

STUDY ON CONSUMER PERCEPTION TOWARDS ONLINE SHOPPING IN INDORE

¹ Dr. Pankaj Chauhan, ² Nikita Purandare, ³ Dr. Shine David

¹Assistant Professor, ² Research Scholar, ³Assistant Professor

²Institute of Management Studies, DAVV Indore (M.P) India

Abstract: With the advancement of almost all spheres of technology, online shopping has emerged as a recent trend and a facility for all those who prefer the comfort of their home while they shop from daily utilities to luxuries. Online shopping not only has benefits but also certain limitations, Online shopping plays an evident role in E commerce and offers various avenues for study. Hence this study primarily aims at identifying the factors affecting the perception of online buyers in Indore and also to identify the demographic profile of consumers who shop online.

A pre- structured questionnaire was used with five point likert rating scale to measure perception of consumers. For this purpose the data from 202 respondents as collected. Convenience sampling was used to collect data from sampled respondents. The data was analyzed through the use of various statistical techniques like frequency analysis and factor analysis. Four factors have emerged out of the sample study. They are Convenience, Product Information, Security, and Order Management.

IndexTerms - Online Shopping, Perception, Frequency Analysis, Factor Analysis.

INTRODUCTION

In India the online consumer market is witnessing an unprecedented consumption boom credit to the increased and wide use of internet. At the same time, technology enhancement has increased capacity of e-retailers to collect, store, maintain, transfer & analyze huge amounts of data of their web visitors. The improvements in income dynamics along with factors like favorable demographics and spending patterns are driving the consumption demand. Nowadays, the rapid development of the Internet and its effect on daily life has introduced a new consumer profile which is referred to as the 'online consumer'.

Online shopping has become a new trend of shopping nowadays and is quickly becoming an important part of lifestyle. Due to wide spread internet access by people and e-commerce usage by traders, online shopping has seen a massive growth in recent years. Young people have been the majority shoppers online and thus this study finds out the attitude of youth towards online shopping. Online shopping is a form of e-commerce which permits consumers to directly purchase goods or services from a seller by using the Internet. Other names are: e-shop, e-store, Internet shop, web-store, virtual store and online store. An online shop arouses the physical similarity of buying products as well as services from internet shop and this process of shopping is called business-to-consumer online shopping. Online shopping is the practice in which consumers decide to buy the product through internet.

Online consumers are affected by different factors and they have different purchasing habits with respect to traditional consumers. Their buying behavior is affected by various factors like, Economic factors, demographic factors, technical factors, Social factors, cultural factors, psychological factors, marketing factors and legislative factors. Customers choose an online-shop/ website mainly based on references, clarity terms of delivery, graphic design and additional services. The reviews shared on different shopping websites are referred by various customers before they actually shop themselves. And in case the consumer is not completely convinced with the reviews or authenticity of the review they give up the online transaction and switch over to the traditional mode of shopping.

Online shopping has certain advantages over traditional shopping such as – Shopping online saves times and is open for access anytime, anywhere. The consumer can compare the price of desired product online with various other options and take an informed decision. Online Shopping gives an edge to the shopper where they can compare the advertising price and actual price. Once the purchase decision is made and the order is placed shoppers can easily track their product. Various websites and applications give facilities such as cash backs and discount coupons. People living in remote areas can purchase products of desired brands and

company without the need of visiting the retail outlet. The outlets of various brands are only based on metropolitan cities but the consumers can purchase their preferred brand online.

