

A STUDY ON CUSTOMER PERCEPTION TOWARDS ONLINE SHOPPING IN VELLORE DISTRICT

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Abstract

Now a days marketing and distribution of goods and service are carried with the help of technology i.e. internet. Online shopping is the most preferable means of buying goods and service because of its convenience, availability of distinct brands. Technology provides end user to compare the attributes of different brands at ease. Sentimental analysis is feasible only in online shopping. Hence it is imperative to understand the perception of customer towards online shopping. The conceptual framework for the study was arrived at after incorporating major construct previously identified in the literature. This paper makes an attempt to explore the factors influencing perception of internet user towards online shopping. Four factors which measures perception are identified i.e., Instant Review, Product Attributes, Relevant Information, Trustworthiness and their influence on Shopping Intention were analyzed using SPSS Software.

Keywords: Instant Review, Product Attributes, Relevant Information, Trustworthiness and Shopping Intention

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. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. 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 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)

Review of Literature

Soonyong Bae, Taesik Lee (2010) 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

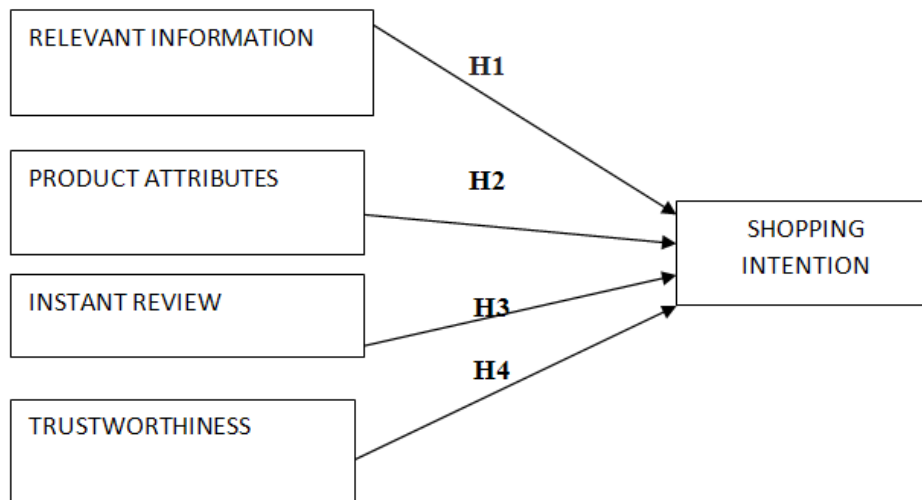
implications for online sellers to guide them to effectively use online consumer reviews to engage females in online shopping.

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.

Research Objectives

1. To study socioeconomic profile of online shoppers.
2. To explore various factors influencing customer perception towards online shopping.
3. To ascertain the impact of customer perception on Shopping Intention.

Conceptual Framework



A set of hypothesis linking all Four Factors on Shopping Intention:

H1: Relevant Information about products and services will have an influence on Shopping Intention

H2: Attributes about products and services will have an influence on Shopping Intention

H3: Instant Review about products and services will have an influence on Shopping Intention

H4: Trust on online shopping site leads to Shopping Intention

Research Methodology

The proposed study is descriptive in nature. The target population is online shoppers. After identifying dependent and independent variable for the study, Questionnaire was constructed for the respondent. The sample size is 150. For selecting the respondent judgemental sampling is used. All the data were primarily collected through online survey. All the 19 items were measured on five-point Likert Scale. The scales of the instrument were reliable and the instrument was fit. Due to the acceptable levels of Cronbach's alpha, no item was dropped from the survey questionnaire. Statistical tool used in the study is descriptive statistic, Factor Analysis and Multiple Linear Regression Model.

Results and Discussion

Measured Variable

In this study the dependent or criterion variable is Shopping Intention and independent or predictor variable is Instant Review, Product Attributes, Relevant Information and Trustworthiness.

Table 1

Sl.No	Attribute	Category	No. of Respondents	Percentage to Total
1	Age	Below 25	9	6
2		26-35	77	51.3
3		36-45	41	27.3
4		46-55	11	7.3
5		56 & Above	12	8
1	Gender	Male	94	62.67
2		Female	56	37.33
1	Marital Status	Married	115	76.67
2		Unmarried	35	23.34
1	Location	Urban	107	71.33
2		Rural	43	28.67
1	Working Organization	Public sector	46	30.67
2		Private sector	64	42.67
3		Others	40	26.67
1	Monthly income	BELOW 20000	48	32
2		21000-30000	39	26
3		31000-40000	51	34
4		ABOVE 40000	12	8
Total			150	100

Source: Primary Data

Table 1 shows the demographic background of online shoppers. Regarding the age background, 51.3 percent are in the age group of 26-35, 62.67 percent of the respondents

are Male compare to 37.33 percent of female.76.67 percent of the respondent are married. It is observed that the 43 percent of the respondent are working in private sector. 71.33 percent of respondents are in urban location with the monthly income of Rs.31000-40000(34.1 percent)

The researcher has undertaken the principal component analysis with varimax rotation (Churchill procedure) to explore the significant competency attributes. To explore the number of factors, the study considered the most usual rule of Kaiser Criterion (selected the factors corresponding the to the Eigen values above 1.0). Only items with communality greater than 0.5 and the absolute value of their co-relation to an axis greater than 0.6 were retained. Then the Cronbach alpha was used to assess the reliability of the antecedents. The estimated coefficients can be described as acceptable as they are all above 0.70 (Peterson 1994).

