

COMMUNITY SERVICE PROJECT

ON

A STUDY ON ONLINE PURCHASES

Submitted By

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DEPARTMENT OF COMMERCE



DECLARATION

I, pangi.adhivasu S/o D/o pangi,nageswarao Bearing

Id. No: E20331001 hereby declare that the Community Service Project on "A Study on Online Purchases" is my genuine work carried out under the supervision of Smt,kusumakumari, Lecturer in Commerce. I further declare that to the best of my knowledge the project does not contain any part of any work which has been submitted for any other purpose.

Signature of the Student

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DEPARTMENT OF COMMERCE



C E R T I F I C A T E

This is to certify that the Community Service Project on “A Study on Online Purchases” is carried out by Mr / Kum. pangi,adhivasu S/o D/o pangi, nageswarao bearing

Id. No: E20331001 during 4tSemester for the Academic Year 2020-2023 under my supervision.

Signature of the Project Mentor

ACKNOWLEDGEMENT

I wish to express my deep sense of gratitude to our Honorable Commissioner, APCE for giving me this opportunity and his encouragement to do this project. I would like to place my graceful thanks to UGC, APSCHE and Krishna University for placing Community Service Project in our UG curriculum. I am very thankful to Dr.F.VIJAYA BABU, Principal, Dr.V.S. Krishna Government Degree & PG College (A) , Visakhapatnam for inspiring and motivating us to take up this project.

*I would like to express my deep sense of gratitude to my Project Mentor Sri. Dr.R
KUSUMAKUMARI*

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Signature of the Student

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INTRODUCTION

INTRODUCING THE TOPIC -

1. E-COMMERCE

Although the terms e-commerce and e-business are often used interchangeably, there are differences. E-commerce is the buying and selling of goods and services on the Internet or other computer network. Any brick and mortar store can become an e-commerce business by adding a virtual storefront with an online catalogue. In most cases, e-business refers exclusively to Internet businesses, but it may also refer to any business that uses Internet technology to improve productivity and profitability.

2. E-BUSINESS

Business transactions that involve the exchange of money are covered by the term e-commerce. E-business includes all aspects of running a business that sells goods and services, including marketing, earning and retaining customers, procurement, developing business partners and customer education. In order to be successful, e-commerce and e-businesses must have quality storefronts that are simple to navigate and peruse, with accurate and thorough catalogue information. E-business became an extension of e-commerce to encompass all aspects of businesses that function online. E-business involves e-commerce, but e-

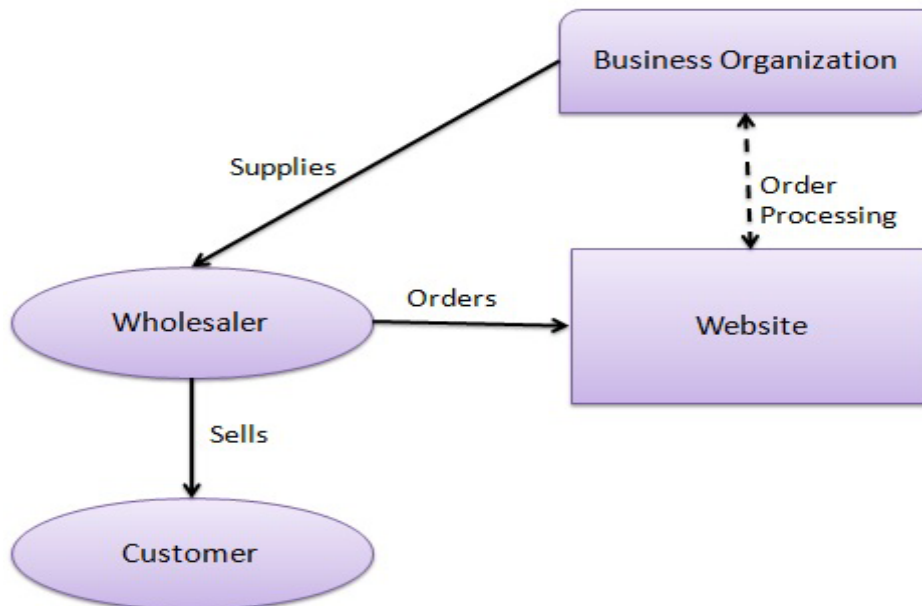
Commerce does not cover all aspects of e-business.

3. BUSINESS MODELS E-Commerce or Electronics Commerce business models can generally be categorized in the following categories:-

- *Business - to - Business (B2B)*
- *Business - to - Consumer (B2C)*
- *Consumer - to - Consumer (C2C)*
- *Consumer - to - Business (C2B)*
- *Business - to - Government (B2G)*
- *Government - to - Business (G2B)*
- *Government - to - Citizen (G2C)*

Business - to - Business (B2B)

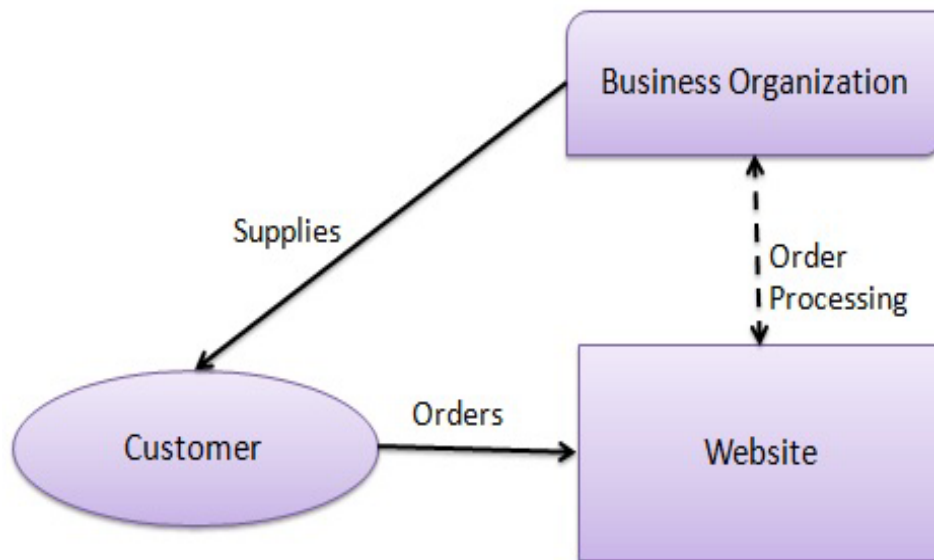
Website following B2B business model sells its product to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.



