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RESEARCH PAPER

Consumer's Behaviour towards Online Second Hand Market with Reference to Quikr

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ABSTRACT

Past half decade, the second hand market is growing with high volume in India. According to Assoc ham Report-2014, 'with growing consumerism and disposable income, India's used goods market is likely to touch Rs. 1,15,000 crore by 2015. In India, online sale and purchase of second-hand products is on the rise after the ingress of second-hand ecommerce businesses like Quikr, OLX, etc. Quikr is a free-to-use website for consumer to consumer (C2C) online auction of second hand goods. The present study aimed to identify the buyer behaviour towards online second hand market with reference to Quikr. The population of this research consisted of online shoppers from Hyderabad. The sample of the study comprised of 100 online shoppers.

Key words: Buyer Behaviour, Online second hand market, Used goods, Quikr, Influencing factors

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INTRODUCTION

Past ten years back, the second hand market in the country was primarily driven by local specialized second hand zones through offline mode like Chor Bazaar in Mumbai, Daryaganj in New Delhi, Nampally Bazar in Hyderabad, etc., Now in India, sale and purchase of second-hand products is turned into online and is on the rise after the ingress of second-hand e-commerce businesses like Quikr, OLX, eBay, etc. Due to the present economic slowdown, majority of the household are looking for cheaper alternatives for everything. For largely floating community of young professional in metropolitan cities unwilling to compromise on their life style needs. People are more likely to buy consumer goods like electronics items, textbooks, DVD, used cars, motorbikes or the industrial machinery in the capital goods sector, etc., in the second hand online market. The second hand market offers a more convenient and financially viable means of shopping. The entire second hand market is slowly moving from highly fragmented business to a more organised avatar. With economy slowing down and cost of capita remaining high, the volume of India's second hand and recycled market including consumer products, automobile and industrial raw material and machinery, was gown up to Rs. 1,15000 crores in 2015 from Rs. 80000 crores in 2014.

INDIAN ONLINE SECOND HAND SITES

Due to the changes in regular lifestyle, customers have been preferred to buy products through online instead of doing so in person. It save them time and helps in search of a wider range below possibly comparative pricing. In India, more and more ecommerce platforms will be offering the customers varieties of branded used products and this leads

to a high growth in previously-owned goods market day by day. Below is a list of some of the websites which allow selling used products through online and offer buying second hand things there itself. In other words, they help meeting buyer and seller.

1. Ebay
2. Second Hand Mall
3. Juna Bazaar
4. OLX
5. Quikr

REVIEW OF LITERATURE

Soonyong Bae, Taesik Lee (2010) the study observed that the effect of online consumer reviews on consumer's purchase behavior. Particularly, they have examined the gender impact and gender differences in responding to online buying decision. According to the results, the effect of online consumer reviews on purchase intention is stronger for females than males. The negativity effect, that consumers are influenced by a negative review more than by a positive review, is also found to be more evident for females. These observations have practical implications for online sellers to guide them to effectively use online consumer reviews to engage females in online shopping. Isaac J. Gabriel (2007) the author studied the online perception of the online consumers' on risk and will reveal a "cognitive map" of the customers attitudes and perceptions to online risks. It was accomplished by composing a master list of online hazards and activities, measuring current level of perceived risk, desired level of risk, and desired level of regulation associated with them, composing a master list of online risk characteristics, determining online risk dimensions, and revealing position of each online hazard or activity in the factor space diagram. A factor space diagram captures a graphical representation of the results of the factor analysis. This study is still in progress and results are not available yet. Peter Kerkhof, and Bob M. Fennis, Guda Van Noort, (2007) the authors conducted two experiments, the impact of shopping context on consumers' risk perceptions and regulatory focus was examined. They have identified that the individuals are feeling about the online (vs. conventional) shopping environment's more risky and that an online shopping environment, by its risky nature, primes a prevention focus. The findings of the study show these effects by using self-report measures for risk perception and prevention focus. The second observation replicated these results and established that the effect of an online shopping environment carries over to behaviour in a domain unrelated to shopping. Knawel Gurley (2012) the study focused on the understanding of demographic profiles of adopters and non-adopters of online shopping. For this purpose, the data from 400 respondents has collected through structured questionnaires. The study conducted in there major cities of Punjab state, a sample of urban respondents were selected from the Jalandhar city, Ludhiana city and Amritsar city. The paper also analysed the various reasons for adoption and non-adoption of online shopping.

