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 that 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 vise. 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 behavior, perception, gender discrimination.

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200

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. (Economictimes, 2014) The size of India's e-commerce 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. (Economictimes, 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%). (Indiasocial, 2014)

Literature review:

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. (Kotler, 2012)

Technology Acceptance Model (TAM):
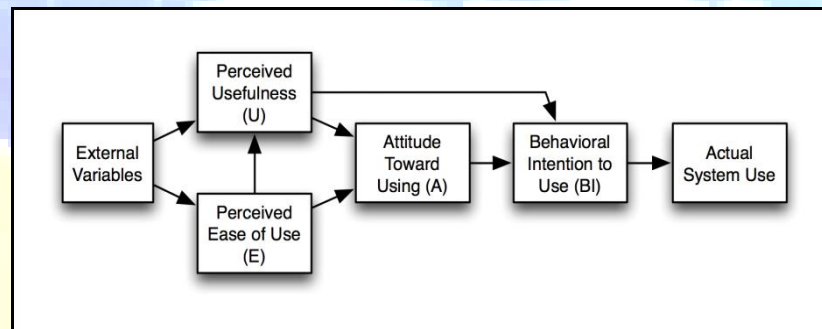
TAM is basically information system theory that covers how a user accepts and uses a technology. The model deals with the acceptance of information technology. The external factors that influence users to make a decision are- Perceived Usefulness (PU) and Perceived Ease of Use (PEOU).The degree to which 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

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203

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 behavior 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 fulfill 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 behavior. 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 behavior 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 behavior regarding to the direct and indirect influences of the perceptions of online shopping on consumer behavior. 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 behavior 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.

Research methodology and objectives

Research methodology:

Here descriptive research design was used to measure the involvement level. Convenient sampling technique was used for selecting respondents. The data were collected through structured questionnaire and sample size taken as 150 respondents from varachha region Surat. For the analysis of data various tools like tabulation, chi-square test, frequency distribution, cross tabs, and charts were used with help of SPSS software.

Research objectives:

- ✓ To know customer perception towards online shopping.
- ✓ To discriminate analysis of perception on gender basis.
- ✓ To identify customer online shopping behavior.

Table No: 2			
	GENDER		
Most purchase items	Male	Female	Total
Home	47	18	65
Office/College	36	12	48
cyber cafe	27	6	33

Result and Analysis:

other	3	1	4
Total	**113**	**37**	**150**
Source : primary data			

Table No: 1		
DEMOGRAPHIC CHARACTERISTICS		
Income (Family/ monthly)	Below 10000	35
	10000 to 25000	53
	25000 to 35000	40
	35000 to 45000	14
	Above 45000	8
	Total	150
Gender	Male	113
	Female	37
	Total	150
Age	Below 15	2
	15 to 30	123
	30 to 45	21
	45 t0 60	4
	Total	150
Occupation	Student	75
	House wife	11
	business	41
	other	23
	Total	150
Source : primary data		

(Table no: 1) give explanation about demographic profile of customers like monthly income. Gender, age, occupation.

Most of the customer are accessing internet from their home (65/150), office/college (48/150). (Table no: 2).

Table no: 3				
		Gender		
ANALYSIS OF MULTIPLE RESPONSE		Male	Female	Total
Mostly purchase through online	Clothes	43	10	53
	Electronics items	58	15	73
	Jewelries	30	16	46
	Accessories	57	15	72

	Other	14	2	16
	Total	**202**	**58**	**260**
Main problems that faced while making online shopping	Pages took too long to load that I gave up,	30	7	37
	Site was so confusing that I could not find the product	44	12	56
	Desired product was not available	29	8	37
	System logged in is compulsory	33	9	42
	Tried & failed to contact customer service	39	5	44
	Wrong/ Bad product arrived & could not return	48	12	60
	Others reasons	1	0	1
	Total	**224**	**53**	**277**
Source: primary data				

Table no: 4				
Perception Related Questions		Gender		
		Male	Female	Total
Better Option For Shopping	Online shopping	78	25	103
	Manual Shopping	35	12	47
	Total	**113**	**37**	**150**
Satisfaction With Online Shopping	Yes	73	23	96
	No	18	7	25
	Can't Say	22	7	29
	Total	**113**	**37**	**150**
Most Alarming Barriers For Online Shopping	I am worried about giving my credit card no	32	7	39
	I like to see the product in personal before I buy it	35	18	53
	The process is expensive due to access	24	5	29
	Insecurity& Net connectivity trouble	22	7	29
	Total	**113**	**37**	**150**
Online Shopping Is Expensive Compare To Manual Shopping	No	63	23	86
	Yes	50	14	64
	Total	**113**	**37**	**150**

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208

Online Shopping Delivery Of Goods Is More Time Consuming	No	30	15	45
	Yes	83	22	105
	Total	**113**	**37**	**150**
Face Any Problems While Making Online Purchase	No	35	18	53
	Yes	78	19	97
	Total	**113**	**37**	**150**
Impact On Your Online Shopping Behavior	Stopped shopping online	25	9	34
	Stopped shopping online but only for product or category of product	40	13	53
	It had no impact what so ever	45	14	59
	Others please specify	3	1	4
	Total	**113**	**37**	**150**
Amount Of Monthly Salary Spent On Online Shopping	05%	49	15	64
	08%	38	17	55
	10%	26	5	31
	Total	**113**	**37**	**150**
Source: primary data				

Conclusion:

Online shopping is becoming common in today's life. The study indicate that most of customer having experience of online shopping. Customer believed that online shopping is better option than manual shopping still they have belief that online shopping is expensive, delayed in delivery of products and service. Most of the customers are facing problems like return of bad / wrong product, confusing sites and ineffective customer service. According to, customers most alarming barrier for online shopping are unable to verify product personally, online payment security.

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