Business - to - Consumer (B2C)

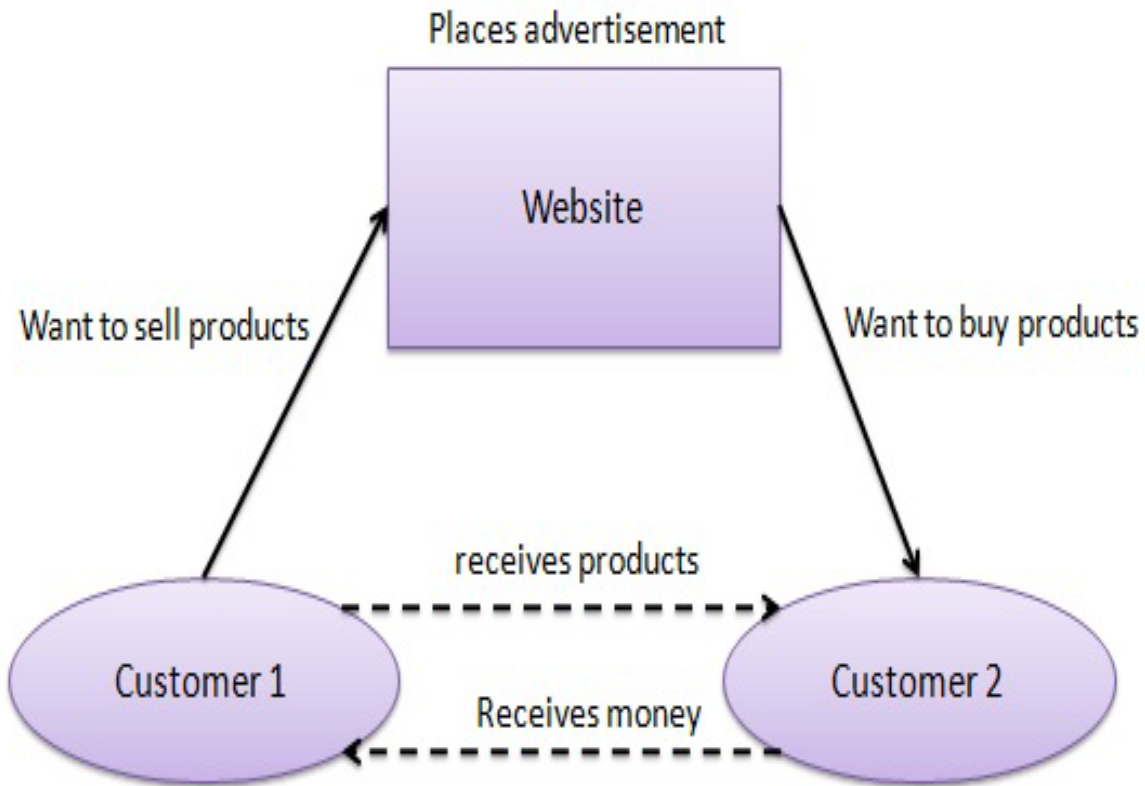
Website following B2C business model sells its product directly to a customer. A

customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via email and organization will dispatch the product/goods to the customer.



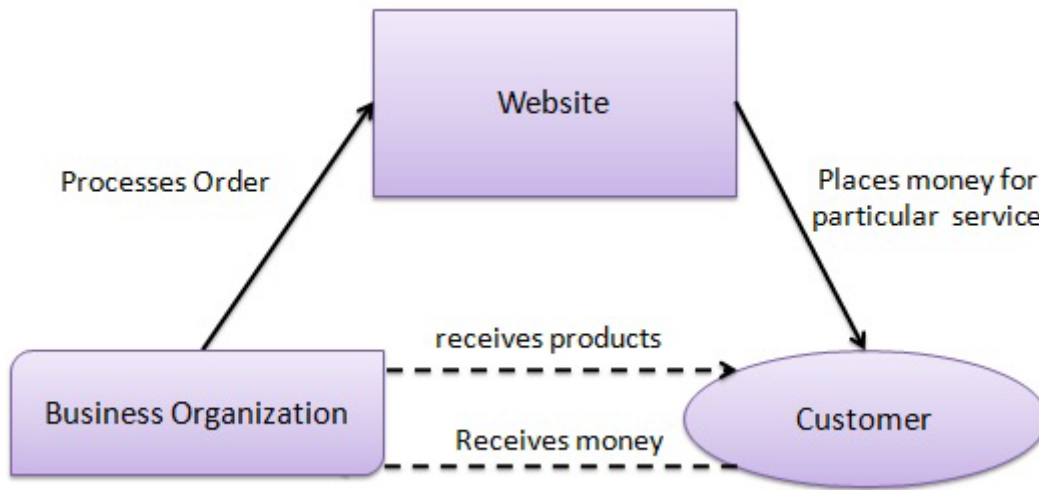
Consumer - to - Consumer (C2C)

Website following C2C business model helps consumer to sell their assets like residential property, cars, motorcycles etc. or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer by viewing the post/advertisement on the website.



Consumer - to - Business (C2B)

In this model, a consumer approaches website showing multiple business organizations for a particular service. Consumer places an estimate of amount he/she wants to spend for a particular service. For example, comparison of interest rates of personal loan/ car loan provided by various banks via website. Business organization who fulfills the consumer's requirement within specified budget approaches the customer and provides its services.



Business - to - Government (B2G)

B2G model is a variant of B2B model. Such websites are used by government to trade and exchange information with various business organizations. Such websites are accredited by the government and provide a medium to businesses to submit application forms to the government.



Government - to - Business (G2B)

Government uses B2G model website to approach business organizations. Such websites support auctions, tenders and application submission functionalities.



Government - to - Citizen (G2C)

Government uses G2C model website to approach citizen in general. Such websites support auctions of vehicles, machinery or any other material. Such website also provides services like registration for birth, marriage or death certificates. Main objectives of G2C website are to reduce average time for fulfilling people requests for various government services.



OBJECTIVES OF THE STUDY

- *To find the factors that leads to Online Purchases*
- *To discover the key factors that influence online buying behavior of consumers*
- *To identify who are the online shoppers in terms of demography*
- *To understand the customer awareness on Online Purchases.*
- *To Suggest Measures for Improving Online Purchases.*

LIMITATIONS OF THE STUDY

No research is complete without admitting the limitations that was faced while conducting a study which will contribute to present learning. This study too like the others have certain constrains which has been discussed below.

- ▶ *The study was restricted to Visakhapatnam city only*

- ▶ *The sample of the size will be limited to time and resources*

- ▶ *The information will be collected valid until there is no any technical change or any innovation*

- ▶ *The result is assuming that respondents have given accurate information*

Methodology of Project Work

Primary source of Data

The data was collected using a structured schedule which was given to consumers of Visakhapatnam, Andhra Pradesh. Interview method was also applied to gather required information regarding this study.