STATEMENT OF THE PROBLEM

The sale and purchase of second-hand products is turned into online mode in India and is on the rise after the ingress of second-hand e-commerce businesses like Quikr, OLX, eBay, etc. For the past half decade, the second hand e-commerce market is increasingly attracting the customers not only from the urban also from semi-urban areas in the country. The second hand market was worth about Rs. 60,000 crore in 2011, it went up to Rs. 69,000 crore in 2012, Rs. 80,000 crore in 2013 and Rs. 1,15,000 crore in 2015 with the compound annual growth rate of about 15%. Therefore there is a requirement to investigate the buyer behaviour towards online second hand market which helps to the upcoming entrepreneurs to focus on the identified aspects at the initial stage of the business.

SCOPE OF THE STUDY

The scope of the present study is restricted to investigate the buyer behaviour towards online second hand market with reference to Quikr in India. The primary data has collected from Hyderabad city and Nalgonda city (Semi-urban) in Telangana State to analyze the buyer's behaviour about second hand market.

OBJECTIVES OF THE STUDY

1. To investigate the factors influencing the buyers towards online second hand products.
2. To study the association between buying behaviour and the demographic variables of the respondents.

HYPOTHESIS

1. H_{01} : There is no significant association between income and buying of second hand products through online.
2. H_{02} : There is no significant association between age and buying of second hand products through online.
3. H_{02} : There is no significant association between family size and buying of second hand products through online.

RESEARCH METHODOLOGY

The study is based on primary data. The primary data has collected directly from the respondents who belong to urban and semi-urban areas using structured electronic questionnaire. As known population, the study has adopted the 'simple Random sampling' technique to select the samples. The proposed sample size of the study is 175 respondents (who buy the goods through Quikr in a single day) from Hyderabad city, Telangana state whereas only 164 respondents were responded to my online questionnaire. The primary data which was collected from the respondents is tested using various statistical tools like mean, standard deviation, Chi-square, Descriptive, and Garrett Ranking method to get the results in a scientific way. The sample size is based on the **Robert V Krejcie and D W Morgan** formula which is given below.

$$S = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

S= required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level i.e. 3.841(1.96x1.96).

N= population size (321 who buy the goods in a single day through Quikr)

P= the population proportion (assumed to be .50 since this would provide the maximum sample size)

d= degree of accuracy expressed as proportion (0.05)

$$\text{Therefore; } \frac{3.841 \times 321 \times 0.50 (1-0.50)}{(0.05)^2(321-1) + 3.841 \times 0.50(1-0.50)}$$

$$S = \underline{175.11}$$

ANALYSIS

The questionnaire link was sent to 175 respondents who buy the various used goods in a single day through Quikr. Around 164 respondents were responded to my online questionnaire. However the present study contains 164 sample respondents. Most of the respondents were male (58.53%) and the rest female (41.47%). Additionally, 38% of the respondents were below 20 years old, while 43% of the respondents were comes under the age group of 21-30 years. The majority of the respondents (73.7%) were completed

the graduation. It is observed that majority of the respondents (48.7%) were occupied with private jobs followed by students and 53% of the respondent's monthly income is below Rs. 15000. Around 60.36% of the respondent's family size is up to 8 members.

Table 1: Demographic Results

Variables	Characteristic	Frequency	Percentage (%)
Gender	Male	96	58.53
	Female	68	41.47
	Total	164	100
Age	Below 20 years	63	38.41
	21-30 years	71	43.29
	31-40 years	19	11.58
	41-50 years	11	6.70
	More than 51years	0	0
	Total	164	100.0
Educations	Un Educated	0	0
	Below 10 th class	0	0
	Intermediate	5	3.04
	Graduation	121	73.78
	Post Graduation	38	23.17
	Total	164	100.0
Occupation	Student	41	25
	Private Job	80	48.78
	Government Job	6	3.65
	Business	18	10.97
	Homemaker	19	11.58
	Total	164	100.0
Income	No income	21	12.80
	below Rs. 15000	96	58.53
	Rs.15001- 30000	36	21.95
	Rs.30001- 45000	11	6.70
	Rs.45001-60000	0	0
	Total	164	100
Marital Status	Married	73	44.51
	Un-married	91	55.48
	Total	164	100
Family Size	up to 4 members	47	28.65
	up to 8 members	99	60.36
	up to 10 members	18	10.97
	More than 10	0	0
	Total	164	100

Source: Primary Data

WHY CUSTOMERS BUY THE USED PRODUCTS?