Apart from advantages online shopping also possess certain barrier and challenges to the online purchase aim of customers. General problems include prospect of having credit card as selective shopping websites require payment before delivery. The obscurity to confirm the reliability of the provide goods and the risk to buy a product that it would not value as much as customer pay for it. After sales problems, involved difficulty to change not working product with a new one and products warranty are not assured. Online shopping has various disadvantages such as the customers can not touch and fell of the products when they want to Purchase. The delivery time of certain products is high as compared to the retail store purchase feature and facility. Most of the shopping websites have a limit of purchase value below which the shipping charges are charged to the shopper which increases the total billing amount with a considerable amount. In addition to the genuine suppliers there is always a chance of fraud while shopping online as the process is completely based on virtual interactions. Another matter of concern remains security of internet banking password and credit card password. The lack of desired quality remains another key matter of concern in case of online shopping which can be judged by the consumer only after the delivery of the product.

There are certain factors which affect the all together such as Convenience (no traffic, crowds, 24 hour access, product selection and Delivery Mode

LITERATURE REVIEW

Lusch and Lusch (1987) suggest that in the traditional shopping environment, there are four unique characteristics of services which differentiate services from goods. These characteristics are generally summarized as intangibility, inseparability, heterogeneity and perish ability. **Quelch & Klein** (1996) conducted the study on —the internet and international marketing and revealed that trust is an important factor in determining whether an individual chooses to, or not to, acquire goods or services via the Web. **Shim** (1996) conducted the study on —Adolescent Consumer Decision-Making Styles: The Consumer Socialization Process. The Existing research of the study indicates that there are distinct factors that influence teen decision-making style. In particular, girls were found to be more concerned with novelty and fashion than boys, and girl also reported that they were more concerned with value-for-money than boys, and that they shopped as a recreational activity, which they found to be enjoyable.

Brown and Reid (1997) observed that routine tasks like shopping for groceries have become easier for customers who do not like crowds and driving the trolley around the store. **Maigan and Lukas** (1997) studied on the consumer perception towards e-shopping. The study found that internet shopping involves more uncertainty and risk than traditional shopping. Consumers' unwillingness to provide their credit card information over the web has been cited as a major obstacle to online purchases. **Rowley Jennifer**, (1998) examined that internet is becoming a hotbed of advertising, shopping and commercial Activity. **Weiber and Kollmann**, (1998) investigated that online technologies provide many competitive advantages like agility, selectivity, individuality and interactivity. **Lohse and Spiller** (1999) studied on the online shopping and it was found that online shopping is a result of convenient access to greater amounts of information that enhances customer decision making and increases market penetration for the merchants. **Bulkely and Carlton** (2000), the majority of Internet shopping behaviors consist of one-time purchases, which are mainly according to consumer's different shopping motivations, such as convenience. **Chase and Franson** (2000) in one of their study claimed that internet shopping is no different from any other innovation. It is simply a new/innovative method of purchasing products. Companies with online stores might be very interested to learn how innovative their customers are. **Steinfeld and Whitten** (2000) focused on the opportunities for firms to combine their physical presence and e-commerce channels to build trust, meet diverse consumer needs and preferences, exploit natural complementarities between virtual and physical capabilities to enhance value for buyers, and use their greater knowledge of the local community to offer more targeted products and services.

Lee Na and Zhang Ping, (2002) examined that online shopping has become the third most popular Internet activity, immediately following e-mail using, instant messaging and web browsing. **Chaing and Dholakia**, (2003) concluded in his study that shopping online offers pronounced convenience. According to **Monsuwéet al.**, (2004) the key reason why consumers shop online is also due to price comparisons. **Kotler**, (2003) described Consumer buying method as learning, information-processing and decision-making activity divided in several consequent steps: Problem identification, Information search,

Alternatives evaluation, Purchasing decision, Post-purchase behavior. **Efthymios** (2004), identified the main constituent of the online shopping experience as follows: the functionality of the Website that includes the elements trade with the site's usability. The emotional elements planned for lowering the customer's hesitation by communicating trust and credibility of the online seller and Web site and the content elements including the aesthetic aspects of the online presentation and the marketing mix. **Petrovic Dejan** (2006) in his study on Analysis of consumer behavior online explained that the most appropriate behavioral appearances of online customers and inspect the ways they find, associate and estimate product information.

