



CONSUMER'S ATTITUDE TOWARDS ONLINE SHOPPING : WITH SPECIAL REFERENCE TO PERINTHALMANNA TALUK

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Abstract

Online shopping provides a good example of the business revolution.. If online marketers know the factors affecting online buyers' behavior and the relationship between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existing customers. This study focuses on factors which online buyers keep in mind while shopping online. It also investigates the awareness level of consumers towards online shopping. The study was based on primary data and a questionnaire survey was employed for getting responses from 80 respondents. Chi-square and Kruskalwallis test were used to test hypotheses and determine the degree of relationship between dependent and independent variables. The result shows that price of the product, security of payment, convenience and the product return policy are the important factors which influence consumer perception of online purchasing. The study also concluded that there is an association between frequency of purchase through online and gender of the respondents. Finally, future researches are suggested to improve the generalisability by selecting truly randomized and a larger sample size.

Introduction

E-commerce or electronic commerce is the buying and selling of goods and services over the Internet, especially the World Wide Web. Online shopping is a form of e-commerce whereby consumers directly buy goods or services from a seller over the internet. Electronic shopping is a recent phenomenon in the field of E-business and is definitely going to be the future of shopping in the world. Most of the companies are running their online portals to sell their products or services online. Online shopping is done through an online shop, e-shop, e-store, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores will provide links for extra information about their products.

Though online shopping is very common outside India, its growth in Indian market, which is large and strategic consumer market, is still in line with the global market. Globally, more than 627 million people have done online shopping so far. Online shopping trends in India are expected to continue to grow, made easier and convenient by deep penetration of mobile devices. Consumers indicate that they are likely to shop online more frequently in forthcoming years, said a CBRE India Consumer Survey 2015. A large majority of Indian shoppers anticipate spending more through both online as well as physical retail platforms in coming years. However, a much larger percentage (nearly 80%) of shoppers feels that they are likely to spend more through online shopping routes in comparison to those who expect to spend more at physical stores (Indian Consumer Survey 2015).

The Internet revolution has brought about a paradigm shift in the way things are done. The Internet and World Wide Web have dramatically changed the way consumers seek and use information. Generally speaking the trend of e-commerce has been increased rapidly in the recent years with the development of internet and due to the easy accessibility of internet usage. Online shopping is the third most popular activity on the internet after mail using and web browsing. Books, airline tickets /reservations, clothing / shoes, videos / games and other electronic products are the most popular items purchased on Internet. Benefits of e-commerce have been grown very fast because of many advantages associated with buying on internet as the lower transaction and search cost as compared to other types of shopping. Online shopping allows consumers to buy faster, more alternatives and can order products and services with comparative lower prices. Not only benefits but also risk is associated with online shopping. Generally speaking internet users avert online shopping because of credit card fraud, lack of privacy, non-delivery risk, lack of guarantee of quality of goods and services. Concerned authorities are devising policies to minimize the risk involved in e-business.

Consumer's attitude towards online shopping refers to their psychological state on terms of making purchases over the internet. The main purpose of this study is to understand the factors that may influence consumer's attitude and behavior towards online shopping. How consumers form such attitude will be also focused.

Statement of the Problem

Internet shopping has gained much popularity over the past few years. E-commerce share is 0.60% of total retail sales in 2013, 0.70% in 2014 and 0.90% in 2015. [source: e-marketer December 2015]. As a result of increasing growth of internet shopping, a large number of online shops have been set up in the recent years. Fierce competitions among these online sellers have forced them to gain the competitive edge in the field of virtual shopping. In order to survive this competition, the marketers need to identify the needs and wants of online customers and deliver products accordingly.

Even though a large number of potential customers visit online shops a number of times, they often do not make the purchase decision. So, to convert the potential customers into actual customers, the marketers need to study what are the factors which influence customers to shop online. No systematic efforts were made to study the perception of customers' towards online shopping. Hence, the present study is made in this direction taking the following objectives.

Objectives of the Study

1. To examine the consumer's awareness level towards online shopping in respect to demographic features.
2. To understand the factors influencing the consumer's preference for online shopping.

Hypotheses

H0: There is no association between frequency of purchase through online and gender of the respondents.

H0: There is no association between monthly income of the respondents and method of payment..

