significantly between countries that limit the generalization of research results from developed countries to developing country contexts .

The implementation of information system depends on specific social, cultural, economic, legal and political context, which may differ significantly from one country to another country. Developed countries are not directly transferable to developing countries. Thus, this research is needed for non-transferability of findings from research in developed countries like India, china, Brazil etc., and also for the improvement of understanding of the determinants of online shopping in developing countries.

Consumers' attitude and behavior describes a person's relatively consistent evaluations, feelings and tendencies towards an object or idea. Attitudes are difficult to change. A person's attitudes fit into a pattern and to change one attitude may require difficult

adjustments in many others. For a field that faces sweeping critiques of its practices, marketing has paid surprisingly little attention to its larger impacts on society.

India got the first taste of cyber space when Department of Electronics (DOE) started the Educational Research Network (ERNET) scheme in 1991; a service meant exclusively for educational institutions, the network has now opened to people outside the field of education. Since then it has brought a revolutionary change in business. Presently internet is used for several purposes including interactive communication, information search. Internet is also a means through which business can effectively and economically perform their marketing activities. Online shopping is getting more attention from shoppers for several reasons.

Consumers' attitudes towards online shopping have gained a great deal of attention. Consistent with the literature and models of attitude change and behaviour, it is believed that consumer attitudes will affect intention to shop online and eventually whether a transaction is made(Fishbein and Ajzen, 1975).

1.2A BRIEF PROFILE OF AIZAWL ANDONLINE MARKETING TRENDS

Mizoram (from mi 'people', zo 'hill', ram 'country', literally "land of the hill people" / Mizo people) is one of the Seven Sister States of the North Eastern India, sharing borders with the states of Tripura, Assam, Manipur and with the neighbouring countries of Bangladesh and Burma. Mizoram became the 23rd state of India on 20 February 1987.Its capital is Aizawl.

Online shopping in Aizawl, Mizoram is becoming popular as there are-no waiting in lines or in traffic,you can shop from the convenience of your home, easier to do comparison shopping, discounts and you can shop at any time without restrictions. Apart from the regular shops and snobbish malls, today online shopping is booming as more people are turning to online shopping. You will have to choose your favourite product, call or email or just drop a

note at the website that you have entered and the product will be delivered to you within a very short span of time. Credit or Debit Card or net banking with requisite money is required for ordering online and have the product at your home. There are various kinds of products to buy online in Mizoram.

Online consumers have increased tremendously within the past year especially during the most important festival of the year i.e. Christmas. Shopping in the market has gone down drastically even when Christmas is approaching, more and more people are purchasing online. According to rough estimates, nearly 18,000 parcels were received here through online business during October which would be worth around Rs 87.47 lakh. One of the popular online merchants Zovi.com design manager Joel Sailo mentioned that Mizo's are not only buyers but also profit makers in the ever-growing online business. Courier services in the state, especially here in the capital city, are tackling more and more consignments as Christmas approaches. Myntra Service Point at Zarkawt locality has doubled their market as a courier service receiving 1,289 items during October of which 93 per cent were cash on delivery and 10 per cent to be sent outside Aizawl. Malsawmdawngliana, Vice President of Mizoram Courier and Logistics Association, says, "We are like dak-runners and online shopping is only a part of our business."

Mushrooming online business has hurt many local business establishments prompting the Mizoram Merchants Association (MIMA) to meet state Finance Minister Lalsawta, who also holds taxation portfolio, and urging him to check the fast-growing e-business. Lalsawta, while making it clear that the government did not have any intention to stop online shopping, says it was trying to find ways to levy tax on commodities entering the state through courier and postal services. He also says that some businessmen in Aizawl were forced to close their shops after online shopping hampered their business by offering commodities at much cheaper rates."We regard online shopping as the blessings brought to us by ever advancing

technology in the 21st century, but we (government) will also try to get additional resources from the growing business," he says.

Shopkeepers at the Millennium Centre, Aizawl which houses around 332 shops said that sales had gone down 25 per cent compared to 2012 pre-Christmas shopping. Lalrinmawii, a shopkeeper, said her sale decreased to a large extent because of the increasing popularity of online shopping. She said that while she sold over Rs one lakh worth garments on December 24 in 2012, her sales on the same day in 2013 was less than Rs 50,000.

"Increasing inflow of garments and other goods from Myanmar, opening of more new shops and declining purchasing power of the people are also hitting our business," she added. Time Cell Enterprise, which sells watches, complained that sales took a considerable hit during peak Christmas shopping days."Our sales of watches were good and managed to reach one lakh margin in a day during Christmas earlier for which we received an award from one of the watch manufacturing companies," a sales girl said, adding that the average sale in December 2013 was merely around Rs 10,000 daily.

We can say that online shopping seems to have impact in the life of the Mizo's. Though the sales have gone down for the local retailers it is not entirely the fault of the online retailers as the local retailers are taking advantage of the people by selling products at a price unimaginably high especially during Christmas time. So with the development of internet and infrastructure in our state the people are enjoying the benefit from it. They can get what they want with just a click away without worrying about their budget.

 Nowadays, there are many local online retailers who imported from Bangkok, China etc. They make page for their product on Facebook and group in Whatsapp, Instagram and display their product from catalogue and the consumers place order which in turn the local retailers place order through their credit card when they get a bulk order. Knowing this, the

courier service are expanding their business especially Bluedart are doubling their service point in the main city area for the convenience of their customers. New courier service like Ecom came into service in June 2016.

Mizoram is located at the remote part of northeast and it is the fifth smallest state in India; it is among the highest literacy state in India and are well advanced and informed in technology. Online shopping has become familiar among the people and the users are increasing which is a part of development. Vendor services have grown rapidly in Aizawl over the past years like Blue-dart, Myntra, Aramex, Fedex, Dtdc,etc through which online retailers like Jabong, Myntra, Snapdeal, Shopclues, eBay, Amazon etc are well connected with their customers. Even though, there has been a phenomenal growth over the past years; the vast potential of conducting business over the Internet remains largely untapped. So, an analysis of the attitude and behaviour of online consumer in Aizawl, Mizoram is required to move in pace along with the rest of the world.

1.3 SIGNIFICANCE AND SCOPE OF THE STUDY

Many studies revealed that online consumer has steadily increased all over the world in the past two decades. These studies are mainly carried out in highly developed countries which are major contributors to developed countries . There is a need of such a research in less affluent countries, as there is a demand for it. The consumer's concern is showing an increasing trend in India, still it is highly questionable, whether consumer are willing to take a risk in using it.

The present study includes selection of a sample from Aizawl, establishing the relationship between the consumer attitude and behavior on online consumer, the analysis of attitudinal and behavioural will be able to resolve risk involved and improve the online marketing and provide information to the researchers and provide the marketers with constructional

framework to sustain in the market and increase their market share which will be an important aspect for the market of Aizawl.

1.4 RESEARCH DESIGN

A research design is a framework or blueprint for conducting the scientific inquiry. The research design for this study is descriptive in nature and both qualitative and quantitative.

1.4.1 Statement of problem

The analysis of attitudinal and behaviour of online consumers in Aizawl, Mizoram is a very important perspective knowing that the growth of Internet and its user base in recent years has been truly phenomenal in Aizawl. To do a research on online consumer will provide opportunity for the online marketer to expand their business. With the development of technology people are quite familiar with the usage of internet and how it plays an important role in their day today life and the people are trying to be in pace with the development of the rest of the world.

We may not be wrong; if we say every family has an Internet connections or access Internet. The Internet users are expanding immensely as they understood the usefulness and importance. Not only did they know the significance, some people became loyal consumers for online shopping because of hectic work schedule and feel unnecessary to waste time shopping in stores and malls. Online shopping for clothes and accessories has become quite popular among the women and youth.

Though online shopping can be access through Internet easily which is placing orders but the delivery of the product sometimes take a long time which is one of the many reasons why online shoppers are less and the demand is low. This study is designed to provide suggestions to online retailers and e-vendors regarding barriers to online shopping. There are several

questions that need to be answered so that Internet users do online shopping without any risk, fear or lack of trust. Moreover, demographic characteristics such as age, income and occupation influence online purchase decision. This study was undertaken to provide solution to the above mentioned problem.

1.4.2 Objectives of the study

The objectives of the study are as follows:-

- To study the demographic profile of the consumers.

- To analyze factors affecting online consumers behaviour.

- To study the attitude and behaviour of the consumer towards online shopping.

- To study the product preference of online consumers.

1.4.3 Hypothesis of the study

H_1 Perceived Risk has negative impact on the attitude of online consumers.

H_2 Service and infrastructure has negative impact on the attitude of

online consumers.

H_3 There is a significant relationship between age and online shopping behaviour of the

consumers.

H_4 There is a significant relationship between monthly income and the frequency of

products bought through online by the consumers.

1.4.4 RESEARCH METHODOLOGY

Data collection

In this study, data was collected from primary as well as secondary sources. Structured questionnaire and interview technique was used for eliciting data from the respondents. The questionnaire was framed and adopted from other similar researches (See table 1.1) and reliability of the questionnaire was analysed by using Cronbach's Alpha (see table 1.2).

Table 1.1: Adoption of question details.

SOURCE	VARIABLE	QUESTION NO
Forsythe et al (2006) Karayanni (2003) Swinyard& Smith (2003) Liang & Huang (1998)	Online Shopping Behaviour	31-44
Swinyard& Smith (2003) Forsythe et al (2006)	Financial Risk	18-20
Swinyard& Smith (2003) Forsythe et al (2006)	Product Risk	45-47
Swinyard& Smith (2003) Forsythe et al (2006)	Convenience Risk	48-54
George (2004)	Attitude	21-30
Forsythe et al (2006)	Delivery Risk	55-56
Lewis (2006)	Return Policy	57-58
George (2004) Lassar et al (2005)	Technology Specific Innovativeness	59-60

For the analysis of the data simple technique like Percentages as well as statistical package such as Regression Analysis and Correlation were used and are explained briefly below.

a. Regression Analysis

Regression was used in the study to determine the cause and effect relationship between two variables which indicates that the change in the value of an independent variable also causes a change in the value of the dependent variable. It is presented in the form of an algebraic equation whereby the value of one variable (dependent) is predicted or estimated based on the value of the other variable (independent).

Simple regression is presented by, Y= a + bX.

While multiple regressions are represented by the equation, $Y = a + b_1X_1 + b_2X_2 + \ldots b_nX_n$

Where Y=dependent variable, X = independent variable, X_1 to X_n = independent variables, a = constant and , b_1 to b_n = regression coefficients of X_1 to X_n.

b. Coefficient Correlation

The correlation coefficient is a measure that determines the degree to which two variables' movements are associated. The range of values for the correlation coefficient is -1.0 to 1.0. If a calculated correlation is greater than 1.0 or less than -1.0, a mistake has been made. A correlation of -1.0 indicates a perfect negative correlation, while a correlation of 1.0 indicates a perfect positive correlation.

$$\rho_{xy} = \frac{Cov(r_x, r_y)}{\sigma_x \sigma_y}$$

Sampling

The study covers the entire city of Aizawl, Mizoram, selecting samples from buyers who have purchased through online in which simple random sampling was used. The sample size is 384 at 95% confidence level and 5% precision limit. The sample size is calculated by using Cochran formula when the population is unknown (Cochran, 1977), which satisfy the statistical reliability and validity of the study which is shown below:

$$n = \frac{Z^2 \times (p) \times (1-p)}{d^2}$$

Where,

n= Sample size

Z= Statistic for a level of confidence

P=Expected prevalence or proportion

D = Precision (If the precision is 5%, then d= 0.05)

1.4.5 LIMITATIONS

Although, the objective of the study is met, but there are some limitations of the present study.

a. Firstly, the study conducted is limited to online consumers of Aizawl with the time constraints and many are not open to the questions and are not willing to response, educated people are only responsive and approachable while collecting data.

b. As mentioned in the chapters, online shopping has grown tremendously within these two years i.e., 2015 & 2016. The data collected for this study and the present scenario may vary.

c. Courier services like Ecom, Delhivery, etc started their services recently and there has been immense competition among the courier services so the result of the study of attitudinal and behavioural of online consumers in Aizawl may change overtime.

1.4.6 CHAPTERIZATION

Chapter I: Introduction

This chapter deals with the introduction on attitude and behaviour of online consumers, brief profile and scenario of Aizawl, significance and scope of the study, research design which includes statement of the problem, objectives, hypothesis and research methodology.

Chapter II: Attitudinal and Consumer Behaviour

This chapter focuses on the literature review, theoretical concepts on the conceptual models, attitudinal and behavioural models which include theory of planned behaviour and theories of reasoned action.

Chapter III: Concept of internet and online marketing

This third chapter gives detail information about the internet and e-commerce which includes access, structure, usage, social networking and entertainment, business application, government regulations and global trends. Different online retailers are also discussed here.

Chapter IV: Data Analysis and Interpretation

This chapter comprises of the analysis and interpretation of data collected through questionnaire in which validity and reliability was tested using Cronbach Alpha. The second part of the analysis was based on profile and online behaviour of the respondents and the latter part consist of hypothesis testing using Pearson Correlation and Regression.

Chapter V: Conclusion& Suggestions

An overall summary of findings was settled based on the conclusion of the previous chapters. Suggestions were arrived at the completion of the analysis of data collected from the respondents and scope for further research is also emphasized in this chapter.

CHAPTER-II

ATTITUDINAL & CONSUMER BEHAVIOUR

- **2.1   Introduction**

- **2.2   Review of Literature**

- **2.3   Attitudinal and Consumer Behaviour**

- **2.4   Attitudinal and Behavioural Models (TAB & TPB)**

- **2.5   Conclusion**

2.1 INTRODUCTION

While making preliminary survey and library work on Attitudinal and Behavioural study of online Consumers in Aizawl, Mizoram. We came across a few books and articles on this area and related topics. Some of the important works are reviewed.The study of attitude and behaviour of consumer becomes very important in this era as consumer behaviour deals with consumer decision making process and all external and internal influences that should be considered to make product final choice of consumers in buying decision process. This chapter gives a detailed literature study regarding attitude and behaviour of online consumers which was done by various researchers in this area. It highlights the concept of attitude and consumer behaviour also the attitudinal and behavioural models.

2.2 REVIEW OF LITERATURE

North (1932) defined attitude as the totality of those states that lead to or point toward some particular activity of the organism. The attitude is, therefore, the dynamic element in human behaviour, the motive for activity. Most attitudes are considered a result of experience or observation from the environment.

Fishbein (1963) asserted that judgments would consequently transform into consumer attitudes toward the object and lead to consumer's purchase behaviour.

Webster (1991) found differences in consumer attitudes toward various product qualities, pricing, advertising, and retailing or selling; however, many of the differences does not change even after social class and income effects were removed. Therefore, the question that comes to mind is that what factors cause the differences in consumers' attitudes and how they affect consumers' experience in the marketplace represent an important subject of investigation. After studying the consumer attitudes towards various marketing activities in

developed economies and they observed perceived importance of the marketing mix variables it moderates the effect of consumer attitudes on satisfaction, as there may be great variations in terms of the level of importance consumers attached to marketing mix variables.

Alpert (1993) came to a conclusion that, consumers may have positive beliefs or negative beliefs and skepticism about marketing.

Treise (1994) found that the two factors of consumer attitudes towards marketing to be studied are perceived importance of the marketing mix variable and consumer beliefs about marketing. Here, the important one is the level of significance of a marketing mix variable perceived by consumers to them as consumers. Consumer beliefs about marketing are whether marketing is beneficial for consumers or it may be detrimental due to the perceived characteristics of marketers. Therefore, consumer beliefs about marketing affect their experiences in the market place and their satisfaction as consumers. Moreover, consumer beliefs about marketing moderate the affect of consumer attitudes on satisfaction.

Baty& Lee (1995) In order to respond to the customers' desire for control andconvenience, web stores have to design an efficient system to enable consumers to easily find what they need, learn more about it and quickly make a purchase decision.

Peterson et al. (1997) commented that it is an early stage in Internet development in terms of building an appropriate dedicated model of consumer buying behaviour. Decision sequences will be influenced by the starting point of the consumer, the relevant market structures and the characteristics of the product in question. Consumers' attitude towards online shopping is a prominent factor affecting actual buying behaviour.

Rice (1997) many online purchasers said that they would not shop on a particular website next time if they had an unpleasant experience with it. On the web, shopping enjoyment is positively and significantly related both to attitudes and intentions towards shopping on the web.

Huff and Alden (1998) conclude that models of consumers' attitudes toward marketing practices developed and tested in developed economies may not be a success into emerging markets. So, multinational corporations should consider cultural and economic differences when planning marketing strategies in developing countries.

Geissler and Zinkhan (1998) claimed that the internet shifted the balance of power in favour of consumers as it became very easy for them to make shopping comparisons and evaluate alternatives without being pressured by salespeople. Online stores reduced transaction costs and have advantages for both consumers and vendors.

Kini and Choobineh (1998) suggested that trust in the Internet business is necessary, but not sufficient, for an Internet buying behaviour to take place. The consumer must also trust thetransaction medium for online shopping.

Napolie and Ewing (1998) according to their research, heavy users were those respondents who accessed the Internet at least once per day and spent more than three hours using it. Moderate users were those who accessed the Internet a few times per week for between one and three hours and light users were those who spent less than one hour on the internet and accessed it less than a few times per month. Acknowledging the fact that greater Internet experience and usage encourages greater online shopping (intentions) in individuals, it may be intuitively said there are more than one way to categorize the online shoppers based on their Internet usage behaviors. However as in the studies presented above, the current study

also followed the heavy-medium-light user group classification for a finer distinction among the frequent, less frequent and non frequent users.

Solomon (1998) Consumer behaviour is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires.

Bellman, Lohse and Johnson (1999) examine the relationship among demographics, personal characteristics and attitudes towards online shopping. These authors find that people who have a more 'wired lifestyle' and who are more time constrained tend to buy online more frequently ,i.e., those who use the internet as a routine tool and those who are more time starved prefer shopping on the internet.

Culnan (1999) consumer risk perceptions and concerns regarding online shopping are mainly related to aspects involving the privacy and security of personal information, the security of online transaction systems and the uncertainty of product quality.

Donthu and Garcia (1999) found that consumer innovativeness positively influenced online shopping behaviours and online shopping intention, the direct effects being mediated by attitude.

Ho& Wu (1999) found that homepage presentation is a major antecedent of customer satisfaction. The other antecedents; such as logical support, technological characteristics, information characteristics and product characteristics; are also predictive factors to satisfaction.

Hoffman and Peralta (1999) indicated that interactivity is the key distinguishing feature between marketing communication on the internet and traditional mass media. Today online consumers have more control and bargaining power than consumers of physical stores

because the internet offers more interaction between consumers and service/product providers as well as greater availability of information about products and services.

Li and Colleagues (1999) found that customers who purchase from internet stores more frequently are more convenience-oriented and less experience oriented. These consumers regard convenience during shopping as the most important factor in purchase decisions because they are time constrained and do not mind buying products without touching or feeling them if they can save time in this way.

NFO Interactive (1999) the study released in May by online market research firm NFO Interactive, 24.1% of online consumers believe that their internet/online shopping use will decrease the amount they spend on products and services at walk-in type neighbourhood or regional retail stores, by the end of1999.The survey also found that 23.8 % of online shoppers said their internet/online purchasing has increased to the total amount of money they have typically spent in a year or products & services.

Swaminathan, Lepkowska-White, and Rao (1999) found that consumers who are oriented to convenience is more likely to use the Internet to buy goods and consumers who value social interaction is less likely to use the Internet for shopping. Through these findings, it is assumed that consumers who want convenience are more likely to purchase on the Internet than consumers who like experiencing product. Consumers who are convenience-oriented are more likely to purchase online than those who are not. Consumers who are experience-oriented are less likely to purchase online than those who are not.

Wolfinbarger and Gilly (1999), suggests that consumers make online shopping for both goal-oriented and experiential reasons, but goal-oriented motives are more common among online shoppers than are experiential motives. This report found that convenience-oriented consumers prefer to buy on the Internet and experience-oriented consumers don't.

Bhatnagar,Misra Rao (2000) measure how demographic, vendor/service/product characteristics and website quality influence the consumers' attitude towards online shopping and consequently their online buying behaviour. They report that the convenience the internet affords and the risk perceived by the consumers are related to the attitudes and behaviour positively and negatively, respectively.

Haubl and Trifts (2000) potential consumers appear to use a two-stage process in reaching purchase decisions. Initially, consumers typically screen a large set of products in order to identify a subset of promising alternatives that appears to meet their needs. They then evaluate the subset in greater depth, performing relative comparisons across products based on some desirable attributes and make a purchase decision. Using a controlled experiment, these authors discover that the "interactive tools designed to assist consumers in the initial screening of available alternatives and to facilitate in-depth comparisons among selected alternatives in an online shopping environment may have strong favorable effects on both the quality and the efficiency of purchase decisions.

Jarvenpaa, Tractinsky and Vitale (2000) investigate how consumers perceived store size and reputation influence their trust in the store, risk perception, attitudes and willingness to buy at the specific store. They discover that there is a positive relationship between consumer trust in internet stores and the stores perceived reputation and size. Higher consumer trust also reduces perceived risks associated with internet shopping and generates more favourable attitudes towards shopping at a particular store, which in turn increases willingness to purchase from the store

Lee and colleagues (2000) argue that the fewer the competing vendors, the greater the possibility of opportunistic behaviour on the part of existing vendors so as to maximize profits. This increases transaction for the consumer, decreasing intention to revisit a specific online store.

Vellido et al. (2000) nine factors associated with users' perception of online shopping were extracted. Among those factors the risk perception of users was demonstrated to be the main discriminator between people buying online and people not buying online. Other discriminating factors were; control over, and convenience of, the shopping process, affordability of merchandise, customer service and ease of use of the shopping site.

Zhang and Von Dran (2000) make an attempt to evaluate website quality from user satisfaction and dissatisfaction perspective. Their studies shows that website design features can be regarded as hygiene and motivator factors that contribute to user dissatisfaction and satisfaction with a website. Hygiene factors are those whose present make a website functional and serviceable and whose absence causes user dissatisfaction. Some of the hygiene factors are: Privacy and Security and information content. Motivation factors are those that add value to the website by contributing to user satisfaction and motivation factors are enjoyment, user empowerment and credibility.

Jahng, Jain and Rammurthy (2001) propose and validate technology/Product Fit Model to and predict the relationship between product characteristics, e-commerce environment characteristics and user outcomes. They classify products sold on the internet as belonging to four categories based on social product presence requirements: simple, complex or social. When a positive fit is established between the e- commerce environment and the product requirements, favourable user outcomes are generated that include user satisfaction, decision confidence, e-commerce acceptance and purchase intent.

Mathwick et al., (2001) concluded that Online shopping features can be either consumers' perceptions of functional and utilitarian dimensions, like "ease of use" and "usefulness", or their perceptions of emotional and hedonic dimensions like "enjoyment by including both utilitarian and hedonic dimensions, aspects from the information systems or technology literature, as well as the consumer behaviour literature are integrated in our framework.

Murray, (2001) says that online sales in US are forecasted to exceed $36 billion in 2002, and grow annually by 20.9 percent to reach $81 billion in 2006. Europeans are spending more money online as well. Whereas combined revenues for Amazon.com European operations grew at more than 70 percent annually in each of the past three quarters, topping $218 million. These figures show that a large number of consumers in the US and Europe frequently use the Internet for shopping purposes, it is not clear what drives them to shop online.

Schiffman et al., (2001), the traditional framework for analysis of the buyer decision process is a five-step model. Given the model, the consumer progresses firstly from a state of felt deprivation (problem recognition), to the search for information on problem solutions. The information gathered provides the basis for the evaluation of alternatives. The development and comparison of purchasing evaluation criteria result in the actual decision to buy. Finally, post-purchase behaviour is critical in the marketing perspective, as it eventually affects consumers' perception of satisfaction/dissatisfaction with the product/service. This classic five stage model comprises the essence of consumer behaviour under most contexts. Nevertheless, the management of marketing issues at each stage in the virtual environment has to be resolved by individual E-marketers.

Davis (2002) in their study reveals that if more attractive online stores were developed they could raise the issue of examining what factors affect consumers to shop online. Therefore, a

framework is needed to structure the complex system of effects of these different factors, and develop an in-depth understanding of consumers' perceptions toward Internet shopping and their intentions to shop online. The research suggests that consumers' perception toward Internet shopping first depends on the direct effects of relevant online shopping features.

Peter et al (2002) conclude attitude as a person's overall evaluation of a concept and can range anywhere on the continuum from extremely negative to extremely positive. Generally, attitudes are developed from personal experiences and learning with reality, as well as from information, from friends, sales people and news media. They are also derived from both direct and indirect experiences in life. In short, consumers perceptions of the product and service would determine their readiness to accept and adopt the product and service or otherwise.

Li and Zhang (2002) conducted a review of online shopping attitude studies and found that studies on the topic have contributed significantly to the explanation of online shopping. Nevertheless, there is still lack of clear understanding of the effects of significant factors on online attitudes and unclear determination of dependent as well as independent variables that limit comparison across studies and lead to elusive synthesis and integration of the empirical literatures.

Khalifa and Limayem (2003) in their research entitled "Drivers of internet shopping" applied well-established behavioural theories to explain internet consumer behaviour. Then, they conducted a longitudinal survey study to identify key factors influencing purchasing on the web and to examine their relative importance. The results indicate that the intentions of internet consumers are significantly affected by the perceived consequences of online shopping, the consumers attitudes towards it and social influence.

Kim and Park (2003) in their study "Identifying key factors affecting consumer purchase behaviour in an online shopping context" investigated the relationship between various characteristics of online shopping and consumer purchase behaviour. Result of the online survey with 602 Korean customers of online bookstores indicate that information quality, user interface quality and security perceptions affect information satisfaction and relational benefit that in turn, are significant related to each consumers site commitment and actual purchase behaviour.

Rogers (2003) concluded that Online shopping features can be either consumers' perceptions of functional and utilitarian dimensions, like "ease of use" and "usefulness" or their perceptions of emotional and hedonic dimensions like "enjoyment" by including both utilitarian and hedonic dimensions, aspects from the information systems or technology literature, as well as the consumer behavior literature are integrated in our framework.

Schiffman, Scherman, & Long (2003),In order for the Internet to expand as a retail channel, it is important to understand the consumer's attitude, intent and behaviour in light of the online buying experience i.e., why they use or hesitate to use it for purchasing? Consumer attitudes seem to have a significant influence on this decision yet individual attitudes do not, by themselves, influence one's intention and/or behaviour. Instead that intention or behaviour is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this case online buying.

According to Shwu-Ing (2003), the group with more positive attitude towards online shopping should be the target market as attitude is believed to influence online purchase decisions directly. In particular, attitude serves as the bridge between consumers' background characteristics and the consumption that satisfies their needs.

Vijayasarathy (2003) defined attitude as the extent which a consumer likes online shopping and considered it to be a good idea. Understanding consumer attitudes towards online shopping can help marketing managers predict the online shopping rate and evaluate the future growth of online shopping

Chang *et al*. (2005) reviewed many studies regarding online attitudes and intention. They found that in all studies there were significant positive impacts between attitude and intention. It is predicted that consumer attitudes will impact e-shopping intention and result in transaction thereof.

Doolin (2005) confirmed the ideas above, insinuating that women value the traditional shopping experience and place more emphasis on the social benefits it provides for them. Men perceive the convenience and easiness of the process to be more valuable. By being emotionally removed, the issues women have with online shopping are generally not applicable to men.

Sycara (2005) online shopping "Computer playfulness" is the degree of cognitive spontaneity in computer interactions. Playful individuals may tend to underestimate the difficulty of the means or process of online shopping, because they quite simply enjoy the process and do not perceive it as being effortful compared to those who are less playful "Computer anxiety" is defined as an individual's apprehension or even fear when she/he is faced with the possibility of using computers. This influences consumers' perceptions regarding the "ease of use" of the Internet as a shopping medium in a negative way, since using a computer is one of the necessary requirements for online shopping.

Benbaset (2006) Relevant exogenous factors in this context are "consumer traits" "situational factors" "product characteristics" "previous online shopping experiences" and "trust in online shopping" by incorporating these exogenous factors next to the basic determinants of

consumers' perception and intention to use a technology, the framework is applicable in the online shopping context. Together, these effects and influences on consumers' perception toward online shopping provide a framework for understanding consumers' intentions to shop on the Internet.

