

An Exploratory study of Buyer intention and behavior with regard to online shopping

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ABSTRACT

Customer choices and preferences and overall consumer attitude have always played an important role in shaping market trends and have thus influenced evolution of E-Commerce in India. However, after reaching a specific stage of development, E-tailing has also started influencing the consumer outlook at the market regarding choices of products and services and the overall shopping experience. Enhanced shopping experience, better packing, and value added services rendered by the Online shoppers have raised the expectations of those consumers who ever frequented to online shopping. With the development of the Internet revolution and the shift in buying behavior among the consumers, the increase of online shopping has become a trendy way for consumers and/or companies to trade over the Internet. This research is designed to examine the factors affecting the customer's intention and behavior towards online shopping. The main objectives of the study are- to provide a theoretical background of online shopping; to study the internet shopping behavior; to examine consumers attitude towards online shopping and identify the factors affecting online shopping behavior. The results drawn would help e-tailors to understand the mindset of the consumers and help them to prepare their marketing strategies accordingly and hence improve their revenue generation.

Keywords: E-tailing, Online buying behavior, Perceived Risk.

INTRODUCTION

The internet is providing marketers with an entirely new technique to make value for customers and build relations with them in the form of online shopping. Online purchasing is turning into one of the most convenient modes of shopping as much less time and strength is spent, less shipping fee blanketed, less

crowds and queues than real market. The history of online shopping dates to the year 1979. The origin of online shopping is linked with the invention of videotext being invented in 1979 by Michael Aldrich in the UK. Consumer behavior is defined as how persons, groups or organizations chose, purchase, use or dispose products, services, concepts or experiences that met their needs and desires (Kotler et al., 2014). Online shopping behavior or Online buying behavior or Internet shopping/buying behavior refers to the process of purchasing products or services via the Internet. In the typical online shopping process, when potential consumers recognize a need for some merchandise or service, they go to the Internet and search for related information. E-Commerce industry kept growing with day by day increasing number of players. After year 2000, various models of E-Commerce came into existence. Along with this it has been observed that hundreds of E-Commerce services such as online food ordering, media streaming, online advertising, online marketplace, Even like an offline business, many big E-Commerce companies started acquiring small E-Commerce companies to achieve higher levels of profit. Some E-Commerce companies like Amazon have also issued their IPO so early in the year 2011 only.

LITERATURE REVIEW

Abdeldayem (International Journal of Advanced Media and Communication, 2010) conducted a study on customer satisfaction about online shopping by the evidence from UAE in which it was found that attitude toward online shopping and the intention to shop online are not only affected by easiness of use, usefulness and enjoyment, but also, by some other factors such as perceived web – store traits, channel traits and consumer trait. Ward et al. (2010) reported a positive correlation between brand name and online purchase intention. Similarly, Linget al. (2010) reported a positive correlation between consumers online purchase intention and the brand orientation. Cheung and Lee (2005) proposed a research framework and suggested the key dimensions for customer satisfaction with respect to internet shopping which

were information quality in terms of accuracy, content, format and timeliness, system quality in terms of navigation, ease of use, response time and security and service quality with regard to responsiveness, assurance and empathy. Yuliharsi et al. (2011) found the insignificant relationship between perceived usefulness and online purchase. Thus the online retailers should provide details and resourceful information about their products or services to ensure the consumers' satisfaction (Cha, 2011). The study conducted by Pappas (International Journal of Retail & Distribution Management, 2014) described that experience has moderating effects on the relationships between performance expectancy, satisfaction and intention to repurchase. Although the respondents may have experience in using the internet, the effect of perceived ease of use on online purchase intention is still significant (Cha, 2011). Tandon (Nankai Business Review International, 2017) analyzed the customer satisfaction by user's perspective toward the online shopping in India. The study divulged that perceived usefulness and website functionality have a positive impact on customer satisfaction, whereas perceived usability had a significant but negative impact on customer satisfaction. According to Kumar (International Journal of Multidisciplinary Research

and Modern Education, 2017) customer satisfaction is associated with marital status and level of problems faced by customers on their online purchases.. Concerning the empirical studies in Sri Lankan context, Wijesundara (International Conference on Social Sciences, University of Kelaniya, 2008) explained that factors affecting for online purchase decision of Sri Lankan.

