A STUDY ON CONSUMER PERCEPTION TOWARDS ONLINE SHOPPING

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Abstract

Online shopping is the process of buying goods and services from merchants who sell on the Internet. Since the emergence of the World Wide Web, merchants have sought to sell their products to people who surf the Internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer Now a day, online shopping has become popular among people, they have become techno savvy and feel very comfortable in using internet. So online shopping has becoming a trend hat is why it is necessary to make a study on online shopping usage and perception. The main aim of this research is to study the perception of the customers towards online shopping and also discriminate this perception gender wise. For this purpose, with help of convenient sampling method 150 respondents were selected and data were collected through structured questionnaire. On the basis of data analysis it is found that most of the customers were perceived that online shopping is better option than manual shopping and most of the customers were satisfied with their online shopping transactions. Customers are accessing their net at their home and office/ college. Largely customers are buying clothe, electronics items and accessories. Most alarming barrier for online shopping was customers have to give their credit card number and they can't see products personally. Customers agree with the statement that online shopping is more expensive than manual shopping, its take more time to deliver the products and they are facing problems while making online purchases.

Key words: Online shopping, Customer buying behaviour, perception, gender discrimination

Introduction:

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store. An online shop evokes the physical analogy of buying products or services at a bricks-and mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are eBay and Amazon.com, both based in the United States.

The first World Wide Web server and browser, created by Tim Berners-Lee in 1990, opened for commercial use in 1991. Thereafter, subsequent technological innovations emerged in

1994: online banking, the opening of an online pizza shop by Pizza Hut, Netscape's SSL v2 encryption standard for secure data transfer, and Intershop's first online shopping system. Immediately after, Amazon.com launched its online shopping site in 1995 and eBay was also introduced in 1995.

Online shopping in India:

India's e-commerce market grew at a staggering 88 per cent in 2013 to $ 16 billion, riding on booming online retail trends and defying slower economic growth and spiraling inflation. The increasing Internet penetration and availability of more payment options boosted the e-commerce industry in 2013. E-commerce business in India is expected to reach around $50-70 billion by 2020 on the back of a fast growing internet-connected population and improvement in related infrastructure like payment and delivery systems. (DNA, 2014)

The products that are sold most are in the tech and fashion category, including mobile phones, Ipads, accessories, MP3 players, digital cameras and jewellery, electronic gadgets, apparel, home and kitchen appliances, lifestyle accessories like watches, books, beauty products and perfumes, baby products witnessed significant upward movement

India's e-commerce market, which stood at $2.5 billion in 2009, reached $8.5 billion in 2012 and rose 88 per cent to touch $16 billion in 2013. The survey estimates the country's e-commerce market to reach $56 billion by 2023, driven by rising online retail. This growth is because of aggressive online discounts, rising fuel prices and availability of abundant online options. Mumbai topped the list of online shoppers followed by Delhi, while Kolkata ranked third. The age-wise analysis revealed that 35 per cent of online shoppers are aged between 18 years and 25 years, 55 per cent between 26 years and 35 years, 8 per cent in the age group of 36-45 years, while only 2 per cent are in the age group of 45-60 years. Besides, 65 per cent of online shoppers are male while 35 per cent are female. To make the most of increasing online shopping trends, more companies are collaborating with daily deal and discount sites, the survey pointed out.

India has Internet base of around 150 million as of August, 2013which is close to 10 per cent of Internet penetration in India throws a very big opportunity for online retailers to grow and expand as future of Internet seems very bright. (Economic times, 2014) The size of India's ecommerce market in 2013 was around $13 billion, according to a joint report of KPMG and Internet and Mobile Association of India (IAMAI). The online travel segment contributed over 70 percent of the total consumer e-commerce transactions last year. (DNA, 2014) Those who are reluctant to shop online cited reasons like preference to research

products and services online (30 per cent), finding delivery costs too high (20), fear of sharing personal financial information online (25) and lack of trust on whether products would be delivered in good condition (15), while 10 per cent do not have a credit or debit card. (Economic times, 2014) The Nielsen Global Online Shopping Report shows more than a quarter indicate they spend upwards of 11 percent of their monthly shopping expenditure on online purchases.71 percent Indians trust recommendations from family when making an online purchase decision, followed by recommendations from friends at 64 percent and online product reviews at 29 percent. Half the Indian consumers (50%) use social media sites to help them make online purchase decisions. Online reviews and opinions are most important for Indians when buying Consumer Electronics (57%), Software (50%), and a Car (47%). (India social, 2014)