Shun & Yunjie (2006) in their study revealed that there are different kinds of product, which are additional reason for increase possibility to be sold online such as book, software, electronics and music. Motive for such belongings is that when buying these kinds of products, one does not need individual examination, if not all products, can be drawn in the product explanation and descriptions. Most goods in the mobile phone family fit to this group. **Suresh et al.**, (2011) stated that online shopping is becoming popular in India now. The increase number of online shoppers is basically contributed to the E commerce advancement. **Jush** (2012) defined online shopping as the process a customer takes to purchase a service or product over the internet. A consumer may at his or her leisure buy from the comfort of their own home products from an online store. **Ling** (2012), said that customers can take enjoy online shopping for 24 hour per day. Consumers can purchase any goods and services anytime at everywhere. Online shopping is user friendly compare to in store shopping because consumers can just complete his requirements just with a click of mouse without leaving their home. **Barnes** (2013) questions the reasoning why online shopping has become so popular. Many authors (Chaing and Dholakia, 2003, Monsuwéet *al.*, 2004 and Poulter, 2013) believe one of the key reasons is convenience. **Comscore** report, (2013) examined that India is now the world's third largest internet Population. Younger males and women aged 35-44 emerge as power users. 73.8 million Indians surfed the web via a home or work computer.

Eckler, (2013) proposed that in addition to convenience, online shoppers also get boost when the parcel arrives which serves as a sentimental purpose. **Fitterman**(2013) believes, purchasing a product in-store is instantly gratifying, there is no need to wait. **Hsieh et al.**, (2013) stated that internet is influencing people's daily life more so as compared to past. **Poulter** (2013) suggested that apparently Online shopping helps in avoiding long queues yet it could be argued, the time spent checking out, paying and waiting for deliveries is more time consuming and more inconvenient than queuing.

RESEARCH OBJECTIVES

1. To study the factors affecting the perception of Online buyers in Indore
2. To identify the demographic profile of consumers who shop online

RESEARCH METHODOLOGY

Data Collection

Primary data was collected through a self-designed structured questionnaire consisting of 25 questions designed on Likert Scale.

Sample Size: Number of respondents -202

Sampling Technique: Convenience Sampling

Statistical Tool: Analysis and Interpretation done using SPSS version 21.0

DATA ANALYSIS and INTERPRETATION

1. RELIABILITY TEST

RELIABILITY STATISTICS	
Cronbach's alpha	N of Items
.863	25

Cronbach alpha above 0.7 can be used as a reasonable test of scale reliability.

2. FACTOR ANALYSIS

KMO and Bartlett's Test		
Kaiser – Meyer- Olkin Measure of Sampling Adequacy		.850
Bartlett's Test of Sphericity	Approx. Chi- Square	1753.819
	Df	300
	Sig.	.000

The value of KMO test is .850 which is between 0.5 to 1.0. Also in Bartlett's test of Sphericity the value of Chi- Square is 1753.819, Df= 300 and the value of r is .000 which is less than .05. Therefore, in this case Factor analysis is appropriate and can be used to measure the relationship between the set of many interrelated variables.

FACTORS

Factor 1: Convenience

Factor 1: Convenience		
S.No	Variables	Factor Loading
1	Ease_at_home	0.743
2	Home_delivery	0.718
3	Shop_anytime	0.711
4	Saves_time	0.619
5	Order_tracking	0.536
6	Easy_payment	0.532
7	Access_global_brands	0.503

Factor 2: Product Information

Factor 2: Product Information		
S.No	Variables	Factor Loading
1	Accurate_prod_description	0.762
2	Easy_price_comparison	0.706
3	Heavy_discounts	0.613
4	Guarantee	0.606
5	Detailed_prod_info	0.587

Factor 3: Security

Factor 3: Security		
S.No	Variables	Factor Loading
1	Privacy_of_data	0.677
2	Easy_buying_procedure	0.649
3	Secured	0.563