Significance of the Study

A highly demanding life style is compelling consumers to adopt internet shopping as an alternative to traditional shopping. Consumers are motivated to purchase products and services through online in order to save time and money. However, not all consumers are participating in online transactions. As more and more businesses continue to establish an online presence, they are finding that some consumers are still reluctant to shift in to the online purchase. There is a disparity between the number of consumers who visit a site and the number of actual purchase being made. So these non-participants may abandon the online purchase completely or fulfill the transactions in an offline setting. As such, it is important to understand the consumer's attitudes towards online shopping and what factors influence their shopping decision. With better understanding of the demography of online shoppers, marketers can gear themselves to serving their customers according to their needs and wants.

Data Analysis and Interpretation on Consumer's Attitude towards online Shopping.

In order to study the "Consumers' attitude towards online shopping with special reference to Perinthalmanna Taluk", a structured questionnaire was prepared which consists of questions covering personal, attitude, opinion and satisfaction factors. Total of 80 consumers were selected from Perinthalmanna Taluk for the purpose of the study. The consumers were asked to fill-up the questionnaire and their opinions were consolidated and suitable tables were also prepared. This tabulation helps to analyse the data in meaningful terms. The result of the analysis are presented and interpreted in the following tables and charts. The data is analysed on the basis of:

- Socio-economic profile of the respondents.
- The consumer's awareness towards online shopping.
- The factors influencing the consumer's preference for online shopping.

Socio-Economic Profile of the Respondents

The following table shows the demographic profile of the respondents. The respondents are classified on the basis of Gender, Age, Educational qualification, occupation, geographical region and monthly income.

Table1: Socio-economic profile of the respondents

Sl No.	Status	No. of respondent	Percentage
Gender			
1	Male	54	68%
2	Female	26	32%
	Total	80	100%
Age			
1	Less than 25	21	26%

2	25 – 35	32	40%
3	35 – 50	20	25%
4	Above 50	7	9%
	Total	80	100%
Educational Qualification			
1	Below S.S.L.C	2	3%
2	S.S.L.C	6	7%
3	Pre-degree/+2	37	46%
4	U.G	22	28%
5	P.G	5	6%
6	Others	8	10%
	Total	80	100%
Occupation			
1	Govt. Employee	5	6%
2	Private employee	15	18%
3	Self employee	19	24%
4	Student	13	16%
5	Professional	2	3%
6	Business	19	24%
7	Home maker	4	5%
8	Others	3	4%
	Total	80	100%
Geographical region			
1	Rural	28	35%
2	Semi- urban	32	40%
3	Urban	20	25%
	Total	80	100%
Monthly income			
1	Below 10,000	14	18%
2	10,000 – 25,000	20	24%
3	25,000 – 40,000	30	38%
4	Above 40,000	16	20%
	Total	80	100%

(Source: primary data)

4.2 The consumer's awareness towards online shopping

The awareness level of consumer's towards online shopping is measured by using the variables such as internet access of the respondents, frequency of online shopping, online shopping time, preference in websites, favourite products and payment methods.

Internet Access of the respondent

Table 2: Internet Access of the respondents

Sl No.	Internet Access	No. of Respondents	Percentage
1	Home	45	56%
2	Working place /Office	18	23%
3	Cyber Café	7	9%
4	School/College/University	4	5%
5	Others	6	8%
	Total	80	100%

(Source: primary data)

From the above table it is understood that out of the total respondents taken for the study, 56% of the respondents are accessing internet from their house, 23% of the respondents are accessing internet from their working place / office, 9% of the respondents from cyber cafe, 5% of the respondents are accessing internet from their school or college or university and 8% of the respondents are accessing internet from other places.

Based upon the study, the majority of the respondents are accessing Internet from their house only. This would be helpful for easy decision making because they can discuss with their spouse and family members.

Relationship between Frequency of online shopping and Gender

The following table shows the relationship between frequency of online shopping and gender of the respondents. The relationship is measured by using Chi-square test.

The chi-square test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

Table3: Frequency of online shopping

SI No.	Frequency of online shopping	Male	Female	Total
1	Very often	9	1	10
2	Often	11	3	14
3	Seldom	20	7	27
4	Rarely	11	8	19
5	Never	3	7	10
	Total	54	26	80

(Source: primary data)

H0: There is no association between frequency of purchase through online and gender of the respondents.

$$\text{Chi-square} = (O - E)^2/E$$

Result of Chi-square Analysis

Computed value	10.83
Table value	9.488
Degrees of freedom	4*1

Here, computed value (10.83) is greater than the Table value (9.488), hence reject the Null hypothesis. Therefore, there is an association between frequency of purchase through online and gender of the respondents.