Theory of Consumer Buying Behaviour Process:

Consumer decision process carries five stages, starting with Problem recognition and following Information search, Evaluation of alternatives, Purchase decision and finally Post Purchase behaviour. Problem recognition starts with the perception of need and moves towards information search where consumer uses internal and external sources to analyse given information and use that information in the next step of evaluation of alternatives. While evaluating alternatives one assessing values of the products by giving weights. After evaluation of alternatives consumers move towards purchase decision where they may encounter three possibilities, from whom to buy, when to buy and do not buy. Once they have actually made the purchase now it comes to Post purchase behaviour, whether they are satisfied or dissatisfied with the purchase.

Technology Acceptance Model (TAM):

TAM is basically information system theory that covers how a user accepts and uses a technology. The model deals with the acceptance of information technology. The external factors that influence users to make a decision are- Perceived Usefulness (PU) and Perceived Ease of Use (PEOU).The degree to which a person believes that using a particular system would enhance his or her job performance is Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) is the degree to which a person believes that using a particular system would be free from effort. The main purpose of the TAM is to explain how a user accepts a specific technology. TAM has been applied to measure the impact of perceived web-security, perceived privacy, perceived usefulness and perceived ease of use on online transaction intentions (Teck, 2002). TAM was applied to assess owners/managers intention to adopt web-based supply chain management (Choong, 2003). (Chuttur, 2009)

Soonyong Bae, Taesik Lee (2010) they investigates the effect of online consumer reviews on consumer's purchase intention. In particular, they examine whether there are gender differences in responding to online consumer reviews. The results show that 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 findings 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) studied online consumers' risk perceptions and will reveal a "cognitive map" of their 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.

Guda Van Noort, M.A., Peter Kerkhof, Ph.D and Bob M. Fennis, Ph.D. (2007) In two experiments, the impact of shopping context on consumers' risk perceptions and regulatory focus was examined. They predicted that individuals perceive an online (vs. conventional) shopping environment's more risky and that an online shopping environment, by its risky nature, primes a prevention focus. The findings in Study 1 demonstrate these effects by using self-report measures for risk perception and prevention focus. In Study 2, replicated these findings and demonstrated that the effect of an online shopping environment carries over to behaviour in a domain unrelated to shopping.

Seyed Rajab Nikhashem, Farzana Yasmin, Ahsanul Haque. (2011) Studied that investigated peoples" perception of online buying tickets (e-ticketing) as well as why some people use this facility while some who do not use it stick to the traditional way to fulfil their needs. In addition, factors such as what inform peoples" eagerness and unwillingness to use internet facilities are also examined. The outcome of this research showed a comprehensively integrated framework that can be utilized by policy makers and business enterprises to understand the dynamic relationships among dimensions of perceived risk, user trustworthiness, usefulness, familiarity and confidence. Also, this study considered how price perception and internet security can be utilized to understand the consumers" perception.

Yu-Je Lee, Ching-Lin Huang, Ching-Yaw Chen The purpose of this study is to use structural equation modeling (SEM) to explore the influence of online bookstore consumers' perception on their purchase intention. Through literature review, four constructs were used to establish a causal relationship between perception of online shopping and consumers' purchase intention. Results of this study show that product perception, shopping experience, and service quality have positive and significant influence on consumers' purchase intention, but perceived risk has negative influence on consumers' purchase intention, and shopping experience is most important.

Ramin Azadavar, Darush shahbazi, and Mohammad Eghbali Teimouri. (2011) examined the factors influencing consumers' perception of online shopping and developed a causal model that explains how this perception affects their online-shopping behaviour. Research found that factors like, trust, customer service, customers' income, price of products or services and security are more important to encourage people to purchase online the computer related

products and services. In other side factors like product customization and price of product were not much effective on purchasing behaviour of the respondents. So high level of security in online marketing of computer related products and services has this potential to growth more and more to encourage people to reduce the time and cost of transaction. Most important concern regarding to online shopping is the security of transactions. The study intends to explore the understanding of consumer behaviour regarding to the direct and indirect influences of the perceptions of online shopping on consumer behaviour. Based on our analysis first, a factor analysis was conducted on the student's perception of 13 items, and three factors, "convenience, anxiety regarding security, and "poor navigation", were extracted. A model was created reflecting the direct influence of these three "perception"-related factors on behaviour or their indirect influence through consumers' attitudes.