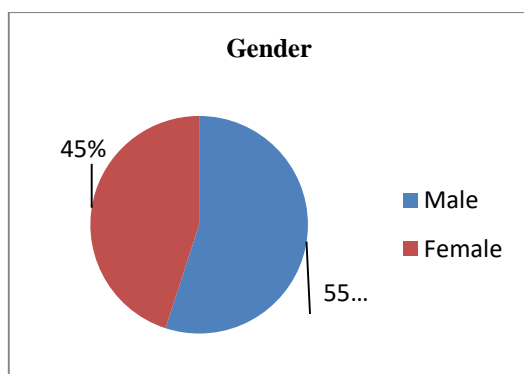
Factor 4: Order Management

Factor 4: Order Management		
S.No	Variables	Factor Loading
1	Replacement_problem	0.789
2	Finding_right_product	0.693
3	Correct_order_receiving	0.665

3. FREQUENCY DISTRIBUTION

3.1 Gender

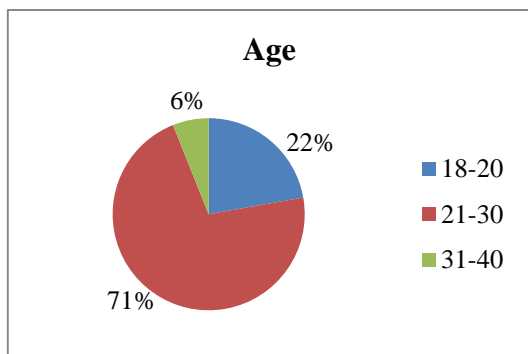
The frequency distribution provides the number of males and females that has been made the part of the sample design



Male	111	55%
Female	90	45%

The sample size of the research was 202 out of which male respondents were 111 and female respondents were 90 which contributed 55% and 45% of the total research population respectively.

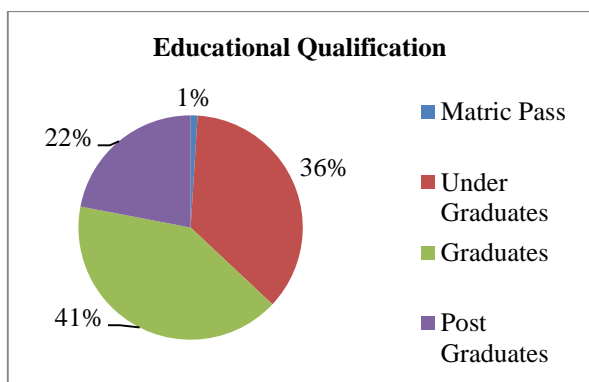
3.2 Age



18-20	45	22%
21-30	143	71%
31-40	13	6%

Larger percentage of respondents lie between the age group of 21-30 years i.e. 71% of total, 22% of the respondents are within the age group of 18-20 years and the remaining 6% lie between 31-40 years of age.

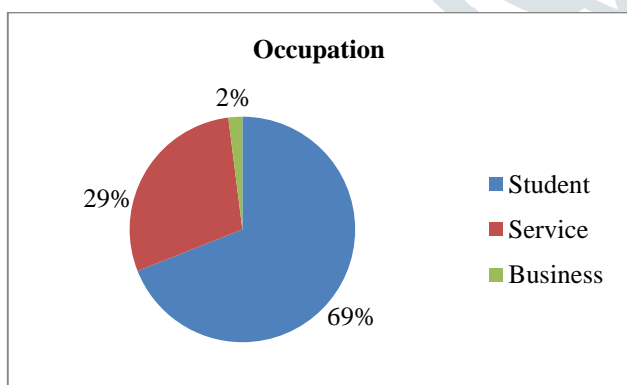
3.3 Educational Qualification



HSC Pass	2	1%
Under Graduates	73	36%
Graduates	82	41%
Post Graduates	45	22%

Out of total respondents 41% are graduates, 36% are Under Graduate, 22% are Post Graduate and only 1% belong to HSC Pass.