From the below Table 2 The Kaiser-Meyer-Olkin (KMO) value of 0.862, which is greater than 0.5 indicates the measure of sample adequacy which proves that the given primary data is fit for data analysis using factor analysis. Since the p-value is 0.000 i.e. the p-value is less than 0.05 which indicates that the correlation is significant.

KMO and Bartlett's Test

Kaiser-Meyer-Olk in Measure of Sampling Adequacy.		.862
Bartlett's Test of Sphericity	Approx. Chi-Square	1503.33
	df	171
	Sig.	.000

The reliability test α (alpha) of the entire data set used for factor analysis is 0.917, which exceeds the common threshold value recommended by Nunnally (1978).

Reliability Statistics

Cronbach's Alpha	N of Items
.917	19

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.814	41.128	41.128	7.814	41.128	41.128	3.871	20.374	20.374
2	1.700	8.950	50.077	1.700	8.950	50.077	2.891	15.217	35.591

3	1.46 6	7.718	57.795	1.46 6	7.718	57.795	2.70 2	14.222	49.813
4	1.19 7	6.301	64.096	1.19 7	6.301	64.096	2.22 3	11.699	61.513
5	1.00 8	5.305	69.401	1.00 8	5.305	69.401	1.49 9	7.888	69.401
6	.802	4.220	73.622						
7	.653	3.438	77.060						
8	.599	3.153	80.213						
9	.548	2.885	83.098						
10	.505	2.659	85.757						
11	.472	2.484	88.241						
12	.435	2.287	90.528						
13	.341	1.795	92.323						
14	.321	1.687	94.010						
15	.299	1.571	95.582						
16	.278	1.464	97.045						
17	.233	1.227	98.272						
18	.191	1.008	99.280						
19	.137	.720	100.000						
Extraction Method: Principal Component Analysis.									

It is clear from the above table, four factors F1- Product Attributes, F2- Shopping Intention, F3- Relevant Information, F4- Instant Review and F5-Trustworthiness are the important Competency related constructs comprises (27 constructs out of 27 Constructs) were extracted which cumulatively explains 74.199 per cent of the total variance. The rotated component matrix shows that the factor loading of the items on the factors.

Rotated Component Matrix ^a					
	Component				
	1	2	3	4	5
Replacement of goods	.771				
Response by the enquiry section related to product and seller	.745				
site with regular updation	.718				
Navigation is easy	.654				
Seller with good reputation	.647				
site assures that my financial informations are kept confidential	.631				

Picture provides valuable information	.603				
My general opinion on e-commerce is positive		.774			
I will probably buy a product on the internet		.764			
Using the internet to do shopping is a good idea		.647			
Using the internet to purchase a product seems an intelligent idea to me		.642			
Features of the product are well described			.865		
Make purchase when product price is listed			.708		
site assures me security			.702		
I have anxiety over sharing feedback on the websites				.818	
Sites with Consumer feedback and rating about product and seller				.651	
Desired information available on the website					
Terms and conditions regarding payment are clear					.889
I can purchase online when i know about the seller					.708
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 8 iterations.					

The rotated component matrix shows that the factor loading of the items on the factors.

Regression Analysis for Competency related attributes influence on Job Engagement

Multiple linear regression (MLR) tests using enter regression method were subsequently conducted to find the level of influence of four factors (Product Attributes, Relevant Information, Instant Review & Trustworthiness) on Shopping Intention among online shoppers.

The Table 4 shows the multiple regression model summary and over fit statistics. The adjusted R^2 of the model .931 with R^2 value of .933 that means the linear regression explained is 93.3 % of the variance in the data.

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.966 ^a	.933	.931	.26328563

Predictors: (Constant), PRODUCT ATTRIBUTES, RELEVANT INFORMATION, INSTANT REVIEW, TRUSTWORTHINESS Dependent Variable: SHOPPING INTENTION

As per Table 5 the F-test is highly significant, thus it proves that there is a linear relationship between the variables in our model.

Table 5 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	136.960	4	34.240	493.946	.000 ^a
	Residual	9.843	142	.069		
	Total	146.803	146			

A. Predictors: (Constant), PRODUCT ATTRIBUTES, RELEVANT INFORMATION, INSTANT REVIEW, TRUSTWORTHINESS

b. Dependent Variable: SHOPPING INTENTION

The Table 6 shows the multiple linear regression estimates including the intercept and the significance levels. The independent variables Product Attributes significantly influence on Shopping Intention. One unit of Product Attributes influences 0.521 unit of Shopping Intention. The independent variables Relevant Information significantly influence on Shopping Intention. One unit of Relevant Information influences 0.754 unit of Shopping Intention. The independent variables Trustworthiness significantly influence on Shopping Intention. One unit of Trustworthiness influences -0.261 unit of Shopping Intention. The other aspects like Instant Review not significantly influence on Shopping Intention.

Table 6 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.008	.022		.360	.719
PRODUCT ATTRIBUTES	.522	.074	.521	7.077	.000
RELEVANT INFORMATION	.755	.043	.754	17.430	.000
INSTANT REVIEW	-.013	.048	-.013	-.269	.788
TRUSTWORTHINESS	-.262	.073	-.261	-3.571	.000

a. Dependent Variable: SHOPPING INTENTION

Conclusion

Online Shopping has become a popular mode of Shopping. The present study reveals that Online Shopping Intention is influenced by the Product Attributes, Relevant Information and Trustworthiness. Instant Review does not influence Online Shopping Intention. So it is important to focus other attributes which influence Shopping intention through online.

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