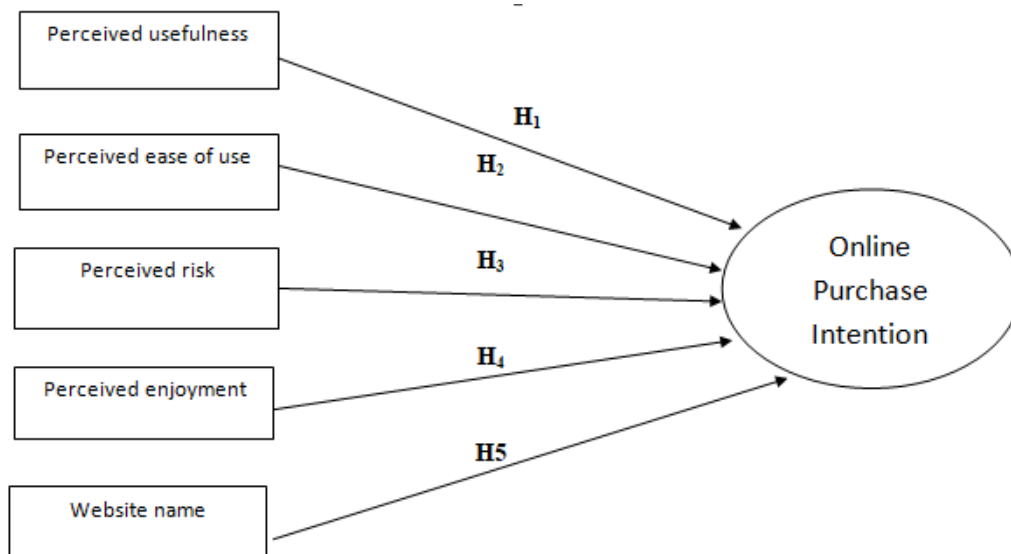
RESEARCH METHODOLOGY

Objectives: The study is conducted to achieve the following objectives:

1. To study the Consumer Buying behavior towards online shopping.
2. To study the Factors influencing consumer purchase intention.
3. To examine the relationship between dependent variables with independent variable.

RESEARCH HYPOTHESIS

To attain the research objectives, various statistical hypotheses are laid down.



H1: There is a significant association between perceived usefulness and online purchase intention.

H2: There is significant association between perceived ease of use and online purchase intention.

H3: There is a significant association between perceived risk and online purchase intention

H4: There is a significant association between perceived enjoyment and online purchase intention.

H5: There is a significant association between website name and online purchase intention.

Target Population and Sampling

The study has been carried out in the state of Haryana. The population to be targeted includes customers who have online shopping experience in the selected geographical area. The inclusion criteria were that the people who have shopped once atleast in the past six months were considered in the sample. Primary data

was collected from 180 respondents by means of structured comprehensive questionnaire. The respondents assessed close ended questions, multiple questions ranking scale, nominal scale questions, ordinal scale questions and some of the items on a Likert point scale.

DATA ANALYSIS

The collected data are analyzed with the help of statistical tools like percentage analysis, descriptive analysis and correlation, regression analysis and to determine the significance and degree of relationship between dependent and independent variables.

It contains three parts: In the first part, the profile of demographic characteristics such as age, gender, educational qualification, occupation, annual income, family size and marital status of online retail consumers have been studied. In the second part, descriptive analysis has been made of consumer perception regarding online shopping. In the third part, Correlation and regression analysis are used to examine relationship between brand name, perceived ease of use, demographics, perceived risk, perceived usefulness and dependent variable which is online purchase intention.

It is observed that out of the total 180 respondents, 129 forming 71.7 percent are male and the rest 51 forming 28.3 percent are female. So, the study respondents are predominantly male (71.7 percent). It is found that most of the respondents (49 percent) are in age group of 15-25 years. With the increase in age, people tend to be more independent decision makers. Online shopping creates craze and curiosity among the youth but not as such among the aged people. Majority of the married respondents (65.6 percent) is using online shopping for their purchases over unmarried/single respondents. It is concluded that majority of the respondents (33.9 percent) preferring online purchase are Graduates. It is noted that the majority of respondents are salaried holding 60.6 %. It is depicted from the above table that the sample unit is dominated by the consumers whose annual family income is above 7,50,000 Rs. As far as payment mode is concerned, it is evident that majority of the consumers prefer cash on delivery as their payments method in online shopping.