According to Haque et al. (2006), the attitude towards online shopping is considerably negative among Malaysians internet users relatively, i.e. only approximately 30% showed positive attitude towards internet shopping. Therefore, it is also important to recognize that numerous factors precede attitude formation and change.

Ying (2006) in his study "Essay on modeling consumer behaviour in online shopping environments" examined online purchase behaviour across multiple shopping sessions. Shopping cart abandonment is the bane of many e- commerce websites. He investigated abandoned shopping carts in an online grocery shopping setting. Specifically, he developed a joint model for the cart, order and purchase quantity decisions. The interdependence between the three decisions is captured by the correlations between the error terms. Empirical analysis shows that not all abandoned shopping carts result in lost sales. Customers routinely pick up abandoned carts and complete the final orders. Among the factors the propel customers to continue with aborted shopping are the time of shopping, time elapsed since the previous visit, the number of items left in the abandoned cart, and promotion intensity. The study offers marketers important managerial implications on how to mitigate the shopping cart abandonment problem.

Demangeot and Broderick (2007) in a research entitled "Conceptualising consumer behaviour in online shopping environments", seek to adopt a holistic approach to consider how consumers perceive online shopping environments. The conceptual model proposes that consumers perceive these environments in terms of their sense-making and exploratory

potential and it considers the influence of these on user involvement with the website, shopping value and intention to revisit findings indicate that sense-making and exploratory potential are distinct constructs; exploratory potential mediates the relationship between sense-making potential and involvement. Furthermore, involvement is essential in producing shopping value and intention to revisit.

Hassanein and Head (2007) stated that attitude is interlinked with behavioural intention during voluntary technology adoption.

OFT Market Study (2007)study establishes the scale and growth of internet shopping is impressive. In2005, the most recent year for which reliable figures are available, sales to households were over £21bn – a four-fold increase during the previous three years. It is benefiting millions of people and thousands of businesses. Over 20 million UK adults shopped online in 2005; with 56 per cent of internet shoppers we surveyed having spent over £500 each during the year. In the same year, an estimated 62,000 UK businesses were selling online to households. We found that people shopped online because they find it convenient, it increases their choice and helps them to hunt for lower prices. Retailers sell online to reach more customers, to sell around the clock and in reaction to competition from rivals.

Haver (2008)identified Today's younger, more 'green' shoppers aren't going to waste precious money and gas going from store to store looking for just the right item. They shop online whenever they can, narrowing their choices to one or two items then go to the store to touch, feel , bounce and check out the actual product to see if it looks the way it was represented online.

Karayanni (2008) concluded that "enjoyment" results from the fun and playfulness of the online shopping experience, rather than from shopping task completion. The purchase of goods may be incidental to the experience of online shopping. Thus, "enjoyment" reflects

consumers' perceptions regarding the potential entertainment of Internet shopping found "enjoyment" to be a consistent and strong predictor of attitude toward online shopping.

Chen (2009) in his dissertation entitled "Online consumer behavior: an empirical study based on the theory of planned behavior" extends theory of planned behavior (TPB) by including ten important antecedents as external beliefs to online consumer behavior. The results of data analysis confirm perceived ease of use (PEOU) and trust are essential antecedents in determining online consumer behavior through behavioural attitude and perceived behavioural control. The findings also indicate that cost reduction helps the consumer create positive attitude toward purchase. Further, the findings show the effects of two constructs of flow- concentration and tele-presence on consumers attitude.

Zhang (2009) intrinsic motivation for Internet shopping is captured by the "enjoyment" construct in our framework. Intrinsic value or "enjoyment" derives from the appreciation of an experience for its own sake, apart from any other consequence that may result.

Menon (2010) says that if consumers enjoy their online shopping experience, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium. In our framework, we identify three latent dimensions of "enjoyment" construct, including "escapism", "pleasure", and "arousal" "Escapism" is reflected in the enjoyment that comes from engaging in activities that are absorbing, to the point of offering an escape from the demands of the day-to-day world. "Pleasure" is the degree to which a person feels good, joyful, happy, or satisfied in online shopping.

Barnes and Guo (2011) in a study "Purchase behavior in virtual worlds: An empirical investigation in second life" in their study analyzed a conceptual model of purchase behavior in virtual world using a combination of existing and new constructs. They examined a shopping behavior of the consumers on how they spend noticeable amount of money for

shopping from internet. The different factors influencing their behaviour are perceived value, instinct motivators like perceived happiness, social factors and consumer's habits. The result of study indicated that the different factors have great effect on shaping online shoppers behavior.

Herna'ndez (2011) analyzed whether individuals socio-economic characteristics – age, gender and income- influence their online shopping behavior. The individuals analyzed are experienced e-shoppers. The result of their research shows that socioeconomic variables moderate neither the influence of previous use of the internet nor the perceptions of e-commerce; in short, they do not affect the behavior of the experienced e-shopper.

Morrison (2011) in his study mentioned that "arousal" is the degree to which a person feels stimulated, active or alert during the online shopping experience. A pleasant or arousing experience will have carry-over effects on the next experience encountered if consumers are exposed initially to pleasing and arousing stimuli during their Internet shopping experience, they are then more likely to engage in subsequent shopping behavior: they will browse more, engage in more unplanned purchasing, and seek out more stimulating products and categories.

Susan Rose, Neil Hair and Moira Clark (2011) identified online purchase in particular continues to rise, as adoption and penetration levels of Internet technology continuously increase. By 2007, European Internet penetration stood at 43% of the population with a 231% usage growth year on year. In North America, penetration was at 71% of the population with 120% growth (Internet World Stats 2007). This is also evidenced by increasing levels of online sales, which in the US reached US$128.1bn in 2007 and were projected to reach

US$165.9bn by 2009 (source: US Census Bureau 2009).

Geissler (2012) the shopping motivation literature is abound with various measures of individual characteristics (e.g., innovative, venturesome, cosmopolitan, variety seeking), therefore, innovativeness and risk aversion were included in this study to capture several of these traits. Measures by Donthu and Gilliland were used to measure innovativeness and risk aversion.

Laldinliana and Jyoti Kumar NVR (2012) found in their studies that customer satisfaction is the individual perception of the performance of the product or service in relation to his or her expectations. They also concluded, that satisfaction does not necessarily guarantee brand loyalty even though it assumes critical significance in the entire purchase process. In their study they found, urban respondents are more aggressive than the rural respondents when dealing with dissatisfying purchase.

KodandaramaSetty (2013) stated that "We are facing some threat from online stores in these electronicscategories; however, in the big market of consumer durables we are safe for now".

Vaitheesewaran. K (2013) examined the convenience of online shopping "With product getting standardized, specifications getting fixed and the concept of service getting eroded, the post sale responsibility of the retailer has come down drastically. Hence customers go to stores to explore the product physically detail but by online at a cheaper rate. Heavy discounts of e-commerce firms are possible because of their no warehouse model."

Renuka Sharma, Kiran Mehta and Shashank Sharma (2014) discussed and documented that the Indian customers are getting addicted to the online shopping and they do like various features of online shopping as by rest of the world. But the statistics available has shown that Indian market is still not fully developed market for e-tail stores. There is huge scope of web-stores in various areas and in almost all the segments. The young population is the biggest attraction of this industry and they may contribute substantially to the growth of online

shopping in India. The majority of internet users are youngsters, the majority of goods and services demanded are related to only this segment. Travel planning is one of the biggest services used by Indian online shoppers.

Sanjeev Kumar and Savita Maan (2014) identifies that online shopping brings optimum convenience to the consumers. Privacy and security risks emerges frequently as a reason for being wary about internet shopping. Shopping convenience, immediate possession, information seeking, social interaction, and variety affects the consumer attitude towards online shopping. The impossibility of product testing, problems with complaints, product return and misuse of personal data are the main uncertainties regarding on-line shopping.

Anuj Sheopuri and Anita Sheopuri (2015) from their studies conclude that despite the global reach, the internet shopping /purchasing the goods from various online companies is new in India, it depends upon two factors - the speed and the extent of internet services / coverage area, secondly the internet users. The knowledge of various companies, with the trust / faith in the products displayed, their quality and performance are the main factors which keep the people attached or not attached with the respective portal. In this open market, there are many good reputed companies, and with them there are dubious companies also, which gives the services / goods to the consumers, resulting poor feedback / experience, etc. Thus dissatisfied consumers to a far greater extent give bad reviews, but this cannot the total e-marketing operations / process.

Shanthi.R and Desti. K (2015) conclude that the consumer's perception on online shopping varies from individual to individual and the perception is limited to a certain extent with the availability of the proper connectivity and the exposure to the online shopping. The perception of the consumer also has similarities and difference based on their personal

characteristics. It highlights on the easy navigation and access on the internet with people liking for easy to access the online shopping and

to be more convenient. Transformation in the trends of shopping is occurring because of the changing lifestyle of the consumers in India and expansion in online activity. Major draw card of online shopping is the ease and discounts available for different kind of products.

Gopal.R and Deepika Jindoliya(2016) This paper strives to understand the decision making process of consumer. As e-retailing is worth millions of dollars it is of utmost importance for the companies to know the degree of impact their new marketing campaign would have on potential customers. It would help them in channelizing more money and effort towards the strategy which has maximum impact on consumer psyche.

Manisha Kinker& N.K Shukla (2016) in their studies concludes that with the blooming of online shopping activities, the electronic product online market takes a high percent of individuals shopping on it. Understanding the customers' online shopping behaviour for electronic product field, improving the important specific factors influencing the electronic product online shopping in two different cities will help the online retailers become more competitive. It can offer the online electronic product retailers a detailed picture about how to make effective efforts on specific factors to lead the customers to have positive attitudes toward electronic product online shopping and form strong buying intention toward electronic product.

2.3 THEORETICAL CONCEPTS

Attitudinal and consumer behaviour

Consumer behavior is defined as "behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will

satisfy their need". Consumer behavior also deals with consumer decision making process and all external and internal influences that should be considered to make product final choice of consumers in buying decision process. This simple definition of consumer behaviour tells marketers to revolve every activity around the ultimate consumer and gauge their behaviour by specifically focusing on:

- Who buys products or services?

- How do they buy products or services?

- How often do they buy them?

- When do they buy them? And

- How often do they use them?

These questions will help in understanding better what factors influence the decision making process of the consumers. The decision making process identifies the number of people who are involved in this process and ascribes a role to them- like the user, decider, influencer and buyer.

It is believed that the consumers or customers make purchase decisions on the basis of receipt of a small number of selectively chosen pieces of information. Thus, it will be very important to understand what and how much information is required by the customer to help him evaluate the goods and services offerings.

The study of consumer behaviour is very relevant, especially for marketers because knowledge of the buyer(s), his or her buying motives and buying habits will help them in drafting the marketing programmes. Specifically, organizations try to study and analyze consumer behaviour in order to:

- Adopt a customer culture, which incorporates customer satisfaction as an integral part of the company mission.

- Follow the marketing concept where the organization plays a consultative role, helping consumers to select (or identify) products and services, which would best meet their needs.

- Solicit support from the society by focusing on serving its members through giving consumers the freedom of choice and catering to their needs and wants.

Inspite, of their best efforts, analysing the consumers buying behaviour is not only a puzzle but also a challenge for the marketer. For, the consumer has always displayed a complex buying behaviour. They have different needs and wants often at various stages of emergence and actualization, displaying various degrees of prioritization (some are latent, some manifest, while some others are highly dominant). Every buyer may relish their own unique way of realizing their needs and wants especially since they are exposed to a very wide world of information. Even after they take a buying decision, their actual buying behaviour will be influenced by many individual and environmental factors. All this clearly shows that the marketer has got a tough task to study and analyze the complex consumer behavior and draw marketing plans accordingly.

Thus, the main purpose for studying consumer behavior is to comprehend why and how consumers make their purchase decisions. These insights enable marketers to design more effective marketing strategies, especially today, when advanced technologies enable marketers to collect more data about consumers and target them more precisely.

A variety of factors responsible for attitude and behaviour relates to website quality have significant influence on online shopping. Better website quality can guide the consumers'

complete transactions smoothly and attract them to revisit this internet store. In contrast, worse quality would hinder their online shopping moves.

Attitudes have usually been associated with the notion of 'liking' or 'disliking' someone or something. That is, attitudes are inner expression or feelings that reflect whether a person is favourably or unfavourably predisposed to a product or brand or establishment.

Gordon Allport has given a classic definition of attitudes which says, "Attitudes are learned predispositions to respond to an object or class of objects in a consistently favourable or unfavourable way".

The linkage of online marketing, trust and consumer behaviour

The growth of Internet and its user base globally in recent years has been truly phenomenal. Twenty to fifty (20-50) percent of the total population in most of the developed countries are using the Internet. Report released by Internet Advertisement and Mobile Association of India, indicates very robust growth of Internet penetration in India. As per the report, the Internet penetration for people having used the Internet at least once has grown by 40 percent from 32.2 million in September 2006 to 46 million in September 2007.

With increasing computer literacy and broadband penetration, the Indian consumer is becoming more and more net savvy, and this is observed not only in the six major metros, but also in the tier II cities to a large extent. The report also states that the number of people who can use the Internet unaided has tripled over the past seven years, and stands at 65 million. Growth in Internet penetration as per the industry estimates is around 2 percent month–on–month currently and is expected to double over the next few years.

Perceived risk and lack of trust are the main cited reason for consumers not purchasing online. Developing trust in online shopping environment is especially challenging

because of the lack of direct contacts with the physical stores, salesperson and physical products in the digital world Consumers' experiences are different while purchasing the same product through online or offline. In a physical store, consumers can see, touch, try and feel the product and its quality which is absent in online shopping. In online environment consumer interact in a virtual environment through the website interface.

Online shopping medium has its own drawbacks such as reduced opportunities for sensory shopping, social shopping, and face- to- face interactions with sales personnel, and the postponement of the consumption or enjoyment of tangible goods. Thus owing to the conventional procedures, security concerns and existing habits, shopping for Indians implies physical purchase of products that have a high touch feature. Due to its in-home characteristics, online shopping may be associated with risks similar to other in-home shopping methods (e.g. mail order, television shopping, print catalog shopping). Such risk is perceived due to uncertainty and consequences of buying.

As a result trust and risk taking or amounts of perceived risk are very important aspects of online shopping .Perceived risk is understood to decrease among people who have an online shopping experience. Trust is critical to the study of online business because it has a significant effect on consumer behavior. The concept of trusting beliefs means that a potential online shopper believes that the online store is benevolent, competent, honest or predictable. Thus trust is a prime mechanism for reducing uncertainty in Internet shopping.

CONCEPTUAL MODEL

The conceptual model (Fig 1.1) was developed to examine the factors affecting Aizawl consumer's online shopping behaviour. This model examines the influence of perceived risk and service infrastructure as well as subjective norm and technology specific innovativeness on online shopping behaviour in the context of Aizawl, Mizoram and is emphasised in the following manner.

Perceived Risks refers to "the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision" (Cox & Rich, 1964). Before purchasing a

PERCEIVED RISK

- Product Risk
- Convenience Risk
- Financial Risk

TECHNOLOGY SPECIFIC INNOVATIVENESS

ATTITUDE

ONLINE SHOPPING BEHAVIOUR

SERVICE & INFRASTRUCTURE

- Delivery Concerns
- Return Policy

SUBJECTIVE NORM
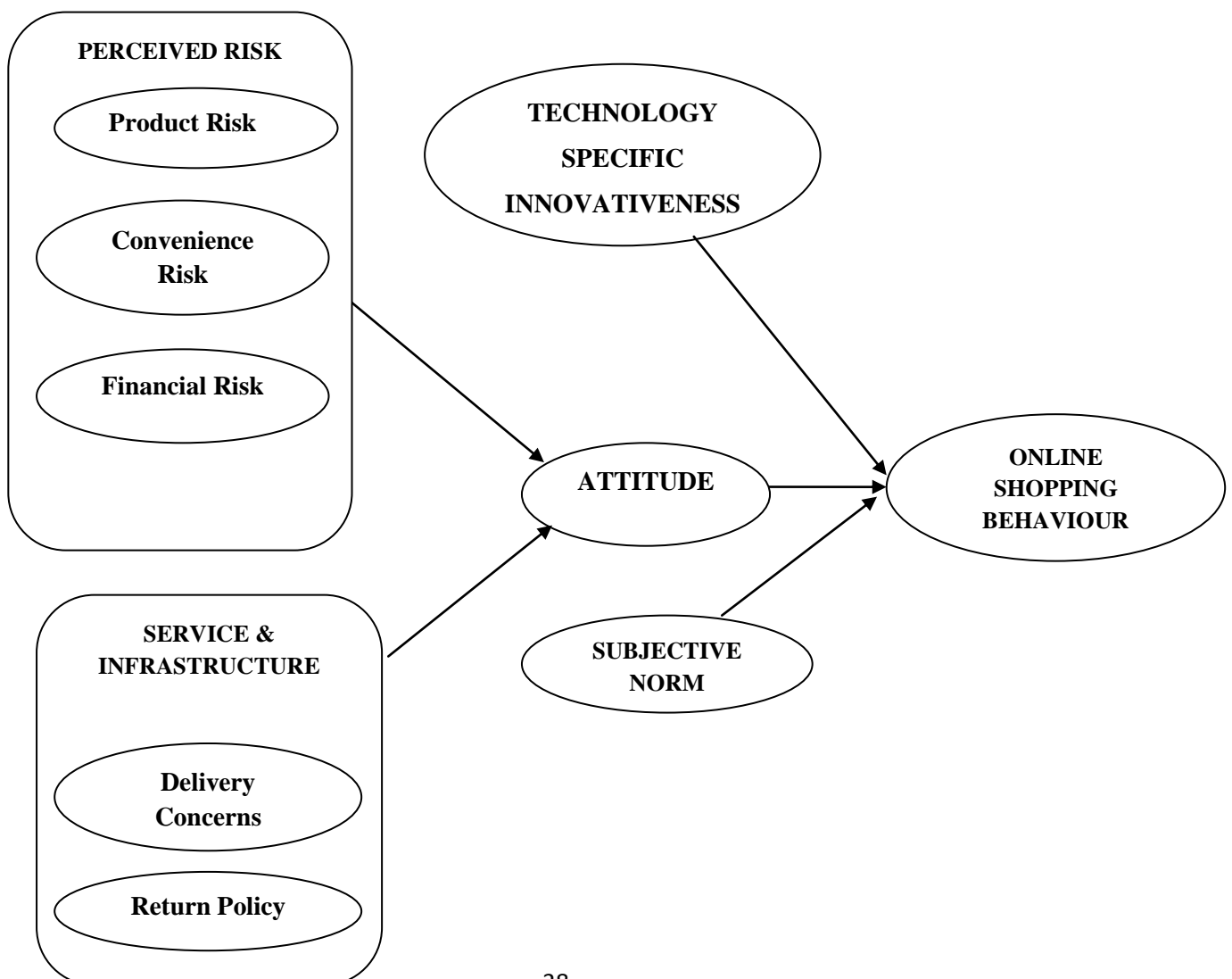
Fig1.1: Conceptual Model

product, a consumer typically considers the various risks associated with the purchase. Many studies have indicated credit card security, buying without touching or feeling the item (tactile input), being unable or facing difficulty to return the item, shipping charges and privacy (security) of personal information as still being the main concerns of online shoppers (Bellman et al., 1999; Bhatnagar et al., 2000; Mohd&Suki, 2006). The higher the perceived risk, the consumer may choose to patronize a brick-and-mortar retailer for the purchase of the product. Whereas, the lower the perceived risk, the higher the propensity for online shopping (Tan, 1999).

Financial Risk is defined as the risk involved in conducting financial transaction through the internet. Previous research found financial risk being a primary reason consumers choose not to shop online (Miyazaki & Fernandez, 2001; Teo, 2002). Consumers are likely to be hesitant to shop online when they have concerns associated with financial risks, such as the loss of credit card information, theft of credit card information, or overcharge (Bhatnagar, Misra& Rao, 2000; Forsythe & Shi, 2003).

Product Risk is defined as the risk of receiving the product that is different from what's perceived to be in the product description. This could be resulted from the quality of the retailer's product description and the visual representation of the product, significantly influencing the consumer's ability to understand the product. Inability of physical product examination and insufficient product information on screen may increase concerns of consumers.

Convenience Risk is defined as the discontent comes from shopping via the Internet. Discomfort in online shopping is associated with the steps required to complete personal details to processes the check-out forms. The ease of shopping at the online retailer's website

influence consumers' perceptions of the level of convenience risk (Jarvenpa &Tractinsk, 2001). Methods for reducing convenience risk include providing an easy to navigate website as well as an extensive customer service centre. A call centre, return policy, and a variety of payment options all assist consumers in feeling more at ease (Lee, 2002).

Service and Infrastructural Variables

Additional challenges for e-commerce diffusion in developing countries like India are the lack of telecommunications infrastructure throughout the country (e.g., low computer usage and Internet penetration along with the lack of qualified staff to develop and support e-commerce sites (Bingi et al., 2000; Hoffman, 1999). These concerns may no longer be significant deterrent for online shopping in many developed countries. The concerns associated with delivery of the product ordered, such as shipping fees, delayed delivery and/or not receiving a product ordered. This is due to most India's postal careers being unreliable except for the government owned one that is pricey. Thus, online shoppers are forced to choose the pricey postal career for more secure delivery or to take a risk of not getting the product delivered when choosing other careers.

Return Policy is often a concern to online shoppers (Teo, 2002). The ramifications of how to exchange products, the length of time allowed to return a product, and the cost associated with the shipping of merchandise back to the online retailer are often concerns associated with an online return policy (Shim, Shin, Yong & Nottingham, 2002).

Technology Specific Innovativeness

Domain Specific Innovativeness (DSI) is "the degree to which an individual is relatively earlier in adopting an innovation than other members of his system" (Rogers & Shoemaker, 1971). Thus, in the online shopping context, domain specific innovativeness is defined to be technology specific innovativeness. Shopping online for most of the Indian means going outside their usual shopping routine.

While the online shopping offers consumers a wide breadth and depth of merchandise offerings, it also requires them to acquire new technology skills in order to seek, evaluate and acquire products. Research has revealed that online shopping innovativeness is a function of attitude towards the online environment and individual personal characteristics (Midgley & Dowling, 1978; Eastlick, 1993; Sylke, Belanger & Comunale, 2004; Lassar et al., 2005). Innovative consumers are more inclined to try new activities (Robinson, Marshall & Stamps, 2004; Rogers, 1995). Adoption of online shopping is depiction of individual's innovative characteristic (Eastlick, 1993). It is expected that person's technology specific innovativeness has a propensity to shop online.

Subjective Norm according to the Theory of Reasoned Action (TRA) (Azjen & Fishbein, 1980) the human behaviour is preceded by intentions, which are formed based on consumer's attitude toward the behaviour and on perceived subjective norms. *Attitude* reflects the individual's believes. *Subjective norms* capture the consumer's perceptions of the influence of significant others (e.g., family, peers, authority figures, and media). Subjective norms tend to be a strong influential factor especially in the early stages of innovation implementation when users have limited direct experience from which to develop attitudes (Taylor & Todd, 1995). It is during this stage of attitudinal development that online retailers can influence shoppers' propensity for purchasing behaviours (Yu and Wu, 2007).

Attitude

Consumers' attitude towards performing behaviour has been proven as a strong predictor of behaviour (Fishbein & Ajzen, 1975). Attitude has been applied in several ways in the context of online shopping. Adopting a new technology is a function of one's attitude towards it (Moore & Benbasat, 1991). It refers to the consumers' acceptance of the Internet as a shopping channel (Jahng et al., 2001). It also refers to consumer attitudes toward a specific Internet store (i.e., to what extent consumers think that shopping at this store is appealing).

Other previous researches have also revealed that attitude towards online shopping a significant predictor of making online purchases (George 2004; Yang et al., 2007).

Attitudes towards Online Shopping

 (Fishbein and Ajzen 1975), believe that consumer attitudes will affect intention to shop online and eventually whether a transaction is made. This is a multidimensional construct that has been conceptualized in several different ways in the existing literature. First, it refers to the consumers' acceptance of the Internet as a shopping channel (Jahng et al. 2001). Secondly, it refers to consumer attitudes toward a specific Internet store (i.e., to what extent consumers think that shopping at this store is appealing). These first two dimensions are negatively associated with the third, customers' perceived risk. According to Lee and colleagues (2001), two main categories of perceived risk emerge in the process of online shopping. The first is the perceived risk associated with product/service and includes functional loss, financial loss, time loss, opportunity loss, and product risk. The second is the perceived risk associated with context of online transactions, and includes risk of privacy, security, and no repudiation.

Among them, the influence of financial risk, product risk, and concern for privacy and security is significant (Senecal 2000; Borchers 2001; Bhatnagar et al. 2002). However, the fourth dimension of attitude consumers' trust in the stores can reduce perceived risk. In addition, perceived control/users, empowerment, enjoyment/playfulness, and perceived real added-value from membership have also been shown to be important dimensions of consumers, attitudes towards online shopping (Koufaris et al. 2002; Cho et al.)

2.4 ATTITUDINAL AND BEHAVIOURAL MODELS

Theories of Reasoned Action

In 1929, L.L Thruston developed methods for measuring attitudes using interval scales. Thurston scale became famous and easier to use and is widely use today for various research. In 1935, Gordon W. Allport theorized that the attitude-behaviour relationship was not uni-dimensional as previously thought but multi-dimensional .Attitudes were viewed as complex systems made up of the person's belief about the object, his feeling toward the object, and his action tendencies with respect to the object. In 1944, Louis Guttman developed the scalogram analysis to measure beliefs about the object. Doob in 1947 adopted the idea of Thurston that attitude is not directly related to behaviour but it can tell us something about the overall pattern of behaviour.

In the 1950's the point of view of attitude being multi- dimensional became universal. Rosenerg and Hovland in 1960 theorized that a person's attitude toward an object is filtered by their effect, cognition and actual behaviour. In 1969, Wicker conducted an extensive survey and literature review on the subject and he determined that it is considerably more likely that attitudes will be unrelated or only slightly related to overt behaviours than that attitude will be closely related to actions.

As a result of these developments, Fishbein and Ajzen joined together to explore ways to predict behaviours and outcomes, they assumed, "individuals are usually quite rational and make systematic use of information available to them. People consider the implications of their actual behaviours before they decide to engage or not engage in a given behaviours" (Ajzen and Fishbein). After reviewing all the studies they developed a theory that could predict and understand behaviour and attitudes. Their framework, which has become known as the Theory of Reasoned Action takes into account behavioural intentions rather than attitudes as the main predictors of actual behaviours.

The Theory of Reasoned Action (TRA) was developed in 1967. During the early 1970's the theory was revised and expanded by Ajzen and Fishbein. By 1980 the theory was used to study human behaviour and develop appropriate interventions. TRA is a widely studied model from social psychology, which is concerned with the determinants of consciously intended behaviors (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975).

Specific purposes of this theory are as follows:

1. To predict and understand motivational influences on actual behaviour that is not under the individual's volitional control.

2. To identify how and where to target strategies for changing actual behaviour.

3. To explain virtually any human behaviour such as acceptance of internet shopping, why a person buys a new car, votes against a certain candidate, is absent from work or engages in premarital sexual intercourse.