Kanwal Gurleen. (2012) focuses on the understanding of demographic profiles of adopters and non-adopters of online shopping. For this purpose the data from 400 respondents was collected in the form of questionnaires. The study has been conducted in 3 cities of Punjab, a sample of urban respondents were selected from the Jalandhar, Ludhiana and Amritsar The paper also analyses the various reasons for adoption and non-adoption of online shopping.

4. Research Methodology

The study is explorative as well as comparative in nature. It intends to explore the consumer's perception on online shopping. This chapter focuses on research design and methodology adopted for the study. The data for the study was gathered through a structured questionnaire. A direct survey was used to collect the data for this study. All variables were operationalised using the literature on online shopping. The first part of the questionnaire included questions about Internet usage habits of the respondents such as how frequent they browse Internet, how much time they spent, purposes for Internet use, what type of products the respondents purchase online and how frequent the respondents buy products through online. The second part consisted of questions measuring all the variables including some questions which are used to measure the online shopping. All the questions were utilizing on a Likert scale ranging from 1= strongly disagree to 6 =strongly agree. The third part consisted of their demographic profile like gender, age, education and income

5. Result and Discussion

5.1. To Know the Type of Products Purchased By Consumers through Online Shopping

## 5.1.1. Type of Products Purchased Online
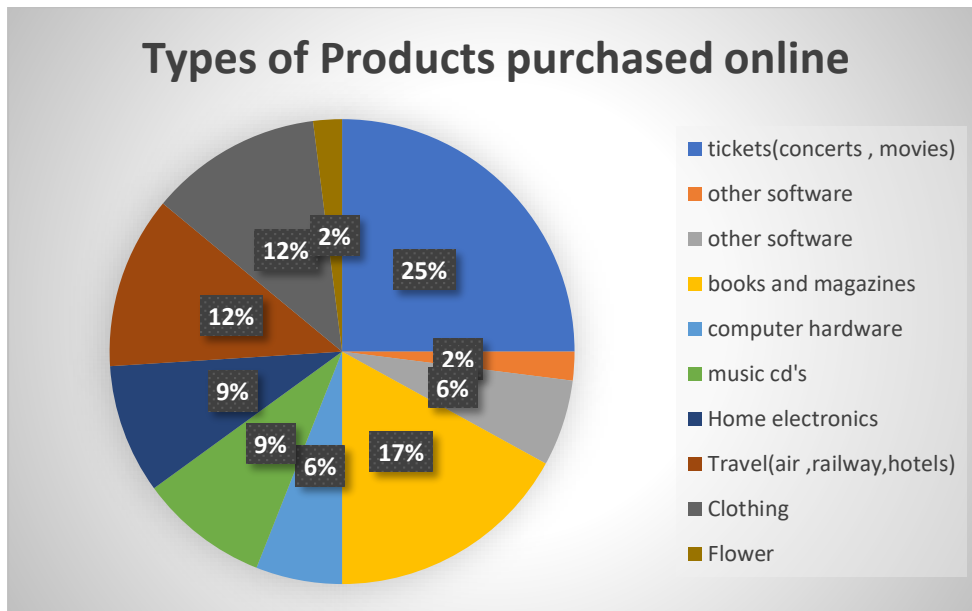
It is clearly indicated that out of the 100 people surveyed the total number of various products purchased by them online 5.6 % purchased software online, 16.74% purchased books and magazines, 6.05% purchased computer and hardwares, 8.84% purchased Music and CDs, 9.3% purchased Home Electronics, 12.09% purchased Travel services such as Airlines, rentals ,hotels, 12.09% purchased clothing, 1.86% purchased flowers, 25.58% purchased movie and concerts tickets and 1.86% purchased other products which is not listed in the questionnaire.

