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Factors Affecting Online Shopping Preferences among Young Adults in Bengaluru

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ABSTRACT

E-commerce's development has revolutionized the retail sector and had a big impact on how customers shop. Online shopping has quickly gained popularity among young adults, especially those in large cities like Bangalore, because of its price, ease, and extensive selection of products. However, their shopping habits are influenced by a number of factors, including payment security, product quality, shopping satisfaction, and trust in online transactions.

The objective of this study is to explore the main variables influencing young adults' preferences for internet shopping in Bangalore. A structured questionnaire was used to gather data from 60 respondents as part of a quantitative research method. Descriptive statistics and correlation analysis in SPSS were used to analyse the data and look at the connections between overall happiness, trust in online payments, and frequency of shopping.

The findings show that most respondents gave their shopping experience a positive grade, indicating typically high levels of satisfaction. Shopping frequency and satisfaction, however, do not significantly correspond with trust in online payments, indicating that other criteria like price, convenience, and product diversity may have a bigger impact. These results provide e-commerce companies with insightful information to enhance user experience and customer retention.

Keywords: Consumer Preference, Consumer Satisfaction, Digital Payments, E-commerce, Shopping Behaviour, young adults.

INTRODUCTION:

Background Of the Study:

How customers engage with businesses has changed significantly as a result of the digital revolution, especially in the retail industry. The rise of e-commerce platforms has improved the efficiency, convenience, and accessibility of shopping. Traditional brick-and-mortar stores have been replaced by online shopping platforms like Amazon, Flipkart, Myntra, Meesho, and Nykaa, which now dominate the Indian e-commerce market, as a result of the growing use of smartphones and the internet.

The e-commerce industry in India is predicted to develop at one of the fastest rates in the world, reaching \$200 billion by 2026 (IBEF, 2023). Young customers, especially those between the ages of 18 and 30, are mostly responsible for this growth since they are more accustomed to using mobile apps, online payment methods, and digital transactions. In urban areas, this tendency is especially noticeable.

The acceptance and growth of online purchasing have been significantly influenced by young adults. E-commerce has become widely accepted due to a number of factors, including discounts, ease of use, the availability of international brands, and the ability to compare costs. Online shopping has become an essential aspect of daily life in Bangalore, where students and young professionals make up a sizable segment of the population. According to a recent Statista (2023) poll, 45% of young Indian customers make numerous online purchases each week, and over 75% of them shop online at least once a month. Online buying has been made easier by the quick growth of digital payment systems like PhonePe, Google Pay, Paytm, and UPI (Unified Payments Interface), which make transactions safe and easy.

Although the rise of e-commerce has been the subject of numerous studies, little research has been done specifically on Bangalore's young adults' online purchasing habits. The majority of previous research has addressed national trends in general, without delving into the particular issues and demands of young urban consumers.

By investigating the particular elements that affect young adults' online shopping preferences in Bangalore, such as their frequency of purchases, level of happiness, and faith in digital payments, this study seeks to close this gap. E-commerce platforms would benefit greatly from the findings, which will help businesses better understand their customers and adjust their marketing tactics.

Problem Statement:

With its unmatched ease and wide selection of products, e-commerce has completely changed the retail scene. But even if young consumers are adopting online shopping at a quick pace, a number of issues and worries still influence their purchasing habits.

Despite being early adopters of digital trends, young adults in Bangalore, a significant IT hub and startup ecosystem, continue to have doubts about the security of online payments and e-commerce platforms. Due to concerns about product legitimacy, fraud threats, and inconsistent customer support, many people are still hesitant to make expensive purchases online. Customer dissatisfaction has also been exacerbated by return rules, refund delays, and differences in the quality of the displayed and actual products.

The ambiguity around the security of digital payments is another problem. Mobile wallets and the Unified Payments Interface (UPI) have sped up and simplified transactions, but worries about phishing scams, illegal transactions, and data breaches still exist. Despite the growing use of digital transactions, research shows that many customers still prefer cash-on-delivery (COD) as a safer payment method.

Young consumers' buying frequency and satisfaction levels also differ greatly depending on a variety of criteria, including lifestyle, spending power, income levels, and special offers. While some people shop often for necessities and lifestyle items, others only buy sometimes in response to sales and discounts. What specifically motivates young adults to shop online and how do their experiences affect their level of pleasure are still the fundamental questions.

Objectives:

The purpose of this study is to:

1. Determine the main factors influencing Bangalore's young people' preferences for shopping online.
2. Analyze the connection between overall satisfaction and the frequency of purchases.
3. Examine whether shopping behaviour is greatly impacted by trust in online payments.