According to TRA, a person's performance of a specified behaviour is determined by his or her behavioural intention (BI) to perform the behaviour, and BI is jointly determined by the person's attitude towards using (A) and subjective norm (SN) concerning the behaviour in question (Figure 1). With relative weights typically estimated by regression: $BI = A + SN$

$$(1)$$
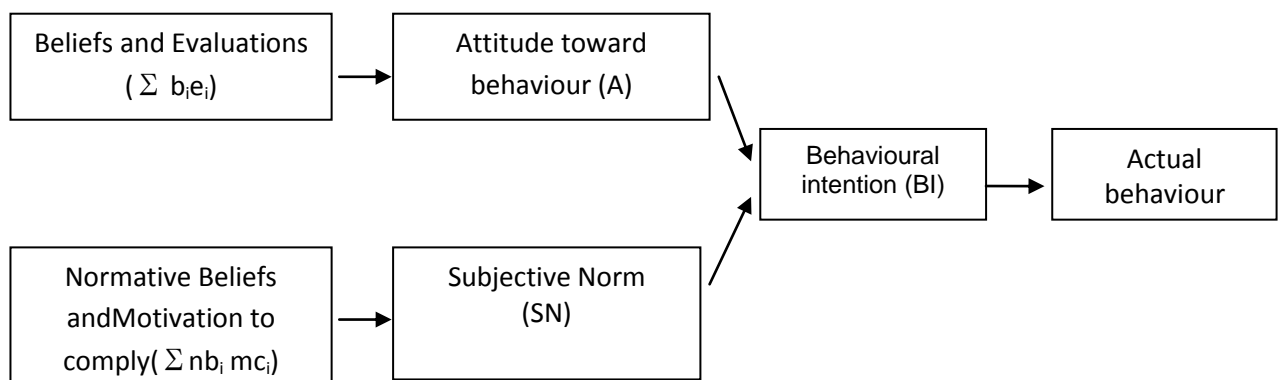
FIGURE1.2 Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980)

Figure 1.2 presents that **BI** is a measure of the strength of one's intention to perform a specified behaviour (e.g., Fishbein and Ajzen 1975, p. 288). A is defined as an individual's positive or negative feelings (evaluative affect) about performing the target behaviour (e.g. Fishbein and Ajzen 1975, p. 216). Subjective norm refers to "the person's perception that most people who are important to him think he should or should not perform the behaviour in question" (Fishbein and Ajzen 1975, p. 302)

According to TRA, a person's attitude toward behaviour is determined by his or her salient beliefs (b_i) about consequences of performing the behaviour multiplied by the evaluation (e_i) of those consequences:

$A = \Sigma\, b_i e_i$.

$$(2)$$

Beliefs (b_i) are defined as the individual's subjective probability that performing the target behavior will result in consequence i. The evaluation term (e_i) refers to "an implicit evaluative response" to the consequence (Fishbein and Ajzen, 1975, p. 29). Equation (2) represents an information-processing view of attitude formation and change, which posits that external stimuli influence attitudes only indirectly through changes in the person's belief structure (Ajzen and Fishbein 1980, pp. 82-86).

TRA theorizes that an individual's subjective norm (SN) is determined by a multiplicative function of his or her normative beliefs (nb_i), i.e. perceived expectations of specific referent individuals or groups, and his or her motivation to comply (mc_i) with these expectations (Fishbein and Ajzen 1975, p. 302):

$SN = \Sigma\, nb_i\ mc_i$

$$(3)$$

TRA is a general model, and as such, it does not specify the beliefs that are operative for a particular behaviour. Researchers using TRA must first identify the beliefs that are salient for

subjects regarding the behaviour under investigation. Fishbein and Ajzen (1975, p. 218) and Ajzen and Fishbein (1980, p. 68) suggest eliciting five to nine salient beliefs using free response interviews with representative members of the subject population. They recommend using "modal" salient beliefs for a population, obtained by taking the beliefs most frequently elicited from a representative sample of the population.

Theory of Planned Behaviour (TPB)

The theory of planned behaviour is an extension of the theory of reasoned action (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975) made necessary by the original model's limitations in dealing with actual behaviours over which people have incomplete volitional control. TRA works most successfully when applied to actual behaviours that are under a person's volitional control. If actual behaviours are not fully under volitional control, even though a person may be highly motivated by her own attitudes and subjective norm, he/she may not actually perform the actual behaviour due to intervening environmental conditions. The Theory of Planned Behaviour (TPB) was developed to predict behaviours in which individuals have incomplete volitional control.

Figure 1.3depicts the theory in the form of a structural diagram. As in the original theory of reasoned action, a central factor in the theory of planned behaviour is the individual's intention to perform a given behaviour. Intentions are assumed to capture the motivational factors that influence actual behaviour; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the actual behaviour. As a general rule, the stronger the intention to engage in actual behaviour, the more likely should be its performance. It should be clear, however, that a behavioural intention can find expression in actual behaviour only if the behaviour in question is under volitional control, i.e., if the person can decide at will to perform or not perform the actual behaviour.