Influence to purchase products and services

The given table describes the product purchase influences about the online mode of purchase by the respondents.

Table4: Influence to purchase products or services of the respondent

SI No :	Influenced to purchase	No. of respondents	Percentage
1	Self	44	55%
2	Husband	5	6%
3	Wife	3	4%
4	Children	4	5%
5	Friends and relatives	22	27%
6	Others	2	3%
	Total	80	100%

(Source: primary data)

Online Shopping Time.

The following table describes the online shopping time of the respondents. The respondents are making online shopping at offer time, needed time, seasonal time and free time.

Table:5 Online Shopping Time

SI No.	Online Shopping Time	No. of Respondents	Percentage
1	Offer time	55	69%
2	Needed time	17	21%
3	Seasonal time	3	4%
4	Free time	5	6%
	Total	80	100%

(Source: primary data)

Preference in Online Shopping Website.

The following table shows the respondents preference towards various online shopping websites such as amazone,flipkart,snapdeal, etc..

Table 6:Preference in Online Shopping Website

SI No.	Website	No. of Respondents	Percentage
1	Amazone.com	19	24%
2	Flipkart.com	25	31%
3	Snapdeal.com	5	6%
4	Myntra.com	6	8%
5	E-bay.com	11	13%
6	Jabong.com	3	4%
7	Futurebazar.com	2	3%
8	Indiashopping.com	3	4%
9	Yepme.com	3	4%
10	Homeshop18.com	1	1%
11	Others	2	3%
	Total	80	100%

Source: primary data

Favourite Products in Online Shopping

Table:7 Favourite Products in Online Shopping

SI No.	Products	No. of Respondents	Percentage
1	Cosmetics	8	10%
2	Mobiles and Accessories	18	23%
3	Garments/Foot wears	16	20%
4	Jewellers and Watches	4	5%
5	Grocery items	3	4%
6	Books/Magazines/News paper	10	13%
7	Electronic devices	9	11%
8	Entertainments[CDs,DVDs,games,movies]	1	1%
9	Travel arrangements [Tickets, Reservations etc..]	2	2%
10	Banking/Financial services	2	2%
11	Computer Hardware and Software	5	6%
12	Others	2	2%
	Total	80	100%

(Source: Primary data)

Relationship between Monthly income and Payment Method of the Respondents

The relationship between monthly income of the respondents and method of payment are measured by using Chi-square test.

Table8: Payment Method of the Respondents

Monthly income	Credit card / Debit card	Online Bank Transfer	Cash On Delivery	Online Money Transfer	Total
Below 10,000	2	0	12	0	14
10,000 – 25,000	4	1	15	0	20
25,000 – 40,000	3	2	25	0	30
Above 40,000	10	1	4	1	16
Total	19	4	56	1	

Source: Primary data

H0: There is no association between monthly income of the respondents and method of payment.

$$\text{Chi - square} = (O - E)^2 / E$$

Table No: 4.12, Result of Chi-square Analysis

Calculated value	24.02
Table value	16.919
Degree of freedom	3*3

It is clear from the above table that, the calculated value of the chi-square analysis (24.02) is greater than the table value (16.919). Hence, hypothesis is rejected. It can be concluded that there is an association between monthly income of the respondents and method of payment.

Place of product delivery

Table9: Place of product delivery

Sl No.	Place	No. of respondents	Percentage
1	Home delivery	30	38%
2	Post office	28	35%
3	Courier service	22	27%
4	Other	-	-
	Total	80	100%

Source: Primary data

Here, the above table shows that 38% of the respondents were getting product through home delivery, 35% of the respondents were get through post office and 27% of the respondents were get through courier service.

The factors influencing the consumer's preference for online shopping

Under this study four types of factors such as pre-purchase decision factors, on-purchase decision factors, post-purchase decision factors and other decision factors are used to find out the important or significant factor. Weighted average method is used to identify the highly motivating factor influenced by the online shopping customers in Perinthalmanna Taluk.

