

## WEB BASED SHOPPING: AN ANALYSIS OF FACTORS AFFECTING CONSUMERS ATTITUDE TOWARDS ONLINE SHOPPING

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### ABSTRACT:

The trend of e-commerce has been increasing rapidly in the recent years due to the development of internet and the easy accessibility of internet usage. Easy access to Internet has driven consumers to shop online. Through electronic marketing and internet communication business firms are coordinating different marketing activities such as market research, product development, inform customers about product features, promotion, customer services, customer feedback and so on. The main objective of this study is to analyse variables affecting online shopping behavior of consumers in India. The list of the independent & dependent variable are Advertising, Perceived risk, Security, Website design, Convenience and Consumer attitude towards online shopping. To analyse the data SPSS was used. Reliability test (.738) was done. Regression and correlation results showed positive relation between advertising & consumer attitude towards online shopping and Website Design & consumer attitude towards online shopping.

**Keywords:** Online shopping, consumer attitudes, Advertising, Perceived risk, Security, Website design, Convenience

### INTRODUCTION

Over the past few decades, the Internet has emerged into as a global market place for the transactions of goods and services. In most of the developed countries, the Internet is used as an important medium, providing variety of products. Majority of e-commerce transactions these days are done via Internet such as online shopping. It reduces not only sales marketing cost but also reduces overall operational cost. It helps in increasing efficiency it reduces sales and marketing cost as well as reduces overall operational cost which results in increase of efficiency and profit.

Examining online shopping behavior of consumers has been an important research area in e-commerce during the past decade (Chen, 2009). The research of online consumer behavior is being done in multiple disciplines including information systems, marketing, management science, psychology etc. (Hoffman and Novak, 1996; Cheung et al., 2005; Zhou et al, 2007).

The main objective of the study is to know the factors that influence the consumer's attitudes towards online shopping.

### STATEMENT OF THE PROBLEM

Severe competitions among online sellers have forced the marketer to capture the market share in the field of online shopping. To gain competitive edge in the market, marketers need to know the consumer behavior in the area of online shopping. This study will help the marketer to analyze and identify the factors which influence consumers to shop online.

### OBJECTIVE

The main objective of the study is to identify and analyze the factors affecting the consumer behavior towards online shopping.

### LITERATURE REVIEW

#### Advertising

Online ads such as banners and pop-up ads play a very important role in the consumer attitude towards online shopping. According to Kotler & Killer, (2012), e-promotion such as free computer software trial and personalized offering via email also helps in the promoting and affects online shopping. Investigators such as Tellis et al. (2000) have examined the effectiveness of various marketing

communication tools and their effects on consumer's response. According to them television ads increase the number of direct response of viewers. Liaukonyte et al. (2014) investigated the relationship between single-source advertising on sales of large retailers and found that TV ads motivate direct-response, which in turn has positive impact on a retailer's sale in the short-term. Some studies like that of (Faber et al., 2004) have suggested that online advertising (e-advertisement) may not influence consumers' purchase decision; instead that it has a high possibility to increase brand awareness. But at the same time investigators like Nuseir et al. (2010) elaborated in his study that promotional offers reduce the perceived risk factors associated with online shopping's. Lim et al. (2011) suggested that advertising on Internet would be more effective in influencing consumers' online shopping behavior if sales promotions were emphasized and go hand-in-hand with the advertisements.

#### Convenience

Convenience is one of the major positive factors prompting consumers to shop online, (Ahmad, 2002;

Jayawardhena et al., 2007). The main reason that motivated consumers to shop online was conveniences (Swaminathan et al., 1999). Convenient access to product information could facilitate and help shoppers' making an online purchases decision (Loshe & Spiller, 1999). According to Wang et al., (2005) convenience is one the most impactful factors concerning online shopping willingness.

**Security**

Security is a critical successful factor for e-commerce. Retail e-commerce would fail if Internet users feel on lacking a great degree of confidence (Kesh et al., 2002). According to Flavian and Guinaliu (2006), security online is defined as the belief of the consumer that his financial data will be protected, not made available publically, not be stored and not be used by unauthorized people. Even today, the security of an online transactions is still a leading issue when it comes to online shopping (Park & Kim, 2003; Elliot & Fowell, 2000; Liao & Cheung, 2001; Szymanski & Hise, 2000).

**Perceived Risk**

Cox and Rich, 1964 defined perceived risk as the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision. Research suggests that consumers generally prefer to use electronic commerce for purchasing products that do not require physical inspection (Peterson et al., 1997). Tan (1999) suggests that higher the perceived experience risk, the higher the consumer may shift to brick-and-mortar retailer for the purchase of the product. Whereas, the lower the perceived risk, the higher the propensity for online shopping. According to Bhatnagar et al., (2000) the level of uncertainty surrounding the online purchasing process influences consumers' perceptions regarding the perceived risks.

**Website Design**

Design characteristics of a web page were found to affect consumers' online buying decision A study conducted by Dholakia and Rego [1998] examined the factors which make commercial web pages popular. They found that a high daily hit-rate is strongly affected by the number of updates made to the website in the previous three month period. Ho and Wu [1999] found that homepage presentation is a major antecedent of customer satisfaction. The other antecedents; like logical support, technological characteristics, information characteristics and product characteristics are also predictive factors to satisfaction. Rosen & Purinton, 2004 in their study identified dimensions like hyperlinks, navigation bars and sitemaps for effective website design and provide insight into site design characteristics that lead to a higher likelihood of revisit. According to Hausman & Siekpe, 2009 research in website design suggests that providing richer media with more real environment has more positive influence with user's involvement.