3.4 Occupation



Student	139	69%
Service	59	29%
Business	4	2%

Larger Percentage of respondents i.e. 69% are students of total, 29% are in service and the remaining 2% have business as their occupation.

CONCLUSION

The two objectives of this study are to know the factors affecting the perception of online buyers in Indore and to identify the demographic profile of consumers who shop online. In the study the analysis confirmed the significance of four factors influencing the perception of consumers towards online shopping in Indore namely, Convenience, Product Information, Security and Order Management.

The magnitude of perception affected by Convenience is reflected by the factor loadings of its variables. The variable "Ease at home" has highest factor loading of 0.743 among all other variable of Convenience factor, followed by "home delivery", "shop any time", "Saves time", "order Tracking", "Easy Payment" and "Access global Brands" with factors loading 0.718, 0.711, 0.619, 0.536, 0.532 and 0.503 respectively.

The next factor study was "Product Information". The variables studied under which shows highest factor loading of 0.762 for "Accurate product description" followed by "easy price comparison", "Heavy Discounts", "Guarantee" and "Detailed product information" with factor loading as 0.706, 0.613, 0.606 and 0.587 respectively.

The variables studied under Security factor are "Privacy of data", "Easy Buying Procedure" and "Secured" with factor loadings as 0.677, 0.649 and 0.563 respectively.

The Order Management Factor shows the factor loadings as 0.789, 0.693 and 0.665 for variables "Replacement problem", "Finding Right Product" and "Correct Order Receiving" respectively.

The frequency analysis showed that the majority in gender who shop online are males with 55% of the sample studies followed by female with 45% sample size. The frequency distribution based on age shows that age group of 21-30 years are most avid users of online shopping feature followed by age group of 18-20 years and last by age group of 31-40 years. Since the majority of consumers who shop online lies between 21 years to 30 years of age, this proves that most of the online shoppers are graduates and under graduates with frequency distribution of 41% and 36 % respectively followed by Post graduates with 22% distribution of the study sample.. The analysis also showed that the maximum consumers who shop online comprises of students with 69% of the sample followed by Service class with 29% and business class people with 2% of the study sample. On the basis of the study it can deduced that the Age, Occupation and Educational qualification are interrelated with each other.

REFERENCES

1. X. Zhang (2009), —Retailers' multichannel and price advertising strategies; *Journal of Marketing Science*, 28(6) pp.:1080- 1094.
2. Chiu Yu-Bin; Lin Chieh-Peng; Tang Ling-Lang, (2005), —Gender differs: assessing a model of online purchase intentions in e-tail service; *Journal of Marketing Science*, Vol. 16(5), pp. 416-435.
4. Kotler and Armstrong(2011), —Principles of Marketing, Prentice Hall.
5. Monsuwe, P.T., Dellaert, C.G Band Ruyter, and K.2004) _What drives consumers to shop online? A literature review', *International Journal of Service Industry Management* 15:1,102-121
6. Chiang, K. P., & Dholakia, R. R. (2003). Factors driving consumer intention to shop online: An empirical investigation. *Journal of consumer psychology*, 13 (1&2), 177-183.
7. Lee, N. and Zhang, P., "Consumer Online Shopping Attitudes and Behavior: An Assessment of Research," In Eighth Americas Conference on Information System.
8. Quelch, J. and Klein, L. (1996), —The internet and International Marketing; *Management Review*, spring, pp. 61-75.
9. Rowley Jennifer (1996), —Retailing and shopping on the Internet; *International Journal of Retail & Distribution Management*, Volume 24(3), pp. 26–37
10. Lohse, GL.; and Spiller.(1999), — Internet Retail Store Design: How the user interface influences traffic and sales; *Journal of Computer Meditated Communications*, Vol 5 No.2