Although some behaviour may in fact meet this requirement quite well, the performance of most depends at least to some degree on such non-motivational factors such as availability of requisite opportunities and resources (e.g., time, money, skills, cooperation of others; see Ajzen, 1985, for a discussion). Collectively, these factors represent people's actual control over the behaviour. To the extent that he/she has required opportunities and resources, and intends to perform the actual behaviour, he or she should succeed in doing so.

```
┌──────────────┐      ┌──────────────┐
│ Behavioral   │─────▶│ Attitude     │
│ Beliefs (b)  │─────▶│ Toward the   │──┐
└──────────────┘      │ Behavior (A) │  │
                      └──────────────┘  │
                                        ▼
┌──────────────┐      ┌──────────────┐  ┌──────────┐   ┌──────────┐
│ Normative    │─────▶│ Subjective   │─▶│Intention │──▶│ Behavior │
│ Beliefs (n)  │      │ Norm (SN)    │  │  (BI)    │   │   (B)    │
└──────────────┘      └──────────────┘  └──────────┘   └──────────┘
                                         ▲                   ▲
┌──────────────┐      ┌──────────────┐  │                   │
│ Control      │─────▶│ Perceived    │──┘   ┌────────────────┴───┐
│ Beliefs (c)  │      │ Behavioral   │◀─────│ Actual Behavioral  │
└──────────────┘      │ Control (PBC)│      │ Control (ABC)      │
                      └──────────────┘      └────────────────────┘
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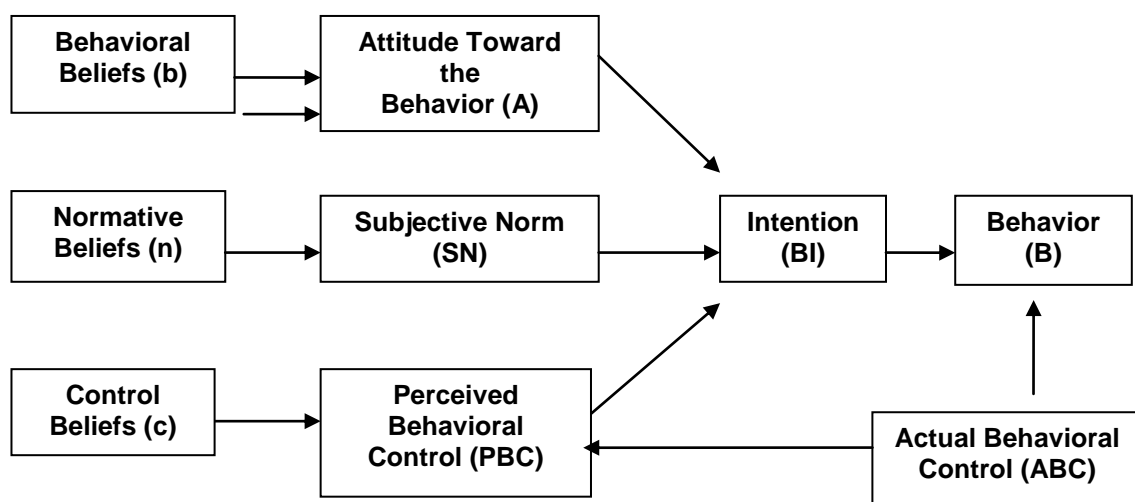
FIGURE 1.3 Theory of Planned Behaviour (TPB)

(Adapted from Ajzen, I. (1991).The Theory of Planned Behaviour.

Organizational Behaviour and Human Decision Processes.

According to Ajzen and Fishbein (1980) behavioural beliefs link the actual behaviour of interest to expected outcomes. A behavioural belief is subjective probability that the behaviour will produce a given outcome. Although a person may hold many behavioural beliefs with respect to any behaviour, only a relatively small number are readily accessible at a given moment. It is assumed that these accessible beliefs determine the prevailing attitude toward the behaviour. Attitude toward behaviour is the degree to which performance of the behaviour is positively or negatively valued.

Attitude toward behaviour is determined by the total set of accessible behavioural beliefs linking the behaviour to various outcomes and other attributes. It is also interesting to point out that how the attitude towards behaviour is formed if there are no previous experiences and that way expectation. Attitude towards behaviour consists of those beliefs and new experiences, which either strengthens or weakens beliefs. Thus it is reasonable to say that researching attitudes towards behaviour have justification to find out intentions to behave in a particular manner.

Normative Beliefs refer to the perceived behavioural expectations of such important referent individuals or groups as the person's spouse, family and friends. It is assumed that these normative beliefs, in combination with the person's motivation to comply with the different referents, determine the prevailing subjective norm. Subjective norm is the perceived social pressure to engage or not to engage in actual behaviour. It is assumed that subjective norm is determined by the total set of accessible normative beliefs concerning the expectations of important referents (Ajzen and Fishbein, 1980). Emphasis on social pressure is more accurate when it comes to customers doing something for the first time or doing something that is not their specialty. Also it is presumable that there are different effects on reference groups when it is the case of leisure services than if the individual is forced to use new services like in the workplace.

Control beliefs have to do with the perceived presence of factors that may facilitate or impede performance of actual behaviour. It is assumed that these control beliefs determine the prevailing perceived behavioural control. Actual behavioural control refers to the extent to which a person has the skills, resources, and other prerequisites needed to perform actual behaviour. Successful performance of the behaviour depends not only on a favourable intention but also on a sufficient level of behavioural control. To the extent that perceived

behavioural control is accurate, it can serve as a proxy of actual control and can be used for the prediction of the actual behaviour.

Perceived behavioural control refers to people's perceptions of their ability to perform a given behaviour. Perceived Behavioural Control (PBC) factor reflects past experience as well as external factors, such as anticipated impediments, obstacles, resources and opportunities that may influence the performance of the actual behaviour (Ajzen and Fishbein, 1980). It has two factors: the perceived likelihood of encountering factors that will facilitate or inhibit the successful performance of the actual behaviour, weighted by their perceived power to facilitate or inhibit performance.

Perceptions concerning ability may be different than actual control. Although the feeling of control, is especially important when it comes to adapting new things. In recent studies there have been corrections to a view that overarching concept of perceived behavioural control, is comprised of two components: self-efficacy (dealing largely with the ease or difficulty of performing actual behaviour) and controllability (the extent to which performance is up to the actor) This is a hierarchical model of perceived behavioural control, which was introduced by Bandura, 1977 and Ajzen (2002).

Intention is the cognitive representation of a person's readiness to perform a given behaviour, and it is considered to be the immediate antecedent of behaviour. The intention is based on attitude toward the behaviour, subjective norm, and perceived behavioural control, with each predictor weighted for its importance in relation to the behaviour and population of interest. Behavioural intention has long been recognized as an important mediator in the relationship between behaviour and other factors such as attitude, subjective and perceived behavioural control (Ajzen and Fishbein, 1980).

According to the theory of planned behaviour, perceived behavioural control, together with behavioural intention, can be used directly to predict behavioural achievement. At least two rationales can be offered for this hypothesis. First, holding intention constant, the effort expended to bring a course of behaviour to a successful conclusion is likely to increase with perceived behavioural control. For instance, even if two individuals have equally strong intentions to learn to ski, and both try to do so, the person who is confident that he can master this activity is more likely to persevere than is the person who doubts his ability. The second reason for expecting a direct link between perceived behavioural control and behavioural achievement is that perceived behavioural control can often be used as a substitute for a measure of actual control.

Whether a measure of perceived behavioural control can substitute for a measure of actual control depends, of course, on the accuracy of the perceptions. Perceived behavioural control may not be particularly realistic when a person has relatively little information about the behaviour, when requirements or available resources have changed, or when new and unfamiliar elements have entered into the situation. Under those conditions, a measure of perceived behavioural control may add little to accuracy of behavioural prediction. However, to the extent that perceived control is realistic, it can be used to predict the probability of a successful behavioural attempt (Ajzen, 1985). However, behaviour is weighted function of intention and perceived behavioural control; and intention is the weighted sum of the attitude, subjective norm and perceived behavioural control components.

Thus, according to the TPB model:

$B = w_1BI + w_2PBC$

$BI = w_3A + w_4SN + W_5PBC$

$A = \Sigma\, b_ie_i$

$SN = \Sigma\ n_i m_i$

$PBC = \Sigma\ c_i p_i$

Where,

B Behavior

BI Intention

PBC Perceived Behavioural Control

Attitude toward the behaviour

SN Subjective Norm

$W_1,\ w2,\ w_3, w_4,\ w_5$ are relative weights of BI, PBC, A, SN and PBC respectively

b_i Behavioural belief strength of i^{th} belief

e_i Outcome evaluation of i^{th} belief

n_i Normative belief strength of i^{th} belief

m_i Motivation to comply with i^{th} belief

c_i Control belief strength of i^{th} belief

p_i Control belief power of i^{th} belief

2.5 CONCLUSION

This chapter has presented the literature study regarding attitude and consumer behaviour and concepts and models. The main purpose for studying consumer behaviour is to comprehend why and how consumers make their purchase decisions. So with the help of the previous study and with these concepts and models we will be able to analyse the factors influencing the attitude and behaviour of the consumers.

CHAPTER-III

CONCEPT OF INTERNET & ONLINE MARKETING

- **3.1 Introduction**

- **3.2 Concept of Internet**

- **3.3 Electronic Commerce**

- **3.4 Online Marketing in India**

- **3.5 Conclusion**

3.1 INTRODUCTION

Internet is an informal term for the world-wide communication network of computers. It is used to send information quickly between computers around the world. It has millions of smaller domestic, academic, business, and government networks and websites, which together carry many different kinds of information (facts and details) and services. So in other words, the Internet is a network of networks. This chapter attempts to make us understand the concept of internet and how it is utilised today for performing business.

3.2 CONCEPT OF INTERNET

Internet can be defined as a large system of interconnected networks. The origin of the internet can be traced to the 1960s when the U.S Department of Defense while preparing for the possible effects of a nuclear attack, had commissioned the development of network which should operate independently without central control. The network was used to connect four computers in 1969, one each at:

- The University of California at Los Angeles.
- SRI International
- The University of California at Santa Barbara
- The University of Utah.

This first network was called the ARPANET. Over the years, several computers were connected to this network and several applications such as e-mail, FTP (File Transfer Protocol) and Telnet were developed to send and receive messages and files across computers on the network. Subsequently, other networks such as the BITNET, CSNET and Usenet came into existence. In the early 1980s there was an explosion in personal computer use when powerful and affordable computers became available in the market. Soon, it was felt that

there is a need for a public network across which businesses could interact with each other for commercial transactions. In 1986, NSFNET, which functions, even in the current age as the backbone communication service for the internet was developed with funds from the NSF (National Science Foundation). By 1995, the internet was substantially available for private use and the operation of main internet connections was taken over by a group of private companies. Since, then the usage of internet has grown with it being used for business activities and transactions.

According to Tim Bernes-Lee, the person who invented the hypertext system, the World Wide Web is an "abstract space communication," which came into existence because of the programmes that communicate between computers on the internet. The web has helped in using the internet for commercial purpose by making it simple to organize and retrieve information.

E-commerce has come to stay. Researchers have indicated that U.S.A Business-to-Consumer (B2C) revenues are rising and alongside there is an increase in the number of people (aged 14 and above years) who have purchased something online. The e-marketers feel that the online customer conversion ratio (proportion of web site visitors who end up making a purchase) which in 1999 was about 1.9 percent (in the U.S) would have definitely more than doubled by now. This is because e-retailers attract and win new customers with more targeted customized programmes.

Corporates have realized the importance of the internet as a channel of communication and are working on it as an 'essential to be on' for long term survival. In fact it is estimated that companies are spending roughly around 10-20 percent of the IT budgets on e-business initiatives.

It can be said that the launch of the Netscape Browser in 1994 started the e-commerce revolution. With this, the technology barriers were broken and anybody could have access to the internet and use it for commerce without being a technology buff.

Characteristics of internet

R.A. Peterson, S. Balasubramanian and B.J. Bronnenberg (Customer Behaviour 2[nd]edn, J.N. Sheth, B. Mittal) have worked out a list of the special characteristics of the internet:

- It has the ability to inexpensively store vast amounts of information at different virtual locations.

- It provides a powerful and inexpensive means of searching, organizing and disseminating such information.

- It facilitates interactivity and also has the ability to provide information on demand.

- It has the ability to provide perceptual experiences to the user, which is better than the printed catalogue, though this may not be as rich as a personal experience.

- It can be used to serve as a transaction medium.

- It is able to serve as a physical distribution medium for certain type of goods such as software.

- For retailers, it involves relatively low entry and establishment costs.

Benefits of internet

From the characteristics of internet, it can be seen that a marketing channel has changed the way customers shop for products and services. Unlike the traditional retailing, the internet as a marketing channel has reasonably reduced the place and time constraints. Usage of the internet has brought about a change in the way consumers shop and buy products and services online. Moreover, via the internet, the customer can have access to vast (availability

of) information, which can be easily searched and compared with the other available aids i.e., evaluate the information all leading to a well informed customer. When he is armed with so much information, the customer is able to display a lot of online purchasing power in the decision making process.

Using of the internet is beneficial to both (the marketer as well as the customer):

- For the marketer, it results in increasing revenues by allowing them to personalize their products or services.

- And, for the customer, it acts as a medium of marketing communications.

- Internet can also cut down the costs for marketers through the use of web self service channels at the consumer end and through e-procurement and market research at the supplier's end. To quote an example of a service which has been made possible on the web at nominal cost includes- as a communication band-with, there has been an increase of broadband connections. This has resulted in the customer terminals (or internet access devices) becoming more powerful, easy to use, affordable and portable and making it possible to exchange a range of services on the web at nominal costs too.

- A relatively high level of interactivity occurs on many web sites. Both the retailer and the manufacturer (or retailer) communicates back and forth until an agreement is made or the customer leaves or moves away from the site. Moreover, the retailer will keep an electronic record of the customer's purchase history and preferences, which can be utilized by them for all future transactions.

- Shopping becomes quick and easy on the net. With the click of a button customers can tell the manufacturers to ship the requested items to a particular address, and bill it to their credit card. The transaction takes place very quickly. Customers can shop

for products offered by retailers in their home town, other cities or even in other countries from the comfort of their home. All the hassles related to shopping-travelling long distances, waiting in lines, searching for parking slots for the vehicle etc. can be avoided by shopping on the net.

Problems Associated with Web Usage

Consumers have learned that by using the web, they can obtain, information on custom made products and services i.e., various alternatives at an increasing pace. Although the number of choice options available aids in the decision making process, too much information can be confusing and over-whelming to consumers. Similarly, manufacturers and retailers, though appreciate the benefits of interactivity, they also feel the problem of cost transparency. The web helps consumers to compare prices and determine if a given price is fair or unfair. This feel manufacturers and retailers will make consumers more prices sensitive and could also erode profits dramatically. Moreover, most firms are not keen to have a price war on the web. At times customers are not very comfortable in furnishing all their personal details for the fear of it being misused.

Structure

Many computer scientists describe the Internet as a "prime example of a large-scale, highly engineered, yet highly complex system". The structure was found to be highly robust to random failures, yet, very vulnerable to intentional attacks. The Internet structure and its usage characteristics have been studied extensively and the possibility of developing alternative structures has been investigated.

World Wide Web

The World Wide Web is the primary application that billions of people use on the Internet, and it has changed their lives immeasurably. However, the Internet provides many other services. The Web is a global set of documents, images and other resources, logically interrelated by hyperlinks and referenced with Uniform Resource Identifiers (URIs). URIs symbolically identifies services, servers, and other databases, and the documents and resources that they can provide. Hypertext Transfer Protocol (HTTP) is the main access protocol of the World Wide Web. Web services also use HTTP to allow software systems to communicate in order to share and exchange business logic and data.

The Web has also enabled individuals and organizations to publish ideas and information to a potentially large audience online at greatly reduced expense and time delay. Publishing a web page, a blog, or building a website involves little initial cost and many cost-free services are available. However, publishing and maintaining large, professional web sites with attractive, diverse and up-to-date information is still a difficult and expensive proposition. Many individuals and some companies and groups use *web logs* or blogs, which are largely used as easily updatable online diaries. Some commercial organizations encourage staff to communicate advice in their areas of specialization in the hope that visitors will be impressed by the expert knowledge and free information, and be attracted to the corporation as a result.

One example of this practice is Microsoft, whose product developers publish their personal blogs in order to pique the public's interest in their work. Collections of personal web pages published by large service providers remain popular and have become increasingly sophisticated. Whereas operations such as Angel fire and Geo Cities have existed since the early days of the Web, newer offerings from, for example, Facebook and Twitter currently have large followings. These operations often brand themselves as social network

services rather than simply as web page hosts. Advertising on popular web pages can be lucrative, and e-commerce or the sale of products and services directly via the Web continues to grow.

When the Web developed in the 1990s, a typical web page was stored in completed form on a web server, formatted in HTML, complete for transmission to a web browser in response to a request. Over time, the process of creating and serving web pages has become dynamic, creating a flexible design, layout, and content. Websites are often created using content management software with, initially, very little content.

Contributors to these systems, who may be paid staff, members of an organization or the public, fill underlying databases with content using editing pages designed for that purpose while casual visitors view and read this content in HTML form. There may or may not be editorial, approval and security systems built into the process of taking newly entered content and making it available to the target visitors.

Communication

Email is an important communications service available on the Internet. The concept of sending electronic text messages between parties in a way analogous to mailing letters or memos predates the creation of the Internet. Pictures, documents, and other files are sent as email attachments. Emails can be cc-ed to multiple email addresses.

Internet telephony is another common communications service made possible by the creation of the Internet. VoIP stands for Voice-over-Internet Protocol, referring to the protocol that underlies all Internet communication. The idea began in the early 1990s with walkie-talkie-like voice applications for personal computers. In recent years many VoIP systems have become as easy to use and as convenient as a normal telephone. The benefit is that, as the

Internet carries the voice traffic, VoIP can be free or cost much less than a traditional telephone call, especially over long distances and especially for those with always-on Internet connections such as cable or ADSL.

Usage

The Internet allows greater flexibility in working hours and location, especially with the spread of unmetered high-speed connections. The Internet can be accessed almost anywhere by numerous means, including through mobile Internet devices.

 Mobile phones, data-cards, handheld game consoles and cellular routers allow users to connect to the Internet wirelessly. Within the limitations imposed by small screens and other limited facilities of such pocket-sized devices, the services of the Internet, including email and the web, may be available. Service providers may restrict the services offered and mobile data charges may be significantly higher than other access methods.

Educational material at all levels from pre-school to post-doctoral is available from websites. Examples range from CBeebies, through school and high-school revision guides and virtual universities, to access to top-end scholarly literature through the likes of Google Scholar. For distance education, help with homework and other assignments, self-guided learning, whiling away spare time, or just looking up more detail on an interesting fact, it has never been easier for people to access educational information at any level from anywhere.

The Internet in general and the World Wide Web in particular are important enablers of both formal and informal education. Further, the Internet allows universities, in particular, researchers from the social and behavioural sciences, to conduct research remotely via virtual laboratories, with profound changes in reach and generalizability of findings as well as in communication between scientists and in the publication of results.

The low cost and nearly instantaneous sharing of ideas, knowledge, and skills have made collaborative work dramatically easier, with the help of collaborative software. Not only can a group cheaply communicate and share ideas but the wide reach of the Internet allows such groups more easily to form. An example of this is the free software movement, which has produced, among other things, Linux, Mozilla Firefox, and OpenOffice.org. Internet chat, whether using an IRC chat room, an instant messaging system, or a social networking website, allows colleagues to stay in touch in a very convenient way while working at their computers during the day. Messages can be exchanged even more quickly and conveniently than via email. These systems may allow files to be exchanged, drawings and images to be shared, or voice and video contact between team members.

Content management systems allow collaborating teams to work on shared sets of documents simultaneously without accidentally destroying each other's work. Business and project teams can share calendars as well as documents and other information. Such collaboration occurs in a wide variety of areas including scientific research, software development, conference planning, political activism and creative writing. Social and political collaboration is also becoming more widespread as both Internet access and computer literacy spread.

The Internet allows computer users to remotely access other computers and information stores easily from any access point. Access may be with computer security, i.e. authentication and encryption technologies, depending on the requirements. This is encouraging new ways of working from home, collaboration and information sharing in many industries. An accountant sitting at home can audit the books of a company based in another country, on a server situated in a third country that is remotely maintained by IT specialists in a fourth.

These accounts could have been created by home-working bookkeepers, in other remote locations, based on information emailed to them from offices all over the world. Some of

these things were possible before the widespread use of the Internet, but the cost of private leased lines would have made many of them infeasible in practice. An office worker away from their desk, perhaps on the other side of the world on a business trip or a holiday, can access their emails, access their data using cloud computing, or open a remote desktop session into their office PC using a secure virtual private network (VPN) connection on the Internet.

This can give the worker complete access to all of their normal files and data, including email and other applications, while away from the office. It has been referred to among system administrators as the Virtual Private Nightmare, because it extends the secure perimeter of a corporate network into remote locations and its employees' homes.

Electronic Business

Electronic business (*e-business*) encompasses business processes spanning the entire value chain: purchasing, supply chain management, marketing, sales, customer service, and business relationship. E-commerce seeks to add revenue streams using the Internet to build and enhance relationships with clients and partners.

According to International Data Corporation, the size of worldwide e-commerce, when global business-to-business and -consumer transactions are combined, equate to $16 trillion for 2013. A report by Oxford Economics adds those two together to estimate the total size of the digital economy at $20.4 trillion, equivalent to roughly 13.8% of global sales.

While much has been written of the economic advantages of Internet-enabled commerce, there is also evidence that some aspects of the Internet such as maps and location-aware services may serve to reinforce economic inequality and the digital divide. Electronic

commerce may be responsible for consolidation and the decline of mom-and-pop, brick and mortar businesses resulting in increases in income inequality.

Author Andrew Keen, a long-time critic of the social transformations caused by the Internet, has recently focused on the economic effects of consolidation from Internet businesses. Keen cites a 2013 Institute for Local Self-Reliance report saying brick-and-mortar retailers employ 47 people for every $10 million in sales while Amazon employs only 14. Similarly, the 700-employee room rental start-up Airbnb was valued at $10 billion in 2014, about half as much as Hilton Hotels, which employs 152,000 people. And car-sharing Internet start-up Uber employs 1,000 full-time employees and is valued at $18.2 billion, about the same valuation as Avis and Hertz combined, which together employ almost 60,000 people.

Telecommuting

Telecommuting is the performance within a traditional worker and employer relationship when it is facilitated by tools such as groupware, virtual private networks, conference calling, videoconferencing, and voice over IP (VOIP) so that work may be performed from any location, most conveniently the worker's home. It can be efficient and useful for companies as it allows workers to communicate over long distances, saving significant amounts of travel time and cost. As broadband Internet connections become commonplace, more workers have adequate bandwidth at home to use these tools to link their home to their corporate intranet and internal communication networks.

Crowd-Sourcing

The Internet provides a particularly good venue for crowd-sourcing, because individuals tend to be more open in web-based projects where they are not being physically judged or scrutinized and thus can feel more comfortable sharing.

Collaborative Publishing

Wikis have also been used in the academic community for sharing and dissemination of information across institutional and international boundaries. In those settings, they have been found useful for collaboration on grant writing, strategic planning, departmental documentation, and committee work. The United States Patent and Trademark Office uses a wiki to allow the public to collaborate on finding prior art relevant to examination of pending patent applications. Queens, New York has used a wiki to allow citizens to collaborate on the design and planning of a local park. The English Wikipedia has the largest user base among wikis on the World Wide Web and ranks in the top 10 among all Web sites in terms of traffic.

Philantrophy

The spread of low-cost Internet access in developing countries has opened up new possibilities for peer-to-peer charities, which allow individuals to contribute small amounts to charitable projects for other individuals. Websites, such as Donors Choose and Global Giving, allow small-scale donors to direct funds to individual projects of their choice.

A popular twist on Internet-based philanthropy is the use of peer-to-peer lending for charitable purposes. Kiva pioneered this concept in 2005, offering the first web-based service to publish individual loan profiles for funding. Kiva raises funds for local intermediary microfinance organizations which post stories and updates on behalf of the borrowers. Lenders can contribute as little as $25 to loans of their choice, and receive their money back as borrowers repay. Kiva falls short of being a pure peer-to-peer charity, in that loans are disbursed before being funded by lenders and borrowers do not communicate with lenders themselves.

However, the recent spread of low-cost Internet access in developing countries has made genuine international person-to-person philanthropy increasingly feasible. In 2009, the US-based non-profit Zidisha tapped into this trend to offer the first person-to-person microfinance platform to link lenders and borrowers across international borders without intermediaries. Members can fund loans for as little as a dollar, which the borrowers then use to develop business activities that improve their families' incomes while repaying loans to the members with interest.

Borrowers access the Internet via public cyber-cafes, donated laptops in village schools, and even smart phones, and then create their own profile pages through which they share photos and information about themselves and their businesses. As they repay their loans, borrowers continue to share updates and dialogue with lenders via their profile pages. This direct web-based connection allows members themselves to take on many of the communication and recording tasks traditionally performed by local organizations, bypassing geographic barriers and dramatically reducing the cost of microfinance services to the entrepreneurs.

Security

Internet resources, hardware, and software components are the target of malicious attempts to gain unauthorized control to cause interruptions or access private information. Such attempts include computer viruses which copy with the help of humans, computer worms which copy themselves automatically, denial of service attacks, ransomware, botnets, and spyware that reports on the activity and typing of users. Usually, these activities constitute cybercrime. Defence theorists have also speculated about the possibilities of cyber warfare using similar methods on a large scale.

Surveillance

The vast majority of computer surveillance involves the monitoring of data and traffic on the Internet. In the United States for example, under the Communications Assistance for Law Enforcement Act, all phone calls and broadband Internet traffic (emails, web traffic, instant messaging, etc.) are required to be available for unimpeded real-time monitoring by Federal law enforcement agencies.

Packet capture is the monitoring of data traffic on a computer network. Computers communicate over the Internet by breaking up messages (emails, images, videos, web pages, files, etc.) into small chunks called "packets", which are routed through a network of computers, until they reach their destination, where they are assembled back into a complete "message" again. Packet Capture Appliance intercepts these packets as they are travelling through the network, in order to examine their contents using other programs. A packet capture is an information *gathering* tool, but not an *analysis* tool. That is it gathers "messages" but it does not analyze them and figure out what they mean. Other programs are needed to perform traffic analysis and sift through intercepted data looking for important/useful information. Under the Communications Assistance for Law Enforcement Act all U.S. telecommunications providers are required to install packet sniffing technology to allow Federal law enforcement and intelligence agencies to intercept all of their customers' broadband Internet and voice over Internet protocol (VoIP) traffic.

The large amount of data gathered from packet capturing requires surveillance software that filters and reports relevant information, such as the use of certain words or phrases, the access of certain types of web sites, or communicating via email or chat with certain parties. Agencies, such as the Information Awareness Office, NSA, GCHQ and the FBI, spend billions of dollars per year to develop, purchase, implement, and operate systems for

interception and analysis of data. Similar systems are operated by Iranian secret police to identify and suppress dissidents. The required hardware and software was allegedly installed by German Siemens A Gand Finnish Nokia.

Censorship

Some governments, such as those of Burma, Iran, North Korea, the Mainland China, Saudi Arabia and the United Arab Emirates restrict access to content on the Internet within their territories, especially to political and religious content, with domain name and keyword filters. In Norway, Denmark, Finland, and Sweden, major Internet service providers have voluntarily agreed to restrict access to sites listed by authorities. While this list of forbidden resources is supposed to contain only known child pornography sites, the content of the list is secret.Many countries, including the United States, have enacted laws against the possession or distribution of certain material, such as child pornography, via the Internet, but do not mandate filter software. Many free or commercially available software programs, called content-control software are available to users to block offensive websites on individual computers or networks, in order to limit access by children to pornographic material or depiction of violence.

Performance

As the Internet is a heterogeneous network, the physical characteristics, including for example the data transfer rates of connections, vary widely. It exhibits emergent phenomena that depend on its large-scale organization.

Outages

An Internet blackout or outage can be caused by local signalling interruptions. Disruptions of submarine communications cables may cause blackouts or slowdowns to large areas, such as in the 2008 submarine cable disruption. Less-developed countries are more vulnerable due to a small number of high-capacity links. Land cables are also vulnerable, as in 2011 when a woman digging for scrap metal severed most connectivity for the nation of Armenia. Internet blackouts affecting almost entire countries can be achieved by governments as a form of Internet censorship, as in the blockage of the Internet in Egypt, whereby approximately 93% of networks were without access in 2011 in an attempt to stop mobilization for anti-government protests.

3.3 ELECTRONIC COMMERCE

Electronic commerce, commonly written as **e-commerce or e-Commerce**, is the trading or facilitation of trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online-transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

E-commerce businesses may employ some or all of the following:

- Online shopping web sites for retail sales direct to consumers

- Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales

- Business-to-business buying and selling

- Gathering and using demographic data through web contacts and social media

- Business-to-business electronic data interchange

- Marketing to prospective and established customers by e-mail or fax (for example, with newsletters)

- Engaging in retail for launching new products and services

- Online financial exchanges for currency exchanges or trading purposes.

Governmental regulation

In the United States, some electronic commerce activities are regulated by the Federal Trade Commission (FTC). These activities include the use of commercial e-mails, online advertising and consumer privacy. The CAN-SPAM Act of 2003 establishes national standards for direct marketing over e-mail. The Federal Trade Commission Act regulates all forms of advertising, including online advertising, and states that advertising must be truthful and non-deceptive. Using its authority under Section 5 of the FTC Act, which prohibits unfair or deceptive practices, the FTC has brought a number of cases to enforce the promises in corporate privacy statements, including promises about the security of consumers' personal information. As result, any corporate privacy policy related to e-commerce activity may be subject to enforcement by the FTC.

The Ryan Haight Online Pharmacy Consumer Protection Act of 2008, which came into law in 2008, amends the Controlled Substances Act to address online pharmacies.

Conflict of laws in cyberspace is a major hurdle for harmonization of legal framework for e-commerce around the world. In order to give uniformity to e-commerce law around the

world, many countries adopted the UNCITRAL Model Law on Electronic Commerce (1996).

Internationally there is the International Consumer Protection and Enforcement Network (ICPEN), which was formed in 1991 from an informal network of government customer fair trade organisations. The purpose was stated as being to find ways of co-operating on tackling consumer problems connected with cross-border transactions in both goods and services, and to help ensure exchanges of information among the participants for mutual benefit and understanding. From this came Econsumer.gov, an ICPEN initiative since April 2001. It is a portal to report complaints about online and related transactions with foreign companies.

There is also **Asia Pacific Economic Cooperation** (APEC) was established in 1989 with the vision of achieving stability, security and prosperity for the region through free and open trade and investment. APEC has an Electronic Commerce Steering Group as well as working on common privacy regulations throughout the APEC region.

In **Australia**, Trade is covered under Australian Treasury Guidelines for electronic commerce, and the Australian Competition and Consumer Commission regulates and offers advice on how to deal with businesses online, and offers specific advice on what happens if things go wrong.

In **the United Kingdom**, The Financial Services Authority (FSA) was formerly the regulating authority for most aspects of the EU's Payment Services Directive (PSD), until its replacement in 2013 by the Prudential Regulation Authority and the Financial Conduct Authority. The UK implemented the PSD through the Payment Services Regulations 2009 (PSRs), which came into effect on 1 November 2009. The PSR affects firms providing payment services and their customers.

These firms include banks, non-bank credit card issuers and non-bank merchant acquirers, e-money issuers, etc. The PSRs created a new class of regulated firms known as payment institutions (PIs), who are subject to prudential requirements. Article 87 of the PSD requires the European Commission to report on the implementation and impact of the PSD by 1 November 2012.

In **India**, the Information Technology Act 2000 governs the basic applicability of e-commerce.

In **China**, the Telecommunications Regulations of the People's Republic of China (promulgated on 25 September 2000), stipulated the Ministry of Industry and Information Technology (MIIT) as the government department regulating all telecommunications related activities, including electronic commerce. On the same day, The Administrative Measures on Internet Information Services released, is the first administrative regulation to address profit-generating activities conducted through the Internet, and lay the foundation for future regulations governing e-commerce in China. On 28 August 2004, the eleventh session of the tenth NPC Standing Committee adopted The Electronic Signature Law, which regulates data message, electronic signature authentication and legal liability issues. It is considered the first law in China's e-commerce legislation. It was a milestone in the course of improving China's electronic commerce legislation, and also marks the entering of China's rapid development stage for electronic commerce legislation.