Website design  
Convenience

**Dependent variable**

Consumer attitude towards online shopping

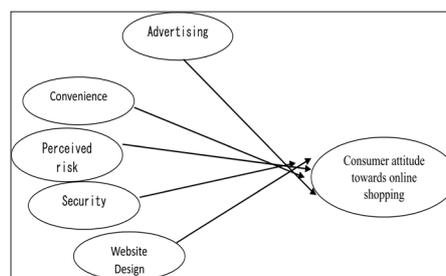
**On the basis of the model following five hypotheses were made.**

- H1. There is no significant relationship between advertising & consumer attitude towards online shopping.
- H2: There is no significant relationship between Perceived risk & consumer attitude towards online shopping.
- H3: There is no significant relationship between Security & consumer attitude towards online shopping.
- H4: There is no significant relationship between Website Design & consumer attitude towards online shopping.
- H5: There is no significant relationship between Convenience & consumer attitude towards online shopping.

**ANALYSIS OF THE DATA**

To test hypothesis of this research, a questionnaire was conducted to collect required data in order to support or reject hypotheses .This questionnaire assessed all variables of conceptual model by constructing 24 questions. The reliability of questions was tested by Cronbach's Alpha and result showed that all of them were above .736 offering good reliability of the questionnaire .All questions were rated on a five-point Likert scale from) "strongly agree" (1)to "strongly disagree" (5).156 questionnaires were filled up by the consumers. Finally 147 questionnaires were usable for analyzing. This paper is based on an empirical research that applies quantitative approach by using numeric and quantifiable data. In addition, a convenience sampling method was conducted for the study.

Figure 1: Conceptual model



**RESEARCH METHODOLOGY**

The main objective of this study is analyzing factors affecting online shopping behavior of consumers in India. For this purpose different variables were taken. The list of the independent & dependent variable is as follows.

**Independent variables**

- Advertising
- Perceived risk
- Security

Table 1: Reliability of different variables

Reliability Statistics	
Cronbach's Alpha	N of Variables
.736	6

From Table 2 it is clear that out of 156 respondents, 46.9 percent were females and 53.1 percent were males; As for the age group, 37.4 percent of the respondents were in the range of 21-25; the group maximum respondents belonged to, 30.6% of the respondents belonged to the income group of 21-25 lakh per annum and 42.9% of the respondents were working

**Demographic profile**

*Table 2: Demographic profile of the Respondents*

Variable	Frequency	Percentage
<b>Age</b>		
15-20	24	16.3
21-25	55	37.4
26-30	36	24.5
31-35	21	14.3
35 & Above	11	7.5
<b>Income</b>		
5- 10	11	7.5
10-15	27	18.4
16-20	44	29.9
21-25	45	30.6
26& Above	20	13.6
<b>Qualification</b>		
12th	17	11.6
Graduation	47	32.0
Post Graduation	44	29.9
PhD	39	26.5
<b>Gender</b>		
Male	78	53.1
Female	69	46.9
<b>Working/Non working</b>		
Working	63	42.9
Non Working	84	57.1

*Table 3: Correlation between convenience & advertising*

Correlations					
Advertising		Convenience	Perceived risk	Security	Website design
Advertising	1.000				
Convenience	..398	1.000			
Perceived risk	.116	.140	1.000		
Security	.244	.503	-.212	1.000	
Website design	.500	-.440	-.264	-.110	1.000

Table 3 shows the correlation between convenience & advertising is positive. The Correlation between website design & convenience, security & perceived risk , website design & perceived risk and website design & security is negative .The relationship between perceived risk & advertising , security & advertising , security & convenience , perceived risk & convenience are found to be positively correlated.

Table: 4 Regressions of determinants of attitude toward online shopping

Predictor	Unstandardised coefficients B	Standard error	Beta	t-value	Sig
(Constant)	-2.773	1.125		-2.457	.016
Advertising	.319	.045	.410	7.040	.000
Convenience	.431	.061	.405	7.085	.000
Perceived risk	.123	.038	.161	3.281	.002
Security	.268	.074	.200	3.621	.001
Website design	-.191	.064	-.162	-2.963	.004

Linear regressions were conducted to test the hypotheses. All the independent variable had statistically significant relationship with online purchase intention at 0.05 level. The advertising and convenience dimension possesses stronger impact on customer attitude towards online purchase. Security perceived risk and website design were found to be significantly related to purchase intention. Thus, Hypotheses 1, 2, 3, 4, and 5 were supported.

#### LIMITATIONS

The Limitations of this study are:

- 1) Few factors were taken for the study because of time constraints
- 2) Because of using questionnaire as data gathering tools, the respondents may not answer the questions exactly according to what they think and behave.
- 3) In this research because of time and cost constraints we examined factors affecting on online shopping behavior of consumers in India. It is obvious that in other countries people have different characteristics and behaviors. So the result of this study may have lack of generalizability to other countries.

#### CONCLUSION

Indian online shoppers are young just like the other parts of the world. They do online shopping because it saves time, offers home delivery, provides ease in shopping and offers more variety of products etc. External stimuli play an important role in encouraging the

customers to go for online shopping. But at the same time they do have security and risk factor issues. But still most of the respondents prefer buying online due to its convenience and other factors.

#### THEORETICAL IMPLICATIONS

This study provides a platform for the future researchers in studying the consumer behavior of Indian online shoppers. Increasing sample size would lead to further studies in consumer behavior of online shopping. Furthermore in this research five factors have only been tested on online shopping behavior. Researchers can examine other factors affecting on online shopping behavior with extensive researches. Also by extending this study to other countries, we can have better results and understanding about online shopping behavior of different kind of customers.

#### MANAGERIAL IMPLICATIONS

The findings of the paper provide managers guideline about the importance of various variables for online shopping preferences of the consumers. Managers can apply different approaches to increase or make the online shopping more attractive which would further lead to competitive advantage in the Indian market.

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