5.1.2. Most Products Bought Online
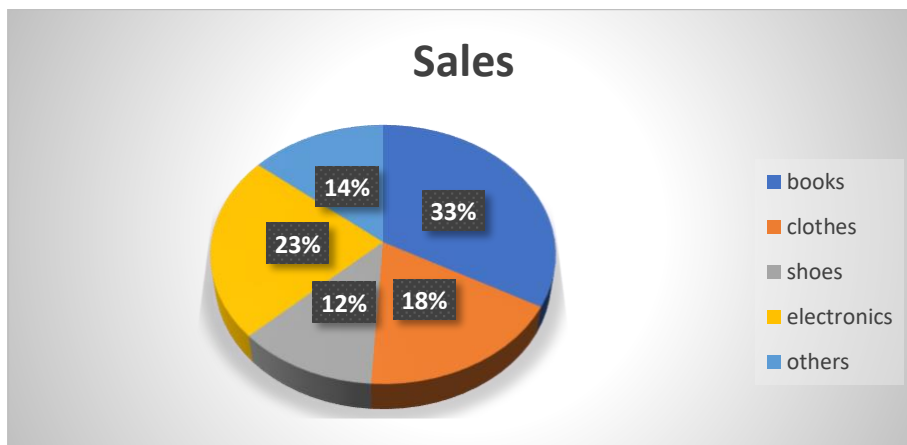
In this study, out of the 100 respondents - 33% of the respondents bought books, 23% bought by electronics items, 18% bought clothes followed by 12% purchased shoes the most and finally 14% of them responded that they purchase other kind of products.

5.1.3. Websites Used to Buy Products
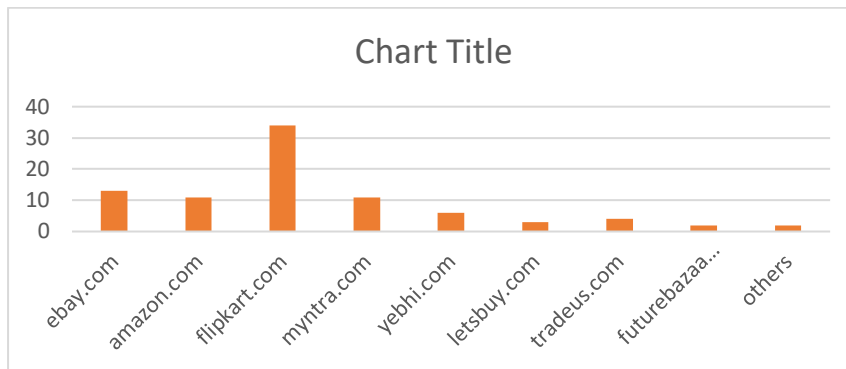
Out of 100 respondents 33.92% said that they use the flipkart.com to purchase the clothes.13.09% use ebay.com, 11.9% use amazon.com and jabong.com.9.52% use myntra.com.5.92% use yebhi.com. The least number of websites accessed by the respondents to purchase clothes online is futurebazaar.com and others

5.2. To Identify The Factors Influencing Consumer To Buy Online The reliability statistics results shows that Cronbach's alpha values is .808 (80.8%) to measure online shopping factors. The value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.798 (79.8%) which is adequate to proceed with factor analysis. In this study, 63.439% variance was explained by the 6 extracted components namely product information, online payment, convenience, customer attitude, easy accessibility and flexibility

5.2.1. Product Information

There has to be a product information in any of the standardized products which states or provides the knowledge about the product and to promote the product. A patent is a contract with the government where the inventor agrees that details of the invention be published in exchange for a period of protection for the invention. Thus every detailed knowledge about the product has to mentioned and to be informed to the consumers about the proper usage, climatic conditions, side-effects etc knowledge has to given to the consumers. It plays an important role so as to determine the acceptability of the product for usage. The items loaded on this factor is given below:

• The information given about the products and services on the internet is sufficient. (.730)

• The description of products shown on the web sites are very accurate (.726)

5.2.2. Online Payment

Online payment refers to money that is exchanged electronically. Typically, this involves use of computer networks, the internet and digital stored value systems. Online payment systems are e-commerce business allowing money transfers to be made only through the Internet. They function as fast and secure electronics alternative to traditional methods as cheques and money orders. Thus nowadays the online payment is a very big hit as all the merchants and

companies are turning towards the online shopping which is thus more convenient to the consumers as well to the business. The certain

factors which resist the consumers to make online purchase is the fishing and risk factor. Thus the items loaded on this factor is given below:-

• I could afford to pay a monthly fee to an Internet service provider in order to shop online (.745)

• Shopping online is risky (.719)