Global trends

In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent per capita. As of 2013, the Czech Republic was the European country where ecommerce delivers the biggest contribution to the enterprises´ total revenue. Almost a quarter (24%) of the country's total turnover is generated via the online channel.

Among emerging economies, China's e-commerce presence continues to expand every year. With 668 million internet users, China's online shopping sales reached $253 billion in the first half of 2015, accounting for 10% of total Chinese consumer retail sales in the same period. The Chinese retailers have been able to help consumers feel more comfortable shopping online. E-commerce transactions between China and other countries increased 32% to 2.3 trillion yuan ($375.8 billion) in 2012 and accounted for 9.6% of China's total international trade . In 2013, Alibaba had an e-commerce market share of 80% in China.

In 2013, Brazil's e-Commerce was growing quickly with retail e-Commerce sales expected to grow at a healthy double-digit pace through 2014. By 2016, e-Marketer expected retail ecommerce sales in Brazil to reach $17.3 billion. India has an internet user base of about 243.2 million as of January 2014. Despite being third largest user base in world, the penetration of Internet is low compared to markets like the United States, United Kingdom or France but is growing at a much faster rate, adding around 6 million new entrants every month. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. E-Commerce has become an important tool for small and large businesses worldwide, not only to sell to customers, but also to engage them.

In 2012, ecommerce sales topped $1 trillion for the first time in history. Mobile devices are playing an increasing role in the mix of e- Commerce; this is also commonly called mobile commerce, or m-commerce. In 2014, one estimate saw purchases made on mobile devices making up 25% of the market by 2017.

In 2014, there were 600 million Internet users in China (twice as many than in the US), making it the world's biggest online market. For traditional businesses, one research stated that information technology and cross-border e-commerce is a good opportunity for the rapid

development and growth of enterprises. Many companies have invested enormous volume of investment in mobile applications.

The DeLone and McLean Model stated that 3 perspectives are contributed to a successful e-business; including information system quality, service quality and users satisfaction. There is no limit of time and space, there are more opportunities to reach out to customers around the world, and to cut down unnecessary intermediate links, thereby reducing the cost price, and can benefit from one on one large customer data analysis, to achieve a high degree of personal customization strategic plan, in order to fully enhance the core competitiveness of the products in company.

Impact on markets and retailers

Economists have theorized that e-commerce ought to lead to intensified price competition, as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies.

Generally, larger firms are able to use economies of scale and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend. Depending on the category, e-commerce may shift the switching costs—procedural, relational, and financial—experienced by customers.

Individual or business involved in e-commerce whether buyers or sellers rely on Internet-based technology in order to accomplish their transactions. E-commerce is recognized for its ability to allow business to communicate and to form transaction anytime and anyplace.

Whether an individual is in the US or overseas, business can be conducted through the internet. The power of e-commerce allows geophysical barriers to disappear, making all consumers and businesses on earth potential customers and suppliers. Thus, switching barriers and switching costs may shift. eBay is a good example of e-commerce business individuals and businesses are able to post their items and sell them around the Globe.

In e-commerce activities, supply chain and logistics are two most crucial factors need to be considered. Typically, cross-border logistics need about few weeks time round. Based on this low efficiency of the supply chain service, customer satisfaction will be greatly reduced. Some researcher stated that combining e-commerce competence and IT setup could well enhance company's overall business worth. Other researcher stated that e-commerce need to consider the establishment of warehouse centres in foreign countries, to create high efficiency of the logistics system, not only improve customers' satisfaction, but also can improve customers' loyalty.

Social impact of e-commerce

Along with the e-commerce and its unique charm that has appeared gradually, virtual enterprise, virtual bank, network marketing, online shopping, payment and advertising, such this new vocabulary which is unheard-of and now has become as familiar to people. This reflects that the e-commerce has huge impact on the economy and society from the other side. For instance, B2B is a rapidly growing business in the world that leads to lower cost and then improves the economic efficiency and also bring along the growth of employment.

To understand how the e-commerce has affected the society and economy, this article will mention three issues below:

1. The e-commerce has changed the relative importance of time, but as the pillars of indicator of the country's economic state that the importance of time should not be ignored.

2. The e-commerce offers the consumer or enterprise various information they need, making information into total transparency, will force enterprise no longer is able to use the mode of space or advertisement to raise their competitive edge. Moreover, in theory, perfect competition between the consumer sovereignty and industry will maximize social welfare.

3. In fact, during the economic activity in the past, large enterprise frequently has advantage of information resource, and thus at the expense of consumers. Nowadays, the transparent and real-time information protects the rights of consumers, because the consumers can use internet to pick out the portfolio to the benefit of them. The competitiveness of enterprises will be much more obvious than before, consequently, social welfare would be improved by the development of the e-commerce.

4. The new economy led by the e-commerce change humanistic spirit as well, but above all, is the employee loyalty. Due to the market with competition, the employee's level of professionalism becomes the crucial for enterprise in the niche market. The enterprises must pay attention to how to build up the enterprises inner culture and a set of interactive mechanisms and it is the prime problem for them. Furthermore, though the mode of e-commerce decrease the information cost and transaction cost, however, its development also makes human being are overly computer literate. In hence, emphasized more humanistic attitude to work is another project for enterprise to development. Life is the root of all and high technologies are merely an assistive tool to support our quality of life.

The e-commerce is not a kind of new industry, but it is creating a new economic model. Most of people agree that the e-commerce indeed to be important and significant for economic society in the future, but actually that is a bit of clueless feeling at the beginning, this problem

is exactly prove the e-commerce is a sort of incorporeal revolution. Generally speaking, as a type of business active procedure, the e-commerce is going to leading an unprecedented revolution in the world, the influence of this model far exceeded the commercial affair itself. Except the mentioned above, in the area of law, education, culture and also policy, the e-commerce will continue that rise in impact. The e-commerce is truly to take human beings into the information society.

Distribution channels

E-commerce has grown in importance as companies have adopted pure-click and brick-and-click channel systems. We can distinguish pure-click and brick-and-click channel system adopted by companies.

- Pure-click or pure-play companies are those that have launched a website without any previous existence as a firm.

- Bricks-and-clicks companies are those existing companies that have added an online site for e-commerce.

- Click-to-brick online retailers that later open physical locations to supplement their online efforts.

DIFFERENT ONLINE RETAILERS IN DEMAND TODAY

SNAPDEAL

It is an online marketplace, based in New Delhi, India. The company was started by Kunal Bahl, a Wharton graduate as part of the dual degree M&T Engineering and Business program at Penn, and Rohit Bansal, an alumnus of IIT Delhi in February 2010. Snapdeal currently has 275,000 sellers, over 30 million products and a reach of 6,000 towns and cities across the country.

Snapdeal was started on 4 February 2010 as a daily deals platform, but expanded in September 2011 to become an online marketplace. Snapdeal has grown to become one of the largest online marketplaces in India offering an assortment of 10 million products across diverse categories from over 100,000 sellers, shipping to more than 5,000towns and cities in India. In March 2015, Snapdeal brought actor Aamir Khan for the promotion of its website in India.

Business results

In the year 2012-13, Snapdeal had said that it expected revenues of about □600 crore (US$89 million). Betting big on the growth of mobile commerce, KunalBahl, the CEO, said at the time that 15-20 per cent of the sales on Snapdeal came through m-commerce. Snapdeal.com expected the total sale of products traded on its platform to cross□2,000 crore (US$300 million) in the fiscal year 2013-14 helped by its robust growth in the past two years and the growing popularity of e-commerce in India. In June 2014, Snapdeal announced that it had achieved the milestone of 1000 sellers on its platform getting sales of over Rs 1 crore.

Labour issues

Snapdeal employees approached the Labour Department in February 2016, claiming that the company was firing them and had forced 600 employees to resign in the last one year. After protests from Snapdeal employees, Delhi Government ordered the Labour Department to probe the allegations.

Awards and recognitions

- E-retailer of the Year & Best Advertising campaign of the year - Indian e-retail awards 2012 organized by Franchise India in Feb, 2012.

- Winner of Red Herring Asia Awards 2011.

- E-commerce site of the year at WAT awards that took place in Jan 2012, Mumbai.

- Voted amongst the busiest brands of India in afaqs's annual buzz-making poll.

Controversy

- Snapdeal faces flak for Aamir Khan's statement

- Snapdeal faces controversy over buying fake tweets.

- Snapdeal does it again: Man orders mobile phones, gets stones in package.

- Snapdeal Raises $200M in Funding at a Valuation of Over $6.5B

Trivia

- In June 2011, Shiv Nagar, a village located in Muzaffarnagar district in Uttar Pradesh, India, became Snapdeal.com Nagar (Nagar meaning town in Hindi), after Snapdeal had installed 15 hand pumps for drinking water. The villagers voted to name their hamlet after Snapdeal to express their gratitude.

MYNTRA

It is an Indian e-commerce company of fashion and casual lifestyle products, headquartered in Bangalore, Karnataka, India. The company was founded in 2007 by Indian Institute of Technology graduates with a focus on personalisation of gift items. By 2010, Myntra shifted its focus to the online retailing of branded apparel.

In May 2014, Myntra.com merged with Flipkart to compete against Amazon which entered the Indian market in June 2013 and other established offline retailers like Future Group, Aditya Birla Group and Reliance Retail.

Established by Mukesh Bansal along with Ashutosh Lawania and Vineet Saxena, Myntra was in the business of on-demand personalisation of gift items. It mainly operated on the B2B (business to business) model during its initial years. Between 2007 and 2010, the online portal allowed customers to personalize products such as T-shirts, mugs, mouse pads, calendars, watches, teddy bears, pendants, wine glasses and jigsaw puzzles.

In 2011, Myntra expanded its catalogue to include fashion and lifestyle products and moved away from personalisation. Myntra tied up with various popular brands to retail a wide range of latest merchandise from these brands. Myntra offered products from 350 Indian and International brands by 2012. Myntra also had casual wear for men and women from brands. The website saw the launch of Fastrack watches and of Being Human, the brand2014 saw the merging of Myntra with another Indian e-commerce giant Flipkart.com in an estimated deal of □2,000 crore (US$300 million), though nothing in terms of value was officially disclosed by any of the company. Merger was majorly influenced by two large common shareholders, Tiger Global and Accel Partners. Myntra still continues to function and operate independently to increase its market share from 50 to 70 per cent of the market share. In 2014, Myntra's portfolio included about 1,50,000 products of over 1000 brands ranging from

international brands to designer brands and distribution area of around 9000 pin codes in India.

In May 2015, Myntra moved on to app-only business model wherein customers can only buy and transact in their site through smart phones. The move came after the site claimed that 95 percent of Internet traffic on their site came mobile and 70 percent sales were generated through smart phones. The move to app-only generated mixed reviews and saw 10% dip in sales initially.

However, in February 2016, the company retracted its app-only model in an attempt to win back lost customers. The company cited that the app-only strategy had backfired and Myntra would relaunch its website.

Acquisitions and investments

In October 2007, Myntra received its initial funding from Erasmic Venture Fund now known as Accel Partners, Sasha Mirchandani from Mumbai Angels and a few other investors. In November 2008, Myntra raised almost $5 million from NEA-IndoUS Ventures, IDG Ventures and Accel Partners. Myntra raised $14 million in a Series B round of funding. This round of investment was led by Tiger Global, a private equity firm; the existing investors IDG Ventures and Indo-US Venture Partners also put in substantial amount towards funding Myntra. Towards the end of 2011, Myntra.com raised $20 million in its third round of funding, again led by Tiger Global. In February 2014, Myntra raised additional $50 Million (Rs.310 crore) funding from Premji Invest and few other Private Investors.

Regulatory actions and lawsuits

The Enforcement Directorate are investigating Myntra for breach of Foreign Exchange Management Act. In January 2016, Enforcement Directorate issued notice to Myntra's owner Flipkart.

Labour issues

In July 2015, Myntra and Flipkart's logistics staff went on a strike alleging lack of basic employee benefits and poor wages.

Allegations of promoting cow slaughter

Many shoes sold by Myntra are made from cowhide which is the natural skin and hair of a cow. This is also a by-product of the cow slaughter industry. Myntra have been accused of hurting religious sentiments and promoting cow slaughter by increasing demand for cowhide products (by providing up to 80% discounts).

JABONG

It is an Indian fashion and lifestyle e-commerce portal, selling apparel, footwear, fashion accessories, beauty products, fragrances, home accessories and other fashion and lifestyle products. The company is headquartered in Gurgaon, NCR.

History

It was co-founded by Arun Chandra Mohan, Praveen Sinha, Manu Jain, and Mukul Bafana. All co-founders have left the company. In March 2013, Jabong was shipping 6000-7000 orders a day. According to The Economist, Jabong clocked gross sales of around US $100–150 mn in 2012.As per the Livemint article, during September 2013 Jabong was shipping 14,000 orders on a daily basis out of which 60% were from small towns.

Jabong was one of the most visited e-commerce sites during the Great Online Shopping Festival 2013.Company representatives claimed that its revenues increased five to six times compared to a usual day. Jabong announced Sanjeev Mohanty as its new CEO, effective from early December 2015.

Profile

Jabong sells shoes, apparel, accessories, home décor and furniture through its website. The e-store at present carries over 1000 brands and over 90,000 products. Other products include jewellery and gold coins. In November 2012, Jabong.com and cricket equipment maker SG Cricket presented a range of Virender Sehwag cricket bats — VS319 — which was sold exclusively through Jabong.

As noted by Business Standard, Jabong added top International brands to its catalogue. The brands include UK's high street fashion brands Dorothy Perkins, Miss Selfridge and River Island along with the Spanish brand Mango. In November 2013, Jabong entered into a partnership with the brand Jack & Jones, to sell merchandise for the band Above & Beyond. In January 2014, Jabong partnered with Stylista, a collaborative fashion platform. The collection includes Indian designers like Wendell Rodricks, Priyadarshini Rao and Nishka Lulla.

In 2014, Jabong launched an exclusive collection designed by Rohit Bal. Noted by Economic Times; the company is also launching in-house brands covering apparel, shoes and accessories. In May 2014 NBA and Jabong partnered to launch the first official NBA online store in India.According to Business-Standard.com, Jabong set to enter 1 billion dollar club in the year 2015.

Business models

Jabong.com follows both an inventory model and a managed marketplace model. In the inventory model, products are sourced from brands and stored in the Jabong warehouse. In the managed marketplace model, Jabong provides marketing, logistics and delivery.

Marketing campaigns

The company has been active on digital media, giving competition to established competitors in a short span of time. The company launched its first TV campaign in March 2012. Other television campaigns appeared in September 2012 and during 2013 Jabong. In November 2013 Jabong together with Puma launched the digital fitness campaign "Gear up Buddy" with Bollywood actor Chitrangada Singh.In a bid to position itself as an online fashion destination, Jabong has partnered with Lakme Fashion Week for next four seasons and with designer RohitBal for an exclusive collection.

Jabong.com launched the India Online Fashion Week in 2014. The event was described as a platform for young and aspiring designers, stylists, models and photographers who were mentored by fashion industry experts including celebrity mentor YamiGautam.Jabong.com launched a monthly fashion magazine "The Juice" in April, 2014. The magazine covers stories and features around fashion, beauty, people, trends, travel and pop culture.

Partnerships

In May 2013 Jabong presented a fashion collection based on the Bollywood movie *YehJawaani Hai Deewani*. Jabong showcased the fashion apparel used in the movie by the movie stars.In July 2013 Jabong associated with Bollywood again through the movie Bhaag Milkha Bhaag and offered a collection inspired by the movie.

In its third association with Bollywood, Jabong presented in December 2013 a collection of products inspired by the movie *Dhoom 3*, including bags, hats, pendants and rings. In 2014, Jabong partnered with Humpty Sharma Ki Dulhania. In October 2014, it was rumoured that Amazon is in the initial talks to acquire Jabong, but no takeover deal happened and none of the party confirmed the reasons.

Online traffic

According to a ComScore report of September 2012, Jabong.com had the second highest amount of traffic on its website, among Indian e-commerce websites, within a few months of its launch.In November 2013, Jabong.com held an Alexa Traffic ranking of 37 in India. Jabong also ranked 10th in Google Zeitgeist India trends making it 10th most searched term in 2012 in India.

International store

Jabong also has an international online shopping store called Jabongworld.com, which sells Indian ethnic wear such as sarees, lehengas, salwar suits and dress materials. Jabongworld.com has introduced its Indo-Western wear range as well that includes dresses, tunics, jeans and other apparels for men, women and kids priced in foreign currencies like USD, MUR, MYR and more.

Jabongworld.com added top brands to its catalogue that include Biba Apparels, Sattika, Sangria, Park Avenue, W, Aurelia, Bunkar, Raymond, Bombay Dyeing and Being Human. Jabongworld.com also partnered with Mandira Bedi for her exclusive Saree collection in Nov,2014. In May 2013, Jabongworld.com presented Bollywood inspired collection with fashion apparels from the movie YehJawaani Hai Deewani.Jabongworld.com receives

highest amount of website traffic from The United States, closely followed by Malaysia and Mauritius and other countries.

Awards and recognition

According to The Brand Trust Report India Study - 2013 by Trust Research Advisory, Jabong ranked among the top 25 trusted online brands in India.

FLIPKART

It is an e-commerce company founded in 2007 by Sachin Bansal and Binny Bansal. The company is registered in Singapore, but has its headquarters

in Bangalore, Karnataka, India. Flipkart has launched its own product range under the name "DigiFlip" with products including tablets, USBs, and laptop bags. Flipkart's last fundraising round in May 2015 had pegged its valuation at $15 billion. In May 2016, Morgan Stanley lowered Flipkart's valuation at $9.39 billion.

History

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology Delhi. They worked forAmazon.com, and left to create their new company incorporated in October 2007 as Flipkart Online Services Pvt. Ltd. The first product they sold was the book *Leaving Microsoft to Change the World* to a customer from Hyderabad. Flipkart now employs more than 33,000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.

After failure of its 2014 Big Billion Sale, Flipkart recently completed the second edition of Big Billion Sale held between October 13 and 17. Where it is reported that they saw a business turnover of 300 million in gross merchandise volume.

Business Structure

In a report dated November 25, 2014, a leading media outlet reported that Flipkart were operating through a complex business structure which included nine firms, some registered in Singapore and some in India. In 2012 Flipkart co-founders sold WS Retail to a consortium of investors led by Rajeev Kuchhal.

Acquisitions

- 2010: WeRead, a social book discovery tool.

- 2011: Mime360, a digital content platform company.

- 2011: Chakpak.com, a Bollywood news site that offers updates news, photos and videos. Flipkart acquired the rights to Chakpak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.

- 2012: Letsbuy.com, an Indian e-retailer in electronics. Flipkart has bought the company for an estimated US$25 million. Letsbuy.com was closed down and all traffic to Letsbuy has been diverted to Flipkart.

- 2014: Acquired Myntra.com in an estimated □ 20 billion (2,000 crore, about US$319 million) deal.

- 2015: Flipkart acquired a mobile marketing start-up Appiterate as to strengthen its mobile platform.

Investments

In 2015, Flipkart bought a minority stake in a Navigation and route optimization start-up MapmyIndia to help improve its delivery using MapmyIndia assets.

Finance

Initially, they had spent □ 400,000 only for making website to set up the business. Flipkart has later raised funding from venture capital funds Accel India (US$1 million in 2009) and Tiger Global (US$10 million in 2010 and US$20 million in June 2011).On 24 August 2012, Flipkart announced the completion of its 4th round of $150 million funding from MIH (part of Naspers Group) and ICONIQ Capital. The company announced, on 10 July 2013, that it has raised an additional $200 million from existing investors including Tiger Global, Naspers, Accel Partners and Iconiq Capital.

Flipkart's reported sales were □ 40 million in 2008–2009,□ 200 million in FY 2009–2010 and □ 750 million for FY 2010–2011. In FY 2011–2012, Flipkart is set to cross the □ 5 billion (US$100 million) mark as Internet usage in the country increases and people get accustomed to making purchases online. Flipkart projects its sales to reach □ 10 billion by year 2014. On average, Flipkart sells nearly 10 products per minute and is aiming at generating a revenue of □ 50 billion (US$0.81 billion) by 2015.

On November 2012, Flipkart became one of the companies being probed for alleged violations of FDI regulations of the Foreign Exchange Management Act, 1999.Flipkart reported a loss of □ 281 crore for the FY 2012-13.In July 2013, Flipkart raised USD 160 million from private equity investors.

In October 2013, it was reported that Flipkart had raised an additional $160 million from new investors Dragoneer Investment Group, Morgan Stanley Wealth Management, Sofina SA and Vulcan Inc. with participation from existing investor Tiger Global.

On 26 May 2014, Flipkart announced that it has raised $210 million from Yuri Milner's DST Global and its existing investors Tiger Global, Naspers and Iconiq Capital. In early July 2014, it was also highly speculated that Flipkart was in negotiations to raise at least $500 million, for a likely listing in the US for 2016.

On 29 July 2014, Flipkart announced that it raised $1 billion from Tiger Global Management LLC, Accel Partners, and Morgan Stanley Investment Management and a new investor Singapore sovereign-wealth fund GIC.

On 6 October 2014, Flipkart sold products worth INR 650Crore in 10 hours in a special one-day event - "The Big Billion Day", claiming they had created e-commerce history, but their hard-won reputation for good customer service suffered because of technical problems, and angry reactions on social media from buyers disappointed with the pricing and availability of products.It claimed to sell a whopping 5 lakh mobile handsets, five-lakh clothes and shoes and 25,000 television sets within hours of opening its discounted sale at 8 AM.

In December 2014, after it received $700 million from another funding, Flipkart had a market cap of $11 billion or Rs.66000 crore. In May 2015 Flipkart has raised $550 million from some of its existing investors, in a deal that raises the valuation of the privately held Indian start-up to about $15 billion or Rs. 90,000 crore.

On 20 December 2014, Flipkart announced filing application with Singapore-based companies' regulator ACRA to become a public company after raising USD 700 million for long term strategic investments in India following which its number of investors exceeded 50.

The USD 700 million fund raised by Flipkart added new investors - Baillie Gifford, Greenoaks Capital, Stead view Capital, T. Rowe Price Associates and Qatar Investment Authority - on company's board. Its existing investors DST Global, GIC, ICONIQ Capital and Tiger Global also participated in this latest financing round. By August 2015, after raising $700 million, Flipkart had already raised a total of $3 billion, over 12 rounds and 16 investors.

Regulatory Action and Lawsuits

The Government of India informed the parliament in 2012, that it had asked the Enforcement Directorate to investigate Flipkart Online Services. In August 2014, the Enforcement Directorate claimed that it had found Flipkart to be in violation of the Foreign Exchange Management Act. On November 30, 2012 Flipkarts offices were raided by the Enforcement Directorate. Documents and computer hard drives were seized by the regulatory agency. Delhi High Court observed violation of foreign investment regulations by E-Commerce firms including Flipkart.

In January 2016, public interest litigation came up for hearing which alleges Flipkart of contravention of foreign investment norms. The court asked the Reserve Bank of India to provide the latest circular on foreign investment policy. In January, 2016, the Department of Industrial Policy and Promotion (DIPP) clarified that it does not recognize the marketplace model of online retail. In February 2016, Health Minister, J P Nadda, informed that the Maharashtra FDA had taken action against Flipkart, among others, for selling drugs without valid license.

Flyte Digital Music Store

In October and November 2011, Flipkart acquired the websites Mime360.comand Chakpak.com. Later, in February 2012, the company revealed its new Flyte Digital Music Store. Flyte, a legal music download service in the vein of iTunes and Amazon.com, offered DRM-free MP3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites.

Exclusive product launch

Motorola Mobility, previously owned by Google but then sold to Lenovo, in an exclusive tie up with Flipkart launched its budget smart-phone Moto G in India on 5 February 2014; more than 20,000 units were sold within hours of launch on Flipkart. After this Flipkart was looking for a long term tie up with Motorola Mobility, they also launched their Android smartphone, the Moto X, on 19 March 2014. Flipkart later sold the Moto E, cheaper than Moto G, from 13 May 2014.

The sale of high-end smartphone Xiaomi Mi3 produced by Xiaomi Tech was launched in India on an exclusive tie-up with Flipkart. The first batch was sold out within 39 minutes on 22 July 2014, the second in 5 seconds on 29 July 2014. The sale was proceeded on pre-registration mode where more than 150,000 buyers booked for the 5 August 2014 sale. This got sold off in less than 2 seconds.

Following this Xiaomi Tech sold 20,000 units in the next sale on 12 August 2014. On 2 September 2014 Flipkart held a flash sale of the Xiaomi Redmi 1S budget Android smartphone which was launched in India in July 2014. 40, 000 units priced at Rs 5999 each were sold within seconds. A further 40,000 units were sold within 4.5 seconds on Sept 9, 2014.The third Redmi 1S sale on Sept 16, 2014 sold 40,000 units in 3.4 seconds; in the 4th

round of sale of Redmi 1S, 60,000 units sold in 5.2 seconds on Sept 23, 2014.On 30 September 2014 60,000 units sold in 13.9 seconds. Redmi Note in India exclusively through Flipkart; 50,000 units sold in 6 seconds on 2 December 2014.

In-house products

Digiflip, Flipkart's own electronic brand

- In July 2014 Flipkart launched its own set of tablet, mobile phones & Phablet. The first among these series of tablet phones was Digiflip Pro XT 712 Tablet.

- In July 2014 Flipkart launched its first networking router, under its own brand name named DigiFlip WR001 300 Mbit/s Wireless N Router.

- In September 2014 Flipkart launched its in-house home appliances and personal healthcare brand Citron. The label includes a wide range of cooking utilities and grooming products.

Criticism

On 13 September 2014, a Flipkart delivery boy molested a house maid in Hyderabad. The house maid's employer has been fighting against Flipkart for justice on this issue, and also for making offline delivery services safe.

On 6 October 2014 Flipkart launched a promotion called 'Big Billion Day' with the intention to increase the popularity of their website by targeting a billion sales in 1 day. This, even though Flipkart achieved the target, led to public outcry and widespread criticism among consumers, competitors and partners, heavily damaging its reputation. Many users could not place orders because of high server load and errors which led to frustration among customers. Many users who placed orders received emails stating that their orders were cancelled. Most

of the products were sold for less than cost price, and Flipkart was accused of killing competition. Major competitors filed complaints against Flipkart to the commerce ministry, claiming that selling products lesser than cost prices is against the commerce policy of the country. The Ministry said that they would formulate new trade rules for electronic retail after this incident.

Flipkart received mass criticism on the subject of net neutrality after their announced partnership with Airtel to use the Airtel Zero platform which would have made the Flipkart app free for Airtel Users. On 14 April 2015 Flipkart retracted its decision to use Airtel Zero platform.

Awards and recognition

- In September 2015, Sachin Bansal and Binny Bansal entered Forbes India Rich List debuting at the 86th position with a net worth of $1.3 billion each.

- Co-Founder of Flipkart, Sachin Bansal, got Entrepreneur of the Year Award 2012-2013 from Economic Times, leading Indian Economic Daily.

- Flipkart.com was awarded Young Turk of the Year at CNBC TV 18's 'India Business Leader Awards 2012' (IBLA).

- Flipkart.com- got nominated for IndiaMART Leaders of Tomorrow Awards 2011.

AMAZON

Amazon is an American electronic commerce and cloud computing company with headquarters in Seattle, Washington. It is the largest Internet-based retailer in the world by total sales and market capitalization. Amazon.com started as an online bookstore, later sell DVDs, Blurays, CDs, videodownloads/streaming, MP3 downloads/streaming, audio-

book downloads/streaming, software, video games, electronics, apparel, furniture, food, toys and jewellery. The company also produces consumer electronics—notably, Amazon Kindle e-readers, Fire tablets and Fire TV—and is the world's largest provider of cloud infrastructure services (IaaS).Amazon also sells certain low-end products like USB cables under its in-house brand Amazon Basics.

Amazon has separate retail websites for the United States, the United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, India and Mexico. Amazon also offers international shipping to certain other countries for some of its products. In 2011, it professed an intention to launch its websites in Poland and Sweden.

In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market capitalization, and is as of 2016 is the ninth most valuable company overall.

History

The company was founded in 1994, spurred by what Amazon founder Jeff Bezos called his "regret minimization framework," which described his efforts to fend off any regrets for not participating sooner in the Internet business boom during that time. In 1994, Bezos left his employment as vice-president of D. E. Shaw & Co., a Wall Street firm, and moved to Seattle. He began to work on a business plan for what would eventually become Amazon.com.

Website

The domain *amazon.com* attracted at least 615 million visitors annually by 2008. Amazon attracts over 130 million customers to its US website per month by the start of 2016. The company has also invested heavily on a massive amount of server capacity for its website, especially to handle the excessive traffic during the December Christmas holiday season. Results generated by Amazon's search engine are partly determined by promotional fees.

Reviews

Amazon allows users to submit reviews to the web page of each product. Reviewers must rate the product on a rating scale from one to five stars. Amazon provides a badging option for reviewers which indicate the real name of the reviewer (based on confirmation of a credit card account) or which indicate that the reviewer is one of the top reviewers by popularity. Customers may comment or vote on the reviews, indicating whether they found a review helpful to them. If a review is given enough "helpful" hits, it appears on the front page of the product. In 2010, Amazon was reported as being the largest single source of Internet consumer reviews.

When publishers asked Bezos why Amazon would publish negative reviews, he defended the practice by claiming that amazon.com was "taking a different approach ... we want to make every book available—the good, the bad, and the ugly ... to let truth loose".

Although reviews are attributed to the credit-card name of the reviewer, there have been cases of positive reviews being written and posted by a public relations company on behalf of its clients, and instances of writers using pseudonyms to leave negative reviews of their rivals' works.

Following the listing of *Untouchable: The Strange Life and Tragic Death of Michael Jackson,* a disparaging biography of Michael Jackson by Randall Sullivan, his fans, organized via social media as "Michael Jackson's Rapid Response Team to Media Attacks", bombarded Amazon with negative reviews and negative ratings of positive reviews.

Poor working conditions

Amazon has attracted widespread criticism by both current employees, which refer to themselves as Amazonians, and former employees, as well as the media and politicians for poor working conditions. In 2011 it was publicized that at the Breinigsville, Pennsylvania warehouse, workers had to carry out work in 100 °F (38 °C) heat, resulting in employees becoming extremely uncomfortable and suffering from dehydration and collapse. Loading-bay doors were not opened to allow in fresh air as "managers were worried about theft". Amazon's initial response was to pay for an ambulance to sit outside on call to cart away overheated employees.

Some workers, "pickers", who travel the building with a trolley and a handheld scanner "picking" customer orders, can walk up to 15 miles during their workday, and if they fall behind on their targets, they can be reprimanded. The handheld scanners feedback to the employee real-time information on how fast or slowly they are doing; the scanners also serve to allow Team Leads and Area Managers to track the specific locations of employees and how much "idle time" they gain when not working. In a German television report broadcast in February 2013, journalists Diana Löbl and Peter Onneken conducted a covert investigation at the distribution centre of Amazon in the town of Bad Hersfeld in the German state of Hessen. The report highlights the behaviour of some of the security guards, themselves being employed by a third party company, who apparently either had a Neo-nazi background or deliberately dressed in Neo-Nazi apparel and who were intimidating foreign and temporary female workers at its distribution centres. The third party security company involved was delisted by Amazon as a business contact shortly after that report.

In March 2015, it was reported in *The Verge* that Amazon will be removing 18 months long non-compete clauses from its US employment contracts for hourly-paid workers, after

criticism that it was acting unreasonably in preventing such employees from finding other work. Even short-term temporary workers have to sign contracts that prohibit them from working at any company where they would "directly or indirectly" support any good or service that competes with those they helped support at Amazon, for 18 months after leaving Amazon, even if they are fired or made redundant.

A substantial *New York Times* article published on August 16, 2015, described evidence of an intimidating and confrontational working culture for the company's office workers. In an effort to boost employee morale, on November 2, 2015, Amazon announced that it would be extending 6 weeks of paid leave for new mothers and fathers. This change includes birth parents and adoptive parents and can be applied in conjunction with existing maternity leave and medical leave for new mothers.

Koovs

KOOVS.COM is an online store for western fashion, catering to menswear, womens wear, footwear, accessories, jewellery and beauty products. The company is headquartered in Gurgaon, with office in London, and serves to the Indian market. The website stocks Indian and international brands and its own range of clothing and accessories. KOOVS.COM has also collaborated with international designers to create clothing collections.

KOOVS India was set up as an independent e-commerce business in 2010, operating through the website KOOVS.COM. In 2011, the Nahata family acquired a controlling interest in the company and shifted its focus to the sale of mobile phones and electrical goods. KOOVS.COM's focus shifted to fashion in 2012 when the Company, founded by Lord Waheed Ali and Robert Bready, began to supply KOOVS India with consultancy services in fashion design for e-commerce.

In November 2013, Lord Waheed Alli, Baron Alli joined the organization as a Chairman. Subsequently, in late 2013 Robert Bready, former Retail Director of Asos.com and Roy Naismith, former CFO of successful global brand, French Connection joined the koovs leadership team.

In 2013, KOOVS.COM opened its first design office in London to design its private label collections. The Indian wholesale retail arm became a subsidiary of Koovs Plc (based in London) via a listing in March 2014, on AIM, a sub market of the London Stock Exchange.

Brands

KOOVS.COM stocks Indian and international brands across menswear and womenswear, including clothing and accessories. Some of the key womens wear brands for KOOVS.COM include AX Paris, Lipsy, Glamorous, Warehouse, Lavish Alice, Oasis, New Look, Dead Lovers, Forever New, Blueberry and Oliv. Some key menswear brands include Nike, Criminal Damage, New Look, Only & Sons, Addict, Majestic, Jeepers Peepers, Rare Rabbit, Voi Jeans, Blueberry Men, Jeepers Peepers and Flying Machine.

3.3 ONLINE MARKETING IN INDIA