Hypotheses for Research:

The following theories are examined because correlation analysis is used in this study:

- Frequency of Purchases and Contentment:
H₀ (Null Hypothesis): Frequency of shopping and satisfaction do not significantly correlate.
H₁ (Alternative Hypothesis): Frequency of shopping and satisfaction are significantly positively correlated.
- Confidence in Online Payments & Frequency of Purchases:
H₀ (Null Hypothesis): The frequency of shopping is not much impacted by trust in online payments.
H₁ (Alternative Hypothesis): The frequency of shopping is greatly influenced by trust in online payments.
- Confidence in Online Payments & Contentment:
H₀ (Null Hypothesis): Online shopping happiness is not much impacted by trust in online payments.
H₁ (Alternative Hypothesis): Online shopping happiness is strongly influenced by trust in online payments.

LITERATURE REVIEW:

According to Ms. Shipra Mathur. (2021), "Shopping online because it is "trending"" as she quotes, it was observed that along with factors such as convenience etc, online shopping was adopted by many specially youngsters as part of following a trend and it has grown since.

According to an article by Jeanne Courter, in this day and age, free and no hassle returns are expected by consumers today especially when it comes to online purchases. Long gone are the days where it was an optional service, its importance has grown so much that it can make or break your customer satisfaction, retention and loyalty. Thus, a seamless return process is a double-edged sword which is to be used wisely.

According to a report by the Future Crime Research Foundation, it was found that nearly half of the cyber crime's cases reported were reported to be UPI frauds which was 47.25% during January 2020 and June 2023. Thus, this pervasive distrust leads many consumers to prefer cash-on-delivery (COD) especially for expensive and high value items to navigate the risk that come with online transactions.

According to research by Dr. Sudepta Banerjee & Dr. Sunita Kharate & Rupali P. Gawande (2023), it was found that the intention to shop online is highly influenced by Perceived Trust (PT) while on the other hand Financial & Convenience Risk (FCR) and Product & Delivery Risk (PDR) were risk factors which negatively influenced intent of consumer to purchase online.

According to a research Rohm, A. J., & Swaminathan, V. (2004), observes that there are four shopping types, the convenience seeker who is motivated by the ease and convenience, the variety seeker who is driven by availability of alternatives; balanced buyers as the name suggest are influenced by both convenience and variety seeking and last but not the least the shop oriented shopper who are more motivated by physical store with a desire to immediately possess the goods and enjoy social interaction. From this we have a vivid idea about the types of shoppers who make up the online shopping scene.

RESEARCH METHODOLOGY

Research Design

A quantitative, descriptive approach was adopted for this research with primary data being collected through a structured questionnaire using Google Forms.

Sample Selection

Target Group: For this study, young adults from ages 18 to 30 in Bangalore were taken into consideration.

Sample Size: A total of 60 respondents

Sampling Technique: Here, Convenience sampling is used

Data Collection

Responses on the frequency of shopping, expenditure, happiness, and trust in payments were gathered using a multiple-choice questionnaire.

Data Analysis

- Descriptive statistics for data analysis (mean, median, mode, and standard deviation).
- Analysis of correlation (Pearson's correlation).
- Using correlation significance (p-values) for hypothesis testing.

Data Analysis and Discussion

Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
How often do you shop online?	60	1	4	2.47	1.157
On a scale of 1-5, how satisfied are you with your online shopping experience?	60	1	5	3.83	.763
Do you feel secure making online payments?	60	1	3	1.60	.616
Valid N (listwise)	60				

Interpretation:

Frequency of Purchases (How often do you shop online?)

The mean is 2.47 suggesting that on average respondents shop between once a month to 2-3 times a week.

The standard deviation = 1.16, showing a moderate variation in shopping frequency, some shop more frequently while others shop when compared.

The minimum value being 1 and the maximum value being 4 shows that while some respondents shop very rarely, other respondents shop quite frequently.

Young adults in Bangalore do shop online regularly but not everyone does it in the same frequency. Some shop rarely while others do it more and there could be different factors influencing shopping frequency.

Satisfaction with Online Shopping (Scale of 1-5, where 5 = Very Satisfied)

The mean is 3.83, suggesting that respondents are mostly satisfied with online shopping (as its closer to 4 than 3).

The standard deviation being 0.76, means that there is not much variability in satisfaction-----most of the responses were close to the mean that is satisfaction levels are relatively stable with fewer extreme opinions involved.

The minimum and maximum value being 1 and 5 respectively show that some respondents are extremely dissatisfied while some respondents are completely satisfied and happy with their online shopping experience.

Confidence in Online Payments (Trust in Making Digital Transactions: Yes/No Scale)

The mean is 1.6 which suggest that trust in online payments is not very high but is simply moderate.

The standard deviation being 0.062 show that there is some variation in the responses, some trust online payments and are comfortable with it while others not so much.

The minimum value is 1 while the maximum value is 3 meaning that some respondents have very low confidence in online transaction and prefer cash on delivery or all in all offline transactions, some have high confidence in online payments.

