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## A STUDY ON FACTORS INFLUENCING ONLINE SHOPPING IN MADURAI CITY

### Article Particulars

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### Abstract

*Online shopping has increased in these recent decades, the development of internet technology is more and more rapid and mature; online shopping which help to save the time apart from that some monetary benefits like discounts and offer announced by online seller. In this study, perceptions of the online shopping have among the 90 sample respondent in Madurai city. Out of that survey majority of respondent opinion were given to prefer for online purchase, information offered by website, free offer or discount, low price rate, convenient these are mostly influenced. However, only income and occupation were found to significantly influence consumers' attitude to adopt online shopping. The findings help us in understanding consumers' online purchase behaviour.*

**Keywords:** *Online shopping, consumer attitude, perception of consumer, after-sales service, purchase behaviour.*

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### Introduction

In these recent decades, the development of internet technology is more and more rapid and mature; it was becoming inevitable that online shopping would become an alternative way of purchasing goods. The products variety, services, efficiency, security and popularity of online shopping also develop quickly, it is necessary for the online shopping industry have continual improvement to meet consumers changing needs and expectations. Traditionally, consumers have to go to physical stores to buy what they want; the distinctive characteristic between online shopping and traditional shopping is that consumers need not to go to a physical store, but make their choices base on what they see on the internet, so it is useful to discover the factors that might affect online purchasing behaviour, either positively or negatively.

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. The process consists of five steps similar to those associated with traditional shopping behavior (Liang and Lai, 2000). 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 need-related information. However, rather than searching actively, at times potential consumers are attracted by information about products or services associated with the felt need. They then evaluate alternatives and choose the one that best fits their criteria for meeting the felt need. Finally, a transaction is conducted and post-sales services provided. Online shopping attitude refers to consumers' psychological state in terms of making purchases on the Internet (Li and Zhang, 2002).

Although many studies examined various factors affecting on online shopping behavior independently, most of them isolated a few major factors, usually between three and six factors (Chen, 2009). The drawback of ignoring some factors is that the compound effects resulted from the interactions among the factors included in the research and those not included are often ignored and missing, which thus leads to the findings to be lack of generalizability. The main purpose of this study is to understand the factors that may influence consumer's behaviors towards online shopping. How consumers form such behaviour will be also focused on by researcher with the help of models and who true online shoppers are "Internet knowledge, income, and education level are especially powerful predictors of Internet purchases among the study area.

## **Review of Literature**

In this study, perceived usability, perceived security, perceived privacy, perceived after-sales service, perceived marketing mix, and perceived reputation were used for analysis. This research was conducted by using the primary data source, and the survey method was employed in the research. This research found that there were relationships between the perceived usability, perceived security, and perceived privacy, perceived after-sales service, perceived marketing mix, perceived reputation and consumers' attitude to adopting online shopping in China. However, only marketing mix and reputation were found to significantly influence consumers' attitude to adopt online shopping. The findings help us in understanding consumers' online purchase behaviour [1]. To investigate the factors affecting Hong Kong consumers' online purchasing decisions and behaviour on apparels, there were three objectives in this study: (i) to find out the factors influencing the intention of online shopping, (ii) to provide useful information for online shops in marketing iv decision making, (iii) to analyze the importance of online selling in marketing decision in fashion industry. While the three factors from the objective factors, including price, product quality and web

trust, are found significant to affect the consumers' online purchase behaviour. Thus, it is suggested that online sellers should pay more attention on the service and objective factors to attract online consumers and increase their trust towards online stores [2].

### Objective of the Study

1. To study the socio-economic profile of the respondents.
2. To identify the factors influencing towards online shopping among consumers

### Scope and Significance

The population of the study consists of the online buyers in the Madurai city. In recent years the number of online buyers in Madurai has increased manifold. In this study whether to know what factors influencing to buying the product through online.

### Methodology

Data was collected from 90 sample respondents from the study area. They have adopted stratified random sampling method on the basis of geographical area and classified into three categories such as rural, semi urban and urban areas, each of them taken 30 respondents from the population. The data had been collected with the help of structured questionnaire.

### Analysis and Interpretations

#### Socio Economic Profile of the Consumers

The socio economic profile of the respondents like gender of the consumers, age, occupation, educational qualification and monthly income were analyzed.

**Table 1: Socio Economic Profile of the Respondents**

Socio Economic Profile	No. of the Respondents	Percentage
<b>Age</b>		
Below 25 Years	32	35.6
26 – 40 Years	39	43.3
41 – 55 Years	11	12.2
Above 56 Years	8	8.9
<b>Gender</b>		
Male	52	57.8
Female	38	42.2
<b>Educational Qualification</b>		
School Level	13	14.4
Graduate	32	35.6
Post Graduate	25	27.8
Professional	20	22.2
<b>Occupation</b>		
Private Employee	22	24.4

Government Employee	37	41.1
Business	23	25.6
Professional	8	8.9
<b>Monthly Income</b>		
Below Rs 25,000	8	8.9
Rs 25001 to Rs 35,000	27	30.0
Rs 35001 to 45,000	23	25.6
Above 45, 001	32	35.6

**Source:** Primary data.

It is seen from the table 1 indicate the socio economic profile that out of 90 sample respondents, 39 (43.3 per cent) came under 26 to 40 years. This indicate youngster as well earning respondent much more interested to shopped in online buying and the lowest respondents (8.9 per cent) belong to above 56 years. That is older people not interested to purchase through online. In gender, majority of the respondent of the male member are interested to buy via internet whereas female member 42.2 percent only.

Among the 90 sample respondents were 35.6 per cent studied the graduate level followed by post graduate 27.8 per cent. It indicates the higher qualification was able to know the online shopping procedure and also the earnings is mostly based on education. In occupation wise the majority of buyer came under the government employee 41.1 per cent followed by business people. It concludes that both buyers had earing higher incomes as compared to others.

