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Perception Analysis of Online Shopping: A Case Study of amazon.com

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Abstract

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This paper is designed to study the perception of the consumer about online shopping, to know the optimistic and pessimistic influence of online shopping on the consumers and to study the consumer behaviour towards online shopping. For the study, the researcher has selected 50 respondents who are familiar with Amazon. It particularly focused on the problems or the benefits availed from online shopping. A common problem faced by the customer while shopping online is quality service .the biggest problem while buying things online is that there is no guarantee of product quality, digital payments failure, unclear returns and guarantee policies, cyber security or more precisely the lack of it is a major problem on the internet today All levels of customers were surveyed by using a questionnaire, and the level of satisfaction or dissatisfaction from the online shopping was studied. Finally, the detail information about the benefits they had received was also considered. A small attempt has been made to understand the benefits of online shopping, and also the limitation of online shopping was studied concerning AMAZON. Finally, it attempts to offer suggestions to customers to educate much more about online shopping.

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Introduction

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Generally speaking, the trend of e-commerce has been increased rapidly in recent years with the development of the internet and due to the easy accessibility of internet usage. Easy access to the internet has driven consumers to shop online; in fact, according to the University of California, Los Angeles (uncle) communication on policy (2001). Online shopping is the third most popular activity on the internet after e-mail using and web browsing. Globally more than 627 million people have done online shopping so far. World’s biggest online shopping includes Germans and British, books, airline tickets, clothing / shoes, games, and other electronic products are the most popular items purchased on the Internet. Ac Niel sen report on global consumer attitude towards online shopping.

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Through electronic marketing and internet communication, business firms are coordinating different marketing activities such as market research, product development; inform the customer about product features, promotion, customer service, customer feedback, and so on .online shopping is used as a medium for communication and electronic commerce. It is to increase or improve the value quality and attractiveness of delivering customer benefits and better satisfaction, that is why online shopping is more convenient and day by day, increasing its popularity.



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Not only benefits but also risk is associated with online shopping. Generally speaking, internet users avert online shopping because of credit card Froude, lack of privacy, non-delivery risk, lack of guarantee of the quality of goods and services. Concerned authority are devising policies to minimize the risk involved in e-business.

On the other hand, e-commerce has been grown very fast because of many advantages associated with buying on the internet because of lower transaction and search costs as compared to other types of shopping. Through online shopping, the consumer can buy faster, more alternatives and can order a product with a comparatively low price. Therefore marketers have carefully analyzed the consumer attitude and behaviors towards online shopping and spend billions of dollars to facilitate all the demographic of online shoppers.

Consumer attitudes towards online shopping refer to their psychological state in terms of purchasing over the internet. Online buying behavior refers to a problem product purchased online. The process of online buying behavior consists of few steps and its similar traditional shopping behavior for instance, consumers recognize the need for the internet to buy online and start to search for the information and look for all the alternatives and finally make a purchase which best fits to their needs.

Review of Literature

Rajeev Kamineni (2004), in their study, the World Wide Web can change human behavior and human interactions to a very large extent. Web-based shopping behavior is one major example to point out the trends in this direction. This study is of a very exploratory nature, and it intends to establish the differences between several web-based shoppers from different parts of the world. Several critical factors associated with online shopping behavior will be explored.

Kamali and Loker (2002), in their study, internet retail sales represent a new and increasingly vital commercial milieu. E-commerce or electronic commerce saw sales revenues grow 12.1 percent in 2001 to \$31.4 billion, a figure expected to reach \$81.1 billion by 2006 (Kamali & loker, 2002). While it is clear that many more consumers are electing to shop online than in the past, a shift in behavior that may be due to the sense that online shopping is safer and more secure than it was initially and to the adoption of alternative shopping avenues.

Anita Desai (2003) in her study e-tailing is the practice of selling retail goods on the internet. It is the abbreviated version of “electronic retailing,”

which essentially constitutes business to a consumer transaction. While the concept of online retailing or e-tailing is no longer in its nascent stage, it continues to evolve, as advanced e-commerce applications act as a potent catalyst in the development of e-tailing. The idea of online retailing or e-tailing, which almost every net-savvy individual is familiar with, offers a convenient mode of shopping online, and the consumer gets to choose from a diverse range of products and services as opposed to the analogous physical shopping experience.

Petrovic Dejan (2006), in his study on analysis of consumer behavior online, explained that the most relevant behavioral characteristics of online consumers and examine the ways they find, compare, and evaluate product information. A comparison of the newly collected survey data with the existing consumer behavior theory resulted in the detection of several issues related to a specific consumer group. The purpose of this report is to translate these findings into a set of implementation activities on a strategic and technological level.