Questionnaire

For measuring the level of Customer Satisfaction on Online Purchases this research used a questionnaire consisting of 10 Important Questions

CHAPTER 3

DATA ANALYSIS AND INTERPREATION

This chapter aims to obtain the objective of the study by critically analyzing the qualitative data through thoroughly examining the interviewee's responses and beliefs. This has been achieved through evaluating the most relevant responses by the participants. The data has been analysed and discussed by comparing the comments made by the respondents with the literature review keeping in mind the research objective of the study. Thus, the rationale of this analysis is based on the personal answers provided by the respondents. An appropriately designed questionnaire was used to collect the primary data for the study. The data for 100 respondents was organized systematically in tables and graphs and then was subjected to analysis using appropriate statistical tools. The results of the analysis are presented in the following section in order to assess the customer perception towards online Purchases in Visakhapatnam. Here for analyzing, we are considering two factors. That is:

- *Demographical factors*
- *Behavioural factors*

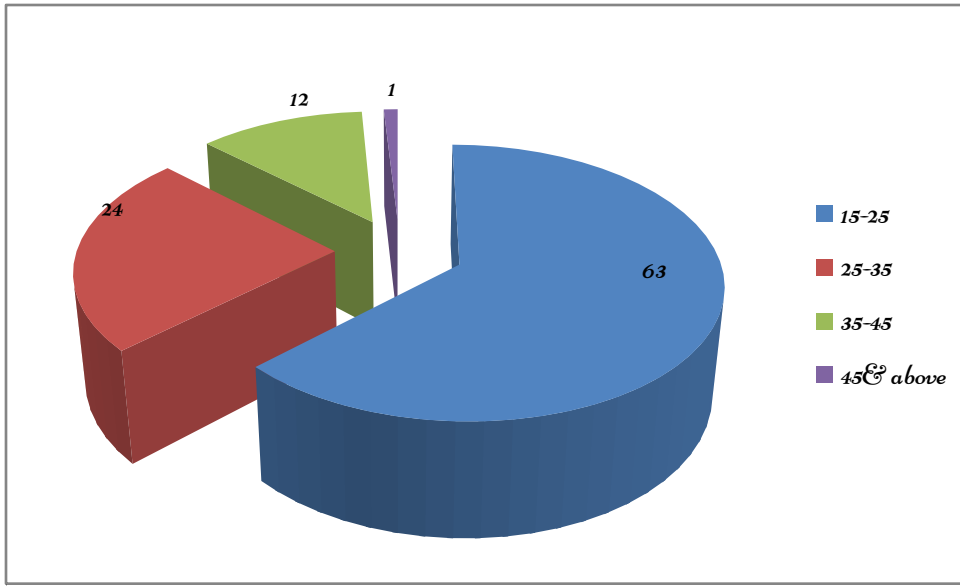
Demography

1. Age Group:

Table: Age wise respondents

	<i>15-25</i>	<i>25-35</i>	<i>35-45</i>	<i>45& above</i>	<i>Total</i>
<i>No. of Respondents</i>	<i>63</i>	<i>24</i>	<i>12</i>	<i>1</i>	<i>100</i>
<i>Percentage</i>	<i>63</i>	<i>24</i>	<i>12</i>	<i>1</i>	<i>100</i>

Graph: Agewise respondents



Analysis and Interpretation:

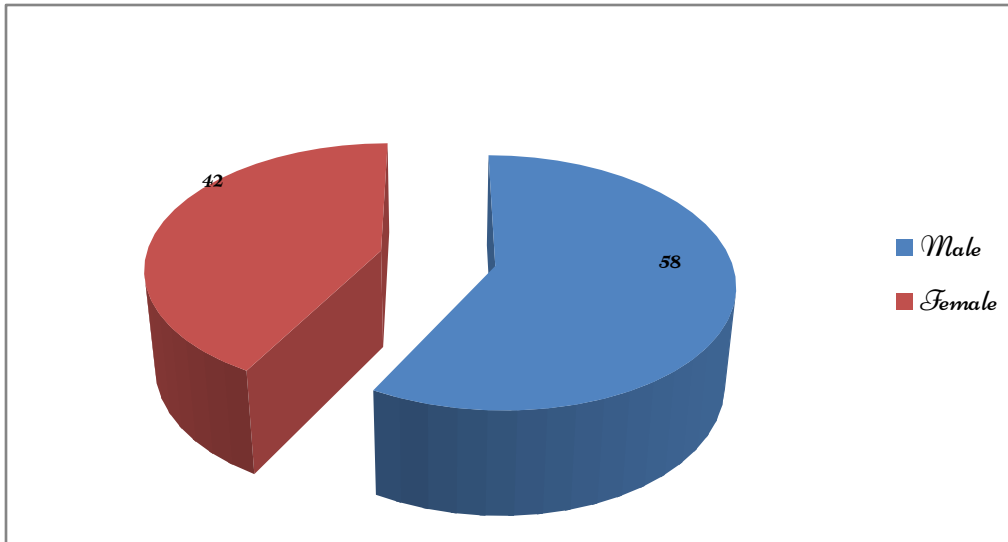
Below figure shows that 63% respondents are between 15-25 years old, 24% respondents are between 25-35 years old, 12% respondents between 35-45 years old, and 1% respondents are between 45 & above. Overall result shows that between all of the respondents who has age between 15 to 35 years (63%+24%=87%) people are more familiar to shop online on my target population.

2. Gender of Respondents

Table: Gender wise respondents

	<i>Male</i>	<i>Female</i>	<i>Total</i>
<i>Responses</i>	58	42	100
<i>Percentage</i>	58	42	100

Graph: Gender wise respondents



Analysis and Interpretation:

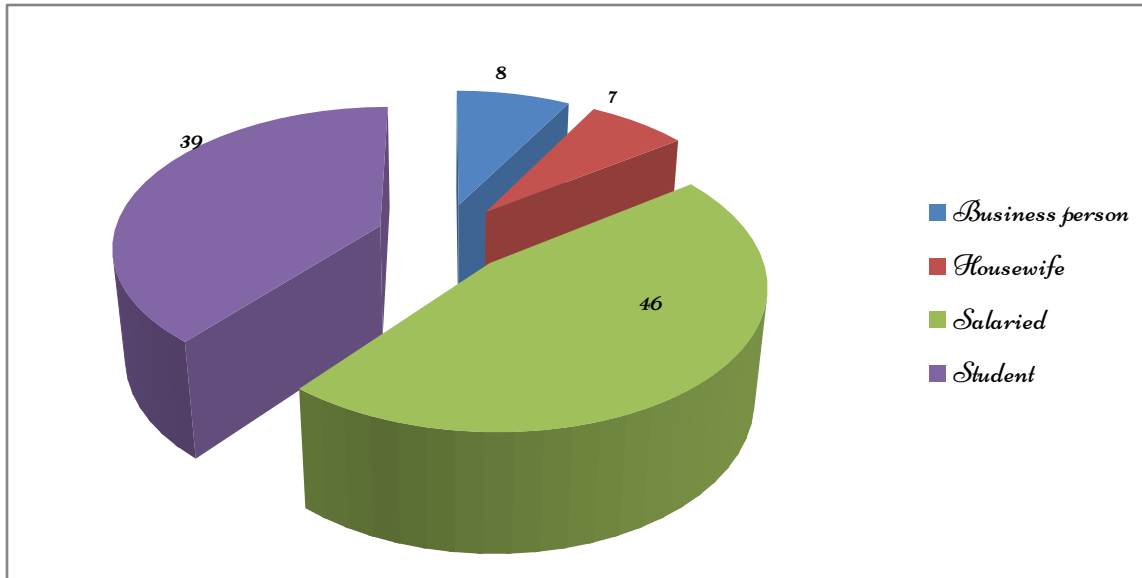
According to demography profile, in this study 58% male and 42% female respondents are part of my target population and they help me to fulfil my questionnaire from different area of Bangalore city. From these groups total respondents are 100. So, according to the survey result, the male respondents are more and can be told that they interested to shop online than female, even though both of them shop online.

1. Occupation

Table: Occupation wise respondents

	<i>Business person</i>	<i>Housewife</i>	<i>Salaried</i>	<i>Student</i>	<i>Total</i>
<i>No. of Respondents</i>	8	7	46	39	100
<i>Percentage</i>	8	7	46	39	100

Graph: Occupation wise respondents



Analysis and Interpretation:

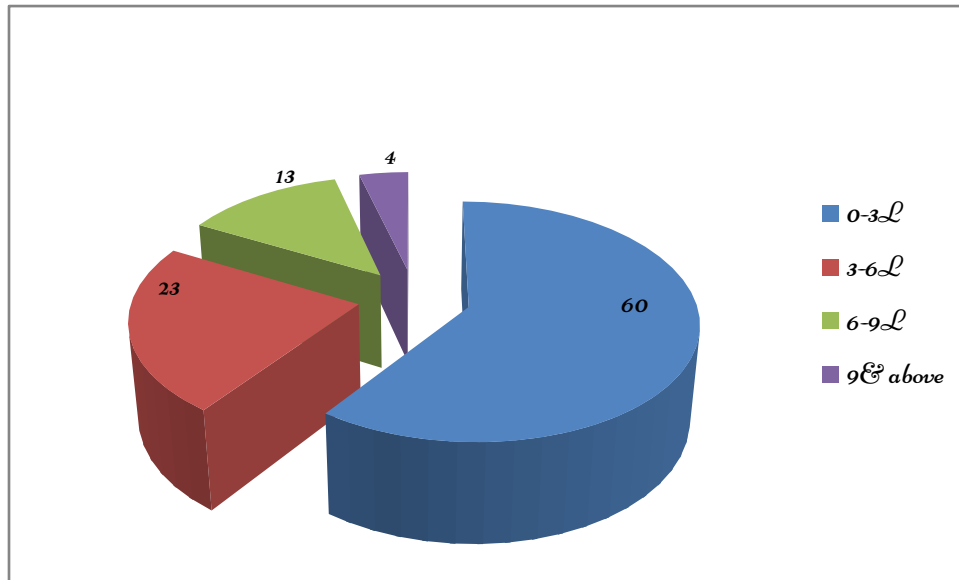
In this survey, 46% of the respondents are salaried and 39% are students. So they both together made majority of respondent's percentage (85%). 8% are business persons and 7% are House wife. Salaried persons and students will always look for new technologies and newservices which make them more comfort.

4. Annual Income:

Table: Income wise respondent

	<i>0-3L</i>	<i>3-6L</i>	<i>6-9L</i>	<i>9L above</i>
<i>No. of Respondents</i>	<i>60</i>	<i>23</i>	<i>13</i>	<i>4</i>
<i>Percentage</i>	<i>60</i>	<i>23</i>	<i>13</i>	<i>4</i>

Graph: Income wise respondents



Analysis and Interpretation:

Since 39% of this survey is students most of them are of 0-3L income range, ie 60%. 23% of them are in 3-6L income range, 13% in 6-9L and 4% is 9 € above.

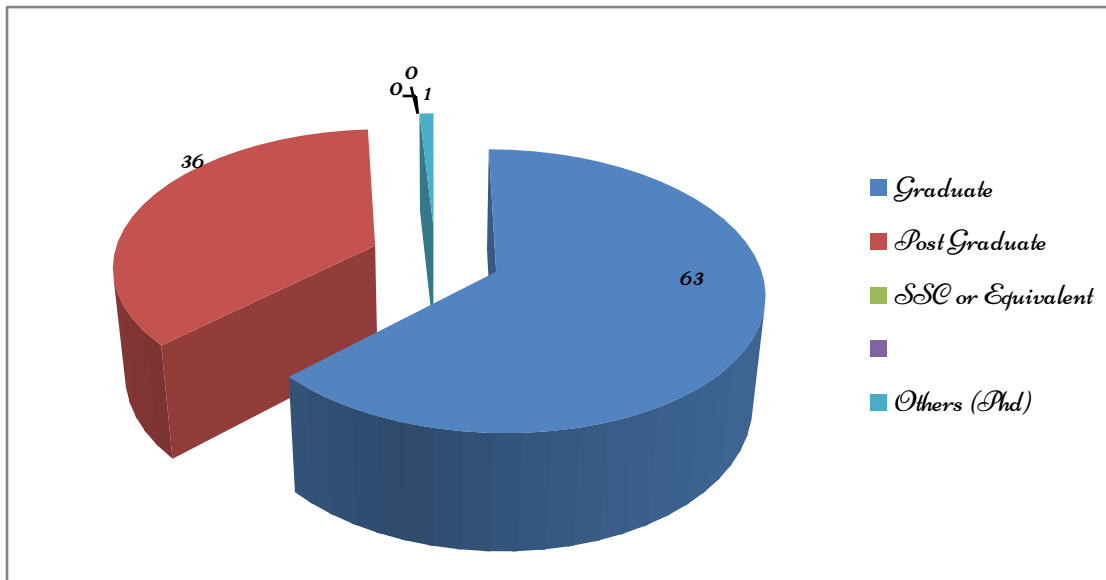
5. Educational Qualification

Table: Educational wise respondent

	Graduate	Post Graduate	SSC Equivalent	or	Others (Phd)
No. of Respondents	63	36	0		1

Percentage	63	36	0	1
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Graph: Educational wise respondent



Analysis and Interpretation:

All of them in this survey are graduate and above qualified peoples only. Among these 63% are graduates, 36% are post graduates and one person is Ph.D.