It is depicted from the table that Perceived Usefulness variable having the overall mean 1.92 with the standard deviation of .949 indicates a very high level of benefits of e-shopping. Perceived Ease of Use results showed that majority of the respondents agreed that their Interaction with online shops is clear and understandable and does not require a lot of mental effort with an overall mean of 1.98. It appears that

most of the respondents in this study find the idea of shopping online appealing. In Perceived risk, Psychology Risk ranked as the most important Factor impacting online purchase intention with a mean of 2.58 and S.D 1.108. Perceived enjoyment showed an overall mean of 2.40 and Standard deviation (5.213) which indicates consumer enjoys the online shopping. With an overall mean of 2.61 and Standard deviation 1.062, website name has greater influence on the consumer purchase intention towards online shopping.

Table 4 .3 demonstrates that all independent variables except perceived risk is significant related with the dependent variable i.e. purchase intention. The highest correlation was found between perceived ease of use and purchase intention (.663) followed by the correlation between perceived enjoyment and purchase intention (.437).

Findings

H₁- There is a significant relationship between perceived usefulness and online purchase intention. The perceived usefulness and intention to shop online among the respondents are strongly correlated $r = 0.028$, $p < 0.05$. Therefore H₁ is accepted.

H₂- There is a significant relationship between perceived ease of use and online purchase intention. The perceived usefulness and intention to shop online among the respondents are strongly correlated $r = 0.032$, $p < 0.05$. Therefore H₂ is accepted.

H₃- There is a significant relationship between perceived risk and online purchase intention.

The perceived usefulness and intention to shop online among the respondents were not correlated $r = 0.000$, $p > 0.05$. The p value is greater than the 0.05 Therefore H₃ is rejected.

H₄- There is a significant relationship between perceived enjoyment and online purchase intention. The perceived usefulness and intention to shop online among the respondents were strongly correlated $r = 0.020$, $p < 0.05$. Therefore H₄ is accepted.

H₅- There is a significant relationship between website name and online purchase intention. The perceived usefulness and intention to shop online among the respondents are strongly correlated $r = 0.016$, $p < 0.05$. Therefore H₅ is accepted.

CONCLUSION

The present study was conducted to explore the factors influencing the online buying behavior. The research is

based on four research hypotheses those are evaluated by using statistical methods. This research highlight the significant relationship between Perceived usefulness, perceived ease of use, perceived enjoyment on purchase intention and indicates that the least satisfying aspect to buying online is still perceived risk, website security/privacy. So E-retailers must adopt advanced encryption technology, and post assurances of their online security on their website, in order to inform online consumers of their security measures. The findings indicate that during online shopping people are very much concerned about the usefulness, ease of use and information content available on a website and more importantly trust towards the website. As there is a strong relationship between perceived ease of use and perceived usefulness so proper facilities for customers to shop online without much effort should be provided by the web retailers. In order to establish ease of use, various tools and techniques such as proper search mechanisms and one click transaction procedures etc. can be used by Web designers. Online retailers should introduce a mechanism to ensure safety and privacy that leads to motivate people to opt online buying option. We would like to conclude by saying that people of are gradually moving to the online shopping trend and there is a huge scope and potential in the market for growth as attitudes and beliefs of the people are just changing. So, for a successful online business one must make sure that they keep away all the risks and focus on the benefits that people look for.

Scope for the future Research

This research thus provides an extended scope for the given specific studies related to online purchase.

- Future researchers can conduct on “The impact social network on making online – purchase”.
- Future researchers can conduct on-“The post – purchase behavior of online shoppers”.
- The study focused on various dimensions of consumer Behavior. Future researchers can conduct same study by taking perceived risk as a whole concept.