Susan Ward "The art and science of selling products or services over digital networks, such as internet and cellular phone networks". Here the art of online marketing refers to discovering the right online marketing mix of strategies which attracts the target market for actually converting into sales. Online marketing is also referred as I-marketing, E-marketing, web marketing. E-commerce (electronic commerce) is type of online marketing. Online shopping is the process consumers go through to purchase products or services over the Internet.

Internet is admired for its potential to provide interactivity (through chat and e-mail), personalized experiences (through registration, user input, personalization),multimedia (through flash animations, movies), shopping tools (through virtual sales, assistant, search engine, order tracking),community (through virtual communities, consumers reviews), increased product selection and information.

As per Internet advertisement , Internet is basically used for following purposes- emailing, chain-formation /search engines, games, news, sports, job hunting, music downloads, voice chat, plan business or personal trip, personal or internet banking ,sending e-cards, games downloading, on-line e-ticketing, matrimonial, quizzes/voting, house hunting, other on-line transactions, holiday planning, online bill payment , online shopping , on-line cinema tickets.

India is believed to have 100 million online shoppers and the country's e-tailing sector a $ 15 billion market by 2016, a study said by the annual online shopping growth report compiled by Forrester Consulting and Google search trends. The number of online shoppers in India is projected to be 35 million in 2014 and it was 8 million in 2012, said Nitin Bawankule, Google India industry director for e-commerce, local and classifieds. The research was compiled by interviewing 6,859 respondents covering online buyers and Non-buyers in 50 cities.

Online shopping is considered as the most convenient and easiest mode of shopping. Berry, L.L., Seiders K. and Grewal D. (2002) defined online shopping as "a reduction of the opportunity costs of effort and time involved in shopping activities". It offers time saving benefits to the consumers as their time is saved. Dressing, visiting to the store which requires longer travelling time, no time required for picking products and no long lines to wait, etc.

Because of the changing lifestyles and lack of time (due to hectic schedule), consumers hardly have time to go out to shop at stores or shopping malls.

Due to this convenience and time saving characteristics has become even more essential in recent times. The only basic requirement for online shopping is debit card, credit card and computer with Internet access. Online shopping knows no boundary, it can be done from anywhere where Internet is accessible and shoppers can buy it from any vendors all over the world. Also, shopping can be done at any time (24 hours a day, 7 days a week and holiday) where they do not have shopping timings like malls and stores. Besides all these, they have better price information and lower prices and we can compare and find lower prices of the items.

Customers

Online customers must have access to the internet and a valid method of payment in order to complete a transaction. Generally, higher levels of education and personal income correspond to more favourable perceptions of shopping online. Increased exposure to technology also increases the probability of developing favourable attitudes towards new shopping channels. In a December 2011 study, Equation Research surveyed 1500 online shoppers found that 87% of tablet owners made online transactions with their tablet devices during the early Christmas shopping season.

Product Selection

Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternatives vendors using a shopping search engine. Once a particular product has been found on the website of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like

filling a physical shopping cart or basket in a conventional store. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete. Less sophisticated stores may rely on consumers to phone or e-mail their orders (although full credit card numbers, expiry date and card security code, or bank account and routing number should not be accepted by e- mail for reasons of security).

Payment

Online shoppers commonly use a credit card on a PayPal account in order to make payments. However, some systems enable users to create accounts and pay by alternative means, such as:

Billing to mobile phones and landlines

Cash on delivery (C.O.D)

Cheque/ Check

Debit card

Electronic money of various types

Gift cards

Postal money order

Wire transfer/ delivery on payment

Some online shops will not accept international credit cards. Some require both the purchaser's billing and shipping address to be in the same country as the online shop's base of operation. Other online shops allow customers from any country to send gifts anywhere. The financial part of transaction may be processed in real time (e.g. letting the consumer know their credit card was declined before they log off), or may be done later as part of the fulfillment process.

Product Delivery

Once a payment has been accepted, the goods or services can be delivered in the following ways. For physical items:

Shipping: The product is shipped to a customer- designated address. Retail package delivery is typically done by the public postal system or a retail courier such as FedEx, UPS, DHL, or TNT.

Drop shipping: The order is passed to the manufacturer or third- party distributor, who then ships the item directly to the consumer, bypassing the retailer's physical location to save, time, money and space.

In-store pick-up: The customer selects a local store using locator software and picks up the delivered product at the selected location. This is the method often used in the bricks and clicks business model.

FOR DIGITAL ITEMS OR TICKET

Downloading/Digital distribution:

The method often used for digital media products such as software, music, movies or images. Printing out, provision of a code for, or e- mailing of such item as admission tickets and scrip (e.g., gift certificates and coupons). The tickets, codes or coupons may be redeemed at the appropriate physical or online premises and their content reviewed to verify their eligibility (e.g., assurances that the right of admission or use is redeemed at the correct time and place, for the correct dollar amount and for the correct number of uses).

Will call, COBO (in care of Box Office), or "at the door" pickup: The patron picks up pre-purchased tickets for an event, such as a play, sporting event, or concert, either just before the

event or in advance. With the onset of the internet and e-commerce sites, which allow customers to buy tickets online, the popularity of this service has increased.

Shopping Cart Systems

Simple shopping cart systems allow the off-line administration of products and categories. The shop is then generated as HTML files and graphics that can be uploaded to a web-space. The systems do not use an online database. A high –end solution can be bought or rented as a stand-alone program or as an addition to an enterprise resource planning program. It is usually installed on the company's web server and may integrate into the existing supply chain so that ordering, payment, delivery, accounting and warehousing can be automated to a large extent.

Other solutions allow the user to register and create an online shop on a portal that hosts multiple shops simultaneously from one back office. Examples are Big Commerce Shopify and Flick Rocket. Open source shopping cart packages include advanced platforms such as interchange and off-the-shelf solutions such as Magento and Zen Cart. Commercial systems can also be tailored so the shop does not have to be created from scratch. By using an existing framework, software modules for various functionalities required by a web shop can be adapted and combined.

Design

Customers are attracted to online shopping not only because of high levels of convenience, but also because of broader selections, competitive pricing and greater access to information . Business organizations seek to offer online shopping not only because it is of much lower cost compared to bricks and mortar stores, but also because it offers access to a worldwide market, increases customer value and builds sustainable capabilities.

Customer Needs and Expectations

A successful web store is not just a good looking website with dynamic technical features, listed in many search engines. In addition to disseminating information, it is also about building a relationship with customers and making money. Businesses often attempt to adopt online shopping techniques without understanding them and/or without a sound business model; often, businesses produce web stores that support the organizations culture and brand name without satisfying consumer expectations. User- centered design is critical. Understanding the customers' wants and needs is essential. Living up to the company's promises gives customers a reason to come back and meeting their expectations gives them a reason to stay. It is important that the website communicates how much the company values its customers.

Customers' needs and expectations are not the same for all customers. Age, gender, experience and culture are all important factors. For example, Japanese cultural norms may lead users there to feel privacy is especially critically on shopping sites and emotional involvement is highly important on financial pension's sites. Users with more online experience focus more on the variables that directly influence the task, while novice users focus on understanding the information. To increase online purchases, business must use significant time and money to define, design, develop, design, develop, test, implement and maintain the web store. Truly said, it is easier to lose a customer than to gain one. Even a "top-rated" website will not succeed if the organization fails to practice common etiquette such as responding to e-mails in a timely fashion, notifying customers of problems, being honest and being good stewards of the customers data because it is so important to eliminate mistakes and be more appealing to online shoppers, many web shop designers study research on consumer expectations.

User Interface

The most important factors determining whether customers return to a website are ease of use and the presence of user- friendly features. Usability testing is important for finding problems and improvements in a web site. Methods for evaluating usability include heuristic evaluation, cognitive walkthrough and user-testing. Each technique has its own characteristics and emphasizes different aspects of the user experience.

Market Share

E- Commerce B2C product sales totaled $142.5 billion representing about 8% of retail product sales in the United States. The $26 billion worth of clothes sold online represented about 13% of the domestic market and with 72% of women looking online for apparel; it has become one of the most popular cross-shopping categories. Forrester Research estimates that the United States online retail industry will be worth $279 billion in 2015.

The popularity of online shopping continues to erode sales of conventional retailers. For example, Best Buy, the largest retailer of electronics in the U.S. in August 2014 reported its tenth consecutive quarterly dip in sales, citing an increasing shift by consumers to online shopping. There were 242 million people shopping online in China in 2012. For developing countries and low income households in developed countries, adoption of e-commerce in place of or in addition to conventional methods is limited by a lack of affordable internet access.

ADVANTAGES

Convenience

Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home. Other establishments such as internet cafes and schools provide

internet access as well. In contrast, visiting a conventional retail store requires travel and must take place during business hours.

In the event of a problem with the item (e.g., the product was not what the consumer ordered, the product was not satisfactory), consumers are concerned with the ease of returning an item in exchange for either the correct product or a refund. Consumers may need to contact the retailer, visit the post office and pay return shipping, and then wait for a replacement or refund.

Some online companies have more generous return policies to compensate for the traditional advantage of physical stores. For example, the online shoe retailer Zappos.com includes labels for free return shipping and does not charge a restocking fee, even for returns which are not the result of merchant error. (Note: In the United Kingdom, online shops are prohibited from charging a restocking fee if the consumer cancels their order in accordance with the Consumer Protection (Distance Selling Act)

Information and Reviews

 Online stores must describe products for sale with text, photos and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection (which might involve a test drive, fitting or other experimentation). Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations or manufacturer specifications.

 Some provide background information, advice or how to guides designed to help consumers decide which product to buy. Some stores even allow customers to comment or rate their items. There are also dedicated review sites that host user reviews for different products. Reviews and even some blogs give customers the option of shopping for cheaper purchases from all over the world without having to depend on local retailers.

In a conventional retail store, clerks are generally available to answer questions. Some online stores have real- time chat features, but most rely on e-mails or phone calls to handle customer questions.

Price and Selection

One advantage of shopping online is being able to quickly seek out deals for items or services provided by many different vendors (through some local search engines do exist to help consumers locate products for sale in nearby stores). Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service.

Shipping costs (if applicable) reduce the price advantage of online merchandise, though depending on the jurisdiction, a lack of sales tax may compensate for this. Shipping a small number of items, especially from another country, is much more expensive than making the larger shipments bricks- and-mortar retailers order. Some retailers (especially those selling small, high value items like electronics) offer free shipping on sufficiently large orders. Another major advantage for retailers is the ability to rapidly switch suppliers and vendors without disrupting users shopping experience.

Fraud and Security Concerns

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud than face-to-face transactions. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. However, merchants face less risk from physical theft by using a warehouse instead of a retail storefront.

Secure Sockets Layer (SSL) encryption has generally solved the problem of credit card numbers being intercepted in transit between the consumer and the merchant. However, one must still trust the merchant (and employees) not to use the credit card information subsequently for their own purchases, and not to pass the information to others. Also, hackers might break into a merchant's website and steal names, addresses and credit card numbers, although the Payment Card Industry Data Security Standard is intended to minimize the impact of such breaches. Identify theft is still a concern for consumers. A number of high-profile break-ins in the 2000 have prompted some U.S states to require disclosure to consumers when this happens. Computer security has thus become a major concern for merchants and e-commerce service providers, who deploy counter measures such as firewalls and anti- virus software to protect their networks.

Phising is another danger, where consumers are fooled into thinking they are dealing with a reputable retailer, when they have actually been manipulated into feeding private information to a system operated by a malicious party. Denial of service attacks are a minor risk for merchants as are server and network outages.

Although the benefits of online shopping are considerable, when the process goes poorly it can create a thorny situation. A few problems that shoppers potentially face include identity theft, faulty products and the accumulation of spyware. If users are required to put in their credit card information and billing/shipping address and the website is not secure, customer information can be accessible to anyone who knows how to obtain it.

Most large online corporations are inventing new ways to make fraud more difficult. However, criminals are constantly responding to these developments with new ways to manipulate the system. Online retailers are making efforts to protect consumer information. It is a constant fight to maintain the lead. It is advisable to be aware of the most current

technology and scams to protect consumer identity and finances. Product delivery is also a main concern of online shopping. Most companies offer shipping insurance in case the product is lost or damaged. Some shipping companies will offer refunds or compensation for the damage, but this is up to their discretion.

Lack of full disclosure

The lack of full cost disclosure may also be problematic while it may be easy to compare the base price of an item online. It may not be easy to see the total cost up front. Additional fees such as shipping are often not be visible until the final step in the checkout process. The problem is especially evident with cross-border purchases, where the cost indicated at the final checkout screen may not include additional fees that must be paid upon delivery such as duties and brokerage. Some services such as the Canadian-based make an attempt to include estimates of these additional costs but nevertheless, the lack of general full cost disclosure remains a concern.

Privacy

 Privacy of personal information is a significant issue for some consumers. Many consumers wish to avoid spam and telemarketing which could result from supplying contact information to an online merchant. In response, many merchants promise to not use consumer information for these purposes.

 Many websites keep track of consumer shopping habits in order to suggest items and other websites to view. Brick- and- mortar stores also collect consumer information. Some ask for a shopper's address and phone number at checkout, though consumers may refuse to provide it. Many larger stores use the address information encoded on consumers credit cards (often without their knowledge) to add them to a catalog mailing list. This information is obviously

not accessible to the merchant when paying in cash or through a bank (money transfer, in which there is also proof of payment).

Product Suitability

Many successful purely virtual companies deal with digital products, (including information storage, retrieval and modification) music, movies, office supplies, education, communication, software, photography, and financial transactions. Other successful marketers use drop shipping or affiliate marketing techniques to facilitate transactions of tangible goods without maintaining real inventory.

Some non-digital products have been more successful than others for online stores. Profitable items often have a high value-to- weight ratio, they may involve embarrassing purchases, they may typically go to people in remote locations, and they may have shut-in as their typical purchasers. Items which can fit in a standard mailbox- such as music CDs, DVDs and books-are particularly suitable for a virtual marketer.

Products such as spare parts, both for consumer items like washing machines and for industrial equipment like centrifugal pumps, also seem good candidates for selling online. Retailers often need to order spare parts specially, since they typically do not stock them at consumer outlets-in such cases, e-commerce solutions in spares do not complete with retail stores, only with other ordering systems. A factor for success in this niche can consist of providing customers with exact, reliable information about which part number their particular version of a product needs, for example by providing parts lists keyed by serial number.

 Products less suitable for e-commerce include products that have a low value-to-weight ratio, products that have a smell, taste, or touch component, products that need trial fittings-most notably clothing-and products where color integrity appears important. Nonetheless, some

websites have had success delivering groceries and clothing sold through the internet is big business in the U.S.

Aggregation

High volume websites, such as Yahoo, Amazon.com and eBay, offer hosting services for online stores to all size retailers. These stores are presented within an integrated navigation framework, sometimes known as virtual shopping malls or online marketplaces.

Impact of reviews on customer behaviour

One of the great benefits of online shopping is the ability to read product reviews, written either by experts or fellow online shoppers. The Nielsen Company conducted a survey in March 2010 and polled more than 27,000 internet users in 55 markets from the Asia Pacific, Europe, Middle East, North America and South America to look at questions such as "How do consumers shop online?", "What do they intend to buy?", "How do they use various online shopping web pages?", and the impact of social media and other factors that come into play when consumers are trying to decide how to spend their money on which product or service.

According to the research, reviews on software (37%) play an important role in influencing consumers who tend to make purchases online. Furthermore, 40% of online shoppers indicate that they would not even buy electronics without consulting online reviews first. In addition to online reviews, peer recommendations on online shopping pages or social media websites play a key role for online shoppers when they are researching future purchases. 90% of all purchases made are influenced by social media. Each day, over two million buyers are shopping online for jewelry.

3.5 CONCLUSION

Internet plays an important role in our day to day life. It allows greater flexibility in working hours and location and can be access almost anywhere by numerous means. So, with the help of internet facilitation of trading in products or services is done by using computer networks. This chapter showed the importance of internet and how it is use for trading products and services in India.

CHAPTER-IV

DATA ANALYSIS AND FINDINGS

- **4.1 Introduction**

- **4.2 Validity and Reliability**

- **4.3 Profile and online behaviour of the respondents**

- **4.4 Testing of Hypothesis**

- **4.5 Conclusion**

4.1 INTRODUCTION

In this study the variables are qualitative and quantitative in nature. Data collection is done with the help of primary and secondary. Samples were collected from buyers who have purchased through online. The questionnaire was framed and adopted from other similar researches and reliability of the questionnaire was analysed using Cronbach Alpha.

An analysis was pursued based on the following research objectives and hypothesis:

Objectives of the study

1. To study the demographic profile of the consumers.
2. To analyze factors affecting online consumers behaviour.
3. To study the attitude and behaviour of the consumer towards online shopping.
4. To study the product preference and customer satisfaction of online consumers.

Hypothesis of the study

H_1 Perceived Risk will have negative impact on the attitude of online consumers.

H_2 Service and infrastructure will have negative impact on the attitude of

online consumers.

H_3 There is a significant relationship between age and online behaviour of the

consumers.

H_4 There is a significant relationship between monthly income and the frequency of

products bought through online by the consumers.

To fulfil the above objectives and hypothesis for studying the attitudinal and behavioural of online consumers in Aizawl a structured questionnaire was prepared to elicit data from 384 respondents in which simple random sampling was used and analysis was done with the help of SPSS tools.

Independent variables in this study are as follows:

- Perceived risk

- Service and infrastructure

- Age

- Monthly income

Dependant variables

- Attitude

4.2 VALIDITY AND RELIABILITY

To evaluate the reliability of measurement scale Cronbach's alpha is used. It presents the level to which the respondents answer the same or similar questions consistently every time (Cronbach, 1951).

Table 1.2: Reliability of the study.

Factor	No of items	Cronbach's Alpha
Attitude	9	0.790
Financial Risk	3	0.809
Online attributes	14	0.976
Product Risk	3	0.890
Convenience Risk	7	0.739
Delivery Risk	2	0.791
Return Policy	2	0.894
Technology Specific Innovativeness	2	0.775

Source: Field Survey

The questionnaire was dispersed among the online shoppers randomly. This questionnaire assessed all variables of conceptual model. The reliability was tested by Cronbach's alpha and result showed that all of them were above 0.7 offering good reliability of the questionnaire which was conducted by investigating previous research and experts' suggestions. The demographic profile of the respondents and online behaviour of the respondents were tabulated and analysed using percentage analysis and hypothesis testing was done using correlation and regression.

4.3 PROFILE & ONLINE BEHAVIOUR OF THE RESPONDENTS

The first part of the questionnaire comprised of the information regarding demographic profile of the respondents like age, gender, income, job and educational level which is shown in the given table below.

Table 1. 3: Demographic Characteristics of Respondents (N=384)

Characteristics	Category	Percentage %
Gender	Male	48.4
	Female	52
Age	Between 18-20	15.7
	Between 21-30	37.0
	Between 31-40	34.2
	Above 40	11.8
Job	Business	12.1
	Professional	21.3
	Public Service	25.7
	Private Service	11.1
	Retired	10.8
	student	17.5
Monthly Income	Below 5000	8.5
	Between 5000-10000	24.4
	Between 10000-25000	36.5
	Above 25000	29.3
Educational Level	Primary	12.6
	Secondary	24.2
	Certificate/Diploma	30.6
	Degree and above	30.8

Source: Field Survey

Interpretation:

Gender: The above table depicts that 48.4 % of the respondents are male and 52% of the respondents are female out of 384 respondents. Which makes it clear that female are more interested in online shopping than male. At the time of the survey, male respondents admitted that they do not have much experience with online shopping.

Age: According to age, 37% of the respondents range between 21-30 years which is the highest in the age category. Since younger generation is likely to go for online shopping more because of their exposure towards internet as opposed to the older generation.

Job: Job wise, the maximum respondents are public service with 25% which is understandable as they have a stable monthly income so they have purchasing power of their own.

Monthly Income: Income is one of the most important demographic variables, the maximum number of respondents range from 10000-25000 which is 36%. From this we came to know that people with lesser income acquainted with online shopping as they can buy products at a reasonable price.

Educational level: In educational level, 30.8% of the respondents are degree and above which shows that the majority of the respondents are educated and knowledgeable with online shopping.

Table1.4: Years of using the internet.

Years	Age	%
Less than a year	Above 40	2.3
1-3 years	Between 31-40	21.1
3-5 years	Between 21-30	40.4
More than 5 years	Between 21-30	33.4
Recently	Between 18-20	2.8

Source: Field Survey

Interpretation:

The table depicts that 40.4 % of the respondents have used the internet for 3-5 years which is the highest in which the age between 21-30 are the highest number of users and 33.4% of the respondents have used the internet for more than 5 years and here also the age between 21-30 are the most of the users, 21.1% of the respondents have used the internet for 1-3 years in which the age between 31-40 are the users. The least is 2.8 % in which the ages from 18-20 are the users which comprised of the respondents who have used the internet recently.

Table 1.5: Distribution of frequency of online shopping in the past year.

Frequency	Income	%
Atleast once in a week	Above 25000	15.4
Once in a month	5000-10000	21.9
Once in a year	Below 5000	17.7
Frequently	10000-25000	28.8
Availability of cash	10000-25000	16.2

Source: Field Survey

Interpretation:

From the above table, we came to know that 28.8 % of the respondents shop online frequently and their monthly income range between 10000-25000 which proves that they are familiar with online shopping and are browsing for the discounted product but with good quality. 21.9 % of the respondents shop online once in a month and their income range between 5000-10000 and 17.7% of the respondents shop once in a year in which their income is below 5000. 16.2 % of the respondents shop online depending on the availability of cash and their income range within 10000-25000. The least is 15.4 % in which the respondents shop online at least once in a week their income is above 25000.

Table 1.6: Products Preference.

Preference	Age	%
Books/Magazines/Stationery	18-20	17.5
Mobile/Computer/Camera/Accessories	21-30	21.6
Tickets(Airlines/Railways)	21-30	22.4
Clothings/Shoes/Bags/Accessories	21-30	20.8
Household Appliances	31-40	16.5

Source: Field Survey

Interpretation:

Among the products preferred, tickets for airlines and railways have the highest percentage i.e. 22.4 %, the age group between 21-30 preferred it as they were travelling to and fro for their studies as well as for work which is convenient for them. 21.6 % of the respondents preferred mobile/computer/camera/accessories etc and 20.8 % of the respondents preferred clothings/shoes/bags/accessories etc both of the preference falls within the age group of 21-30 as they find it compatible with their lifestyle. 17.5 % of the respondents preferred books/magazines/stationery their age group is within 18-20. The least product preferred by the consumers is a household appliance which is 16.5% and the age group range within 31-40.

Table1.7: Main reason for online shopping.

Main Reason	Job Description						%
	Business	**Professional**	**Public Service**	**Private Service**	**Retired**	**Student**	
Price	10	4	9	7	5	20	14.1
Quality	9	10	29	5	6	19	20.3
Convenience	16	16	36	11	9	12	25.7
Availability	11	14	12	9	11	37	24.2
Time saving	7	7	18	5	8	11	14.4

Source: Field Survey
Interpretation:

For the main reason of online shopping, convenience has the highest percentage which is 25.7% and the public service are the main respondents as it is convenient to shop from work and home as they are busy with their work schedule. The second reason for online shopping is availability which is 24.2% and the main respondents are student as they are products which is not available in the market and they are always eager to get what they want and the third reason for online shopping is quality which is 20.3 % and the main respondents are also public service as they are quite satisfied with the quality of the product and are able to choose from different brand. The fourth reason for online shopping is time saving which is 14.4% and the main respondents are also public service as mentioned earlier convenience and time saving go along very well due to work schedule and the least is price which is 14.1% and the main respondents are students as price plays important role for them as most of them are frequent consumer.

Table 1.8: Visiting of retail store first before making final purchase online.

Visit	Percentage %
Yes	38.8
No	59.9

Source: Field Survey

Interpretation:

The above table depicts that 38.8 % of the respondents visit the retail store whereas 59.9 % of the respondents do not visit retail store first before making final purchase through online which makes it clear that the respondents chose online shopping due to their convenience and time saving.

Table1.9: Idea of buying specific product through the online store.

Idea of Buying	Job Description						%
	Business	Professional	Public Service	Private Service	Retired	Student	
Referred by friend/family	15	12	10	9	10	11	17.7
Online advertisement	14	11	8	11	7	9	15.5
Television/media	12	12	24	17	15	14	24.4
Magazines/Newspaper	10	20	13	10	20	15	23.1
Window shopping	9	14	10	11	18	13	19.3

Source: Field Survey

Interpretation:

Majority of the respondents i.e., 24.4 % opined that they get the idea of buying specific product through the online store from television and media. 23.1% of the respondents get the idea of buying specific product through online store from magazines and newspapers. 19.3% of the respondents get the idea of buying specific product through the online store from window shopping. 17.7% of the respondents are referred by friend/family. 15.5 % of the respondents got the idea of buying specific product through online advertisement.

Table 2.1: Factors that affect decision making in the final selection of the product.

Affecting decision making in the final selection	Job Description						%
	Business	**Professional**	**Public Service**	**Private Service**	**Retired**	**Student**	
Convenience and time saving	16	12	11	13	10	13	19.5
Non-availability in local stores	3	5	5	10	8	6	9.8
Price comparison	11	12	12	10	6	18	18.0
Product reviews	21	26	20	13	12	19	29.0
Best price	16	21	15	12	8	14	22.4

Source: Field Survey

Interpretation:

29% responded that product reviews as the factors that affect their decision making in the final selection of the product. 22.4% of the respondents chose best price and 19.5% of the respondents chose convenience and time saving and 18.5 % of the respondents chose price comparison and 9.8% opined non-availability in local stores.

Table2.2: The main barriers for online shopping.

Barriers	Gender		%
	M	**F**	
Secure of payment/ Trust level	19	28	12.3
VAT/Warranty & Claims	21	16	9.5
Shipping cost/COD	55	53	28.3
Refund Policy	56	49	27.5
Slow delivery	45	34	20.6

Source: Field Survey

Interpretation:

28.3 % of the respondents opined that the main barriers which keep them away from online shopping is shipping cost and cash on delivery (COD) and 27.5% of the respondents chose refund policy and 20.6 % of the respondents chose slow delivery and 12.3% of the respondents chose secure of payment/trust level and the least is 9.5% which is VAT/Warranty & claims.

Table 2.3: Reaction when the product purchased is not up-to expectation.

Barriers	Gender		%
	M	**F**	
Disappointed	20	29	12.9
Return the product	31	38	18.0
Complain & compromise	56	40	25.2
Make decision never to buy online	33	21	14.4
Resell	55	53	28.3

Source: *Field Survey*

Interpretation:

Majority of the respondents i.e., 28.3 % resell when the product they purchased is not up-to expectation. 25.2% of the respondents complain and compromise when the product they purchase is not up-to their expectation. 18% of the respondents return the product when the product they purchase is not up-to their expectation. 14.4% of the respondents make decision never to buy online and 12.9% were disappointed when the product they purchase is not up-to their expectation.

Table2.4: The online retailer which is preferred the most.

Retailer Preference	M	F	%
Jabong	12	21	8.5
Flipkart	32	15	12.1
Myntra	38	54	23.7
Snapdeal	40	65	27.0
Other	39	31	18.0

Source: Field Survey

Interpretation:

27% of the respondents opined Snapdeal as the most preferred among the online retailer as they have variety of products. 23.7% of the respondents chose Myntra as the most preferred online retailer. 18% of the respondents chose other online retailer apart from the retailer given in the table. 8.5% of the respondents chose Jabong which is the least.

Table 2.5: Courier service which is preferred the most.

Courier Preference	M	F	%
Bluedart	47	42	23.4
Myntra	55	36	23.7
Aramex	29	38	17.7
Fedex	33	25	15.2
Dtdc	24	17	10.8
Professional courier	6	13	5.1
Overnite express	3	6	2.6
Other	.296	.856	.3

Source: *Field Survey*

Interpretation: Myntra has the highest percentage i.e., 23.7% for the courier preferred the most. Bluedart has the second highest percentage which is 23.4%.Aramex 17.7%, Fedex 15.2%, Dtdc 10.8%. Professional courier 5.1%, Overnite express 2.6% and 3% for others.

Table 2.6: Internet shopping is easy

Shopping is easy	Job Description						%
	Business	Professional	Public Service	Private Service	Retired	Student	
Strongly disagree	-	-	-	-	-	-	-
Disagree	0.729	0.830	0.668	0.927	1.351	0.871	1.5
Neutral	19	17	20	16	13	27	29.3
Agree	27	39	26	19	9	42	43.5
Strongly agree	14	12	14	10	9	39	25.7

Source: Field Survey

Interpretation:

From the table, 42.2 % of the respondents agree that internet shopping is easy and the educational level range within degree and above as the use of internet is quite familiar among them and they have it as a habit in a short while as it is just one click away. 29.3% of the respondents neither agree nor disagree that internet shopping is easy.

Table 2.7: Internet shopping saves time

Shopping saves time	M	F	%
Strongly disagree	0.690	0.462	.3
Disagree	1.97	3.79	1.5
Neutral	45.9	65.46	29.0
Agree	97	65	43.5
Strongly agree	58	40	25.7

Source: Field Survey
Interpretation:

Majority of the respondents i.e. 43% of the respondents agree that internet shopping saves time because they do not have to waste time move about for shopping as they can shop from anywhere as long as they have internet access.

Table 2.8: Internet shopping is convenient

Shopping is convenient	M	F	%
Strongly disagree	-	-	-
Disagree	5.61	9.36	3.9
Neutral	62.4	58.6	31.6
Agree	76.6	82.6	42.6
Strongly agree	36	48	21.9

Source: Field Survey

Interpretation:

As shown in the chart, 41.4 % of the respondents feel that internet shopping is convenient for them it may be because of their hectic work schedule. From placing order to delivery at the doorstep, it can prove to be very helpful for people who are very busy juggling with their work and home.

Table 2.9: Internet shopping provides better quality products

Provides better quality	M	F	%
Strongly disagree	0.712	0.441	.3
Disagree	10.2	12.5	5.9
Neutral	70.3	77.9	39.8
Agree	73.1	75.1	38.6
Strongly agree	25.5	33.6	15.4

Source: Field Survey

Interpretation:

As shown in the chart, respondents consisting of 38.6 % feel that internet shopping provides better quality products while the same percentage of respondents couldn't agree or disagree whether they provide better quality products it is because they have both good and bad experience in the past with the quality of the product since they have different products from

different manufacturer quality cannot be the same and the end user consumer perception is not all the same.

Table 3.1: Shopping on the internet is easy to compare many products and screen them.

Easy to compare	M	F	%
Strongly disagree	0.350	0.803	.3
Disagree	1.5	4.3	1.5
Neutral	66.9	61.3	34.7
Agree	88.4	97.3	48.1
Strongly agree	26.9	32.2	15.4

Source: Field Survey

Interpretation:

In this chart, 48.1% agree that they like to shop on the internet as they find it easy to compare many products and screen them in order to choose the one they like because in traditional shopping it takes time to compare products and screen them but in online shopping there is a benefit for comparing products in price, quality and product reviews.

Table 3.2: Internet shopping provides more variety of products.

Variety of products	M	F	%
Strongly disagree	3.6	1.3	1.3
Disagree	5.6	8.2	3.6
Neutral	56.6	60.9	31.8
Agree	85.9	91.8	46.3
Strongly agree	30.4	34.8	17.0

Source: Field Survey

Interpretation:

As shown in the chart, 46.3% of the respondents agree that internet shopping provides more variety of products as they feel that they can get their desired product which is not available in Aizawl. Nowadays advertisements have convinced people to buy what they see and the products which haven't reached the market are found on the internet/online shopping.

Table 3.3: Level of satisfaction with the delivery system.

Level of satisfaction	M	F	%
Strongly disagree	17.5	20.1	9.8
Disagree	60.4	64	32.4
Neutral	65	76.3	37.3
Agree	32.5	38.9	18.5
Strongly agree	2.8	2.1	1.3

Source: Field Survey

Interpretation:

As show in the chart, majority of the respondents did not agree or disagree that they are satisfied with the delivery system because the service is not reliable as some products are being delivered to them on time some products are delayed or the consumer have to collect themselves from the courier after paying the shipping charge.

Table 3.4: Better service when shopping on the internet than traditional retail store

Better service than traditional store	Job Description						%
	Business	Professional	Public Service	Private Service	Retired	Student	
Strongly disagree	-	-	-	-	-	-	-
Disagree	3.6	1.3	2.1	1.7	1.3	2.6	3.6
Neutral	16.4	18.4	15.5	23.9	13.5	24.9	29.6
Agree	17	34	38	15	14	36	41.9
Strongly agree	12	19	20	11	9	24	24.9

Source: Field Survey

Interpretation:
From the given chart, majority of the respondents agree that they get better service from internet shopping than traditional retail store as there are many retail store who doesn't know

how to treat their consumers which is quite disappointing for the consumer so many consumer prefer shopping from the internet.