Table 10: Factors influencing online shopping

Sl No.	Factors	M.R	R	N	I.R	M.I.R	Total weightage	Weighted average	Rank
I.	Pre-purchase decision factors								
	Price of the product	73	7	0	0	0	393	4.91	1
	Quality of the product	71	8	1	0	0	390	4.88	2
	Availability of clear product features	40	35	4	1	0	354	4.42	7
	Easy understanding of terms and conditions	31	41	4	4	0	339	4.24	9

	Different choices of payment methods	36	42	2	0	0	354	4.43	6
	Product variety	69	11	0	0	0	389	4.86	3
	User-friendly websites	35	34	8	3	0	341	4.26	8
	Time saving to search product information	31	39	6	4	0	337	4.21	10
	Attractive discounts	57	20	3	0	0	374	4.68	5
	Availability of latest items	60	18	2	0	0	378	4.73	4
II.	On purchase decision factors								
	Delivery period	32	41	4	2	1	341	4.26	4
	Security of payment	76	4	0	0	0	396	4.95	1
	Privacy of personal information	75	5	0	0	0	395	4.94	2
	Home delivery charges	56	15	6	3	0	364	4.55	3

(Source: primary data)

Table11:Factors influencing online shopping

SI No.	Factors	M.R	R	N	I.R	M.I.R	Total	Weightage	Rank
III.	Post-purchase decision factors								
	Assurance of after sales service	68	9	2	1	0	384	4.8	2
	Product return policy	72	7	1	0	0	391	4.89	1
	Company reputation	65	12	3	0	0	382	4.78	3
	Information about new products	68	6	2	3	1	377	4.71	4
IV.	Other decision factors								
	Time saving	46	33	1	0	0	365	4.56	5
	Website quality	63	15	2	0	0	381	4.76	2
	customer support	58	19	2	1	0	374	4.68	3
	Convenience	74	5	1	0	0	393	4.91	1
	No crowded shopping environment	33	36	6	3	2	335	4.19	10
	Online advertisement.	36	30	14	0	0	342	4.28	8
	More choice of second handed items	26	24	26	3	1	311	3.89	11
	Enjoyment.	59	15	6	0	0	373	4.66	4
	Save money	50	22	8	0	0	362	4.53	6
	Previous experience.	42	29	5	3	1	348	4.35	7
	Family and friends opinion.	35	34	8	2	1	340	4.25	9

Source: primary data

Habit of visit different online stores before actual purchasing

Table12 :Respondents habit of visit different online stores before actual purchasing

SI No.	Visit different online stores	No. of respondents	Percentage of respondents
1	Yes	53	66%
2	No	27	34%
	Total	80	100%

Source: Primary data

Visit retail store before purchasing online

The following table describes the respondents' habit of visiting retail store before purchasing products through online.

Table12: Respondents habit of visit retail store before purchasing online

Sl No.	Visit retail store	No. of Respondents	Percentage of respondents
1	Yes	50	63%
2	No	30	37%
	Total	80	100%

(Source: Primary data)

Suggestions

- The Cash On Delivery (COD) system should be adopted by all online shopping websites as it is the most preferred mode of payment by online customers.
- The websites should ensure the safety and security of online transactions to gain the confidence of online customers.
- The online shopping websites should provide more promotional offers such as discount coupons, free shipping etc. to attract more customers to the website.
- The online shopping websites should make sure that home delivery for all regional customers.
- Full information regarding the product should be displayed in the website as the customer doesn't get an option to touch and feel the product.
- The product displayed in the website and the product delivered to the customer should be same without even minor differences.
- All online shopping websites should provide an option to return the product if it is damaged or does not match the product displayed without any delay.
- The online vendors should start service centers in all major cities. This could help to rectify the consumer problem within a short span of time. This will create consumer confidence on online vendors and service providers.
- Due to the technological development the service providers should implement new innovative ideas to display information about the product.

Conclusion

In the past, consumers had sufficient time to visit shopping centers, searching for various products. Many consumers prefer bargaining and decide the purchases after physical examination of the commodities. The entire process can range from a few hours to weeks depending on the product, quantity, quality and source of purchase. Today there is radical change in the entire scenario. Everything in today's world is Internet oriented like Electronic Data

Online shopping is becoming more popular day by day with the increase in the usage of internet and smart phones. Understanding customer's need for online selling has become challenge for marketers. Specially understanding the consumer's attitude towards online shopping, making improvement in the factors that influence consumers to shop online and working on factors that affect consumers to shop online will help marketers to gain the competitive edge over others.

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