Shun & Yun Jie (2006) in their study, showed that there are product types, which are more likely to be sold online, such as software, books, electronics, and music. The reason for this is that when purchasing these types of products, one does not require personal inspection, and most, if not all features, can be outlined in the product description and images. Most products in the mobile phone family belong to this category. According to the recent research on consumer behavior on the internet users (cotton, Chowdhury, Rameshwar & Ricci, 2006), there are four distinct consumer groups with different intentions and motivations:

Ruiliang Yan, John Wang (2009), in their research it provides a useful framework to help business marketers identify the effect of consumer online purchase costs on online and traditional channel competition. A game theory model is developed to determine the optimal strategies for online and traditional retailers. We demonstrate that consumer online purchase costs always have a valuable impact on firm profits, and further show that consumer online purchase costs always have a much more valuable impact on firm profits whenever the traditional retail transaction costs and the product

web-fit change. We also find that consumer online purchase costs have a greater impact on the retailer's profits in a stacked berg competitive system than in a better and competitive system. Based on our results, managerial implications are discussed paths of future research are identified.

Harris Interactive (2009) made a study on 'online customer experience.' The survey found that online customer experience reached an inflection point in 2009. The percent of consumers who have experienced problems when conducting transactions online showed its first substantial decrease in five years -- from approximately 87% in all previous tealeaf surveys to 80% in 2009. While the percent of consumers experiencing online transaction problems, at 80%, remains high (the potential online shopping dollars impacted by transaction problems rings up at \$47.6 billion), this improvement points to a growing business focus on delivering better customer experiences.

Rainu Ranveer Singh (2010) - "Consumer perception towards online grocery shopping." "India is among the fastest-growing markets and has been identified as one of the significant potential markets for the company," Muralikrishnan B., country manager at eBay's India explains that Indian consumers toward buying high margin products such as clothes and shoes as is the trend among eBay shoppers in the west rather than electronic gadgets and books, which are the most popular choices now but command lower profit margins and are less frequent purchases.

Mehrdad Salehi (2012) – "consumer buying behavior towards online shopping stores in Malaysia" (international journal of academic research in business and social science) according to the identified factors influencing consumers towards online shopping in Malaysia. The study focused on nine independent variables, namely appearance, quick loading, security, sitemap, validity, promotion, attractiveness, believability, and originality. We applied a five-point Likert scale to measure the influential factors on the intention for online shopping.

Trymbaka hiwakar (2013) - "e-commerce impact on Indian market: a survey on social impact" international journal of advanced research

in computer engineering 7technology.one of the most important issues to be addressed in the area of services is that of electronic commerce. Globalization and the new „digital economy“ jointly are having a major crash on the global economy. National markets, including in mounting countries, further such changes will carry on affecting enterprises and citizens during the world. The impact of e-commerce on increasing countries is, at present, mainly in the international trade sector. Studies designate that over the past few years, the import and export.

Statement of the Problem

A common problem faced by the customer while shopping online is quality service .the biggest problem while buying things online is that they have no guarantee of product quality, digital payments failure, unclear returns and guarantee policies, cyber security or more precisely the lack of it is a major problem on the internet today. E-commerce sites record important customer data like name, phone number, address, and bank details .if these sites don't implement stringent cyber security measures, the data is at risk of falling into the wrong hands which can then wreak havoc on the bank account.

Objective of the Study

- To study the factor influencing the consumer preference for online shopping.
- To access the attitude of consumer towards online shopping.
- To analyzed the consumer satisfaction towards online shopping.
- To study the problem faced by the consumer towards online shopping.
- To study the impact of e-commerce on the purchasing decision of consumers.

Scope of the Study

The study was conducted among online shoppers this report mainly includes consumer behavior towards online shopping. The scope of the project report is restricted to Shimoga city only

Methodology

The part of the study defines all the process of data collection. When it comes to data collection,

there are two methods in general used by research to collect data.

1. Primary data
2. Secondary data

Primary Data: Primary data are the data collected for the first time and are not available in secondary sources. The necessary relevant information has been collected through discussions with staff or consumers. It is new information collected through preparing a structured questionnaire for getting for new information from consumers.

Secondary Data: Secondary data refers to data that is collected by someone who is someone other than the user. Familiar sources of secondary data for social science include censuses, information collected by a government department, organizational records, and data that was originally collected for other research purposes.

Sampling

The target group of different age group people is considered because to know whether which group of people are involved more in online shopping and which group is not confined to shop online.

Sample Size

The sample size used for this study is 50 respondents

Limitation of the Study

There are some limitations in the present study

1. The present study is limited to online shoppers sample from Shimoga.
2. The data collected for research is fully on primary data given by the respondent; there is a chance for personal bias.
3. Finally, the result is subjected to the standard limitation of the accuracy of response.