Not all young adults have confidence in online payments, some may prefer COD even though digital payments such as UPI, Google Pay, Paytm are widely and easily available, concerns over cybersecurity, failed transactions, frauds etc. still impact trust and influence the trust that people have in online payments.

Correlations

Correlations

		How often do you shop online?	On a scale of 1-5, how satisfied are you with your online shopping experience?	Do you feel secure making online payments?
How often do you shop online?	Pearson Correlation	1	.147	.147
	Sig. (2-tailed)		.261	.261
	N	60	60	60
On a scale of 1-5, how satisfied are you with your online shopping experience?	Pearson Correlation	.147	1	.036
	Sig. (2-tailed)	.261		.784
	N	60	60	60
Do you feel secure making online payments?	Pearson Correlation	.147	.036	1
	Sig. (2-tailed)	.261	.784	
	N	60	60	60

Interpretation

We understand that Pearson's Correlation Coefficient (r) evaluates the strength and direction of relationship between two variables and that the Significance Value (p-value, Sig. 2-tailed) show us if the correlation is statistically significant. From our analysis it is observed that for the frequency of purchase & satisfaction the r is 0.147 which means that it has a weak positive correlation and the p-value (Sig. 2-tailed) being 0.261 > 0.05 further show that it is not statistically significant.

Similarly, Frequency of Purchases & Confidence in Online Payments gives r (Correlation Coefficient) 0.147 again means that it has a weak positive correlation and the p-value (Sig. 2-tailed) being 0.261 > 0.05 further show that it is not statistically significant.

Last but not the least for Satisfaction & Confidence in Online Payments, the r (Correlation Coefficient) is 0.036 showing that it has very weak correlation and the p-value (Sig. 2-tailed) is 0.784 > 0.05 thus is not significant statistically.

Results of Hypothesis Testing:

For the first hypothesis, as the p value is greater than 0.05 (0.261 > 0.05), we accept the null hypothesis that frequency of shopping and satisfaction are not correlated.

As for the second, similarly as the the p-value is greater than 0.05 (0.261 > 0.05), thus we fail to reject the null hypothesis that the frequency of shopping is not much impacted by trust in online payments.

Last but not the least, the p-value being greater than 0.05 (0.784 > 0.05), we accept the null hypothesis that trust in online payments does not greatly impact the frequency of online shopping.

CONCLUSION.

The purpose of this study was to investigate the variables influencing Bangalore's young adults' preferences for internet shopping. The results show that a number of important factors, such as frequency of shopping, contentment, confidence in online payments, and intention to buy again, significantly influence how customers behave in the e-commerce industry.

Customer satisfaction and frequency of shopping were found to have a weakly positive connection, indicating that although customer happiness may promote more purchasing, other outside factors (such price and product diversity) probably have a greater impact.

The association might not hold true for all young shoppers, though, as the link was not statistically significant.

The findings showed a weak relationship between people's faith in online payment systems and how frequently they shop online. This suggests that the majority of young adults in Bangalore already have a certain amount of faith in digital payment systems, and security concerns do not always have an impact on their purchasing decisions.

Trust in online payments was found to have a very weak negative connection with satisfaction, indicating that overall contentment with online buying is not considerably impacted by payment security issues. Rather, elements like product quality, delivery time, and return guidelines might have a greater impact on customer satisfaction.

Young individuals favor platforms that provide competitive pricing, promotions, and a large selection of products, according to the report. A seamless checkout process, convenience, and simplicity of navigation are important factors in determining consumer preference.

Recommendation:

1. Increasing Client Contentment

Use AI-driven suggestions based on past purchases to improve individualized shopping experiences. Enhance post-purchase services, like easy return policies and improved customer service.

To lessen customer unhappiness brought on by false expectations, e-commerce platforms should continue to be transparent in their product reviews and descriptions.

2. Increasing Confidence in Online Transactions

Although platforms should keep improving payment security by providing several trustworthy payment gateways and two-factor authentication for high-value transactions, trust in online payments is not a significant obstacle.

Offering a "Money-Back Guarantee" or insurance on expensive goods might boost customer confidence even further. Consumers' trust in digital transactions can be strengthened by educating them about safe online payment methods.

3. Promoting Increased Frequency of Purchases

Putting in place loyalty plans or special incentives for regular customers may promote recurring business. To increase interest, flash sales and seasonal reductions should be carefully advertised. Offering Buy Now, Pay Later (BNPL) options in collaboration with fintech companies may appeal to young folks seeking flexible payment options.

4. Resolving Issues for Future Development

ensuring a flawless mobile purchasing experience because the majority of young folks purchase online using smartphones. enhancing logistics and providing options for expedited delivery to cut down on delivery times. In order to serve Bangalore's diversified customer base, platforms should prioritize local language support and improved user interface (UI) design.

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