5.2.3. Convenience

Online buying and selling has become an important part of many people's lives. Students and parents rely on the internet to acquire and sell textbooks at affordable prices, virtual stores allow people to shop from the comfort of their homes without the pressure of a salesperson, and online marketplaces provide a new and more convenient venue for the exchange of virtually all types of goods and services. One of the major reasons that many of the people turn to online shopping as it due convenience in nature and as it saves lot of time and effort as compared to the real time shopping. The convenience factor depends on the particular individuals as such. Thus the items loaded on this factor is given below:-

• Shopping online would give me greater control over my shopping (.733)

• Selection of goods available on the internet is very broad (.701)

• The information given about the products and services on the internet is sufficient (.674)

• Shopping Online would allow me to get better prices when shopping (.660)

• Online shopping is as secure as traditional shopping (.641)

5.2.4. Consumer Attitude

Consumers are individuals with likes and dislikes. When the preponderance of people in a particular group feel one way or another about a product, service, entity, person, place or thing, it is said to be a generalized consumer attitude that could affect the marketing of that person, product or entity in positive or negative ways. Marketers strive to influence consumer attitudes, and understanding the prevailing attitude is the first step to changing it if needed. Thus consumer attitude is taken into very vital importance so as to know the changes required in the products with reference to the consumers. The consumer attitude will thus very from different individuals with the affect of the surrounding environment, culture or society. The items loaded on this factor are given below:-

• People who shop online have greater prestige than those who do not(.789)

• While shopping online, I hesitate to give my credit card number (.741)

• I prefer traditional/conventional shopping to online shopping (.679)

• Shopping Online allow me to have better item selection in my shopping (.639)

5.2.5. Easy Accessibility

The one of the major importance of online shopping is that due to its easy a accessibility in nature. Many of the consumers turn to online shopping only because it is very easy to use and one can make online purchase with the click of the mouse. Even though it is easy to use it also depends on the good and fast internet connection as in the rural areas the online shopping is yet to tarnish as there is lack of either power shortage or lack of connectivity. The items loaded on this factor is given below:-

• It is a great advantage to be able to shop at any time of the day on the internet (.674)

• Shopping Online allow me to have better item selection in my shopping. (.574)

• The fact that only those with a credit card or bank account can shop on the internet is a drawback (-.553)

5.2.6. Flexibility

The online shopping as of now is catching up and many predicts that online shopping will be the backbone of the business n services very soon. Every now and than business enterprises are adapting the online shopping features on their particular products and specially as it is flexible in the sense that it is being monitored and the work is being carried in a very well structured format. The introduction of various features in the concept of online shopping like that of cash on delivery, door delivery, trial and money back etc are thus adding to the context of the online shopping. The items loaded on this factor is given below:-

• Internet reduces the monetary costs of traditional shopping to a great extent (.841)

• I think shopping on the internet saves time (.562)

5.3. Decision to Purchase Online

Descriptive Statistics			
	N	MEAN	Std. Deviation
Delivery time	100	4.07	1.289
Reputation of the company	**100**	3.97	1.049
Guarantees and warranties	**100**	4.21	1.094

Privacy of the information	**100**	3.97	1.193
Nice description of goods	**100**	3.97	1.105
Security	**100**	4.22	1.079
Prices	**100**	4.26	1.088

From the above table it is clear that the price of the products have the most influencing factor on the purchase of products online with the mean of 4.26.The second most influencing factor is the security of the products with a mean of 4.22.The third most influencing factor on online purchase is Guarantees and warranties with the mean of 4.21 followed by delivery time with a mean of 4.07. Next most influencing factor is reputation of the company, privacy of the information and nice description of goods with a mean of 3.97 each.

6. Conclusion

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. The study reveals that mostly the youngsters are attached to the online shopping and hence the elder people don't use online shopping much as compared to the younger ones. The study highlights the fact that the youngsters between the age of 20-25 are mostly poised to use the online shopping. It is also found that the majority of the people who shop online buys books online as it is cheaper compared to the market price with various discounts and offers. The study also reveals that the price of the products have the most influencing factor on online purchase. The second most influencing factor is the security of the products, the third most influencing factor on online purchase is Guarantees and Warrantees followed by delivery time and the next most influencing factor is reputation of the company, privacy of the information and nice description of goods. The study 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. The study also reveals that majority of the respondent's buys clothes from flipkart.com which is thus one of the leading online shopping websites in India. On top of that the most products purchased online by the respondents is the books followed by tickets (railway, movie, concerts). 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. Understanding the young online shoppers enable the e-retailers to develop suitable marketing strategy in order to attract and convert potential customer as a active customers.

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