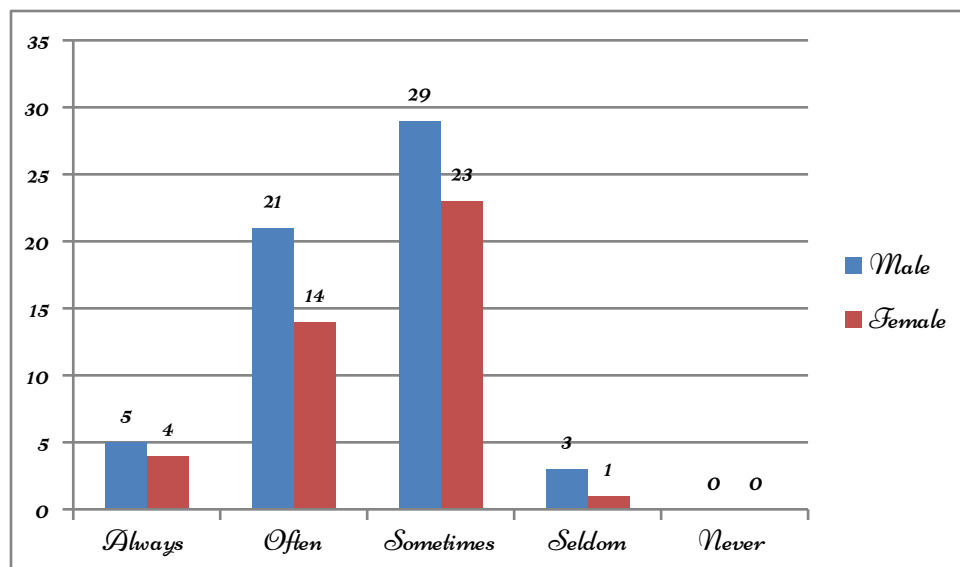
Behavioural factors:

6. Frequency of purchase from online

Table: online shopping usage

	<i>Always</i>	<i>Often</i>	<i>Sometimes</i>	<i>Seldom</i>	<i>Never</i>	<i>Total</i>
<i>Male</i>	5	21	29	3	0	58
<i>Female</i>	4	14	23	1	0	42
<i>Total</i>	9	35	52	4	0	100

Graph: online shopping usage



Analysis and Interpretation: More than half of them use online shopping sometimes, ie 52%. People who always and mostly shop through online shopping are also good in number, 9 and 35, together 44%. And who use online shopping rarely is very less in number 4%. Since only 44% are mostly using this, there is a wide space to fill and to make online shopping a great success. And there is not much gender difference in online shopping, which means both males and females enjoy online shopping and its benefits.

7. This survey is conducted on those people who do online shopping and are aware of Online Shopping

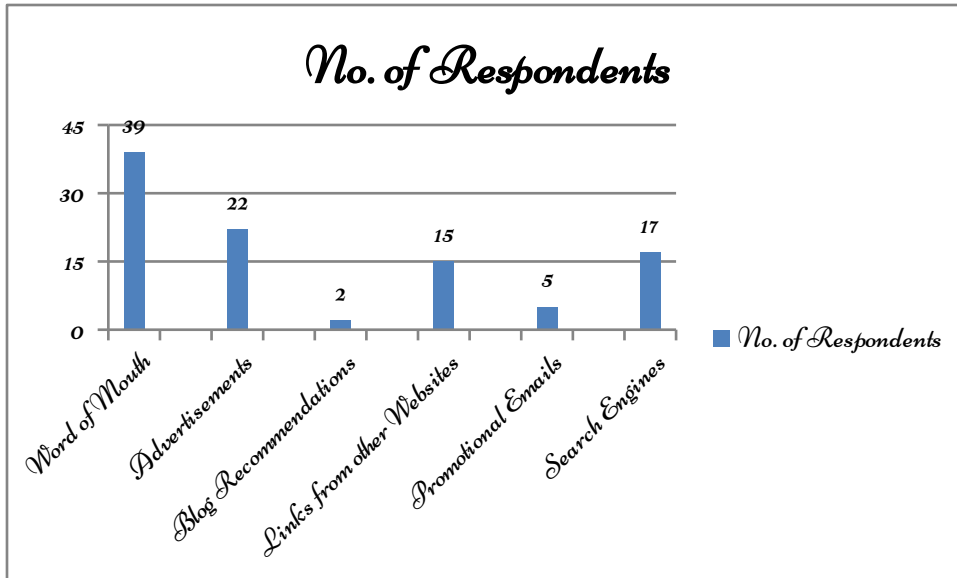
So everyone answered 'YES' for Question no.7.

8. Modes of awareness about Online Shopping

Table: Modes of awareness about Online Shopping

	Word of Mouth	Advertisements	Blog Recommendations	Links from other Websites	Promotional Emails	Search Engines	Total
No. of Respondents	39	22	2	15	5	17	100
Percentage	39	22	2	15	5	17	100

Graph: Modes of awareness about Online Shopping



Analysis and Interpretation:

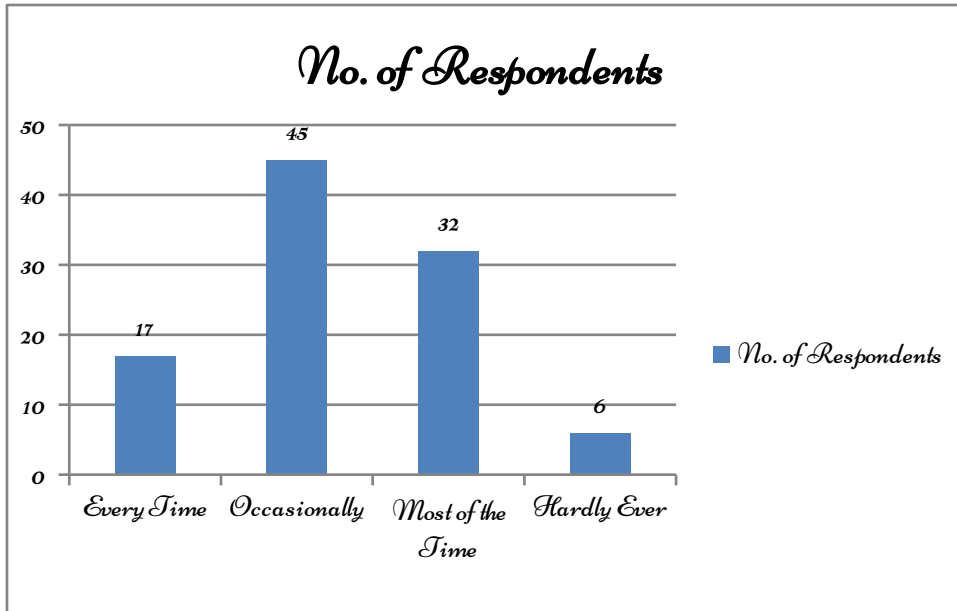
Most of them are aware about Online Shopping through word of mouth (39%) followed by television and online advertisements (22%). Customers got aware through blog recommendations (2%) and promotional e-mails (5%) are very less in number. This means a good communication about Online Shopping is going on through friends and families, which proves that word of mouth strategy by them is the most successful means of making people aware about their products. Success can only be gained through delighted customers who act as advocates for their products and there is a wide scope of other digital advertisement techniques like search engine marketing, Email marketing, providing links and blog recommendations in order to make more customers.