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PART 1

Table 4.1: DEMOGRAPHIC PROFILE OF RESPONDENTS

		Frequency	Percentage
Gender	Male	129	71.7
	Female	51	28.3
	Other	0	0
	Total	180	100
Age	15-25	49	27.2
	25-35	46	25.6
	35-45	47	26.1
	45-55	34	18.9
	55-above	4	2.2
	Total	180	100
Marital status	Married	118	65.6
	Unmarried	60	33.3
	Other	2	1.1
	Total	180	100
Educational Qualification	Professional degree	38	21.1
	Post graduate	58	32.2
	Graduate	61	33.9
	Schooling	20	11.1
	Other	3	1.7
	Total	180	100
Occupation	Salaried	109	60.6
	Business	15	8.3
	Home maker	7	3.9
	Student	41	22.8

	Other	8	4.4
	Total	180	100
Annual income	Below 2,50,000	53	29.4
	2,50,000-5,00,000	28	15.6
	5,00,000-7,50,000	33	18.3
	Above 7,50,000	66	36.7
	Total	180	100
Payment methods	Credit card	37	20.6
	Debit card	46	25.6
	Net banking	21	11.7
	Cash on delivery (COD)	76	42.2
	Total	180	100

*Primary source

Part 2

Table 4.2 Descriptive analysis

	Variables	Range	Minimum	Maximum	Mean	Standard Deviation
Perceived usefulness	PU1	4	1	5	1.81	.844
	PU2	4	1	5	1.90	.910
	PU3	4	1	5	1.99	.829
	PU4	4	1	5	2.07	.949
	PU5	4	1	5	1.85	.849
	Overall mean				1.92	0.8762
Perceived ease of use	PEU1	4	1	5	1.95	.821
	PEU3	4	1	5	2.01	.721
	Overall mean		1		1.98	0.77
Perceived risk	PR1	4	1	5	2.19	1.025
	PR2	4	1	5	2.04	.835
	PR3	4	1	5	2.44	1.079
	PR4	4	1	5	2.20	.960
	PR5	4	1	5	2.22	.982
	PR6	4	1	5	2.58	1.108
	Overall mean				2.27	5.17
Perceived enjoyment	PE1	4	1	5	2.32	.977
	PE2	4	1	5	2.23	.908
	PE3	4	1	5	2.38	1.021
	PE4	4	1	5	2.56	1.149
	PE5	4	1	5	2.37	.974
	PE6	4	1	5	2.58	1.108
	Overall mean				2.40	5.213
Website name	WN1	4	1	5	2.50	1.044
	WN2	4	1	5	2.60	1.012
	WN3	4	1	5	2.74	1.130
	Overall mean				2.61	1.062

*primary source

PART 3

Table 4.3: Correlation Matrix

		PU	PEU	PR	PE	WN	PI
PU	Pearson Correlation	1	.663**	.114	.437**	.321**	.150*
	Sig. (2-tailed)		.000	.128	.000	.000	.044
	N	180	180	180	180	180	180
PEU	Pearson Correlation	.663**	1	.198**	.526**	.391**	.096
	Sig. (2-tailed)	.000		.008	.000	.000	.200
	N	180	180	180	180	180	180
PR	Pearson Correlation	.114	.198**	1	.294**	.302**	-.009
	Sig. (2-tailed)	.128	.008		.000	.000	.900
	N	180	180	180	180	180	180
PE	Pearson Correlation	.437**	.526**	.294**	1	.543**	.156*
	Sig. (2-tailed)	.000	.000	.000		.000	.036
	N	180	180	180	180	180	180
WN	Pearson Correlation	.321**	.391**	.302**	.543**	1	.101
	Sig. (2-tailed)	.000	.000	.000	.000		.178
	N	180	180	180	180	180	180
PI	Pearson Correlation	.150*	.096	-.009	.156*	.101	1
	Sig. (2-tailed)	.044	.200	.900	.036	.178	
	N	180	180	180	180	180	180

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

*Primary source

Table 4.4: Summary of the regression analysis

Hypothesis proposed	hypothesis	B	R Square	Significant (p) value	Result
There is a Significant relationship between perceived usefulness and online purchase intention	H ₁	.173	.028	0.025	Accepted
There is a Significant relationship between perceived ease of use and online purchase intention	H ₂	.147	.032	0.016	Accepted
There is a Significant relationship between perceived risk and online purchase intention	H ₃	.011	.000	.870	Rejected
There is a Significant relationship between perceived enjoyment and online purchase intention	H ₄	.150	.020	.058	Accepted
There is a Significant relationship between website name and online purchase intention	H ₅	.092	.016	.095	Accepted