Table 2: Customers influencing factor towards used products

Factor	I	II	III	IV	V	Total Score	Total	Mean	Rank
Low income	324	121	20	21	11	497	164	5.07	IV
Less expensive						519	164	5.11	III
Temporary purpose	397	141	38	11	9	596	164	5.56	I
Low Risk	361	147	26	7	4	545	164	5.25	II
No tax on goods	315	109	23	24	12	483	164	4.84	V
Environment protection	286	118	16	27	29	476	164	4.69	VI

Source: primary data

Table 2 narrates the customers influencing factors towards used products. Based on the below table, it is identified that 'Temporary Purpose' is the most influencing factors of the customers to buy the second hand products in the market followed by 'Low Risk', Less Expensive' and 'Low Income'. It is observed that 'Tax on Goods' is not the considerable factor. Therefore, it is suggested that the Government has to think about the chances to impose the little tax on buying of second hand products to create the revenue.

WHY CUSTOMERS BUY THE USED PRODUCTS THROUGH ONLINE?

Table 3 shows the customers influencing factors towards online market to buy the used products. It can understand that 'Branded Products at low Price' is the most influencing factors of the customers towards online market to buy second hand products. It is observed that online (Quikr) company 'Promotional Activities', are also an influencing factors to buy the used goods through online market. It is suggested that the second hand online company like Quaker has to focus on promotional activities to attract the more customers.

Table 3: Customers influencing factor towards online to buy used products

Influencing Factors	I	II	III	IV	V	Total Score	Total	Mean	Rank
Availability of branded products at low price	418	118	16	27	29	607	164	5.87	I
Varieties of products	308	149	35	29	18	539	164	5.17	III
Guaranteed products	287	128	29	34	19	497	164	5.03	IV
Warranty service	301	110	27	19	22	479	164	4.89	V
Easy access	288	121	19	25	18	471	164	4.81	VI
Promotional activities	321	181	41	17	26	587	164	5.61	II

Source: Primary data

AGE AND BUYERS BEHAVIOUR TOWARDS USED PRODUCTS

Table 4 demonstrates the varieties of used products preferred by different age group respondents through online. It is identified that 'Mobile and Tablets' were being purchased by the below 20 years age group whereas 'Home Appliances' were purchased by the 21-30 years age group. It is identified that the respondents whose age is more than 50 years were not interested to buy the second hand products through online. It is also identified that the age of customers who were being purchased the second hand products through online is below 30 years. Therefore, it is concluded that the online companies has to target the youngsters'.

Table 4: Age and buyers behaviour towards varieties of used products

Age	Electronic Appliances		Home Appliances		Cars and Bikes		Mobile and Tablets		Real estate		Total	%
< 20 years	3	5%	0	0%	21	33%	39	62%	0	0%	63	38.41
21-30 years	21	29%	34	48%	2	3%	14	20%	0	0%	71	43.29
31-40 years	9	47%	7	37%	3	16%	0	0%	0	0%	19	11.58
41-50 years	0	0%	0	0%	2	18%	0	0%	9	82%	11	6.70
> 50 years	0	0%	0	0%	0	0%	0	0%	0	0%	0	0
Total	33	20%	41	25%	28	18%	53	32%	9	5%	164	100%

Source: primary data

INCOME AND BUYERS BEHAVIOUR TOWARDS USED PRODUCTS

Table 5 demonstrates the varieties of used products preferred by different income level respondents of the study. It is identified that 'majority of the respondents (59%) who brought the used goods through online mode are earning below Rs. 15000 pm. It is also identified that the upper income holders i.e. 45000 and more were not interested to buy the second hand products. It can be also understood that middle-class people are buying

home appliance through online mode. Therefore, it is concluded that the income is considerable factor to buy the second hand products through online products.