9. Frequency of Buying while Using online Purchasing:

Table: Frequency of Using

	<i>Every Time</i>	<i>Occasionally</i>	<i>Most of the Time</i>	<i>Hardly Ever</i>	<i>Total</i>
<i>No. of Respondents</i>	17	45	32	6	100
<i>Percentage</i>	17	45	32	6	100

Graph: Frequency of Using



Analysis and Interpretation:

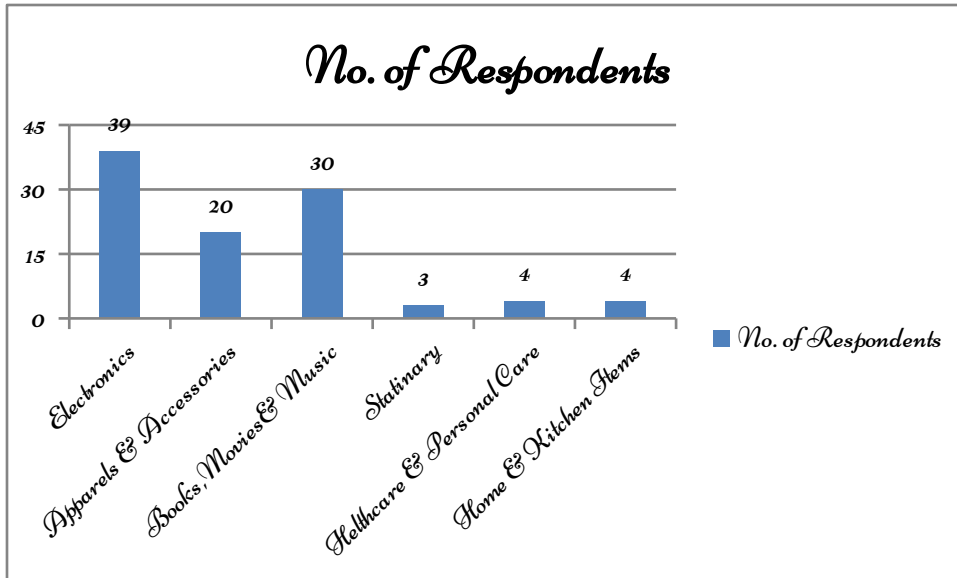
Here on this survey 17% are always choosing Flipkart for online shopping, while 45% are using it occasionally. Hardly ever using members are very less, and 32% are using it most of the time. Since more than half of them prefer Flipkart while thinking of online shopping, it means branding had done successfully by them either through advertisements, services or providing good experience to customers.

10. Category that mostly prefer to buy from Flipkart.com

Table: Category mostly prefer to buy from Online Shopping

	Electronics	Apparels & Accessories	Books, Movies & Music	Stationary	Healthcare & Personal Care	Home & Kitchen Items	Total
<i>No. of Respondents</i>	39	20	30	3	4	4	100
<i>Percentage</i>	39	20	30	3	4	4	100

Graph: Category mostly prefer to buy from Online Shopping



Analysis and Interpretation:

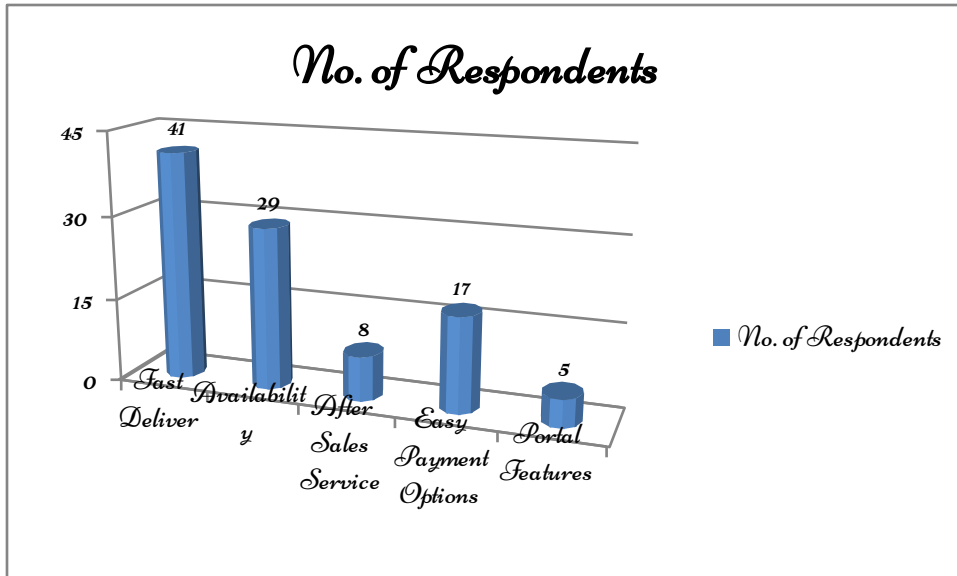
Electronic items, Books and Stationery, Apparel & Accessories, cameras, watches and others (bags, belts, etc.) are purchased more. 39% of respondents are preferred to buy Electronics items followed by Books and Stationery (30%) and Apparel and Accessories (20%). Books & stationery and electronics items are more famous among the students and that may be the reason for large purchase of those items from Flipkart.com.