Monthly income of the majority of the shoppers 35.6 percent had highest earnings of above Rs 45, 001, followed by 30 per cent of income between Rs 25, 001 to Rs 35, 000. It could be observed from the above information, higher earning respondents they had to shopping through online because they have ready to pay immediately using debit cards.

### Source of Information on the Online Shopping

The respondents able to purchase the product or service through online before that had information collected from various sources were analyzed below the tale

**Table 2 Sources of Information for Online Shopping**

Sources of Information	No of the Respondents	Percentage
Website	14	15.6
Magazine	21	23.3
Newspaper	19	21.1
TV/Radio	13	14.4
Friends	23	25.6

**Source:** Primary data

It could be observed from the above table 2 indicate that 23 (25.6 per cent) majority of the respondents were search their information through friends followed by

magazine (23.3 per cent). Among the 21.1 per cent collected information from newspaper. But only 14.4 per cent were watching TV/Radio for gathering the information. It concluded that majority of the shoppers had shared the online shopping information within friends circle.

### Factors Influencing towards Online Shopping

The following tables were represents the factors influencing towards online hopping perception scores.

**Table 3 Factors Influencing towards Online Shopping**

Statements	Strongly Agree	Agree	No Opinion	Dis - Agree	Strongly Dis - Agree	Total Score
Using Internet for online shopping is easy	21 (23.3%)	32 (35.6%)	26 (28.9%)	11 (12.2%)	0 (0%)	333
Shopping online is fun and enjoy it	12 (13.3%)	44 (48.9%)	23 (25.6%)	2 (2.2%)	9 (10%)	318
Prices are driven down by a larger number of competing stores	11 (12.2%)	45 (50%)	23 (25.6%)	2 (2.2%)	9 (10%)	317
Access to a wide range and deeper product selection	0 (0%)	68 (75.6%)	10 (11.1%)	2 (2.2%)	10 (11.1%)	316
Special offer for a popular brand in online and I would like to purchase	1 (1.1%)	77 (85.6%)	1 (1.1%)	11 (12.2%)	0 (0%)	338
The availability of after sales service i.e., Exchange or refund	2 (2.2%)	44 (48.9%)	34 (37.8%)	10 (11.1%)	0 (0%)	308
Delivery methods affect my purchasing decision when I shop online	12 (13.3%)	36 (40.0%)	32 (35.6%)	10 (11.1%)	0 (0%)	320
I shop online for the sensitive goods	12 (13.3%)	47 (52.2%)	21 (23.3%)	10 (11.1%)	0 (0%)	331
The recommendation in the seller's website increases my trust towards that on line store.	22 (24.4%)	42 (46.7%)	16 (17.8%)	10 (11.1%)	0 (0%)	346
Timely order in place to get their product	1 (1.1%)	65 (72.2%)	14 (15.6%)	10 (11.1%)	0 (0%)	327

**Source:** Primary data

It is illustrated by table 3 that the perception of the factors influencing the online shopping of the respondents' statements that "The recommendation in the seller's website increases my trust towards that on line store" occupies the first place with

scores of intensity value of 346 followed by the statement such as “Special offer for a popular brand in online and I would like to purchase”. The statements the “Using Internet for online shopping is easy”, “I shop online for the sensitive goods”, “Timely order in place to get their product”, “Delivery methods affect my purchasing decision when I shop online”, “Shopping online is fun and enjoy it”, “Prices are driven down by a larger number of competing stores”, “Access to a wide range and deeper product selection”, occupy the third, fourth, fifth, sixth, seventh, eighth, ninth places respectively. In least score among the statement was “The availability of after sales service ie., Exchange or refund”, in the last place. It could be concluded that most of the respondents are order to purchase online without any problem.

**Personal Variables and Impact**

In order to find out the relationship between personal variables and the perception impact, using Kruskal Wallis one way ANOVA has been made use of test.

To test the null hypothesis that there is no significant difference in the perception scores of impact among the socio economic profile of the respondents classified according to age, gender, educational qualification, occupation and monthly income, the Kruskal Wallis test has been applied.

**Table 4 Socio Economic Profile and Factor Influencing towards Online Shopping**

Socio Economic Factors	H Value	Level of Significance	Result
Age	0.855	0.067	Not Significant
Gender	0.299	0.585	Not Significant
Educational Qualification	2.824	0.420	Not Significant
Occupation	2.020	0.023	Significant
Monthly Income	1.329	0.012	Significant

**Source:** Primary data

It could be observed from table 4 that there is significant difference in the perception scores of the sample members in respect of occupation and monthly income. It indicates that working status with income earning were highly impact of the online shopping. With regard to other economic factors such as age, gender and educational qualification were not significant. Therefore the null hypothesis in respect of occupation and monthly income significant level less than 0.05 is rejected. But in case of age, gender, educational qualification wise null hypothesis accepted.

Hence it is concluded that significant difference exists in the perception scores among the socio economic groups according to occupation and monthly income. It means that occupation and monthly income influencing to buy the product through online mode. But other socio economic group of age, gender and educational qualification not impact of the study.

## Conclusion

The number of consumers engaging in online shopping also increases rapidly because of its convenience and efficiency. The potential of online shopping is large, yet many consumers still concern for the risk of online shopping and this hesitates them. Thus this study aims at investigating the factors influencing consumers' online shopping behaviour in order to improve sellers' understanding toward consumers' purchasing behaviour. This can help online sellers to gain competitive advantage and maintain a long term relationship with their consumers. In this study had also reveals that monthly income and occupation more influencing for online shopping. In short, the buyer can buy the product or service through online based on income. And some offers provide by the online sellers to the buyer was more encourage for online shopping.

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