Table 5: Association between Income and preferable second-hand products

Income	Electronic Appliances		Home Appliances		Cars and Bikes		Mobile and Tablets		Real estate		Total	%
No Income	0	0%	6	29%	0	0%	15	71%	0	0%	21*	12.80
< Rs.15000	26	27%	48	50%	4	4%	18	19%	0	0%	96	58.53
Rs.15001-30000	7	19%	25	70%	0	0%	4	11%	0	0%	36	21.95
Rs.30001-45000	4	36%	7	64%	0	0%	0	0%	0	0%	11	6.70
Rs.45001-60000	0	0%	0	0%	0	0%	0	0%	0	0%	0	0
Total	37	23%	86	52%	4	2%	37	23%	0	0%	164	100%

*students and homemakers (source: primary data)

Family size and Buyers BEHAVIOUR towards used Products

Table 6 reveals the varieties of used products preferred by different family size respondents of the study. It is identified that 'majority of the respondents (60%) family size is up to 8 members. Based on the family size majority of the respondents were brought home appliances followed by mobile and tablets. Therefore, it is concluded that the family size is a considerable factor to buy the second hand products through online products.

Table 6: Association between the family size and preferable second-hand products

Family size	Electronic Appliances		Home Appliances		Cars and Bikes		Mobile and Tablets		Real estate		Total	%
up to 4 members	14	30%	19	40%	0	0%	14	30%	0	0%	47	28.65
up to 8 members	22	22%	41	41%	0	0%	36	36%	0	0%	99	60.36
up to 10 members	1	2%	4	22%	4	22%	9	50%	0	0%	18	10.97
More than 10	0	0%	0	0%	0	0%	0	0%	0	0%	0	0
Total	37	23%	64	39%	4	2%	59	36%	0	0%	164	100%

Source: primary data

Based on the Table 7 it can be identified that the significant value 0.00 is less than the standard value 0.05. Therefore, the null hypothesis is rejected and concluded that there is a significant association between income and buying of second hand products through online.

Table 7: ANOVA: association between income and buying of used products

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.923	3	1.641	23.654	.000
Within Groups	11.101	160	.069		
Total	16.024	163			

Based on the Table 8 it can be identified that the significant value 0.212 is more than the standard value 0.05. Therefore, the null hypothesis is accepted and concluded that there is no significant association between age and buying of second hand products through online.

Table 8: ANOVA: association between age and buying of used products

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.679	3	.226	1.519	.212
Within Groups	23.834	160	.149		
Total	24.512	163			

Based on the Table 9 it can be identified that the significant value 0.00 is less than the standard value 0.05. Therefore, the null hypothesis is rejected and concluded that there is a significant association between family size and buying of second hand products through online.

Table 9: ANOVA: association between family size and buying of used products

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.375	2	1.687	26.496	.000
Within Groups	10.253	161	.064		
Total	13.628	163			

SUMMARY OF FINDINGS

The sale and purchase of second-hand products is turned into online mode in India and is on the rise after the ingress of second-hand e-commerce businesses like Quikr, OLX, eBay, etc. For the past half decade, the second hand e-commerce market is increasingly attracting the customers not only from the urban also from semi-urban areas in the country. The second hand market was worth about Rs. 60,000 crore in 2011, it went up to Rs. 69,000 crore in 2012, Rs. 80,000 crore in 2013 and Rs. 1,15,000 crore in 2015 with the compound annual grow rate of about 15%. Therefore, the study focused on the factors which influence the customers to buy the used goods through online market. The findings, conclusions and suggestions of the present study were shown in below-

1. It is identified that customers are buying the second hand products for the temporary purpose.
2. It is found that 'Tax on Goods' is not the considerable factor to buy the second hand products. Therefore, it is suggested that the Government has to think about the chances to impose the little tax on buying of second hand products to create the revenue.
3. The study also identified that the availability of the branded products at low price is the major influencing factor to buy the used products through online market. Therefore, it is suggested that the companies have to make the available of the branded products in their websites and also promotional activities of the online companies' leads to the attraction of more customers.
4. As per the results, it is observed that there is a significant association between income and buying decision of the customers towards online used market. Customer's income is a considerable factor in used products buying decision.
5. As per the results, it is observed that there is a significant no association between age and buying decision of the customers towards online used market. Customer's age is not a considerable factor in used products buying decision.
6. It is observed that there is a significant no association between the family size of the respondents and customers buying decision towards online used market. Customer's family size is a considerable factor in used products buying decision.

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