11. Reason for Customer's preference on Online Purchases than Others:

Table: Customers expecting feature of Online Shopping

	<i>Fast Deliver</i>	<i>Availability</i>	<i>After Sales Service</i>	<i>Easy Payment Options</i>	<i>Portal Features</i>	<i>Total</i>
<i>No. of Respondents</i>	41	29	8	17	5	100
<i>Percentage</i>	41	29	8	17	5	100

Graph: Customers expecting feature of Online Shopping



Analysis and Interpretation:

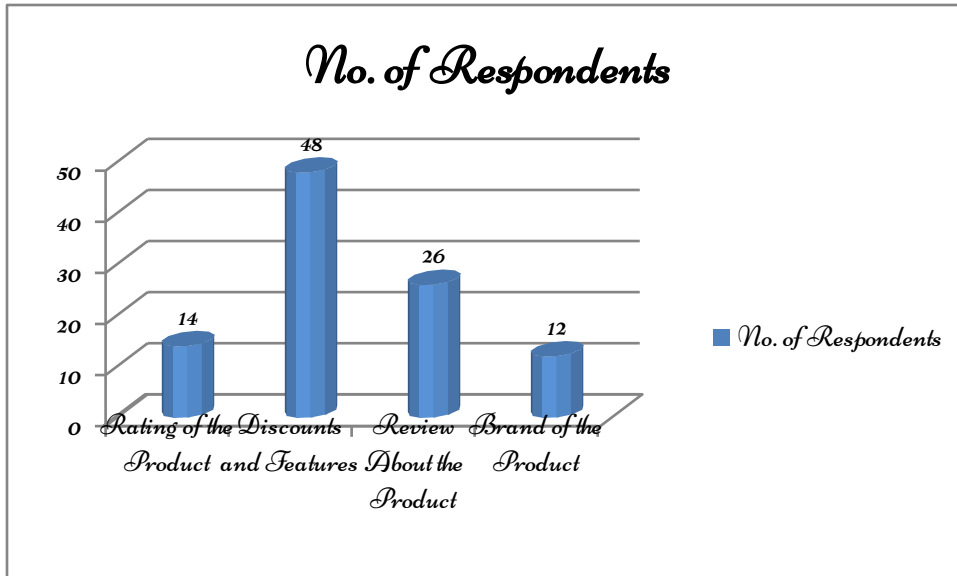
One of the most efficient features in Online Shopping is fast delivery when compared to other offline shopping. So, most of the customers prefer online websites for shopping with the perception of quick delivery (41%) and availability of product (29%), followed by easy payment options (17%). And there is a scope of increasing after sales services and portal features when comparing with other features.

12. Product selection from the categories given by Online Shopping

Table: On the basis where product is chosen

	<i>Rating of the Product</i>	<i>Discounts and Features</i>	<i>Review About the Product</i>	<i>Brand of the Product</i>	<i>Total</i>
<i>No. of Respondents</i>	14	48	26	12	100
<i>Percentage</i>	14	48	26	12	100

Graph: On the basis where product is chosen



Analysis and Interpretation:

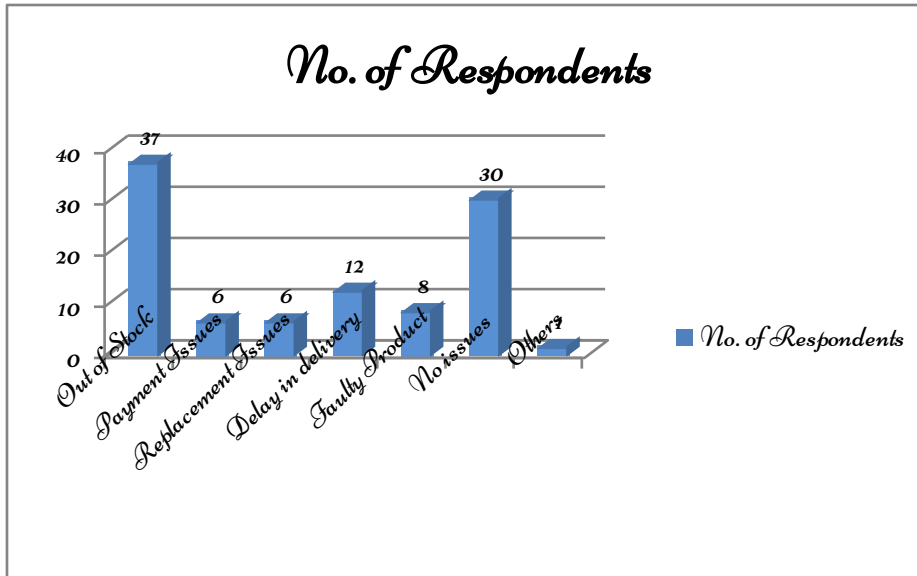
Customer perception varies while using Online Shopping; it is one of the online shopping sites which give high discounts and offers. Most of them in this survey (48%) are looking for good featured product with high discounts while purchasing products from Online Websites. And also customers more often go through the product review (26%) before making their decision to purchase. Product review is a kind of word of mouth strategy where product users leave their review on their experiences with Online Shopping. Customers are giving priority to these two features while brand of product (12%) and rating of product (14%) also taken care by some other customers.

13. Issues faced by customer while Doing Online Purchases

Table: Issues faced when purchased from Online

	<i>Out of Stock</i>	<i>Payment Issues</i>	<i>Replacement Issues</i>	<i>Delay in delivery</i>	<i>Faulty Product</i>	<i>No issues</i>	<i>Others</i>	<i>Total</i>
<i>No. of Respondents</i>	37	6	6	12	8	30	1	100
<i>Percentage</i>	37	6	6	12	8	30	1	100

Graph: Issues faced when purchased from Online



Analysis and Interpretation:

In this survey, 30% of customers didn't face any of those problems that mentioned, while 37% of customers faced out of stock issue. This is one of serious issue faced by most of customers. Since discounts and features are the one feature that most of the customers looking for and when a good product with high discount is displayed in Online platform, customers brought it as soon as they could. Thus the products will be out of stocked.

Online Websites started notifying the customers about the product when the stock got available.

Payment issues and replacement issues are less in number (total 12%) since different payment options like EMF options, card payments, Cash on delivery, Wallet payments etc...are provided by them and customers are satisfied with those.