Table 3.5: Shopping online saves me from chaos of traffic

Chaos of traffic	M	F	%
Strongly disagree	-	-	-
Disagree	10.4	16	6.9
Neutral	54	49.6	27.0
Agree	91	79.8	44.5
Strongly agree	42.5	35.4	21.6

Source: Field Survey

Interpretation:

Majority of the respondents agree that they shop online as they can avoid the chaos of traffic because in Aizawl there is a heavy traffic problem both ways by vehicle or by foot as it is quite populated moreover, there is also a problem for parking too. So, the respondents prefer online shopping.

Table 3.6: Availability of user/expert reviews

User/Expert Reviews	Educational Level				%
	Primary	**Secondary**	**Certificate/Diploma**	**Degree & Above**	
Strongly disagree	0.37	0.31	0.36	0.41	0.3
Disagree	5.6	6.5	5.7	7.9	6.7
Neutral	25.7	26.5	26.1	25.3	28.2
Agree	43.3	40.9	44.8	41.8	44.5
Strongly agree	20.6	18.3	19.3	19.7	20.3

Source: Field Survey

Interpretation:

Majority of the respondents agree that they shop online as there is user/expert reviews on the product because people are not willing to spend money on the product which they cannot touch or test the product or they are not familiar. But, with the help of expert or user reviews they are convinced to buy the product even though they haven't seen the product.

Table 3.7: No embarrassment in online shopping even if not bought.

No embarrassment	M	F	%
Strongly disagree	0.257	0.893	0.3
Disagree	9.9	12.7	5.9
Neutral	48.9	53.6	26.7
Agree	86.7	83	45.5
Strongly agree	52.8	30.14	21.6

Source: Field Survey

Interpretation:

As shown in the above chart, 44.2% of the respondents conclude that they do not feel embarrassed if they do not buy online because as compared to traditional shopping in online, consumer can compare products and put the item they like in the wish list or bag and can buy it later when they have money or return the product if it is not up-to their expectation without any physical interaction with the retailer.

Table 3.8: Online shopping gives better control on expenses.

Better control on expenses	Income				%
	Below 5000	**Between 5000-10000**	**Between 10000-25000**	**Above 25000**	
Strongly disagree	-	-	-	-	-
Disagree	4.9	5.2	5.7	6.9	5.9
Neutral	24.6	24.9	25.3	27	26.5
Agree	46.6	42.8	43.1	42	45.2
Strongly agree	26.7	25.1	20.1	9.1	21.1

Source: Field Survey

Interpretation:

From the above chart, majority of the respondents agree that online shopping gives better control over their expenses as they can compare price of the products they want to purchase and they have options with the availability of different online retailers. They can buy product at a lesser price than traditional retail store.

Table 3.9: Online shopping is compatible with my lifestyle

Compatible with my lifestyle	Job Description						%
	Business	**Professional**	**Public Service**	**Private Service**	**Retired**	**Student**	
Strongly disagree	0.11	0.09	0.12	0.19	0.44	0.20	0.3
Disagree	2	3	3	4	8	4	6.4
Neutral	14.6	15.7	14.9	18.7	22.8	16.9	28.2
Agree	66.7	62.1	59.9	49.8	32.7	57.3	44.5
Strongly agree	17.7	16.9	16.1	4	7.9	16.5	20.6

Source: Field Survey

Interpretation:

From the given chart, 45.2 % of the respondents find online shopping compatible with their lifestyle as many of the respondents have to manage work and home which leaves them a limited time to buy their needs while on the other hand, online shopping provides a wide selection of products which is easy to access from mobile phones or computer from work or home which makes it compatible for anyone who are busy with their life.

Table 4.1: Reluctant to receive malfunctioning merchandise.

Reluctant to receive malfunctioning merchandise	M	F	%
Strongly disagree	13.8	10	6.2
Disagree	49.3	41.7	23.7
Neutral	45.2	52.4	26.6
Agree	49.8	63.3	29.6
Strongly agree	23.9	29.5	13.9

Source: Field Survey

Interpretation:

From the above chart 29.6% of the respondents have a trust issues on receiving malfunctioning product/merchandise as it so happen to other consumers once in a while that they receive malfunctioning product.

Table 4.2: Do not purchase online if cash on delivery option is not available.

Non-availability of COD	M	F	%
Strongly disagree	0.59	0.56	.3
Disagree	13.8	10.8	6.4
Neutral	46.9	46	24.2
Agree	73.7	90.3	42.7
Strongly agree	37.9	58.9	26.4

Source: Field Survey

Interpretation:

In the given chart, majority of the respondents conclude that they do not purchase online if cash on delivery option is not available as they are not willing to pay before seeing or touching the product. On the other hand, some people are not willing to take a risk in giving away their debit/credit card information to others.

Table 4.3: Worrying about settling disputes when shopping online.

Settling Disputes	M	F	%
Strongly disagree	0.90	0.26	0.3
Disagree	14.9	9.68	6.4
Neutral	45.9	47	24.2
Agree	73.8	90.2	42.7
Strongly agree	46.6	50.2	25.2

Source: Field Survey

Interpretation:

In the given chart, 44.5% of the respondents feel that it will be difficult in settling disputes as many respondents have face problem in settling disputes with their orders which is quite common with online retailers.

Table 4.4: Avoidance of purchasing online if there is no free return shipment service available.

Avoidance of purchasing online	Income				%
	Below 5000	Between 5000-10000	Between 10000-25000	Above 25000	
Strongly disagree	0.94	1.6	1.7	1.9	1.6
Disagree	5.8	5.9	6.9	7.2	6.7
Neutral	19.8	20.7	22.9	23.4	22.6
Agree	47	44.9	40	36	43.7
Strongly agree	27.6	25.9	24.2	19.9	25.4

Source: Field Survey

Interpretation:

In the given chart, majority of the respondents agree not to purchase if there is no free return shipment available as they feel that it is frustrating receiving the wrong product and to return it again is a lot of work for them.

4.3 TESTING OF HYPOTHESIS

Hypotheses are developed to be tested on the basis of the given literature:

Hypothesis 1

H₀: Perceived risk does not have impact on the attitude of online consumers.

H₁: Perceived has negative impact on the attitude of online consumers.

Table 4.5: Regression Analysis of Perceived Risk for the determinants of attitude of online consumers.

Model	R^2	Adjusted R^2	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
			B	Std. Error	Beta		
Perceived Risk	0.470	0.404	-0.674	0.253	-0.686	-2.665	.001

Notes: Significant at 5% level
Source: Field Survey

Regression analysis was used to measure the influence of consumer attitude on perceived risk. As shown in the table, the relationship between attitude and perceived risk was significant (($p<0.01$). The adjusted R^2 indicated that perceived risk as a whole explained 47% (.470) of the variance in attitude of online shopping. To analyze the individual predictors t-statistics ($t=-2.665$, $p<0.01$) and β coefficient (-0.686) found to be significant. The result found that consumer perceived risk has negative impact on attitude of online consumers.

Hypothesis 2

H$_0$: Service and infrastructure does not have impact on the attitude of online consumers.

H$_1$: Service and infrastructure has negative impact on the attitude of online consumers.

Table 4.6: Regression Analysis of Service & Infrastructure for the determinants of attitude of online consumers.

Model	R^2	Adjusted R^2	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
			B	Std. Error	Beta		
Service & Infrastructure	0.454	0.386	-0.797	0.309	-0.674	-2.579	.000

Notes: Significant at 5% level
Source: Field Survey

Regression analysis was used to measure the influence of consumer attitude on service and infrastructure. As shown in the table, the relationship between attitude and service & infrastructure was significant ((p<0.01). The adjusted R² indicated that service & infrastructure as a whole explained 45% (.454) of the variance in attitude of online shopping. To analyze the individual predictors t-statistics (t=-2.579, p<0.01) and β coefficient (-0.674) found to be significant. The result found that service and infrastructure has negative impact on attitude of online consumers.

Hypothesis 3

H$_0$: There is no significant relationship between age and online shopping behaviour of the consumers.

H$_1$: There is a significant relationship between age and online shopping behaviour of the consumers.

Table 4.7: Correlations of Age and Online Behaviour

		Age	Online Behaviour
Age	Pearson Correlation	1	.515**
	Sig. (2-tailed)		.000
	N	384	384
Online Behaviour	Pearson Correlation	.515**	1
	Sig. (2-tailed)	.000	
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).
***Source:** Field Survey*

From the table, we can observe that the Pearson's Correlation (r) =.515 denotes that the correlation is significant at the 0.01 level which means that there is a significant relationship with each other, we can observe the significance or p–value = .000< .05 which also denotes that the test is statistically significant and from this test we can accept the fourth hypothesis, that there is a significant relationship between age and online behaviour of the consumers.

Hypothesis 4

H$_0$: There is no significant relationship between monthly income and the frequency of products bought through online by the consumers.

H$_1$: There is a significant relationship between monthly income and the frequency of products bought through online by the consumers.

Table 4.8: Correlations of Monthly Income & Frequency of online shopping.

		Monthly Income	Frequency of Shopping Online
Monthly Income	Pearson Correlation	1	.625**
	Sig. (2-tailed)		.001
	N	384	384
Frequency of shopping Online	Pearson Correlation	.625**	1
	Sig. (2-tailed)	.001	
	N	384	384

**Correlation is significant at the 0.01 level (2-tailed).
***Source:** Field Survey*

From the table, we can observe that the Pearson's Correlation (r) =.625 denotes that the correlation is significant at the 0.01 level which means that there is a significant relationship with each other, we can observe the significance or p–value = .000< .05 which also denotes that the test is statistically significant and from this test we can accept the fifth hypothesis, that there is a significant relationship between monthly income and frequency of online shopping during the past year.

4.4 CONCLUSION

In pace along with e-marketing researchers all over the world concerning the attitude and behaviour of online consumers this paper found that perceived risk which comprised of financial risk, product risk and convenience risk has a negative impact on the attitude of online consumers. So, the online retailers should make their website safer and reliable and assure the customers for delivery of the products and their service.This result is consistent with the findings from the annual report of Taylor Nelson Sofres (2002), the report highlighted security issues as the main reason for people choosing not to purchase online, yet the industry has done little to address these concerns over recent years. Consumers' concerns about online financial security and privacy are closely associated with their perception of how good the technologies for secure payment mechanisms are (Hoffman et al., 1999), and with the reputation of the vendor (GVU, 1998). Hence, it is important for E-retailers to adopt advanced encryption technology, and post assurances of their online security on their website, in order to inform online consumers of their security measures. Online behaviour has a positive impact on the attitude of online consumers as they are satisfied with online shopping they find it convenient and compatible with their lifestyles in which positive attitude have a substantial contribution on online shopping. Service and infrastructure has a negative impact on the attitude of the online consumers as the consumers are very particular about the delivery and return policy of the product though some consumers find it compatible with their lifestyles they still have doubt with the security and risk involved. In the latter part of the hypothesis, there is a significant relationship between the age and online behaviour of the consumers as the behaviour of the consumers change considerably with the age of the consumers their main reason of shopping, what products they buy etc. Lastly, there is a significant relationship between monthly income and frequency of products bought through online by the consumers as the monthly income plays an important role because consumer

with a stable income purchase frequently and some consumer with an economical lifestyle prefer online shopping to manage their monthly expense.

The findings of the study are believed to provide valuable information to the e-retailers in understanding the attitude and behaviour of the online consumers and provide additional information to the existing literature for the future researchers.

CHAPTER-V

SUMMARY OF FINDINGS & RECOMMENDATIONS

- **5.1 Introduction**
- **5.2 Chapter-wise summary of findings**
- **5.3 Suggestions**

5.1 Introduction

This final chapter deals with the major findings of the study and recommendations of the study. The major findings are discussed briefly in this chapter though it is already presented in other chapters in detail for understanding and reference of the study. Recommendations are also given based on the study of the findings of the study. The study is all about the attitudinal and behavioural of online consumers selecting variables like online shopping behaviour, service and infrastructure.

5.2 Chapter-wise summary of findings

5.2.1 Introductions

- Online shopping has become very important in the 21st century as most of the people are loaded with hectic schedule and it is considered as the easiest and most convenient mode for shopping.

- Globally more than 627 million people have done online shopping so far. World's biggest online shoppers include Germans and British.

- English entrepreneur Michael Aldrich invented online shopping in 1979. His system connected a modified domestic TV to a real time transaction processing computer via a domestic telephone line.

- India got the first taste of cyber space when Department of Electronics (DOE) started the Educational Research Network (ERNET) scheme in 1991; a service meant exclusively for educational institutions, the network has opened to people outside the field of education. Since then it has brought a revolutionary change in business.

- Aizawl district is one of the eight district of Mizoram state in North Eastern part of India. The total geographical area of the district is 3576.31 Sq. kms. Aizawl is the state capital of Mizoram which is about 1132 meter above sea level.

- The economic development of a country depends to a large extent, on the human factor. Non- human factors like natural resources and capital stock are no doubt important but the human factor is of primary importance in economic development.

- The Mizo, in the past were not unaware of the great civilization that surrounded them. They purchased beads, ambers, brass gongs and iron implements from Burma. They bought guns and chemicals for gun powder from various sources. They bartered rubber for salt with traders from Silchar. The present state of economy is far from satisfactory.

- Online consumers have increase tremendously in Aizawl within the past year especially during the most important festival of the year i.e. Christmas. According to rough estimates, nearly 18,000 parcels were received here through online business during October which would be worth around Rs 87.47 lakh.

- Vendor services have grown rapidly in Aizawl over the past years like Bluedart, Myntra, Aramex, Fedex, Dtdc, Ecom, Delhiveryetc through which online retailers like Jabong, Myntra, Shopclues, eBay, Amazon etc are well connected with their customers.

- State Finance Minister Lalsawta who also holds taxation portfolio was urged by Mizoram Merchants Association (MIMA) to check the fast growing e-business and Lalsawta make it clear that the government did not have any intention to stop online shopping.

5.2.2 Attitudinal and Consumer Behaviour

- Consumer behaviour is defined as behaviour that consumers display in searching, purchasing, using evaluating and disposing of products and services that they expect will satisfy their need.

- The main purpose for studying consumer behaviour is to comprehend why and how consumers make their purchase decisions. These insights enable marketers to design more effective marketing strategies, especially today, when advanced technologies enable marketers to collect more data about consumers and target them more precisely.

- A factor responsible for attitude and behaviour relates to website quality. Better website quality can guide the consumers' complete transactions smoothly and attract them to revisit the internet store. In contrast, worse quality would hinder their online shopping moves.

- Perceived risk and lack of trust are the main cited reason for consumers not purchasing online.

- The conceptual model was developed to examine the factors affecting Aizawl consumers' online shopping behaviour. This model examines the influence of perceived risk and service infrastructure as well as subjective norm and technology specific innovativeness on online shopping behaviour in the context of Aizawl, Mizoram.

- The theory of Reasoned Action (TRA) was developed in 1967.The theory was used to study human behaviour and develop appropriate interventions. TRA is a widely studied model from social psychology which is concerned with the determinants of consciously intended behaviours.

- The theory of planned behaviour is an extension of the theory of reasoned action made necessary by the original model's limitations in dealing with actual behaviours over which people have incomplete volitional control.

5.2.3 Concept of internet and online marketing.

- The internet is the global system of interconnected computer networks that use the internet protocol suite (TCP/IP) to link billions of devices worldwide. It is a network of networks that consists of millions of private, public, academic, business and government networks of local to global scope linked by a broad array of electronic, wireless and optical networking technologies.

- The internet has enabled and accelerated new forms of personal interactions through instant messaging, internet forums and social networking. Online shopping has grown exponentially both for major retailers and small artisans, traders, business-to-business and financial services on the internet affect supply chains across entire industries.

- The internet allows greater flexibility in working hours and location especially with the spread of unmetered high speed connections. The internet can be accessed almost anywhere by numerous means including through mobile internet devices.

- Electronic business (e-Business) encompasses business processes spanning the entire value chain, purchasing, supply chain management, marketing, sales, customer service and business relationship. E-commerce seeks to add revenue streams using the internet to build and enhance relationships with clients and partners.

- Economists have theorized that e-commerce ought to lead to intensified price competition as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that

the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies.

- India is believed to have 100 million online shoppers and country's e-tailing sector a $ 15 billion market by 2016 a study said by the annual online shopping growth report. The number of online shoppers in India is projected to be 35 million in 2014 and it was 8 million in 2012, said Nitin Bawankule, Google India industry director for e-commerce, local and classifieds.

- Online shopping is considered as the most convenient and easiest mode of shopping offers time saving benefits to the consumers as their time is saved. Due to this convenience and time saving characteristics has become even more essential in recent times.

- A successful web store is not just a good looking website with dynamic technical features listed in many search engines; it is also about building a relationship with customers and making money and living up to the company's promises gives customers a reason to come back and meeting their expectations gives them a reason to stay.

- The advantages of online shopping are convenience, information and reviews, price and selection, fraud and security concerns, lack of full disclosure, privacy, product suitability.

5.2.4   Data analysis and findings.

- The age group of the respondents varies from 18-40 years above and the majority of the respondents are from 21-30 which signifies that the younger generation has already taken the habit of online shopping.

- It is found that majority of the respondents are female which proves that online shopping is more familiar among the female with the availability of variety of products at different price range. Besides women pay more attention to ads that they receive and this make them buy more even if they didn't intend to. However, men are impatient and they try to get it over with as fast as possible.

- The study reveals that majority of the respondents are public service by profession which makes it clear that most of the online consumers are having a stable monthly income and find online shopping more convenient for them due to their work schedule.

- The monthly income category reveals that, majority of the respondents salary range from 10,000-25,000 which signifies that the respondents are price sensitive because at this point they are starting to accumulate money with their age and all they are looking for every way to set aside their income for the future. Online shopping seems like a good solution since we always receive notifications from emails or mobile phones concerning reductions on products that interest us. This encourages more for impulse purchase as compared to physical stores.

- The educational level for most of the respondents are degree and above as online shopping is more convenient for people who have a busy work schedule.

- 40.4 % of the respondents have used the internet for 3-5 years which is the highest in which the age between 21-30 are the highest number of users as they knew the value of using internet and for some consumer they mention that they were loyal to their service provider even though they face problems with the connection and 33.4% of the

respondents have used the internet for more than 5 years and here also the age between 21-30 are the most of the users, 21.1% of the respondents have used the internet for 1-3 years in which the age between 31-40 are the users. The least is 2.8 % in which the age ranges within18-20 which comprised of the respondents who have used the internet recently.

- From the above table, we came to know that28.8 % of the respondents shop online frequently and their monthly income range between 10000-25000 which proves that they are familiar with online shopping and are browsing for the discounted product but with good quality. 21.9 % of the respondents shop online once in a month and their income range between 5000-10000 and 17.7% of the respondents shop once in a year in which their income is below 5000. 16.2 % of the respondents shop online depending on the availability of cash and their income range within 10000-25000. The least is 15.4% in which the respondents shop online at least once in a week their income is above 25000.

- Among the products preferred, tickets for airlines and railways have the highest percentage i.e. 22.4 %, the age group between 21-30 preferred it as they were travelling to and fro for their studies as well as for work which is convenient for them, moreover different offers are available if purchase through their debit/credit card.21.6 % of the respondents preferred mobile/computer/camera/accessories etc and 20.8 % of the respondents preferred clothing/shoes/bags/accessories etc both of the preference falls within the age group of 21-30 as they find it compatible with their lifestyle. 17.5 % of the respondents preferred books/magazines/stationery their age group is within 18-20. The least product preferred by the consumers is a household appliance which is 16.5% and the age group range within 31-40.

- For the main reason of online shopping, convenience has the highest percentage which is 25.7% and the public service are the main respondents as it is convenient to shop from work and home as they are busy with their work schedule. The second reason for online shopping is availability which is 24.2% and the main respondents are student as they are products which is not available in the market and they are always eager to get what they want and the third reason for online shopping is quality which is 20.3 % and the main respondents are also public service as they are quite satisfied with the quality of the product and are able to choose from different brand. The fourth reason for online shopping is time saving which is 14.4% and the main respondents are also public service as mentioned earlier convenience and time saving go along very well due to work schedule and the least is price which is 14.1% and the main respondents are students as price plays important role for them as most of them are frequent consumer.

- Majority of the respondents do not go to a retail store first before making final purchase online we can agree with the respondents as we discussed above online shopping is all about convenience for everyone if every online consumer have to visit the retail store first than there would be no be fun in online shopping .

- 24.4% of the respondents opined that they get the idea of buying specific product through online from television and media because nowadays, people spend most of their time on it and the media and advertisement agency are trying hard to capture every opportunity.

- The study reveals that, 29% of the respondents chose product reviews availability for the crucial factors which affect decision making in the final selection of the product which proves to be very helpful as it help the consumer to make their decision for purchasing various products.

- 28.3% of the respondents opined the main barriers which keep them away from online shopping are shipping cost and unavailability of cash on delivery (COD) as most of the online consumers do not trust the security of online payment and feels that extra payment of shipping charge is a burden for them.

- Majority of the respondents i.e., 28.3% resell the products when the product they purchase is not up-to their expectation as they feel that it is easier for them to resell to their friends or relatives than to undergo all the necessary process for returning the product.

- The online retailer preferred the most by the online consumers is Snapdeal as they have variety of brands and products and their service is suitable with Aizawl because there are many products which cannot be shipped to Aizawl by many online retailers.

- The courier preferred the most by the online consumers is Myntra because they have employees who work with professionalism and their service is appreciated by the consumers as the end result is very important in e-retailing which is fulfilled by this e-vendor.

- The first hypothesis states that, there is a relationship between perceived risk and attitude of online consumers has a negative impact on the attitude of online consumers as the consumers have trust issues with their financial details and service of the online retailers.

- The second hypothesis states that, there is a relationship between service& infrastructure and attitude of online consumers has a negative impact as the consumers were very concern about their purchase and they do not fully support the service of the online retailers.

- The third hypothesis states that there is a significant relationship between age and online behaviour of the consumers as the behaviour of the respondents change depending on the age of the respondents.

- The fourth hypothesis states that there is a significant relationship between monthly income and frequency of online shopping during the past year as the consumer with a stable income and are trying to manage their monthly expense are drawn to online shopping.

- 42.2 % of the respondents agree that internet shopping is easy as the use of internet is quite familiar among the younger generation and they have it as a habit in a short while as it is just one click away.

- Majority of the respondents i.e. 43% of the respondents agree that internet shopping saves time because they do not have to waste time move about for shopping as they can shop from anywhere as long as they have internet access.

- 41.4 % of the respondents feel that internet shopping is convenient for them it may be because of their hectic work schedule. From placing order to delivery at the doorstep, it can prove to be very helpful for people who are very busy juggling with their work and home.

- Respondents consisting of 38.6 % feel that internet shopping provides better quality products while the same percentage of respondents couldn't agree or disagree whether they provide better quality products it is because they have both good and bad experience in the past with the quality of the product since they have different products from different manufacturer quality cannot be the same and the end user consumer perception is not all the same.

- 48.1% agree that they like to shop on the internet as they find it easy to compare many products and screen them in order to choose the one they like because in traditional

shopping it takes time to compare products and screen them but in online shopping there is a benefit for comparing products in price, quality and product reviews.

- 46.3% of the respondents agree that internet shopping provides more variety of products as they feel that they can get their desired product which is not available in Aizawl. Nowadays advertisements have convinced people to buy what they see and the products which haven't reached the market are found on the internet/online shopping.

- Majority of the respondents did not agree or disagree that they are satisfied with the delivery system because the service is not reliable as some products are being delivered to them on time some products are delayed or the consumer have to collect themselves from the courier after paying the shipping charge.

- Majority of the respondents agree that they get better service from internet shopping than traditional retail store as there are many retail store who doesn't know how to treat their consumers which is quite disappointing for the consumer so many consumer prefer shopping from the internet.

- Majority of the respondents agree that they shop online as they can avoid the chaos of traffic because in Aizawl there is a heavy traffic problem both ways by vehicle or by foot as it is quite populated moreover, there is also a problem for parking too. So, the respondents prefer online shopping.

- Majority of the respondents agree that they shop online as there is user/expert reviews on the product because people are not willing to spend money on the product which they cannot touch or test the product or they are not familiar. But, with the help of expert or user reviews they are convinced to buy the product even though they haven't seen the product.

- 44.2% of the respondents conclude that they do not feel embarrassed if they do not buy online because as compared to traditional shopping in online, consumer can compare products and put the item they like in the wish list or bag and can buy it later when they have money or return the product if it is not up-to their expectation without any physical interaction with the retailer.

- Majority of the respondents agree that online shopping gives better control over their expenses as they can compare price of the products they want to purchase and they have options with the availability of different online retailers. They can buy product at a lesser price than traditional retail store.

- 45.2 % of the respondents find online shopping compatible with their lifestyle as many of the respondents have to manage work and home which leaves them a limited time to buy their needs while on the other hand, online shopping provides a wide selection of products which is easy to access from mobile phones or computer from work or home which makes it compatible for anyone who are busy with their life.

- 29.6% of the respondents have a trust issues on receiving malfunctioning product/merchandise as it so happen to other consumers once in a while that they receive malfunctioning product.

- Majority of the respondents mention that they do not purchase online if cash on delivery option is not available as they are not willing to pay before seeing or touching the product. On the other hand, some people are not willing to take a risk in giving away their debit/credit card information to others.

- 44.5% of the respondents feel that it will be difficult in settling disputes as many respondents have face problem in settling disputes with their orders which is quite common with online retailers.

- Majority of the respondents agree not to purchase if there is no free return shipment available as they feel that it is frustrating receiving the wrong product and to return it again is a lot of work for them.

5.3 SUGGESTIONS

The following suggestions were developed after analysing the primary and secondary data and on the basis of the researcher observations:

1. Suggestions to the online-retailers

   a. With the belief that, result of this study will be able to help online retailers to draw further marketing strategy to attract more consumers and since they know the issues with their service they can improve or change their business strategy so that they will captivate more online consumers to visit their website and buy their products or services.

   b. Consumers especially the younger generation attach a particular attention to the design of the website and moreover, it should be user-friendly for all age group to utilize it. So, they need to ensure that the websites should be developed to facilitate online shopping and be easy to use by the consumers and must be able to demonstrate the value and benefits of online shopping to the consumers.

   c. The online consumers are very concerned about issues related to financial risk and privacy. So, the online retailers can develop their website design to ensure good payment security, extreme personal information privacy and keep its promises (for instance, date of delivery, quality of product...) in order to earn trust from their consumers.

   d. Customer service is crucial as traditional shopping. Delivery, FAQ, relationship with consumers and after sale service has to be linked with consumers expectation as well as payment policies and information about shipping and handling cost.

e. Online retailers should be explicit with their target while setting prices because if they target young people, they should keep low prices. However, if they target older and more sophisticated, they should set higher price and ensure quality.

f. They should partner with the precise courier or shipper as some of the courier could not deliver the product after shipping charge has been imposed.

2. Suggestions to the courier services

a. Courier services should make sure that products they received from different online retailers should reach the consumers on time without any delay or if they have any problem with delivery they should inform the consumers at the earliest.

b. Courier services should be able to deliver the product at the doorstep of the consumers as they are mostly charged with delivery charge.

c. They should show professionalism in their service regarding interaction with their consumers.

d. Courier services should be careful in handling the product as the consumers do not want to receive damage product and the online retailers are hold accountable for the damage.

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APPENDIX

i. Questionnaire

*Section-1: This section will cover your **demographic profile.***

1. What is your age?

      a. Between 18-20

      b. Between 21-30

      c. Between 31-40

      d. Above 40

2. What is your gender?

      a. Male

      b. Female

3. Which of the following best describe your job?

      a. Business

      b. Professional

      c. Public Service

      d. Private Service

      e. Retired

      f. Student

4. Under which category is your monthly income?

       a. Below 5000

       b. Between 5000-10000

       c. Between 10000-25000

       d. Above 25000

5. What is your educational level?

       a. Primary

       b. Secondary

       c. Certificate/Diploma

       d. Degree and above

*Section-2: In this section you will be asked about your **online behaviour**. Please tick which best describe you.*

6. How many years have you used the internet?

       a. Less than a year.

       b. 1-3 years.

       c. 3-5 years.

       d. More than 5 years.

       e. Recently.

7. How frequently do you buy online?

    a. Atleast once in a week.

    b. Once in six month.

    c. Frequently.

    d. Once in a year.

    e. Availability of cash.

8. What products do you normally buy online?

    a. Books/magazines/ Stationery.

    b. Mobile/computer/camera (Electronic Products)

    c. Tickets (Airlines/railways)

    d. Clothing/shoes/bags/accessories.

    e. Household appliances.

9. Main reason for online shopping?

    a. Price

    b. Quality

    c. Convenience

    d. Availability

    e. Time saving

10. Do you go to a retail store first before making your final purchase online?

    a. Yes

    b. No

11. Approximately how many times did you shop products over internet during the last year?

    a. Once in a year

    b. Once in every week

    c. Once in a month

    d. Frequently.

    e. Availability of cash.

12. How did you get the idea of buying specific product through an online store?

    a. Referred by friend/family.

    b. From online advertisement

    c. From television and media.

    d. From magazines and newspapers.

    e. Window shopping.

13. What are the crucial factors which affect your decision making in the final selection of the product? (Select all which apply)

    a. Best prices/convenience and time saving

    b. Not available in local stores

    c. Price comparison is available

    d. Product reviews available.

    e. Best price.

14. What are the main barriers which keep you away from online shopping?

    a. Secure of payment/ trust level.

    b. VAT/warranty & claims

    c. Shipping cost/cash on delivery

    d. Refund policy

    e. Slow delivery

15. How do you react when the product you purchase is not up-to your expectation?

    a. Disappointed

    b. Return the product

    c. Complain and compromise

    d. Make decision never to buy online

    e. Resell.

16. Which online retailer you preferred the most?

    a. Jabong

    b. Flipkart

    c. Myntra

    d. Snapdeal

    e. Other

17. Which courier you preferred the most?

    a. Bluedart

    b. Myntra

    c. Aramex

    d. Fedex

e. Dtdc

f. Professional Courier

g. Overnite Express

h. Other.

*Section-2: In this section you will be asked about **attributes of online shopping and factors that are likely to influence your online shopping.** Please tick the best that indicate the degree to which you agree or disagree with each of the following statements.*

(a)	(b)	(c)	(d)	(e)
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

FINANCIAL RISK

18. I feel that my personal information given for the transaction to the retailer may be compromised to a 3rd party.

    (a)   (b)   (c)   (d)   (e)

19. I feel that my credit card/debit card details may be compromised and misused if I shop online.

    (a)   (b)   (c)   (d)   (e)

20. I might get overcharged if I shop online as the retailer has my credit-card info

    (a)   (b)   (c)   (d)   (e)

ATTITUDE

21. Internet shopping is easy.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

22. I can save time by shopping online.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

23. Internet shopping is convenient.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

24. I enjoy shopping on the internet

(a)　　　(b)　　　(c)　　　(d)　　　(e)

25. Internet shopping provides better quality products.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

26. I like to shop on the internet where it is easy to compare many products and screen them in order to choose the one I like.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

27. Internet shopping provides more variety of products.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

28. I am satisfied with the delivery system when shopping on the internet.

(a)　　　(b)　　　(c)　　　(d)　　　(e)

29. I am satisfied with the return policy when shopping on the internet

(a)   (b)   (c)   (d)   (e)

30. I get better service when shopping on the internet than traditional retail store.

(a)   (b)   (c)   (d)   (e)

ONLINE SHOPPING BEHAVIOUR

31. I shop online as I can shop in privacy of home.

(a)   (b)   (c)   (d)   (e)

32. I shop online as I do not have to leave home for shopping.

(a)   (b)   (c)   (d)   (e)

33. I shop online as I can shop whenever I want

(a)   (b)   (c)   (d)   (e)

34. I shop online as I can then save myself from chaos of traffic

(a)   (b)   (c)   (d)   (e)

35. I shop online as I can save myself from market crowd

(a)   (b)   (c)   (d)   (e)

36. I shop online as I get broader selection of products online

(a)   (b)   (c)   (d)   (e)

37. I shop online as I get user/expert reviews on the product

(a)   (b)   (c)   (d)   (e)

38. I shop online as there is no embarrassment if I do not buy

(a)   (b)   (c)   (d)   (e)

