

FACTORS AFFECTING OF ONLINE SHOPPING BEHAVIOR OF CUSTOMERS: AN ECONOMICAL PERSPECTIVE

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ABSTARCT

The aim of this research paper is to examine behavior of different types of online buyers towards online shopping websites. The population of this study consists of online shoppers in Jaipur District. Respondents were selected from different gender, age groups, occupations having internet shopping experience. In this paper we try to see the significant change that have been foreseen in the field of e-shopping and the customers' preference towards e-shopping by designing a closed ended questionnaire to collect the data. Snowball sampling was used to collect data from sampled respondents. Statistical techniques such as mean, standard deviation, reliability test and regression are used in this study.

Keywords: Online buyer behavior, Perception, Shopping frequency, perceived risk.

Introduction

Online shopping behavior (also called online buying behavior and Internet shopping/buying behavior) refers to the process of purchasing products or services via the Internet. In the business to consumer (B2C) e-commerce cycle activity, consumers use Internet for many reasons and purposes such as: Searching for product features, prices or reviews, selecting products and services through Internet, placing the order, making payments, or any other means which is then followed by delivery of the required products through Internet, or other means and last is sales service through Internet or other mean. Over the past few decades, the Internet has developed into a vast global market place for the exchange of goods and services. In many developed countries, the Internet has been adopted as an important medium, offering a wide assortment of products with 24 hour availability and wide area coverage. In some other countries, such as Iran, however business-to-consumer electronic commerce has been much below than anticipated proportion of total retail business due to its certain limitations. Also, E-commerce has become an irreplaceable marketing channel in business transactions. Online stores and services are important sales channels in B2C transactions. Studying online shopping behavior of consumers has been one of the most important research agendas in e-commerce during the past decade. The research of online consumer behavior has been conducted in multiple disciplines including information systems, marketing, management science, psychology and social psychology, etc. 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. The largest of these online retailing corporations are Flipkart, Snap deal, Amazon.com, eBay etc.

Review of literature

Javadi et al (2012) used conceptual model in order to assess the effects of variables on each other by using regression analysis. Results of hypotheses testing indicated that financial risk and

nondelivery risk has negative effect on attitude toward online shopping behavior. That is, e-retailers should make their website safer and assure customers for delivery of their products. Retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. Pookulangara et al (2011) in their exploratory study examined channel switching behavior in bricks-and-mortar stores, catalogs, and the internet. They have used a sample of 547 respondents for data analysis. Factor analysis and regression test were used for data analysis. They found that attitude towards channel-switching was significantly influenced by hedonic and utilitarian beliefs in stores and catalogs. Sharma and Mittal (2009) in their study "Prospects of e-commerce in India", mentions that India is showing tremendous growth in the e-commerce. Undoubtedly, with the population of millions of people, online shopping shows unlimited potential in India. Today e-commerce is a common word in Indian society and it has become an integral part of our daily life. Van Riel et al (2001), online shopping is a complex process that can be divided into various sub processes such as navigation, searching for information, online transactions, or customer interactions. Customers are unlikely to evaluate each sub-process in detail during a single visit to an online store, but rather will perceive the service as an overall process and outcome.

Need of the study

With the growth of the e-commerce companies, the competitive advantage in quality of services in terms of certain measurable terms has become a distinctive factor. Thus, it is very important for companies to get useful feedback of their actual performance and to trace-out the area of improvement in terms of quality service.

Objectives

In the light of above review of literature and the issues raised the following are the objectives of the present study: To analyze the perception of customer towards e-commerce companies. To study the various risk factors i.e. financial risk, product risk, convenience risk, return policy. To evaluate the factors influencing preference and expectations of the customers.

Hypotheses

Ho1: There is no significant relationship between online shopping behavior and perceived risk factors-1(financial risk, product risk). Ho2: There is no significant relationship between online shopping behavior and perceived risk factors-2(Convenience risk, return policy).

Research Methodology

The purpose of the study is analyzing factors affecting online shopping of consumers. This goal has been followed by examining the effect of perceived risk (financial risk, product risk, convenience risk and return policy).

Collection of data: The study based on both primary and secondary data. The primary data collected through a structured questionnaire and by holding interview with various categories of convenience sample respondents. The secondary data collected from the published records of online companies, journals, books etc. b. Tools of analysis: The collected data recorded, analyzed and interpreted in the significant manner with the help of SPSS 21.0. The statistical tools used for the study included Reliability test, KMO test and Regression etc. c. Sample size: For the purpose of study Jaipur districts selected in the state of Rajasthan. A total of 200 respondents were covered by the study but only 90 respondents have attempted all the statements and hence, the analysis was confined to these respondents only. Due care have been taken to include varying demographic

profile to make the sample a truly representative one. The questionnaire consists of two sections. The first part consists of seven questions about demographic information of the respondents in table-1. Second part consists of twenty two statements, to study the behavior of the samples i.e. perceived risk factor (financial risk, product risk, convenience risk and return policy). (Refer appendix A). Independent variables Dependent variables - Financial risk -Shopping behavior - Product risk - Convenience risk - Return policy norms For analyzing each statement, the opinion of the online customers have been elicited on Likert five point scales ranging from Strongly Agree-5, Agree-4, No Opinion-3, Disagree-2, and Strongly Disagree-1. Period of study: The data was collected during the month of Jan 2021 to March 2021

Limitations and future direction

The survey was conducted among a group of respondents from a small district of India; the results should be interpreted with caution, particularly with respect to the generalization of research findings of Indian consumers as a whole. Next, the sample size itself is relatively small. To accurately evaluate Indian consumers' perceptions of online shopping, a larger sample size is desirable. Future research needs to focus on a larger cross section of Internet users and more diversified random samples to verify the findings of the current study. Moreover, to further studies clarity of the factors influence on online shopping, Technology Acceptance Model (TAM) or behavioral model could be used.

Conclusion

The sharp increases of Internet usage as well as the systematic progress of Information Technology have transformed the way goods are bought and sold, resulting to the exponential growth in the number of online shoppers. However, a lot of differences regarding online purchases have been revealed due to the various consumers' characteristics and the types of provided products and services. Therefore, understanding who are the ones consuming and why they choose to use or avoid the Internet as a distribution channel, is a vital issue for both ecommerce managers and consumer theorists. In this study we examined some important factors affecting online shopping behavior of the customers and can conclude that online companies should start taking measures to eliminate risk factors and build trust in this current form of retail. The result of hypothesis testing indicated that financial risk i.e. misuse of credit/debit card details, overcharged and exchange of personal information to third party; product risk i.e. malfunctioning merchandise, quality and cost aspects, unwanted push policy of e-retailers revealed the significant apprehension. Moreover positive relationship is also established with convenience risk i.e. customer can't examine the product physically, uncertainty in case of any dispute regarding online goods or services, sometimes it not an easy to cancel/retrieve the order while browsing these websites. Another flip side of this study argues is the return policy which including no money back guarantee, return the product without any frill or strings attachment and problem of free shipment especially in case of small amount of order. So the findings of this research offers a more comprehensive understanding of online customer behavior by identifying the compound effects of various external behavioral beliefs, attitude, intentions, perceived risks and social influence. Besides findings provides in-depth insight into what factors drive online customers most, how they work and what are their implications for customers and e-commerce companies.

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