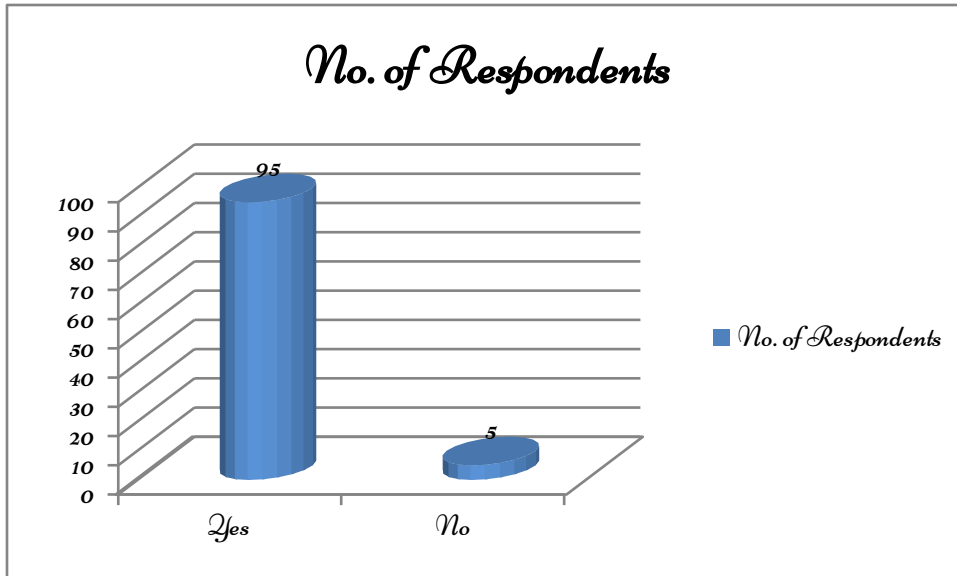
In case of replacement also only less issues are happened, thus shows most of them are satisfied with that service. Delay in delivery happens because of shipping and courier service issues. It is a problem with supply chain. Mostly it happens in the end part of the supply and in rural areas where courier services are less active. Faulty product issue also happened to 8% of the customers and one of the policies to overcome this issue is 30 days replacement policy of Many Online Shopping Websites.

14. Recommending Online Purchases then Offline Purchases

Table: Recommending Online Purchases then Offline Purchases

	<i>Yes</i>	<i>No</i>	<i>Total</i>
<i>No. of Respondents</i>	95	5	100
<i>Percentage</i>	95	5	100

Graph: Recommending Online Purchases than Offline Purchases:



Analysis and Interpretation:

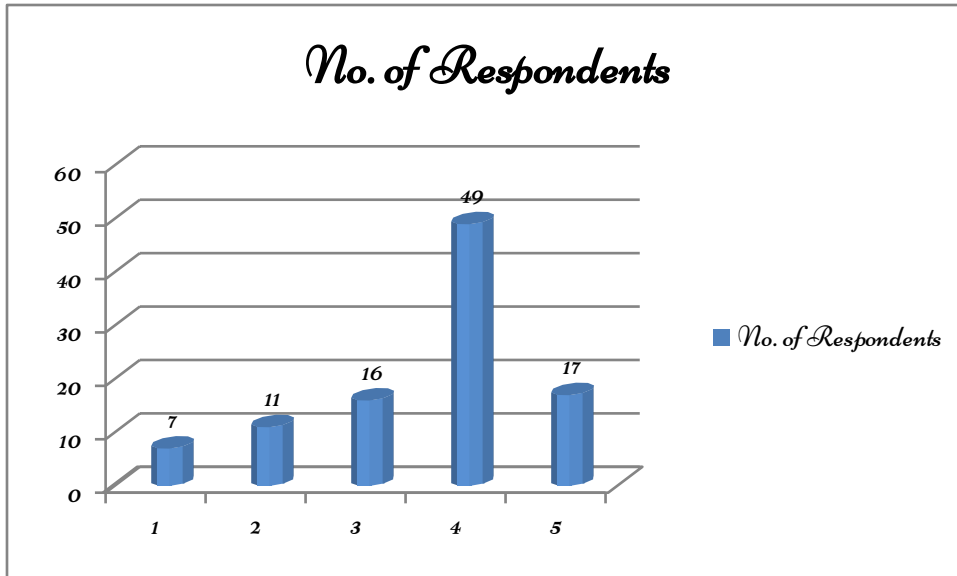
In this survey, most of them (95%) are happy to recommend Online Purchases to Offline Purchases like friends and family. And this shows word of mouth publicity is successfully running and this is one of the great advantages for Online Shopping.

15. Customer's rating about services on Online Shopping

Table: Rating The experience On Online Shopping

	1	2	3	4	5	Total
<i>No. of Respondents</i>	7	11	16	49	17	100
<i>Percentage</i>	7	11	16	49	17	100

Graph: Rating The experience from Online Shopping



Analysis and Interpretation:

While analyzing the rating of experiences, Online Shopping provides a good and excellent experiences to most of the customers.

Mode of given data: 4 & Median of given data: 4

49% of customers rated 4 as the experience and more than half of the population (66%) rated 4 & 5 as experience

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

FINDINGS:

- *There is not much difference in gender for using online shopping.*
- *Students and salaried persons are most frequent users of Online Shopping.*
- *Frequency of purchase for electronics, books and music, apparels and accessories are more in Online Shopping.*
- *Word of mouth was more influential in promotion as many people were made aware by their friends and family when customers recommend this website to them.*
- *Highly discounted products got out of stock quickly, since customers purchased it as on as they could when they see high discount on good featured product.*
- *Digital marketing techniques like search engine marketing, links providing other website and advertisement also functioned well for promotion of this website.*
- *Different payment options available in Online Shopping made customers more satisfied and comfort for paying while purchasing product.*
- *Customers feeling more secured when purchasing through Online because of different policies and services they have.*
- *Most of them are satisfied with the services of Online Shopping and so that they succeed in retaining the customers.*
- *Advertising is an important way to have the brand and products familiar to consumers Convenience and time saving are two important factors that customer looking for while purchasing through online.*

RECOMMENDATIONS:

- *Delivery services can be improved mainly in rural areas by selecting appropriate courier service which has services in customer area for dispatching an item.*
- *Can make free delivery to all priced products.*

- *Can include more coupon codes and gift vouchers for increasing the traffic of the customers.*
- *Out of stock items can made available as soon as possible and intimate the needed customers.*
- *Critical mass of Internet users–Internet users in India is increasing at increasing rate, so Online Shoppers can target more & more cities i.e not only tier 1 & 2 but also tier 3 & 4 cities, which will help generate stronger customer base & more revenues.*
- *Should clearing focus on the Growing Online Apparel business & it can diversify into apparel category either organically or inorganically by acquiring other portals.*
- *User Experience: Portal should continuously aim to work to improve the user experience by adding more & more innovative features in the website like virtually shopping basket, virtual trial rooms. In this competitive world to differentiate via user experience, the ultimate winner will be the Indian online consumer.*
- *Should comprehensively invest into E-CRM & online reputation management.*
- *Logistics & Supply Chain: can continuously aim to reduce the delivery time cycle.*

CONCLUSION:

The thorough study is based on the consumer behavior analysis which serves a great idea regarding consumer perception when they go for online shopping. In order to satisfy themselves consumer perceive many things before buying products and they will be satisfied if the company meet their expectations. The Overall Brand Value of Online Purchases is good, but it is facing some tough competition from its global competitors. Talking about domestic market i.e India, it is the most superior E-business portal which is aggressively expanding & planting its roots deep into the Indian market & at the same time shifting the mind-set of the people from going & shopping from physical store to online stores, which is magnificent. Be very focused on consumers and build amazing

experiences for the customers.

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