Advantages and Disadvantages of Online Shopping

- Convenience
- Better prices
- More variety
- You can send gifts more easily
- More control

- Easy price comparisons
- No crowds.
- No pressure
- Discreet purchases are easier

Disadvantages

- Fraud and security concerns
- Lack of full cost disclosure
- Privacy
- Product suitability
- Aggregation

Process of Online Shopping

- The first step of the buying process is to access Amazon's website and log into your account.
- The website then changes based on your previous searches on Amazon and products purchased. Thus, nearly everyone's Amazon experience is unique with a personalized layout.
- Once you find a product you want to purchase, click add to the shopping cart.
- From there, you are taken to a page where you must enter your shipping and billing information.
- Once you enter this information and select your desired shipping option, click the final confirmation button to complete the order.
- Analysis and Interpretation

Table 1 Classification of Respondents based on Demography

S. No	Gender	No. of Respondents	(%)
1	Male	23	46
2	Female	27	54
Total		50	50
S. No	Age (years)	No. of Respondents	(%)
1	18 to 21	8	16
2	22 to 45	36	72
3	45 to 60	6	12
4	Above 60	0	0
Total		50	100
S. No	Educational qualification	No. of Respondents	(%)
1	Up to SSLC	5	10
2	PUC	2	4
3	Graduate	12	24

4	Post Graduate	31	62
Total		50	100
S. No	Occupation	No. of Respondents	(%)
1	Business	17	34
2	Student	16	32
3	Professional	13	26
4	Other	4	8
Total		50	100
S. No	Income	No. of Respondents	(%)
1	less than 2000	9	18
2	2000 to 5000	4	8
3	5000 to 10000	12	24
4	10000 to 40000	21	42
Total		46	92

From the above data, it is clear that the majority of the respondents who are using the services of online shopping are female of the age group between 22-45 and are Businessmen and professionals who are postgraduates, and their monthly income is between 10000 to 40000.

Table 2: Classification of Respondents based on Whether they do Online Shopping or Not

Particulars	Particulars	%
Yes	Yes	100
No	No	0
Total	Total	100

Source: Field survey

Analysis: From the above table, it is clear that out of 50 respondents, all respondents do online shopping?

Here interpret that the majority of respondents are doing online shopping because time is more precious, and they have no time to do shop in the traditional market.

Table 3: Classification of Respondents based on Motivation to buy in Online Shopping

Particulars	No of Respondents	% of Respondents
Easy payment	10	20
No hidden cost	6	12
Wide range of products	19	38

No travel to shop	15	30
Total	50	100

Source: Field survey

From the above table, it is clear that out of 50 respondents 20% of respondents are motivated by easy payment, 12% of respondents are motivated by no hidden cost, the wide range of products motivates 38 % of respondents, and remaining 30% of respondents are motivated by no travel to shop.

Here interpret that the majority of respondents are motivated by a wide range of products are available in online shopping.

Table 4: Classification of Respondents based on the Preference for Buying the Products

Particulars	No. of Respondents	% of Respondents
Books	10	20
Music CD's	0	0
Clothing	26	52
Mobile and accessories	14	28
Total	50	100

Source: Field survey

From the above table, it is clear that out of 50 respondents, 20% of respondents want to buy books, none of the respondents purchase music CDs, 52% of respondents want to purchase clothing, and the remaining 28% of respondents want to purchase mobile and accessories.

Here interpret the majority of respondents to want to buy clothing because clothing is available at a reasonable price. None of the respondents want to buy music CDs because the trend has been changed.

Table 5: Classification of Respondents based on Stores they have to Visit

Particulars	No. of Respondents	% of Respondents
E-bay	2	4
Amazon	25	50
Flipchart	19	38
Mantra	4	8
Total	50	100

Source: Field survey

From the above table, it is clear that out of 50 respondents, 4% of respondents visit e-bay, 50%

of respondents visit amazon, 38% of respondent's Flipkart and the remaining 8% of respondents visit myntra. Here interpret that majority of respondents visit Amazon because it offers a wide variety of products than myntra.

Table 6: Classification of Respondents based on the Mode of Payment

Particulars	No. of Respondents	% of Respondents
Debit/credit cards	9	18
Internet banking	16	32
PayPal	2	4
Cash on delivery	23	46
Total	50	100

Source: Field survey

From the above table, it is clear that out of 50 respondents 18% of respondents make a payment on debit /credit card, 32% of respondents make a payment from internet banking, 4% of respondents make a payment from PayPal, and remaining 46% of respondents make a payment on cash on delivery.

Here interpret that the majority of respondents make a payment on cash on delivery because it is safe and convenient.