 39. I shop online as I can take as much time as I want to decide

    (a)   (b)   (c)   (d)   (e)

40. I use online shopping for buying products which are otherwise not easily available in the

nearby market or unique (new).

 (a)   (b)   (c)   (d)   (e)

 41. Online shopping gives me better control on my expenses

(a)   (b)   (c)   (d)   (e)

 42. I find online shopping compatible with my life-style

(a)   (b)   (c)   (d)   (e)

 43. Using Internet for shopping requires a lot of mental effort

(a)   (b)   (c)   (d)   (e)

44. Online shopping procedure is cumbersome and frustrating

(a)   (b)   (c)   (d)   (e)

PRODUCT RISK

 45. I might not get what I ordered through online shopping

(a)   (b)   (c)   (d)   (e)

 46. I might receive malfunctioning merchandise.

(a)   (b)   (c)   (d)   (e)

47. It is hard to judge the quality of merchandise over Internet.

(a)   (b)   (c)   (d)   (e)

CONVENIENCE RISK

48. Finding right product online is difficult.

(a)   (b)   (c)   (d)   (e)

49. If I shop online I cannot wait till the product arrives

(a)   (b)   (c)   (d)   (e)

50. I cannot get to examine the product when I shop online

(a)   (b)   (c)   (d)   (e)

51. I feel that it will be difficult settling disputes when I shop online

(a)   (b)   (c)   (d)   (e)

52. It is not easy to cancel orders when shop online

(a)   (b)   (c)   (d)   (e)

53. I do not shop online if cash on delivery option is not available

(a)   (b)   (c)   (d)   (e)

54. I will have problem in returning product bought online.

(a)   (b)   (c)   (d)   (e)

DELIVERY RISK

55. I might not receive the product ordered online

(a)   (b)   (c)   (d)   (e)

56. I do not shop online because of non-availability of reliable & well-equipped shipper

(a)   (b)   (c)   (d)   (e)

RETURN POLICY

57. I do not purchase online if there is no free return shipment service available

(a)   (b)   (c)   (d)   (e)

58. I do not purchase online if there is no money back guarantee.

(a)   (b)   (c)   (d)   (e)

TECHNOLOGY SPECIFIC INNOVATIVENESS

59. I am confident of shopping online even if no one is there to show me how to do it.

(a)   (b)   (c)   (d)   (e)

60. My friends approach me for consultation if they have to try something new.

(a)   (b)   (c)   (d)   (e)

ATTITUDINAL AND BEHAVIOURAL STUDY OF ONLINE CONSUMERS IN MIZORAM: A CASE STUDY OF AIZAWL

1. Introduction

Online shopping has become very important in the 21st century as most of the people are loaded with hectic schedule and online shopping is considered as the easiest and most convenient mode for shopping. Due to this convenience and time saving characteristics has become even more essential in recent times. Developed countries are utilizing online shopping to meet their requirements. Globally more than 627 million people have done online shopping so far, World's biggest online shoppers include Germans and British. Books, airline tickets/reservations, clothing/shoes videos/games and other electronic products are the most popular items purchased on the internet. (ACNielsen Report on Global Consumer Attitudes towards Online Shopping, 2007).

1.2 A BRIEF PROFILE OF AIZAWL AND ONLINE MARKETING TRENDS

Mizoram (from mi 'people', zo 'hill', ram 'country', literally "land of the hill people" / Mizo people) is one of the Seven Sister States of the North Eastern India, sharing borders with the states of Tripura, Assam, Manipur and with the neighbouring countries of Bangladesh and Burma. Mizoram became the 23rd state of India on 20 February 1987.Its capital is Aizawl.

Online consumers have increase tremendously within the past year especially during the most important festival of the year i.e. Christmas shopping in the markets has gone down drastically even when Christmas is approaching. More and more people are purchasing online. According to rough estimates, nearly 18,000 parcels were received here through online business during October which would be worth around Rs 87.47 lakh. Popular online merchants Zovi.com which has local boy Joel Sailo as the design manager signifying that Mizo's are not only buyers but also profit makers in the ever-growing online business. Courier services in the state, especially here in the capital city, are tackling more and more consignments as Christmas approaches. Myntra Service Point at Zarkawt locality here now has doubled itself as a courier service receiving 1,289 items during October of which 93 per cent were cash on delivery and 10 per cent to be sent outside Aizawl. Malsawmdawngliana, vice president of Mizoram Courier and Logistics Association, says, "We are like dak-runners and online shopping is only a part of our business."

Shopkeepers at the Millennium Centre here which houses around 332 shops said that sales had gone down by at least 25 per cent compared to 2012 pre-Christmas shopping. Lalrinmawii, a shopkeeper, said her sale decreased to a large extent because of the increasing popularity of online shopping. She said that while she sold over Rs one lakh worth garments on December 24 in 2012, her sales on the same day in 2013 was less than Rs 50,000.

1.3 ATTITUDE AND CONSUMER BEHAVIOUR

Consumer behavior is defined as "behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their need". Consumer behavior also deals with consumer decision making process and all external and internal influences that should be considered to make product final choice of consumers in buying decision process.

Thus, the main purpose for studying consumer behavior is to comprehend why and how consumers make their purchase decisions. These insights enable marketers to design more effective marketing strategies, especially today, when advanced technologies enable marketers to collect more data about consumers and target them more precisely.

A variety of factors responsible for attitude and behaviour relates to website quality they have significant influence on online shopping. Better website quality can guide the consumers' complete transactions smoothly and attract them to revisit this internet store. In contrast, worse quality would hinder their online shopping moves.

CONCEPTUAL MODEL

The conceptual model (Fig 1.1) was developed to examine the factors affecting Aizawl consumer's online shopping behaviour. This model examines the influence of perceived risk and service infrastructure as well as subjective norm and technology specific innovativeness on online shopping behaviour in the context of Aizawl, Mizoram.
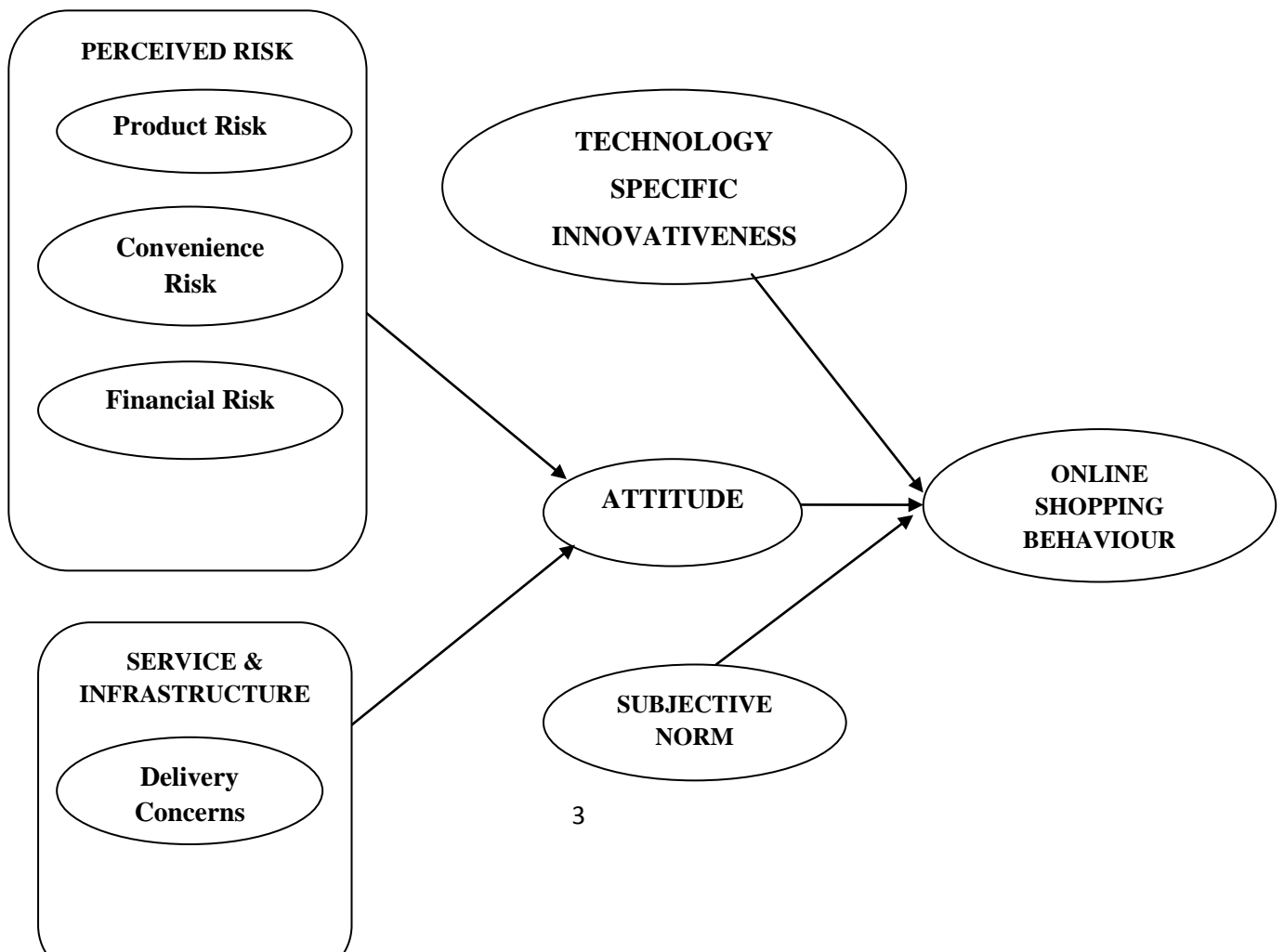
Fig1.1: Conceptual Model

Perceived Risks refer to "the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision" (Cox & Rich, 1964). Before purchasing a product, a consumer typically considers the various risks associated with the purchase. Many studies have indicated credit card security, buying without touching or feeling the item (tactile input), being unable or facing difficulty to return the item, shipping charges and privacy (security) of personal information as still being the main concerns of online shoppers (Bellman et al., 1999; Bhatnagar et al., 2000; Mohd&Suki, 2006).

Financial Risk is defined as the risk involved in conducting financial transaction through the internet. Consumers are likely to be hesitant to shop online when they have concerns associated with financial risks, such as the loss of credit card information, theft of credit card information, or overcharge (Bhatnagar, Misra & Rao, 2000; Forsythe & Shi, 2003).

Product Risk is defined as the risk of receiving the product that is different from what's perceived to be in the product description. This could be resulted from the quality of the retailer's product description and the visual representation of the product, significantly influencing the consumer's ability to understand the product.

Convenience Risk is defined as the discontent comes from shopping via the Internet. Methods for reducing convenience risk include providing an easy to navigate website as well as an extensive customer service centre. A call centre, return policy, and a variety of payment options all assist consumers in feeling more at ease (Li, 2002).

Service and Infrastructural Variables

additional challenges for e-commerce diffusion in developing countries like India are the lack of telecommunications infrastructure throughout the country (e.g., low computer usage and Internet penetration along with the lack of qualified staff to develop and support e-commerce sites (Bingi et al., 2000; Hoffman, 1999).

Return Policy is often a concern to online shoppers (Teo, 2002). The ramifications of how to exchange products, the length of time allowed to return a product, and the cost associated with the shipping of merchandise back to the online retailer are often concerns associated with an online return policy (Shim, Shin, Yong & Nottingham, 2002).

Technology Specific Innovativeness

The online shopping offers consumers a wide breadth and depth of merchandise offerings, it also requires them to acquire new technology skills in order to seek, evaluate and acquire products. Research has revealed that online shopping innovativeness is a function of attitude towards the online environment and individual personal characteristics (Midgley & Dowling, 1978; Eastlick, 1993; Sylke, Belanger & Comunale, 2004).

Subjective Norm according to the Theory of Reasoned Action (TRA) (Azjen & Fishbein, 1980) the human behaviour is preceded by intentions, which are formed based on consumer's attitude toward the behaviour and on perceived subjective norms.

Attitude Attitude has been applied in several ways in the context of online shopping. Adopting a new technology is a function of one's attitude towards it (Moore & Benbasat, 1991).

Attitudes towards Online Shopping

(Fishbein and Ajzen 1975), believe that consumer attitudes will affect intention to shop online and eventually whether a transaction is made.

2. LITERATURE REVIEW

While making preliminary survey and library work on Attitudinal and Behavioural study of online Consumers in Aizawl, Mizoram. We came across a few books and articles on this area and related topics. Some of the important works are reviewed.

Menon (2010) says that if consumers enjoy their online shopping experience, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium. In our framework, we identify three latent dimensions of "enjoyment" construct, including "escapism", "pleasure", and "arousal" "Escapism" is reflected in the enjoyment that comes from engaging in activities that are absorbing, to the point of offering an escape from the demands of the day-to-day world. "Pleasure" is the degree to which a person feels good, joyful, happy, or satisfied in online shopping.

Barnes and Guo (2011) in a study "Purchase behavior in virtual worlds: An empirical investigation in second life" in their study analyzed a conceptual model of purchase behavior in virtual world using a combination of existing and new constructs. They examined a shopping behavior of the consumers on how they spend noticeable amount of money for shopping from internet. The different factors influencing their behaviour are perceived value, instinct motivators like perceived happiness, social factors and consumer's habits. The result of study indicated that the different factors have great effect on shaping online shoppers behavior.

Morrison (2011) in his study mentioned that "arousal" is the degree to which a person feels stimulated, active or alert during the online shopping experience. A pleasant or arousing experience will have carry-over effects on the next experience encountered if consumers are exposed initially to pleasing and arousing stimuli during their Internet shopping experience, they are then more likely to engage in subsequent shopping behavior: they will browse more,

engage in more unplanned purchasing, and seek out more stimulating products and categories.

Geissler (2012) the shopping motivation literature is abound with various measures of individual characteristics (e.g., innovative, venturesome, cosmopolitan, variety seeking), therefore, innovativeness and risk aversion were included in this study to capture several of these traits. Measures by Donthu and Gilliland were used to measure innovativeness and risk aversion.

Laldinliana and Jyoti Kumar NVR (2012) found in their studies that customer satisfaction is the individual perception of the performance of the product or service in relation to his or her expectations. They also concluded, that satisfaction does not necessarily guarantee brand loyalty even though it assumes critical significance in the entire purchase process. In their study they found, urban respondents are more aggressive than the rural respondents when dealing with dissatisfying purchase.

K.Vaitheesewaran (2013) examined the convenience of online shopping "With product getting standardized, specifications getting fixed and the concept of service getting eroded, the post sale responsibility of the retailer has come down drastically. Hence customers go to stores to explore the product physically detail but by online at a cheaper rate. Heavy discounts of e-commerce firms are possible because of their no warehouse model."

Renuka Sharma, Kiran Mehta and Shashank Sharma (2014) discussed and documented that the Indian customers are getting addicted to the online shopping and they do like various features of online shopping as by rest of the world. But the statistics available has shown that Indian market is still not fully developed market for e-tail stores. There is huge scope of web-stores in various areas and in almost all the segments. The young population is the biggest attraction of this industry and they may contribute substantially to the growth of online

shopping in India. The majority of internet users are youngsters, the majority of goods and services demanded are related to only this segment. Travel planning is one of the biggest services used by Indian online shoppers.

Anuj Sheopuri and Anita Sheopuri (2015) from their studies conclude that despite the global reach, the internet shopping /purchasing the goods from various online companies is new in India, it depends upon two factors - the speed and the extent of internet services / coverage area, secondly the internet users. The knowledge of various companies, with the trust / faith in the products displayed, their quality and performance are the main factors which keeps the people attached or not attached with the respective portal. In this open market, there are many good reputed companies, and with them there are dubious companies also, which gives the services / goods to the consumers, resulting poor feedback / experience, etc. Thus dissatisfied consumers to a far greater extent give bad reviews, but this cannot the total e-marketing operations / process.

Manisha Kinker & N.K Shukla (2016) in their studies concludes that with the blooming of online shopping activities, the electronic product online market takes a high percent of individuals shopping on it. Understanding the customers' online shopping behavior for electronic product field, improving the important specific factors influencing the electronic product online shopping in two different cities will help the online retailers become more competitive. It can offer the online electronic product retailers a detailed picture about how to make effective efforts on specific factors to lead the customers to have positive attitudes toward electronic product online shopping and form strong buying intention toward electronic product.

3. SIGNIFICANCE AND SCOPE OF THE STUDY

The present study includes selection of a sample from Aizawl, establishing the relationship between the consumer attitude and behavior on online consumer, the analysis of attitudinal and behavioural will be able to resolve risk involved and improve the online marketing and provide information to the researchers and help the marketers to sustain in the market and increase their market share which will be an important aspect for the market of Aizawl.

4. RESEARCH DESIGN

A research design is a framework or blueprint for conducting the scientific inquiry. The research design for this study is descriptive in nature and both qualitative and quantitative will be used.

4.1 Statement of problem

The analysis of attitudinal and behaviour of online consumers in Aizawl, Mizoram is a very important perspective knowing that the growth of Internet and its user base in recent years has been truly phenomenal in Aizawl. To do a research on online consumer will provide opportunity for the online marketer to expand their business. With the development of technology people are quite familiar with the usage of internet and how it plays an important role in their day today life and the people are trying to be in pace with the development of the rest of the world.

We may not be wrong; if we say every family has an Internet connections or access Internet. The Internet users are expanding immensely as they understood the usefulness and importance. Not only did they know the significance, some people became loyal consumers for online shopping because of hectic work schedule and feel unnecessary to waste time

shopping in stores and malls. Online shopping for clothes and accessories has become quite popular among the women and youth.

Though online shopping can be access through Internet easily which is placing orders but the delivery of the product sometimes take a long time which is one of the many reasons why online shoppers are less and the demand is low. Despite the phenomenal growth of the Internet over the past few years, the vast potential of conducting business over the Internet remains largely untapped. This study is designed to provide suggestions to online retailers and e-vendors regarding barriers to online shopping. There are several questions that need to be answered so that Internet users do online shopping without any risk, fear or lack of trust. Moreover, demographic characteristics like such as age, income and occupation influence online purchase decision. This study was undertaken to provide solution to the above mentioned problem.

4.2 Objectives of the study

The objectives of the study are as follows:-

- To study the demographic profile of the consumers.

- To analyze factors affecting online consumers behaviour.

- To study the attitude and behaviour of the consumer towards online shopping.

- To study the product preference of online consumers.

4.3 Hypothesis of the study

H_1 Perceived Risk will have negative impact on the attitude of online consumers.

H_2 Service and infrastructure will have negative impact on the attitude of

online consumers.

H₃ There is a significant relationship between age and online shopping behaviour of the

consumers.

H₄ There is a significant relationship between monthly income and the frequency of

products bought through online by the consumers.

SOURCE	VARIABLE	QUESTION NO

4.4 RESEARCH METHODOLOGY

Data collection

In this study, data was collected from primary as well as secondary sources. Structured
questionnaire and interview technique was used for eliciting data from the respondents. The
questionnaire was framed and adopted from other similar researches and reliability of the
questionnaire was analysed by using Cronbach's Alpha. (See table 1.1)

Table 1.1: Adoption of question details.

Forsythe et al (2006) Karayanni (2003) Swinyard & Smith (2003) Liang & Huang (1998)	Online Shopping Behaviour	31-44
Swinyard & Smith (2003) Forsythe et al (2006)	Financial Risk	18-20
Swinyard & Smith (2003) Forsythe et al (2006)	Product Risk	45-47
Swinyard & Smith (2003) Forsythe et al (2006)	Convenience Risk	48-54
George (2004)	Attitude	21-30
Forsythe et al (2006)	Delivery Risk	55-56
Lewis (2006)	Return Policy	57-58
George (2004) Lassar et al (2005)	Technology Specific Innovativeness	59-60
George (2004) Swinyard & Smith (2003)	Subjective Norms	61

Analysis of data

For the analysis of the data simple technique like Percentages as well as statistical package such as Regression Analysis and Correlation were used.

Sampling

The study covers the entire city of Aizawl, Mizoram, selecting samples from buyers who have purchased through online in which simple random sampling was used. The sample size is 384 at 95% confidence level and 5% precision limit. The sample size is calculated by using Cochran formula when the population is unknown (Cochran, 1977), which satisfy the statistical reliability and validity of the study which is shown below:

$$n= \frac{Z^2 \times (p) \times (1-p)}{d^2}$$

Where,

n= Sample size

Z= Statistic for a level of confidence

P=Expected prevalence or proportion

D = Precision (If the precision is 5%, then d= 0.05)

4.5 LIMITATIONS

Although, the objective of the study is met, but still there are some limitations of the present study.

a. Firstly, the study conducted is limited to online consumers of Aizawl with the time constraints and many are not open to the questions and are not willing to response, educated people are only responsive and approachable while collecting data.

b. As mentioned in the chapters, online shopping has grown tremendously within these two years. The data collected for this study and the present scenario may vary in some way.

c. Courier services like Ecom, Delhivery etc started their services recently and there has been immense competition among the courier services so the result of the study of attitudinal and behavioural of online consumers in Aizawl may change overtime.

5. CHAPTERIZATION

Chapter I: Introduction

This chapter deals with the introduction on attitude and behaviour of online consumers, brief profile and scenario of Aizawl, significance and scope of the study, research design which includes statement of the problem, objectives, hypothesis, research methodology.

Chapter II: Theoretical concepts

This chapter focuses on the literature review, theoretical concepts on the conceptual models, attitudinal and behavioural models which include theory of planned behaviour and theories of reasoned action.

Chapter III: Concept of internet and online marketing

This third chapter gives detail information about the internet and e-commerce which includes access, structure, usage, social networking and entertainment, business application, government regulations and global trends. Different online retailers are also discussed here.

Chapter IV: Data Analysis and Interpretation

This chapter comprises of the analysis and interpretation of data collected through questionnaire in which validity and reliability was tested using Cronbach Alpha. The second part of the analysis was based on profile and online behaviour of the respondents and the latter part consist of hypothesis testing using Pearson Correlation and Regression.

Chapter V: Conclusion& Suggestions

An overall summary of findings was settled based on the conclusion of the previous chapters. Suggestions were arrived at the completion of the analysis of data collected from the respondents and scope for further research is also emphasized in this chapter.

6. SOME MAJOR FINDINGS

- The age group of the respondents varies from 18-40 years above and the majority of the respondents are from 21-30 which signifies that the younger generation has already taken the habit of online shopping.

- It is found that majority of the respondents are female which proves that online shopping is more familiar among the females with the availability of variety of products at different price range. Besides women pay more attention to ads that they receive and this make them buy more even if they didn't intend to. However, men get to the point they try to get it over with as fast as possible.

- The study reveals that majority of the respondents are public service by profession which makes it clear that most of the online consumers are having a stable monthly income and find online shopping more convenient for them due to their work schedule.

- The monthly income category reveals that, majority of the respondents salary range from 10,000-25,000 which signifies that the respondents are price sensitive because at this point they are starting to accumulate money with their age and all they are looking for every way to save some. Online shopping seems like a good solution since we always receive notifications from emails or mobile phones concerning reductions on products that interest us. This encourages more the impulse purchase than in physical stores.

- The educational level for most of the respondents are degree and above as online shopping is more convenient for people who have a busy work schedule.

- 40.4 % of the respondents have used the internet for 3-5 years which is the highest in which the age between 21-30 are the highest number of users as they knew the value of using internet and for some consumer they mention that they were loyal to their service provider even though they face problems with the connection and 33.4% of the respondents have used the internet for more than 5 years and here also the age between 21-30 are the most of the users, 21.1% of the respondents have used the internet for 1-3 years in which the age between 31-40 are the users. The least is 2.8 % in which the age ranges within18-20 which comprised of the respondents who have used the internet recently.

- From the above table, we came to know that 28.8 % of the respondents shop online frequently and their monthly income range between 10000-25000 which proves that they are familiar with online shopping and are browsing for the discounted product but with good quality. 21.9 % of the respondents shop online once in a month and their income range between 5000-10000 and 17.7% of the respondents shop once in a year in which their income is below 5000. 16.2 % of the respondents shop online depending on the availability of cash and their income range within 10000-25000. The least is 15.4% in which the respondents shop online at least once in a week their income is above 25000.

- Among the products preferred, tickets for airlines and railways have the highest percentage i.e. 22.4 %, the age group between 21-30 preferred it as they were travelling to and fro for their studies as well as for work which is convenient for them, moreover different offers are available if purchase through their debit/credit card. 21.6 % of the respondents preferred mobile/computer/camera/accessories etc and 20.8 % of the respondents preferred clothings/shoes/bags/accessories etc both of the preference falls within the age group of 21-30 as they find it compatible with their lifestyle. 17.5

% of the respondents preferred books/magazines/stationery their age group is within 18-20. The least product preferred by the consumers is a household appliance which is 16.5% and the age group range within 31-40.

- For the main reason of online shopping, convenience has the highest percentage which is 25.7% and the public service are the main respondents as it is convenient to shop from work and home as they are busy with their work schedule. The second reason for online shopping is availability which is 24.2% and the main respondents are student as they are products which is not available in the market and they are always eager to get what they want and the third reason for online shopping is quality which is 20.3 % and the main respondents are also public service as they are quite satisfied with the quality of the product and are able to choose from different brand. The fourth reason for online shopping is time saving which is 14.4% and the main respondents are also public service as mentioned earlier convenience and time saving go along very well due to work schedule and the least is price which is 14.1% and the main respondents are students as price plays important role for them as most of them are frequent consumer.

- Majority of the respondents do not go to a retail store first before making final purchase online we can agree with the respondents as we discussed above online shopping is all about convenience for everyone if every online consumer have to visit the retail store first than there would be no be fun in online shopping .

- 24.4% of the respondents opined that they get the idea of buying specific product through online from television and media because nowadays, people spend most of their time on it and the media and advertisement agency are trying hard to capture every opportunity.

- The study reveals that, 29% of the respondents chose product reviews availability for the crucial factors which affect decision making in the final selection of the product which proves to be very helpful as it help the consumer to make their decision for purchasing various products.

- 28.3% of the respondents opined the main barriers which keep them away from online shopping are shipping cost and unavailability of cash on delivery (COD) as most of the online consumers do not trust the security of online payment and feels that extra payment of shipping charge is a burden for them.

- Majority of the respondents i.e., 28.3% resell the products when the product they purchase is not up-to their expectation as they feel that it is easier for them to resell to their friends or relatives than to undergo all the necessary process for returning the product.

- The online retailer preferred the most by the online consumers is Snapdeal as they have variety of brands and products and their service is suitable with Aizawl because there are many products which cannot be shipped to Aizawl by many online retailers.

- The courier preferred the most by the online consumers is Myntra because they have employees who work with professionalism and their service is appreciated by the consumers as the end result is very important in e-retailing which is fulfilled by this e-vendor.

- The first hypothesis states that, there is a relationship between perceived risk and attitude of online consumers has a negative impact on the attitude of online consumers as the consumers have trust issues with their financial details and service of the online retailers.

- The second hypothesis states that, there is a relationship between service & infrastructure and attitude of online consumers has a negative impact as the consumers

were very concern about their purchase and they do not fully support the service of the online retailers.

- The third hypothesis states that there is a significant relationship between age and online behaviour of the consumers as the behaviour of the respondents change depending on the age of the respondents.

- The fourth hypothesis states that there is a significant relationship between monthly income and frequency of online shopping during the past year as the consumer with a stable income and are trying to manage their monthly expense are drawn to online shopping.

- 42.2 % of the respondents agree that internet shopping is easy as the use of internet is quite familiar among the younger generation and they have it as a habit in a short while as it is just one click away.

- Majority of the respondents i.e. 43% of the respondents agree that internet shopping saves time because they do not have to waste time move about for shopping as they can shop from anywhere as long as they have internet access.

- 41.4 % of the respondents feel that internet shopping is convenient for them it may be because of their hectic work schedule. From placing order to delivery at the doorstep, it can prove to be very helpful for people who are very busy juggling with their work and home.

- Respondents consisting of 38.6 % feel that internet shopping provides better quality products while the same percentage of respondents couldn't agree or disagree whether they provide better quality products it is because they have both good and bad experience in the past with the quality of the product since they have different products from different manufacturer quality cannot be the same and the end user consumer perception is not all the same.

- 48.1% agree that they like to shop on the internet as they find it easy to compare many products and screen them in order to choose the one they like because in traditional shopping it takes time to compare products and screen them but in online shopping there is a benefit for comparing products in price, quality and product reviews.

- 46.3% of the respondents agree that internet shopping provides more variety of products as they feel that they can get their desired product which is not available in Aizawl. Nowadays advertisements have convinced people to buy what they see and the products which haven't reached the market are found on the internet/online shopping.

- Majority of the respondents did not agree or disagree that they are satisfied with the delivery system because the service is not reliable as some products are being delivered to them on time some products are delayed or the consumer have to collect themselves from the courier after paying the shipping charge.

- Majority of the respondents agree that they get better service from internet shopping than traditional retail store as there are many retail store who doesn't know how to treat their consumers which is quite disappointing for the consumer so many consumer prefer shopping from the internet.

- Majority of the respondents agree that they shop online as they can avoid the chaos of traffic because in Aizawl there is a heavy traffic problem both ways by vehicle or by foot as it is quite populated moreover, there is also a problem for parking too. So, the respondents prefer online shopping.

- Majority of the respondents agree that they shop online as there is user/expert reviews on the product because people are not willing to spend money on the product which they cannot touch or test the product or they are not familiar. But, with the help of expert or user reviews they are convinced to buy the product even though they haven't seen the product.

- 44.2% of the respondents conclude that they do not feel embarrassed if they do not buy online because as compared to traditional shopping in online, consumer can compare products and put the item they like in the wish list or bag and can buy it later when they have money or return the product if it is not up-to their expectation without any physical interaction with the retailer.

- Majority of the respondents agree that online shopping gives better control over their expenses as they can compare price of the products they want to purchase and they have options with the availability of different online retailers. They can buy product at a lesser price than traditional retail store.

- 45.2 % of the respondents find online shopping compatible with their lifestyle as many of the respondents have to manage work and home which leaves them a limited time to buy their needs while on the other hand, online shopping provides a wide selection of products which is easy to access from mobile phones or computer from work or home which makes it compatible for anyone who are busy with their life.

- 29.6% of the respondents have a trust issues on receiving malfunctioning product/merchandise as it so happen to other consumers once in a while that they receive malfunctioning product.

- Majority of the respondents mentions that they do not purchase online if cash on delivery option is not available as they are not willing to pay before seeing or touching the product. On the other hand, some people are not willing to take a risk in giving away their debit/credit card information to others.

- 44.5% of the respondents feel that it will be difficult in settling disputes as many respondents have face problem in settling disputes with their orders which is quite common with online retailers.

- Majority of the respondents agree not to purchase if there is no free return shipment available as they feel that it is frustrating receiving the wrong product and to return it again is a lot of work for them.

7. SOME RECOMMENDATIONS

After analysing the data, the following suggestions were recommended:

1. Suggestions to the online-retailers

    a. With the belief that, result from this study will be able to help online retailers to draw further marketing strategy to attract more consumers and since they know the problems with their service they can improve or change their business strategy so that they will attract more online consumers to visit their website and buy their products or services.

    b. Consumers especially the younger generation attach a particular attention to the design of the website and moreover, it should be user-friendly for all age group to utilize it. So, they need to ensure that the websites should be developed to facilitate online shopping and be easy to use by the consumers and must be able to demonstrate the value and benefits of online shopping to the consumers.

    c. The online consumers are very concerned about issues related to financial risk and privacy. So, the online retailers can improve their website design to ensure good payment security, extreme personal information privacy and keep its promises (for instance, date of delivery, quality of product...) in order to gain trust from their consumers.

    d. Customer service is crucial as traditional shopping. Delivery, FAQ, relationship with consumers and after sale service has to be linked with consumers expectation as well as payment policies and information about shipping and handling cost.

e. Online retailers should be clear with their target while setting prices because if they target young people, they should keep low prices. However, if they target older and more sophisticated, they should set higher price and ensure quality.

f. They should partner with the right courier or reliable shipper as some of the courier could not deliver the product after shipping charge has been charged.

2. Suggestions to the courier services

a. Courier services should make sure that products they received from different online retailers should reach the consumers on time without any delay or if they have any problem with delivery they should inform the consumers at the earliest.

b. Courier services should be able to deliver the product at the doorstep of the consumers as they are mostly charged with delivery charge.

c. They should show professionalism in their service regarding interaction with their consumers.

d. Courier services should be careful in handling the product as the consumers do not want to receive damage product and the blame is on the online retailer.

8. CONCLUSION

At present, online shopping has become very important in the life of the Mizo's and also it has grown tremendously over the past year. The attitude and behaviour of the consumers also change overtime and they become very demanding with the improvement of infrastructures and the growth of online retailers and courier service like Delhivery and Ecom.

In pace along with e-marketing researchers all over the world concerning the attitude and behaviour of online consumers this paper found that perceived risk which comprised of financial risk, product risk and convenience risk has a negative impact on the attitude of online consumers. So, the online retailers should make their website safer and reliable and

assure the customers for delivery of the products and their service. This result is consistent with the findings from the annual report of Taylor Nelson Sofres (2002), the report highlighted security issues as the main reason for people choosing not to purchase online, yet the industry has done little to address these concerns over recent years. Consumers' concerns about online financial security and privacy are closely associated with their perception of how good the technologies for secure payment mechanisms are (Hoffman et al., 1999), and with the reputation of the vendor (GVU, 1998). Hence, it is important for E-retailers to adopt advanced encryption technology, and post assurances of their online security on their website, in order to inform online consumers of their security measures. Online behaviour has a positive impact on the attitude of online consumers as they are satisfied with online shopping they find it convenient and compatible with their lifestyles in which positive attitude have a substantial contribution on online shopping. Service and infrastructure has a negative impact on the attitude of the online consumers as the consumers are very particular about the delivery and return policy of the product though some consumers find it compatible with their lifestyles they still have doubt with the security and risk involved. In the latter part of the hypothesis, there is a significant relationship between the age and online behaviour of the consumers as the behaviour of the consumers change considerably with the age of the consumers their main reason of shopping, what products they buy etc. Lastly, there is a significant relationship between monthly income and frequency of products bought through online by the consumers as the monthly income plays an important role because consumer with a stable income purchase frequently and some consumer with an economical lifestyle prefer online shopping to manage their monthly expense.

The study finds that there is a wide scope for expansion and development for online retailers not only from outside of the state but also locally to meet the demands of the consumers and also for the enrichment in economy of the state. For further study, other

dimensions may be considered for studying the attitudinal and behavioural of online consumers not only in Aizawl city but other part of Mizoram for wider development of the state and provide additional information to the existing literature for the future researchers.

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