Table 7: Classification of Respondents based on the Preference of Choosing Online Shopping

Particulars	No of Respondents	% of Respondents
Very convenience and time consuming	19	38
Low price	10	20
Products verities	16	32
Rare products	5	10
Total	50	100

Source: Field survey

From the above table, it is clear that out of 50 respondents 38% if respondents choosing online shopping because very convenience, 20% of respondents are choosing because of low price, 32% of respondents are choosing online shopping because of product verity, and remaining 10% of respondents are choosing because of rare products.

Here interpret that the majority of respondents are choosing online shopping because it is very convenient and it saves time.

Table 8: Classification of respondent based on www.amazon.com Load on the Screen

Particulars	No. of Respondents	% of Respondents
Fast	41	82
Slow	9	12
Total	50	100

Source: Field survey

From the above table, it is clear that out of 50 respondents, 82% of respondents are an experience that Amazon's website load on their mobile is fast, and the remaining 12% of respondents are saying that it loads slow.

It is known that the majority of respondents opines that it loads on their mobile fast. Depending upon the availability of material, it works.

Table 9: Classification of Respondents based on Features Necessary for Online Shopping

Particulars	No. of Respondents	% of Respondents
Multiple payment gate way	12	24
Credibility	9	18
Customer friendly	17	34
Privacy and secure payment	12	24
Total	50	100

Source: Field survey

From the above report, it is clear that out of 50 respondents 24% of respondent's opinion is multiple payment gateway futures is necessary, 18% of respondents opinion is credibility feature is needed, 34% respondents opinion is a customer-friendly feature, and remaining 24% of respondents opinion is the payment, and secure payment future is significant.

It is interpreted that the majority of respondents opinion is customer-friendly feature is very much necessary for online shopping because it is a competitive era of business.

Test Application Chi-square Test

H0: There is no significant impact on the customer by online shopping.

H1 There is a significant impact on the customer by online shopping.

Responses Observed	Observed	Expected	(O-E)	(O-E) ²	(O-E) ² /E	Values
Agree	15	10	5	25	25/5	5
Disagree	20	30	-10	100	100/30	3.33
Neutral	15	10	-5	25	25/10	2.5

Calculated Value = 10.83

Degree of freedom n-1, i.e., 3-1=2

Table value of chi-square for 2 degrees of freedom @ 5% level of significance is **5.99**

Since the calculated value is more than the table value, the Null hypothesis is rejected. Hence the alternative hypothesis is accepted. Hence proved that there is a significant impact on the customer by online shopping.

Findings of the Study

- Majority of respondents are female because they are more passionate than male, and they are graduate come under the age group of 22 to 45 years.
- The majority of respondents are middle-class people, and their monthly income level is 10000 to 40000.
- Online shopping provides various facilities, out of which the customers highly motivate the availability of a wide range of products.
- In online shopping, different product and services are available, out of which customers are buying clothing rather than books and mobile accessories.
- Different company's offers online shopping majority of the respondents have visited Amazon online shopping.
- The majority of respondents use cash on delivery for making payment.
- Most of the respondents share their views on it is secure to purchase the things online.
- The customer-friendly feature is necessary for online shopping.
- Most of the respondent's opinions that online shopping is good.

Suggestion of the Study

- Online shopping must take necessary steps to identify their customers like phone verification, and physically interacting with customers.
- Online shopping must present deter redressed for customer's problems.
- Transactions should be safe, and proper security should be assured to the people making online purchases.
- E-marketers must give a thought to secure, time-saving, information about product and services factors when they design their online product strategy.
- That convenience, accessibility, scope, attraction, reliability, experience the study highlights, and clarity are the major factors considered by the online shopper.
- Banking should promote debit card, credit card facility in online shopping.
- Acquire more respondents to participate in user testing so that more accurate results can be reached.
- Any kind of hidden cost must be exposed to the customers before offering the product to the customers.
- Simplification of rules, documentation, and procedure for doing online shopping.
- Online shopping should heavily concentrate on attractive advertisements and various promotional strategies.
- To be effective, an online shopping environment must focus on the consumer and marketing factors of internet shopping. To facilitate internet procuring, e-tailors should acknowledge both of the consumer and marketing factors collectively and improve the quality of service at their internet stores.

Conclusion

Online shopping is becoming more common day by day, with an increase in the usage of the World Wide Web known as www. Understanding customer's need for online business has become a challenge for marketers. Especially understanding the consumer's attitudes towards online shopping, making improvement in the factors that influence consumers to shop online and working on factors that

affect consumers to buy online will help marketers to gain the competitive edge over others. Therefore our study has focused mainly on perception analysis of online shopping we foresee that our findings will give a clear and wide picture to online and it will help them understand the specific factors that influence consumers to shop online, so they can build up their strategies to cater online shoppers in Shimoga.

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